

20 June, 2022

## KSE -100 Index



## KSE -100 Index- Key Statistics

Open	41,746.04
High	42,420.64
Low	41,746.04
Closing	42,140.76
Change	410.60
Volume	130,817,436

Source: PSX

## Key Economic Data

Reserves (13-May-22)	\$16.16bn
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 (17-Jun-22)	(0.99)
Individuals (17-Jun-22)	2.06
Companies (17-Jun-22)	0.325
Banks/DFI (17-Jun-22)	(0.45)
NBFC (17-Jun-22)	(0.10)
Mutual Fund (17-Jun-22)	0.13
Other Organization (17-Jun-22)	0.02
Brokers (17-Jun-22)	0.44
Insurance Comp: (17-Jun-22)	(1.43)

Source: NCCPL

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## Annual inflation rate reaches record 27.8 percent

Source: The Financial Daily

NEGATIVE

The rate of inflation in the country in the last week was 3.38% while the rate of annual inflation has reached a record high of 27.8%. According to details, the price of 36 essential items increased, nine items remained stationary, while prices of six essential items decreased in the last week. Prices of petroleum, electricity, pulses, meat and chicken went up in the last week, the report said. The price of diesel increased by 28.91%, petrol by 11.43%, and electricity by 6.63%. Chicken prices increased by 12.10%, potatoes increased by 6.89%, the prices for pulses increased by 5.90%, and beef prices increased by 5.19%.

## Crude awakening as banks freeze credit lines

Source: Tribune Express

NEGATIVE

Prices of petroleum products, particularly petrol and diesel, have gone up significantly in the last few weeks and more hikes could be on the cards with the government setting an ambitious target in the new budget to raise Rs750 billion by charging the petroleum levy. At this time, if the country witnesses fuel supply issues, then that will aggravate the government's problems and people's woes. Unfortunately, this is where the country might be heading since the petroleum companies are facing a credit crisis that can hurt fuel supplies.

## No deal yet with IMF for revival of loan programme

Source: Dawn

NEUTRAL

Gap between revenue and expenditure projections of Fund and government persists. Centre approves KP's Rs115bn overdraft for current year. Pakistan and the International Monetary Fund (IMF) have not yet been able to reach close to a staff-level agreement for revival of the Extended Fund Facility (EFF), leaving authorities in a tight spot to bridge the gap and get the updated federal budget for the fiscal year 2022-23 passed by the National Assembly. However, the IMF staff still has reservations over Rs9.5 trillion expenditures projected by the authorities for the next fiscal year.

## Pakistan LNG imports surge 86.9% to \$4.28 billion from July to May 2022

Source: Augaf

NEGATIVE

Pakistan's LNG imports surge 86.9% to \$4.28 billion during the period July to May 2022, according to data published by Pakistan Bureau of Statistics. Whereas, total petroleum import bill surged by 99.14 per cent to \$19.67 billion in the July-May period compared to \$9.88 billion in the corresponding period last year owing to higher international prices. The country's overall import bill increased by 44.51 percent to \$72.29 billion in 11MFY22 against \$50.02 billion in the corresponding period last year. Data released by the Pakistan Bureau of Statistics showed that the import bill of petroleum products increased by over 126.17 percent to \$10.02 billion in 11MFY22 from \$4.31 billion over the corresponding period of last year.

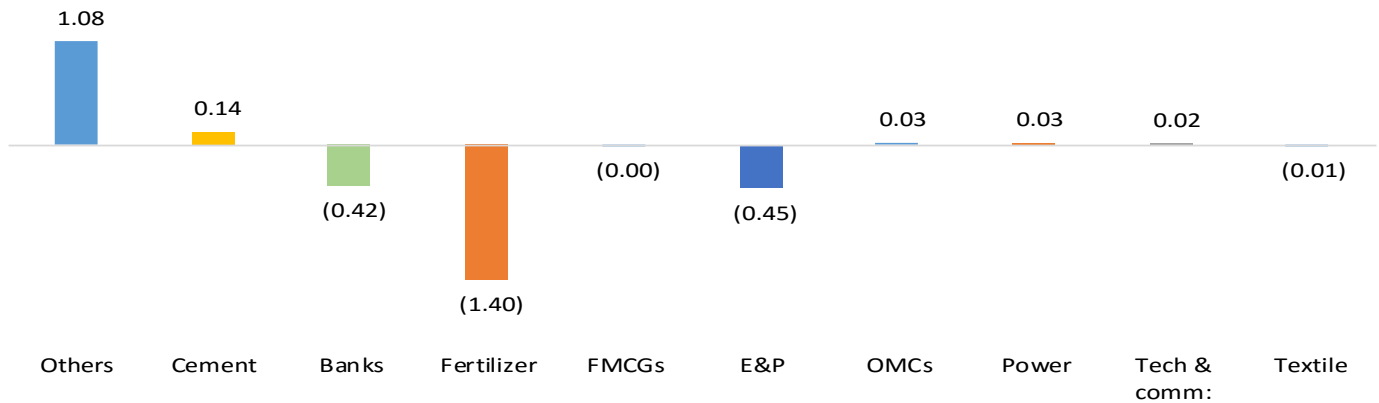
## Pakistan Refineries increase high margin HSD and Jet Fuel production on cost of lower throughput

Source: Augaf

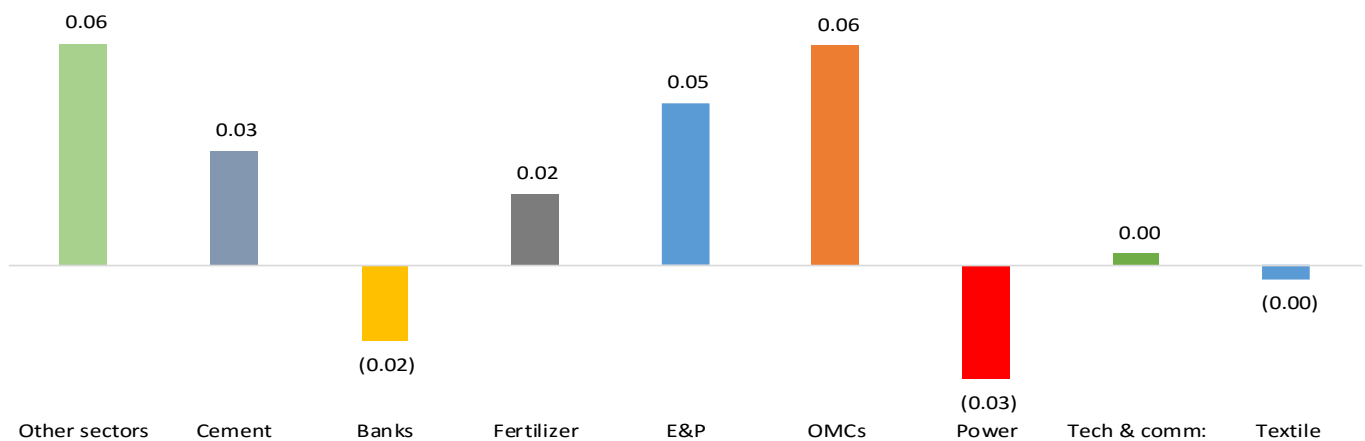
NEGATIVE

Refineries throughout witnessed a decrease of 5.1 percent during the month of April 2022 as compared to the corresponding month of last year (April 2021), OCAC reported. However, production of high margin products High Speed Diesel and Jet Fuel Oil increased during the month of April 2022. During this period, the production of jet fuel went up by 27.4 percent, kerosene oil by 7.4 percent, High Speed diesel by 0.7 percent, lubricating oil by 11.7 percent, jute batching oil by 5.1 percent, solvent Naptha by 5.4 percent and LPG by 3.3 percent. The variants that witnessed negative growth in production during July-March (2021-22) included, Motor Spirit, output of which declined by 1.2 percent while the output of Furnace oil declined by 7.8 percent.

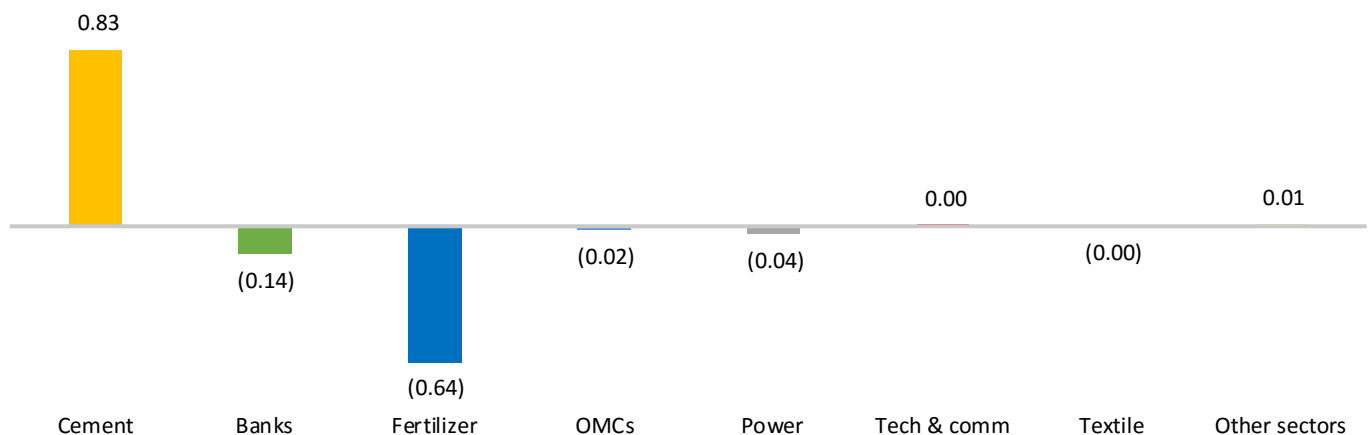
### FII Sector Wise USD (Mil)



### Mutual Funds Sector Wise USD (Mil)



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



Source: NCCPL

## Analyst Certificate:

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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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