

29th May, 2023

## KSE -100 Index



Source: PSX &amp; WE Research

## 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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## Centre allows Sindh to earn \$200m through carbon credits

In the absence of an approved policy, the federal government has allowed Sindh to earn \$200-220 million (about Rs57-63 billion) of carbon credits over the next two decades for its efforts to expand mangrove forests under Pakistan's commitments for unconditional contribution to a global drive for reducing greenhouse gas emissions. In 2021, the Ministry of Climate Change submitted the nationally determined contributions (NDC) to the United Nations Framework Convention on Climate Change. The ministry pledged that 15pc of the carbon credits generated — i.e. reducing around 240 tonnes of carbon dioxide equivalent — in the country will be Pakistan's unconditional contribution towards the NDCs. [Click to see more](#)

## New options under study to use plastic waste in road construction

As the United Nations roadmap outlines solutions to cut global plastic pollution, new options are being explored to use plastic waste as partial substitute for raw material as a bitumen modifier in road construction. A report of the World Bank, "Plastic Waste in Road Construction: A Path Worth Paving?" says the upcoming international, legally binding treaty to reduce plastic pollution calls for a full life cycle approach to reduce plastic pollution, incorporating both upstream and downstream measures. The use of plastic waste in road construction is a downstream measure to utilise plastic waste as an input material and further upstream measures to reduce plastic waste are needed, the report says. [Click to see more](#)

## Another counter-cyclical approach to budget

Amidst multiple crises, the government is busy planning the budget. It is a humongous task given the prevailing situation. The government has to come up with innovative ideas to manage scarce resources and sustain the pressure of international financial institutions like the International Monetary Fund (IMF), World Bank, etc. It is common knowledge that the IMF is exerting significant pressure on the government. Additionally, the government is under constant pressure and struggling to manage the debt crisis, which has shaken the economic and social fabric. Despite the huge depreciation of Pakistani rupee, lower growth, and rampant inflation, the IMF is still demanding more from Pakistan. [Click to see more](#)

## Call for budget reforms

With the annual budget season setting in, Pakistan is ready to present its fourth budget under the Public Finance Management Act (PFMA) 2019; though the whole exercise is just a ritual as the executive enjoys unlimited powers to pass supplementary budgets throughout the financial year. The Executive Committee of the National Economic Council (Ecne) in April 2023 approved a major cost escalation exceeding Rs300 billion for the Diamer-Basha power project as well as additional budget for megaprojects of the Water and Power Development Authority (Wapda) and the National Highway Authority (NHA). [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%

## Curbs on black market can push remittances to \$50b

Foreign remittance service providers have voiced optimism that Pakistan's remittances can surpass \$50 billion per annum, if authorities restrain the black market, which they believe constitutes nearly 80% of the total market. They point out the black market or illegal ways of sending remittances, commonly known as Hundi and Hawala in Pakistan, are a global phenomenon. As per World Bank's report, around \$624 billion is remitted every year. Apart of that, another 80% of this amount is sent through illegal channels. Pakistan is not an exception. Currently, a huge chunk of remittances flows through Hundi and Hawala networks. [Click to see more](#)

## Govt taking steps aimed at promoting exports

CEO Trade Development Authority Pakistan Mohammad Zubair Motiwala has said that the government is working on priority basis to promote exports. He expressed these views in a meeting with the President of the Chamber Ahsan Zafar Bakhtawari on the occasion of his visit to the Islamabad Chamber of Commerce and Industry yesterday. He said that the main objective of TDAP is to solve the problems of the business community and ensure access of Pakistani goods to every market in the world. Economic problems will be solved only if Pakistan's trade increases. [Click to see more](#)

## Balochistan Customs collects Rs21bn so far

Chief Collector, Customs Balochistan, Muhammad Saleem on Sunday said that Balochistan Customs has so far collected Rs 21 billion in the fiscal year 2022-2023 as Customs Duty out of the target of Rs 21.5 billion given by the Federal Board of Revenue. With the establishment of the border market in Mand, employment opportunities will be provided to the local people and the supply of fresh fruits and vegetables will benefit the people living in the border areas of the two countries, he said. [Click to see more](#)

## Beverage industry urges govt to withdraw additional FED

The aerated beverage industry has reported a drop of 35% - 40% in volume since the imposition of another 7% Federal Excise Duty [FED] in the February 2023 mini-budget. This has brought the total FED on the industry to an unsustainable 20%. This is an increment of over 50% from 13% to 20% and adversely impacts all the manufacturing companies down the chain — an expected job loss in the thousands. If these regulatory challenges persist, partners could be forced to consider factory shutdowns. These plant closures will exacerbate the loss of corporate and income revenue for the government — an estimated annual loss of PKR 6-8 Billion in terms of FED collection. [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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