

25th May, 2023

## KSE -100 Index



Source: PSX &amp; WE Research

## 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
CENERGY	3.72	0.81%	7.07

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## Pakistan 'will absolutely not default', asserts Dar

Finance Minister Ishaq Dar on Wednesday asserted that the country was not on the verge of a financial crisis and "will absolutely not default". Dar's remarks comes amid growing fears of default, propelled by the country's declining remittances and foreign exchange reserves, as well as a prolonged delay in reaching an accord with the International Monetary Fund for the release of a \$1.1 billion tranche out of a \$6.5bn loan package. Addressing the fears during a gathering at the Federal Board of Revenue in Islamabad, the finance minister commended his economic team for its "efforts and hard work", pointing out that the country had recorded a current account surplus for the months of March and April at \$750 million and \$18m, respectively. [Click to see more](#)

## Bulk exports push sugar prices up

Pakistan exported a significant quantity of sugar during the February-April period of this fiscal year which pushed up domestic retail prices of the sweetener. In comparison to the same period last year, where there were no foreign sales, the country successfully exported a substantial quantity of 212,896 tonnes of sugar in FY23, according to data compiled by the Pakistan Bureau of Statistics. Responding to the demands of coalition partners, particularly the Pakistan People's Party (PPP), the government led by the PMLN decided to permit sugar exports in February. [Click to see more](#)

## Nepra rejects plea for Rs3.5 per unit hike in KE tariff

With a majority vote, the National Electric Power Regulatory Authority (Nepra) on Tuesday rejected on technical grounds, rather than on its merits, a federal government's request to increase electricity tariff for K-Electric consumers by an average Rs3.5 per unit for three months. Interestingly, Nepra had conducted the joint public hearing on two requests by the government for increasing the KE tariff by a cumulative Rs6.02 per unit under quarterly tariff adjustments (QTAs) to reduce the burden on the national exchequer by Rs20 billion. [Click to see more](#)

## Businesses seek pro-growth budget to prevent industry closures, job losses

Finding it extremely difficult to survive amid dwindling foreign exchange reserves and import curbs with a weaker rupee and unprecedented inflation, the business community has sought out-of-the-box solutions in the upcoming budget to prevent industry closures and job losses. During a meeting with the Senate Standing Committee on Finance and Revenue on Tuesday for discussing budget proposals for the upcoming fiscal year, the business leaders proposed a pro-growth budget to restore investor confidence and strengthen the role of the manufacturing sector, especially export-oriented industries. [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 (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%

## 0.1m tons of Russian oil to arrive in first week of June

The vessels carrying 100,000 tons of discounted Russian oil will arrive at Pakistan ports in the first week of June which is part of the energy security plan of the government. State Minister for Energy, Musadik Malik announced this during an off-camera meeting with mediapersons on new refinery policy, which aims at incentivising the greenfield investment in shallow, deep conversion, and ultra-deep conversion new refineries up to 20 years. [Click to see more](#)

## Q1CY23: SBP imposes fines on five banks

The State Bank of Pakistan (SBP) has imposed Rs 224 million fines on five banks during the first quarter (Jan-March) of this year (CY23) for deficiencies in the compliance of regulatory instructions. According to details of significant enforcement actions by SBP during the quarter ended March 31, 2023, some four banks were penalized for violation of regulatory instructions pertaining to Customer Due Diligence and Know Your Customer, foreign exchange and General Banking Operations. While, one microfinance bank faced Rs 20.467 million penalty for violation of regulatory instructions pertaining to AML/CFT, Asset Quality and General Banking Operations. [Click to see more](#)

## Shehbaz sees Rs700b PSDP insufficient

Prime Minister Shehbaz Sharif on Tuesday instructed the relevant quarters to further increase the proposed allocation of Rs700 billion for the development budget for the next fiscal year after the planning ministry objected to a “small size of the envelope”, which appeared insufficient to propel economic growth in the country. The prime minister gave the instructions to enhance the Public Sector Development Programme (PSDP) budget during the first review of an under-consideration Rs14.6 trillion budget for the fiscal year 2023-24. The proposed size is over 50% more than this year's original budget. [Click to see more](#)

## IT minister approves Rs4.37b for USF

Federal Minister for Information Technology and Telecommunication (ITT), Syed Aminul Haque, spearheaded significant discussions during meetings of the Universal Service Fund (USF) Policy Committee and the Ignite Policy Committee. The meetings, held at the Ministry of IT on Tuesday, focused on crucial matters to propel the country's digital development. The USF Policy Committee, led by Haque and attended by Secretary of IT Navid Ahmed Shaikh, greenlit the disbursement of Rs4,370 million to the USF company for the fourth quarter of the fiscal year 2022-23. USF, CEO, Haaris Mahmood Chaudhary provided updates on ongoing projects and confirmed the availability of funds for phased payments in the current year. [Click to see more](#)

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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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