

21st March, 2023

## KSE -100 Index



## 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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## Current account deficit declines 68pc

Current account deficit declined by 68 per cent to \$3.8 billion during the first eight months of the current fiscal year (FY23) from \$12bn during the same period last year. February showed a healthy sign as the CAD fell to just \$74 million against \$519m last year, the lowest monthly deficit recorded since February 2021. The deficit declined by 86 per cent on a year-on-year (YoY) basis. The decline in the CAD was due to a fall in imports while no higher exports or inflows were noted. [Click to see more](#)

## Centre looks to implement 'discounted' fuel regime

Just a day after the announcement of Rs50 subsidy on each litre of petrol for the 'less privileged', State Minister for Petroleum Dr Musadik Malik on Monday announced the government will provide petrol at Rs100 less than the official rate for motorbikes and cars of up to 800cc. "The initial working was to provide petrol at Rs50 less than the Ogra-notified rate to the people having motorcycles and (up to 800cc) cars, but on Sunday night, the prime minister conveyed to us give petrol to the people Rs100 less than the notified rate," Dr Malik told a press conference. [Click to see more](#)

## PKR weakens by Rs2.32 in interbank on IMF uncertainty

The rupee remained under pressure on Monday, with analysts citing the uncertainty surrounding the revival of an International Monetary Fund (IMF) programme and a lack of confidence in the government. The local currency closed at Rs284.03 per dollar, according to data shared by the State Bank of Pakistan (SBP). This equates to a depreciation of Rs2.32 or 0.82 per cent from Friday's close of Rs281.71. [Click to see more](#)

## Oil falls more than \$2 on banking concerns

Oil prices fell on Monday to their lowest in 15 months on concerns risks in the global banking sector may cause a recession that would lead fuel demand to decline and ahead of a potential hike in United States interest rates this week. Brent crude futures for May settlement fell \$2.32, or 3.2 per cent, to \$70.65 a barrel at 0710 GMT. The contract earlier declined to as low as \$70.56, its lowest since December 2021. [Click to see more](#)

## Dar backtracks on 'nuclear' remarks

Finance Minister Ishaq Dar on Monday back-pedaled from his statement about the nuclear programme, saying that neither any country nor the International Monetary Fund (IMF) has attached any conditionality about "our nuclear capability". The finance ministry issued a statement on behalf of Dar after Pakistan's Foreign Office and the IMF denied that the global lender had made any demand about the country's nuclear programme. [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%

## Agri-growth stagnant at 2.2 to 2.6% in 15 years

The State Bank of Pakistan (SBP)'s recently published Agriculture report 2023, launched by Pakistan Business Council (PBC) and Pakistan Agricultural Coalition (PAC), showed that agriculture growth during the last 15 years in Pakistan has been restricted within the range of 2.2 to 2.6% per annum as the industry and services have driven the country's economic growth. "Wheat yields have stagnated close to three tonnes per hectare (30 maunds per acre) when progressive farmers within Pakistan are achieving 4.5 tonnes per hectare and other countries are achieving even more," stated the report. [Click to see more](#)

## No subsidized gas for fertilizer plants after May

The Economic Coordination Committee (ECC) of the Cabinet has decided to do away with subsidized gas to fertilizer plants after May 31, 2023. The decision was taken at a recent meeting of the ECC when supply of subsidized gas to two urea fertilizer plants in Punjab came under discussion. A meeting of Fertilizer Review Committee (FRC) was convened on March 9, 2023 to review the fertilizer situation for upcoming Kharif Season 2023, wherein Ministry of National Food Security and Research (MoNFS&R) projected that demand for Urea fertilizer was estimated to be 3.2 Million MT, whereas production had been estimated to be around 2.9 Million MT. Shortfall between demand and supply was estimated at 0.3 Million MT. [Click to see more](#)

## Too tight fiscal space: MoF bans SGs, subsidies

Ministry of Finance (MoF) has reportedly banned supplementary grants (SGs) and subsidies due to limited fiscal space and cap on expenditures. This message was conveyed by the Finance Ministry during a meeting held with respect to financial issues of Pakistan State Oil (PSO). On March 14, 2023, Petroleum Division noted to the ECC that PSO was engaged in importing Liquefied Natural Gas (LNG) in the country to meet the energy requirements of the country. The Regasified LNG (RLNG) was predominantly purchased by SNGPL for onward sale to its consumers. [Click to see more](#)

## Jul-Feb FDI down 40pc YoY

The Foreign Direct Investment (FDI) in the country fell by 40 percent in the first eight months of current fiscal year (FY23). The State Bank of Pakistan (SBP) on Monday revealed that the country attracted FDI amounted to \$784.4 million during July-Feb of FY23 compared to \$1.315 billion in corresponding period of last fiscal year (FY22), showing a decline of \$531 million. During the period under review, overall FDI inflows were \$1.297 billion as against outflow of \$512.5 million. [Click to see more](#)

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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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