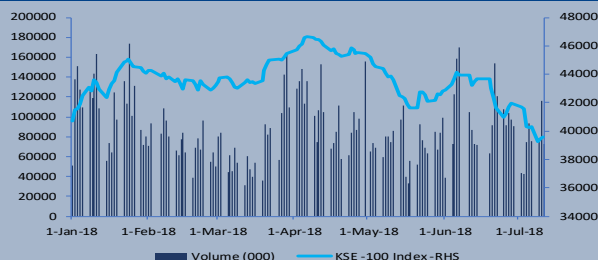


1st August, 2023

KSE -100 Index



Source: PSX & WE Research

Market- Key Statistics

	Current	Previous	Change
KSE100 Index	41,793.87	41,585.54	208.33
All Shares Index	27,358.27	27,195.81	162.46
KSE30 Index	15,551.73	15,662.84	-111.11
KMI30 Index	71,775.28	71,468.53	306.75
Volume (mn)	272,723.39	229,035.21	43,688

Source: PSX

Top Losers-KSE100 Index

Symbol	Price	% Change	Volume
GATI	323.71	(-7.50%)	100
ATM	64	(-6.84%)	500
PINL	6.01	(-5.35%)	500
DLL	200	(-3.80%)	100
KOSM	2.3	(-2.95%)	10,000

Top Winners-KSE100 Index

Symbol	Price	% Change	Volume
HASCOL	6.27	(11.17%)	6,978,000
NICL	47.57	(7.48%)	13,500
SSOM	107.35	(7.38%)	1,000
PASL	0.75	(7.14%)	5,500
SITC	254	(7.12%)	200

Volume Leaders KSE-All Index

Symbol	Price	% Change	Volume
HASCOL	6.27	(11.17%)	6,978,000
OGDC	89.83	(3.40%)	2,972,588
PPL	71.89	(4.60%)	1,774,459
SNGP	42.99	(2.65%)	1,268,503
FFL	5.74	(0.70%)	1,233,500

Volume Leaders KMI-30 Index

Symbol	Price	% Change	Volume (mn)
TELE	8.11	1.00%	23.46
TPLP	15.18	-0.52%	14.63
GGL	11.44	0.62%	10.65
PAEL	11.03	-0.54%	9.16
CENERGY	3.72	0.81%	7.07

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SBP keeps interest rate unchanged at 22pc

The State Bank of Pakistan (SBP) on Monday maintained the status quo and decided to keep the key policy rate unchanged at 22 per cent. The announcement was made by SBP Governor Jameel Ahmed after a meeting of the bank's Monetary Policy Committee (MPC). The State Bank said that the moderate growth outlook for the current fiscal year, addressing short-term external sector vulnerabilities in the wake of the International Monetary Fund's (IMF) stand-by agreement (SBA) and lagged impact of accumulated monetary tightening so far were major factors behind the MPC's decision. [Click to see more](#)

PSX surges over 1,000 points, crosses 48,000 barrier to two-year high

The Pakistan stock market soared by over 2%, or over 1,000 points, to a two-year high at 48,000 points in early trading on Monday. Pakistan Stock Exchange (PSX) has maintained the powerful rally over "optimism of investment from Saudi Arabia and UAE along with the Pakistan Mineral Summit helping investors confidence." Saudi Arabia has held talks with Barrick Gold to invest in Pakistan's multi-billion dollar copper mining reserves. The investment can help the country earn much-needed US dollars, building foreign exchange reserves. Besides, the Chinese vice prime minister has arrived in Islamabad on a two-day visit to mark CPEC's 10-year anniversary. This is another positive development for Pakistan with a lot of good and bad happening at the global level. [Click to see more](#)

Microfinance's downward spiral

Ever since venture capital (VC) started flowing into Pakistan, the local ecosystem has seen polarising debates on whether the companies being built are sustainable, given their generally questionable unit economics. From unbelievably high losses to calls for investigating lax corporate governance mechanisms, the space receives a high dose of flak, both fair and unfair, that may be disproportionate to the underlying scale. But there's another sector that's going through a somewhat similar situation that has avoided scrutiny for the most part — exceptions include a few reports in the press here and there. [Click to see more](#)

Prospects of expanding solar PV capacity

The government has ambitious programmes for installing solar PV capacities. Fossil-based electricity is expensive, has availability issues and requires foreign exchange, which we don't have. Current load-shedding is also due to the lack of foreign exchange to buy fuel than the generation or transmission capacity. So, the idea of expanding solar appears to be reasonable. Recently, tenders were floated for a 600-megawatt solar PV plant at Muzaffargarh. Unfortunately, not a single bidder responded. Why did this happen and how can we prevent this from happening again, is our subject in the following. [Click to see more](#)

Key Economic Data

Reserves (20-Jan-23)	\$9.45bn
Inflation CPI Dec'22	24.5%
Exports - (Jul'21-Jun'22)	\$31.79bn
Imports - (Jul'21-Jun'22)	\$80.18bn
Trade Balance- (Jul'21-Jun'22)	\$(44.77)bn
Current A/C- (Jul'21-Jun'22)	\$(17.4)bn
Remittances - (Jul'21-Jun'22)	\$29.45bn

Source: SBP

FIPI/LIPI (USD Million)

FIPI (10-Mar-23)	0.565
Individuals (10-Mar-23)	0.444
Companies (10-Mar-23)	2.934
Banks/DFI (10-Mar-23)	(0.036)
NBFC (10-Mar-23)	0.00695
Mutual Fund (10-Mar-23)	(0.836)
Other Organization (10-Mar-23)	0.399
Brokers (10-Mar-23)	(2.856)
Insurance Comp: (10-Mar-23)	(0.621)

Source: NCCPL

Commodities

Commodities	Current	Previous	Change
Cement (Rs./bag)	1,043	1,043	0.00%
DAP (PKR/bag)	9,429	9,527	-1.03%
Urea Fertilizer (PKR/bag)	2,626	2,531	3.75%
Gold Spot (USD/oz)	1,928.15	1,926.92	0.06%
Gold Future (USD/oz)	1,929.40	1,924.25	0.27%
WTI Spot (USD/bbl)	79.27	81.20	-2.38%
WTI Future (USD/bbl)	79.68	81.33	-2.03%
FOREX Reserves (USD bn)	9.45	10.44	-9.48%

Exchange Rates– Open Market Bids

Local (PKR)	Current	Previous	Change
PKR / US\$	281.5	283.2	-0.60%
PKR / EUR	294	295	-0.34%
PKR / GBP	331.5	331	0.15%
PKR / JPY	2.06	2.06	0.00%
PKR / SAR	74.3	74.2	0.13%
PKR / AED	76.4	76.8	-0.52%
PKR / AUD	184.5	182.5	1.10%

'New model' to characterize 2nd CPEC phase

Prime Minister Shehbaz Sharif has stated that the China-Pakistan Economic Corridor (CPEC)'s second phase will be undertaken under a new model. Speaking after the signing ceremony of the memorandum of understanding (MoU) between Pakistan and China, the prime minister said on the completion of 10 years of the CPEC, he was grateful for the visit of Chinese Deputy Prime Minister He Lifeng to Pakistan. The PM said he had no doubt that "we are entering the second phase of CPEC, today and we have signed some important documents which will further enhance our economic cooperation and will undertake [the] second phase of CPEC under a new model". [Click to see more](#)

CPEC plays vital role in addressing power outages

Prime Minister Shehbaz Sharif on Monday said the China-Pakistan Economic Corridor (CPEC) played a very important role in addressing crippling power outages that had been affecting industry and agriculture "at that point in time". Addressing the celebration of the 10th anniversary of CPEC here on Monday, the prime minister said power outages had a crippling impact on industry and agriculture and the country's exports were adversely affected because the industry was unable to meet its orders, this was the time when the CPEC came to rescue Pakistan. [Click to see more](#)

Pakistan's imports of Russian crude face port, refinery, currency constraints

Pakistan is unlikely to meet a target for Russian crude to make up two-thirds of its oil imports, despite attractive prices, hampered by a shortage of foreign currency and limitations at its refineries and ports, officials and analysts say. The cash-strapped South Asian nation became Russia's latest customer snapping up discounted crude that has been banned from European markets due to Russia's war on Ukraine. Its first cargo arrived in June and a second is now under negotiation. [Click to see more](#)

Purchase of USD for card payments facility extended by 5 months

The State Bank of Pakistan (SBP) has decided to extend settlement of card-based cross-border transactions through interbank for other five months. Previously, the SBP on May 31, 2023, allowed the banks to purchase the dollar from interbank for settlement of card-based cross-border transactions with International Payment Schemes (IPSS). Initially, the facility was given for two months and was expired July 31, 2023; however, the SBP has decided to extend the validity of buying of dollar from interbank market for card payments for another five months. [Click to see more](#)

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Stock Ratings

WE Financial Services Ltd. uses three rating categories, depending upon return from current market price, with Target period as December 2021 for Target Price. In addition, return excludes all type of taxes. For more details kindly refer the following table;

Potential to target price	
Buy Upside	More than +10% from last closing price
HOLD	In between -10% and +10% from last closing price
SELL	Less than -10% from last closing price

Equity Valuation Methodology

WE Research uses the following valuation technique(s) to arrive at the period end target prices;

- Discounted Cash Flow (DCF)
- Dividend Discount Model (DDM)
- Relative valuation (P/E, P/B, P/S)
- Equity & Asset return based (EVA, Residual income)

Risks

The following risks may potentially impact our valuations of subject security(ies);

- Market Risk
- Interest Rate Risk
- Exchange rate risk

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