

26th May, 2023

## KSE -100 Index



## 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
CNERGY	3.72	0.81%	7.07

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## Pakistan's debt burden also hurting global economy

Pakistan's struggle to service its debt is a disaster for the country, but it's not very good for the rest of the world either, says economist Michael Pettis. Mr Pettis, a senior fellow at Carnegie Endowment, Washington, and a professor of finance at Guanghua School of Management at Peking University in Beijing, made this argument while responding to a series of tweets by Atif Mian, a professor of economics, public policy and finance at Princeton University, on Pakistan's debt position and its consequences for the economy. Mr Mian warned in his tweets that the Pakistani economy was near collapse and needed/ immediate course correction. "To thump your chest and say, 'see we have not defaulted' means nothing if you continue to ignore the underlying crisis," he wrote. [Click to see more](#)

## Average income drops to \$1,568

Pakistan's economy experienced a notable decline in its GDP size in dollar terms, growth rate and per capita income during the outgoing 2022-23, marking the slowest expansion in the country's overall output over the past four years. The decline in Pakistan's economy during 2022-23 reveals significant mismanagement by the coalition government led by the PML-N. The overall economy only grew by 0.29 per cent in FY23, marking a sharp drop from the previous year's rapid 6.1pc growth under the PTI government. The economy size in dollar terms declined to \$341.554 billion in the outgoing FY23 from \$375.449bn in FY22. These figures, approved by the National Accounts Committee (NAC) late Wednesday night, were subsequently released to the media on Thursday. [Click to see more](#)

## Nepra okays 79 paise per unit hike in tariff

The National Electric Power Regulatory Authority (Nepra) on Thursday notified about a 79 paise per unit additional fuel cost adjustment (FCA) in power tariff for ex-Wapda distribution companies (Discos) for one month to mop up about Rs4.5bn in additional funds in the current billing month. "The adjustment, an increase of Rs0.7917/kWh, shall be applicable to all consumer categories except Electric Vehicle Charging Stations (EVCS) and lifeline consumers," Nepra stated in a notification, adding that the adjustment will be displayed separately on consumers' bills based on the units billed in March 2023. [Click to see more](#)

## Russian cargo vessel arrives at KPT

Before the arrival of Russian crude oil, a container vessel Crystal St Petersburg on its maiden call reached Karachi Port in just 21 days. The vessel took berth at Karachi International Container Terminal (KICT) on Thursday. Minister for Maritime Affairs Syed Faisal Sabzwari welcomed the vessel along with Karachi Port Trust (KPT) chairman Syedain Raza Zaidi and Consul General of Russia Andrey Viktorovich Fedorov. According to KPT's press release, Mr Sabzwari termed the occasion a landmark achievement of the government which has given the trading community to have direct access to Russian markets. [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%

## SBP reserves drop by \$119m

The central bank's foreign exchange reserves dropped for the fourth consecutive week to below \$4.2 billion, official data showed on Thursday, barely enough to cover a month of controlled imports. The latest decline in the State Bank's reserves, during the week ended May 19, was \$119 million. Commercial bank reserves also fell by \$87.5m, to \$5.54bn during the week. Therefore, the country's overall foreign exchange holdings were down \$206m to reach \$9.73bn. Currency experts said the outflow of each dollar from the country was crucial for the economy and significantly impacted the exchange rate. [Click to see more](#)

## Lucky to buy back 23.8m more shares

Lucky Cement Ltd said in a regulatory filing with the Pakistan Stock Exchange on Thursday that it'll purchase 23.8 million of its shares in a second buyback starting next Friday (June 2). The buyback exercise, which will be carried out using the firm's distributable profits, will continue until Nov 20. Afterwards, the cement maker will cancel the shares, which constitute about 7.6 per cent of the current paid-up capital of the company. At the going rate of Rs477.86 apiece, the exercise will cost the cement maker roughly Rs11.4 billion. The firm already completed its first buyback, which consisted of 10m shares, in March at a total cost of Rs4.35bn. The practice of listed firms buying back their shares is becoming increasingly popular in Pakistan. [Click to see more](#)

## 0.3% economic growth rate debunked

The size of Pakistan's economy has shrunk to \$341.5 billion and its per capita income has slipped to just \$1,568 in the outgoing fiscal year due to almost flat economic growth and currency devaluation. Against this backdrop, a dispute has arisen about the official GDP growth figure. The economy shrank by \$34 billion or 9% whereas per capita income also decreased by \$198 or 11.2%, according to the provisional estimates that the National Accounts Committee (NAC) approved a day earlier. But according to some government sources and fresh details, the management of the Pakistan Bureau of Statistics (PBS) faced immense pressure to change the economic growth rate which was initially estimated at a negative 0.5% for the outgoing fiscal year, ending on June 30. [Click to see more](#)

## Forex reserves fall by \$119m to \$4.19b

The foreign exchange reserves held by the central bank fell by 2.7% on a week-on-week basis to \$4.19 billion, according to data released by the State Bank of Pakistan (SBP) on Thursday. On May 19, 2023, the SBP's foreign currency reserves stood at \$4,193 million, down by \$119 million as compared to \$4,311.9 million on May 12. The central bank attributed the decrease in reserves to external debt repayments. Overall, the liquid foreign currency reserves held by the country, including the net reserves held by banks other than the SBP, stood at \$9,731.1 million. The net reserves held by banks amounted to \$5,538.1 million. [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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