

6th March, 2023

KSE -100 Index



Source: PSX & WE Research

Market- Key Statistics

	Current	Previous	Change
KSE100 Index	41,337.00	40,670.88	666.12
All Shares Index	27,044.44	26,707.31	337.13
KSE30 Index	15,583.79	15,313.41	270.38
KMI30 Index	70,737.61	69,176.58	1561.03
Volume (mn)	152,153.15	194,682.65	42,530

Source: PSX

Top Losers-KSE100 Index

Symbol	Price	% Change	Volume
PAKMI	1.3	(-18.75%)	500
HMM	5	(-12.28%)	2,000
ZTL	7.1	(-11.36%)	1,000
PKGI	4.27	(-9.15%)	3,500
HIFA	1.56	(-8.24%)	51,500

Top Winners-KSE100 Index

Symbol	Price	% Change	Volume
TRSM	1.85	27.59%	1,000
CTM	2.62	23.58%	364,500
UCAPM	2.1	23.53%	14,500
NEXT	5.1	19.44%	500
PMI	1.65	13.01%	1,500

Volume Leaders KSE-All Index

Symbol	Price	% Change	Volume
BIPL	11.07	(-7.13%)	15,739,000
WTL	1.3	2.36%	15,470,777
OGDC	88.12	7.41%	13,422,769
BOP	4.38	0.46%	10,476,000
PPL	67.68	7.50%	6,421,254

Volume Leaders KMI-30 Index

Symbol	Price	% Change	Volume (mn)
OGDC	88.12	7.41%	13.42
PPL	67.68	7.50%	6.42
MLCF	24.35	2.27%	6.23
TPLP	14.47	1.05%	5.23
EPCL	47.95	3.83%	5.08

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Talks begin tomorrow to hammer out IMF deal

The government will resume virtual talks with the International Monetary Fund (IMF) on Monday to finalise revenue and expenditure figures for the next four months. The IMF team, led by its Pakistan mission chief Nathan Porter, held talks with finance ministry officials for a couple of days, followed by a last meeting with tax officials on Friday to review the impact of prior actions in terms of revenue generation and their impact on bridging fiscal gaps. [Click to see more](#)

Inflation so high that 'living seems unaffordable'

As short-term inflation, measured by Sensitive Price Index, hit 41.07 per cent in the week ended on March 2, life for the overwhelming majority of Pakistan becomes next to impossible as international lenders have also warned against looming social unrest. Also, the Consumer Price Index for February jumped to 31.50pc —the worst since June 1975. It was followed by a sharp decline in rupee value, with the government raising energy prices and taxes to meet the International Monetary Fund's loan conditions. All these factors set the platform for a new inflation record. [Click to see more](#)

Govt borrowings from banks surge to Rs1.8tr

Despite fiscal tightening, the government's borrowing for budgetary support surged to Rs1.8 trillion during the first seven and half months of FY23 against a net retirement of Rs245.8 billion during the same period last year. The massive borrowing reflects the growing cash requirement of the government while the IMF is pressing it to reduce expenses and generate more revenues. The State Bank of Pakistan (SBP) data for the period beginning July 1, 2022 to Feb 17, suggested that the government could set a record by end of FY23 if it maintains the aggressive borrowing trend from banks. [Click to see more](#)

Flour retailers capitalise on tussle between govt, millers

As flour millers resumed operations and restored supplies to markets on Saturday, a day after talks with the Sindh government, retailers have yet to lower prices. On Thursday, more than 90 flour mills in Karachi closed production and suspended supplies after the provincial administration sealed several mills; the millers have also complained that the Sindh government was supplying inferior-quality wheat. [Click to see more](#)

Stocks drift higher in topsy-turvy week

Trading began in the outgoing week on a negative note owing to uncertainty over the resumption of the loan programme with the International Monetary Fund (IMF). uncertainty persisted for the most part of the outgoing week as investors waited for the monetary policy committee of the State Bank of Pakistan (SBP) to hold a meeting. The SBP increased the key interest rate on March 2 by 300 basis points to 20 per cent after the Consumer Price Index (CPI) rose to 31.55pc on an annual basis in February. The policy rate hike sent a signal to investors that Pakistan had met all its prerequisites for the staff-level agreement with the IMF. [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 (03-Mar-23)	0.60
Individuals (03-Mar-23)	(0.509)
Companies (03-Mar-23)	0.318
Banks/DFI (03-Mar-23)	(0.193)
NBFC (03-Mar-23)	0.013
Mutual Fund (03-Mar-23)	(0.225)
Other Organization (03-Mar-23)	0.351
Brokers (03-Mar-23)	0.089
Insurance Comp: (03-Mar-23)	(0.435)

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\$	279	290	-3.79%
PKR / EUR	294.6	288	2.29%
PKR / GBP	332.4	324.5	2.43%
PKR / JPY	2.06	2.06	0.00%
PKR / SAR	74.2	72.25	2.70%
PKR / AED	76.2	74.5	2.28%
PKR / AUD	186.4	181.5	2.70%

Global businesses 'ready for investment' in Riverfront project

In various government-to-government and business-to-business meetings held in the United Arab Emirates (UAE) between the Ravi Urban Development Authority (Ruda) and the business community, investors pledged to invest around \$600 million in various sections of the Ravi Riverfront Urban Development Project. The pledges were made on the eve of the three-day Dubai International Property Show (IPS)-2023. During the three-day IPS event, the Ruda authorities represented Pakistan, attracting interested international investors, expatriate Pakistanis, and visitors from various business backgrounds. [Click to see more](#)

Plenty of ways to attract USD

Plenty of our deep-rooted problems are getting exposed day by day. Most pertinent (if not the only one) being our inability to earn enough dollars to pay import bills. Our very dear bright former SBP deputy governor, Murtaza Syed, continues to contribute by writing to help the masses understand and hoping policymakers pay heed. One key point he highlights "spending beyond means" needs to be further delineated. However, for a change, let's look at how we can "earn as per means". [Click to see more](#)

Pakistan receives \$500mn from Chinese bank

In a boost to the depleting foreign exchange reserves, cash-strapped Pakistan has received \$500 million from the Industrial and Commercial Bank of China Ltd (ICBC), Federal Minister for Finance and Revenue Ishaq Dar confirmed late Friday. The cash-strapped country has faced growing economic challenges, with high inflation, sliding forex reserves, a widening current account deficit, and a depreciating currency. "Formalities completed [and] Chinese Bank, ICBC approved rollover of \$1.3 billion facility which has been repaid by Pakistan to ICBC in recent months," the finance czar announced on Twitter. [Click to see more](#)

Economic and investment sectors

Prime Minister Muhammad Shehbaz Sharif and Amir of Qatar Sheikh Tamim bin Hamad Al Thani on Sunday discussed a wide array of mutually beneficial issues and exchanged views to further strengthen the excellent cooperation between the two countries in diverse fields including in the economic and investment sectors. During a meeting, the prime minister appreciated Qatar's consistent support to the development projects in Pakistan and highlighted the vast opportunities of cooperation between the two countries. [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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