

4th October, 2023

## KSE -100 Index



Source: PSX &amp; 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
CNERGY	3.72	0.81%	7.07

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## ECC undecided on changing gas rates for fertiliser plants

Undecided about revising gas prices, the Economic Coordination Committee (ECC) on Tuesday directed the petroleum ministry to continue gas supply to all fertiliser plants for the time being to ensure sufficient supply to farmers in the just-started [Rabi season](#). However, the meeting, presided over by Caretaker Finance Minister Dr Shamshad Akhtar, approved two summaries — one green-lighting the country's first-ever telecom infrastructure-sharing framework, and the other allowing a change of the name of Al-Tuwairqi Steel Mills Ltd (TSML) to National Steel Complex Ltd (NSCL) because of a change of ownership. The change of name is subject to clearance from the Ministry of Law. [Click to see more](#)

## Cement sales jump 23pc in first quarter

Construction activities appeared to have revived in the first quarter of FY24 following a 17.7 per cent jump in domestic cement sales to 10.122 million tonnes from 8.602m tonnes in the same period last fiscal year. Exports during 3MFY24 posted a whopping growth of 72pc to 1.751m tonnes from 1.019n tonnes due to rupee devaluation during July-Aug 2023. As a result, total cement despatches (local and export) grew by 23.4pc to 11.873m tonnes from 9.621m tonnes in 3MFY23. A cement exporter/manufacturer said cement exports have been made to Sri Lanka, Bangladesh, and West Africa. [Click to see more](#)

## 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](#)

## Further tax on salaried class sought

The World Bank has recommended Pakistan to start taxing monthly salaries below Rs50,000 and further reduce the Rs500,000 per month income threshold for charging the highest income tax rate of 35% from salaried individuals. The recommendation, if accepted by Pakistan, would further burden the already highly burdened income group that pays tax on its gross earnings—contrary to the facility of adjusting expenses before paying taxes available to Pakistan's richest people. The proposals have been made as part of the Washington-based lender's recommendations for restoring fiscal sustainability, which include measures to broaden the tax base to untaxed areas and rationalise expenditures. [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%

## Rice exports likely to soar 40%

The US Department of Agriculture (USDA) has projected that Pakistan's rice exports will jump by over 40% to 4.8 million tons in the current fiscal year, signalling that exporters will fetch an additional \$1 billion in overseas sales. On the other hand, the bumper wheat harvest and a turnaround in cotton output lessen the reliance on imports, reducing the need for foreign exchange significantly in fiscal year 2023-24. [Click to see more](#)

## Petroleum sales fall to 44-month low

The demand for petroleum products in Pakistan hit a 44-month low at 1.06 million tons in September 2023, primarily due to a surge in prices in line with global uptrend. Sales of petroleum products declined to the lowest level since the Covid-19 lockdown in March 2020, with petrol sales down 23% month-on-month (MoM) and diesel sales down 28% MoM. The decrease was primarily attributed to record high prices, availability of smuggled oil from Iran and lower furnace oil-based power generation. [Click to see more](#)

## Fiscal adjustment hamstrung by interest payments

Ministry of Planning, Development and Special Initiatives (M/o PD&SI) has cautioned that interest payments are a major challenge for adjustment in the fiscal deficit. In a summary to the Economic Coordination Committee (ECC) of the Cabinet, in which inflation figures of August 2023 were shared instead of the September figures, released by the Pakistan Bureau of Statistics a day before the ECC meeting, M/s PD&SI maintained that the economy has slowly and steadily started recovering from the downturn in growth. However, downside risks remain elevated. Agriculture situation has improved as crop outlook has shown substantial improvement over last year. [Click to see more](#)

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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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