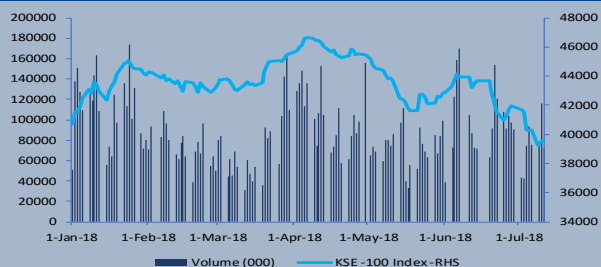


10 June, 2022

KSE -100 Index



KSE -100 Index- Key Statistics

Open	41,585.25
High	41,997.22
Low	41,573.75
Closing	41,735.96
Change	182.80
Volume	66,320,930

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 (09-Jun-22)	(1.01)
Individuals (09-Jun-22)	0.37
Companies (09-Jun-22)	0.746
Banks/DFI (09-Jun-22)	1.01
NBFC (09-Jun-22)	(0.06)
Mutual Fund (09-Jun-22)	(0.33)
Other Organization (09-Jun-22)	0.24
Brokers (09-Jun-22)	(0.02)
Insurance Comp: (09-Jun-22)	(0.94)

Source: NCCPL

WE Financial Services Ltd.

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Pakistan Central Bank foreign exchange reserves fall \$497 million in a week, enough to cover only 40 days of imports: SBP

Source: Augaf

NEGATIVE

Foreign exchange reserves held by State Bank of Pakistan registered decline for the seventh consecutive week to the level last witnessed in December 2019 and is enough to cover country import bill for 40 days. For the week ending 3rd June, 2022, Reserves held with SBP down by USD 497 million to USD 9.226 billion as per data released by the Central Bank. The main reason of this decrease in foreign exchange reserves is external debt repayments. Pakistan imported goods of USD 59.8 billion and services of USD 9.3 billion during the period from July to April, as per data published by State Bank of Pakistan. At present, SBP reserves stands at the level of USD 9.226 billion as of 3rd June 2022 compared to USD 9.722 billion at the end of week ending 27th May 2022.

Oil import bill increased by 95% in 10 months: PES

Source: Mettis Global

NEGATIVE

The country has imported oil worth \$ 17.03 billion during first 10 months from July to April of the current fiscal year 2021-22 to meet its energy needs, witnessing almost 95 percent increase in the oil import bill as compared to same period of the last year. "The latest available data indicates that the import bill of oil has increased to US\$ 17.03 billion during July-April FY2022 compared to US\$8.69 billion during the same period last year, showing an increase of 95 percent," according to the Economic Survey 2021-22 unveiled by Finance Minister Miftah Ismail at a news conference here on Thursday.

KIBOR reaches close to 13-1/2-year high

Source: Tribune Express

NEGATIVE

The commercial banks' benchmark six-month interest rate, at which they lend funds to each other in the Karachi money market, better known as Karachi Inter-bank Offered Rate (Kibor) – reached close to 13-and-a-half-year high at 15.68% on Wednesday. The rate increased by 30 basis points during the day despite reports that the central bank had verbally asked the commercial banks in a meeting to cut the interest rate following supply of huge liquidity to the market through the open market operation (OMO).

Fiscal deficit jumps 3.8% to Rs2.56tr in 3 quarters: PES

Source: Mettis Global

NEGATIVE

The fiscal deficit increased to 3.8 percent of GDP and was recorded at Rs 2,565.6 billion during July-March FY2022 against 3.0 percent of GDP (Rs 1,652.0 billion) in the same period of last year, according to Pakistan Economic Survey 2021-22 released here Thursday. According to pre-budget document released by Finance Minister Miftah Ismail, the primary balance posted a deficit of Rs 447.2 billion against the surplus of Rs 451.8 billion during the period under review. While revenue deficit also deteriorated to 2.2 percent of GDP in the first nine months of FY2022 against the deficit of 2.0 percent of GDP in the same period of FY2021. Total revenues increased by 17.7 percent and reached Rs 5,874.2 billion in July-March FY2022 against Rs 4,992.6 billion in the same period of last year.

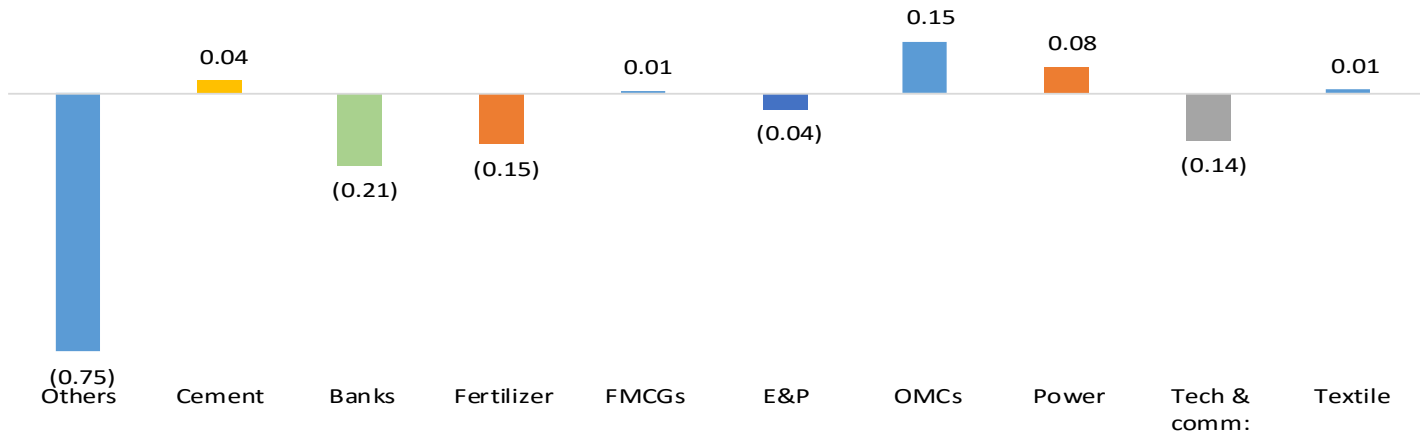
Survey sees circular debt hitting Rs4trn mark by 2025

Source: Business Recorder

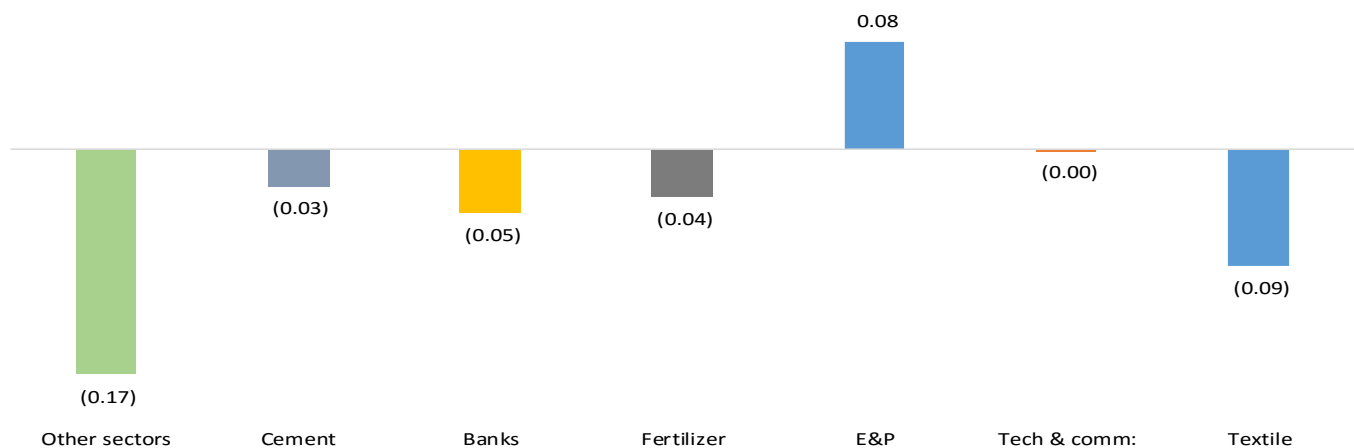
NEGATIVE

The government has indicated that the country's circular debt would reach Rs 4 trillion by 2025 if urgent reforms in power sector are not initiated. According to Economic Survey 2021-22 released Thursday, the problem of circular debt in the energy sector is a long standing issue. Successive governments have strived hard to bring circular debt down but the issue largely remained uncontrolled. In FY2013, circular debt was around Rs 450 billion which reached to Rs 1.148 trillion in 2018.

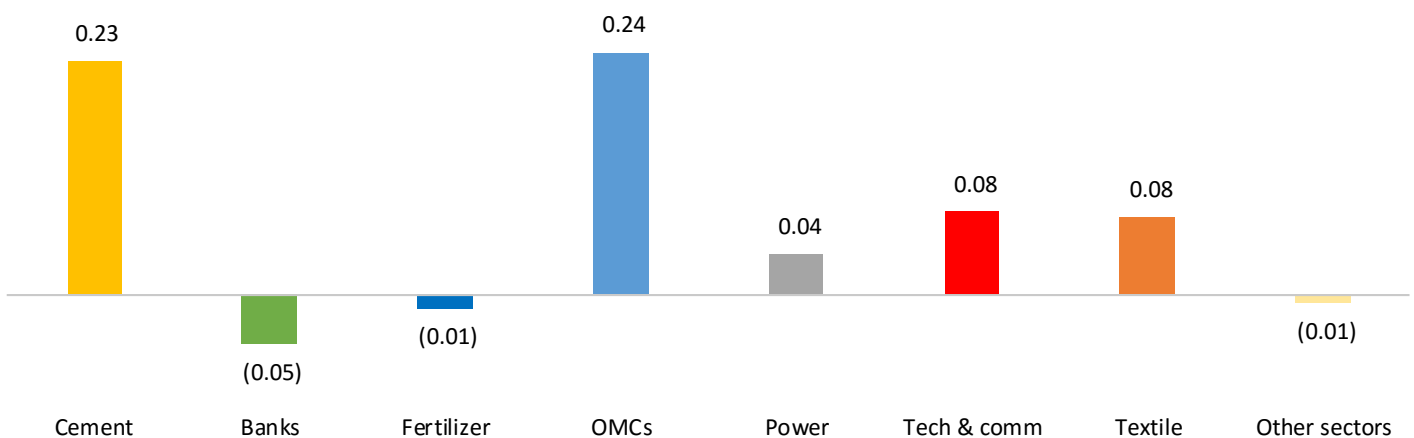
FII Sector Wise USD (Mil)



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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