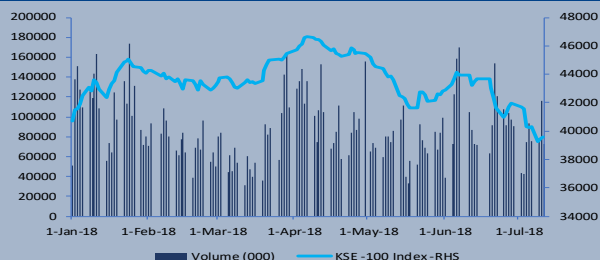


2nd January, 2024

KSE -100 Index



Source: PSX & WE Research

Market- Key Statistics

	Current	Previous	Change
KSE100 Index	59,260.43	58,899.84	360.59
All Shares Index	39,685.95	39,473.92	212.03
KSE30 Index	19,701.16	19,562.81	138.35
KMI30 Index	100,970.07	100,182.52	787.55
Volume (mn)	272,723.39	229,035.21	43,688

Source: PSX

Top Losers-KSE100 Index

Symbol	Price	% Change	Volume
TREETR2	4.86	(-14.74%)	8,606,075
POWERPS	7.49	(-11.78%)	1,500
LSEPL	3.05	(-6.73%)	20,000
ABL	77.11	(-5.96%)	500
FTMM	3.5	(-5.66%)	1,500

Top Winners-KSE100 Index

Symbol	Price	% Change	Volume
CWSM	1.8	(7.78%)	15,500
CLOV	20.01	(7.52%)	131,500
BNWM	33.33	(7.52%)	4,500
AGIL	92.24	(7.51%)	30,500
GLPL	182.91	(7.50%)	600

Volume Leaders KSE-All Index

Symbol	Price	% Change	Volume
TREETR2	4.86	(-14.74%)	8,606,075
AVN	65.6	-4.91%	2,379,580
SYM	4.22	-2.93%	1,468,000
PRL	25.61	-0.31%	1,458,861
NETSOL	114.3	-2.77%	1,349,241

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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CPI-based inflation quickens to 29.7pc in December

Headline inflation accelerated for the second consecutive month in December, rising to 29.7 per cent year-on-year from 29.2pc in the previous month, primarily due to soaring prices of essential kitchen items and electricity rates. In December, power rates saw a 15.76pc [increase](#), LPG [rose by 2.62pc](#), and the [520pc spike](#) in gas prices in November further contributed to inflation. Vegetables such as tomatoes, onions, and potatoes experienced an increase from the previous month. The first-half inflation for FY24 was recorded at 28.79pc, compared to 25.02pc during the corresponding period last year. This inflation rate exceeds the government's projection of 21pc. [Click to see more](#)

Stocks cheer new year with 2,211-point rally

Extending its winning streak for the third consecutive session after suffering the biggest-ever single-day fall on Dec 27, bulls staged a spectacular rally on the first day of the new calendar year of 2024, again tossing the KSE-100 index above 64,000-point level on Monday. The release of funds to Independent Power Producers (IPPs) by the government has triggered a rally on the first day of 2024. Moreover, the smooth rollover of December futures contracts also helped sentiments. Trading began on a strong note on the backdrop of IPP news which helped energy stocks to remain in the limelight since the start of the trading as Oil and Gas Development Company (OGDC), Pakistan Petroleum Ltd (PPL), Pakistan State Oil (PSO), Sui Northern Gas Pipelines Ltd (SNGPL) and Sui Southern Gas Company (SSGC) all hit their limits up for the day. [Click to see more](#)

IMF board to review Pakistan tranche on Jan 11

The International Monetary Fund (IMF) has included Pakistan on its Executive Board agenda for January 11, as reported on its updated website. During this meeting, the board is set to deliberate and potentially grant final approval for the disbursement of the next \$700 million tranche under the existing \$3 billion Stand-By Arrangement (SBA). According to the IMF Executive Board calendar, upcoming meetings are scheduled for Jan 8, 10 and 11, with Pakistan's case slated for discussion on the last day. The current IMF programme, amounting to \$3bn, is expected to conclude in the second week of April, with approximately \$1.8bn remaining undisbursed. [Click to see more](#)

ADB to fund climate-resilient housing projects

The Asian Development Bank will assist seven countries of Central and West Asia, including Pakistan, to enhance the role of the private sector in the delivery of inclusive, accessible, adequate, affordable and climate-resilient housing ecosystems that also champion the needs of disadvantaged population groups. Approving the regional technical assistance of \$500,000, the ADB says its team will explore private sector-based solutions and interventions besides identifying potential pilot projects for implementation. [Click to see more](#)

Key Economic Data

Reserves (25-Nov-23)	\$9.45bn
Inflation CPI Nov'23	24.5%
Exports - (Jul'22-Jun'23)	\$31.79bn
Imports - (Jul'22-Jun'23)	\$80.18bn
Trade Balance- (Jul'22-Jun'23)	\$(44.77)bn
Current A/C- (Jul'22-Jun'23)	\$(17.4)bn
Remittances - (Jul'22-Jun'23)	\$29.45bn

Source: SBP

FIPI/LIPI (USD Million)

FIPI (27-Nov-23)	0.565
Individuals (27-Nov-23)	0.444
Companies (27-Nov-23)	2.934
Banks/DFI (27-Nov-23)	(0.036)
NBFC (27-Nov-23)	0.00695
Mutual Fund (27-Nov-23)	(0.836)
Other Organization (27-Nov-23)	0.399
Brokers (27-Nov-23)	(2.856)
Insurance Comp: (27-Nov-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%

Fears of plunging kinno exports

Pakistan's kinno export this season is likely to shrink by 50 per cent from 450,000 tonnes a few years ago. The country would earn only \$100 million instead of \$220m despite a good crop of 2.75m tonnes versus 1.75m tonnes last year. The issues of quality and shelf life have deeply impacted the exports. "From the last year, the quality of fruit has dropped significantly from the previous years," All Pakistan Fruit and Vegetable Exporters Association (PFVA) Patron-in-Chief Waheed Ahmed said. The exports are likely to be confined to one and a half months, he feared, adding that shipments usually kick off from Nov 15 and end in February/March. [Click to see more](#)

Economic revival, CPEC and Agenda 2047 – III

Provincial tax systems and legal requirements further exacerbate the situation. The lack of harmonisation in provinces' tax policies is one of the biggest bottlenecks to attracting foreign direct investment. Inconsistency is another issue in taxation policy, impacting the business community's trust. The most concerning aspect of the system is that it consumes the precious time of the business community, and there is no concept of time management among policymakers. Dispute resolution is another area where the business community has serious concerns. It takes years to settle a dispute. According to the EODB ranking, it takes, on average, three to four years to settle a dispute in Pakistan. [Click to see more](#)

Analyst Certificate:

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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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