

01 June, 2022

KSE -100 Index



Source: PSX & WE Research

KSE -100 Index- Key Statistics

Open	43,250.24
High	43,341.79
Low	43,016.86
Closing	43,078.14
Change	38.00
Volume	122,472,161

Source: PSX

Key Economic Data

Reserves (13-May-22)	\$16.16bn
Inflation CPI (Jul'21-Mar'22)	10.75%
Exports - (Jul'21-Mar'22)	\$23.29bn
Imports - (Jul'21-Mar'22)	\$58.6bn
Trade Balance- (Jul'21-Mar'22)	\$(35.39)bn
Current A/C- (Jul'21-Feb'22)	\$(12.10)bn
Remittances - (Jul'21-Feb'22)	\$20.14bn

Source: SBP

FIPI/LIPI (USD Million)

FIPI (31-May-22)	2.52
Individuals (31- May-22)	(0.40)
Companies (31- May-22)	0.046
Banks/DFI (31- May-22)	0.35
NBFC (31-May-22)	(0.05)
Mutual Fund (31-May-22)	(0.69)
Other Organization (31- May-22)	0.97
Brokers (31-May-22)	(0.27)
Insurance Comp: (31- May-22)	(2.47)

Source: NCCPL

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PM Shehbaz Sharif sets \$5bn target for trade with Turkey

Source: The News

POSITIVE

Prime Minister Shehbaz Sharif Tuesday urged the business community of Pakistan and Turkey to take the bilateral trade to \$5 billion in three years. "The \$1.1 billion trade is nothing. Let us resolve to take the two-way trade to \$5 billion. Let us do it speedily. The time and tide wait for none," he told a dinner reception hosted by the President of the Union of Chambers and Commodity Exchanges of Turkey (TOBB), Riffat Hisarciklioglu, for him.

Nepra hikes tariff by Rs3.99 for April

Source: The News

POSITIVE

This increase in the power tariff will not be applicable to the consumers of K-Electric and lifeline consumers. National Electric Power Regulatory Authority (Nepra) on Tuesday increased electricity price by Rs3.99 per unit on account of fuel charges adjustment (FCA) for the month of April 2022. Nepra has scrutinised Rs3.99 per unit hike in the power tariff under the head FCA of April, 2022 which will cause an additional burden of approximately Rs51 billion if it is passed on to the power consumers of power distribution companies (DISCOS).

Out of Rs386bn financed by banks by April, PTI govt spent Rs105bn on low-cost houses

Source: The News

NEUTRAL

A total of Rs105 billion were spent on low-cost housing units (LCUs) by the PTI government under the Naya Pakistan housing initiative and 3,564 houses have been built till now, reveals official data available with The News. The PTI government had promised to construct five million housing units under the NAPHDA programme - a dream project of former prime minister Imran Khan. The PTI government did not deliver even a single housing unit to the needy.

Import of 0.2MMT granular urea on G2G basis: TCP allowed to sign MoU with Chinese firm

Source: Business Recorder

POSITIVE

The Federal Government has allowed Trading Corporation of Pakistan (TCP) to sign Memorandum of Understanding (MoU) with Chinese Firm M/s CNAMPGC for import of 0.2 MMT granular urea from China on G2G basis, official sources told Business Recorder. Sharing the details, sources said, Ministry of Industries and Production noted that ECC of the Cabinet in its decision on May 15, 2022 had allowed import of 0.2 MMT of urea on G2G basis with stipulation that the procurement shall be made on deferred payment basis.

Pakistan will be open to buying discounted Russian oil if no threat of US sanctions

Source: Dawn

POSITIVE

Finance Minister Miftah Ismail on Tuesday said Pakistan would be open to buying Russian oil at cheaper rates if it was offered and if no sanctions were to be levied over such a deal. When questioned in an interview with CNN's Becky Anderson if Pakistan was open to procuring cheap Russian oil just as India was doing, the finance minister said he would "surely consider" it.

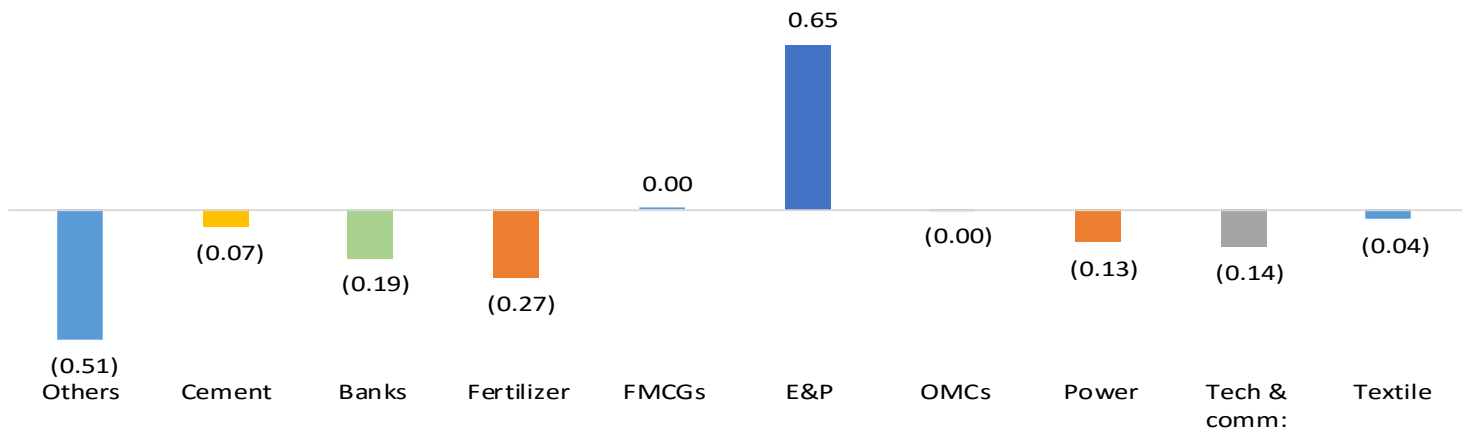
Revenue collection jumps 28pc to Rs5.4tr

Source: Dawn

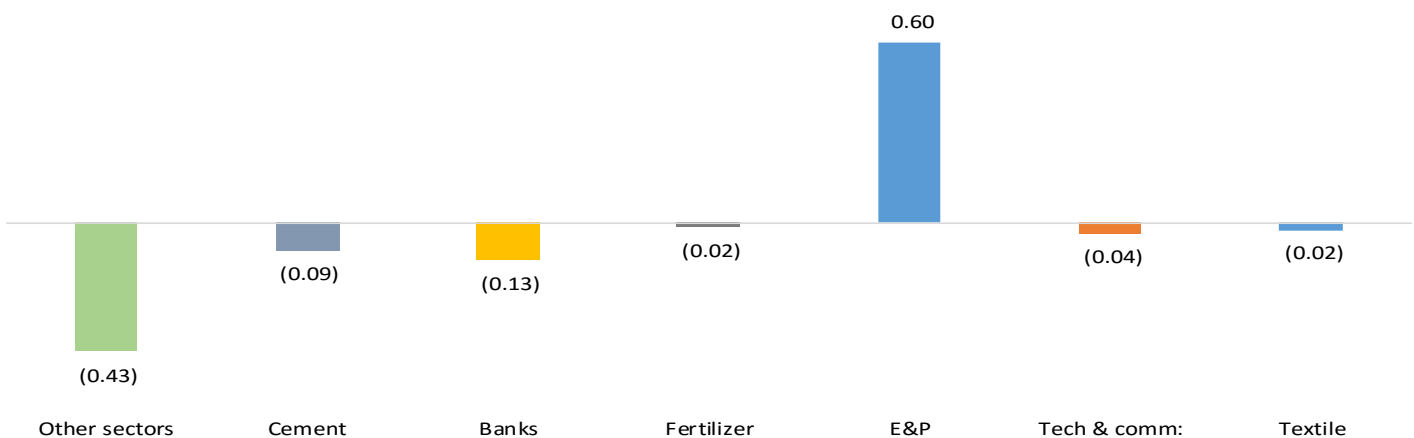
POSITIVE

The Federal Board of Revenue (FBR) raised a record Rs5.349 trillion in the first 11 months of 2021-22. However, the collection fell short of the projected target by Rs18 billion, showed provisional data released on Tuesday. Compared with the revenue collection of Rs4.164tr in the same period in 2020-21, a 28.5 per cent growth was posted in the July-May period. The collection in May stood at Rs490 as the FBR missed the target by Rs21bn. However, it rose by 26.8pc from last year's Rs387bn.

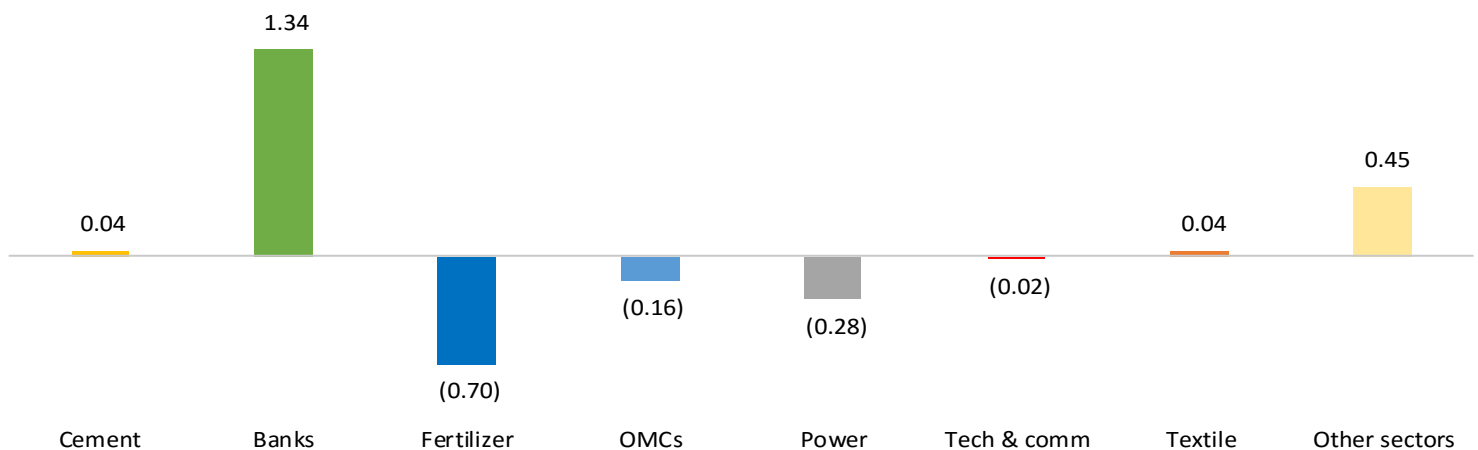
FPI Sector Wise USD (Mil)



Mutual Funds Sector Wise USD (Mil)



Banks/DFIs Sector Wise USD (Mil)



Source: NCCPL

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Stock Ratings

WE Financial Services Ltd. uses three rating categories, depending upon return form 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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