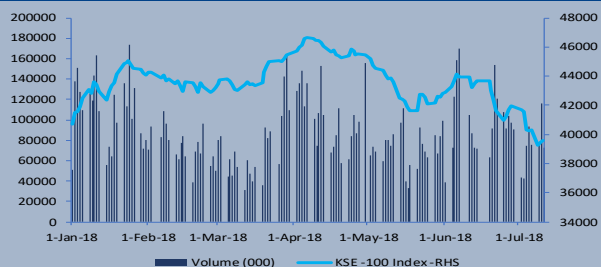


08 Sept, 2022

## KSE -100 Index



## KSE -100 Index- Key Statistics

Open	41,910.84
High	42,064.94
Low	41,703.95
Closing	41,766.05
Change	-94.31
Volume	45,956,201

Source: PSX

## Key Economic Data

Reserves (15-Jul-22)	\$15.24bn
Inflation CPI (Jul'21-Jun'22)	21.3%
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 (07-Sept-22)	0.13
Individuals (07-Sept-22)	0.58
Companies (07-Sept-22)	0.352
Banks/DFI (07-Sept-22)	0.04
NBFC (07-Sept-22)	0.01
Mutual Fund (07-Sept-22)	(1.22)
Other Organization (07-Sept-22)	0.06
Brokers (07-Sept-22)	(0.06)
Insurance Comp: (07-Sept-22)	0.10

Source: NCCPL

## WE Financial Services Ltd.

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Stock Exchange Road, Karachi-74000, Pakistan  
Email: research@we.com.pk

## T-bill return surges to record high at 16%

Source: Tribune Express

NEGATIVE

The cost of commercial bank financing has hit a record high at 16% on fresh lending to the government at a time when the country is facing high inflation and busy fighting the widespread flood devastation. The high cost of borrowing forced the government to raise Rs817 billion through the sale of its debt securities – three to 12-month treasury bills – to commercial banks, which was lower than the pre-auction target of Rs1 trillion. The T-bills' auction came as the government was to repay the maturing papers worth Rs1.028 trillion to the commercial banks.

## Government Fails To Meet Target in T-Bill Auction even with All Time High Rates

Source: Augaf

NEGATIVE

This is the first time in the history of Pakistan that the yield for 3M nears 16 percent against its previous high of 15.8 percent in previous auction. Pakistan, CPI inflation General, increased by 27.3% on year-on-year basis in Aug 2022 which is a high of 47 years, as compared to an increase of 24.9 in the previous month and 8.4% in Aug 2021. Monsoon rains have caused devastating floods in Pakistan, leaving millions homeless, destroying buildings, bridges and roads and leaving vast swathes of the country under water.

## Brent Drops Below \$90/bbl for the First Time in seven months on economic woes

Source: Augaf

NEGATIVE

Oil prices fell by more than \$3 on Wednesday to their lowest since Russia invaded Ukraine on demand fears stoked by looming recession risks and downbeat Chinese trade data. Brent crude futures were down \$3.40, or 3.66%, at \$89.43 a barrel by 1338 GMT, touching their lowest since Feb. 3, and falling below \$90 a barrel for the first time since Feb. 8. U.S. West Texas Intermediate crude fell by \$3.42, or 3.94%, to \$83.46, reaching its lowest since Jan. 24 as recession fears moved back into the spotlight.

## Rupee's downward spiral continues unabated for fourth session

Source: The News

NEGATIVE

The rupee continued to slide against the dollar on Wednesday in the interbank market followed by a fluctuation in the demand and supply position of the greenback in the currency market. The local unit closed at 223.42 after losing 2 or 0.90% against the dollar in the interbank market, up from yesterday's close of 221.42, according to the data released by the State Bank of Pakistan (SBP). Albeit traders and dealers had expected the rupee to trade within a range of 218-19 in the coming days — the situation has quickly changed as the floods have overshadowed the International Monetary Fund's (IMF) loan disbursement.

## Pakistan, AIIB sign advance loan agreement worth \$1.6mn

Source: Mettis Global

POSITIVE

The Government of Pakistan and Asian Infrastructure Investment Bank (AIIB) on Wednesday signed an advance loan agreement worth \$1.6 million for the "Lahore Water and Wastewater Management Project". The Federal Minister for Economic Affairs, Sardar Ayaz Sadiq witnessed the signing ceremony of the Project Readiness Advance Loan Agreement for Lahore Water and Wastewater Management Project held at the Ministry of Economic Affairs, said a press release issued here.

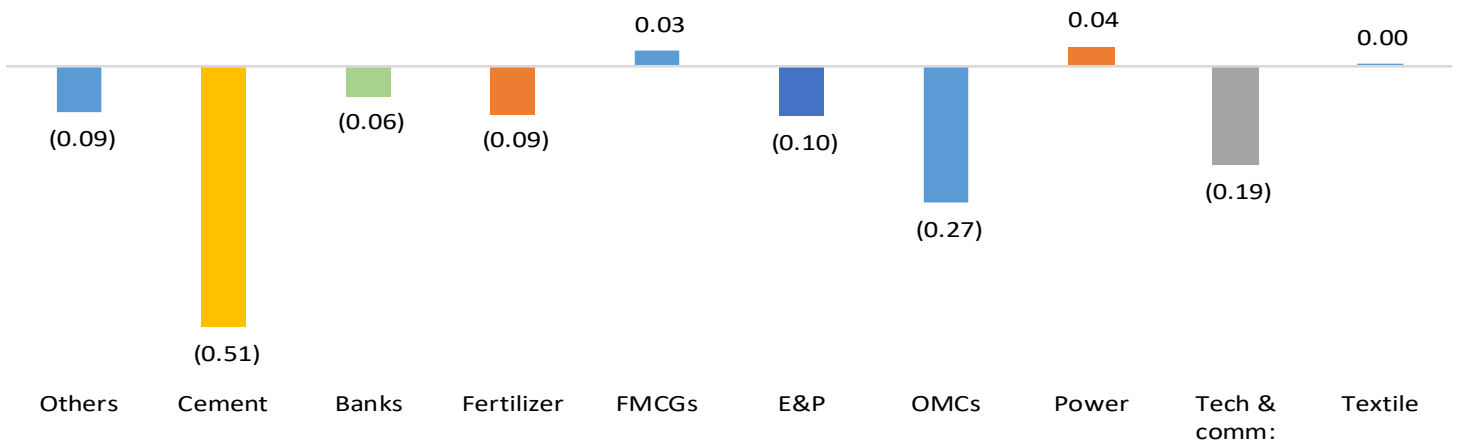
## Qatar Investment Authority keen to invest in Pakistan's multiple sectors

Source: Augaf

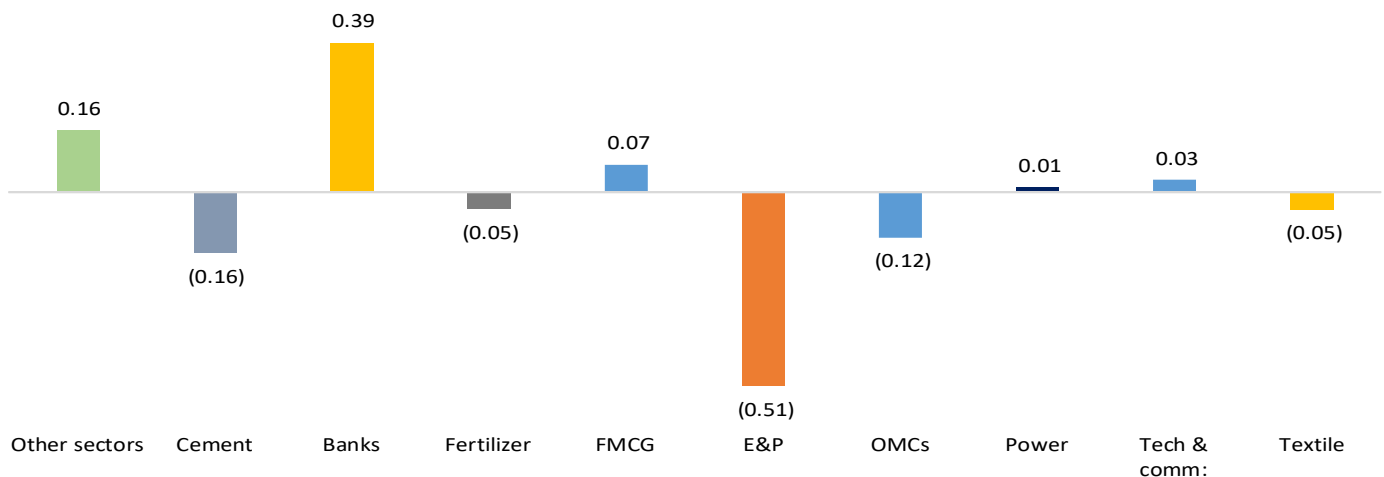
POSITIVE

Chief Executive Officer (CEO), Qatar Investment Authority, Sheikh Faisal bin Thani al-Thani has shown keen interest to invest in Pakistan's different sectors especially energy, airport and infrastructure and others. Two weeks ago, Qatar Investment Authority (QIA) showed its intention to invest USD 3 billion in various commercial and investment sectors in Pakistan during Prime Minister Shahbaz Shareef visit of Qatar.

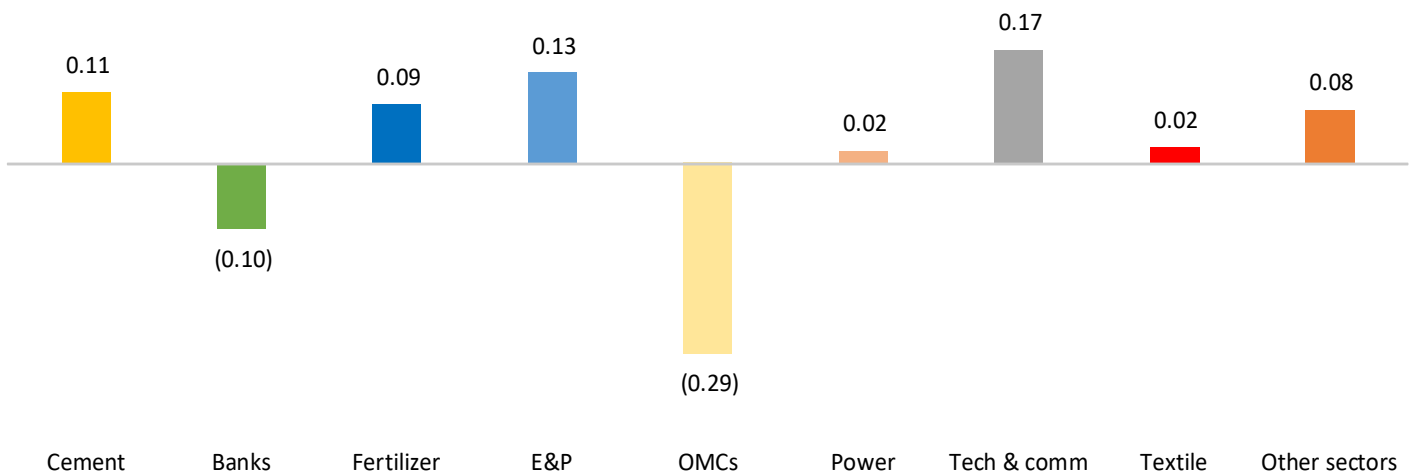
### FIPI Sector Wise USD (Mil)



### 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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