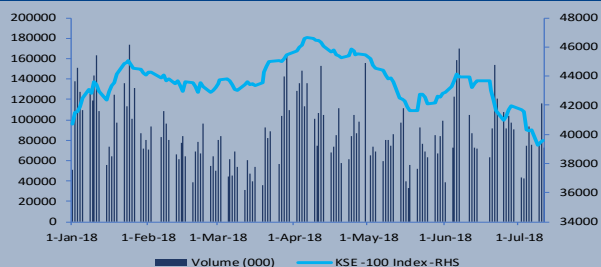


07 July, 2022

KSE -100 Index



Source: PSX & WE Research

KSE -100 Index- Key Statistics

Open	41,151.02
High	41,334.90
Low	41,143.93
Closing	41,159.79
Change	57.22
Volume	41,595,082

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 (6-Jul-22)	0.78
Individuals (6-Jul-22)	(0.68)
Companies (6-Jul-22)	0.374
Banks/DFI (6-Jul-22)	(0.67)
NBFC (6-Jul-22)	(0.00)
Mutual Fund (6-Jul-22)	0.06
Other Organization (6-Jul-22)	0.22
Brokers (6-Jul-22)	0.18
Insurance Comp: (6-Jul-22)	(0.26)

Source: NCCPL

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Market expects 100-150bps hike in interest rate

Source: Dawn

NEUTRAL

The financial market expects a 100 to 150 basis point increase in the interest rate, which could be announced by the State Bank of Pakistan (SBP) in the next scheduled monetary policy. The central bank announced on Tuesday that its Monetary Policy Committee (MPC) meeting will be held on Thursday and Acting Governor SBP Dr Murtaza Syed will unveil the policy statement for the next two months at a press conference.

Oil drops to 12-week low on recession, Covid-19 worries

Source: Dawn

NEGATIVE

Oil prices dropped to a 12-week low in volatile trade on Wednesday, extending Tuesday's heavy losses as growing fears of demand destruction from a global recession outweighed supply concerns. Brent futures for September delivery fell \$2.99, or 2.9 per cent, to \$99.78 a barrel, while US West Texas Intermediate (WTI) crude fell \$3.19, or 3.2pc, to \$96.31. That puts WTI and Brent on track for their lowest closes since April 11, after Brent fell 9pc and WTI fell 8pc on Tuesday.

Stocks suffer losses on likely delay in IMF deal

Source: Dawn

NEGATIVE

Equities witnessed lacklustre activity on Tuesday on the backdrop of a further delay in the resumption of the International Monetary Fund (IMF) loan programme, said Top-line Securities. Investors opted to stay on the sidelines, resulting in a low trading volume. They became worried about the likely delay in the deal with the IMF after the media reported the finance minister's statement on the issue. The stock market opened on a positive note as the KSE-100 index gained 110 points in intraday trading. However, profit-taking kicked in afterwards and pulled down the benchmark index.

Pakistan, Iran to enhance collaboration in fields of energy, trade

Source: Mettis Global

POSITIVE

Federal Minister for Finance and Revenue Mr. Miftah Ismail and Ambassador of the Islamic Republic of Iran to Pakistan H.E. Seyed Mohammad Ali Hosseini on Wednesday expressed their satisfaction on mutual bilateral relations and showed keen intention for enhancing collaboration in various areas of common interest, said a press release issued today.

Lifeline consumers spared: PD proposes massive increase in gas prices

Source: Business Recorder

NEGATIVE

The Petroleum Division has reportedly proposed a massive increase in price of natural gas across-the-board except lifeline consumers with reduction in slabs from seven to five, to be effective from July 1, 2022, sources close to the Petroleum Minister told Business Recorder. Two public sector gas utility companies, ie, Sui Southern Gas Company Ltd (SSGCL) and Sui Northern Gas Pipelines Ltd (SNGPL) under license from Oil & Gas Regulatory Authority (Ogra) are engaged in purchase, transmission, distribution and sale of gas to various categories of consumers in the country, excluding consumers located on dedicated networks.

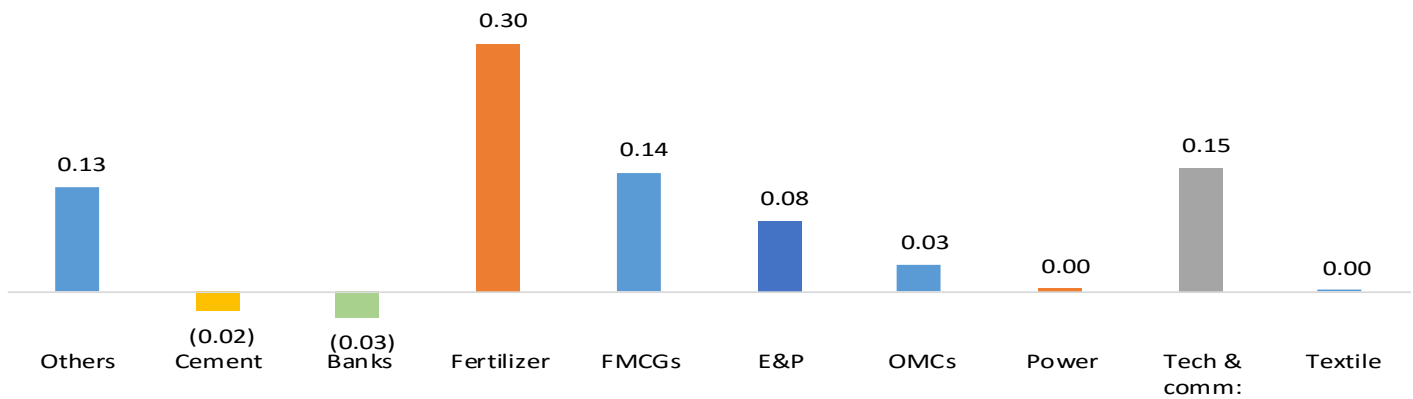
Afghanistan lifts coal prices as exports to neighbouring Pakistan boom

Source: Business Recorder

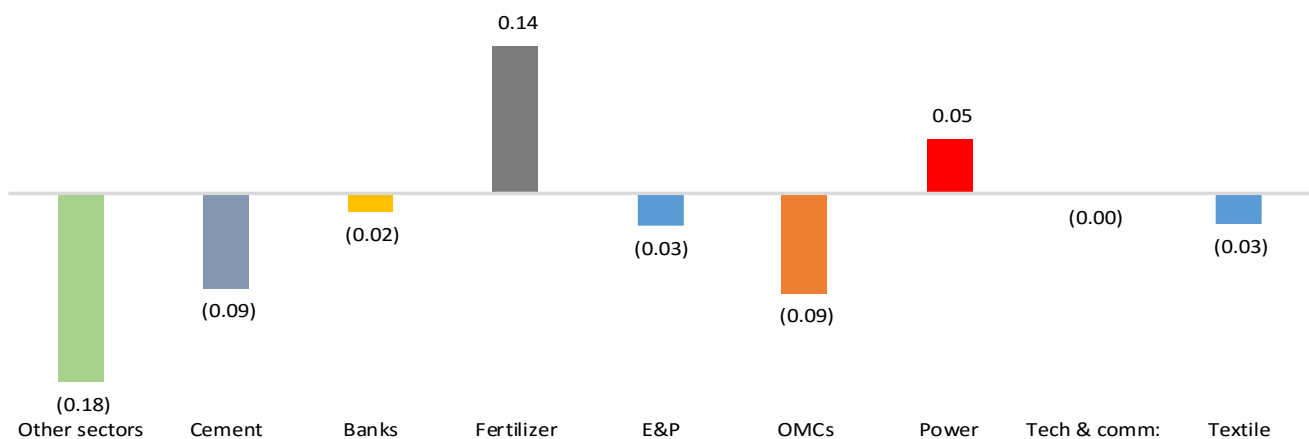
NEGATIVE

Afghanistan's Taliban administration has more than doubled prices for coal, the finance ministry said on Wednesday, as the group seeks to raise revenue from coal exports and shrink its budget deficit after being cut off from international aid. Customs duties from coal exported to Pakistan are a key source of revenue for cash-strapped Afghanistan. Sanctions on the banking sector and a cut in development aid since the Taliban took control last August have severely hampered its economy. With customs duties increased to 30% from 20% in May, Afghan authorities will receive \$60 per tonne, which Haqmal said was expected to make a significant dent in the country's forecast 44 billion Afghani (\$502.11 million) budget deficit this year.

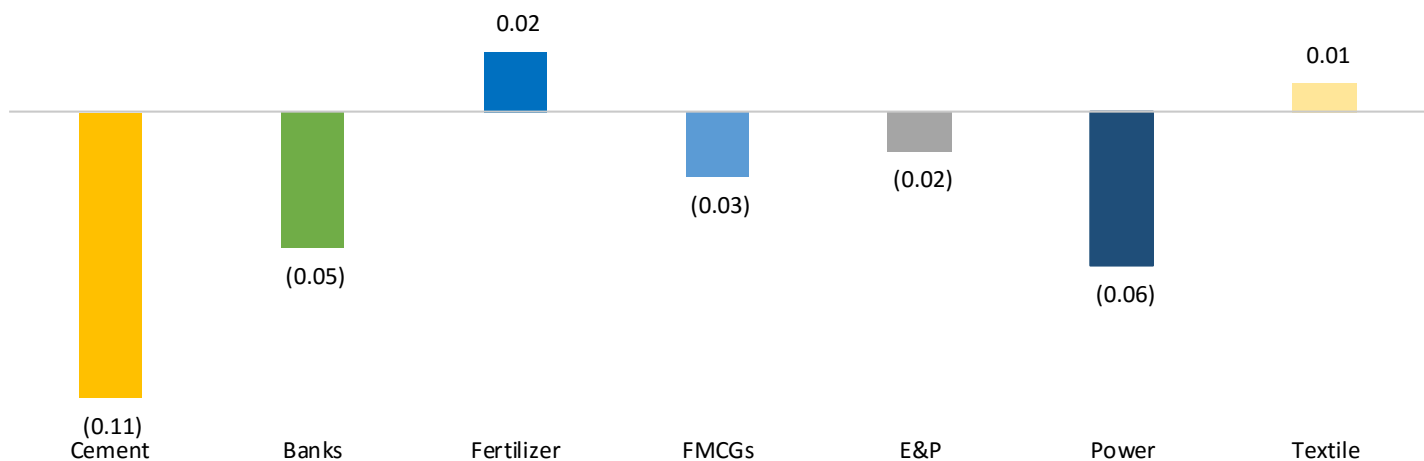
FIPI Sector Wise USD (Mil)



Mutual Funds Sector Wise USD (Mil)



Banks/DFIs Sector Wise USD (Mil)



Source: NCCPL

Analyst Certificate:

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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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