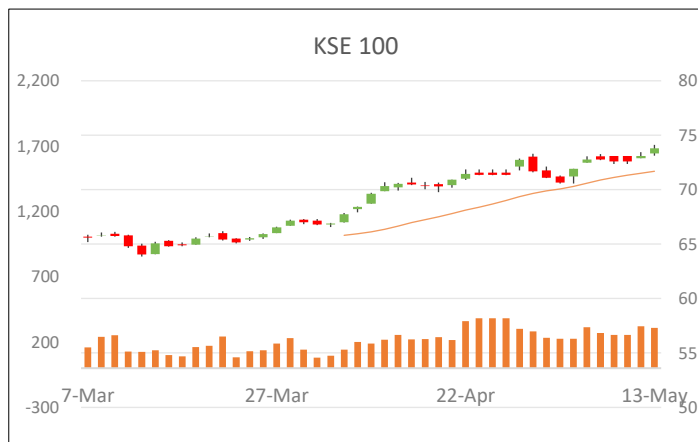


# MORNING GLANCE



73,799	▲ 714	▲ 0.98%
309 mn	YTD 14.13%	1 Year 76.9%

ASIA	Value	Pts	Chg. (%)
NIFTY 50	22,104.05	48.85	0.22% ▲
DSE 30	2,015.24	25.14	1.23% ▼
SHANGHAI	3,147.07	0.95	0.03% ▼
Hang Seng	19,163.00	47.94	0.25% ▲
Nikkei 225	38,132.50	33	0.09% ▼

EUROPE	Value	Pts	Chg. (%)
FTSE 100	8,414.99	18.77	0.22% ▼
DAX 30	18,738.47	34.38	0.18% ▼

USA	Value	Pts	Chg. (%)
DOW JONES	39,431.51	81.33	0.21% ▼
S&P 500	5,221.42	1.26	0.02% ▼
NASDAQ	18,198.61	37.43	0.21% ▲

Commodities	Value	Chg.	Chg. (%)
Gold (t oz.)	2,346.65	3.65	0.16% ▲
Oil-WTI (bbl)	79.14	0.02	0.03% ▲

Currencies	Value	Chg.	Chg. (%)
USD/PKR	278.50	0.05	0.02% ▼
EURO/PKR	300.24	0.67	0.22% ▲
GBP/PKR	348.49	0.82	0.24% ▲
AED/PKR	76.27	0.01	0.01% ▲

Source: dps.psx.com.pk, investing.com, forex.com

## Market Outlook

The stock market on Monday remained bullish throughout the day, crossed 74000 points for the first time and concluded the session in the green zone amid positive expectations over another larger programme with the IMF. The Benchmark KSE-100 index made an intra-day high and low at 74,114.22 (1,028.72 points) and 73,109.76 (24.26) respectively while closed at 73,799.11 by gaining 713.61 points. Trading volume increased to 309mn shares as compared to 235mn shares on the previous trading day. Going forward, we expect the market to remain positive as index reaches all time high on account of Positive vibes from the IMF, foreign interest at an attractive valuations & continuous progress on macro front. The resistance for the index resides at 74,000. Breaking this level would further push the index towards 74,114. Contrarily, the support for the index resides at 73,000.

## Key News

### International

#### Hong Kong Stocks Set for Gains on Tencent Optimism

Chinese tech stocks rallied ahead of earnings from industry bellwethers, while other Asian markets were rangebound as investors awaited US inflation readings due this week. The Hang Seng Tech Index jumped more than 1%, lifted by gains in Tencent [see more...](#)

#### Oil Steadies as Traders Look to OPEC Report and Inflation Data

Oil held a gain before the release of OPEC's market outlook, with traders looking for signs on whether supply curbs will be extended, and US inflation data that will shape expectations for monetary policy. [see more...](#)

### Politics

#### NA, Punjab PA: ruling coalition loses two-third majorities

The ruling coalition has officially lost two-third majorities in National and Punjab Assemblies— respectively losing 19 and 27 seats in the two Houses— after the electoral entity has finally suspended the legislative memberships of a total 77 lawmakers of the four Assemblies, on reserved seats claimed by Sunni Ittehad Council (SIC), a [see more...](#)

### Economy

#### Pakistan-IMF talks for new loan program begin today - Positive

Pakistan and the International Monetary Fund (IMF) have engaged in talks from today (Monday) to discuss a new loan deal ahead of the upcoming budget for the fiscal year 2024-25. Under the leadership of Mission Chief Nathan Porter, the IMF team has commenced an introductory meeting with Pakistan's economic team, led by Finance Minister Muhammad Aurangzeb. [see more...](#)

## MORNING GLANCE

### **Annual tax compliance gap is massive Rs7tr in Pakistan: IMF - Neutral**

Amid kick-starting of parleys for clinching a fresh bailout package of \$6-8 billion for Pakistan's struggling economy, the International Monetary Fund (IMF) has come up with a tax gap analysis and estimated that the policy and compliance gap stood at [see more...](#)

### **Pakistan resolved to advance cooperation with SCO on security, development: Deputy PM Dar - Neutral**

Deputy Prime Minister Ishaq Dar on Monday expressed Pakistan's resolve to advance cooperation with the Shanghai Cooperation Organisation (SCO) on security and development, the Foreign Office (FO) said. The development comes as the foreign minister met with SCO [see more...](#)

### **NA budget session to commence on June 6 – Positive**

The ongoing National Assembly session will discuss the proposals regarding the coming budget session for the financial year 2024-25 which will commence on 6th June 2024 and the motion of thanks to the Presidential Address. The decision was taken in a meeting of Chief Whips of political parties in the National Assembly presided by Speaker Ayaz Sadiq on [see more...](#)

### **Finance Div earmarks Rs573.9m provisional IBCs for FY24-25 – Positive**

Finance Division has reportedly earmarked Rs 573.915 million Provisional Indicative Budget Ceilings (IBCs) for FY 2024-25, of which Rs 444.297 million will be for Employee-Related Expenses (EREs) whereas Rs 129.618 million will be earmarked for Non-ERE expenditure, sources in Finance Division told Business Recorder. Recurrent budget for FY 2025-26 has [see more...](#)

### **CCP greenlights merger in Pakistan's thermal power sector – Neutral**

The Competition Commission of Pakistan (CCP) has approved a merger in Pakistan's thermal power sector, involving the acquisition of 20.97% shareholding of Orient Power Company (Private) Limited (OPCOL) by Whistler Enterprises (Private) Limited (WEL). [see more...](#)

### **Urea fertilizer: MoF refuses to extend subsidy due to financial snags - Neutral**

The Finance Ministry has reportedly refused to extend subsidy on urea fertilizer due to financial constraints as provision of RLNG at subsidized rates to two SNGPL-based fertilizer plants will result in subsidy of Rs 3.8 billion [see more...](#)

### **Telcos assure Aurangzeb: 5,000 SIM cards of non-filers will be blocked daily - Neutral**

The telecom companies have given assurance to Finance Minister Muhammad Aurangzeb that the mobile phone operators would daily block 5,000 SIMs of non-filers of income tax returns. It is learnt that the assurance has been given by the high-ups of telecom companies during a [see more...](#)

### **Car sales surge 2.35x YoY in April 2024 – Positive**

Car sales in Pakistan increased by 2.35x YoY in April 2024, clocking in at 10,515 units compared to 4,483 units recorded in the same month of last year, the latest data from the Pakistan Automotive Manufacturers Association (PAMA) showed today. Similarly, on a month-on-month basis, the sales of cars, including LCVs, vans, [see more...](#)

### **Service Long March Tyres announces Rs30bn investment to double its capacity - Neutral**

According to a notice sent to the Pakistan Stock Exchange (PSX) on Monday, Service Long March Tyres has also shown an intent to invest Rs 30 billion to start a new project exporting specialised tyres from Pakistan to European Union (EU) countries and the USA. Service Long March Tyres is a joint venture project [see more...](#)

### **Al Baraka eyes Pakistan for islamic banking expansion - Neutral**

Bahrain-based Al Baraka Bank is looking to deepen its footprint in Pakistan as the South Asian nation embraces interest-free Islamic banking, as Bloomberg reported. The bank will open 15 new branches across Pakistan as a first step, Muhammad Atif Hanif, the bank's [see more...](#)

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## DEFINITION OF TERMS

<b>TP</b>	Target Price	<b>DDM</b>	Dividend Discount Model	<b>FCF</b>	Free Cash Flows
<b>FCFE</b>	Free Cash Flows to Equity	<b>FCFF</b>	Free Cash Flows to Firm	<b>DCF</b>	Discounted Cash Flows
<b>PE</b>	Price to Earnings Ratio	<b>PB</b>	Price to Book Ratio	<b>BVPS</b>	Book Value Per Share
<b>EPS</b>	Earnings Per Share	<b>DPS</b>	Dividend Per Share	<b>ROE</b>	Return of Equity
<b>ROA</b>	Return on Assets	<b>SOTP</b>	Sum of the Parts	<b>JPB</b>	Justified Price to Book

## VALUATION METHODOLOGY

To arrive at our Target Price, Abbasi & Company (Private) Limited uses different valuation methods which include:

- I. Discounted Cash Flow Model
- II. Dividend Discount Model
- III. Relative Valuation Model
- IV. Sum of Parts Valuation

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Stock Rating	Expected Total Return	Sector Rating	Sector Outlook
BUY	Greater than 15%	Overweight	Positive
HOLD	Between -5% to 15%	Market Weight	Neutral
SELL	Less than and equal to -5%	Underweight	Negative

Ratings are updated to account for any development impacting the economy/sector/company, changes in analysts' assumptions or a combination of these factors.

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The Research Analyst is not and was not involved in issuing of a research report on any of the subject company's associated companies

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