

26th July, 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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## IMF raises 2023 outlook, warns of slow growth

The International Monetary Fund (IMF) has slightly upgraded its outlook for world growth this year on the back of resilient service sector activity in the first quarter and a strong labour market, the lender said on Tuesday. But despite the mildly better economic forecast, growth is expected to slow to three per cent in 2023 and then stay there, held down by weak growth among the world's advanced economies, the IMF announced in its latest report. "The global economy continues to gradually recover from the pandemic and Russia's invasion of Ukraine. But it is not yet out of the woods," IMF chief economist Pierre-Olivier Gourinchas said during a press conference. [Click to see more](#)

## Incoming govts will also abide by IMF deal, says PM

Guaranteeing that the caretaker set-up, as well as the next government, will adhere to the country's agreement with the International Monetary Fund (IMF), Prime Minister Shehbaz Sharif on Tuesday assured international donors that funds given for flood victims will be spent judiciously. Addressing the 3rd meeting of the International Partners Support Group (IPSG), formed in the wake of the Resilient Pakistan Conference held in Geneva, earlier this year, PM Shehbaz said that Pakistan would fully follow the IMF agreement and not only the caretaker set-up but even the next government would implement the recent agreement made with the lender. [Click to see more](#)

## Import of materials for export zones' construction allowed

The government has approved amending rules relating to Export Processing Zones (EPZs) to allow and facilitate the import of construction goods from local industries to the existing EPZs of Gujranwala and Sialkot in Punjab and Risalpur in Khyber Pakhtunkhwa and all the upcoming EPZs. The Economic Coordination Committee (ECC) of the Cabinet has cleared the amendments to the Export Processing Zones Authority (EPZA) Rules 1981 and EPZs (Control of Entry and Exit of Persons and Goods) Regulations 1994 for formal approval of the federal cabinet. [Click to see more](#)

## Petroleum margins to be hiked from Sept 1

The increase in petroleum dealers' margin on petrol and diesel in four equal fortnightly hikes of 41 paise per litre (total Rs1.64) will become effective from Sept 1. Pakistan Petroleum Dealers Association (PPDA) Chairman Abdul Sami Khan on Tuesday said that after a detailed discussion in the presence of the Oil and Gas Regulatory Authority chairman, Oil DG and the managing director of PSO on Monday, the PPDA had mutually agreed on the revision in margins. He said the proposal would be submitted to the competent authority and after approval, the same would be implemented accordingly. [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%

## Private sector borrowings plunge 87pc

Bank advances to the private sector plunged by almost 87 per cent to Rs211 billion in FY23 against Rs1,612bn in the preceding fiscal year, reflecting the repercussion of record high interest rates and economic slowdown. The State Bank's latest data issued on Tuesday revealed that the private sector did not borrow to invest in expansion as most of the borrowing was meant for short-term working capital. The entire fiscal year was marred with political and economic instability as a result the PMLN-led coalition government had to sharply trim its growth projection to a mere 0.29pc from the budgetary target of over 6pc for FY23. [Click to see more](#)

## Fauji, JDW profits rise

Fauji Fertiliser Company Ltd posted a net profit of Rs5.3 billion in the April-June quarter, up 59 per cent from a year ago, the company reported on Tuesday. Its earnings in the first half of 2023 remained Rs13bn after increasing 36pc year-on-year. In addition, the company also announced a cash dividend of Rs3.15 per share in the second quarter of 2023, taking the cumulative pay-out in the first half of the calendar year to Rs7.41 per share. Meanwhile, consolidated earnings of JDW Sugar Mills Ltd in April-June clocked in at Rs531.7m, up 11.3pc on an annual basis. [Click to see more](#)

## 'Pakistan's energy sector can save over \$8b in 10 years'

An independent study conducted by the Policy Research Institute for Equitable Development (PRIED) and Renewables First, both Islamabad-based research institutions, has shed light on the potential for substantial cost savings in Pakistan's energy sector. The study indicates that by implementing enhanced power production strategies, the country can save more than \$8 billion over the next decade. It also uncovers the negative consequences of ineffective planning, which has led to the establishment of expensive and inefficient power plants, burdening consumers with high electricity costs and exacerbating the circular debt crisis. [Click to see more](#)

## Textile exports face 10% downturn

Pakistan's textile sector is grappling with a significant blow as its exports for fiscal year 2022-23 have witnessed a downturn of almost 10%, signalling a diminishing level of trust among international buyers. The trust deficit is expected to persist throughout the ongoing fiscal year, given the nation's precarious economic conditions. With general elections on the horizon, both local and foreign investors are adopting a cautious "wait and see" policy before reassessing their strategies for this critical sector. Pakistan Hosiery Manufacturers and Exporters Association, Chairman, Babar Khan explained that last year proved to be a tumultuous ride, with inflation and recession impacting economies worldwide, resulting in reduced imports of textile products. [Click to see more](#)

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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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