

22 June, 2022

KSE -100 Index



Source: PSX & WE Research

KSE -100 Index- Key Statistics

| | |
|---------|-------------|
| Open | 41,796.47 |
| High | 42,569.33 |
| Low | 41,745.27 |
| Closing | 42,525.95 |
| Change | 748.97 |
| Volume | 135,278,184 |

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 (21-Jun-22) | (1.48) |
| Individuals (21-Jun-22) | 1.59 |
| Companies (21-Jun-22) | (1.548) |
| Banks/DFI (21-Jun-22) | (0.22) |
| NBFC (21-Jun-22) | (0.19) |
| Mutual Fund (21-Jun-22) | 1.35 |
| Other Organization (21-Jun-22) | 1.18 |
| Brokers (21-Jun-22) | 0.39 |
| Insurance Comp: (21-Jun-22) | (1.07) |

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

Pakistan's exports to China crossed \$1.6 billion in Jan-May

Source: Augaf

POSITIVE

Pakistan's export to China crossed \$1.605 billion in the first five months of 2022, up 5.42 percent year on year, shows the official data from the General Administration of Customs of the People's Republic of China (GACC). Badar uz Zaman, Commercial Counsellor at Pakistani Embassy in Beijing, said that despite the epidemic of COVID-19, bilateral trade has increased significantly. "The Pakistani government is also fully committed to tapping its industrialization potential and paying particular attention to the construction of special economic zones to enhance its trade with other countries", he added.

Reserves slipped below \$9 billion, show a worsening balance of payment crisis

Source: The financial Daily

NEGATIVE

The Pakistani rupee plunged by another Rs2.55 on Tuesday to a record low of Rs212.51 against the US dollar in the inter-bank market at around 11 am on Tuesday. The rupee has crossed the threshold of 212 for the first time despite Finance Minister Miftah Ismail's assurance on Monday that the International Monetary Fund (IMF) programme would resume "in a day or two". The reserves slipped below \$9 billion, indicating a deteriorating balance of payment crisis. Other experts said that there is a crisis of confidence and that traders have lost confidence in the rupee after conflicting reports regarding the currency's future value.

Pakistan to issue sukuk in the international market for budgetary support

Source: Augaf

NEUTRAL

The Federal Cabinet on Tuesday approved issuance of the Ijara Sukuk bonds in the domestic and international markets to support the government's budgetary position and promote Islamic banking industry in the country. Addressing a press conference after the cabinet meeting chaired by Prime Minister Shehbaz Sharif here, Minister for Planning, Development and Special Initiatives Professor Ahsan Iqbal said the information regarding assets and other details about the programme would be available on the website of Finance Division soon.

Pakistan received highest daily inflows of \$57 mn in RDA, deposits crossed \$4.5 billion

Source: Augaf

POSITIVE

Today marks yet another historic day in Roshan Digital Account, with \$57 million in deposit inflows, highest ever daily figure. With this significant increase, total deposits in RDA have crossed \$4.5bn.

Steel bar prices raised to Rs236,000 a tonne

Source: Dawn

POSITIVE

Manu-facturers further pushed up steel bar prices to Rs236,000 per tonne following an increase of Rs5,000. According to the rates shared by various manufacturers, Amreli Steel Limited (ASL) increased the prices to Rs236,000 per tonne for sizes 9.5-10mm and 12mm and Rs234,000 per tonne for sizes 16mm and above. The company cited a continuous and unprecedented increase in the cost of energy and the highly volatile rupee-dollar parity.

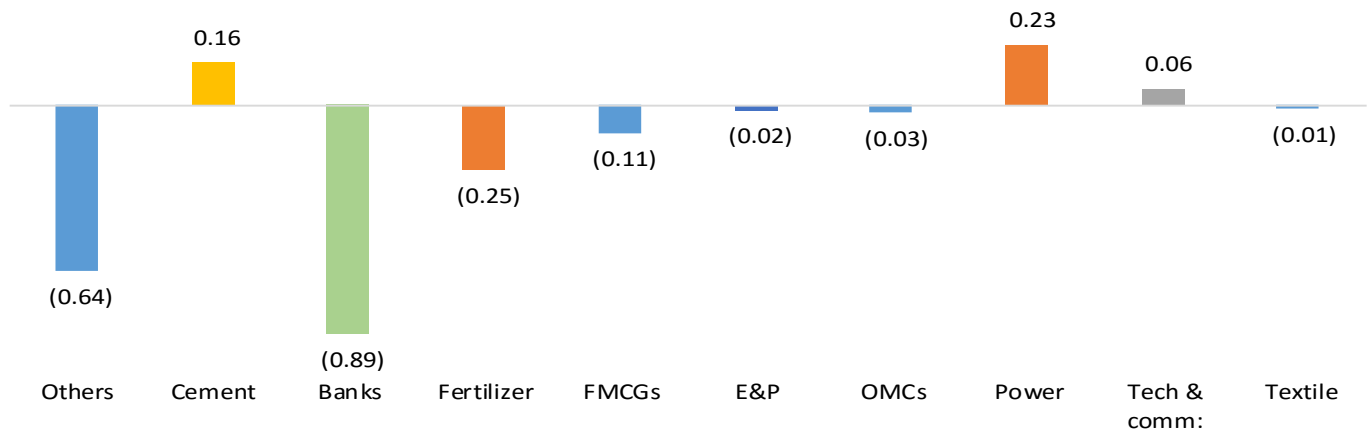
Banking sector expands 19.6pc

Source: dawn

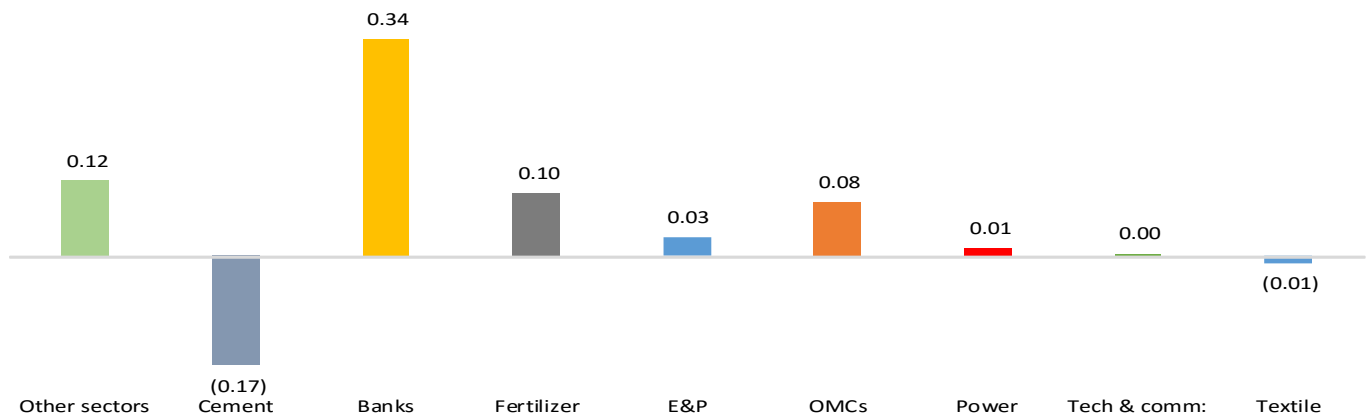
POSITIVE

The banking sector posted a growth of 19.6 per cent particularly due to much higher private sector participation in the economic growth during the calendar year 2021, said the State Bank of Pakistan (SBP) on Tuesday. In the context of strong economic expansion, the financial sector manifested steady performance while its financial and operational resilience remained intact, observed the review.

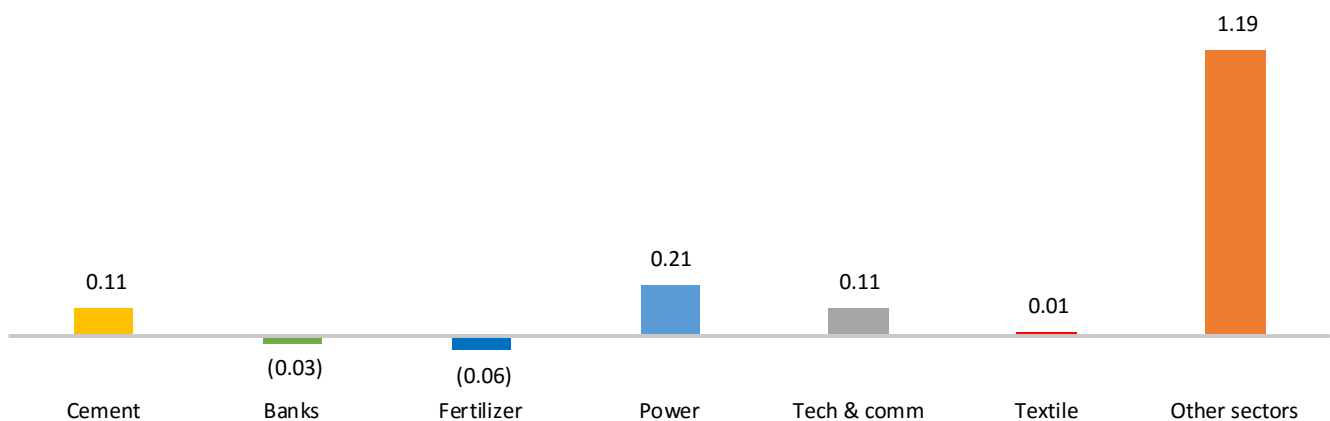
FII Sector Wise USD (Mil)



Mutual Funds Sector Wise USD (Mil)



Banks/DFIs Sector Wise USD (Mil)



Source: NCCPL

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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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