

05 July, 2022

KSE -100 Index



Source: PSX & WE Research

KSE -100 Index- Key Statistics

Open	41,656.65
High	41,685.81
Low	41,319.11
Closing	41,348.19
Change	-282.16
Volume	43,326,791

Source: PSX

Key Economic Data

Reserves (13-May-22)	\$16.16bn
Inflation CPI (Jul'21-Mar'22)	10.75%
Exports - (Jul'21-Mar'22)	\$23.29bn
Imports - (Jul'21-Mar'22)	\$58.6bn
Trade Balance- (Jul'21-Mar'22)	\$(35.39)bn
Current A/C- (Jul'21-Feb'22)	\$(12.10)bn
Remittances - (Jul'21-Feb'22)	\$20.14bn

Source: SBP

FIPI/LIPI (USD Million)

FIPI (4-Jul-22)	0.08
Individuals (4-Jul-22)	2.13
Companies (4-Jul-22)	0.705
Banks/DFI (4-Jul-22)	(1.21)
NBFC (4-Jul-22)	0.00
Mutual Fund (4-Jul-22)	(0.25)
Other Organization (4-Jul-22)	(0.09)
Brokers (4-Jul-22)	(1.24)
Insurance Comp: (4-Jul-22)	(0.13)

Source: NCCPL

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Trade deficit goes up by massive 55.29pc

Source: The News

NEGATIVE

The country's trade deficit ballooned by 55.29 percent in the financial year ended June 30, 2022 on the back of surging imports, especially of petroleum and groups. During the financial year under review, the trade deficit jumped to \$48.25 billion against \$31.07 billion recorded in a year earlier, Pakistan Bureau of Statistics (PBS) reported Monday. The massive increase in the trade deficit came from the higher growth in imports of the country during the year under review, which grew much higher compared to growth in exports.

Textile exports cross \$19bn mark in FY22

Source: Mettis Global

POSITIVE

Textile exports were recorded at \$19.35 billion in the outgoing FY22, showing an upsurge of 26% YoY when compared to \$15.41bn in FY21, according to the data issued by All Pakistan Textile Mills Association (APTMA) today. The year-on-year increase in exports remained strong due to the resumption of economic activities, and strong demand in the West while rerouting orders out of China and regional countries. In the month of June 2022 alone, textile exports just inched up by 4% YoY to \$1.73bn as compared to \$1.66bn in June 2021.

NEPRA jacks up power prices for Karachi again

Source: Tribune Express

NEUTRAL

The National Electric Power Regulatory Authority (Neptra) on Monday approved another increase in electricity for K-Electric customers by Rs9.66 per unit. The increase in electricity prices has been made in the context of May's monthly fuel adjustment. According to K-Electric officials, the company has a financial burden of Rs380 billion. NEPRA is expected to issue a detailed decision after reviewing the data.

PKR gets stronger, closes at 204.56 per USD

Source: Mettis Global

POSITIVE

With every passing day, hopes of revival of an International Monetary Fund program (IMF) grow stronger, injecting optimism into the forex market. On Monday, the Pakistani Rupee (PKR) continued to extend gains against the US Dollar (USD), appreciating by 28 paise to close the trade at 204.56 per USD. In the last trading session, the domestic unit had closed at 204.85 per USD. The rupee was traded in a range of 1 rupee, showing an intraday high bid of 204.75 and an intraday low offer of 204.25.

Pakistan Cement Dispatches Drop 8% In Fiscal Year 2022 As Exports Sunk

Source: Augaf

NEGATIVE

During the fiscal year July 21 – June 22, total cement dispatches (domestic and exports) were 52.89 million tons which is 7.91 percent lower than 57.43 million tons dispatched during the last fiscal year, according to the data released by All Pakistan Cement Manufacturer Association (APCMA). The domestic uptake during July 21 – June 22 reduced by 1 percent to 47.63 million tons from 48.11 million tons during July 20 – June 21 whereas exports during the same period declined by a massive 43.57 percent to 5.25 million tons from 9.31 million tons during July 20 – June 21.

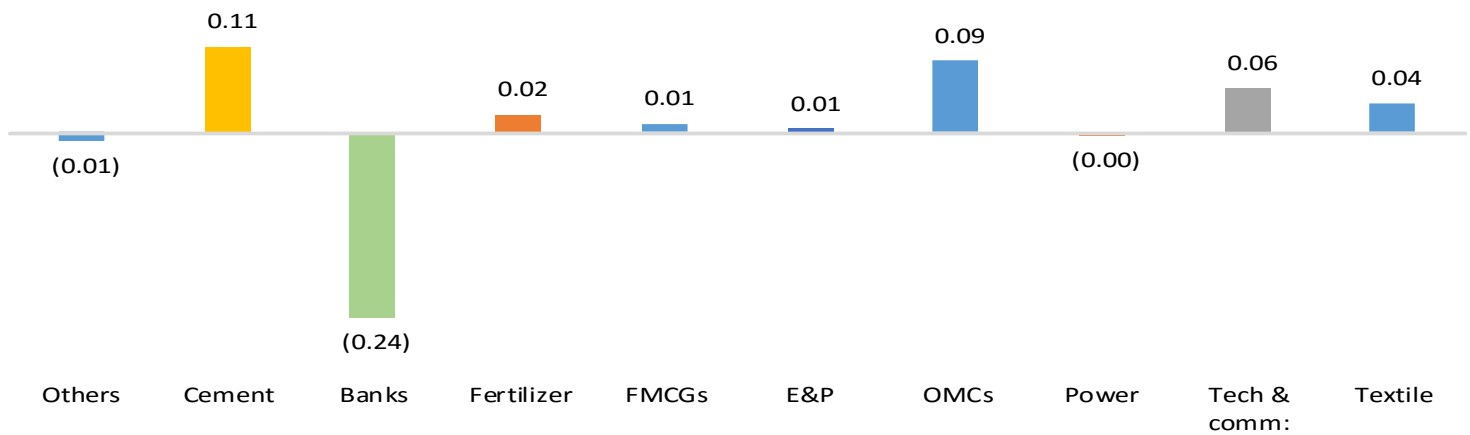
IMF is on track, no delay due to anti-corruption law says Pakistan Finance Minister

Source: Augaf

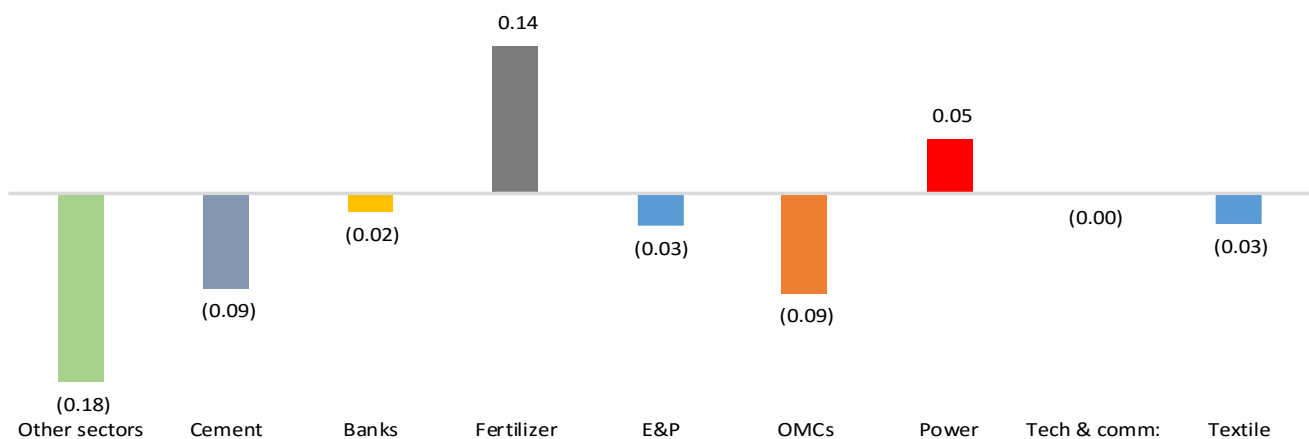
NEUTRAL

IMF program is on track and there is no delay due to anti corruption law says Pakistan Finance Minister Miftah Ismail. "I have been reading with some amusement all the tweets and stories about IMF program being postponed or delayed due to some anti-corruption law. There is no truth to it. The IMF program is on track." says Finance Minister Miftah Ismail. Most likely, two tranches of about \$918 million each (or \$687m Special Drawing Rights, or SDRs) under combined 7th and 8th review of Extended Fund Program would be made available to Pakistan at once in the last week of July of the first week of August.

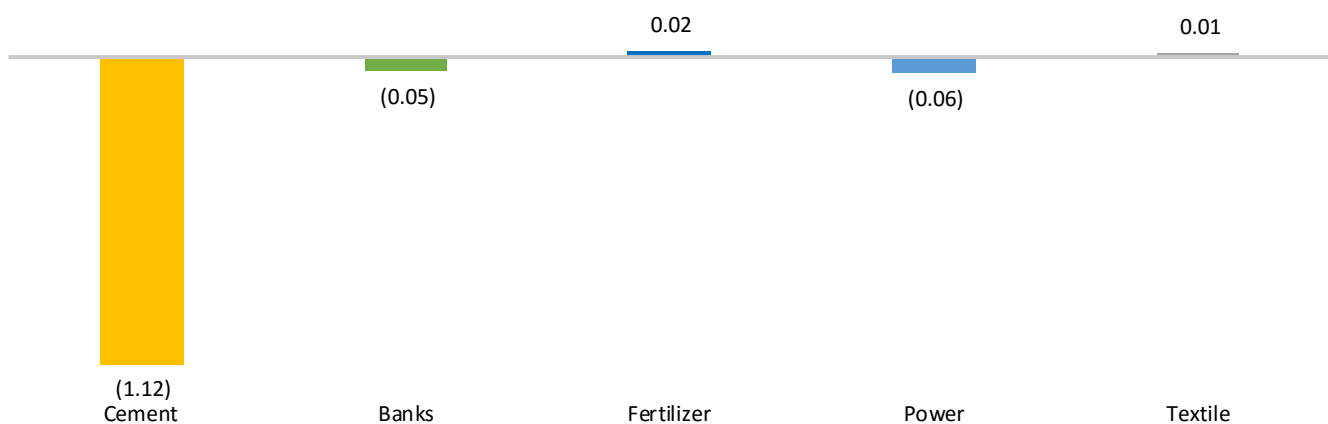
FPI Sector Wise USD (Mil)



Mutual Funds Sector Wise USD (Mil)



Banks/DFIs Sector Wise USD (Mil)



Source: NCCPL

Analyst Certificate:

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Stock Ratings

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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