

15th August, 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
CENERGY	3.72	0.81%	7.07

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Challenges highlighted to outsourcing of airports

The Inter-national Finance Corporation (IFC), a commercial arm of the World Bank, has alerted the Pakistan authorities about a series of key challenges that could hamper the successful outsourcing of the country's three major international airports. The IFC is the transaction adviser on outsourcing of Pakistan's three international airports — Islamabad, Lahore and Karachi — and has been studying the transaction structure and preparing for outsourcing since April. However, the previous coalition government recently asked the corporation to put on hold the outsourcing of Lahore and Karachi airports, and focus on Islamabad airport. [Click to see more](#)

High time to reduce food loss

Over the last few years, Pakistan has been under the increasing threat of food insecurity. Several international organisations anticipate that the situation is likely to intensify in the near future, as perceived food shortage in the country and lack of affordability have coincided with the worldwide economic slowdown, rising global food prices, record high inflation in the country, and reduction in country's capacity to import essential food items owing to weak foreign exchange reserves and devaluation of the rupee. In addition, the nation's food security challenge has worsened by the rapidly growing population, unpredictable climate change, and increasing risk of floods. [Click to see more](#)

Exports to Middle East dip 13pc in FY23

In a significant downturn, Pakistan's exports to the Middle East fell by 12.62 per cent to \$2.332 billion in FY23 compared to \$2.669bn in the preceding year. This decline is primarily attributed to a decrease in exports to the United Arab Emirates. The exports to Saudi Arabia increased while other countries of the region dipped, according to data compiled by the State Bank of Pakistan. Despite a higher import value from the Middle East, Pakistan witnessed a 7.24pc decline in imports totalling \$17.488bn in FY23, down from \$18.853bn in the previous year. [Click to see more](#)

Despite sharp tariff rise, circular debt soars to Rs2.31tr

The power sector circular debt jumped to Rs2.31 trillion by the end of June 2023 after revenue gains from a massive increase in electricity prices were lost to the inefficiencies, theft and losses faced by power distribution companies. Official statistics showed that during fiscal year 2022-23, which ended in June, the Pakistan Democratic Movement (PDM) government failed to bring about any improvement in the "acute" power sector situation. There was a gross increase of Rs789 billion in the circular debt with average rise of nearly Rs66 billion per month. [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%

Kakar sworn in as eighth interim PM

hehbaz Sharif's stint as Prime Minister finally came to an end on Monday after Anwaar ul Haq Kakar having sworn-in as the country's eighth caretaker Prime Minister. In a ceremony held at the Presidency, President Arif Alvi administered oath to the new PM. The ceremony was attended by Sharif the outgoing PM, Senate Chairman Sadiq Sanjrani, former National Assembly speaker Raja Pervaiz Ashraf, the governors of the four provinces, the chief ministers of Punjab and Khyber Pakhtunkhwa, senior military officials among others. On the occasion, both president and the outgoing PM congratulated the new premier. [Click to see more](#)

Near-term external sector issues resolved

State Bank of Pakistan (SBP) Governor Jameel Ahmad has said that the nine-month, standby arrangement agreed with the International Monetary Fund (IMF) has improved foreign currency reserves of the country and largely resolved near-term issues pertaining to external sector of the economy. Addressing a flag-hoisting ceremony to mark the 76th Independence Day at the SBP headquarters on Monday, Ahmad noted that the world economy remained under pressure in the near past that also resulted in an increase in inflation in Pakistan. Those conditions were further aggravated by floods and delay in the IMF programme's review, he added. [Click to see more](#)

K-Electric sees no impact of inflation on power bills

Officials of K-Electric (KE), which supplies electricity to Karachi and its adjoining areas, have given assurances to consumers that their monthly power bills will remain stable around current levels even if inflation spikes unpredictably in the coming years. The company has devised a business strategy to increase the share of low-cost renewable energy to 28%, add cheaper Thar coal-based production and cut reliance on expensive imported sources till 2030. This news may provide some relief to consumers after the previous Pakistan Democratic Movement (PDM) government jacked up base tariff up to Rs7.5 per unit for end-consumers across the country with effect from July 1, 2023. [Click to see more](#)

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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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