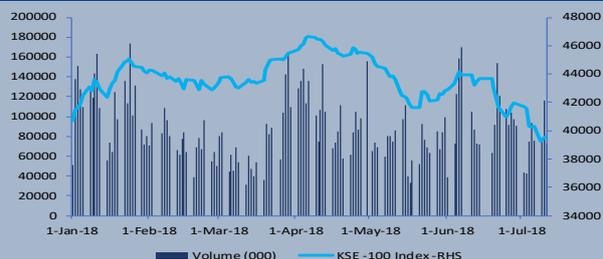


18th September, 2023

KSE -100 Index



Source: PSX & WE Research

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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Inflation forces people into debt cycle, asset sale

Growing up in a Pakistani household, lessons in “saving something for a rainy day” are inculcated into children from a young age. These savings could be in the form of cash or assets, like gold. For every family, the definition of a “rainy day” varies, but in our parlance, they broadly refer to any event that throws the family’s finances off the rails — a wedding, sudden illness and business losses, etc. Such savings were allocated for major expenses, not meeting day-to-day needs. However, in recent times, amidst a spiralling economic crisis and ballooning inflation, this distinction is fast eroding. [Click to see more](#)

Development spending stagnates amid fiscal challenges

Amid rising interest payments and disruptions caused by a change in government, Pakistan’s development expenditure has nearly come to a standstill, with just Rs22.5 billion spent in the first two months (July-August) of the fiscal year, against an annual budget allocation of Rs950bn. According to data from the ministry of planning and development, the actual expenditure on core development in two months further plunged to a mere Rs8.1bn after excluding the Rs14.4bn disbursed by the previous PDM government for its parliamentarians’ schemes, under the Sustainable Development Goals (SDGs) Achievement Programme (SAP), during the first 40 days of the fiscal year. [Click to see more](#)

Only credible polls can end Pakistan crisis, says Elizabeth Horst

The United States will continue to support credible elections in Pakistan that are free of violence and allow people to decide who rules them, says Elizabeth Horst, the US Deputy Secretary of State Responsible for Pakistan. Addressing a seminar at One UN Plaza, Ms Horst also urged Pakistan to continue to implement the [reforms](#) suggested by the International Monetary Fund (IMF) as that’s the only way to stabilise its ailing economy. [Click to see more](#)

PIA reports recovery in flight operations after securing Rs17bn loan

The cash-strapped Pakistan International Airlines (PIA) reported a recovery in its flight operations on Sunday after managing to secure a [Rs17 billion bank loan](#). The development comes after the national carrier [reportedly grounded](#) several aircraft as it struggles to secure funds to maintain its operations for the next few months. Some [media reports](#) had also claimed that the operations would be ceased by Sept 15, evoking a strong response from the airline’s management and lawmakers in the Senate. The Ministry of Aviation, while seeking a cash injection of Rs23 billion, has also informed the government that Boeing and Airbus — two of the leading commercial jet manufacturers — were on the verge of discontinuing spare parts’ supply by mid-September, according to reports. [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%

Missed opportunities of delayed oil refining policy

Timing is of the essence in policymaking. A well-timed decision can yield optimal results. Although delays might bring benefits, they can also do considerable damage. Reflecting on the recently introduced oil refining policy for both existing and new projects, one can't help but wonder about the lost opportunities that might have been seized with more proactive decision-making. Currently, Pakistan has five oil refineries with a combined potential to produce approximately 20 million tonnes of petroleum products annually, including diesel, petrol, furnace oil, and jet fuel. However, a myriad of challenges, notably the substantial dip in furnace oil demand, has meant that the nation could only utilise 50% to 60% of its total refining capacity. [Click to see more](#)

Financial globalisation and WAPDA

Before financial globalisation, electricity generation, transmission, distribution and retail supply functions were performed by the Water and Power Development Authority (Wapda) till the early 1990s. Wapda was a compact monopoly and performing all these functions in a reasonable manner. Like other developing economies, Pakistan was facing loadshedding in the peak season, which was quite normal. The World Bank proposed to the policymakers in Islamabad to follow the international trend of privatisation and deregulation in the power sector. This proposal was even supported by the International Monetary Fund (IMF) at that time. [Click to see more](#)

Future of Discos: Govt advised to take stakeholders into confidence

The country's prime intelligence agency has reportedly proposed to the government to take all relevant stakeholders on board in deciding future of power Distribution Companies (Discos) to ensure a transparent, successful and sustainable transition. The Intelligence Agency, which had played a key role in renegotiation of Agreements with Independent Power Producers (IPPs) and deal with Turkish company M/s Karkey, has offered its comments on the caretaker government's endeavors to find out a solution for the financially bleeding Discos. Presently, annual financial loss of Discos is around Rs 600 billion on account of losses and under recovery. [Click to see more](#)

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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