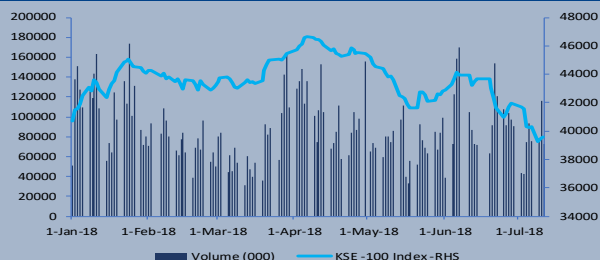


4th September, 2023

KSE -100 Index



Source: PSX & 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
CENERGY	3.72	0.81%	7.07

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Competitive energy rates needed

A competitive cost of energy, particularly electricity tariffs, and its uninterrupted supply are essential for oiling the industry's wheels. Rejecting the recent hike in electricity bills, the Federation of Pakistan Chambers of Commerce and Industries said it was "debilitating both for residential and commercial consumers, with inflation already killing businesses and rendering them unprofitable and bankrupt". The various issues related to high electricity tariffs were also highlighted in public discourse following countrywide citizen protests, especially marked by the torching of power bills. [Click to see more](#)

Free electricity quotas merely tip of iceberg

The total cost of free electricity units being used by the state-owned entities in the country's power sector alone ranges between Rs22 billion and Rs25bn per annum whereas the allowances being given to other government departments' employees from grade 1 to 22 are also worth billions, leaving the government with no option but to pass on such a huge financial impact to consumers. However, highly-placed sources don't see this impact as a big one compared to huge capacity payments, which have now reached Rs2 trillion and are liable to be paid to the independent power producers (IPPs) by the end of this year. [Click to see more](#)

Reviving an ignored asset

Exhausted by the relentless economic pressures, as public frustration seeps onto the streets, the depreciating rupee grapples to salvage its value, markets descend into chaos, and political turmoil persists amidst legal entanglements, it's astonishing to find investors placing their bets on the untapped potential of Pakistan. Exhausted by the relentless economic pressures, as public frustration seeps onto the streets, the depreciating rupee grapples to salvage its value, markets descend into chaos, and political turmoil persists amidst legal entanglements, it's astonishing to find investors placing their bets on the untapped potential of Pakistan. [Click to see more](#)

Electricity issues cast dim light on engineering sector

Despite surplus power generation capacity, most of the country's engineering firms have held electricity scarcity and its poor supply responsible for their inability to meet production goals and achieve operational efficiency, thus losing competitiveness, whereas 95 per cent firms reported no access to finance. One of the foremost issues outlined in the report is the severe impact of electricity unavailability on daily production targets. Some 83pc firms said the unavailability of electricity created hurdles in achieving their production goals, resulting in a gap between demand and supply. [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%

Strategic export revival programme to be unveiled this month

The overall export earnings showed a modest month-on-month recovery in August as the commerce ministry is set to announce a plan for reopening the operations of more than 1,600 textile industries that were shut down in the past 16 months. A strategic framework is being finalised to provide regional competitive energy pricing, working capital support, speedy refund payments, enhanced market access, and diversification of products. "The policy announcement is scheduled for this month to unlock the full production capacity potential within the country", Caretaker Commerce Minister Gohar Ejaz said. [Click to see more](#)

Strike partially affects industrial production

As the industries had not given any green signal to join the countrywide strike call given by the Jamaat-i-Islami, the overall industrial activities showed a mixed trend due to the low turnout of workers. Industries had already remained shut on Friday on account of Shah Abdul Latif Urs while traders had kept their shops closed on the same day to protest against the inflated power bills and soaring petrol and diesel rates. [Click to see more](#)

Foreign banks seeking 10pc commission to endorse letters of credit

Foreign banks are now demanding a 10 per cent commission to endorse letters of credit (LC) for importable consignments, banking insiders revealed on Saturday. They said the move came as the country grapples with economic challenges, diminishing the confidence of global financial institutions in its banking system. The rupee's [depreciation](#), coupled with foreign exchange reserves and debt servicing [issues](#), has elevated the business risks associated with the country. Letters of credit issued by Pakistani banks were no longer deemed credible by international exporters, banking professionals claimed, adding that such LCs required an endorsement from globally recognised foreign banks. [Click to see more](#)

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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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