

24th Feb, 2023

KSE -100 Index



Source: PSX & WE Research

Market- Key Statistics

| | Current | Previous | Change |
|------------------|------------|------------|---------|
| KSE100 Index | 40,838.51 | 41,167.60 | -329.09 |
| All Shares Index | 26,936.83 | 27,175.12 | -238.29 |
| KSE30 Index | 15,407.99 | 15,528.28 | -120.29 |
| KMI30 Index | 70,091.19 | 70,846.63 | -755.44 |
| Volume (mn) | 150,226.32 | 196,330.54 | -45,803 |

Source: PSX

Top Losers-KSE100 Index

| Symbol | Price | % Change | Volume |
|--------|-------|----------|--------|
| STJT | 78.1 | (-6.48%) | 500 |
| GATI | 295.2 | (-6.29%) | 100 |
| KOHP | 4 | (-5.88%) | 4,500 |
| TCORP | 11.5 | (-5.43%) | 500 |
| SNBL | 8.38 | (-4.23%) | 500 |

Top Winners-KSE100 Index

| Symbol | Price | % Change | Volume |
|--------|--------|----------|--------|
| UVIC | 3.9 | 19.27% | 27,500 |
| RUBY | 3.2 | 13.88% | 2,000 |
| DATM | 3.2 | 8.48% | 2,500 |
| RCML | 645 | 7.50% | 50 |
| SCL | 235.38 | 7.50% | 100 |

Volume Leaders KSE-All Index

| Symbol | Price | % Change | Volume |
|--------|-------|----------|-----------|
| HUBC | 70.4 | 1.34% | 1,817,943 |
| MLCF | 24.13 | 1.47% | 1,726,284 |
| WTL | 1.26 | 0.80% | 472,525 |
| PPL | 67.55 | (-0.41%) | 446,307 |
| PRL | 12.9 | (-0.69%) | 412,406 |

Volume Leaders KMI-30 Index

| Symbol | Price | % Change | Volume (mn) |
|--------|-------|----------|-------------|
| MLCF | 24.16 | 1.56% | 0 |
| OGDC | 88.10 | -0.60% | 0.00813 |
| UNITY | 13.05 | 0.68% | 0 |
| PPL | 67.53 | -0.44% | 0 |
| TPLP | 14.33 | -1.31% | 0.00834 |

WE Financial Services Ltd.

TREC Holder -Pakistan Stock Exchange Ltd.
506-508 5th Floor , Pakistan Stock Exchange Building
Stock Exchange Road , Karchahi-74000, Pakistan
Email: research@we.com.pk

200bps rate hike likely in surprise SBP move

An interest rate hike of around 200 basis points by the State Bank of Pakistan (SBP) is highly likely, financial market experts say, after the recent treasury bill auction rates saw a similar increase. While the unexpected rate jump in the government auction to raise domestic debt surprised the trade and industry, the investors in the treasury bills found the situation suitable due to over 27 per cent inflation. The government plans to raise Rs1,800bn in the next auction scheduled for March 8 while the maturity amount is Rs1,785bn. [Click to see more](#)

Pakistan's foreign exchange reserves rise by \$66m

Pakistan's foreign exchange reserves held by the central bank rose by \$66 million to \$3.258 billion in the week ending February 17, the State Bank of Pakistan (SBP) said on Thursday. The SBP said total liquid foreign reserves stood at \$8.726 billion. Pakistan, which is a \$350bn economy, is facing economic turmoil, with a balance of payment crisis and only enough foreign exchange reserves to cover three weeks of imports. [Click to see more](#)

Shares lose over 300 points on fears of earlier-than-expected rate hike

Shares at the Pakistan Stock Exchange (PSX) slid on Thursday on fears that the central bank may raise the policy rate, which is already at a 25-year-high of 17 per cent, in an off-cycle review. The benchmark KSE-100 index lost 329.09 points, or 0.8pc, to close at 40,838.51 points. It reached an intraday low of 395.08 points, or 0.95pc, around 2:50pm. [Click to see more](#)

'Thar coal can meet energy needs'

Speakers at a stakeholder consultation session on utilising indigenous coal resources on Wednesday underlined the need for converting Thar coal into petrochemical products as well as natural gas. The session was organised to discuss the avenues to utilise Thar coal reserves to not only solve energy problems for Pakistan but also drive industrial growth by the Thar Coal Energy Board (TCEB). [Click to see more](#)

Cabinet approves Rs52b FCAs recovery

The government has sought policy guidelines from the power regulator for transferring the burden of a staggering Rs52 billion to the consumers on account of fuel charges adjustments (FCAs) for the months of June and July, 2022. The National Power Regulatory Authority (Neptra) would calculate this amount under the period of eight months starting from the next month to October 23, 2023 in accordance with the recovery rates mentioned for XWDISCOs and K-Electric. [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 (23-Feb-23) | (0.436) |
| Individuals (23-Feb-23) | (0.066) |
| Companies (23-Feb-23) | 1.179 |
| Banks/DFI (23-Feb-23) | (0.456) |
| NBFC (23-Feb-23) | (0.018) |
| Mutual Fund (23-Feb-23) | (0.352) |
| Other Organization (23-Feb-23) | 0.253 |
| Brokers (23-Feb-23) | (0.084) |
| Insurance Comp: (23-Feb-23) | (0.021) |

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\$ | 262.5 | 263 | -0.19% |
| PKR / EUR | 279 | 279 | 0.00% |
| PKR / GBP | 316.5 | 316.5 | 0.00% |
| PKR / JPY | 2.06 | 2.06 | 0.00% |
| PKR / SAR | 69.8 | 69.8 | 0.00% |
| PKR / AED | 71.8 | 71.8 | 0.00% |
| PKR / AUD | 182 | 179 | 1.68% |

PM Shehbaz confident \$6.5bn IMF programme to revive 'soon'

Prime Minister Shehbaz Sharif Wednesday assured the federal cabinet the much-awaited \$6.5 billion International Monetary Fund (IMF) programme would revive "soon". Pakistan is desperate to unlock the next tranche worth \$1.1 billion loan facility with the IMF but struggling to meet tough conditions set by the global financier. The IMF is demanding that Pakistan boosts its pitifully low tax base, end exemptions for the export sector, and raise artificially low energy prices that are meant to help poor families. [Click to see more](#)

President Alvi signs finance bill to pave way for IMF accord

President Dr Arif Alvi on Thursday signed the Finance (Supplementary) Bill, 2023, generally known as the mini-budget, as the government rushed to fulfil the International Monetary Fund's (IMF) conditions to unlock an economic bailout that the country needs to avoid the risk of default. The Prime Minister Secretariat sent the bill to the President Secretariat on Wednesday evening for assent, two days after it was passed by the National Assembly. [Click to see more](#)

Stocks add 218 points to overnight gains

Stocks extended their overnight gains on Wednesday as the benchmark index of representative shares traded on the higher side throughout the session. The upswing was because of the expected signing of a staff-level agreement between the government and the International Monetary Fund (IMF) for the ninth tranche of the \$7 billion Extended Fund Facility. Volumes increased dramatically after banking and cement companies announced "extraordinary" earnings for the October-December. [Click to see more](#)

FBR empowered to impose higher rate of 25pc

The Finance (Supplementary) Act, 2023 has empowered the Federal Board of Revenue (FBR) to impose a higher rate of 25 percent sales tax on the import of luxury items. According to the Finance Act, 2023, issued by the government on Thursday, the federal government may, subject to such conditions and restrictions as it may impose, by notification in the official Gazette, declare that the tax on goods specified in the Third Schedule shall be collected and paid at such higher rate or rates on the retail price thereof, as may be specified in the said notification. [Click to see more](#)

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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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