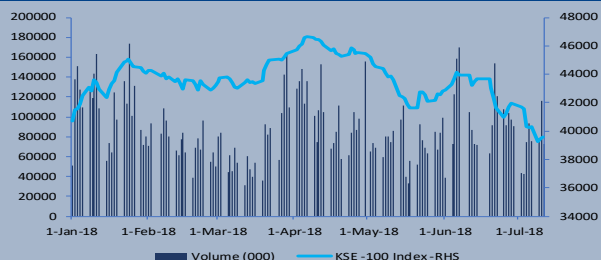


21st August, 2023

## KSE -100 Index



Source: PSX &amp; WE Research

## 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
CENERGY	3.72	0.81%	7.07

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## Govt caps incentives for refinery upgrade projects

The federal government has revised incentives in the [recently approved](#) brownfield refining policy, capping the utilisation of funds to be collected from tariff protection at 22 per cent for the import of used refining equipment and 25pc for new equipment to upgrade infrastructure. The outgoing government approved the new policy earlier this month under which existing refineries will be provided benefits for the duty-free import of machinery that can help boost production of more environment-friendly Euro-5 grade fuels — a move that is expected to help cut fuel imports. [Click to see more](#)

## FBR holds millions as POS reward plan remains inactive

The Federal Board of Revenue (FBR) continues to withhold multi-million rupee collections from customers on sales invoices on account of the point of sales (POS) prize scheme despite lapse of several months, *Dawn* has learned from official sources. The POS prize scheme, utilising computerised balloting to select winners from invoices by tier-1 retailers, was initially suspended from November 2022 till Jan 31, 2023, aiming to enhance inclusivity. [Click to see more](#)

## Auto buyers saw unprecedented price hikes in PDM regime

Amid a slump in demand, assemblers have made a steep rise in the prices of vehicles in the last 16 months despite persistent grilling by the Sub-Committee of the Public Accounts Committee (PAC) on various issues hurting consumers' interest. The rupee has shed its value against the dollar by 58pc in the PDM tenure from Rs182.93 on Aug 11, 2022 to Rs289 on Aug 9, the day Prime Minister Shehbaz Sharif left the office. However, price increases in various models are on par with the drop in rupee value despite higher localisation. In many costly variants, the price hikes are far steeper due to low localisation. [Click to see more](#)

## Makers face falling sales as smuggled cigarettes thrive

The tobacco industry has expressed concerns over both the Federal Board of Revenue (FBR) and the Ministry of Health for failing to stop the sale of cheap smuggled cigarettes even without health warnings. Talking to the media on Saturday spokesperson of Pakistan Tobacco Company (PTC) Sami Zaman said that illicit cigarettes would capture over half of the market in the next quarter. "The smuggled cigarettes do not pay taxes that is why they are cheaper, do not have the mandatory graphic health warning as per the laws of Pakistan and offer attractive flavours that are even sold in loose packs," Mr Zaman said. [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%

## Circular debt forecast to jump by Rs545b

The circular debt is projected to increase by another Rs545 billion by March next year despite a surge in electricity prices as foreign loans pegged with the so-called power sector reforms are limited to only increasing prices and ignore other critical issues. Pakistan eyes another loan of \$600 million from the World Bank for power sector reforms in the current fiscal year and the sector also remains in focus of the International Monetary Fund (IMF) under a new \$3 billion standby arrangement. Yet, there is no improvement in the sector's financial health despite increase in electricity prices up to Rs51 per unit under the IMF's policy of "fiscalization" of power sector inefficiencies, a strategy that has led to a massive change in priorities of the low middle-income groups just to pay their bills. [Click to see more](#)

## Constraints hampering \$15bn export potential of IT sector identified

The Ministry of Information Technology and Telecommunications has identified several constraints including inconsistency in policies, taxation issues and banking hurdles which are hampering the country's information technology sector's exports potential of \$15 billion. Official documents revealed that over that past five years, phenomenal upward growth of 178 percent in IT & ITeS exports has been realised at compound annual growth rate (CAGR) of 30 percent, the highest growth rate in comparison to all other local industries in services and even higher than the textile sector which stands at 148 percent. [Click to see more](#)

## Economic stabilization termed big challenge

The stability of economy of our country is the main challenge now. The biggest challenge is the collapse of exports. Under the power sector burden this effect is spreading to other sectors also. The appointment of Dr Gohar Ijaz as caretaker federal minister for commerce & industries is an excellent choice for his exceptional credentials as a industrialist and exporter himself. He added that his ambitious goal of boosting the country's export to \$80 billion is much appreciable. Further, his dedication to tackling complexities in pursuits to economic prosperity is wonderful. His plans to launch flagship projects within the special Economic zones are admirable. [Click to see more](#)

## 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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