

27th Feb, 2023

## KSE -100 Index



Source: PSX &amp; WE Research

## Market- Key Statistics

	Current	Previous	Change
KSE100 Index	40,707.76	40,838.51	-130.75
All Shares Index	26,883.75	26,936.83	-53.08
KSE30 Index	15,325.88	15,407.99	-82.11
KMI30 Index	69,939.43	70,091.19	-151.76
Volume (mn)	153,435,20	150,226,32	320,89

Source: PSX

## Top Losers-KSE100 Index

Symbol	Price	% Change	Volume
ALAC	4.46	(-17.56%)	1,500
MI	1.41	(-14.02%)	14,000
META	6.42	(-13.48%)	96,500
PGLC	5.96	(-12.48%)	1,000
HAEL	5.55	(-10.48%)	38,500

## Top Winners-KSE100 Index

Symbol	Price	% Change	Volume
DATM	3.81	29.15%	1,094,000
PPVC	4.5	28.57%	9,000
GFIL	4.8	26.32%	26,000
CWSM	1.48	23.33%	10,000
FCIBL	5.44	20.35%	500

## Volume Leaders KSE-All Index

Symbol	Price	% Change	Volume
WTL	1.3	4.00%	35,124,759
MLCF	24.72	3.95%	10,541,476
TPLP	14.66	0.96%	7,081,672
HUBC	69.95	0.69%	5,346,242
OGDC	87.66	(-1.09%)	5,213,678

## Volume Leaders KMI-30 Index

Symbol	Price	% Change	Volume (mn)
MLCF	24.72	3.95%	10.54
TPLP	14.66	0.96%	7.08
OGDC	87.66	-1.09%	5.21
CNEGRY	3.56	-1.93%	4.93
PIOC	57.13	1.46%	4.31

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## Tax-free, high-yield T-bills may attract foreign inflows

High yields and tax-exempted profits could attract foreign investment to Pakistan, bankers and financial experts said, though it can only happen once the country manages to secure a \$1 billion loan from the International Monetary Fund (IMF). In a recent auction to raise domestic debt, the government raised Rs258 billion via Treasury bills at cut-off rates of as high as 20 per cent, triggering speculation that the State Bank of Pakistan (SBP) may also raise the policy rate by 200 basis points from the current 17pc in an off-cycle review. [Click to see more](#)

## Regulator refuses to remove fixed electricity charges

The power regulator has refused to accept the industry's demand to end fixed charges for the maximum demand indicator (MDI), a system for measuring the maximum amount of electrical energy required by a specific consumer during a given period. Speaking to the business community at the Lahore Chamber of Commerce and Industry (LCCI) on Saturday, Tauseef H. Farooqi, chairman of the National Electric Power Regulatory Authority (Nepra), also revealed that the power generation licences for 65 gigawatts (or 65,000 megawatts) had been issued, but the installed capacity remained 43 GW. [Click to see more](#)

## Stocks choppy as outlook remains gloomy

Trading in the stock market started in the outgoing week on a positive note as parliament passed the mini-budget aimed at generating additional Rs170 billion. Another positive trigger was the decline of \$7.76bn in the current account deficit in the first seven months of 2022-23 to \$3.8bn, thanks to a massive reduction in imports. However, conditions in the stock market started deteriorating towards the end of the week. Money market yields rose significantly, which indicated an imminent rate hike. [Click to see more](#)

## Weekly inflation crosses 40pc for first time in five months

Consumer prices rose significantly in the outgoing week on the back of onions, chicken, eggs, rice, cigarettes and fuel, official data showed on Friday, driving the weekly inflation to over 40 per cent for the first time in over five months. Though week-on-week inflation eased slightly, it still remained high as bananas, chicken, sugar, cooking oil, gas and cigarettes became costlier, the Pakistan Bureau of Statistics (PBS) reported. [Click to see more](#)

## Govt agrees to increase interest rate by 200bps

Pakistan has accepted another pre-condition of the International Monetary Fund (IMF) for the release of \$1.1 billion critical funding – a part of \$6.5 billion bailout package – as the government agreed to increase the policy (interest) rate which stands at 17% by two per cent or 200 basis point. The increase is based on rates the government set in the auction to raise domestic debt. This will push the interest rate to 19%, just below the previous record of 19.5% set in October 1996. [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 (24-Feb-23)	0.432
Individuals (24-Feb-23)	(2.493)
Companies (24-Feb-23)	1.966
Banks/DFI (24-Feb-23)	(0.281)
NBFC (24-Feb-23)	0.00998
Mutual Fund (24-Feb-23)	0.219
Other Organization (24-Feb-23)	0.271
Brokers (24-Feb-23)	0.287
Insurance Comp: (24-Feb-23)	(0.411)

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\$	266.8	262.5	1.64%
PKR / EUR	275.9	279	-1.11%
PKR / GBP	313.25	316.5	-1.03%
PKR / JPY	2.06	2.06	0.00%
PKR / SAR	69.35	69.8	-0.64%
PKR / AED	71.5	71.8	-0.42%
PKR / AUD	182	182	0.00%

## Gold price falls by Rs1,000 per tola in Pakistan

Gold prices extended losses on Saturday as the rate fell by 0.5% as investors remained concerned over news reports hinting towards a massive interest rate hike by the State Bank of Pakistan (SBP). According to the data released by the All-Pakistan Sarafa Gems and Jewellers Association (APSGJA), the price of gold (24 carats) declined by Rs1,000 per tola and Rs858 per 10 grams to settle at Rs194,100 and Rs166,409, respectively. [Click to see more](#)

## Govt willing to amend PERA to satisfy Chinese lenders

The government has reportedly shown willingness to amend/ modify Pakistan Energy Revolving Account (PERA) to sort out concerns of Chinese lenders of CPEC IPPs with respect to payment in future. MD PPIB, sources said, has shared a report of meeting on PERA with Suo Yun Peng Director Asia and Africa Division, Department of International Cooperation National Energy Administrations, China and Gu Hong Bin Vice President of China Renewable Energy Engineering Institute (CREEI), requesting them to coordinate with CPEC IPPs, respective lenders and Sinasure to get their acknowledgment on the satisfaction of the Revolving Account arrangement shared by CPPA-G or comments on it, at the earliest. [Click to see more](#)

## No G20 joint statement after China objections on Ukraine war

G20 finance ministers again failed on Saturday to agree on a joint statement on the global economy at talks in India, after China sought to water down references to the Ukraine war. Instead, the current G20 president of India issued a "chair's summary" which said "most members strongly condemned the war in Ukraine" and that there were "different assessments of the situation and sanctions" at the two-day meeting in Bengaluru. [Click to see more](#)

## AJK government asks Dar to release funds

The Centre's reluctance to release the committed development and non-development funds has put PTI-led Azad Jammu and Kashmir (AJK) government in a tough situation to deal with the brewing financial crisis. AJK Prime Minister Tanveer Ilyas on Saturday held a meeting with Finance Minister Ishaq Dar but failed to secure any assurance for the release of the budgetary funds. The funds withheld related to increases in salaries and pensions of AJK employees in the budget for the current fiscal year, releases of development grants, and a subsidy amount on wheat flour. [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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