

8th May, 2023

## KSE -100 Index



Source: PSX &amp; WE Research

## 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
CENERGY	3.72	0.81%	7.07

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## Centre may stop financing provincial projects

Amid the tight fiscal position, the Centre is considering ending financing provincial development projects, and instead focusing on five strategic sectors — exports, energy, equity, e-Pakistan and environment (5Es) — in the next year's Public Sector Development Programme (PSDP). The planning and development ministry had moved a summary to the prime minister for his consent to cap the provincial development projects in the PSDP 2023-24 to be presented to parliament as part of the next year's budget and also restrict the PSDP to 5Es. [Click to see more](#)

## Economic slowdown triggers massive unemployment

Millions of jobs in formal or informal sectors of the economy across the country have been lost due to a massive decline in industrial production so far this fiscal year. The ongoing restrictions on the import of raw materials, the foreign exchange crisis and rising costs caused by surging power and gas bills have severely hampered production activities. In four industrial sectors of Karachi and the countrywide auto vending units, stakeholders claimed that "over 500,000 people have faced joblessness." [Click to see more](#)

## Debt servicing surges to Rs3.58tr

The surging domestic debt servicing has left no option for the cash-strapped government but to borrow more amid higher spending and low revenue collection. The government paid a whopping Rs3.107 trillion in domestic debt servicing during the first 9 months of the current fiscal year. According to the latest report of the Ministry of Finance, the government spent an overall Rs3.582tr for both external and domestic debt servicing during the July-March period of 2022-23. The volume of domestic debt servicing was 87pc of the overall total debt servicing. [Click to see more](#)

## IMF insists on 'pledges for financing'

The International Monetary Fund is working with Pakistan to conclude a ninth review of a bailout programme, its mission chief said on Friday of the funding critical for the cash-strapped nation to avert an economic collapse. Pakistan and the IMF have been discussing fiscal policy measures in the review since February, aiming to resume stalled funding of \$1.1 billion due in November 2022 under a loan programme agreed in 2019. The measures have fuelled the highest-ever inflation, posted at 36.4 per cent in April. [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%

## Stocks finish weekend session on bullish note

The business week ended on the Pakistan Stock Exchange on a bullish note even though investors' engagement remained relatively low owing to the weekend factor. The index of representative shares fluctuated before the bulls became active in the post-prayer session, pushing up the index as well as the trading volume. Investors added value to their portfolios by cherry-picking stocks with strong fundamentals. Shares belonging to the cement and banking sectors hogged the limelight. Another factor driving the positive momentum on the stock exchange was the press coverage on the likely outcome of the overdue review of the International Monetary Fund loan programme. [Click to see more](#)

## Sale of smuggled Iranian diesel causing huge revenue loss

Iranian smuggled diesel has replaced 40pc of Pakistan's domestic diesel consumption, causing unprecedented revenue loss of Rs. 10.2 billion per month to the country's struggling economy. Corruption and lack of enforcement of laws and regulations by authorities, especially the Federal Board of Revenue (FBR), has caused unprecedented damage to the already depressed national economy, as the smuggled Iranian diesel has snatched about 40 percent share of domestic diesel consumption. Oil Gas Regulatory Authority (Ogra) has verified a significant drop in legal sales by approved Oil Marketing Companies (OMCs). [Click to see more](#)

## Pakistan, Afghanistan agree to remove trade hurdles

Pakistan and Afghanistan have underscored the need for streamlining and simplifying trade procedures to reduce bottlenecks and ensure a conducive environment for bilateral ties. The matter came up for discussion at a highlevel meeting co-chaired by Federal Minister for Commerce Syed Naveed Qamar and his Afghan counterpart Haji Nooruddin Azizi on Saturday. Senior officials from both sides participated in the huddle. Detailed deliberations were held on various important aspects, including customs cooperation, border management, reduction in tariffs and issues related to pharmaceutical and meat industries. Each side expressed its commitment to strengthening trade ties and addressing the challenges emerging in the bilateral relationship. [Click to see more](#)

## Pakistan needs to repay \$3.7bn debt by June

Pakistan needs to repay another \$3.7 billion in external debt by the end of June 30 this year, *Bloomberg* reported on Friday. During the entire current fiscal year, the country has been struggling to avoid default with the help of friendly countries and multilateral lending agencies but the next fiscal year is about to begin with another huge requirement of dollars. In an interview with *Bloomberg*, a Fitch Rating official said Pakistan would have to repay \$3.7bn up to June 2023. The Fitch official expects China would roll over a \$2.4bn loan maturing next month. [Click to see more](#)

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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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