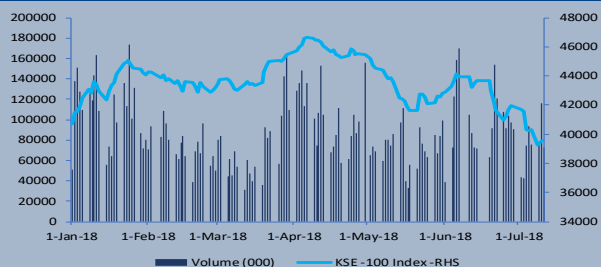


06 June, 2022

KSE -100 Index



KSE -100 Index- Key Statistics

Open	42,298.95
High	42,311.05
Low	41,145.35
Closing	41,314.88
Change	-923.03
Volume	130,020,941

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 (03-Jun-22)	1.77
Individuals (03-Jun-22)	3.16
Companies (03-Jun-22)	0.792
Banks/DFI (03-Jun-22)	(1.47)
NBFC (03-Jun-22)	(0.01)
Mutual Fund (03-Jun-22)	(0.72)
Other Organization (03-Jun-22)	(0.11)
Brokers (03-Jun-22)	(0.34)
Insurance Comp: (03-Jun-22)	(3.07)

Source: NCCPL

WE Financial Services Ltd.

TREC Holder -Pakistan Stock Exchange Ltd.
506-508 5th Floor , Pakistan Stock Exchange Building
Stock Exchange Road , Karachi-74000, Pakistan
Email: research@we.com.pk

Ogra raises gas prices up to 45pc

Source: Business Recorder

POSITIVE

The Oil and Gas Regulatory Authority (Ogra) has allowed late Friday night a raise in gas prices up to 45 percent in order to meet the revenue shortfall of both gas utilities - SNGPL and SSGC. In its decisions, the regulator has allowed the SNGPL an increase of 45 percent. The gas company had demanded a 198 percent increase in gas tariff. The financial impact of previous years' shortfall of Rs 264.8 billion which accounted for Rs 720.20 per MMBtu was referred to the federal government for an appropriate policy decision and is therefore not made part of the instant determination.

Auto sector fears production shutdown amid import curbs

Source: Dawn

NEGATIVE

The introduction of a mechanism for prior approval from the State Bank of Pakistan (SBP) for the import of goods has created hurdles in the arrival of completely knocked down (CKD) kits of vehicles and all major auto sector imports. The delay in processing approvals for CKD kits import transactions would lead to a production shutdown for all major assemblers in the next week besides disrupting the entire supply chain including local vendors and dealers and leading to unemployment of contract and daily wage workers.

Pakistan's shadow economy accounts for 40pc of GDP, says study

Source: Dawn

NEUTRAL

As the authorities and key government figures have been drawing attention to the economic losses due to illegal trade, the country's shadow economy accounts for about 40 per cent of GDP, while 6pc of the gross domestic product is being stolen every year, according to a study on tax evasion in five sectors, including tea, tobacco, tyres & auto lubricants, pharmaceuticals, and real estate. The study conducted by the IPSOS—a global leader in market research—terms 6pc of the GDP being stolen, a significant amount of money that can be used to improve the living standards of the people by developing Pakistan's economy on a sound basis.

Economic growth target set at 5pc with Rs800bn PSDP for next fiscal year

Source: Dawn

NEUTRAL

The Annual Plan Coordination Committee (APCC) on Saturday finalised Rs800 billion worth of the Public Sector Development Programme (PSDP) to achieve an economic growth rate of 5 per cent in 2022-23. The PSDP for next year is Rs100bn lesser than the current year's allocation of Rs900bn, while the economic growth target of 5pc is also slightly lower than the current year's provisional output estimate of 5.97pc.

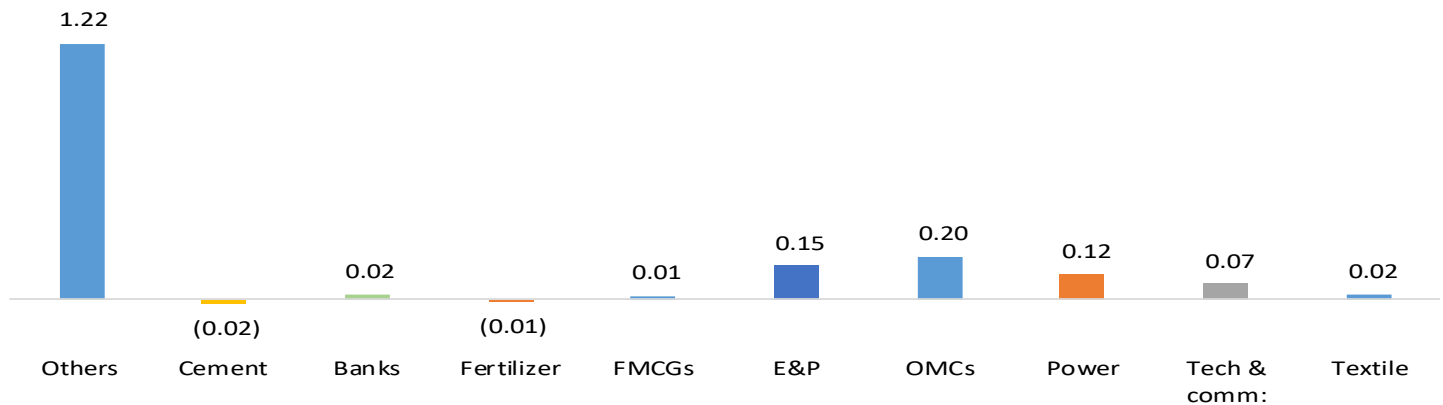
Pakistan to bear export loss of \$250-\$300 million a month if gas not restore to textile sector

Source: Augaf

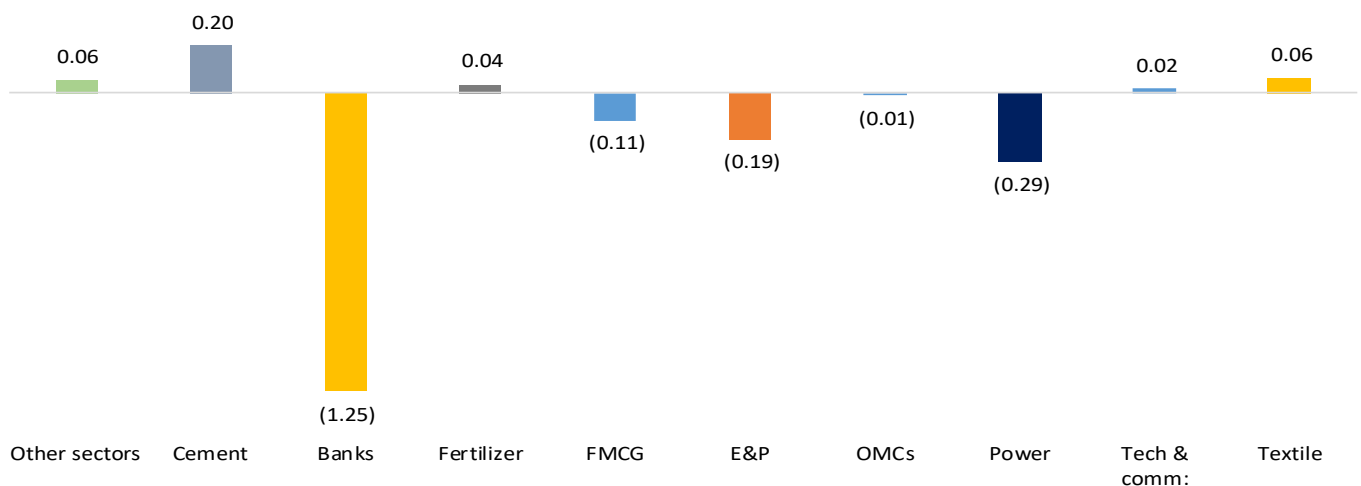
NEGATIVE

Gas supply to Punjab based textile mills has been shut for the indefinite time, according to statement issued by All Pakistan Textile Mills Association. Textiles is the only sector that continues to grow and bring foreign exchange to the country, gearing up to close at USD 20 billion in June 2022 compared to USD 15.4 billion in June 2021. The sector has charted a remarkable performance in the past year. However, despite this progress, the gas/RLNG supply to the Punjab textile sector, which was at only 25% of required volumes (50% of August to November actual consumption) was shut down two days prior with the guarantee that supply would be restored on the morning of Friday 3rd June 2022. However, it has now been stated that the gas/RLNG Supply will not be restored for an indefinite period.

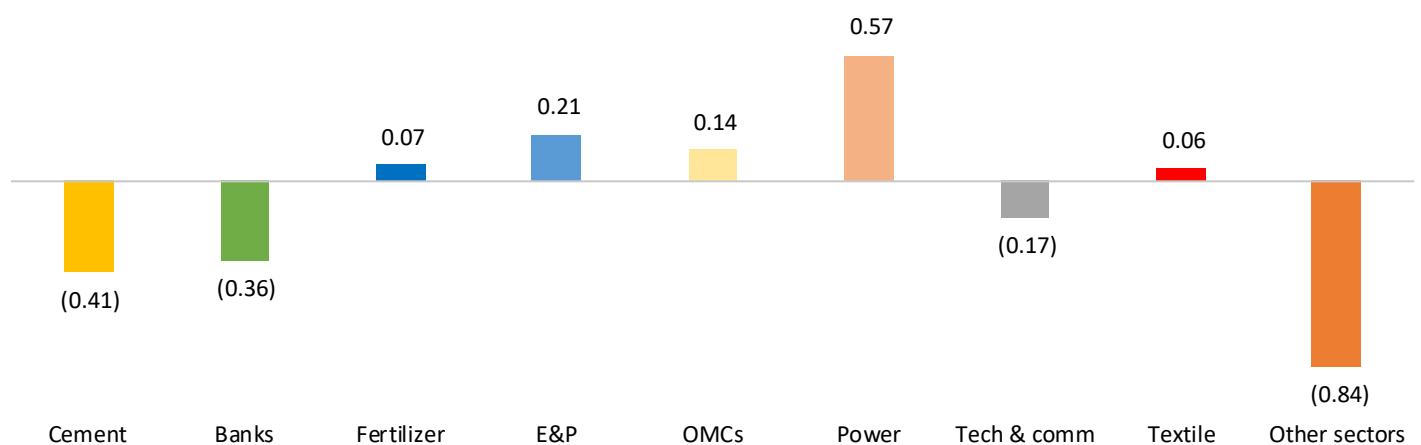
FII Sector Wise USD (Mil)



Mutual Funds Sector Wise USD (Mil)



Banks/DFIs Sector Wise USD (Mil)



Source: NCCPL

Analyst Certificate:

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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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