

21 June, 2022

KSE -100 Index



KSE -100 Index- Key Statistics

Open	42,190.10
High	42,357.92
Low	41,735.53
Closing	41,776.98
Change	-363.78
Volume	66,484,060

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 (20-Jun-22)	(1.09)
Individuals (20-Jun-22)	1.43
Companies (20-Jun-22)	(0.902)
Banks/DFI (20-Jun-22)	1.66
NBFC (20-Jun-22)	(0.06)
Mutual Fund (20-Jun-22)	0.50
Other Organization (20-Jun-22)	(0.20)
Brokers (20-Jun-22)	(0.51)
Insurance Comp: (20-Jun-22)	(0.83)

Source: NCCPL

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Dollar crosses 210-mark in interbank as govt struggles to reach IMF deal

Source: The News

NEGATIVE

Rupee is likely to trade on back foot week unless Pakistan reaches deal with IMF, warn traders. The rupee declined further in the interbank market amid a delay in the signing of the deal with the International Monetary Fund (IMF) and was traded at 210.19 on Monday during the intraday trade, according to the Tresmark. It ended at 208.75 on Friday. The rupee depreciated by Rs4.89 last week. According to currency dealers, the rupee is likely to trade on the back foot during the week unless Pakistan reaches deal with the International Monetary Fund (IMF) for the revival of a \$6 billion financial package.

Miftah Ismail hopeful of IMF accord 'in a day or two'

Source: The News

NEUTRAL

Federal Revenue and Finance Minister Miftah Ismail said Monday that the stalled International Monetary Fund's (IMF) Extended Fund Facility (EFF) would be revived within a day or two. "I am very hopeful that the IMF programme will be revived," the finance minister said while speaking to journalists. The finance minister told the journalists that the government aimed at taxing the wealthy and providing relief to the poor through the budget for the fiscal year 2022-23.

Russia-Ukraine war has caused fertilizer shortages

Source: Business Recorder

NEGATIVE

The Minister for Commerce, Naveed Qamar Monday admitted that there is a shortage of fertilizer in the country due to the ongoing Ukraine-Russia war, for which the commodity is being imported from China to fulfil the domestic demand. At the same time, he also urged the provincial governments to take notice of the artificial shortage of fertiliser in the country and ensure the supply of available urea bags to the farmers preparing their fields for rice crop.

DGKC succeeds to enter USA cement market, 50,000 tons ready to ship

Source: Mettis Global

POSITIVE

DG Khan Cement Company Limited (DGKCC), a subsidiary of Nishat Group of Industries has become the first Pakistani company to export cement to the United States, starting with a shipment of 50,000 tones of low alkali cement which is scheduled to leave Karachi Port for the USA on Tuesday. Director Marketing of DGKCC Fareed Afzal told reporters at a presser on Monday that the company had secured a sale deal of 600,000 tons, which will be shipped in 12 consignments of 50,000 tons each month-wise. "This figure can double if all goes well."

Oil swings higher as tight supplies overshadow demand destruction

Source: Mettis Global

POSITIVE

Oil prices swung higher in volatile trading on Monday, as traders focused on tight supplies over slowing global economic growth. Brent crude futures settled up \$1.01, or 0.9%, at \$114.13 a barrel. The global benchmark tumbled 7.3% last week for its first weekly fall in five. U.S. West Texas Intermediate crude last traded up 61 cents, or 0.56%, at \$110.17 in subdued trade on the Juneteenth U.S. holiday. Front-month prices slumped 9.2% last week for the first decline in eight weeks.

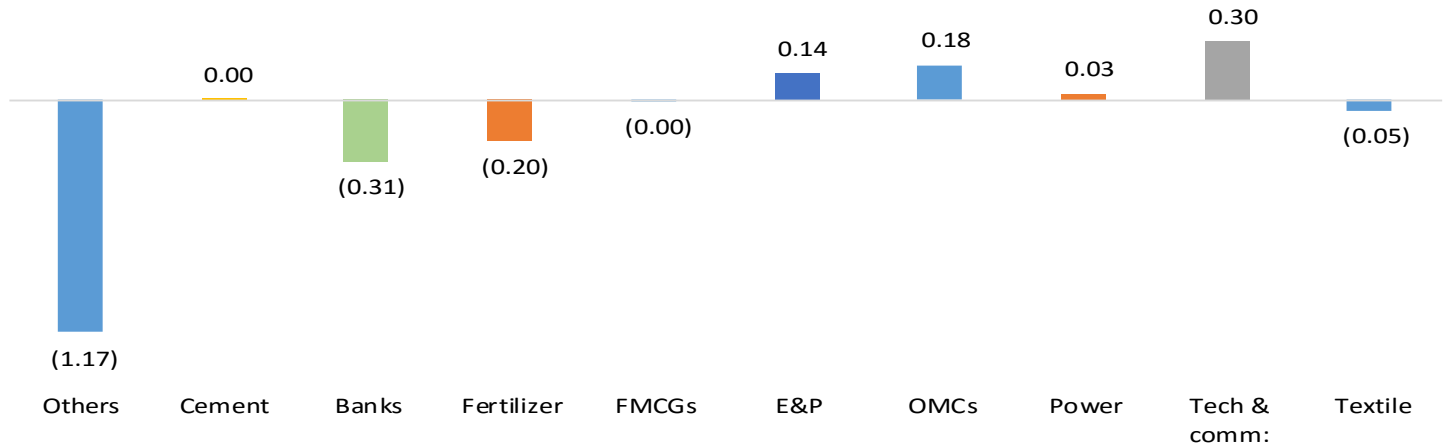
DISCOs seek an increase of PKR 7.96 per unit in consumers' bill for May 2022

Source: Augaf

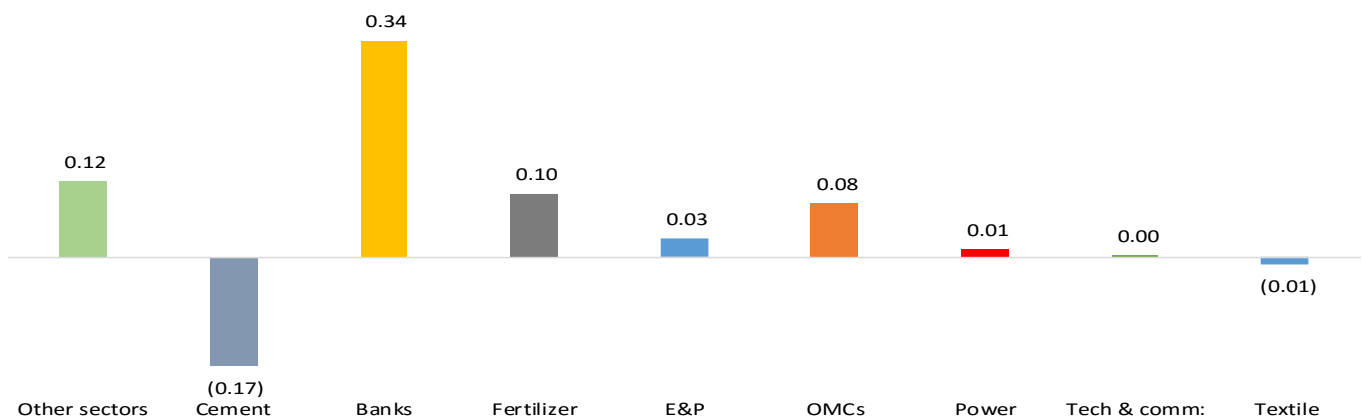
POSITIVE

Based on the information provided by Central Power Purchasing Agency Guarantee Limited (CPPA-G), NEPRA is set to increase electricity prices by PKR 7.9647 per unit for the month of May 2022 due to high fuel cost adjustment (FCA). Based on the information provided by CPPA the actual fuel charges for the EX-WAPDA DISCOs for the month of April 2022 worked out to be PKR 13.8969 per unit which is PKR 7.9647 per unit higher than reference tariff.

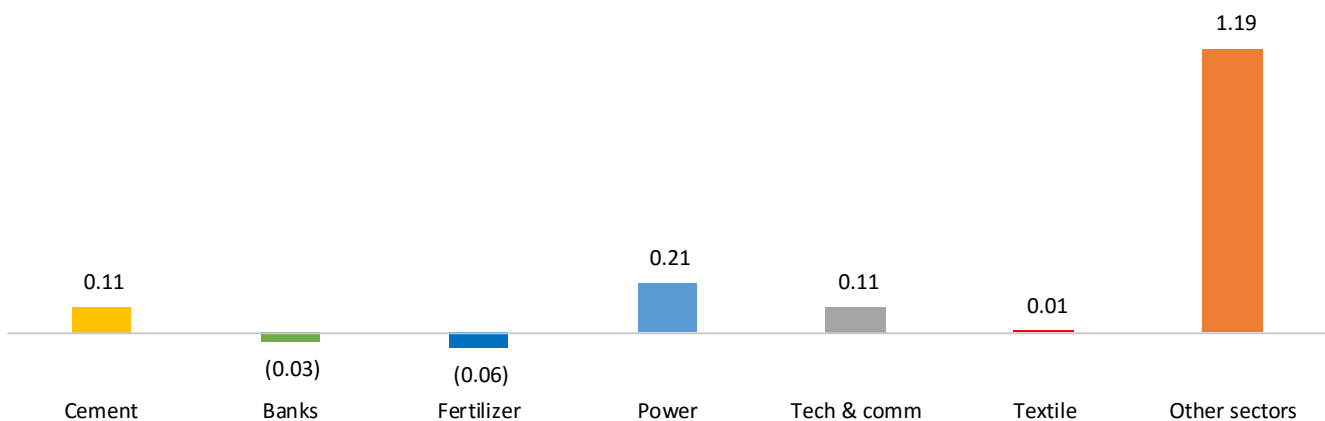
FII Sector Wise USD (Mil)



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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