

23 Sept, 2022

KSE -100 Index



KSE -100 Index- Key Statistics

Open	40,970.50
High	40,986.95
Low	40,417.92
Closing	40,927.95
Change	-37.63
Volume	104,058,372

Source: PSX

Key Economic Data

Reserves (15-July-22)	\$15.24bn
Inflation CPI (Jul'21-Jun'22)	21.3%
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 (22-Sept-22)	(0.14)
Individuals (22-Sept-22)	0.43
Companies (22-Sept-22)	(0.34)
Banks/DFI (22-Sept-22)	0.76
NBFC (22-Sept-22)	0.09
Mutual Fund (22-Sept-22)	(0.00)
Other Organization (22-Sept-22)	0.11
Brokers (22-Sept-22)	0.24
Insurance Comp: (22-Sept-22)	(0.96)

Source: NCCPL

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Big industry output falls 16.5pc in July

Source: Dawn

NEGATIVE

Large-scale manufacturing (LSM) in July shrank by 1.4 per cent compared to a year ago and by 16.5pc compared to June, official data showed on Thursday, raising concerns about an economic slowdown caused by the highest-ever cost of energy and raw material for industry. The main contributors to the slowdown were garments (down 4.4pc), iron and steel products (0.6pc), furniture (2.2pc), chemical products (0.6pc), cigarettes (1.7pc), cement (2.8pc), and fertilisers (0.7pc), according to data released by the Pakistan Bureau of Statistics.

Cash-strapped PSO's receivables hit Rs583.2bn mark

Source: Business Recorder

NEGATIVE

Faced with serious financial constraints, Pakistan State Oil (PSO) has repeatedly approached the federal government for getting Rs583 billion receivables cleared against Sui Northern Gas Pipelines Limited (SNGPL), GENCOS and Pakistan International Airlines (PIA). The receivables of PSO stood at Rs583.2 billion as on September 21, 2022. The delay in the clearance of PSO's dues has worsened the financial health of the PSO. If the government does not release funds to clear PSO dues, the PSO may not be able to meet its obligation to suppliers, said sources.

SBP reserves dip by \$278mn in a week

Source: Mettis Global

NEGATIVE

Foreign exchange reserves of the State Bank of Pakistan (SBP) declined by \$278 million to \$8.34 billion during the week ended on September 16, 2022, mainly due to external debt payments, the central bank announced on Thursday. The SBP reported that the country's total foreign exchange reserves fell by \$248mn to \$14.1bn, while the holdings of the commercial banks were up by \$30mn to \$5.720bn during the week. Meanwhile, it is important to note that the current level of reserves is barely enough to cover 1.2 months of imports.

Toyota to Cut Production in October on Chips Shortage

Source: Augaf

NEGATIVE

Toyota Motor Corp (7203.T) said on Thursday it plans to produce about 800,000 vehicles worldwide in October, about 100,000 short of its average monthly production plan, due to semiconductor shortages. The world's largest automaker by sales said last month it aimed to produce about 900,000 vehicles per month from September through November. It now expects to produce about 850,000 vehicles per month on average from October to December, it said on Thursday. Still, Toyota is sticking to its 9.7 million global vehicle production target for current financial year through March 2023. According to its October production plan, Toyota will suspend production for up to 12 days for 10 lines at seven domestic factories.

Rupee continues nose diving, reaches near all-time low against dollar

Source: The news

NEGATIVE

Post-flood economic situation and shortage of the dollar in the country kept the Pakistani rupee under pressure for the 15th consecutive session as the local unit on Thursday registered further losses in the interbank market. The rupee fell to 239.71 after losing 0.03%, down in value from the previous session's close of 239.65, in the interbank market.

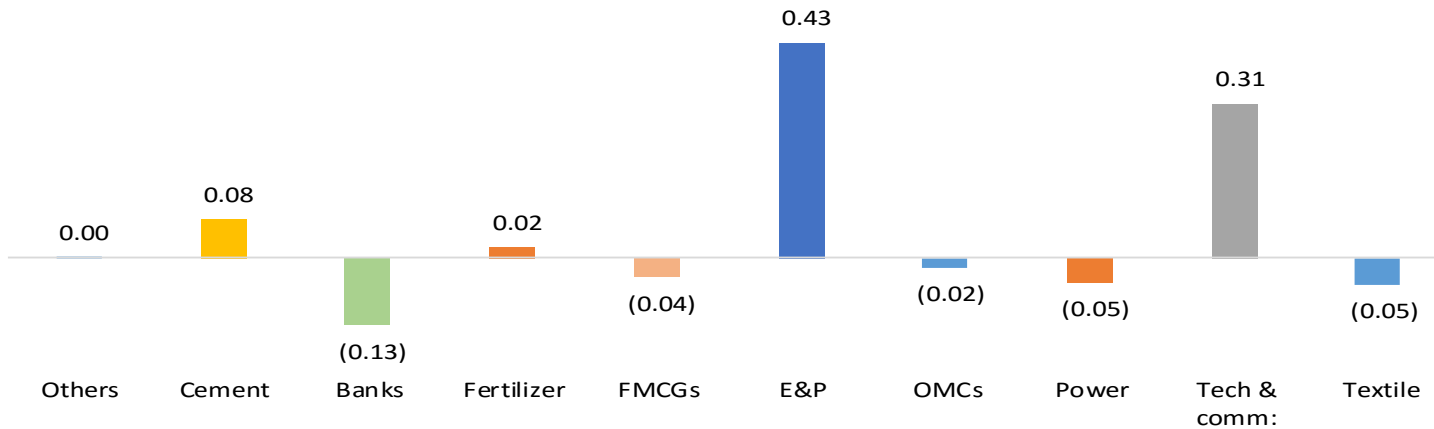
World Bank to provide \$850mn to Pakistan

Source: Mettis Global

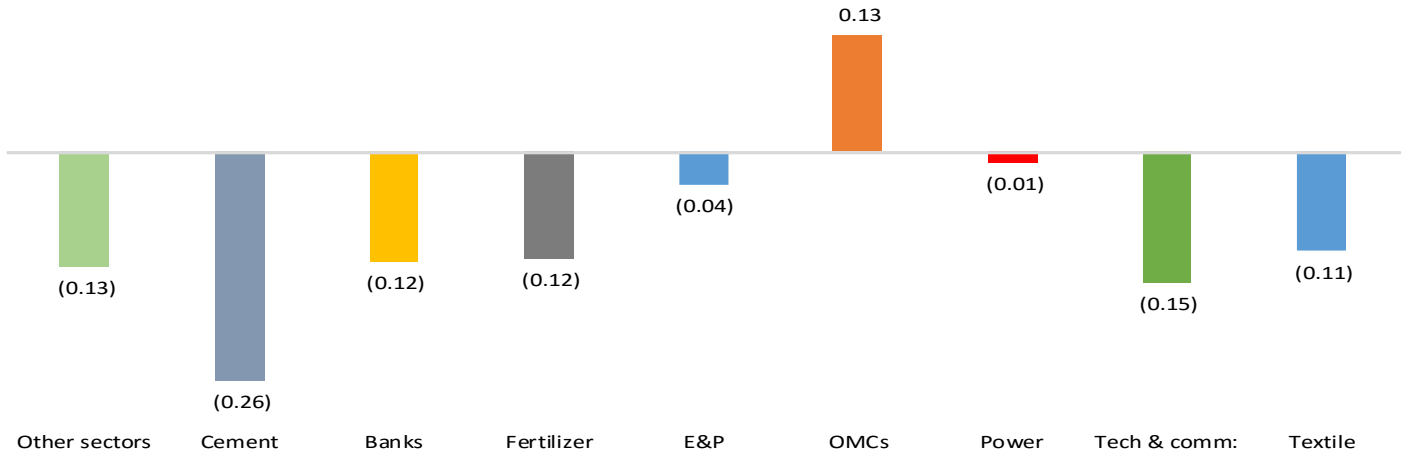
POSITIVE

The World Bank has approved to repurpose of \$850mn immediately to Pakistan to strengthen its infrastructure, agriculture, rural and urban development, social service, as well as economic growth, a press release issued on Thursday showed. World Bank President David R. Malpass agreed to repurpose of \$850mn. He announced this during a meeting with Prime Minister Shahbaz Sharif on the sidelines of the 77th UN General Assembly session in New York.

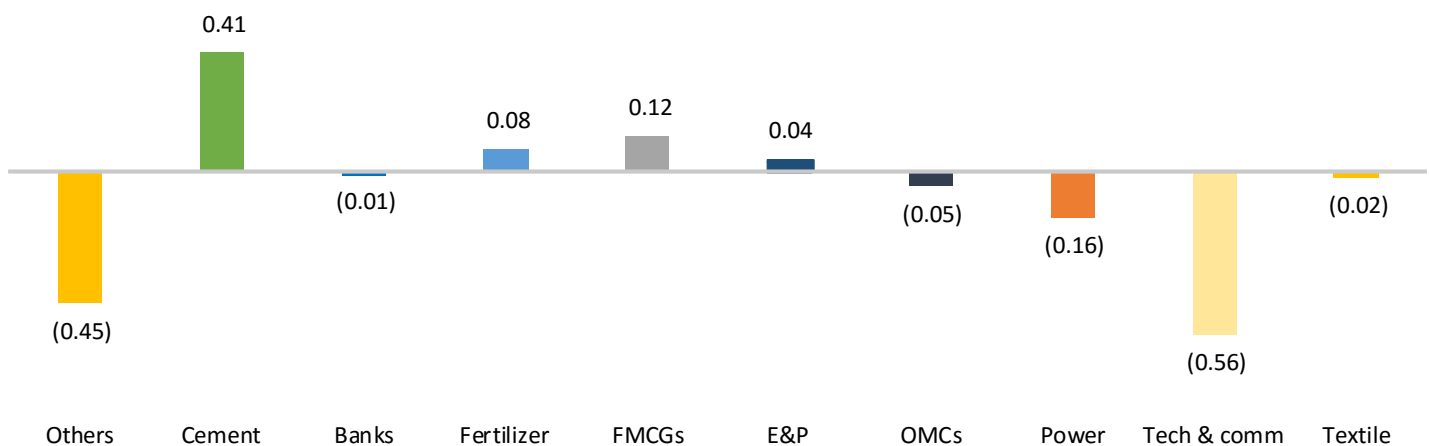
FII Sector Wise USD (Mil)



Mutual Funds Sector Wise USD (Mil)



Banks/DFIs Sector Wise USD (Mil)



Source: NCCPL

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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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