

29 June, 2022

## KSE -100 Index



## KSE -100 Index- Key Statistics

Open	41,902.60
High	42,149.29
Low	41,609.04
Closing	41,765.62
Change	-112.95
Volume	120,026,838

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 (28-Jun-22)	0.49
Individuals (28-Jun-22)	0.28
Companies (28-Jun-22)	0.079
Banks/DFI (28-Jun-22)	1.30
NBFC (28-Jun-22)	(0.00)
Mutual Fund (28-Jun-22)	(0.37)
Other Organization (28-Jun-22)	0.61
Brokers (28-Jun-22)	0.95
Insurance Comp: (28-Jun-22)	(3.34)

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 to give \$2bn soon: PM

Source: The News

POSITIVE

Prime Minister Shehbaz Sharif said Tuesday that the IMF would soon give two billion dollars to Pakistan. He promised to take the country towards economic stability in the next 14 months and added his government would ultimately move forward to self-reliance. Addressing the inaugural session of a 'Turn Around Pakistan Conference' hosted by the Ministry of Planning and Development, the prime minister said that to move towards economic stability, the country needed political stability. "We will have to rise above personal interests and take such long-term decisions to change the destiny of the country."

## July-May period: C/A deficit crosses \$15bn mark

Source: Business Recorder

NEGATIVE

The country's current account deficit crossed the \$15 billion mark during the first eleven months of this fiscal year (FY22), mainly due to higher import bill following soaring commodity prices in the world markets. The State Bank of Pakistan (SBP) Tuesday reported that the country's current account deficit rose by 1,185 percent during this fiscal year. The major reason behind the widening current account gap is the uptick in the trade deficit.

## Profit repatriation rises to \$1.6bn

Source: Dawn

NEUTRAL

The total profits and dividend outflows increased to \$1.6 billion during the 11 months of the current fiscal year (11MFY22), reflecting that foreign investment in Pakistan yields good profits despite political and economic uncertainties. The latest data issued by the State Bank of Pakistan (SBP) on Monday shows the high economic growth of about 5.87 per cent in FY22 (estimated) provided good profits to foreign investors. Last year, during the same period, the total profit outflow was \$1.496bn. It also indicated a good profit due to higher economic growth of 5.6pc in FY21.

## Trade deficit in services worsens by 2.8x YoY in May 2022

Source: Mettis Global

NEGATIVE

Pakistan's trade deficit in services deteriorated by 2.87x YoY to \$380 million in May 2022 from \$132mn in the same month of the previous year, the monthly data released by the State Bank of Pakistan showed on Tuesday. On the other hand, the country's trade deficit in services, on a sequential basis shrank by 4.2% MoM from \$397mn in April 2022. This has brought the trade deficit in services during the 11MFY22 to around \$4 billion, up by 78.4% YoY from \$2.2bn in the corresponding period last fiscal year.

## FBR collects record Rs6tr in FY22

Source: The News

POSITIVE

In a major achievement, the Federal Board of Revenue (FBR) raised a record Rs6,000 billion in revenue during the outgoing fiscal year 2021-22. In a statement, the FBR said that it raised Rs2,205 billion as income tax, 2,773 billion as sales tax and Rs1,007 billion as customs duty in the current fiscal year. During the same period, the tax collection body also released Rs305 billion as a refund.

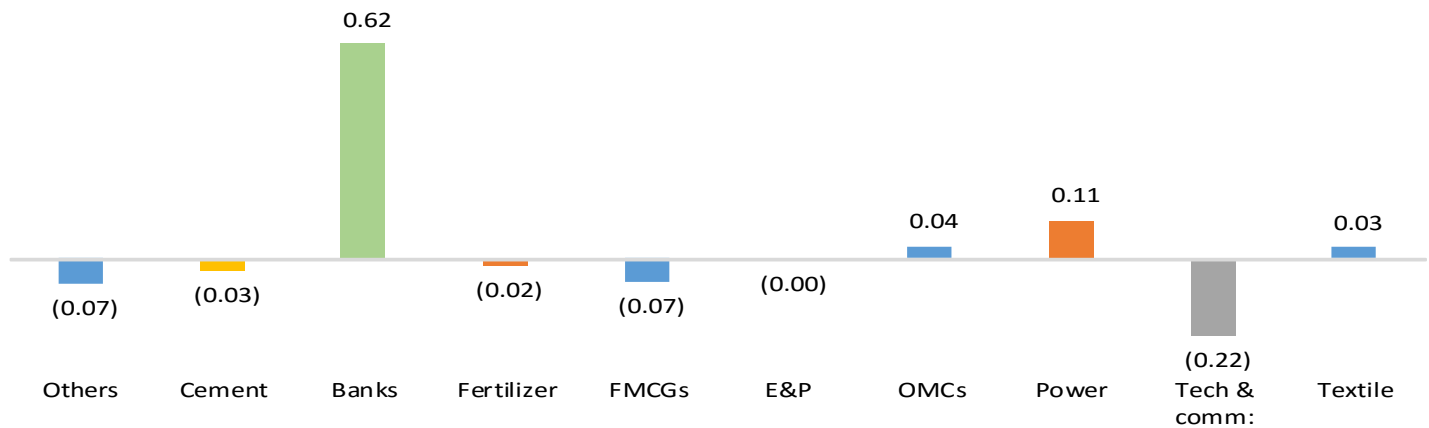
## TRG, SYS, NETSOL to suffer as Pakistan's IT exports fall to a 15-month low

Source: Augaf

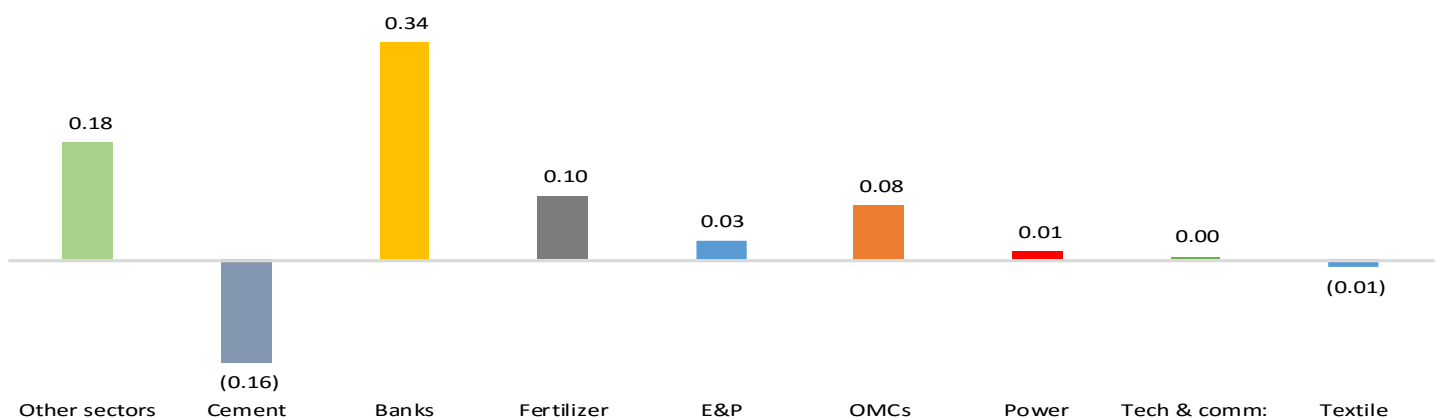
NEGATIVE

TRG Pakistan, System Limited and Netsol revenues to suffer as Pakistan's Information Technology (IT) exports fall to USD 183 million in May 2022 to a low of fifteen months, as per data published by State Bank of Pakistan (SBP). IT exports decreased by 27 percent when compared to IT exports of USD 249 million in the previous month which was the third highest export number in the history of Pakistan. Technology exports decreasing 8 percent year on year to USD 183 million in May 2022 while IT exports surged 25 percent to USD 2.38 billion in the first eleven months of this fiscal year.

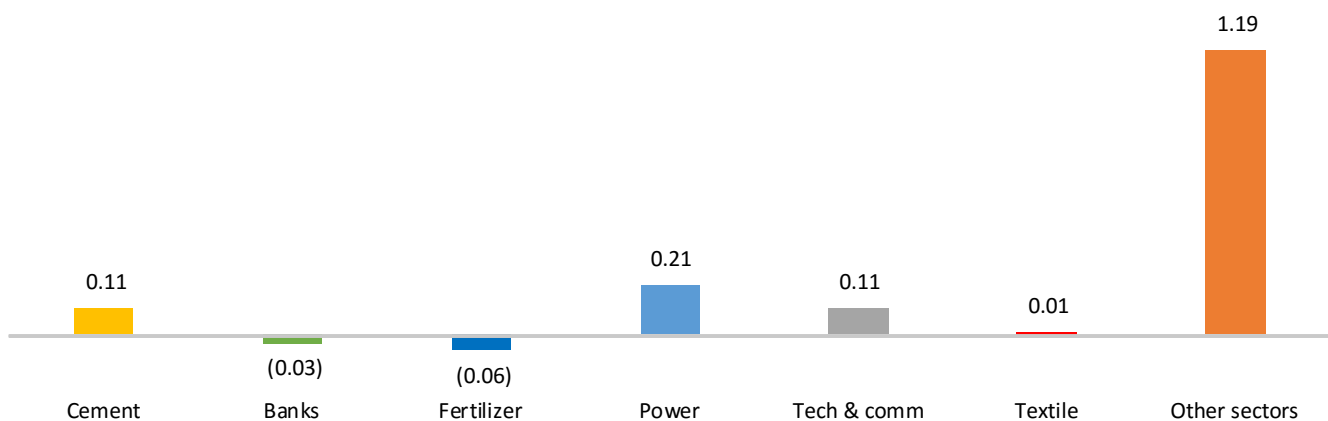
### FII Sector Wise USD (Mil)



### Mutual Funds Sector Wise USD (Mil)



### Banks/DFIs Sector Wise USD (Mil)



Source: NCCPL

## Analyst Certificate:

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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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