

20 July, 2022

KSE -100 Index



KSE -100 Index- Key Statistics

Open	41,408.41
High	41,552.01
Low	40,214.92
Closing	40,389.07
Change	-978.04
Volume	103,500,245

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 (19-Jul-22)	1.26
Individuals (19-Jul-22)	2.87
Companies (19-Jul-22)	(0.511)
Banks/DFI (19-Jul-22)	0.40
NBFC (19-Jul-22)	(0.03)
Mutual Fund (19-Jul-22)	(3.17)
Other Organization (19-Jul-22)	0.62
Brokers (19-Jul-22)	(0.04)
Insurance Comp: (19-Jul-22)	(1.40)

Source: NCCPL

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FY21-22: Textile group exports witness 25.53pc growth

Source: Business Recorder

POSITIVE

The country's textile group exports witnessed a growth of 25.53 percent during the last financial i.e. 2021-22 and remained \$19.329 billion compared to \$15.399 billion during 2020-21, says the Pakistan Bureau of Statistics (PBS). The exports and imports data released by the PBS revealed that during July-June, 2021-2022 total exports of the country remained \$31.792 billion (provisional) against \$25.304 billion during the corresponding period of last year showing an increase of 25.64 percent.

Rupee, stocks sink on credit rating downgrade, political uncertainty

Source: The News

NEGATIVE

The rupee hit another record low on Tuesday while stocks plunged after Fitch Ratings downgraded the country's credit rating outlook and the growing political uncertainty heightened worries about the continuation of the International Monetary Fund's bailout programme, dealers said. The local unit slumped to 224 against the dollar in intra-day trade in the interbank market. However, it closed at 221.99 per dollar. It closed at 215.20 on Monday. The rupee declined 6.80 rupees or 3.06 percent – the biggest single-day fall since October 9, 2018, when it dived 9.37 rupees.

Fitch downgrades rating outlook to negative

Source: Tribune Express

NEGATIVE

Fitch Ratings has downgraded Pakistan's credit rating outlook to negative from stable despite it strongly expects the International Monetary Fund (IMF) is very close to re-viving its \$7 billion loan programme for Islamabad soon. The global credit rating agency gave the reason that it foresaw that the country may fail to implement its commitments with the IMF in letter and spirit, and face shortfall in foreign funding once the loan programme ends in June 2023.

Oil, food import bill jumps 64pc to \$32.3bn

Source: Dawn

NEGATIVE

Pakistan's oil and eatable import bill surged by 64 per cent to \$32.32bn in the FY22 compared to \$19.69bn in the preceding fiscal year owing to higher international prices and massive depreciation of the rupee. While the textile and clothing exports also grew 25.53pc year-on-year to \$19.32bn on the back of a steady rise in global demand. Data released by the Pakistan Bureau of Statistics on Tuesday showed the import of medicinal products went up 192.29pc to \$4.06bn in the FY22 against \$1.39bn. This is one of the major increases in imports of one sector mainly due to an increase in import of Covid-19 vaccines.

PTCL posted loss of Rs 3.1 billion in first half of 2022

Source: Augaf

NEGATIVE

Pakistan Telecommunication Company Limited (PTCL), the country's leading telecom and ICT services provider, has announced its financial results for the quarter ended June 30, 2022, at its Board of Directors' meeting held in Islamabad on July 18, 2022. During the first six months of 2022, PTCL Group successfully managed to keep the top line growth momentum, which further strengthened its market standing as an integrated telecom services provider in Pakistan.

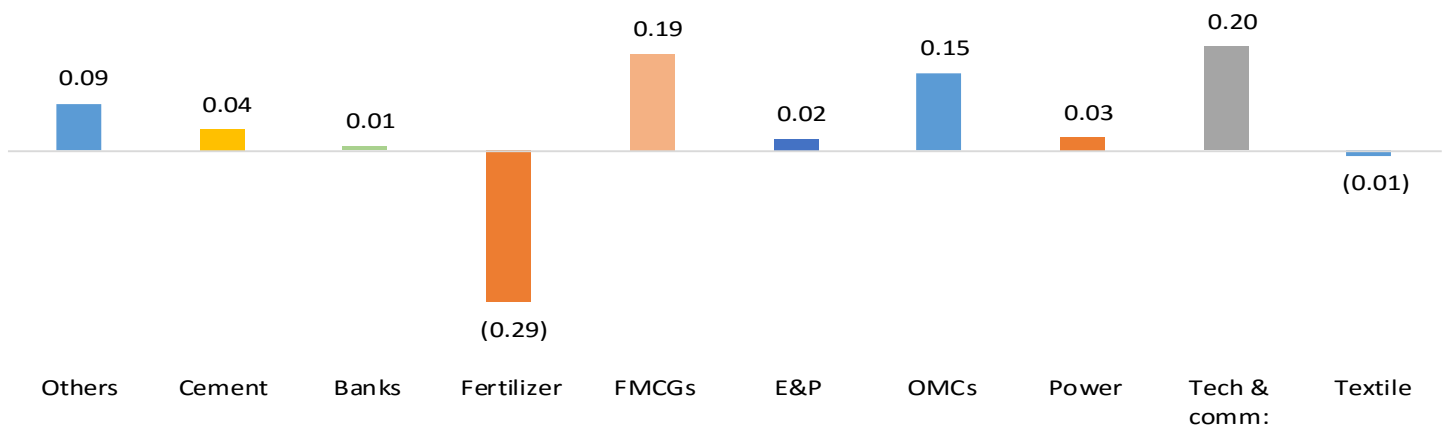
Ahsan Iqbal seeks early approval of IMF staff agreement

Source: Dawn

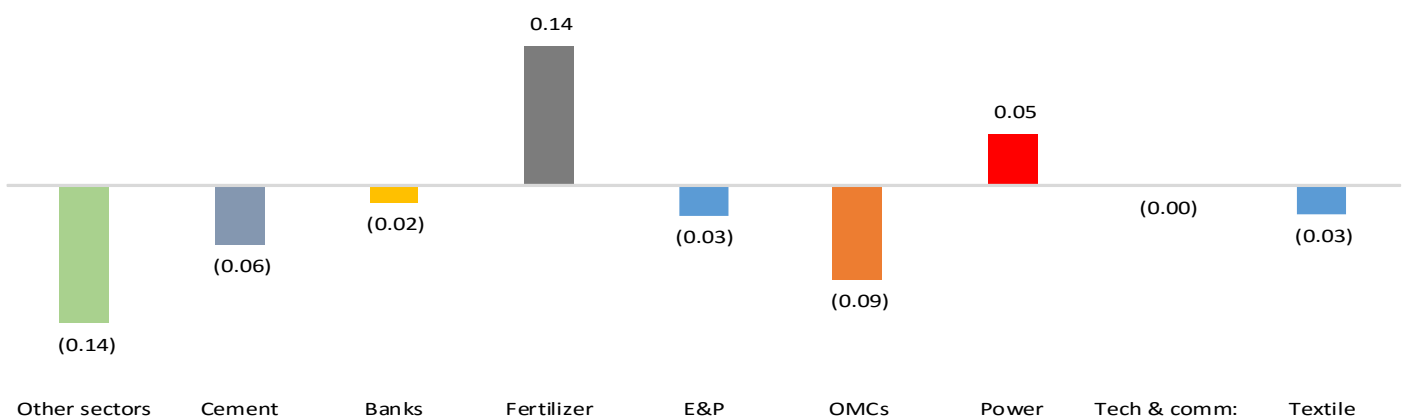
NEUTRAL

Federal Minister for Planning and Development Ahsan Iqbal has underscored Pakistan's continued commitment to the International Monetary Fund's programme, hoping that this would encourage the IMF to give early approval to its staff agreement with Islamabad. In a meeting with Deputy Managing Director Antoinette M. Sayeh on Monday, the minister also sought the IMF's assistance to the country's agriculture sector, especially to mitigate the impact of climate change.

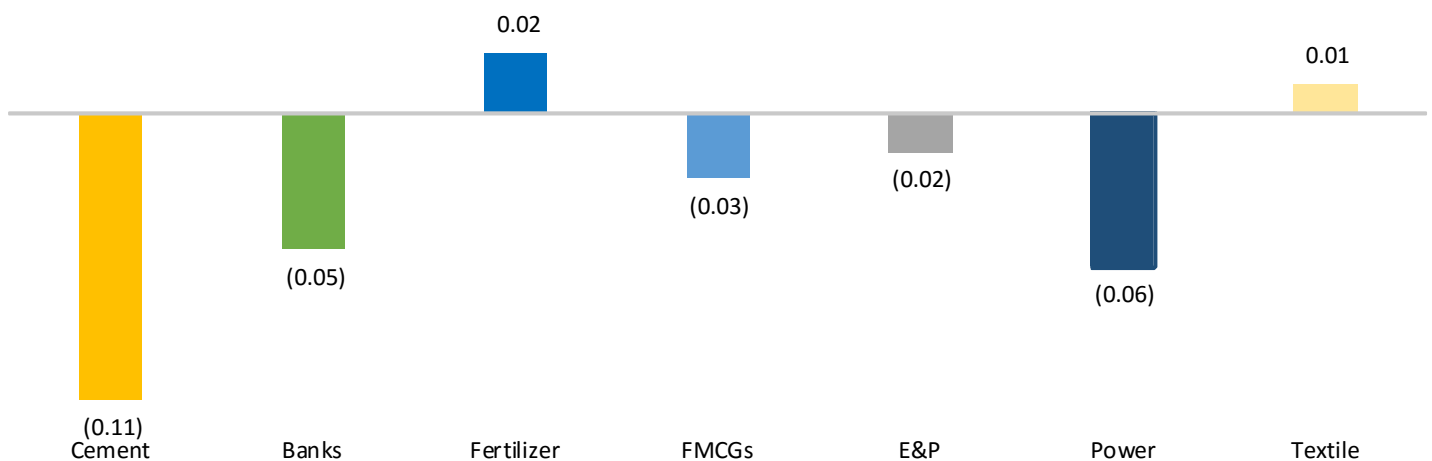
FII Sector Wise USD (Mil)



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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