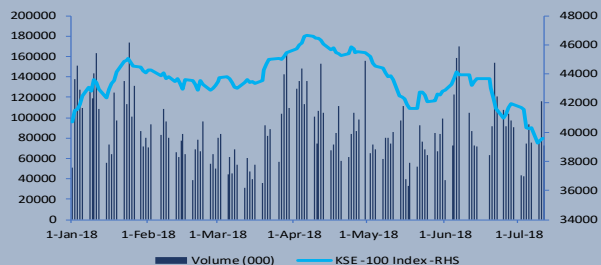


08 June, 2022

## KSE -100 Index



Source: PSX &amp; WE Research

## KSE -100 Index- Key Statistics

Open	41,693.32
High	41,854.25
Low	41,522.23
Closing	41,568.41
Change	-8.80
Volume	62,247,132

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 (07-Jun-22)	0.47
Individuals (07-Jun-22)	(1.95)
Companies (07-Jun-22)	0.546
Banks/DFI (07-Jun-22)	0.96
NBFC (07-Jun-22)	0.00
Mutual Fund (07-Jun-22)	(0.70)
Other Organization (07-Jun-22)	2.00
Brokers (07-Jun-22)	(1.16)
Insurance Comp: (07-Jun-22)	(0.18)

Source: NCCPL

## WE Financial Services Ltd.

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Email: research@we.com.pk

## Cement sales drop by 16pc in May

Source: Dawn

NEGATIVE

Overall cement sales dropped by 16 per cent year-on-year to 3.32 million tonnes in May as political uncertainty and soaring prices of inputs slowed down the construction activities across the country. According to the data released by All Pakistan Cement Manufacturers Association, local cement sales in May were 3.15m tonnes compared to 3.2m tonnes in May 2021 while exports suffered a decline of 77pc to 171,915 tonnes from 746,550 tonnes in the same month last year. During 11MFY22, total cement dispatches were 47.62 million tonnes, down by 8.8pc from 52.22m tonnes in the corresponding period of last fiscal year.

## The dollar rose to Rs 204 in the interbank as Foreign Banks demand 100% cash for oil import LCs

Source: Augaf

NEGATIVE

The dollar rose sharply against the rupee on Tuesday as the dollar rose to Rs 3.94 against the rupee. The dollar is currently trading at 203.90 after touching the 204 mark in the interbank market. Yesterday, the dollar closed at Rs 200.06. On the other hand, in the open market, the dollar rose by Rs 4.50 to Rs 205. According to currency dealers, the main reason for the current depreciation of the rupee against the dollar is the need for dollars for oil products as foreign banks have opened LCs for Pakistani oil products at 15-20% cash margin. Now foreign banks are demanding 100% cash margin for this. According to him, Pakistan is considered a high risk country by foreign banks and they are reluctant to open LCs for import of oil products.

## Auto sales to increase in May, but a slowdown is right around the corner in Pakistan

Source: Business Recorder

NEUTRAL

Auto sales (passenger cars and light commercial vehicles) in May are expected to hit 22,700 units, which would be a 45% year-on-year and 1.7% month-on-month increase, data compiled by JS Research shows. This will take eleven-month car sales during the outgoing fiscal year (2021-22) to 249,304 units, a 49% increase on a yearly basis. "However, we project sector margins to be supported in the coming quarters, owing to the multiple rounds of price hikes announced during March to May 2022.

## Oil prices may soar to \$140 a barrel this summer

Source: The News

POSITIVE

Goldman Sachs economists have predicted oil prices will surge to \$140 (Rs28,382) a barrel this summer, with a drop in Russian production and a gradual recovery in Chinese demand adding to the pressure on already low supplies. As they said consumers will feel as though oil has hit \$160 a barrel, because a lack of capacity at refineries means gasoline and fuel prices are rising more than would normally be expected, adding to costs across the economy, foreign media reported. The average price of gasoline rose to 177.88 pence (Rs452) a liter on Sunday. Diesel prices increased to 185.01 (Rs472) pence a liter.

## KE consumers likely to pay Rs4.9/unit more in July bills

Source: The News

POSITIVE

The K-Electric has pleaded with the National Electric Power Regulatory Authority (Nepra) to allow it an additional collection of Rs4.859/unit from power consumers in their electricity bills for July 2022, as they paid less than the actual power generation cost, especially in view of imported gas and oil in April 2022.

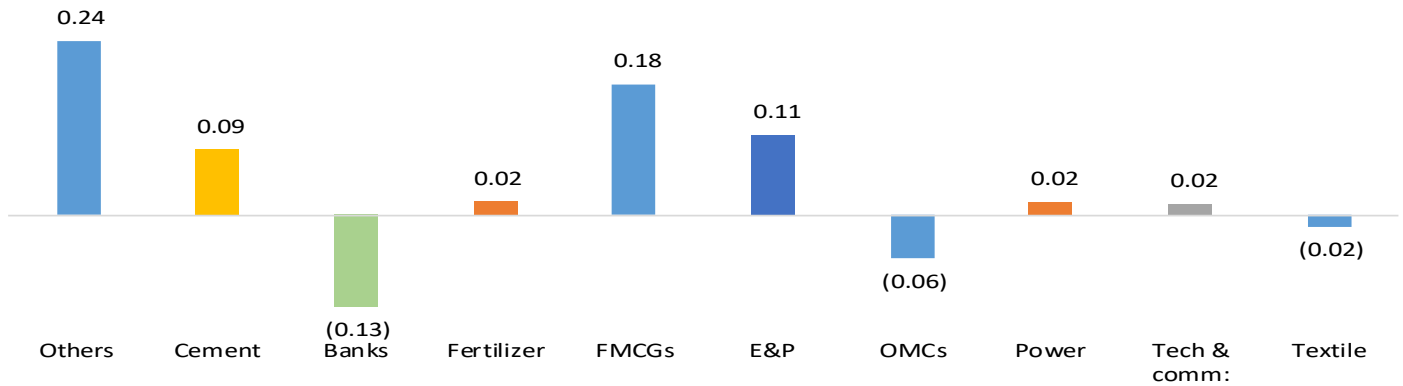
## May RDA inflows rise to \$4.4bn

Source: Business Recorder

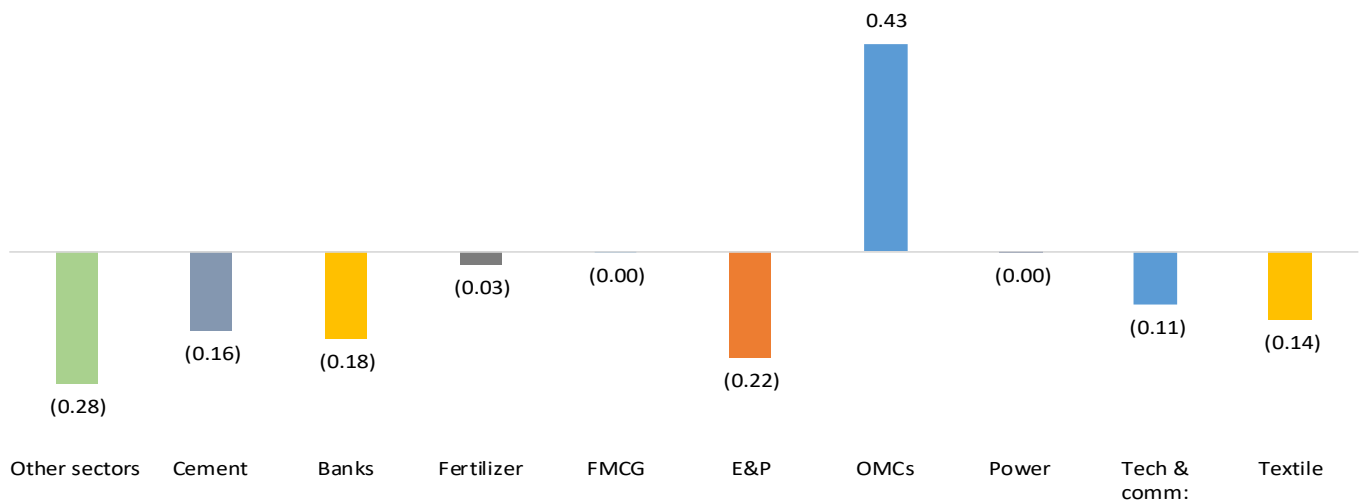
POSITIVE

Inflows of Roshan Digital Accounts (RDA) rose to \$ 4.4 billion at the end of May 2022. According to State Bank of Pakistan (SBP), inflows of RDA continued to surge and increased by \$189 million during May 2022. Overall, RDA inflows reached \$4.356bn as of May 2022 compared to \$ 4.167 billion as of April 2022.

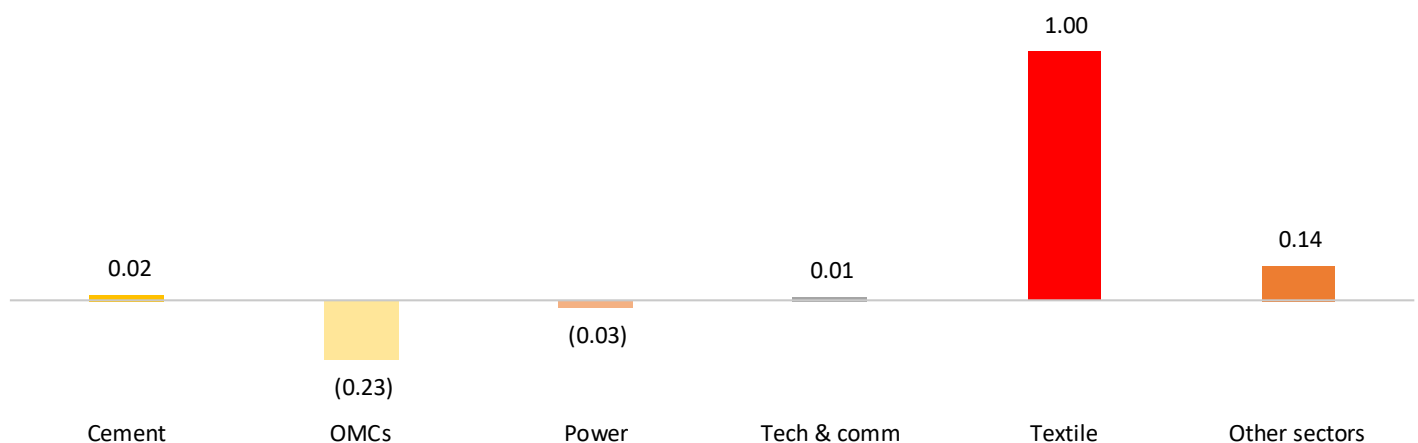
### FIPI Sector Wise USD (Mil)



### Mutual Funds Sector Wise USD (Mil)



### Banks/DFIs Sector Wise USD (Mil)



Source: NCCPL

## Analyst Certificate:

The Research Report is prepared by the research analyst at WE Financial Services Ltd. It includes analysis and views of our research team that precisely reflects the personal views and opinions of the analysts about the subject security(ies) or sector (or economy), and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. In addition, we currently do not have any interest (financial or otherwise) in the subject security(ies). The views expressed in this report are unbiased and independent opinions of the Research Analyst which accurately reflect his/her personal views about all of the subject companies/securities and no part of his/her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.

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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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