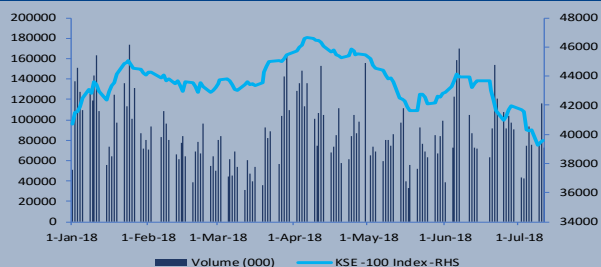


19 July, 2022

## KSE -100 Index



## KSE -100 Index- Key Statistics

Open	41,720.75
High	41,723.23
Low	41,274.62
Closing	41,367.11
Change	-707.80
Volume	67,917,644

Source: PSX

## Key Economic Data

Reserves (07-July-22)	\$15.61bn
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 (18-Jul-22)	0.42
Individuals (18-Jul-22)	(0.13)
Companies (18-Jul-22)	0.447
Banks/DFI (18-Jul-22)	(0.44)
NBFC (18-Jul-22)	(0.23)
Mutual Fund (18-Jul-22)	0.28
Other Organization (18-Jul-22)	0.27
Brokers (18-Jul-22)	(0.51)
Insurance Comp: (18-Jul-22)	(0.13)

Source: NCCPL

## WE Financial Services Ltd.

TREC Holder -Pakistan Stock Exchange Ltd.  
506-508 5th Floor, Pakistan Stock Exchange Building  
Stock Exchange Road, Karachi-74000, Pakistan  
Email: research@we.com.pk

## FY22: Over \$31bn record remittances received

Source: Business Recorder

POSITIVE

The country received the highest-ever home remittance inflows of over \$ 31 billion during the last fiscal year (FY22). The State Bank of Pakistan (SBP) reported Monday that home remittances posted some 6.1 percent growth during the last fiscal year. With this increase, inflows of workers' remittances rose to the highest-ever level in history at \$ 31.237 billion at the end of FY22 compared to \$29.45 billion in FY21, depicting an increase of \$ 1.787 billion.

## Large-scale manufacturing expands 11.7pc in 11MFY22

Source: Dawn

POSITIVE

The Pakistan Bureau of Statistics (PBS) reported on Monday that large-scale manufacturing (LSM) grew 21.4 per cent year-on-year in May. However, on month-on-month basis the LSM shrank by 1.3pc in May. In the first month of the PML-N-led coalition government, the big industry output shrank 13.3pc month-on-month. In the first 11 months (July-May) of FY22, LSM grew by 11.7pc on a YoY basis as per the new base. However, the growth is calculated at 7.1pc in the 11 months on the basis of the old base-2005-06.

## Barrick Gold to invest \$7bn in Reko Diq

Source: The News

POSITIVE

After resolving disputes with Pakistan amicably, Barrick Gold Corporation's visiting Chief Executive Mark Bristow has said that they plan to invest approximately \$7 billion in Riko Diq mines for developing gold and copper in two phases. "There will be 50:50 percent shares among the Barrick Gold Corporation and Pakistan's State-Owned Enterprises (SOEs) and Balochistan government, respectively. There will be a total \$4 billion investment in phase 1 and \$3 billion in phase 2.

## Completion of EFF programme: 'Pakistan's ability remains highly uncertain': Moody's

NEGATIVE

Source: Business Recorder

Pakistan's ability to complete the current Extended Fund Facility (EFF) programme and maintain a credible policy path that supports further financing remains highly uncertain, while elevated inflation and a higher cost of living are adding to social and political risks, says Moody's Investors Services (Moody's). "The government may also find it difficult to continually enact revenue-raising reforms, such as steadily increasing petroleum levies and raising power tariffs.

## Dollar gains as Pakistani currency nosedives by Rs5.06 in a day

Source: The Financial Daily

NEGATIVE

The Pakistani rupee hit a new low against the US dollar as the currency nosedived Rs5.06 in a single day to Rs216.01 in the inter-bank market on Monday. Similarly, the Pakistan Stock Exchange (PSX) followed suit and slumped 770 points to a one-year low below 41,000 points. According to experts, capital markets came under renewed pressure following the emergence of fresh "political and economic uncertainties in Pakistan." The widespread win by the Pakistan Tehreek-e-Insaf (PTI) in by-elections in 20 constituencies of the Provincial Assembly in Punjab has altered the country's political landscape once again.

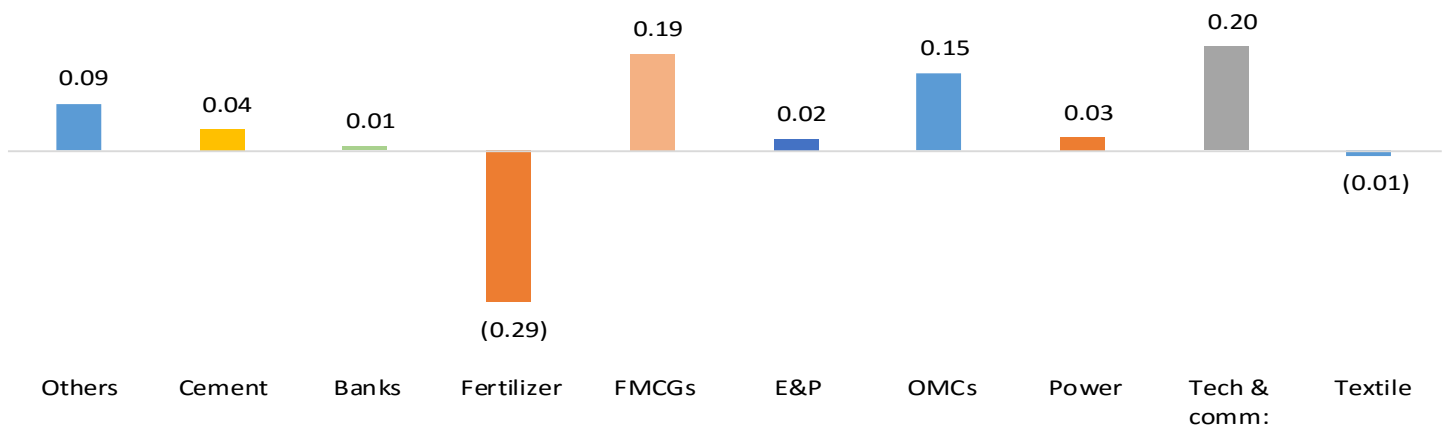
## IMF Staff Level Agreement Couldn't Stop Pakistan Bond Yields From Rising

Source: Augaf

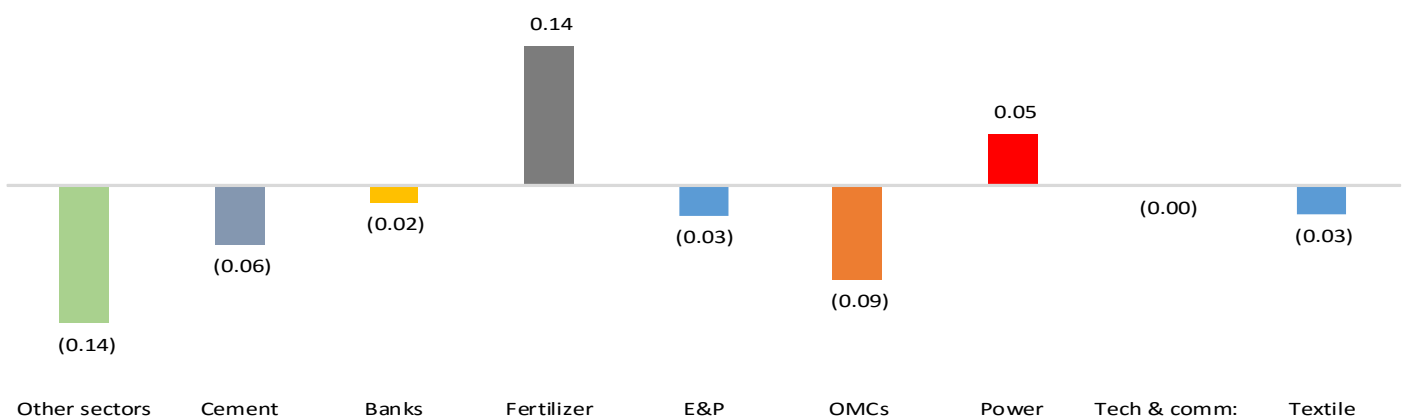
NEGATIVE

Yields of Pakistan bonds and Sukuks floating in the international market continue to rise even after IMF staff level agreement, according to data available at Reuters. Yields of both Pakistan International Sukuk and Pakistan International Bond having maturity of 5th December 2022 and 15th April 2024 are above 30%. The former trading at Yield to maturity (YTM) of 32.92% and the later at YTM of 32.71%.

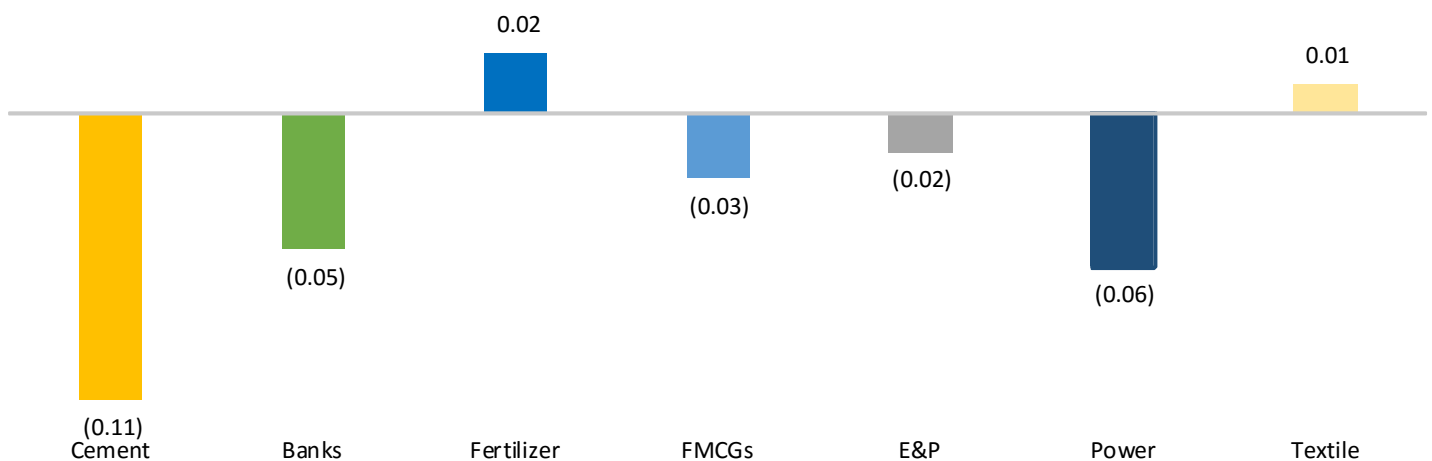
### FII Sector Wise USD (Mil)



### Mutual Funds Sector Wise USD (Mil)



### Banks/DFIs Sector Wise USD (Mil)



Source: NCCPL

## Analyst Certificate:

The Research Report is prepared by the research analyst at WE Financial Services Ltd. It includes analysis and views of our research team that precisely reflects the personal views and opinions of the analysts about the subject security(ies) or sector (or economy), and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. In addition, we currently do not have any interest (financial or otherwise) in the subject security(ies). The views expressed in this report are unbiased and independent opinions of the Research Analyst which accurately reflect his/her personal views about all of the subject companies/securities and no part of his/her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.

## Disclaimer:

The Report is purely for information purposes and the opinions expressed in the Report are our current opinions as of the date of the Report and may be subject to change from time to time without notice. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment of its original date of publication by WE Financial Services Ltd. and are subject to change without notice. The price, value of and income from any of the securities or financial instruments mentioned in this report can fall as well as rise. The value of securities and financial instruments is subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities or financial instruments. The information provided in the Report is from publicly available data, which we believe, are reliable.

This document does not constitute an offer or solicitation for the purchase or sale of any security. This publication is intended only for distribution to the clients of the Company who are assumed to be reasonably sophisticated investors that understand the risks involved in investing in equity securities. The information contained herein is based upon publicly available data and sources believed to be reliable. While every care was taken to ensure accuracy and objectivity, WE Financial Services Ltd. does not represent that it is accurate or complete and it should not be relied on as such. In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors. The information given in this document is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. WE Financial Services Ltd. reserves the right to make modifications and alterations to this statement as may be required from time to time. However, WE Financial Services Ltd. is under no obligation to update or keep the information current. WE Financial Services Ltd. is committed to providing independent and transparent recommendation to its client and would be happy to provide any information in response to specific client queries. Past performance is not necessarily a guide to future performance. This document is provided for assistance only and is not intended to be and must not alone be taken as the basis for any investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved) and should consult his or her own advisors to determine the merits and risks of such investment. WE Financial Services Ltd. or any of its affiliates shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report.

## 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

**Disclaimer:** This document has been prepared by Research Analysts at WE Financial Services Ltd.