

22nd May, 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
CNERGY	3.72	0.81%	7.07

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## PSDP spending cut by Rs79bn more

The PML-N government on Saturday again cut the Public Sector Development Programme (PSDP) by Rs79 billion to Rs566.85bn, reducing the budgeted allocation for the whole fiscal year by nearly a third, citing fiscal woes. On the contrary, it raised financing for the parliamentarians of the coalition partners who got the largest chunk of development funds amounting to Rs90.035bn against the allocation of Rs87bn, which was fully utilised. The PSDP, which supports development schemes nationwide, was projected at Rs800bn in the budget 2022-23 but ended up with Rs566.85bn a month before the fiscal year's end.

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## Microloans cross half-a-trillion benchmark for first time

The size of all outstanding loans of the microfinance industry crossed the Rs500 billion mark for the first time in the January-March quarter of 2023, latest statistics released by the Pakistan Microfinance Network (PMN) show. The combined figure for the outstanding principal for all outstanding client loans, without interest receivables, increased 3.7 per cent from the preceding quarter to Rs509.6bn at the end of March. The penetration rate — which shows the share of the relevant population that has used microfinance products at least once in their lifetime — stood at 23.1pc at the end of March versus 22.7pc a quarter ago.

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## Weekly inflation eases to 45.7pc

The short-term inflation, based on the Sensitive Price Index (SPI), eased slightly but remained elevated at 45.72 per cent for the week ending on May 18, showed the official data released on Friday. The weekly inflation stayed above 48pc for the previous two weeks due to high prices of transport, veg-e-tables, wheat flour, meat, pulses and sugar. The slight decrease was caused by a cut in petroleum product prices three days before the data collection. However, on a week-on-week basis, it posted a drop of 0.16pc. The SPI has been going up since Ramazan mainly due to a weaker rupee, expensive petrol and electricity and a higher rate of sales tax.

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## SBP sees broad-based economic decline

The State Bank of Pakistan (SBP) expects a broad-based decline in economic activity in the wake of dampened performance of both the agriculture sector and industrial output, with its negative spillovers for the services sector. In its report on the state of the economy for the first half of FY23 released on Friday, the central bank observed that the demand management measures and 2022 floods weighed heavily on the growth outlook for FY23, adding that the GDP growth is expected to remain below 2pc. However, the government on April 27 lowered the GDP growth forecast to 0.8pc slightly above 0.4 to 0.6pc projected by the IMF, World Bank and Asian Development Bank for the current fiscal year.

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## 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%

## Policy adjustments proposed to revitalise economy

Prominent businessmen and industry leaders have presented a series of essential policy adjustments to revitalise Pakistan's economy, emphasising the upcoming budget for the fiscal year 2023-2024 as a golden opportunity to foster growth, innovation, and sustainable development across various sectors. Leading a delegation from the Federation of Pakistan Chambers of Commerce and Industry (FPCCI) to meet with Finance Minister Ishaq Dar, President of FPCCI Irfan Iqbal Sheikh, highlighted the significance of the upcoming federal budget. Sheikh stressed the need for the government and the business community to collaborate and introduce measures and policies that would facilitate industrial growth, explore import substitution avenues, and revive struggling units through targeted fiscal measures. [Click to see more](#)

## Gas sector to get Rs76b against Rs230b requested

Gas prices may increase further for exporters and domestic consumers in the next fiscal year, as the government considers allocating Rs76 billion for gas sector subsidies in the new budget. This allocation falls short of the Ministry of Energy's demand of Rs230 billion. The Ministry of Energy's demand is based on providing subsidised imported gas to domestic and industrial consumers and clearing pending arrears. The proposed allocation of Rs76 billion is approximately 66%, or Rs153 billion, less than what the Ministry of Energy sought to meet the requirements of providing cheaper gas, according to Ministry of Energy sources. [Click to see more](#)

## Stocks gain ground in roller-coaster ride

The outgoing week proved to be a roller-coaster ride for Pakistan Stock Exchange (PSX) as it experienced both bullish momentum and bearish pressure due to a mix of positive and negative developments, which continued to influence direction of the market. The week kicked off with a range-bound session in the backdrop of political noise but the KSE-100 index notched up gains following International Monetary Fund (IMF)'s denial that it had asked Pakistan to raise fresh financing of \$8 billion coupled with the rupee recovery. [Click to see more](#)

## ECC approves Rs1.146bn through TSG for trade missions

The Economic Coordination Committee (ECC) of the Cabinet has approved Rs.1.146 billion through technical supplementary grant (TSG) for trade missions abroad after it was told that depreciation of rupee led to shortfall in allocated budget for trade missions. The Ministry of Commerce in a proposal to the ECC stated that its mandate was to alleviate the adverse balance of payment situation through trade facilitation and enhancement of exports. Presently, the ministry maintained that there are 55 trade missions abroad, which are striving to explore new markets for exports and to reach out to international market for commercial presence for exporters and potential industries. [Click to see more](#)

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WE Financial Services Ltd. uses three rating categories, depending upon return form 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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