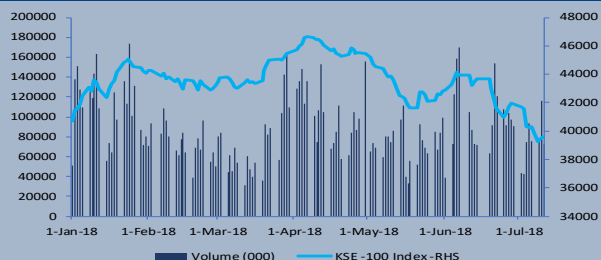


6th July, 2023

KSE -100 Index



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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US envoy calls on Dar, discusses IMF 'relief'

Federal Minister for Finance and Revenue Senator Mohammad Ishaq Dar on Wednesday updated Donald Blome, Ambassador of the United States of America to Pakistan about successfully reaching the staff-level agreement with the International Monetary Fund (IMF) and communicated about the economic policies and priorities of the government in order to set the economy on the path from stability to growth. The ambassador called on Federal Minister for Finance and Revenue here on Wednesday. The finance minister greeted Blome and appreciated the deep-rooted historic and durable bilateral relations with the United States on economic and trade fronts. [Click to see more](#)

Govt debt stocks hit all-time high of Rs59trn

The federal government's total debt stocks rose to an all-time high level of Rs 59 trillion at the end of May 2023 because of massive borrowing from domestic and external resources. According to the State Bank of Pakistan (SBP), the central government's total debt (domestic and external) surged by 23 percent during the first 11 months of this fiscal year (FY23). Overall, the federal government's total debt stock increased to an all-time high level of Rs 58.962 trillion by the end of May 2023 compared to Rs 47.832 trillion as of June 2022, depicting an increase of Rs 11.13 trillion. [Click to see more](#)

There's no default threat now, says PM

Prime Minister Shehbaz Sharif, while expressing commitment to fully comply with the International Monetary Fund (IMF)'s conditions, stated that Pakistan is now fully secure and there is no threat of default. Addressing a ceremony to commemorate the completion of 10 years of the multi-billion dollars China-Pakistan Economic Corridor (CPEC) project, the prime minister expressed the resolve to pursue CPEC with new vigour and commitment by focusing on areas such as agriculture, special economic zones, information technology, and exploration of natural resources. The premier termed CPEC a "very transparent" project and said the Chinese government and companies made investments of \$25.4 billion in various projects. [Click to see more](#)

Private power plants: PD pays Rs300bn to trim circular debt

Power Division is said to have paid Rs 300 billion to private sector and public sector power plants till June 30, 2023 aimed at bringing down the stock of circular debt from Rs 2.646 trillion as of May 31, 2023 to Rs 2.370 trillion as of June 30, 2023. Finance Ministry, sources said, has issued a GoP guarantee in respect of fresh refinancing facilities amounting to Rs 283.287 billion from a consortium of four banks. Of total amount of Rs 283.287 billion, the share of Habib Bank Limited (HBL) was Rs 115.969 billion, followed by Allied Bank Limited (ABL) Rs 110.283 billion, National Bank of Pakistan (NBP) Rs 44.534 billion and Meezan Bank Limited (MBL) Rs 12.500 billion. [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% |

May 23 FCA: Nepra approves tariff hike for Discos, KE

National Electric Power Regulatory Authority (Nepra) on Wednesday accorded in principle approval of positive adjustment of Rs 1.90 per unit in FCA of Discos and Rs 1.45 per unit for K-Electric (KE) for the month of May 2023 under monthly FCA mechanism, financial impact of which has been calculated at Rs 29.2 billion. The provisional decisions were taken at a public hearing officiated Chairman NEPRA, Tauseef H Farooqi, Member (Technical), Engr Rafique Ahmad Shaikh, Member (Licensing), Maqsood Anwar Khan, Member (Technical & Finance), Mathar Niaz Rana and Member (Law) Amina Ahmed. [Click to see more](#)

Trade deficit successfully slashed by 43% in FY23

In a remarkable achievement, Pakistan has successfully slashed its trade deficit by a staggering 43% to \$27.55 billion in the fiscal year 2023. The government's stringent control over imports played a vital role in this significant reduction, as it aimed to stabilise the country's critically low foreign exchange reserves and mitigate the risk of default. In the previous fiscal year 2022, the trade deficit had widened to a daunting \$48.35 billion, causing concern about the country's economic stability. However, the government's strict administrative measures on imports and the impact of floods in 2022 negatively affected the domestic economy, resulting in a provisional growth rate of only 0.3% in FY23, compared to 6.1% in FY22. [Click to see more](#)

Logistic companies struggle to achieve economic growth

Logistic companies in Pakistan are grappling with low margins, high taxes, and an unfavourable business environment, hindering their ability to contribute to the overall economic growth of the country. Seagold, CEO, Ayaz Admani highlighted the concerning decrease in average gross margins for Pakistani companies. In recent years, margins have plummeted from 3% to 3.5% to a mere 1% to 1.25% due to the economic meltdown. This significant drop coupled with high expenses, poses considerable difficulties for companies, especially when competing with global counterparts. [Click to see more](#)

Export of services bounces back in May

Pakistan's export of services staged a strong rebound of 19.77 per cent in May reversing the four-month diminishing spell, showed data released by the Pakistan Bureau of Statistics on Tuesday. The export of services in value grew to \$616.96 million in May from \$515.14m in the corresponding month last year. After recording positive growth during the first half of the current fiscal year, the export of services started contracting in January. The merchandise exports also witnessed a consistent decline since the start of FY23. In the first 11 months of the outgoing fiscal year, the export of services posted a paltry growth of 3.38pc to \$6.65bn against \$6.43bn in the corresponding period last year. [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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