

03 Aug, 2022

KSE -100 Index



KSE -100 Index- Key Statistics

Open	40,025.27
High	40,460.88
Low	39,756.08
Closing	40,191.61
Change	115.65
Volume	79,376,756

Source: PSX

Key Economic Data

Reserves (15-July-22)	\$15.24bn
Inflation CPI (Jul'21-Jun'22)	21.3%
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 (02-Aug-22)	(0.14)
Individuals (02-Aug-22)	0.19
Companies (02-Aug-22)	0.116
Banks/DFI (02-Aug-22)	0.45
NBFC (02-Aug-22)	0.01
Mutual Fund (02-Aug-22)	(0.49)
Other Organization (02-Aug-22)	0.00
Brokers (02-Aug-22)	0.14
Insurance Comp: (02-Aug-22)	(0.29)

Source: NCCPL

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With increase in PDL on July 31, Pakistan has fulfilled all prior conditions: IMF

Source: The News

POSITIVE

Pakistan has fulfilled all the prior actions for the combined seventh and eighth reviews for the revival of the \$6 billion loan programme, according to a statement by IMF Resident Representative in Islamabad Esther Perez Ruiz. The IMF official said that the country increased the petroleum development levy (PDL) on July 31 as per the agreement reached with the Washington-based lender. The federal government revised the prices of petroleum products for the next fortnight from August 1, increasing the PDL on petrol by Rs10-20 and diesel by Rs5-10 per litre.

Bike prices soar by up to Rs20,500

Source: Tribune Express

POSITIVE

Although Pakistani rupee has begun to show marginal improvement against the US dollar, two-wheel producers such as Atlas Honda, Pak Suzuki and Yamaha have hiked prices of their bikes by up to Rs20,500. Honda CD-70 is now available at Rs116,500 after a hike of Rs21,600. Honda CD-70 Dream's price was inflated by Rs23,000 to Rs124,500. Likewise, the price of Honda Pridor 100 has been increased by Rs25,400 to Rs155,900.

Cement sales plunge 47.7pc on construction slowdown

Source: Dawn

NEGATIVE

According to the data shared by the All Pakistan Cement Manufacturers Association (APCMA), local cement despatch fell 45.28pc to 1.88m tonnes in July 2021 from 3.44m tonnes in July 2021 due to monsoon rains and longer Eidul Azha holidays. Exports fell by 66pc to 153,517 tonnes in July from 452,777 tonnes a year ago. Cement mills in the North shipped 1.68m tonnes in July, a 44.3pc decrease from 3.02m tonnes in July 2021. South-based mills shipped 352,747 tonnes in July, a 59.53pc decrease from 871,601 tonnes a year ago.

Textile exports decline by 10% MoM in July: APTMA

Source: Mettis Global

NEGATIVE

Pakistan's textile exports witnessed a decline of 10% MoM to stand at \$1.54 billion in July 2022, according to the provisional data released by All Pakistan Textile Mills Association (APTMA). However, on year on year, textile exports have increased by 5% during July 2022 when compared to \$1.47bn in the same month previous year. Notably, the share of textile exports in total exports clocked in at 66% in July 2022 against 63% in the same month last year.

July exports down 24pc to \$2.219bn MoM

Source: Business Recorder

NEGATIVE

Pakistan's exports declined by 24 percent on a month-on-month (MoM) basis in July 2022 and remained \$2.219 billion compared to \$2.918 billion in June 2022, says the Pakistan Bureau of Statistics (PBS). The bureau released imports, exports, and trade balance data on Tuesday, according to which, the trade deficit narrowed by 46.76 percent on MoM and stood at \$2.642 billion in July 2022 compared to \$4.962 billion in June 2022.

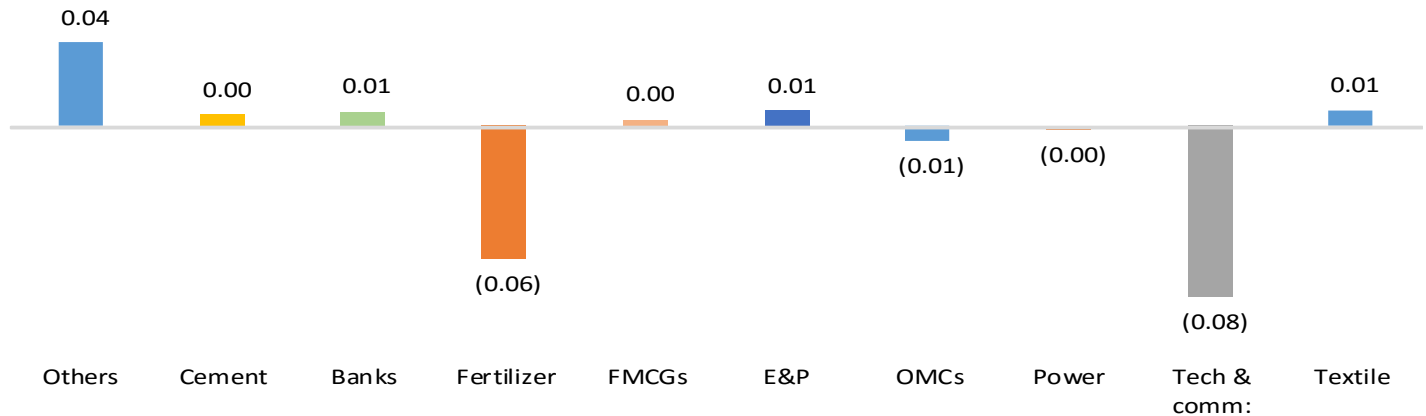
Oil demand slumps for 2nd month in a row

Source: Tribune Express

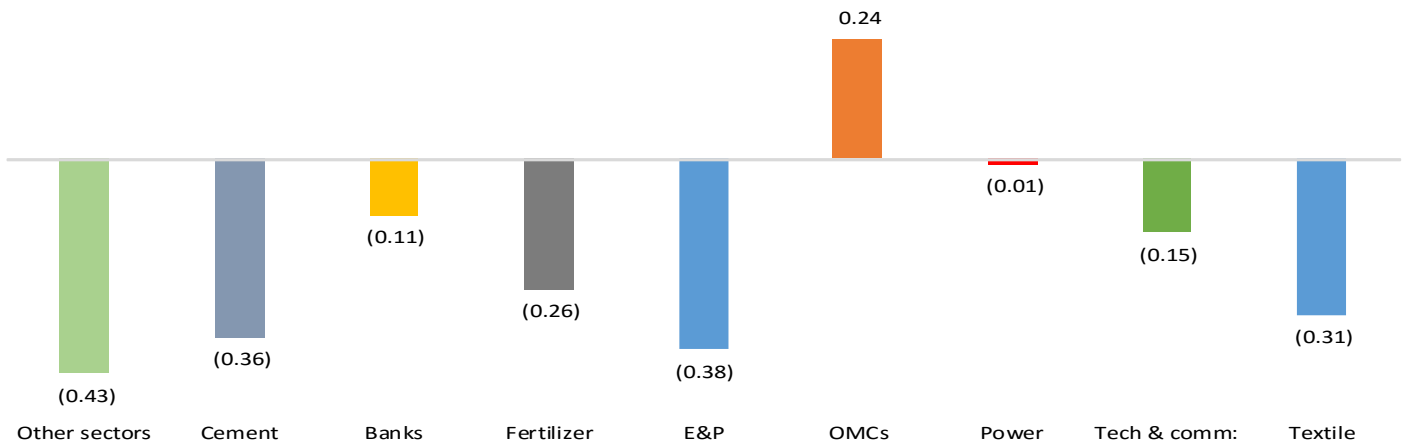
NEGATIVE

The demand for petroleum products has continued to slump for the second consecutive month in July, cumulatively falling by over one-third in the past two months to a multi-year low in the wake of monsoon rains and hike in their prices. In July, the energy sales decreased to a 16-month low at 1.44 million tons, falling by 26% compared to 1.94 million tons in the previous month of June as well as a year ago in July 2021, brokerage houses reported citing the Oil Companies Advisory Council (OCAC) data on Monday. As a result, the demand for dollars has gone down in line with the government's strategy to turn a large current account deficit into a surplus in July 2022.

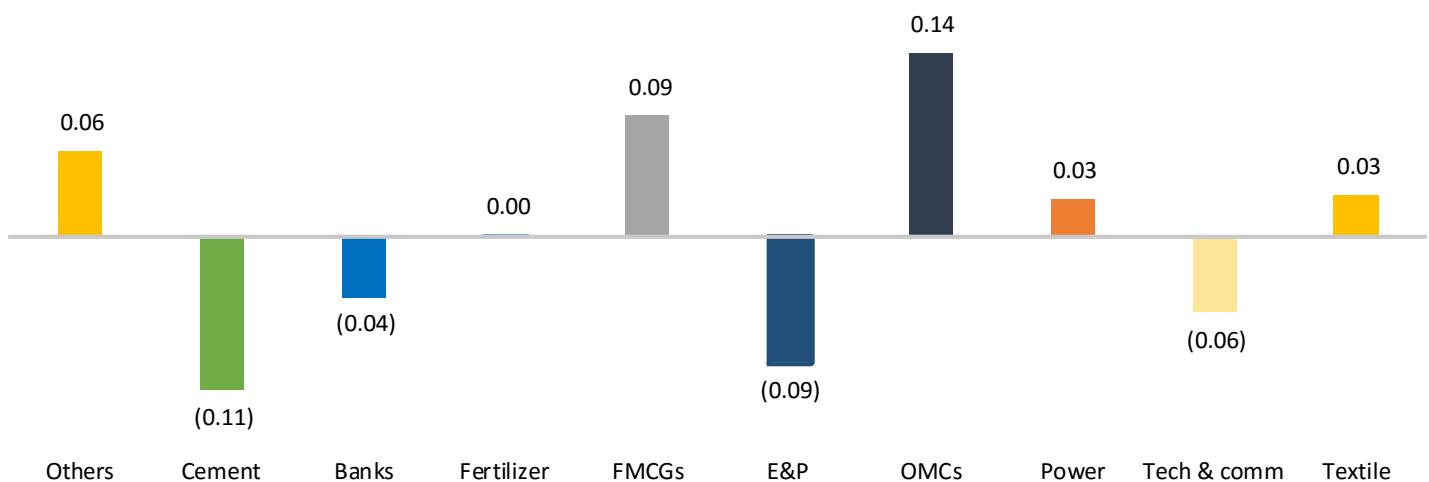
FIPI Sector Wise USD (Mil)



Mutual Funds Sector Wise USD (Mil)



Banks/DFIs Sector Wise USD (Mil)



Source: NCCPL

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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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