

14 July, 2022

## KSE -100 Index



## KSE -100 Index- Key Statistics

Open	41,336.89
High	41,971.83
Low	41,223.97
Closing	41,862.77
Change	518.76
Volume	80,811,776

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 (13-Jul-22)	0.43
Individuals (13-Jul-22)	0.53
Companies (13-Jul-22)	(0.426)
Banks/DFI (13-Jul-22)	0.13
NBFC (13-Jul-22)	(0.01)
Mutual Fund (13-Jul-22)	(0.10)
Other Organization (13-Jul-22)	0.28
Brokers (13-Jul-22)	0.54
Insurance Comp: (13-Jul-22)	(1.37)

Source: NCCPL

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## Reserves fall as external debt servicing rises

Source: Dawn

NEGATIVE

Pakistan could face a serious problem as its foreign exchange reserves fast depleting amid rising external debt servicing. The country's external debt servicing rose to \$10.886 billion in the first three quarters of 2021-22 compared to \$13.38bn in the entire FY21. It was just \$1.653bn in 1QFY22 against \$3.51bn in the first quarter of 2020-21. However, the debt servicing jumped to \$4.357bn in 2QFY22 and further to \$4.875bn in 3QFY22.

## Govt raises PKR 506 billion through T-bills at historic high rates

Source: Augaf

POSITIVE

On July 13, 2022, SBP raised PKR 506 billion through the auction of market treasury bills, according to State Bank of Pakistan. The government received total bids worth PKR 1,574 billion and the highest bids of PKR 1,127 billion for 3 Month T-bills followed by PKR 247 billion for 6 Months and PKR 200 billion for 12 Months. The cut-off yields for 3 Months increased by 52 basis points and reached at 15.75 percent, while for 6 Months and 12 Months paper also increased by 100 basis points, and 99 basis points, respectively. The cut-off yield for 3 Months, 6 Months, and 12 Months of paper settled at 15.7497 percent, 15.8000 percent, and 15.9399 percent, respectively.

## OGRA Sent Summary of upto Rs 33 per liter Reduction in Petroleum Prices

Source: Augaf

POSITIVE

Oil And Gas Regulatory Authority (OGRA) has sent a summary of reduction in prices of petroleum products to the Petroleum Division. According to sources, the Petroleum Division has sent a summary of the reduction in petroleum products to the Finance Ministry for approval. Sources said that the price of petrol is likely to be reduced by Rs 18 per liter and diesel by Rs 33 per liter.

## Pakistan reaches staff-level agreement with IMF

Source: The News

POSITIVE

Pakistan and the International Monetary Fund (IMF) have reached a staff-level agreement to complete the combined 7th and 8th reviews of Pakistan's Extended Fund Facility (EFF) with an increased size of \$7 billion. An IMF team, led by Nathan Porter, has finalized discussions for the combined seventh and eight reviews of Pakistan's economic program supported by an IMF Extended Fund Facility (EFF).

## Oil Extends Losses After Tumbling Below \$100 on Demand Concerns

Source: Augaf

NEGATIVE

Oil extended losses below \$100 a barrel as escalating fears about an economic slow-down rippled through global markets. West Texas Intermediate futures fell for a third session to its lowest level in three months, after plunging 8% on Tuesday. US inflation data for June is due Wednesday and economists project it surged to a fresh pandemic peak that will keep the Federal Reserve geared for another big interest-rate hike. Oil has given up the bulk of its gains seen in the wake of Russia's invasion of Ukraine, which drove prices above \$130 a barrel in March. A stronger dollar and China's rising Covid cases have added to the pressure. The International Energy Agency will provide its snapshot of the market later Wednesday.

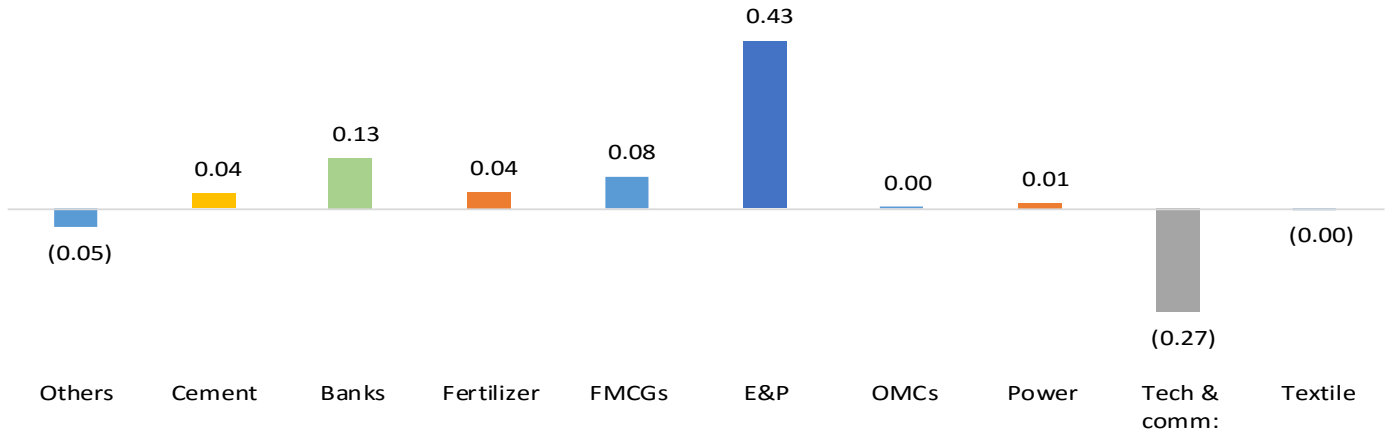
## Rupee loses another Rs2.20 versus dollar

Source: The Financial Daily

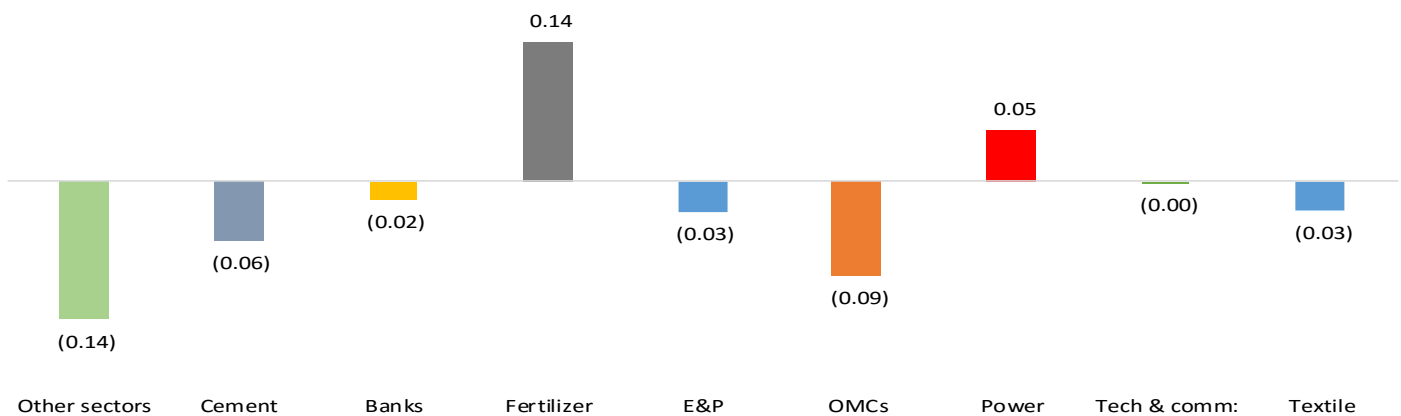
NEGATIVE

Exchange rate of the Pakistan rupee depreciated by Rs 2.20 against the US dollar in the interbank trading on Wednesday and closed at Rs 210.10 against the previous day's closing of Rs 207.90. According to the Forex Association of Pakistan (FAP), the buying and selling rates of dollars in the open market were recorded at Rs 207.5 and Rs 209.75 respectively. Similarly, the price of the euro was decreased by Rs 1.30 and closed at Rs 210.88 against the previous day's closing of Rs 212.06.

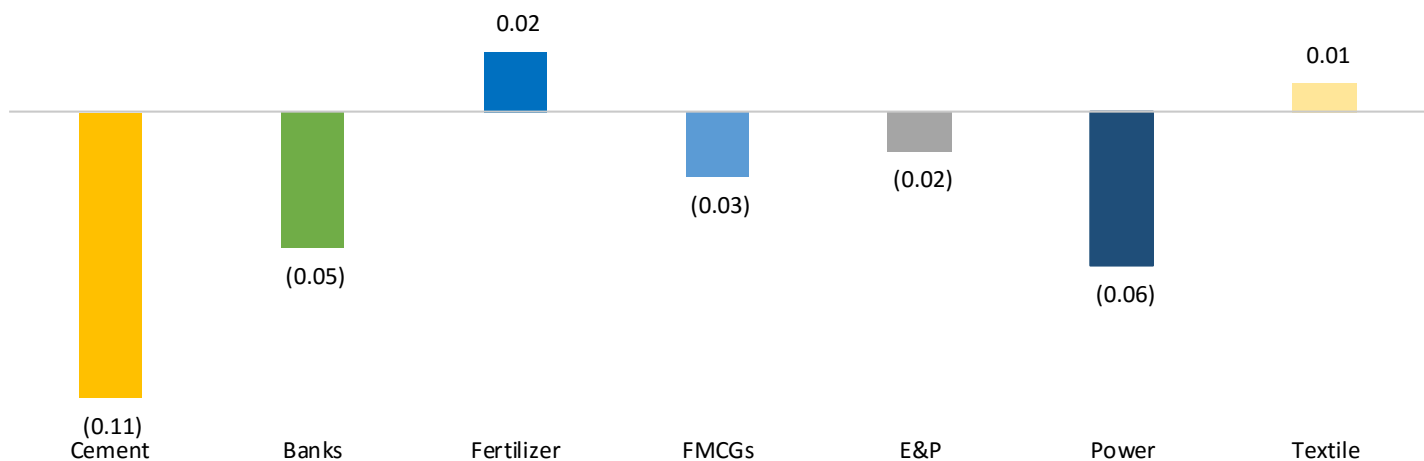
### FII Sector Wise USD (Mil)



### 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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