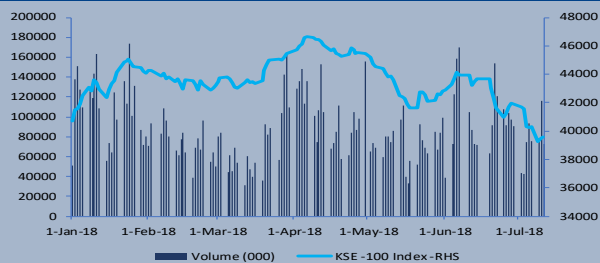


12th June, 2023

## 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
CNERGY	3.72	0.81%	7.07

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## 'New budget will do little to allay IMF concerns'

The budget for the next fiscal year will do little to allay the International Monetary Fund's concerns and makes it more difficult for Pakistan to complete the pending ninth and 10th reviews of the current bailout package, experts say. This view, shared by a Washington-based economist Uzair Younus, is backed by many in the US capital about how the budget impacts Pakistan's chances of receiving the remaining two tranches from the IMF and of getting a new assistance package. Even those in the IMF and the World Bank share these sentiments, although no official is willing to offer on-the-record comments because of the sensitivity of the issue. [Click to see more](#)

## First-ever crude-laden Russian ship arrives

The first-ever Russian oil ship carrying over 45,000 metric tons of crude has arrived at Karachi Port on Sunday. "It is a significant development for Pakistan's energy sector as the deal between Pakistan and Russia has almost materialized when the first crude oil ship has anchored at Karachi Port", industry players said. The Russian ship "Pure Point" carrying 45,142 metric tons crude has successfully anchored at oil tankers' berth OP2 of Karachi Port Trust, the port sources confirmed. In a bid to diversify its oil imports sources, Pakistan had signed an agreement with Russian Federation to buy crude on discounted rates a few months back. [Click to see more](#)

## Sindh aims to collect Rs469b

The Sindh government has unveiled its budget for the next fiscal year, aiming to collect revenue of Rs469.90 billion in provincial taxes. The government has set an ambitious target for itself despite the prevailing economic slowdown. The share of provincial taxes in the total tax receipts is estimated to be around 21%, which amounts to approximately Rs2.20 trillion for FY24. However, the government continues to heavily rely on federal transfers, foreign project assistance, foreign grants, and domestic borrowing to manage the province's finances. Under the budget layout of Rs2.24 trillion, the government has projected a budget deficit of Rs37.79 billion for FY24. The Pakistan People's Party (PPP)-led provincial government plans to collect a significant portion of provincial taxes from indirect taxes like the General Sales Tax Provincial, which primarily affects common people. [Click to see more](#)

## Sindh unveils ambitious rehabilitation plans

The Sindh government has revealed a comprehensive rehabilitation plan in its budget for 2023-24, aiming to revitalise various sectors affected by the devastating monsoon floods of 2022. Chief Minister Sindh, Murad Ali Shah, highlighted the extensive damage caused by the calamity, which affected over 33 million people nationwide, with Sindh bearing the brunt of the destruction. [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%

## Changes in FBR's tax expenditure may affect provincial revenues

The changes made in the cost of tax exemptions by the Federal Board of Revenue (FBR) may have an impact on provincial tax collections/ revenues. The FBR's tax expenditure report-2023 revealed that the factual tax expenditures may vary depending on a host of factors. The tax expenditure estimates presented in the report relate to FBR revenues only and do not account for the provincial revenue expenditure. It is pertinent to mention that federal and provincial tax systems interact with each other to varying degrees on practical grounds. As a result, changes in FBR's tax expenditure may have consequences for provincial revenues. [Click to see more](#)

## Inflation, public debt 'major risks' to economy

The coalition government has identified key risks to the next year's budget and the medium-term macroeconomic outlook, including the current financial and operational performance of state-owned enterprises (SOEs), rising public debt, movement of interest and exchange rates by the State Bank of Pakistan, and climate change. In an integrity statement submitted to parliament required under the Public Finance Management Act as part of the federal budget, Finance Minister Ishaq Dar and Finance Secretary Imdad Ullah Bosal have also highlighted that the Russia-Ukraine war, falling global growth and rising inflation could pose risks to the economic growth and sustainability of fiscal and monetary projections. [Click to see more](#)

## PM still hopeful of successful IMF agreement

Prime Minister Shehbaz Sharif has expressed his optimism regarding Pakistan's chances of striking a deal with the International Monetary Fund (IMF) this month, saying that the government has accepted all the conditions of the global lender and implemented them. The prime minister made these remarks while addressing an inauguration ceremony of a Sports Complex here on Sunday. PM Shehbaz regretted that the previous government of Pakistan Tehreek-e-Insaf (PTI) reneged its agreement with the International Monetary Fund (IMF) that led to "very serious economic situation". [Click to see more](#)

## Sugar import: Cut in tax rates amongst reasons behind huge income tax exemptions cost

The reduction in tax rates including withholding tax on the import of sugar is one of the reasons for huge cost of income tax exemptions during 2021-22. The tax expenditure report-2023 issued by the Federal Board of Revenue (FBR) revealed that income tax expenditures are classified into various types of measure, i.e., allowances, credits, exemptions, reduced rates, exclusion, etc. Overall income tax expenditure accounted for 18.93% of the total expenditure in 2021-22. Income tax related tax expenditures are higher by 1.77% during 2021-22 as compared to 2020-21. Major chunk of income tax exemptions pertains to incomes exempt from tax given in Part I of Second Schedule (54.82%), followed by specific provisions (16.24%) and tax credits (12.30%). [Click to see more](#)



## 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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