

27th July, 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
CENERGY	3.72	0.81%	7.07

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## Power tariff hike to stop economic wheel, warn business leaders

While already paying close to Rs60 per unit inclusive of taxes, trade and industry leaders on Wednesday warned that the fresh hike of Rs7.5 per kWh will bring industrial and export activities to a standstill. Terming the tariff hike as anti-business, Federation of Pakistan Chambers of Commerce and Industry (FPCCI) President Irfan Iqbal Sheikh the country's products have already become uncompetitive on world markets due to the soaring cost of doing business and there is no way to absorb the added burden. Instead of burdening regular paying power consumers, the government needs to curb electricity theft and control line losses which would plug leakages from the system and generate revenues for the government. [Click to see more](#)

## Tax rates raised for non-filers

The Federal Board of Revenue (FBR) has notified revised tax rates for non-active taxpayers to increase collection from those who are not willing to be part of tax rolls. The FBR has announced that there will be no tax deduction on cash withdrawals below Rs50,000 per day. In the last budget, the government introduced a 0.6 per cent tax deduction on cash withdrawals from non-filers, or not on the Active Taxpayers List (ATL), according to an income tax circular no 02, 2023 issued on Wednesday. [Click to see more](#)

## Another hike awaits electricity consumers in August bills

A day after notifying a massive increase in basic electricity prices, the power regulator on Wednesday allowed K-Electric and other distribution companies (Discos) to charge an additional Rs29 billion from their consumers at the rate of Rs2.31 and Rs1.81 per unit, respectively, as monthly fuel cost adjustment (FCA). The consumers would be charged this extra amount in their August bills for the electricity they used in June. The decision was taken at two separate public hearings presided over by Tauseef H. Farooqui, the chairman of the National Electric Power Regulatory Authority (Neptra). [Click to see more](#)

## Govt sees fiscal deficit narrowing in FY24

The fiscal deficit is expected to narrow in the fiscal year 2024 from the previous year's 7.9 per cent of gross domestic product, the federal government said in an economic report on Wednesday. The fiscal deficit is expected to narrow in the fiscal year 2024 from the previous year's 7.9 per cent of gross domestic product, the federal government said in an economic report on Wednesday. "With a decline in non-mark-up spending, the primary deficit has been narrowed down to Rs112bn during Jul-May FY23 from Rs945.3bn recorded last year," the report reads. [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%

## Govt sees inflation slowing down to 27%

The government on Wednesday said the pace of inflation would slow down to 27% this month but linked achieving the new fiscal year's targeted growth of 3.5% with political and economic certainty. The inflation for the month of July 2023 is expected to remain in the range of 25% and 27%, the finance ministry reported in its first monthly economic outlook for the fiscal year 2023-24. It added that inflation in July 2023 was expected to reduce in comparison with its previous month when it had been recorded at over 29%. The document read that the recent decrease in the administered prices of petrol and diesel would be transmitted into lower domestic prices of essential items by impacting the transportation cost. [Click to see more](#)

## CPI inflation expected to slow down

Pakistan's Consumer Price Index (CPI) inflation growth rate is anticipated to slow down modestly on a year-on-year (YoY) basis, reaching a low recorded in December 2022. A report by research house AHL suggests that at the start of fiscal year 2024, there is an expectation of witnessing a decline in headline inflation on a YoY basis, marking a low point since December 2022 when it was recorded at 24.5% YoY. Monthly inflationary pressures are likely to persist in July 2023, with an expected MoM increase of 1.9%. Notably, the recent power tariff hike is expected to have a significant impact on the monthly inflation rate. [Click to see more](#)

## PM calls for devising extensive export policy

Prime Minister Shehbaz Sharif has called for formulating a comprehensive export policy in consultation with all stakeholders. The prime minister, addressing Karachi Chambers of Commerce and Industry (KCCI) Export Trophy Award Ceremony at a local hotel, said the government was keen to revive national economy through investment facilitation and business-friendly policies. He assured that the present government would make every effort to facilitate the exporters, traders, industrialists and businessmen. [Click to see more](#)

## FBR freezes PIA's accounts

The Federal Board of Revenue (FBR) has once again frozen the accounts of the Pakistan International Airlines (PIA) over non-payment of dues, which has disturbed the schedule of the national flag carrier's flights. The PIA spokesperson confirmed the move, saying contacts with the FBR at the government level continued for the restoration of accounts. He said despite the closure of accounts, the airline continued its flight operations. The national flag carrier owes more than Rs2 billion on account of taxes for the past several months to the government. [Click to see more](#)

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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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