

20 Sept, 2022

KSE -100 Index



KSE -100 Index- Key Statistics

Open	41,745.14
High	41,896.62
Low	41,502.71
Closing	41,520.59
Change	-158.90
Volume	78,085,625

Source: PSX

Key Economic Data

Reserves (15-July-22)	\$15.24bn
Inflation CPI (Jul'21-Jun'22)	21.3%
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 (19-Sept-22)	4.38
Individuals (19-Sept-22)	(1.71)
Companies (19-Sept-22)	(2.32)
Banks/DFI (19-Sept-22)	(0.44)
NBFC (19-Sept-22)	0.16
Mutual Fund (19-Sept-22)	(0.51)
Other Organization (19-Sept-22)	0.17
Brokers (19-Sept-22)	0.89
Insurance Comp: (19Sept-22)	(0.87)

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

Cement demand to remain depressed

Source: Tribune Express

NEGATIVE

Lacklustre demand for cement, witnessed as part of the recent slowdown, is likely to persist, and as a consequence, apply pressure on the pricing power of cement manufacturers. "As per the data available, around 580,000 houses have been fully damaged due to the floods," said Waqas Ghani Kukaswadia, Cement Sector Analyst at JS Global in his research report. "As a consequence, demand is to remain depressed for the near future and prices will remain under pressure," he added.

Energy-fuelled inflation forces closure of industries

Source: Tribune Express

NEGATIVE

The business community has expressed dissatisfaction over management of the country's economic affairs by the government, saying it has now become impossible for industrialists to continue their business operations. The prime concern these days for the industrialists is the energy-fuelled inflation, which is forcing many to halt operations as their business has become unviable.

Oil falls more than 1.5pc on demand fears and strong dollar

Source: Dawn

NEGATIVE

Oil fell by more than 1.5 per cent on Monday, pressured by expectations of weaker global demand and by US dollar strength ahead of possible large increases to interest rates, though supply worries limited the decline. "The upcoming Fed meeting and the strong dollar are keeping a lid on prices," said Tamas Varga of oil broker PVM. Brent crude for November delivery fell \$1.49, or 1.6pc, to \$89.86 a barrel by 1002 GMT. US West Texas Intermediate (WTI) for October dropped \$1.57, or 1.8pc, to \$83.54.

PIBT posts loss of Rs995 million

Source: Mettis Global

NEGATIVE

Pakistan International Bulk Terminal Limited (PIBT) reported a huge loss of Rs995 million in the FY22, the company's stock filings on the stock exchange showed. According to company financials, Rs8.39 billion profit after taxation was reported in FY21 and this year reported a huge loss of 0.99bn, translating into an Earning per share of Rs (0.55) this year against EPS of Rs1.04 FY21. The top line of the PIBT falls by 3.12% to Rs10.52 bn against Rs10.85 bn in FY21. Gross profit falls by 16.13% to Rs2.82 bn against Rs3.37 bn in FY21.

ASTL to resume production from Oct 1st

Source: Mettis Global

NEGATIVE

Amrelli Steels (ASTL) announced that the company will resume production from 1st October 2022, the company's filings on the stock exchange showed. On 31 August 2022, ASTL announced a temporary shutdown of its production plant because of decreased rebar demand in the country due to the monsoon season. Moreover, during the period of shutdown ASTL has sufficient stocks in hand to meet its country's demand.

Global Steel prices to remain on a downward trend: Fitch

Source: Mettis Global

NEGATIVE

The short-term steel price forecast for the years, 2022 and 2023 is \$860/tonne and \$825/tonne respectively. The reason behind this decline is a contraction in Mainland China's real estate sector, recession in Europe from the ongoing energy crisis, an increase in rate by the federal reserve, a strengthening US dollar, and exposure of emerging markets to USD-denominated debt.

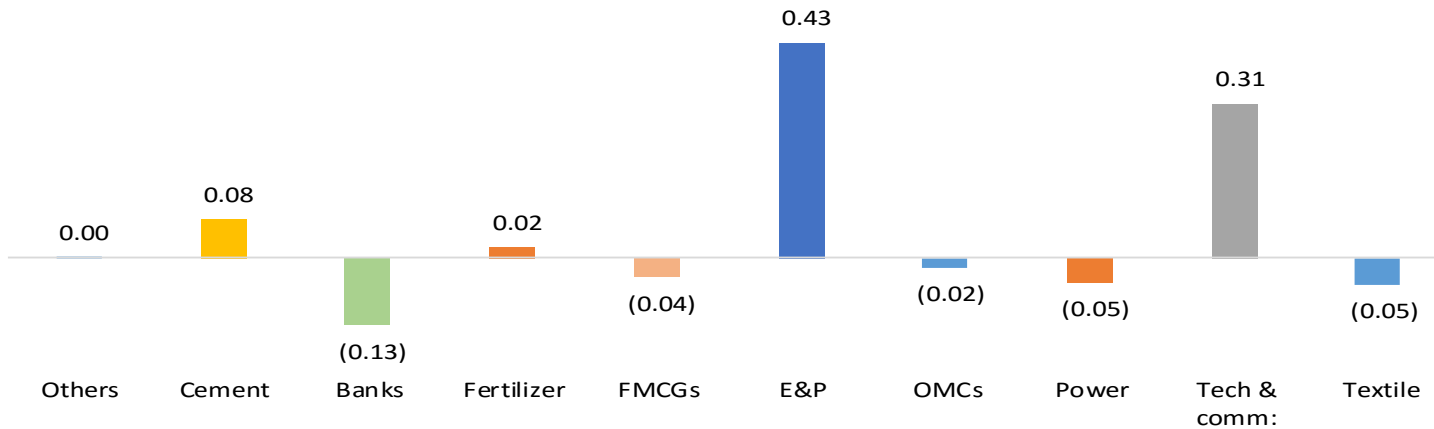
TRG Blank Sale Volume Increased Substantially as Price Jump 35%

Source: Augaf

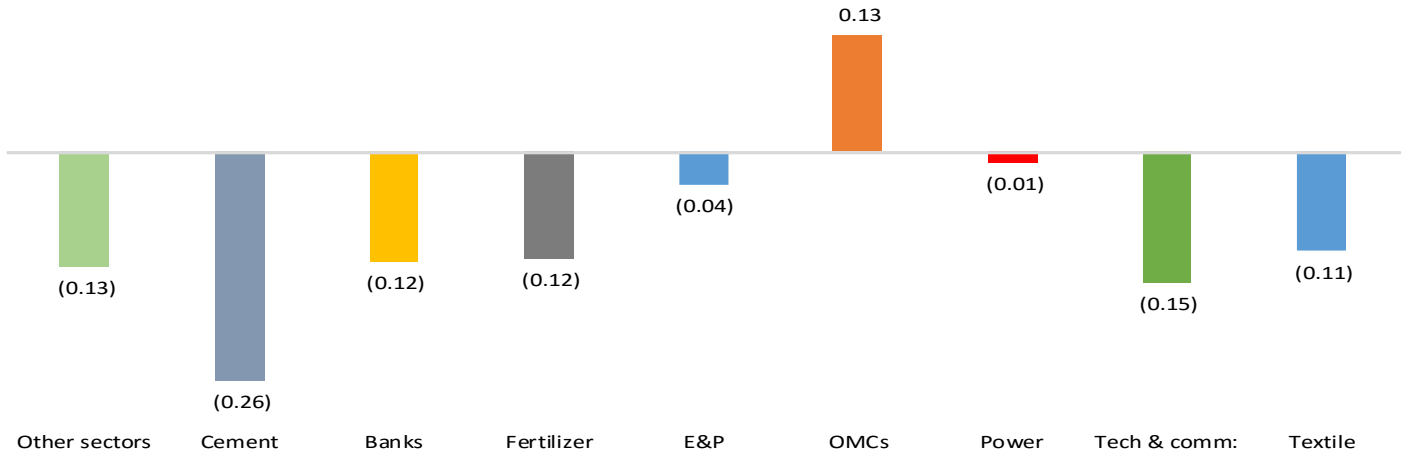
POISITIVE

TRG Pakistan Limited blank sale volume increased more than five and a half points as stock price increases 35 percent since 7th September 2022 but still it is less than 20 percent of the open interest position. TRG Pakistan share prices increases from PKR 87.69 on 7th September 2022 to PKR 118.34 on 19th September 2022, witnessed an increase of 34.95 percent.

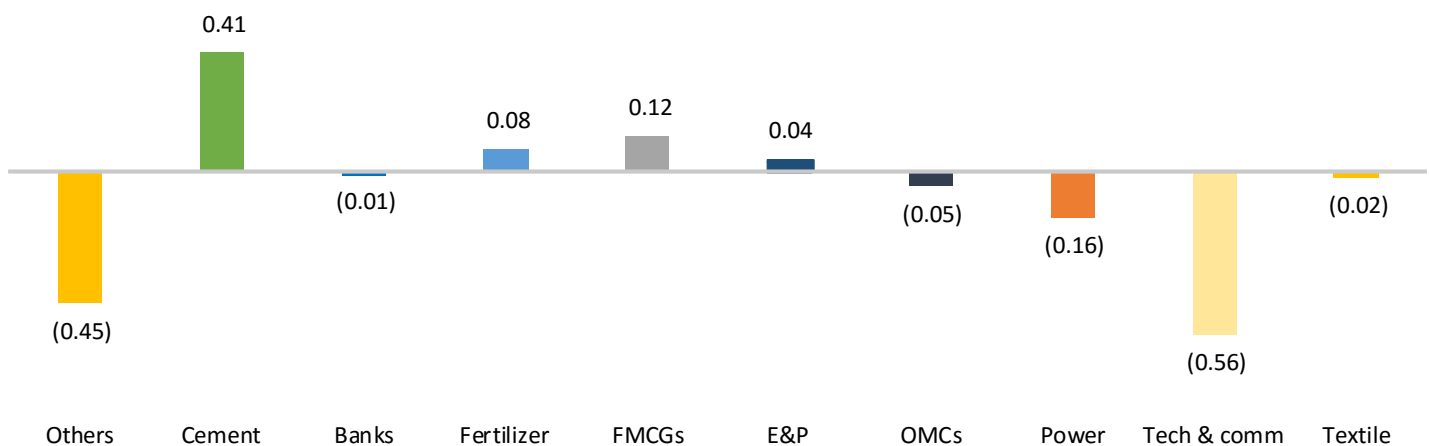
FII Sector Wise USD (Mil)



Mutual Funds Sector Wise USD (Mil)



Banks/DFIs Sector Wise USD (Mil)



Source: NCCPL

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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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