

25 May, 2022

KSE -100 Index



KSE -100 Index- Key Statistics

Open	42,369.10
High	42,637.54
Low	41,915.98
Closing	41,950.32
Change	-489.92
Volume	76,029,692

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 (24- May-22)	(0.51)
Individuals (24- May-22)	1.26
Companies (24- May-22)	(0.161)
Banks/DFI (24- May-22)	1.23
NBFC (24- May-22)	(0.02)
Mutual Fund (24-May-22)	(2.38)
Other Organization (24- May-22)	0.21
Brokers (24 May-22)	0.21
Insurance Comp: (24- May-22)	0.16

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

Saudi Arabia finalising extension of \$3 billion deposit to Pakistan

Source: Tribune Express

POSITIVE

Saudi Arabia is finalising the extension of the kingdom's \$3 billion deposit to Pakistan, Saudi Minister of Finance Mohammed al-Jadaan told Reuters. "We are currently finalising extending the \$3 billion deposit to Pakistan," he said on the sidelines of the World Economic Forum in Davos. Last year, Saudi Arabia deposited \$3 billion in State Bank of Pakistan (SBP) to support the foreign exchange reserves. Jadaan did not offer further details, but on May 1 the two countries said in a joint statement that they would discuss the possibility of supporting the deposit by extending its term "or through other options."

Dollar rises to Rs201.41

Source: Dawn

NEGATIVE

Even after crossing the Rs200 mark, the US dollar did not stop moving ahead with gaining another 48 paise against the local currency in the interbank market on Tuesday. In the open market, the dollar was traded at Rs202.00. The State Bank of Pakistan reported the closing price of the dollar at Rs200.141 compared to Rs200.93 a day earlier. Currency dealers said the situation for the exchange rate has not changed as the country is in strong grip of uncertainty particularly on political side while weak external account is also haunting the importers.

Oil prices rise on tight global supply

Source: Tribune Express

POSITIVE

Oil prices edged higher on Tuesday, recovering earlier losses, as tight global supply and an expected pick-up in demand during the US summer driving season balanced concerns over a possible recession and China's Covid-19 curbs. The European Union is moving closer to agreeing a ban on Russian oil imports. Such an embargo is likely to be agreed "within days," Germany's economy minister said on Monday. "That of course would put additional upward pressure on seeking alternative supplies," said Andrew Lipow, President of Lipow Oil Associates in Houston.

'Hike in policy rate to badly hit trade, industry alike'

Source: Business Recorder

NEGATIVE

Recent hike in policy rate will badly hit the trade and industry alike. The business community will not be able to get cheap money that will also halt the industrial expansion." In a statement, LCCI President Mian Nauman Kabir, Senior Vice President Mian Rehman Aziz Chan and Vice President Haris Ateeq said the Lahore Chamber of Commerce & Industry (LCCI) was expecting cut in mark-up rates in the context of high cost of doing business but State Bank of Pakistan had moved opposite and announced another raise of 150 basis points.

FCCL allotted 800 million shares to Fauji Foundation for amalgamation of Askari Cement

NEUTRAL

Source: Augaf

Fauji Cement Limited has allotted 800,493,615 shares of Rs10 each of FCCL, credited as fully paid up to Fauji Foundation on 24th May 2022, duly sanctioned by Lahore High Court Rawalpindi bench, as per the scheme of arrangement for the amalgamation of Askari Cement Limited with and into Fauji Cement Limited.

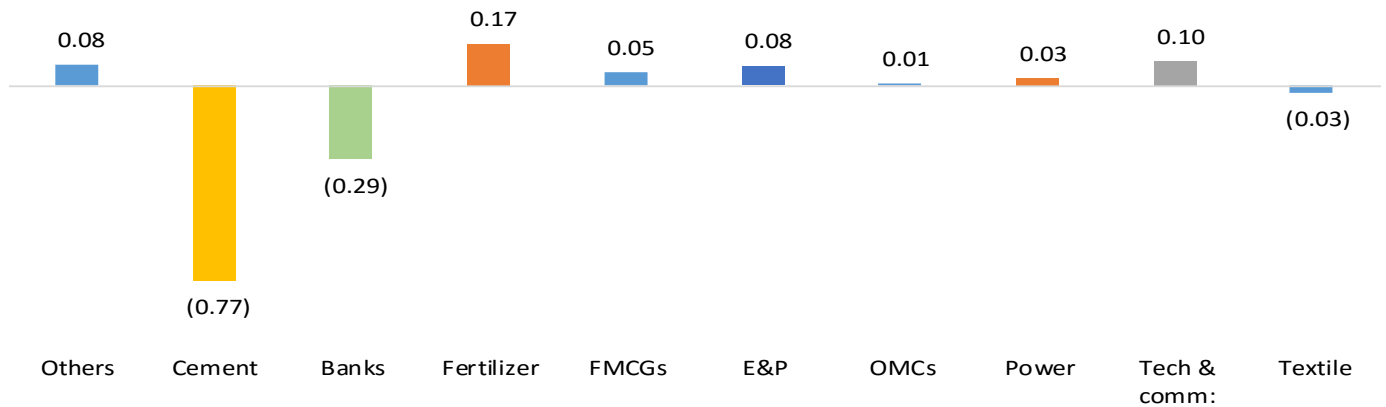
Fuel supply hampered by blockades

Source: Dawn

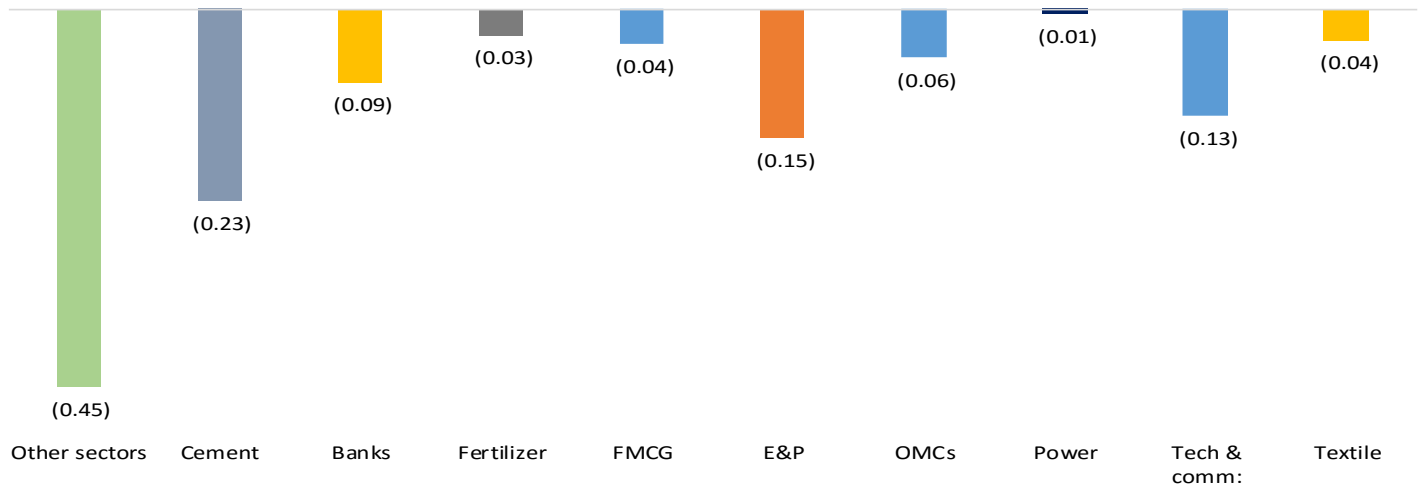
NEGATIVE

The government's decision to stop the PTI long march to Islamabad on Wednesday by blocking roads in major cities of Punjab is hampering deliveries of fuel products in the province, which may result in late supplies to pumps. Oil marketing companies (OMCs) are making fuel deliveries to retail outlets, but the deliveries are being hampered due to road blockades in the major cities of Punjab, they claimed.

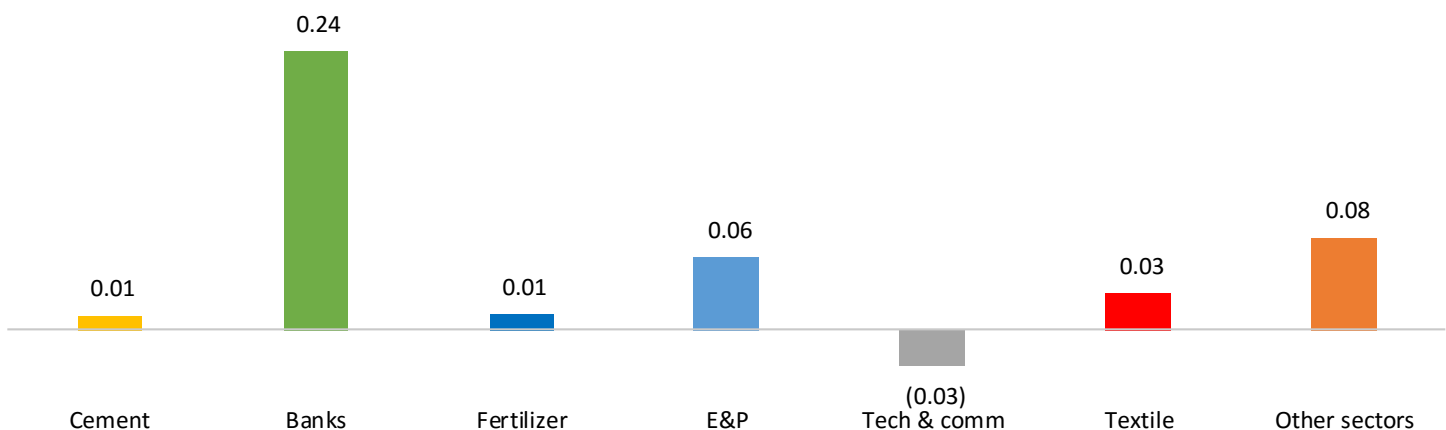
FII Sector Wise USD (Mil)



Mutual Funds Sector Wise USD (Mil)



Banks/DFIs Sector Wise USD (Mil)



Source: NCCPL

Analyst Certificate:

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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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