

14th Feb, 2023

## KSE -100 Index



Source: PSX &amp; WE Research

## Market- Key Statistics

	Current	Previous	Change
KSE100 Index	41,716.95	41,714.78	-24.83
All Shares Index	27,852.09	27,866.69	-14.60
KSE30 Index	15,651.14	15,682.28	-31.14
KMI30 Index	71,788.93	72,189.53	-400.60
Volume (mn)	192,288,20	281,814,75	-89,526

Source: PSX

## Top Losers-KSE100 Index

Symbol	Price	% Change	Volume
AIRLINK	23.1	(-1.70%)	1,000
JSCL	11.51	(-1.54%)	10,000
MDTL	1.95	(-1.51%)	10,000
CPHL	26.55	(-1.26%)	4,184
LOADS	6.75	(-1.03%)	1,000

## Top Winners-KSE100 Index

Symbol	Price	% Change	Volume
SSOM	103.55	7.50%	500
STJT	105.3	7.38%	500
FCSC	1.29	5.74%	500
ELSM	128.99	5.24%	200
OCTOPUS	58	3.28%	3,000

## Volume Leaders KSE-All Index

Symbol	Price	% Change	Volume
SSGC	12.17	0.00%	1,490,619
SNGP	47.7	0.59%	1,264,022
DOL	25	3.18%	1,040,500
BAHL	55.5	0.34%	1,001,000
OGDC	98.85	0.00%	565,775

## Volume Leaders KMI-30 Index

Symbol	Price	% Change	Volume (mn)
OGDC	98.90	-2.14%	15.11
PPL	79.90	-0.14%	12.55
MLCF	22.40	1.04%	7.66
CINERGY	3.72	-0.53%	3.86
GGL	10.94	2.53%	2.85

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## Remittances decline 13.1pc YoY to \$1.9bn in January

Remittances declined for the fifth consecutive month in January, clocking in at \$1.9 billion, data shared by the State Bank of Pakistan (SBP) showed on Monday. This equates to a slump of 13.1 per cent compared to last January's \$2.2bn. On a month-on-month basis, remittances decreased by 9.8pc. In December, remittances amounted to \$2.1bn. The highest inflows were received from Saudi Arabia (\$407.6 million), followed by the United Kingdom (\$330.4m), the United Arab Emirates (\$269.2m) and the United States (\$213.9m). [Click to see more](#)

## Pakistan, IMF to resume talks today on crucial funding

Talks between the International Monetary Fund (IMF) and Pakistan will resume virtually on Monday, a Pakistani official said, as the two sides look to reach a deal to unlock funding critical to keep the cash-strapped country afloat. The two could not reach a deal last week and a visiting IMF delegation departed from Islamabad after 10 days of talks, but said negotiations would continue. Pakistan is in dire need of funds as it battles a wrenching economic crisis. [Click to see more](#)

## Ban on imports to render millions jobless, warn business leaders

Business leaders are clamouring for the cash-strapped government to allow manufacturing materials stuck at the key port of Karachi into the country, warning that a failure to lift a ban on imports will leave millions jobless. Faced with critically low US-dollar reserves, the government has banned all but essential food and medicine imports until a lifeline bailout is agreed with the International Monetary Fund (IMF). Industries such as steel, textiles and pharmaceuticals are barely functioning, forcing thousands of factories to close and deepening unemployment. [Click to see more](#)

## Gas prices hiked

The government has increased up to 124 percent in the gas prices for domestic consumers from January 1, 2023, to generate a revenue of Rs310 billion from the consumers in the next six months (January-June 2023) to curtail the circular debt in the gas sector. A day after staff level 10-day discussion on the 9th review with the International Monetary Fund (IMF) team, Finance Minister Ishaq Dar told the media during the press conference that the government is required to reduce the gas sector circular debt to zero as per one of the prior actions for completion of the review. [Click to see more](#)

## Energy security talks with US next month

Pakistan and United States are all set to hold 'Energy Security Dialogue' on March 15, 2023 in Islamabad which would provide an opportunity to discuss TAPI, CASA-1000, purchase of US LNG and issues related to purchase of Russian oil. [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 (13-Feb-23)	0.444
Individuals (13-Feb-23)	0.91
Companies (13-Feb-23)	0.43
Banks/DFI (13-Feb-23)	0.17
NBFC (13-Feb-23)	0.0044
Mutual Fund (13-Feb-23)	(1.64)
Other Organization (13-Feb-23)	(0.19)
Brokers (13-Feb-23)	0.0088
Insurance Comp: (13-Feb-23)	(0.14)

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\$	271	269.03	0.73%
PKR / EUR	287	288.93	-0.67%
PKR / GBP	326.5	325.8	0.21%
PKR / JPY	2.06	2.06	0.00%
PKR / SAR	71.5	71.6	-0.14%
PKR / AED	74.3	73.16	1.56%
PKR / AUD	183	184.5	-0.81%

## Subsidized essential items: PM takes step to firm up Ramazan strategy

Prime Minister Shehbaz Sharif on Monday asked the provinces and administrative units to submit a comprehensive strategy to the federal government on the provision of food items at subsidized rates during the holy month of Ramazan. Chairing a meeting on the availability of essential commodities and food items, he stressed using technology to control the rates in Ramazan bazaars. He also emphasized putting in place effective measures for security. [Click to see more](#)

## 'Viable' energy sector: PD fails to prepare plan

Power Division has reportedly failed to prepare a plan for a "viable" energy sector by steering the power sector through longstanding crises and bring circular debt flow to zero. The International Monetary Fund (IMF) end-of-mission statement dated 10 February stipulates that one of the key priorities is enhancing energy provision by preventing further accumulation of circular debt and ensuring the viability of the energy sector." [Click to see more](#)

## Milk price reaches Rs210 a litre, chicken meat costs Rs700kg in Karachi

In uncertain economic conditions, consumers continue to receive severe price shocks following an unchecked hike in the prices of daily use items, including loose milk, which has been increased to Rs210 from Rs190 per litre by some shopkeepers and live broiler chicken which has seen an increase of Rs30-40 per kg in the last two days, taking the cost to Rs480-500 per kilogram. Earlier this month, the live bird was available at Rs390-440 per kg while it was being sold between Rs380-420kg in the last week of January, 2023. [Click to see more](#)

## Finance: Massive reforms needed

The State Bank of Pakistan's (SBP) decision to reintroduce market-driven exchange rates from Jan 26 has started paying off dividends. After experiencing a massive, quick depreciation of 19.8 per cent value against the US dollar between Jan 26 and Feb 3, the rupee recovered 2.6pc of its lost value during the week ended on Feb 10. On that day it closed in the interbank market at Rs269.28 to a greenback, up from Rs276.57 on Feb 3 but still far lower than Rs230.89 as of Jan 25 — its last trading day under a range-bound managed exchange rate regime. [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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