

31 May, 2022

KSE -100 Index



KSE -100 Index- Key Statistics

Open	42,956.57
High	43,259.14
Low	42,902.42
Closing	43,040.14
Change	178.69
Volume	81,294,999

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 (30- May-22)	(0.71)
Individuals (30- May-22)	(0.20)
Companies (30- May-22)	1.349
Banks/DFI (30- May-22)	0.52
NBFC (30-May-22)	(0.04)
Mutual Fund (30-May-22)	(0.13)
Other Organization (30- May-22)	0.19
Brokers (30-May-22)	(0.30)
Insurance Comp: (30- May-22)	(0.68)

Source: NCCPL

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Fiscal deficit records at 3.8pc in 9 months

Source: The Financial daily

NEGATIVE

The Ministry of Finance has updated the country's fiscal deficit figures, saying the fiscal deficit was recorded at 3.8 percent of the gross domestic product (GDP) during the first three quarters (July-March) of the current fiscal year 2021-22 as compared to 3 percent deficit recorded during the corresponding period of last financial year 2020-21. Interestingly, the Monthly Economic Update and Outlook, April 2022, reported that the fiscal deficit in July-March FY2022 was recorded at 4 percent of GDP. The primary balance posted a deficit of Rs447.2 billion. During July 1-April 1, 2021-22, money supply (M2) observed growth of 2.7 percent (Rs665.5 billion) as compared to growth of 6.7 percent (Rs1,439.5 billion) last year. During Jul-Mar FY2022, the current account deficit was recorded at \$ 13.2 billion, according to the April Outlook.

Oil and gas sector's circular debt reaches Rs 1.5 trillion mark, Senate panel told

Source: Business Recorder

NEGATIVE

The Petroleum Division Secretary informed a parliamentary panel on Monday that the oil and gas sector's circular debt reached to Rs1.5 trillion which needs to be controlled. A meeting of the Senate Standing Committee on Petroleum was held here at the Parliament House on Monday with Senator Mohammad Abdul Qadir in the chair. Senator Mohammad Abdul Qadir expressed his reservations on the mounting circular debt which currently stands at Rs1,500 billion. State Minister for Petroleum Division Dr Musadiq Malik said the assets of gas companies- the Sui Northern Gas Pipeline Limited (SNGPL) and the Sui Southern Gas Company Limited (SSGC) were declining because profitability of the companies were shrinking due to the circular debt and these companies were near bankruptcy.

Oil prices climb above \$120 a barrel ahead of EU meeting on Russia sanctions

Source: Augaf

POSITIVE

Oil prices climbed above \$120 a barrel on Monday, hitting their highest in more than two months, as traders waited to see whether a European Union meeting would reach an agreement on banning Russian oil imports. The Brent crude futures contract for July, which will expire on Tuesday, was up 59 cents, or 0.5%, at \$120.02 a barrel at 1100 GMT. The August Brent contract, which is more active, rose 74 cents, or 0.6%, to \$116.30 a barrel. U.S. West Texas Intermediate (WTI) crude futures jumped 65 cents, or 0.6%, to \$115.72 a barrel, extending solid gains made last week.

IT exports cross \$2.1bn, says minister

Source: Business Recorder

POSITIVE

Federal Minister for IT and Telecommunications Syed Amin-ul-Haque said on Monday that the investments of Pakistani start-ups grew by almost five times over 2020 while IT exports had crossed \$2.1 billion last year and the target for this year is \$3 billion. "The Ministry of Information and Technology (MOITT) through Ignite has been providing both local and international networking platforms to our start-ups to pitch their business ideas and products to potential customers and investors."

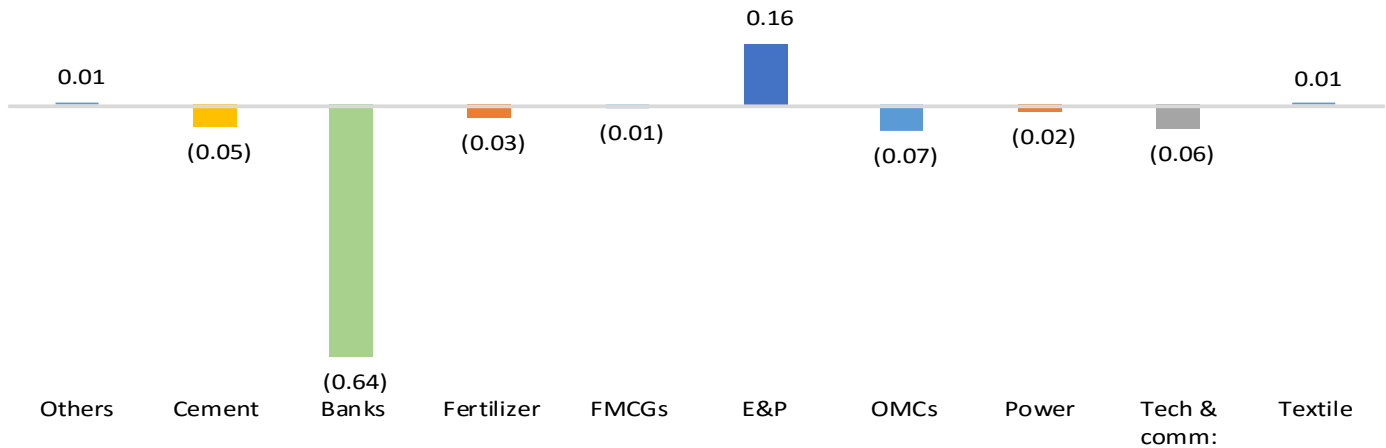
PM urges 10-year roadmap to boost ties with UK

Source: Tribune Express

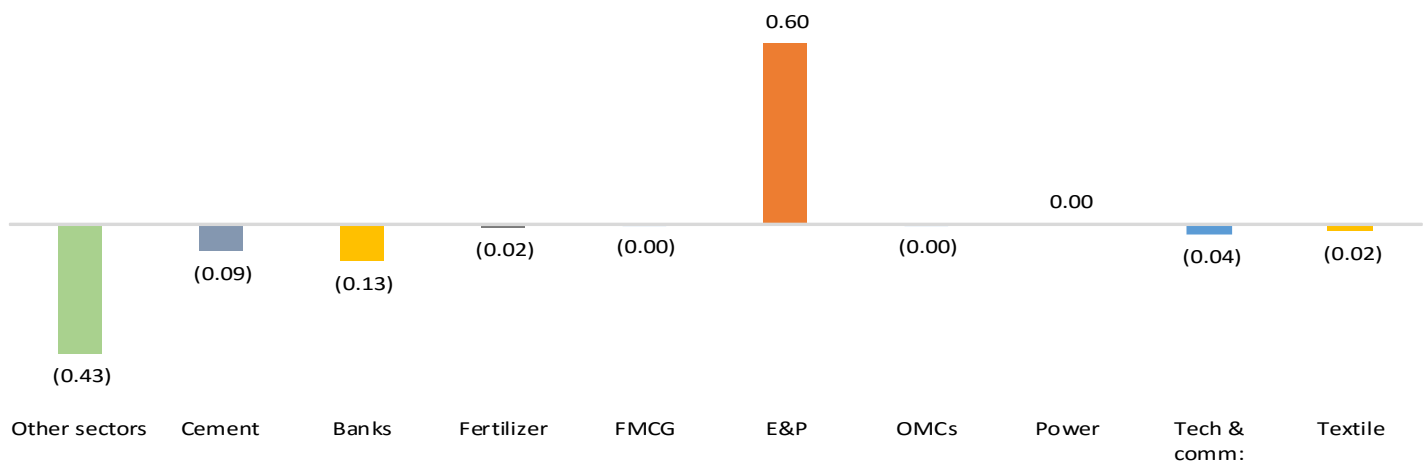
POSITIVE

Prime Minister Shehbaz Sharif had a telephone conversation with his British counterpart, Boris Johnson, and exchanged views on a wide range of bilateral and international issues, from the Pakistan-UK Enhanced Strategic Dialogue (ESD) to the ongoing situation in Afghanistan and Ukraine. During the telephonic conversation, Prime Minister Johnson reiterated his felicitations to Prime Minister Shehbaz Sharif on his election and assumption of office. He underlined UK's desire to further enhance its bilateral relationship with Pakistan.

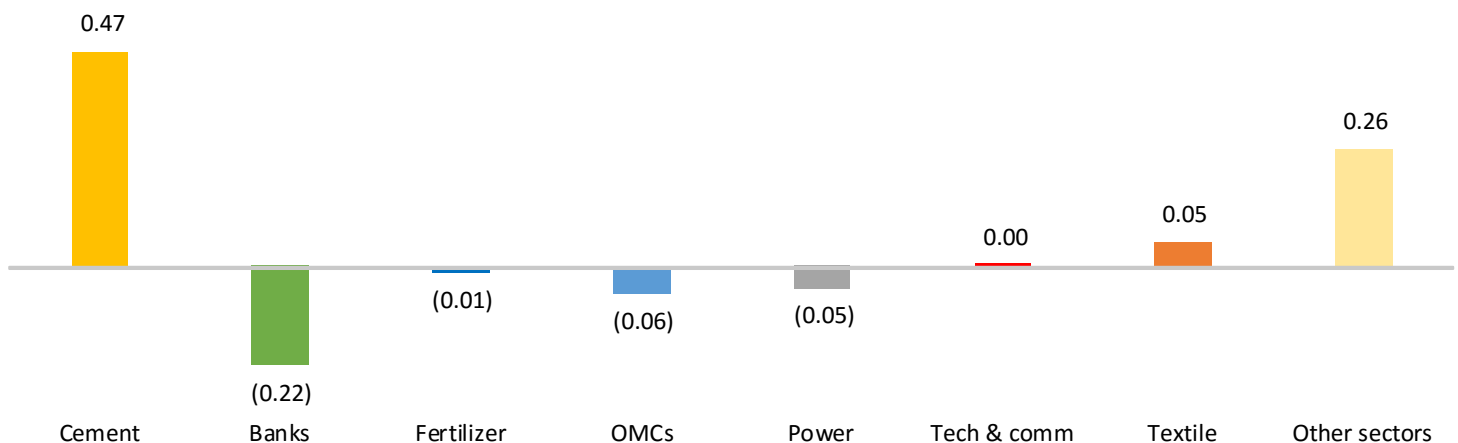
FII Sector Wise USD (Mil)



Mutual Funds Sector Wise USD (Mil)



Banks/DFIs Sector Wise USD (Mil)



Source: NCCPL

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Stock Ratings

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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