

13 Sept, 2022

KSE -100 Index



KSE -100 Index- Key Statistics

Open	42,007.52
High	42,137.80
Low	41,812.09
Closing	41,862.29
Change	-85.87
Volume	66,430,462

Source: PSX

Key Economic Data

Reserves (15-July-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 (12-Sept-22)	1.31
Individuals (12-Sept-22)	0.33
Companies (12-Sept-22)	1.07
Banks/DFI (12-Sept-22)	(0.19)
NBFC (12-Sept-22)	(0.004)
Mutual Fund (12-Sept-22)	1.79
Other Organization (12-Sept-22)	0.28
Brokers (12-Sept-22)	(0.22)
Insurance Comp: (12-Sept-22)	(4.37)

Source: NCCPL

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NEPRA increase power tariff by Rs.4.34 per unit on account of FCA

Source: The News

POSITIVE

The National Electric Power Regulatory Authority (NEPRA) on Monday increased the power tariff by Rs.4.34 per unit on account of fuel charges adjustment (FCA) for DIS-COS for the month of July 2022. The Central Power Purchasing Agency- Guarantee (CPPA-G) had requested to increase per unit cost by Rs4.69, after which NEPRA held a public hearing on August 31 to consider the monthly FCA — a system through which electricity prices are adjusted as fuel prices fluctuate.

PKR remains under pressure, falls by Rs1.64 in interbank

Source: Dawn

NEGATIVE

The rupee continued to weaken against the dollar on Monday, falling by Rs1.64 in the interbank market. The local currency closed at Rs229.82 per dollar, data shared by the State Bank of Pakistan (SBP) showed. This equates to a depreciation of 0.71 per cent. Exchange Companies Association of Pakistan (Ecap) General Secretary Zafar Paracha said there were several factors behind the rupee's decline, including an expected increase in the import bill in the aftermath of the devastating floods.

27 CPEC projects costing \$19b completed

Source: Tribune Express

POSITIVE

Some 27 projects worth \$19 billion have so far been completed under the China-Pakistan Economic Corridor (CPEC) while 63 more with investment of \$35.2 billion are scheduled to be completed by 2030, a report titled "Overview of Pakistan's Power Sector and its Future Outlook" issued by the China Three Gorges South Asia Investment Ltd (CSAIL) revealed.

Banks' deposits surge by 15% YoY Rs22.2tr in August: SBP

Source: Mettsi Global

POSITIVE

The total deposits held by scheduled banks have shown a growth of around 15% YoY to around Rs22.2 trillion in August 2022, against Rs19.8tr in the same month of last year on account of strong overseas inflows, data issued by State Bank showed today. Likewise, on a monthly basis, local banks' deposits inched up by 0.2% from Rs22.1tr in July 2022. According to the data provided by SBP, investments jumped to Rs18.2tr in August 2022, showing a growth of 31% on a yearly basis. The higher growth in investments can be attributed to higher borrowings by the sector.

Oil prices rise as supply uncertainty mounts

Source: Dawn

POSITIVE

Oil prices rose on Monday as Iranian nuclear talks appeared to hit obstacles and an embargo on Russian oil shipments loomed, with tight supply struggling to meet still robust demand. Brent crude futures rose 92 cents, or one per cent, to \$93.76 a barrel by 0910 GMT. US West Texas Intermediate crude was up 71 cents at \$87.50 a barrel, or 0.8pc. Prices were little changed last week as gains from a nominal supply cut by the Organisation of the Petroleum Exporting Countries and allies including Russia, a group known as Opec+, were offset by lockdowns in China.

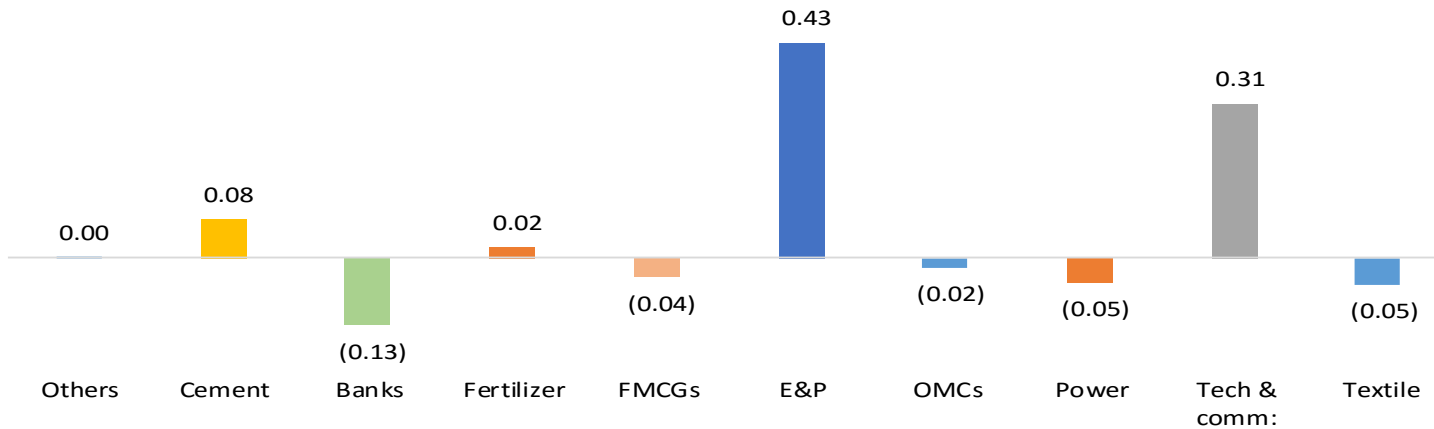
Depleting Reserves Spell Risks for Emerging Asian Currencies: Bloomberg

Source: Augaf

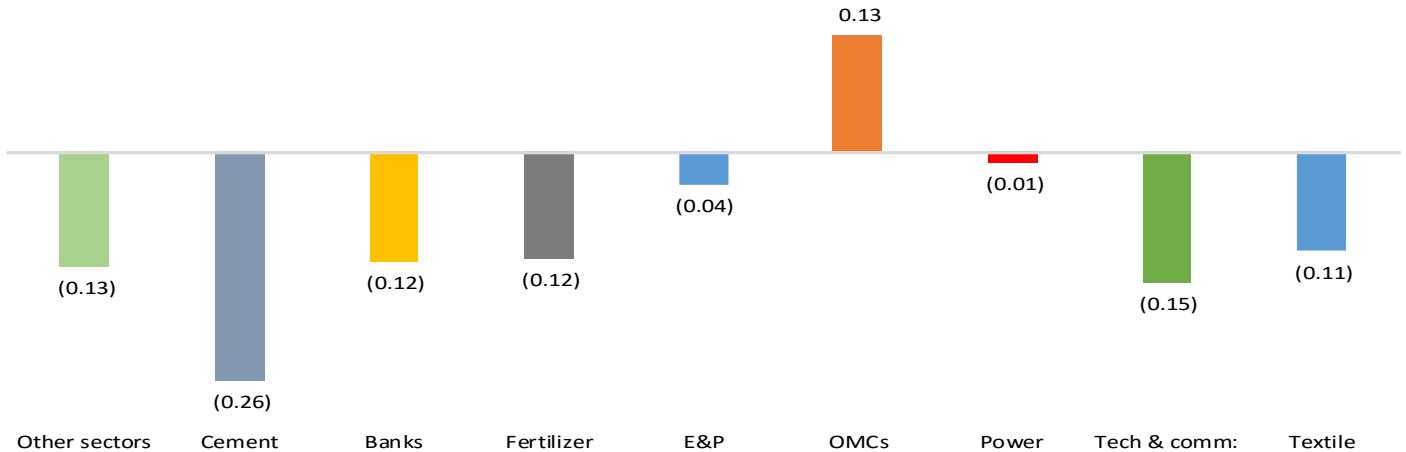
NEGATIVE

Emerging Asian central banks have seen a sharp depletion in their foreign-exchange reserves, stoking concerns it may crimp market interventions to curb currency losses in the face of the mighty dollar. A closely-watched measure of reserves cover — the number of months of imports a country can finance with its foreign-exchange holdings — has dropped to about seven for EM Asia ex-China, the lowest since the global financial crisis in 2008, according to Standard Chartered Plc. It was about 10 months at the beginning of the year and as high as 16 in August 2020, pointing to an erosion of developing nation firepower to defend currencies.

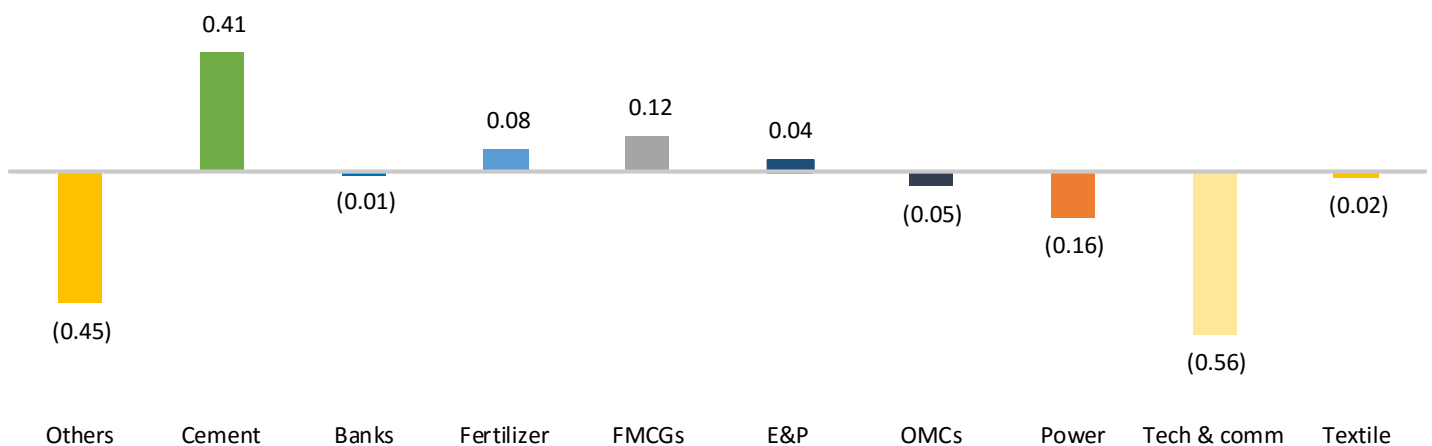
FII Sector Wise USD (Mil)



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 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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