

09 June, 2022

KSE -100 Index



KSE -100 Index- Key Statistics

Open	41,539.11
High	41,620.71
Low	41,391.53
Closing	41,553.16
Change	-15.25
Volume	73,399,433

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 (08-Jun-22)	(3.99)
Individuals (08-Jun-22)	1.68
Companies (08-Jun-22)	3.397
Banks/DFI (08-Jun-22)	0.39
NBFC (08-Jun-22)	(0.04)
Mutual Fund (08-Jun-22)	(0.87)
Other Organization (08-Jun-22)	0.35
Brokers (08-Jun-22)	(0.88)
Insurance Comp: (08-Jun-22)	(0.03)

Source: NCCPL

WE Financial Services Ltd.

TREC Holder -Pakistan Stock Exchange Ltd.
506-508 5th Floor, Pakistan Stock Exchange Building
Stock Exchange Road, Karachi-74000, Pakistan
Email: research@we.com.pk

Moody's downgrades 5 Pakistani banks' outlook to negative from stable, affirms B3 ratings

Source: Business Recorder

NEGATIVE

Moody's Investors Service (Moody's) on Wednesday affirmed the B3 long-term deposit ratings of five Pakistani banks: Allied Bank Limited (ABL), Habib Bank Ltd. (HBL), MCB Bank Limited (MCB), National Bank of Pakistan (NBP) and United Bank Ltd. (UBL), but changed the outlook on the banks' long-term deposit ratings to negative from stable. The ratings agency also downgraded the long-term foreign currency Counterparty Risk Ratings of ABL, MCB and UBL to B3 from B2; these ratings are now constrained by government of Pakistan's foreign currency country ceiling, which was lowered to B3 from B2.

Coalition govt to present Rs9.5tr budget on Friday

Source: Profit by Pakistan

NEUTRAL

Prime Minister Shahbaz Sharif led coalition government will present Rs9.5 trillion budget for fiscal year 2022-23 on Friday. As per the details, finance minister will present the budget in National Assembly. The total outlay of budget would be around Rs9.5 trillion including Rs8.79 trillion current expenditures and Rs800 billion for Public Sector Development Program (PSDP). Out of Rs800 billion PSDP, the government has allocated Rs2.2 trillion for 160 new schemes on the recommendation of coalition partners in next year PSDP. Sources said that government has proposed to allocate Rs4 trillion for debt servicing including Rs3.5 trillion for interest payments on loans and Rs500 billion for interest payments on external from taxes.

Export industry: Raw materials now exempt from taxes

Source: Business Recorder

POSITIVE

Prime Minister Shehbaz Sharif Wednesday directed the authorities concerned to abolish all taxes on the raw materials of the export industry, as part of his government's vision to develop an export-oriented economy. The prime minister also directed the formation of task forces to attract investment in multiple sectors during a meeting with a delegation of the American Business Council. The task forces would be formed in the fields of tourism, pharmaceuticals, information technology, e-commerce, large-scale manufacturing, and agriculture.

Oil tops \$124 per barrel, a high of 13-week

Source: Augaf

POSITIVE

Oil prices rose about 3% to a 13-week high on Wednesday as U.S. demand for gasoline has kept rising despite record pump prices, on expectations China's oil demand will rise and on supply concerns in several countries. Brent futures rose \$3.60, or 2.99%, to \$124.17 a barrel by 13:23 p.m. EDT. U.S. West Texas Intermediate (WTI) crude rose \$3.49, or 2.92%, to \$122.90.

Miftah offers support for new investment from UAE

Source: Profit by Pakistan

POSITIVE

Federal Minister for Finance and Revenue, Miftah Ismail on Wednesday assured full support by present government to Ambassador of the United Arab Emirates, Hamad Obaid Ibrahim Salim Al-Zaabi and offered him welcoming sentiments for pursuing new investments in Pakistan. The finance minister highlighted the long-standing bilateral ties between both countries in areas of trade, energy, refinery, and petroleum, said a statement issued here by Finance Division.

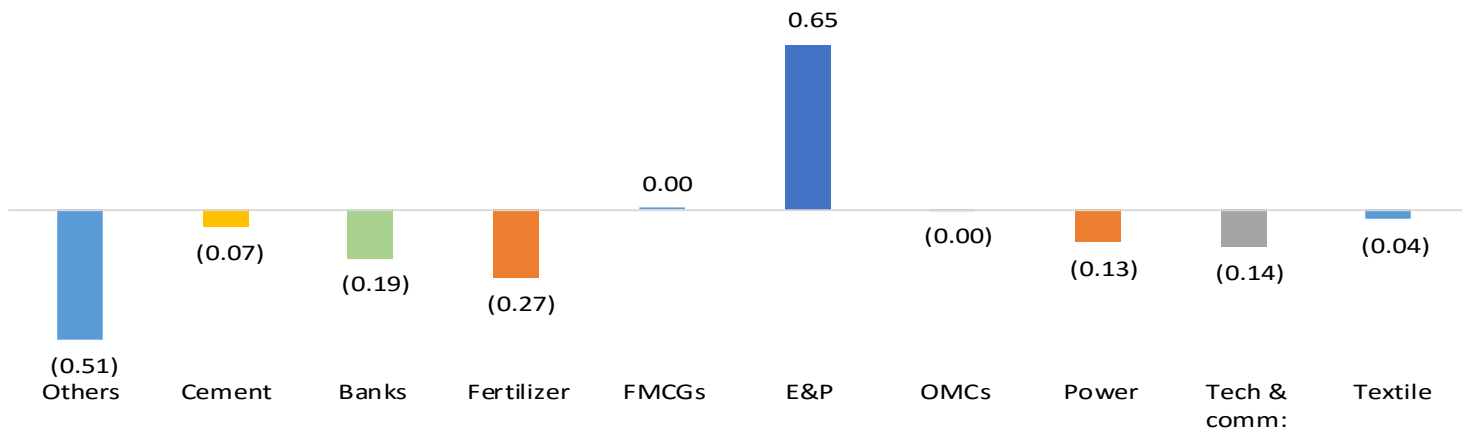
With Rs9.5tr outlay, govt to rely on loans

Source: Tribune Express

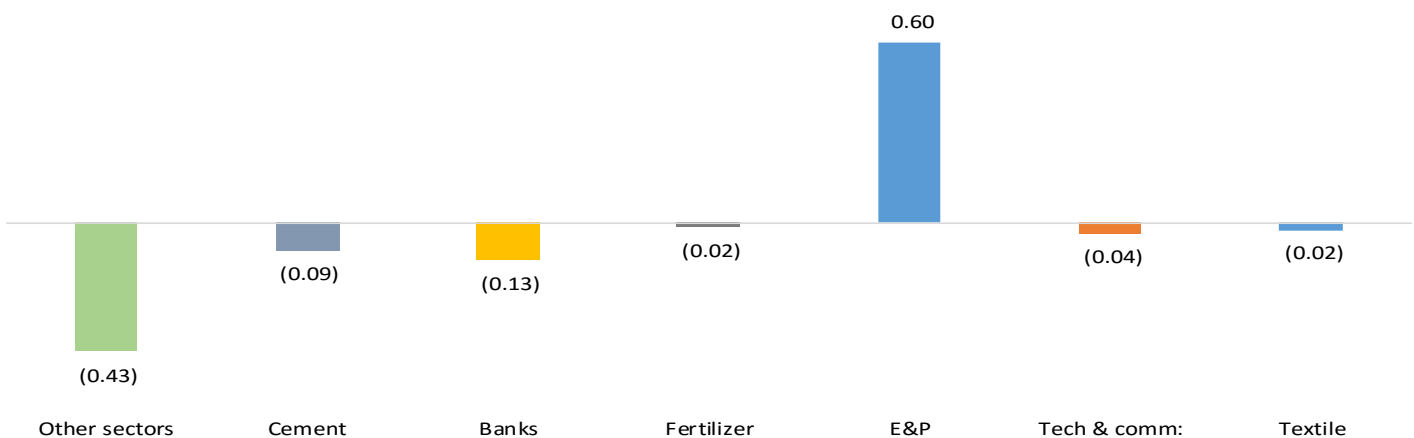
NEGATIVE

The coalition government may unveil a nearly Rs9.5 trillion budget that has been prepared on a highly ambitious target of a mere 4% increase in expenses but one-fourth surge in revenues aimed at meeting a core condition of the International Monetary Fund.

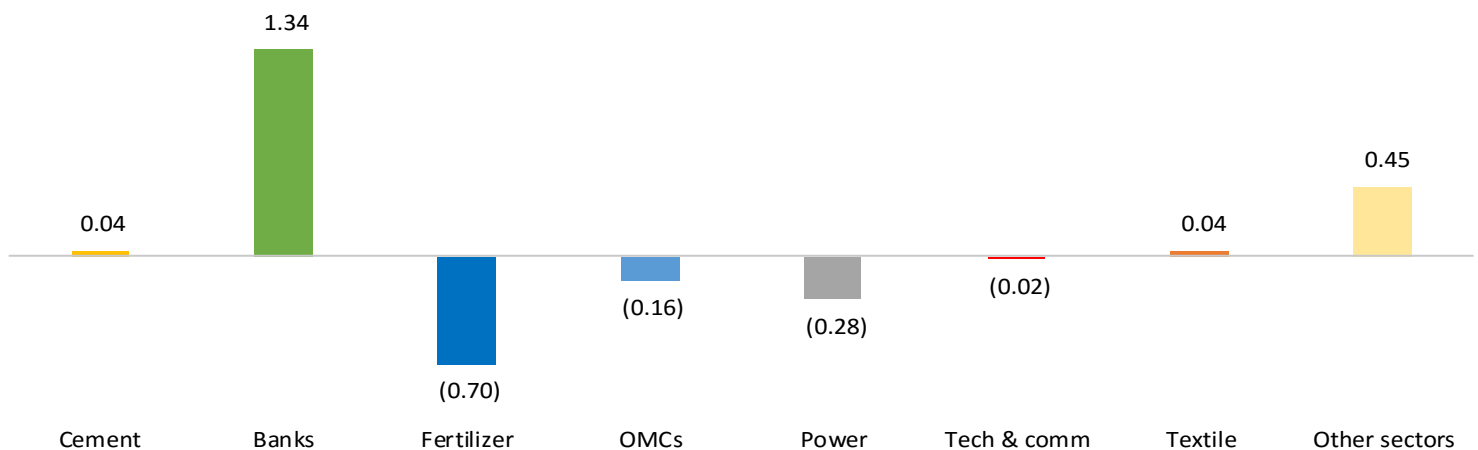
FPI Sector Wise USD (Mil)



Mutual Funds Sector Wise USD (Mil)



Banks/DFIs Sector Wise USD (Mil)



Source: NCCPL

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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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