

27 July, 2022

KSE -100 Index



KSE -100 Index- Key Statistics

Open	39,889.72
High	40,135.64
Low	39,706.56
Closing	39,894.05
Change	50.03
Volume	69,037,783

Source: PSX

Key Economic Data

Reserves (07-July-22)	\$15.61bn
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 (26-Jul-22)	(0.37)
Individuals (26-Jul-22)	(0.51)
Companies (26-Jul-22)	0.372
Banks/DFI (26-Jul-22)	0.48
NBFC (26-Jul-22)	(0.02)
Mutual Fund (26-Jul-22)	0.02
Other Organization (26-Jul-22)	(0.12)
Brokers (26-Jul-22)	(0.03)
Insurance Comp: (26-Jul-22)	0.17

Source: NCCPL

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Foreign loans rise to \$20b in FY22

Source: Tribune Express

NEGATIVE

Pakistan took record foreign loans of nearly \$20 billion in the last fiscal year, up 27%, largely to repay the maturing foreign debt and finance imports, as the country faces a serious challenge to keep these financing pipelines open. To be precise, the two governments of Imran Khan and Shehbaz Sharif received over \$19.7 billion in foreign loans during fiscal year 2021-22 from multilateral, bilateral and overseas Pakistanis, according to details separately released by the Ministry of Economic Affairs and the State Bank of Pakistan (SBP). The borrowing was \$4.2 billion, or 27%, higher than the preceding year.

Pak Suzuki warns of plant shutdown in August if import restrictions persist

Source: Business Recorder

NEGATIVE

Pak Suzuki Motor Company (PSMC), which has the biggest market share in the passenger car segment, said on Tuesday that it stopped entertaining new bookings from July 1, warning that it may even have to shut down its plant next month if restrictions on importing material for production continues. "In July, Pak Suzuki's production did not stop as we adjusted our production plan. Presently, commercial banks are not opening letters of credit, documents of payment for automobiles' CKDs. "The unavailability of CKDs and related raw material may result in the plant's shutdown in August. If the same situation continues, then from August 2022, we will face bigger problems."

Dollar breaks all records to close at Rs232.93 in interbank market

Source: The News

NEGATIVE

The Pakistani rupee continued to depreciate on Tuesday amid a deepening political crisis in the country, closing at 232.93 against a dollar in the interbank market. The dollar closed at an all-time high with a fresh gain of 3.05, or 1.31%, against the local unit today, it surpassed the previous day's record high close of 229.88.

Gas prices for export-oriented sectors increased by up to 82pc

Source: Dawn

NEUTRAL

The Economic Coordination Committee (ECC) of the Cabinet on Monday increased for the export industry the price of imported and domestic gas by over 38 per cent and 82pc, respectively, and protected power rates at 9 cents per unit for 11 months effective Aug 1. The ECC "approved RLNG rate at \$9 per mmBtu, all-inclusive to five export-oriented sectors across Pakistan for existing gas connections," said an official statement, adding the ECC also recommended to the federal cabinet to raise the tariff of indigenous gas for export-oriented sectors at Rs1,350 per mmBtu and general industry at Rs1,550 per mmBtu.

Oil prices rise on supply tightness concerns

Source: Dawn

POSITIVE

Oil prices rose on Tuesday for a second day on increasing concerns about tightening European supply after Russia, a key energy supplier to the region, cut gas supply through a major pipeline. Brent crude futures rose \$1.14, or 1.1 per cent, to \$106.29 a barrel, extending a 1.9pc gain the previous day. US West Texas Intermediate crude futures increased \$1.31, or 1.4pc, to \$98.01 a barrel, having gained 2.1pc on Monday.

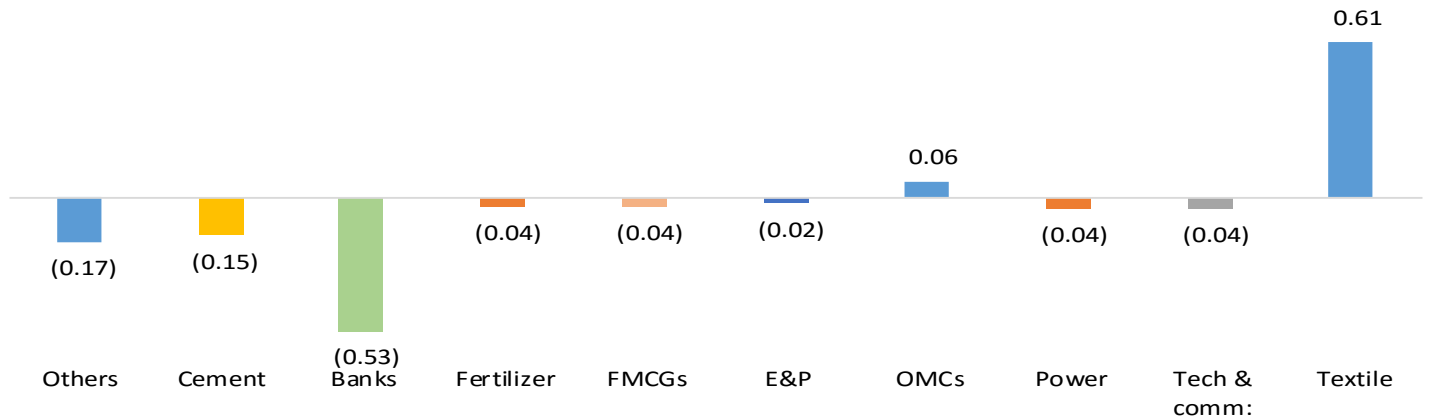
Political Strife Threatens Even Bigger Losses in Pakistan Assets: Bloomberg

Source: Augaf

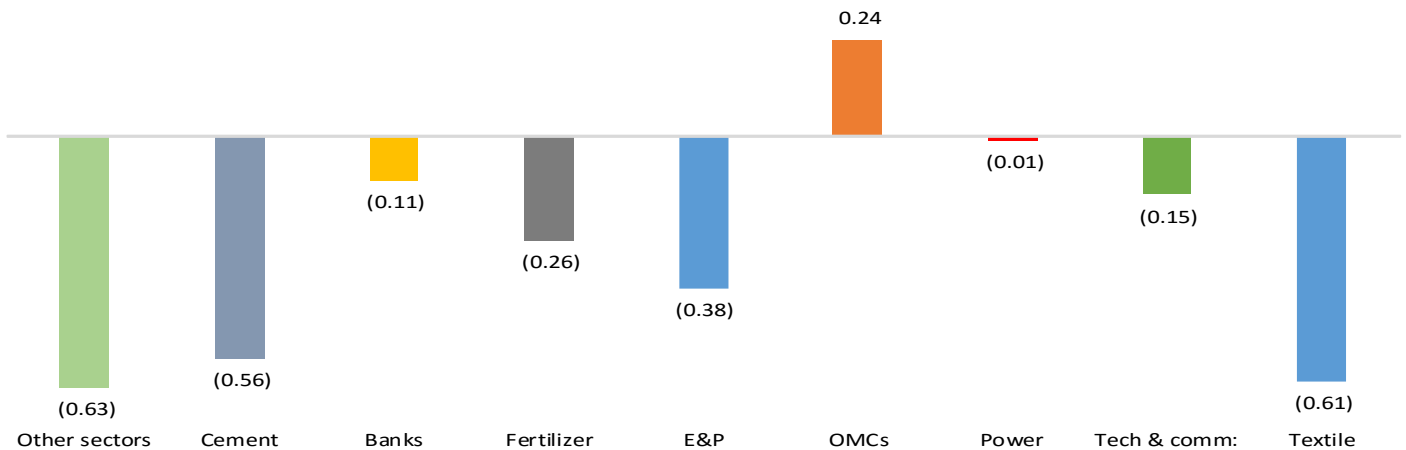
NEGATIVE

The specter of political uncertainty delaying the International Monetary Fund's support for Pakistan is unnerving investors, risking further losses in the nation's bonds and currency. The rupee and the country's dollar bonds are setting fresh record lows and Pakistan's stocks are among the worst performers in Asia this month as the clock counts down to a \$1 billion bond payment due in December. The nation is striving to stave off fears it will follow Sri Lanka into a default this year with the government working to secure billions of dollars from the IMF and countries like China and SA.

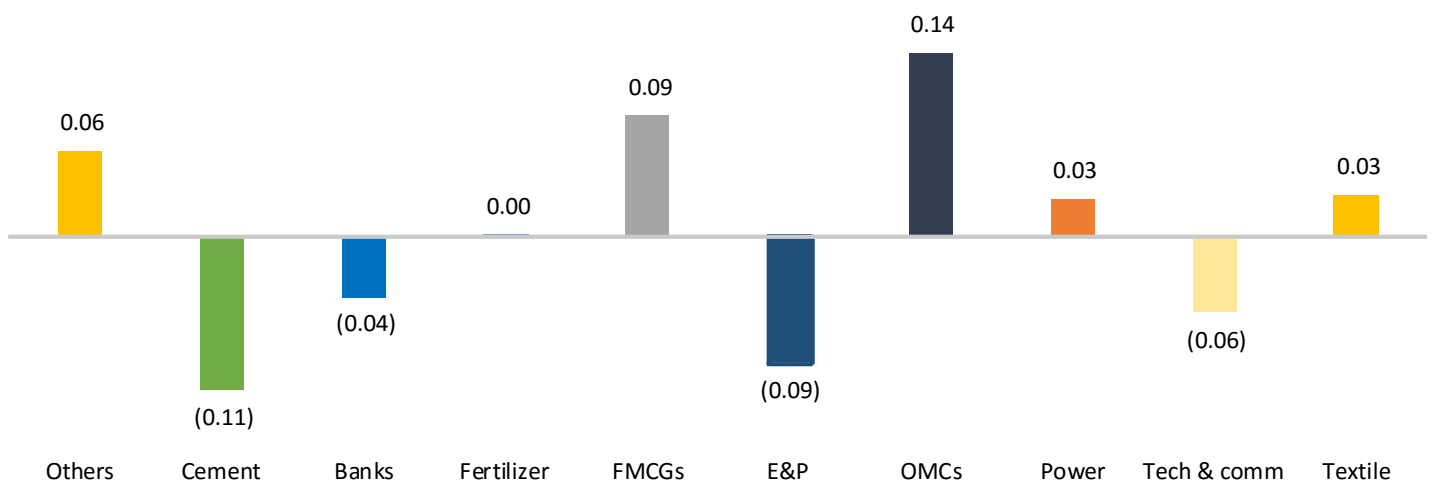
FII Sector Wise USD (Mil)



Mutual Funds Sector Wise USD (Mil)



Banks/DFIs Sector Wise USD (Mil)



Source: NCCPL

Analyst Certificate:

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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

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