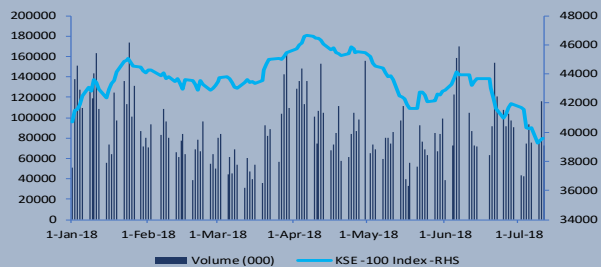


23 May, 2022

## KSE -100 Index



Source: PSX &amp; WE Research

## KSE -100 Index- Key Statistics

|         |            |
|---------|------------|
| Open    | 43,133.11  |
| High    | 43,187.12  |
| Low     | 42,938.60  |
| Closing | 43,100.70  |
| Change  | 117.25     |
| Volume  | 84,689,714 |

Source: PSX

## Key Economic Data

|                                |             |
|--------------------------------|-------------|
| Reserves (8-Apr-22)            | \$17.08bn   |
| 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-May-22)               | (0.54) |
| Individuals (20-May-22)        | (0.51) |
| Companies (20-May-22)          | 1.343  |
| Banks/DFI (20-May-22)          | 0.59   |
| NBFC (20-May-22)               | 0.00   |
| Mutual Fund (20-May-22)        | 0.02   |
| Other Organization (20-May-22) | (0.18) |
| Brokers (20-May-22)            | (0.24) |
| Insurance Comp: (20-May-22)    | (0.49) |

Source: NCCPL

## WE Financial Services Ltd.

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## Pakistan, China agree to firm up strategic ties

Source: The News

POSITIVE

Pakistan and China Sunday agreed that amidst profound regional and international changes, the importance of China-Pakistan strategic relations has assumed even greater significance. "As All-Weather Strategic Cooperative Partners, China and Pakistan share ironclad mutual trust and friendship, which is a source of peace, stability, and prosperity for the region and beyond," said a 15-point joint statement issued at the conclusion of the maiden visit of Foreign Minister Bilawal Bhutto Zardari to China, on special invitation of his Chinese counterpart Wang Yi. Both the foreign ministers met in the Chinese city of Guangzhou.

## High prices, shortage of inputs may affect agri sector: report

Source: Dawn

NEGATIVE

Pakistan's agriculture sector is feared to be negatively impacted due to high prices and shortage of farming inputs, including fertilisers, as of mid-2022, forecasts the 'World Economic Situation and Prospects' released by the United Nations. Reviewing the world economic situation and prospects as of mid-2022, the United Nations Department of Economic and Social Affairs (DESA) in its survey says consumer price inflation in the region is expected to accelerate to 9.5 per cent in 2022, from 8.9pc in 2021.

## Current account deficit drops over 38pc in April

Source: Dawn

POSITIVE

The current account deficit shrank 38.6 per cent on a month-on-month basis to \$623 million in April, data released by the State Bank of Pakistan (SBP) showed on Friday. The widening current account deficit has been one of the biggest economic problems throughout this fiscal year. Despite a monthly dip recorded in April, the cumulative gap for the first 10 months of 2021-22 amounted to \$13.78 billion. It was more than 25 times higher than the deficit of just \$543m recorded in the same period of the last fiscal year.

## Banking sector spread increases by 35 bps to 5.02% in April

Source: Mettis Global

POSITIVE

The banking sector spread for the month of April 2022 increased by 35 basis points (bps) over the month which brings its latest value to 5.02% as compared to the prior month's spread of 4.67%, State Bank of Pakistan's monthly data released on weighted average lending & deposit rates showed today. Similarly, compared to the same month last year, the spread has increased by 52bps as it stood at 4.5% in April 2021. As per data, the lending rate for all banks jumped by 65bps MoM and 226bps YoY to stand at 10.26%. Meanwhile, the deposit rate clocked in at 5.24%, increased by 3bps over the month while improved by 171bps over the year in April 2022.

## Electricity production rises 24% in April

Source: Tribune Express

POSITIVE

The electricity generation increased 24% year-on-year to 12,960 gigawatt-hours (GWh) in April 2022 but the growth in production came at a high cost as the fuel cost component in tariff rose 84% to Rs10.24 per unit. The country got the largest production from imported gas (liquefied natural gas - LNG) fired power plants at 2,517 GWh in April. It was, however, 2% lower compared to the same month of last year, a research house reported quoting data of the National Electric Power Regulatory Authority (Nepra).

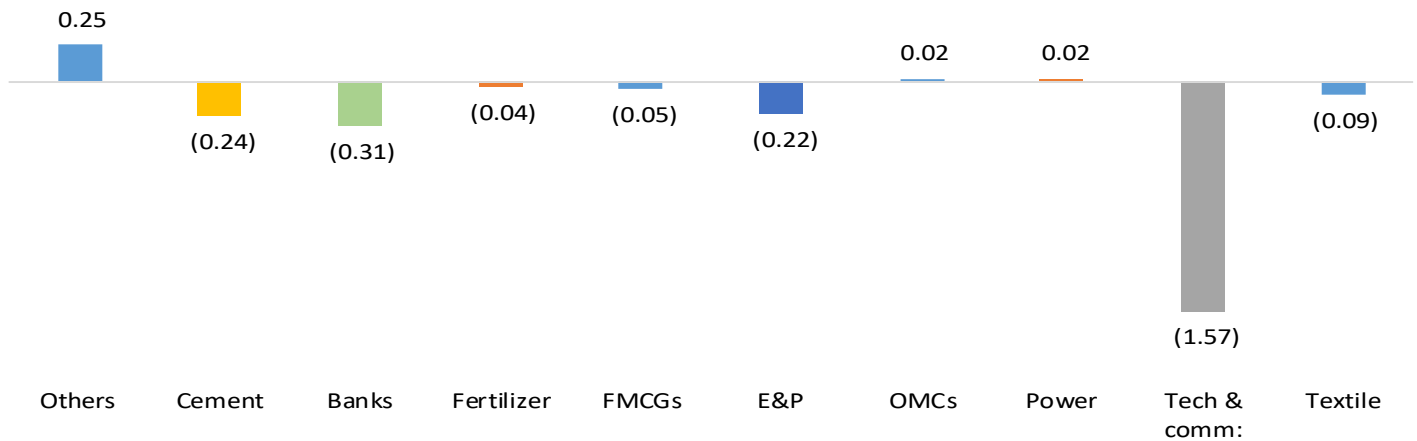
## Oil climbs in tight market as U.S. driving season looms

Source: Reuters

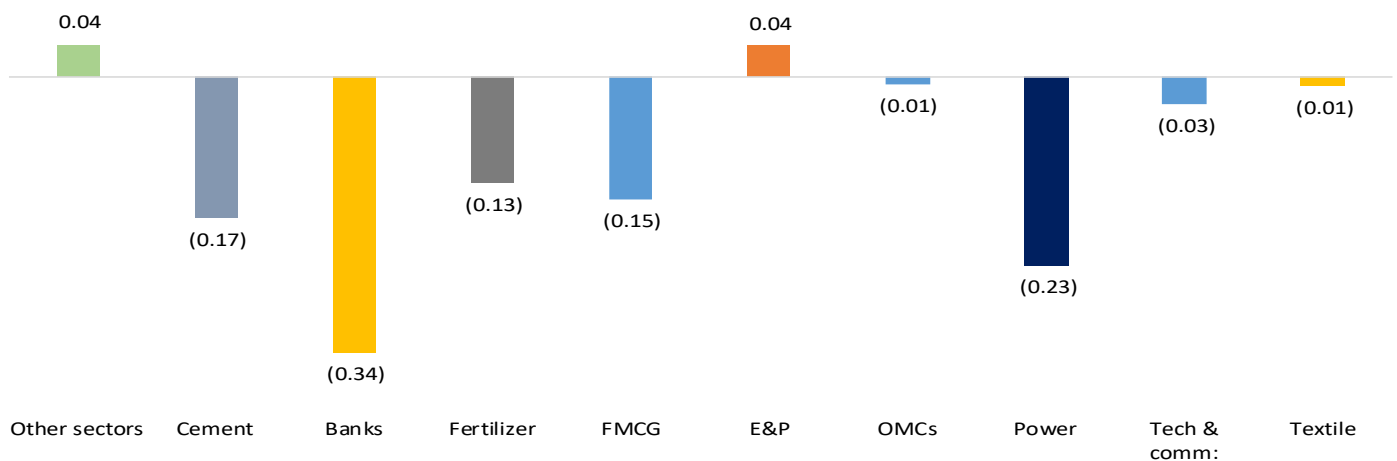
POSITIVE

Brent crude futures rose 82 cents to \$113.37 a barrel at 0126 GMT, while U.S. West Texas Intermediate (WTI) crude futures climbed 69 cents, or 0.6%, to \$110.97 a barrel, adding to last week's small gains for both contracts. "Oil prices are supported as gasoline markets remain tight amid solid demand heading into the peak U.S.

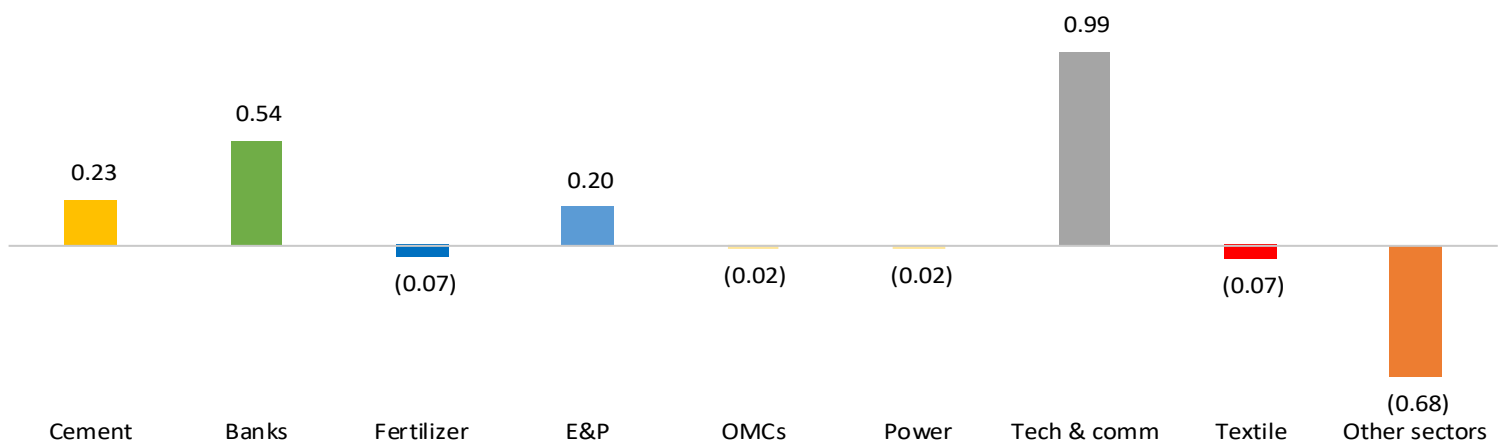
### FII Sector Wise USD (Mil)



### Mutual Funds Sector Wise USD (Mil)



### Banks/DFIs Sector Wise USD (Mil)



Source: NCCPL

## Analyst Certificate:

The Research Report is prepared by the research analyst at WE Financial Services Ltd. It includes analysis and views of our research team that precisely reflects the personal views and opinions of the analysts about the subject security(ies) or sector (or economy), and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. In addition, we currently do not have any interest (financial or otherwise) in the subject security(ies). The views expressed in this report are unbiased and independent opinions of the Research Analyst which accurately reflect his/her personal views about all of the subject companies/securities and no part of his/her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.

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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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