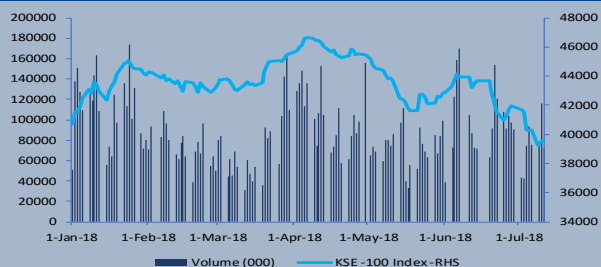


06 July, 2022

## KSE -100 Index



## KSE -100 Index- Key Statistics

Open	41,361.60
High	41,458.08
Low	41,067.55
Closing	41,102.57
Change	-245.62
Volume	41,388,713

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 (5-Jul-22)	(0.02)
Individuals (5-Jul-22)	0.89
Companies (5-Jul-22)	0.689
Banks/DFI (5-Jul-22)	(0.31)
NBFC (5-Jul-22)	(1.08)
Mutual Fund (5-Jul-22)	(0.89)
Other Organization (5-Jul-22)	1.27
Brokers (5-Jul-22)	(0.37)
Insurance Comp: (5-Jul-22)	(0.18)

Source: NCCPL

## WE Financial Services Ltd.

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Email: research@we.com.pk

## RDA inflows hit historic high of \$4.6bn

Source: Business Recorder

POSITIVE

Inflows of Roshan Digital Account (RDA) continued to post healthy growth, reaching historic level of \$4.6 billion at the end of June 2022. According to statistics released by the State Bank of Pakistan (SBP) on Tuesday, month-on-month basis RDA inflows increased by 32 percent to a 3-month high of \$250 million in June 2022 compared to \$189 million during May 2022. "Both the SBP and the government remained committed to serving the needs of overseas Pakistanis," the SBP said in a tweet. Total RDA inflows have now crossed \$4.6 billion in June 2022. Overall, during the last fiscal year (FY22) RDA inflows rose by 195 percent to 4.606 billion in June 2022 up from \$1.562 billion in June 2021, depicting an increase of \$3.044 billion.

## Rupee dips to 207 against USD amid rumours of IMF deal postponement

Source: Tribune Express

NEGATIVE

Pakistani rupee suddenly dived by Rs2.04 to Rs207.07 against the US dollar in the inter-bank market at around midday on Tuesday. The surprise drop came this morning after concern grew out of the Punjab Chief Minister Hamza Shehbaz's announcement that free electricity would be provided for users of up to 100 units a month ahead of CM elections on July 22 – a move that would go against the conditions of the International Monetary Fund (IMF) loan programme.

## Oil slumps \$10 per barrel as recession fears darken demand outlook

Source: The News

NEGATIVE

Oil plummeted by about \$10 a barrel on Tuesday on concerns of a looming global recession curtailing demand, even with expected supply disruptions as oil and gas workers in Norway began to strike. Global benchmark Brent crude was down \$10.77, or 9.5%, at \$102.73 a barrel by 11:43am EDT. US West Texas Intermediate (WTI) crude fell \$9.30, or 8.6%, to \$99.13 a barrel from Friday's close.

## Govt asked to shun cars over 1000cc

Source: Dawn

NEGATIVE

As the country is facing serious economic and energy crisis, traders have called upon the government to ban the import and use of over 1,000cc cars by government officials to reduce consumption of petroleum products and overcome the energy crisis. The president of Traders Welfare Association of Super Market, Sarfraz Mughal, while talking to media on Monday, said there was a need to get rid of IMF loans and to achieve that objective, the country needed to drastically reduce import of petroleum products which cost the national exchequer \$20 billion annually.

## Export of services jumps to \$6.3bn

Source: Dawn

POSITIVE

Export of services grew 17.71 per cent in the first 11 months of 2021-22, according to the data released by the Pakistan Bureau of Statistics (PBS) on Monday. In absolute terms, the value of export of services reached \$6.318bn between July-May 2021-22 from \$5.367bn over the corresponding months of last year. The export of services grew by 9.38pc to \$514.11m in May against \$470.02m in the same month last year. However, on a month-on-month basis, the export of services increased by 19.93pc. The trend showed that exports of services slowed down in May, which is not a good indicator.

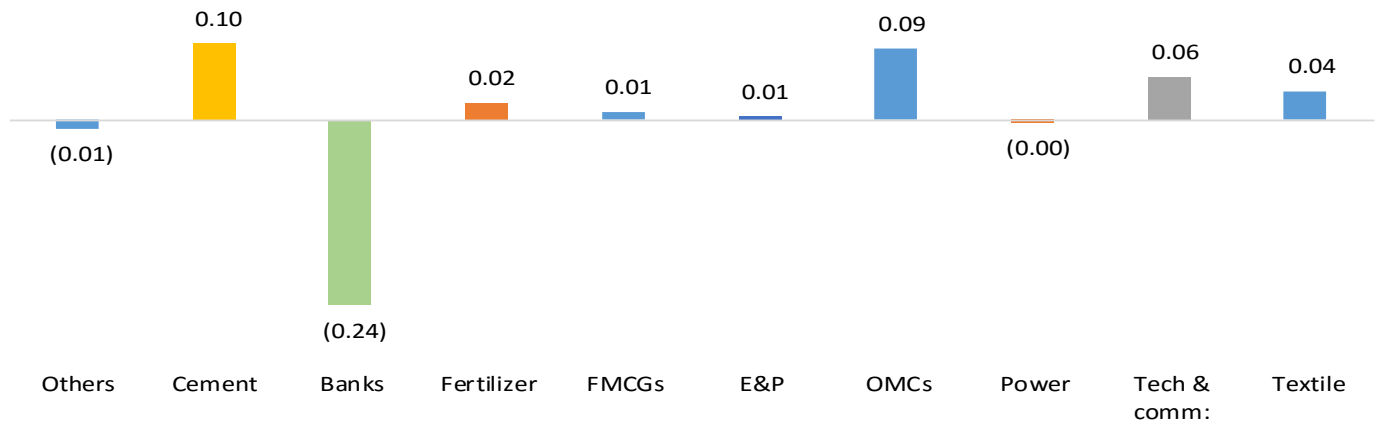
## MPS tomorrow: Key policy rate likely to be hiked by 100bps

Source: Business Recorder

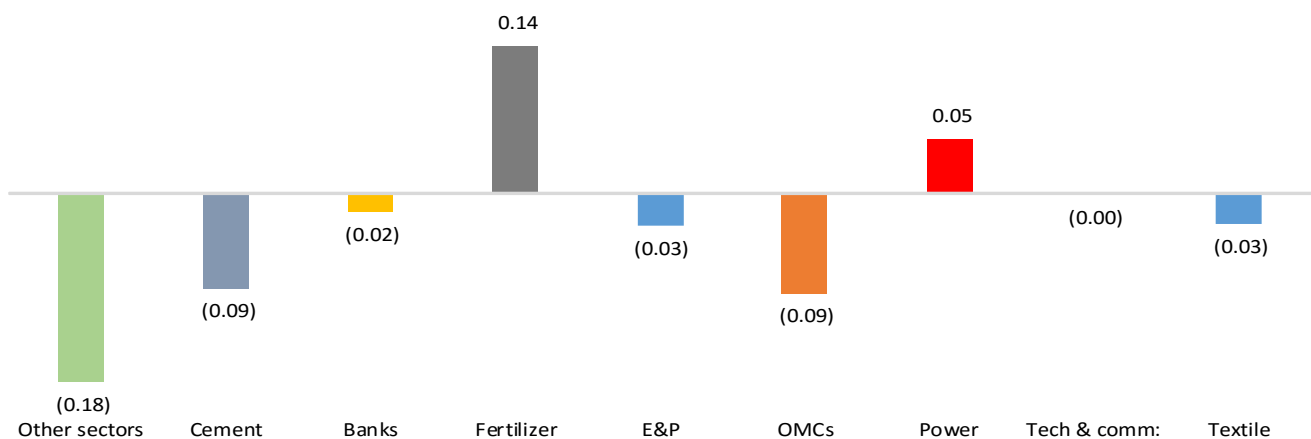
NEUTRAL

The Monetary Policy Committee (MPC) of the State Bank Pakistan (SBP) will unveil monetary policy on July 7, 2022 with expectation of further monetary tightening due to higher inflation outlook. In the previous meeting held on May 23, the MPC raised the policy rate by 150 basis points to 13.75 percent aimed at containing the rising inflation and mitigating the risks to external stability. The current policy rate of 13.75 percent is the highest since June 2011.

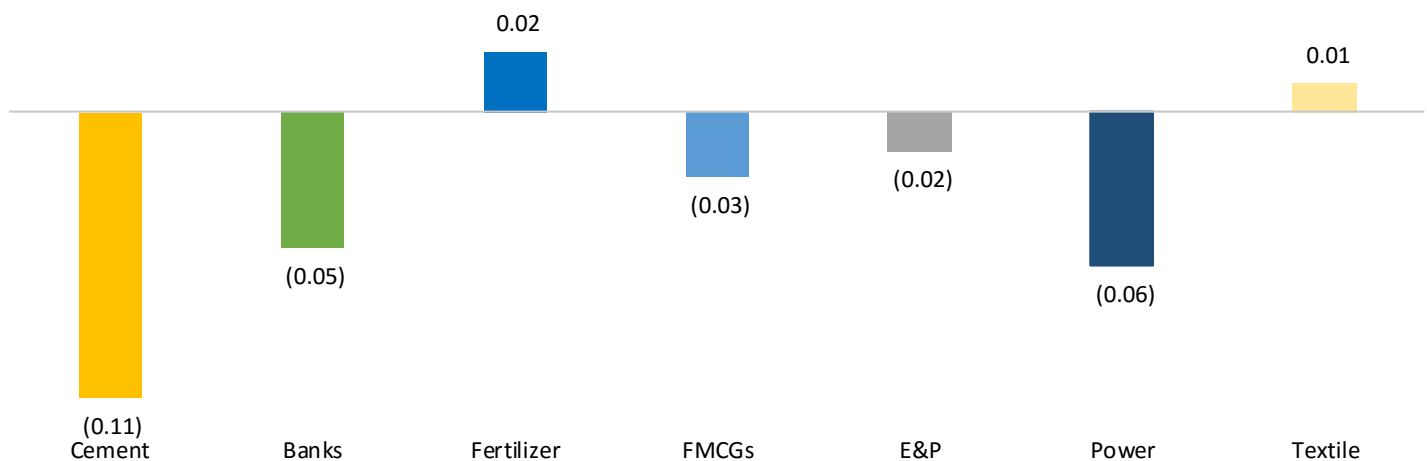
### FII Sector Wise USD (Mil)



### 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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