

3rd October, 2023

KSE -100 Index



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

WE Financial Services Ltd.

TREC Holder -Pakistan Stock Exchange Ltd.
506-508 5th Floor , Pakistan Stock Exchange Building
Stock Exchange Road , Karchahi-74000, Pakistan
Email: research@we.com.pk

Circular debt grows despite tariff hikes

Power sector circular debt continues to grow despite all the repeated tariff increases on a monthly, quarterly and annual basis as the government takes a strategic move towards billing in the consumer tariffs capacity charges payable to power producers. This came to light when the National Electric Power Regulatory Authority (Nepra) on Monday [notified](#) a flat Rs3.2814 per unit additional quarterly tariff adjustment (QTA) in electricity bills of all consumer categories (except lifeline consumers) and companies including (K-Electric) for the next six months — October to March 2024. [Click to see more](#)

Exports reverse declining trend in September

Pakistan's merchandise exports registered year-on-year a modest growth of 1.15 per cent in September, reversing the trend after 12 consecutive months of contraction, data released by the Pakistan Bureau of Statistics showed on Monday. However, on a month-on-month basis, the export proceeds increased 4.18pc to \$2.465bn in September. The export of goods in the first quarter (July to September) dipped by 3.78pc to \$6.89bn this year against \$7.17bn over the corresponding period of last year. The modest recovery in export proceeds in September indicates that the textile and clothing industries have started to receive orders from international buyers after months of slump. [Click to see more](#)

Rupee gains vs dollar

The dollar price in the open market once again fell below the interbank rate on Monday reflecting ample liquidity and low demand. The State Bank of Pakistan (SBP) reported the greenback lost another 98 paise to close at Rs286.76 from Rs287.74 the previous session. The appreciation for the 18th consecutive session has helped the rupee to be considered as the best-performing currency. The local currency recovered Rs20 or 6.5pc against the US dollar during September. [Click to see more](#)

Annual inflation rises to 31.4pc amid high energy prices

Pakistan's annual inflation rate rose to 31.4 per cent in September from 27.4pc in August, statistics bureau data showed on Monday, as the country reels from high fuel and energy prices. The country is embarking on a tricky path to economic recovery under a caretaker government after a \$3 billion loan programme approved by the International Monetary Fund (IMF) in July averted a sovereign debt default, but with conditions that complicated efforts to rein in inflation. On a month-on-month basis, inflation climbed 2pc in September, compared to an increase of 1.7pc in August. [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%

NEPRA okays Rs3.28 tariff hike

In another shock to the already overburdened power consumers, the National Electric Power Regulatory Authority (NEPRA) has notified a hike of Rs3.28 per unit in the price of electricity as part of the quarterly adjustments. Earlier, Nepra approved an increase in electricity rates in Pakistan, resulting in an additional financial burden of Rs135.5 billion on the power consumers. This rate hike is part of the quarterly adjustments in electricity prices. [Click to see more](#)

Third-party participation in CPEC

Pakistan and China are likely to sign a pact on participation of a third party in China Pakistan Economic Corridor (CPEC) projects during the forthcoming Belt and Road Forum (BRF). This was revealed by Ministry of Foreign Affairs (MoFA) at a recent meeting convened to review progress on CPEC projects, presided over by Caretaker Minister for Planning, Development and Special Initiatives Sami Saeed. In June last year, MoFA had imposed a ban on announcements regarding inclusion of third party in CPEC projects, saying both Pakistan and China have already decided to refrain from making public announcements in this regard. [Click to see more](#)

Insurance industry paid Rs34.3bn against taxes, duties in 2022

The insurance industry has paid taxes/duties of Rs34.3 billion to the exchequer during 2022 including income tax of Rs11.7 billion. The data of tax payments by the insurance sector for 2022 released by the Securities and Exchange Commission of Pakistan (SECP) revealed that the sales tax payment stood at Rs7.5 billion during this period. Out of the total contribution of taxes etc by the insurance sector, the payment of the federal excise duty (FED) was Rs9.7 billion during 2022, which is higher by Rs2.2 billion, as compared to the sales tax payment of Rs7.5 billion during 2022. [Click to see more](#)

Analyst Certificate:

The Research Report is prepared by the research analyst at WE Financial Services Ltd. It includes analysis and views of our research team that precisely reflects the personal views and opinions of the analysts about the subject security(ies) or sector (or economy), and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. In addition, we currently do not have any interest (financial or otherwise) in the subject security(ies). The views expressed in this report are unbiased and independent opinions of the Research Analyst which accurately reflect his/her personal views about all of the subject companies/securities and no part of his/her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.

Disclaimer:

The Report is purely for information purposes and the opinions expressed in the Report are our current opinions as of the date of the Report and may be subject to change from time to time without notice. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment of its original date of publication by WE Financial Services Ltd. and are subject to change without notice. The price, value of and income from any of the securities or financial instruments mentioned in this report can fall as well as rise. The value of securities and financial instruments is subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities or financial instruments. The information provided in the Report is from publicly available data, which we believe, are reliable.

This document does not constitute an offer or solicitation for the purchase or sale of any security. This publication is intended only for distribution to the clients of the Company who are assumed to be reasonably sophisticated investors that understand the risks involved in investing in equity securities. The information contained herein is based upon publicly available data and sources believed to be reliable. While every care was taken to ensure accuracy and objectivity, WE Financial Services Ltd. does not represent that it is accurate or complete and it should not be relied on as such. In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors. The information given in this document is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. WE Financial Services Ltd. reserves the right to make modifications and alterations to this statement as may be required from time to time. However, WE Financial Services Ltd. is under no obligation to update or keep the information current. WE Financial Services Ltd. is committed to providing independent and transparent recommendation to its client and would be happy to provide any information in response to specific client queries. Past performance is not necessarily a guide to future performance. This document is provided for assistance only and is not intended to be and must not alone be taken as the basis for any investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved) and should consult his or her own advisors to determine the merits and risks of such investment. WE Financial Services Ltd. or any of its affiliates shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report.

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

Disclaimer: This document has been prepared by Research Analysts at WE Financial Services Ltd.