

20th April, 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
CNERGY	3.72	0.81%	7.07

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In breach of law, govt borrows Rs239bn from State Bank

In an apparent deviation from the law, the State Bank of Pakistan (SBP) is reported to have extended Rs239 billion credit to the PMLN-led coalition government in January-February to meet ballooning debt servicing requirements of the domestic commercial banks. Under the State Bank of Pakistan Act amended in 2022 on the dictation of the International Monetary Fund (IMF), government borrowing from the central bank is prohibited. Section 9C of the law says: "Prohibition on the Government borrowing.—(1) The Bank shall not extend any direct credits to or guarantee any obligations of the Government, or any government-owned entity or any other public entity". [Click to see more](#)

First current account surplus in two years

The country's current account turned to a surplus of \$654 million in March — a big monthly figure and the first surplus in over two years — against a deficit of \$36m in February. This helped contract the ongoing fiscal year's current account deficit (CAD) by a massive 74 per cent year-on-year to just \$3.37bn in July-March. This decline in the current account deficit was the outcome of \$11.25bn fewer imports, a direct outcome of the import ban on luxury products and non-essential raw materials imposed last year, which hit manufacturing, prompting plant closures in the automotive and cellular sectors. [Click to see more](#)

Chinese mine operator in Thar halves production

The Chinese mine operator in Thar whose output feeds coal-based power plants generating 1,360 megawatts has reportedly cut its production by half over non-payment of dues to the tune of \$60 million. The China Machinery Engineering Corporation (CMEC) — which works under an offshore agreement with Sindh Engro Coal Mining Company (SECMC) as the operator of an open-pit lignite mine in Block-II of the Thar coalfield — has formally informed SECMC about its "limitation of operation" that may lead to a complete mining halt within one month. [Click to see more](#)

TOMCL to export pet food to Canada

The Organic Meat Company Ltd (TOMCL) on Tuesday successfully secured the required approvals to export "pet chews" to Canada and meat products to Uzbekistan. The company informed the Pakistan Stock Exchange (PSX) that it has become the first company from Pakistan to export such products to Canada. The approvals also included the supply of meat and meat products (chilled and frozen) to Uzbekistan by the State Committee for Veterinary Medicine and Livestock Development of the Republic of Uzbekistan. This supply would have a positive impact on the company's business and would also help generate a good amount of revenue for the shareholders. [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%

PTCL group posts Rs5.7bn loss

Pakistan Telecommunication Company Ltd (PTCL) group achieved a 23.2 per cent revenue growth in the January-March quarter over the same period last year. The PTCL group's revenue was recorded at Rs43.2 billion during the first quarter of 2023, however, the group posted a net loss of Rs5.7bn. The key challenges faced by the company were increasing energy and fuel tariffs and restrictions imposed by the State Bank of Pakistan on imports which impacted network roll-out timelines of the operators and resulted in a significant devaluation of the rupee. [Click to see more](#)

Stocks rally as hopes rise for IMF tranche

Share prices rose on Tuesday as investors remained hopeful for the release of the delayed loan tranche from the International Monetary Fund (IMF). Investors' activity increased marginally while the trading volume rose across the board slightly, with third-tier companies topping the volume board. Stocks closed higher as the earnings season rally gathered pace on the stock market. In addition, the rupee's recovery amid the affirmation on bilateral support from friendly countries for the IMF bailout. Strong financial results in the cement sector also played the role of a catalyst in the bullish close. [Click to see more](#)

Exports of textiles dip 22.61pc in March

Textiles and clothing exports fell 12.42 per cent year-on-year to \$12.47 billion in the first nine months of the current fiscal year, data released by the Pakistan Bureau of Statistics (PBS) showed on Tuesday. The exports recorded a steep decline of 22.61pc to \$1.26bn in March from \$1.62bn in the corresponding month of last year. However, on a month-on-month basis, textile exports rose 6.6pc. The overall exports also fell for the seventh straight month by 9.85pc to \$21.05bn in July-March against \$23.35bn in the corresponding months of last year. This consistent decline reflects massive layoffs in the export sector. [Click to see more](#)

Banks' cash supply creating problems for customers

The banks have failed to meet the surging demand for cash amid higher inflows of foreign exchange in Ramazan. It was also noted that dozens of automated teller machines (ATMs) were out of cash during the last two days as banks were not filling them up with the required cash. Currency dealers said the supply of cash from banks is either delayed or not provided when required. Banking customers were found annoyed due to the unavailability of cash. [Click to see more](#)

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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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