

5th June, 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
CNERGY	3.72	0.81%	7.07

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Bracing for economic known unknowns

Yearly headline inflation hit 38 per cent in May 2023. This means that on average, the purchasing power of the rupee was down 38 per cent in May compared to May last year. If you have Rs138,000 now, you can buy only as many goods and services worth Rs100,000 a year ago. Or in other words, if you have Rs100,000 now, you can buy goods and services that were worth Rs62,000 a year earlier. A pertinent question is: has inflation peaked now? For some obvious reasons, it seems so. From June onwards, we may see inflation — or stagflation to be more appropriate — moderating. [Click to see more](#)

PM invites Turkish firms to invest in Pakistan

Prime Minister Shehbaz Sharif on Saturday invited Turkish investors and businessmen to expand their investment in various areas of Pakistan. PM Sharif, who has travelled to Türkiye to attend the [swearing-in ceremony](#) of President Recep Tayyip Erdogan, held separate meetings with the representatives of several companies. Talking to a delegation of Anadolu Group comprising CEO Coca Cola CCI Karim Yahi, Chief Strategy Office Atilla Yerlikaya and Head of Public Policy Taylan Coban, he encouraged the group for bringing investment to Pakistan and providing jobs to the people of Pakistan. He called for establishing strategic collaboration in sectors of energy, agriculture, information technology (IT), and construction. [Click to see more](#)

Dar reassures businessmen of economic revival

Finance Minister Ishaq Dar on Saturday held out reassurance to the businessmen of Karachi pledging to consider their concerns during the budget deliberations for the year 2023-24. The businessmen had expressed grievances regarding the restrictive import policies imposed by the State Bank of Pakistan, particularly concerning raw materials, which they claimed had significantly declined the country's exports. The budget announcement is scheduled for June 9. The visiting delegation of the Karachi Chamber of Commerce and Industry (KCCI) led by its President Mohammad Tariq Yousuf highlighted the issues being faced by the business community, especially the restrictions imposed by the SBP on imports. [Click to see more](#)

ADB mulls \$250m for strengthening power lines

The Asian Development Bank (ADB) is considering supporting the development of some of the required transmission lines through a \$250 million loan to the power transmission strengthening project in Pakistan. The project aims to support the government's agenda to deploy sufficient, reliable, clean, and cost-effective energy for sustainable economic growth by expanding the high-voltage transmission network in the northern area of the country to ensure grid stability, energy security, and increased transmission capacity to evacuate additional clean hydropower to the grid addressing the issues of high generation costs and demand-supply gap. [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%

Pakistan steps up efforts for renewal of GSP+ status

As the European Union's 10-year preferential trade arrangement approaches its expiration this year, Pakistan has intensified its efforts to enhance compliance with key international conventions that encompass a wide spectrum of human rights, labour standards, and environmental protections. The EU monitoring team had already visited Pakistan and compiled the last assessment report on the Generalised Scheme of Preferences Plus (GSP+) for 2014-2023, which was expected to be made public in the current month or in July. The report will elaborate on Pakistan's performance in terms of human rights, labour standards, press freedom and environmental protection, which are linked with the availing of GSP+ preferences. [Click to see more](#)

Pakistan earns \$235m despite record vegetable shipments

Due to falling vegetable prices on world markets, Pakistan earned a meagre amount despite exporting a record quantum of 1.035 million tonnes in the first nine months of the current fiscal year. Pakistan fetched \$235 million from vegetable exports during 9MFY23 compared to \$240m from 675,331 tonnes in the corresponding period last year. The average per-tonne price (APT) in 9MFY23 dropped to \$227 from \$356 in the same period last fiscal year. Previously, the country exported 1.022m tonnes in the entire FY19 which fetched \$234m. In the last five years, vegetable exports have shown a brisk trend, while consumers have, on many occasions, paid higher prices for various greens due to demand and supply gaps, crop failures, and expensive imports from various countries. [Click to see more](#)

ECC likely to approve Rs50bn TSGs today

The Economic Coordination Committee (ECC) of the Cabinet, which is scheduled to meet on Monday (today) with Finance Minister Ishaq Dar in chair, will approve Technical Supplementary Grants (TSGs) of over Rs 50 billion, days before announcement of federal budget for FY 2023-24. Power Division has sought TSG of RS 9.145 billion in favour of Finance Division under demand No.126 Development Loans and Advances by the Federal Government during CFY (2022-23). Pakistan Atomic Energy Commission has sought supplementary grant of Rs 4.898 billion under grant No.007. National Disaster Management Authority (NDMA) has requested allocation of Rs 12 billion for procurement of relief items for re-stocking of its warehouses. [Click to see more](#)

Billions go unspent in Sindh development budget

It's that time of year again when finance ministers at both federal and provincial levels proudly announce major hikes in development budgets amid a loud thumping of desks by legislators. Populist rhetoric containing eye-popping percentage increases in allocations for development schemes draws jubilant applause. But few pay any attention to the hundreds of billions of rupees that go unspent every year despite being released by the respective finance departments. [Click to see more](#)

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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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