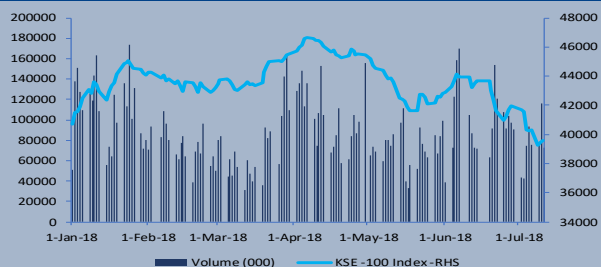


05 Sept, 2022

## KSE -100 Index



## KSE -100 Index- Key Statistics

|         |            |
|---------|------------|
| Open    | 42,523.79  |
| High    | 42,569.52  |
| Low     | 42,235.88  |
| Closing | 42,309.11  |
| Change  | -150.97    |
| Volume  | 82,112,896 |

Source: PSX

## Key Economic Data

|                                |             |
|--------------------------------|-------------|
| Reserves (15-Jul-22)           | \$15.24bn   |
| Inflation CPI (Jul'21-Jun'22)  | 21.3%       |
| 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 (02-Sept-22)               | (0.01)  |
| Individuals (02-Sept-22)        | 0.43    |
| Companies (02-Sept-22)          | (0.406) |
| Banks/DFI (02-Sept-22)          | 1.32    |
| NBFC (02-Sept-22)               | 0.77    |
| Mutual Fund (02-Sept-22)        | (1.30)  |
| Other Organization (02-Sept-22) | 0.16    |
| Brokers (02-Sept-22)            | (0.21)  |
| Insurance Comp: (02-Sept-22)    | (0.75)  |

Source: NCCPL

## WE Financial Services Ltd.

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## OMCs sales dip by 22% YoY in August

Source: Metis Global

NEGATIVE

Pakistan's oil marketing companies (OMCs)' sales declined in August 2022 by 22% YoY to 1.52 million tons (MTs), compared to 1.96 MTs in August 2021. This was mainly led by lower High-Speed Diesel (HSD), Motor Spirit (MS), and Furnace Oil (FO) sales which declined by 26% YoY, 13% YoY, and 35% YoY, respectively. However, on a sequential basis, oil sales increased by 6% MoM in August 2022, from 1.44 MTs in July 2022. Product-wise, MS, and HSD volumes inched up by 7% MoM, and 12% MoM, respectively from 0.59 MTs, and 0.44 MTs in the previous month.

## Govt bound to hike gas prices, fuel GST under IMF deal

Source: Dawn

NEGATIVE

The government has committed more utility price shocks under a straightjacket implementation plan with the International Monetary Fund (IMF) involving an over 53 per cent increase in gas rates, the revival of general sales tax on petroleum products and withdrawal of more subsidies. The IMF found the provincial cash surplus commitments of Rs750bn and petroleum development levy (PDL) target of Rs855bn as potential risks given the political atmosphere, particularly ahead of an election year, and secured a contingency plan from the government to make up for slippages.

## Pakistan's trade deficit widens by 28.89pc month-on-month in August

Source: Dawn

NEGATIVE

Pakistan's merchandise trade deficit rose by 28.89pc per cent month-on-month in August, climbing to \$3.53 billion compared to \$2.73bn in July, data shared by the Pakistan Bureau of Statistics (PBS) on Friday showed. PBS data showed in August this year, the country's exports stood at \$2.5bn compared to imports of \$6.03bn. On a month-on-month basis, exports increased by 11.07pc while imports jumped by 20.84pc. However, the trade deficit decreased by 18.48pc year-on-year. In August 2021, the trade deficit stood at \$4.33bn. On a year-on-year basis, exports increased by 11.44pc while imports shrank by 8.26pc.

## Oil climbs ahead of OPEC+ meeting

Source: Tribune Express

NEUTRAL

Oil prices rose on Friday on expectations that OPEC+ will discuss output cuts at a meeting on September 5, 2022, though concern over China's COVID-19 curbs and weakness in the global economy loomed over the market. Brent crude futures rose \$1.62, or 1.8%, to \$93.98 a barrel by 1722 GMT, while U.S. West Texas Intermediate (WTI) crude futures rose \$1.22, or 1.4%, to \$87.83 a barrel. Both benchmarks slid 3% to two-week lows in the previous session. Brent was on course for a weekly drop of 7%, and WTI of 5.7%.

## Miftah expects economy to grow more than 3.5% this FY

Source: Tribune Express

NEUTRAL

Federal Minister of Finance Miftah Ismail expects the economy to grow more than 3.5% for the fiscal year that started in July, Bloomberg News reported on Saturday. Ismail predicted inflation, running at the highest in 47 years and the second-highest in Asia, was close to its peak and would average 15% for the year, the report said.

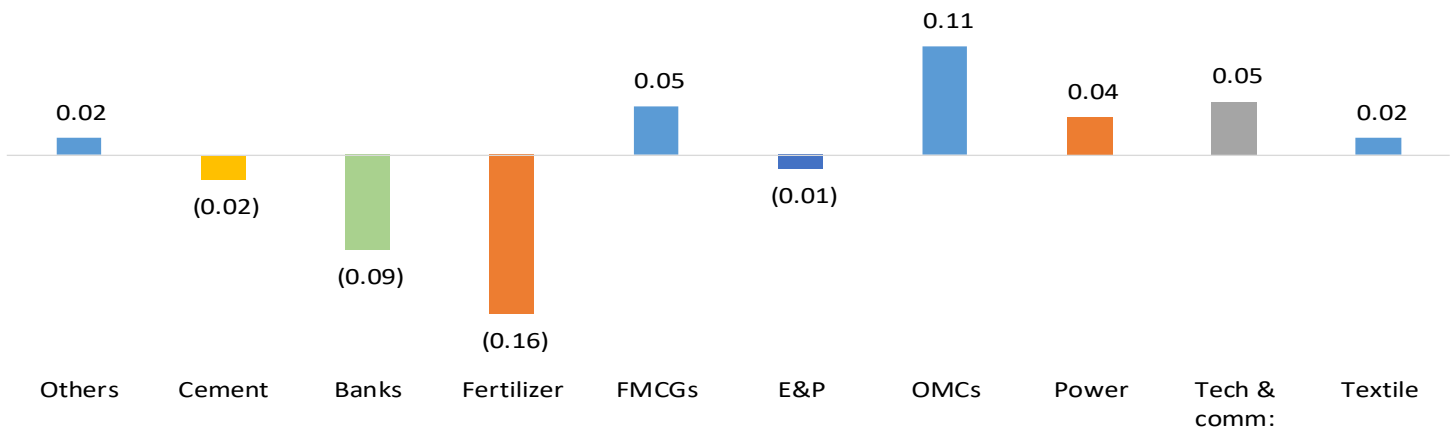
## Inflation at its peak: Miftah Ismail

Source: The News

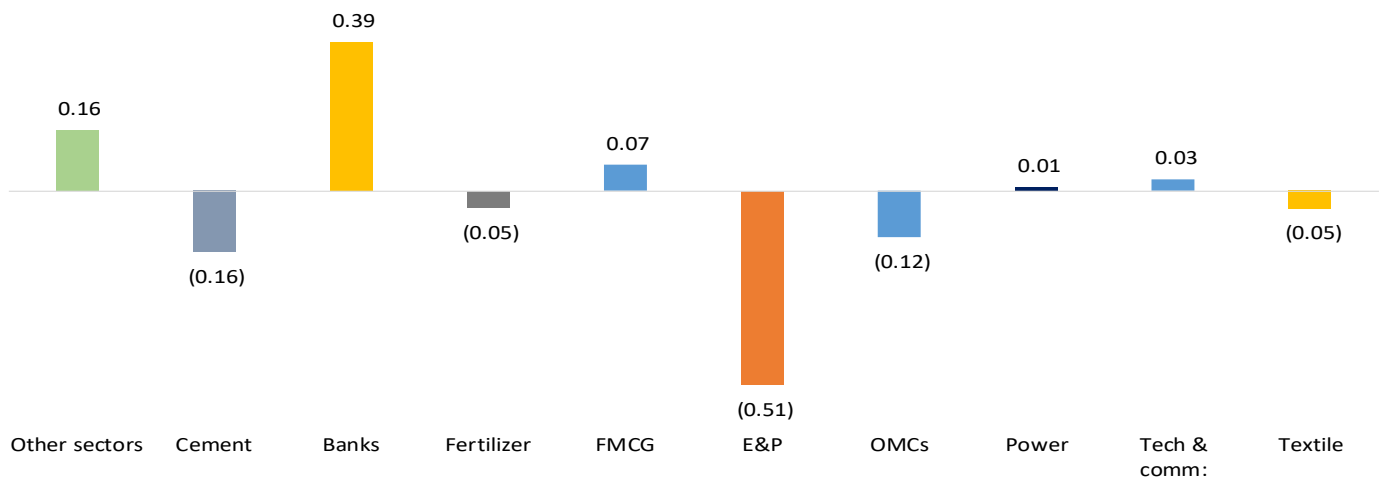
NEGATIVE

ISLAMABAD: Finance Minister Miftah Ismail expects the economy to grow by more than 3.5% for the fiscal year that started in July, Bloomberg News reported on Saturday. Ismail predicted that inflation — running at a 47-year high and the second-highest in Asia — was close to its peak and would average at 15% for the year, the report said. Curbs on luxury items may remain in place for longer than currently anticipated, Ismail was quoted as saying.

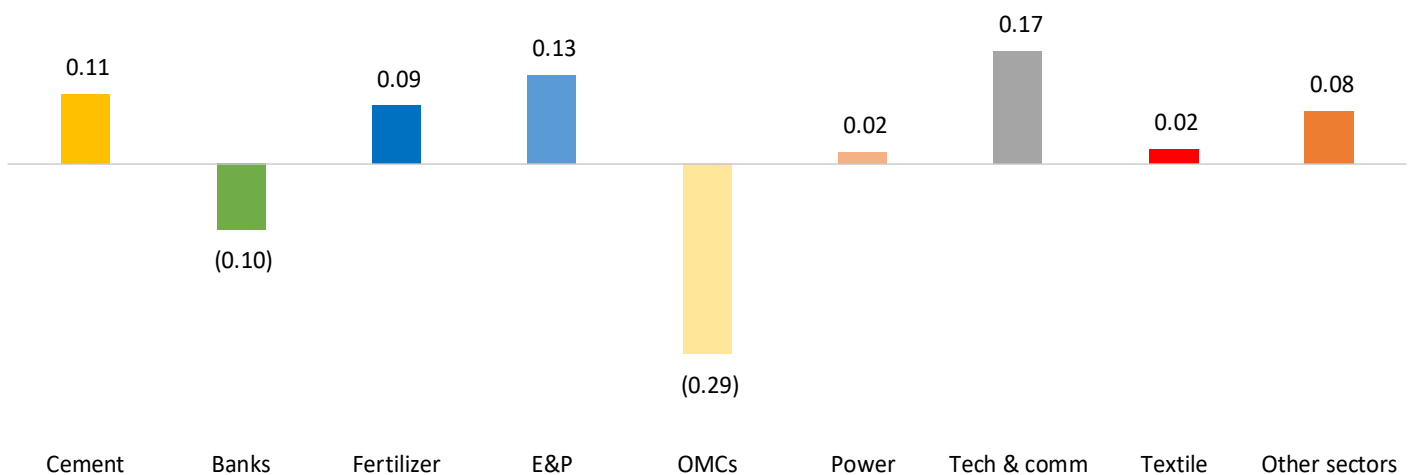
### FIPI Sector Wise USD (Mil)



### Mutual Funds Sector Wise USD (Mil)



### Banks/DFIs Sector Wise USD (Mil)



Source: NCCPL

## Analyst Certificate:

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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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