

9th October, 2023

## KSE -100 Index



## 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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## World Bank flags concerns over privatisation approach

The World Bank has raised concerns over Pakistan's approach to privatising its state-owned entities (SOEs) and highlighted the adverse impacts of judicial activism, political nuisance, sale of K-Electric and what it called the botched Sarmaya-i-Pakistan model. The financial institution cautioned the government of looming litigation in divestments to foreign states under government-to-government contracts and instead advised public offerings through stock exchanges followed by privatisation under the transparent oversight of a special joint committee of the parliament. [Click to see more](#)

## Opec leaders make case for fossil fuels at climate event

Opec heavyweights said on Sunday oil and gas should not be stigmatised in the climate debate and that the industry had a role to play in an orderly energy transition. Energy ministers from Saudi Arabia, the United Arab Emirates and Iraq, the three largest members of the Opec, have gathered in the Saudi capital Riyadh for the UN MENA climate week. "The three of us here as major hydrocarbon producers also have a responsibility to the world to provide the transition with enough hydrocarbon resources to make sure we are transitioning at a responsibly priced manner," UAE Energy Minister Suhail al-Mazrouei said on a panel. [Click to see more](#)

## Surge in Afghan transit cargo raises smuggling concerns

In a significant development since the Taliban's [takeover](#) of Kabul, the flow of Afghan transit cargoes has witnessed a substantial surge in one year. The number of containers under Afghan transit trade transporting goods through Pakistan has increased by nearly 39 per cent, reaching a total of 102,886 containers in the 2022-23 from 74,316 containers in the previous year, according to official data compiled by Pakistan Customs. The first two months of the current fiscal year have seen a persistent upward trend in cargo volumes, totalling nearly 15,000 containers. The projected total for containers in fiscal year 2024 is approximately 130,000. [Click to see more](#)

## Crackdown, rising rupee take sparkle off gold prices

A combination of a government [crackdown](#) on speculators, a stronger rupee and a fall in global market rates has resulted in a notable drop of around Rs20,000 per tola in the domestic 24-karat gold rates over the past 25 days. However, with All Pakistan Gem and Jewellers Association (APGJA) halting its daily rate announcements on Sept 13, traders have been quoting prices at whim. The association's president, Haji Haroon Rasheed Chand, has given several dates when these daily rates announcement will be resumed. Most recently, he slated Oct 9 as the new commencement date. [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%

## Unlocking Pakistan's trade potential with Europe

The European Union (EU), a conglomerate of 27 different countries, is the largest destination market for Pakistani exports. According to the trade statistics provided by the International Trade Centre's Trademap.org, the EU imported more than \$12 billion worth of goods from Pakistan in 2022. The EU provides Pakistani exporters with GSP (Generalised Scheme of Preferences) Plus concessions on the exports of goods as an incentive to pursue good governance and sustainable development. Although there are several conditions attached by the EU to become a recipient of this scheme, it provides Pakistani exporters, particularly of textile products, with duty-free access to the European market. [Click to see more](#)

## Navigating the agriculture sector

Pakistan is an agrarian economy, and the agriculture sector includes crops, livestock, fisheries, and forestry. Agriculture accounts for roughly 25% of GDP, and Pakistan is among the world's top producers of wheat, cotton, sugarcane, mangoes, dates, rice, and oranges. The agriculture sector not only meets domestic demand for food but also contributes significantly to the country's export earnings. According to the Pakistan Bureau of Statistics, the value of agricultural exports in 2023-24 was \$5.2 billion, an increase of 13% from the previous year. The major agricultural exports include rice, fruits, vegetables, cotton yarn, raw cotton, fish, and fish preparations. [Click to see more](#)

## Cheap power during winter months

The federal government is working on a four-month "winter package" for industry on incremental consumption basis aimed at providing cheap electricity during the winter months, which will not only improve industrial growth but also reduce burden of capacity payment of power plants. The winter package will be applicable across the country including K-Electric jurisdiction, after formal approval of the federal cabinet and International Monetary Fund (IMF). The impact of incremental package will be around Rs 25 billion but the key question remains: who would pay this cost as the government cannot adjust this amount in subsidy due to restrictions imposed by the IMF and World Bank. [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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