

26 May, 2022

KSE -100 Index



Source: PSX & WE Research

KSE -100 Index- Key Statistics

Open	41,899.53
High	42,128.41
Low	41,356.02
Closing	42,012.66
Change	62.34
Volume	120,553,891

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 (25- May-22)	0.14
Individuals (25- May-22)	4.10
Companies (25- May-22)	0.663
Banks/DFI (25- May-22)	0.43
NBFC (25- May-22)	(0.02)
Mutual Fund (25-May-22)	(2.98)
Other Organization (25- May-22)	0.08
Brokers (25-May-22)	0.44
Insurance Comp: (25- May-22)	(2.84)

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

IMF presses Pakistan on 'urgency' of removing fuel, energy subsidies for programme revival

Source: Dawn

NEUTRAL

The International Monetary Fund (IMF) on Wednesday emphasised upon Pakistan the urgency of "removing fuel and energy subsidies" to achieve programme objectives. Finance Minister Miftah Ismail had earlier this week said he would convey to the IMF that fuel and energy subsidies — which were introduced by the previous PTI government — could not be reversed as the "nation cannot endure it". But in a statement issued earlier today, the IMF said it had "emphasised the urgency of concrete policy actions, including in the context of removing fuel and energy subsidies and the FY2023 budget, to achieve program objectives".

Rupee slides to 202 as uncertainty plagues markets

Source: Tribune Express

NEGATIVE

The Pakistani rupee hit a new all-time low on Wednesday, reaching Rs202 against the US dollar for the first time in inter-bank market. The country's capital markets continued to plunge as the ousted Pakistan Tehreek-e-Insaf (PTI) began its long march to the federal capital amid the coalition government's crackdown on party workers and leaders in an attempt to stop the party from marching on to Islamabad. Rupee slumped Rs1.08 to a historic low of Rs202.49 against the greenback just before noon, cumulatively losing over Rs16 against greenback in the past 14 working days. The Pakistan Stock Exchange sank 1.22% (or 513 points) to a one-year low, at 41,438 points at noon as well.

Pakistan, Saudi Arabia resolve to deepen trade ties

Source: Mettis Global

POSITIVE

Foreign Minister Bilawal Bhutto Zardari and his Saudi counterpart Prince Faisal bin Farhan Al Saud on Wednesday expressed the resolve to deepen mutual cooperation in all fields including economy, trade, and investment as well as at multilateral fora. In a meeting held on the sidelines of the World Economic Forum (WEF) in Davos, the two foreign ministers reviewed various aspects of bilateral relations and exchanged views on regional and global issues of mutual interest. Minister of State Hina Rabbani Khar and Minister of Climate Change Sherry Rehman were also present during the meeting.

SBP raises Rs89.4bn via PIB auction, yields soar up to 70bps

Source: Mettis Global

NEGATIVE

The cut-off yields of Pakistan Investment Bonds (PIBs) were increased considerably by up to 70 basis points in the auction conducted by the State Bank of Pakistan (SBP) on Wednesday. The government raised Rs89.4 billion through the auction of three- and five-year PIBs while the target was Rs100bn. The cut-off yields for 3 and 5-year saw an increase of 24 and 70 basis points to stand at 14% and 13.19%, respectively. The market had offered Rs614.50bn, out of which the government accepted bids amounting to Rs89.4bn.

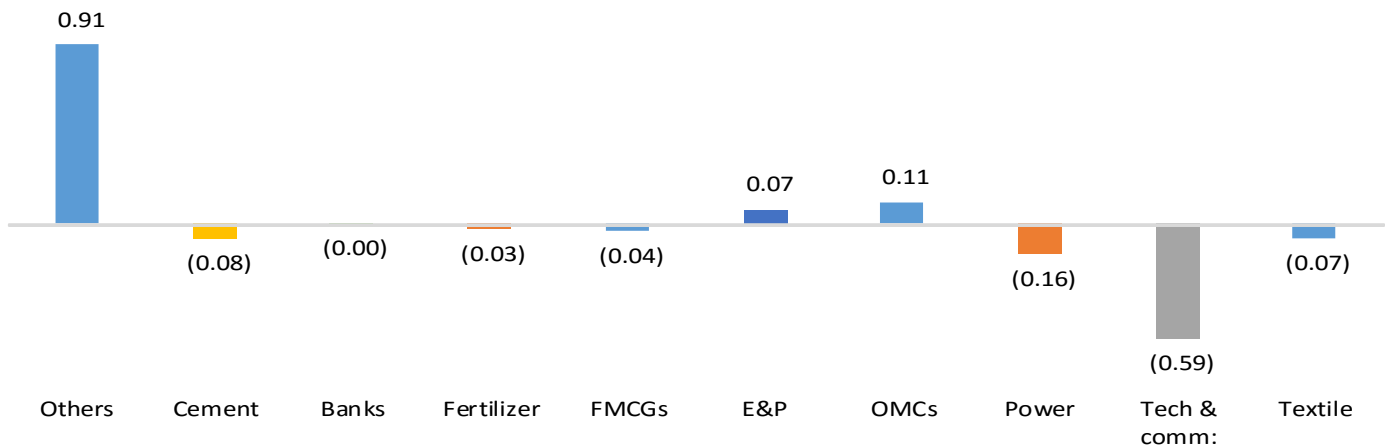
Road blockades cost kitty Rs100bn-150bn per day: economists

Source: Business Recorder

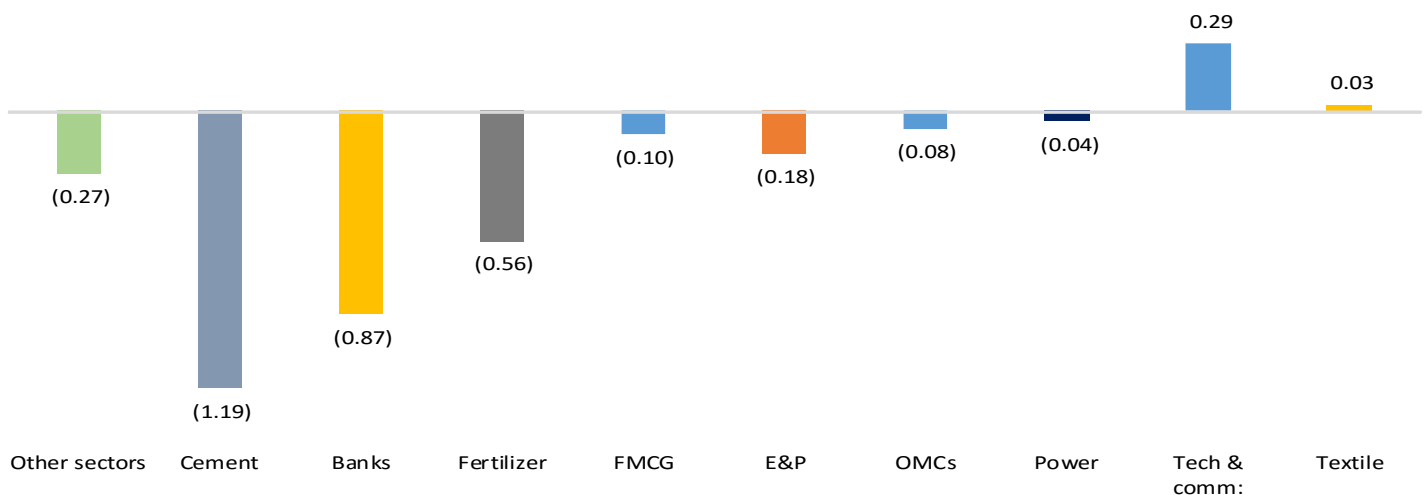
NEGATIVE

The estimated loss to the national economy is around Rs100-150 billion per day on account of country-wide road blockades and supply chain disruptions amid Pakistan Tehreek-e-Insaf (PTI)'s Azadi March. This was the consensus among economists and industrialists while talking to Business Recorder. The prevailing uncertainty in the country is also negatively impacting on investment, besides keeping daily wagers and labourers to go without gainful employment. Former adviser to finance ministry Dr Ashfaq Hassan Khan said that the GDP size of the country is \$383 billion which means over one billion dollars per day.

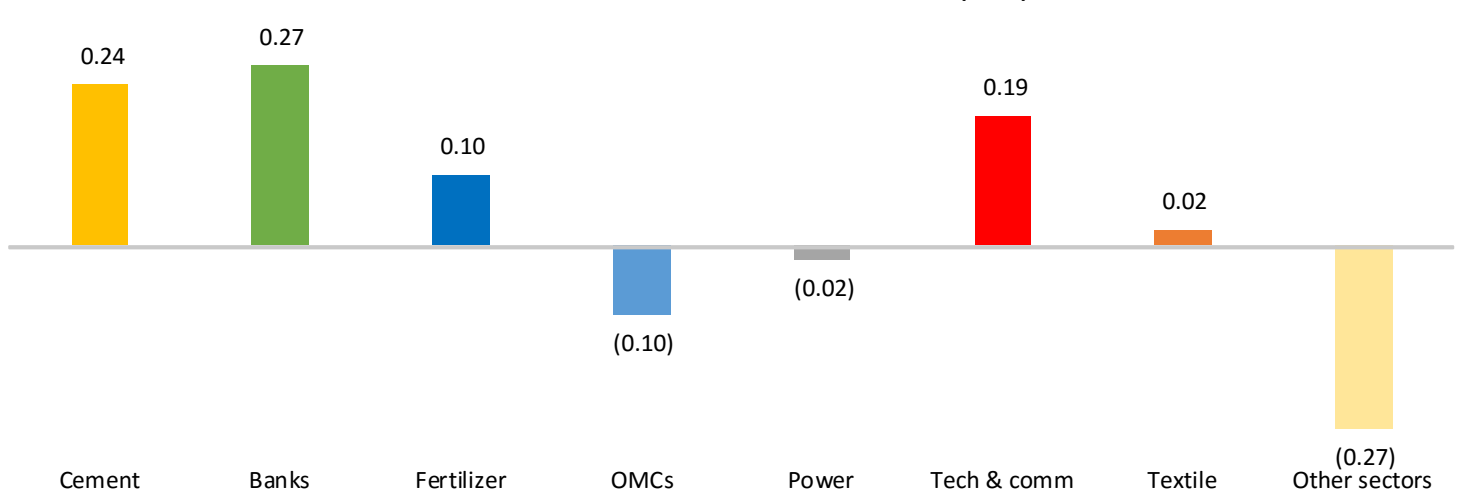
FII Sector Wise USD (Mil)



Mutual Funds Sector Wise USD (Mil)



Banks/DFIs Sector Wise USD (Mil)



Source: NCCPL

Analyst Certificate:

The Research Report is prepared by the research analyst at WE Financial Services Ltd. It includes analysis and views of our research team that precisely reflects the personal views and opinions of the analysts about the subject security(ies) or sector (or economy), and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. In addition, we currently do not have any interest (financial or otherwise) in the subject security(ies). The views expressed in this report are unbiased and independent opinions of the Research Analyst which accurately reflect his/her personal views about all of the subject companies/securities and no part of his/her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.

Disclaimer:

The Report is purely for information purposes and the opinions expressed in the Report are our current opinions as of the date of the Report and may be subject to change from time to time without notice. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment of its original date of publication by WE Financial Services Ltd. and are subject to change without notice. The price, value of and income from any of the securities or financial instruments mentioned in this report can fall as well as rise. The value of securities and financial instruments is subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities or financial instruments. The information provided in the Report is from publicly available data, which we believe, are reliable.

This document does not constitute an offer or solicitation for the purchase or sale of any security. This publication is intended only for distribution to the clients of the Company who are assumed to be reasonably sophisticated investors that understand the risks involved in investing in equity securities. The information contained herein is based upon publicly available data and sources believed to be reliable. While every care was taken to ensure accuracy and objectivity, WE Financial Services Ltd. does not represent that it is accurate or complete and it should not be relied on as such. In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors. The information given in this document is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. WE Financial Services Ltd. reserves the right to make modifications and alterations to this statement as may be required from time to time. However, WE Financial Services Ltd. is under no obligation to update or keep the information current. WE Financial Services Ltd. is committed to providing independent and transparent recommendation to its client and would be happy to provide any information in response to specific client queries. Past performance is not necessarily a guide to future performance. This document is provided for assistance only and is not intended to be and must not alone be taken as the basis for any investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved) and should consult his or her own advisors to determine the merits and risks of such investment. WE Financial Services Ltd. or any of its affiliates shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report.

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

Disclaimer: This document has been prepared by Research Analysts at WE Financial Services Ltd.