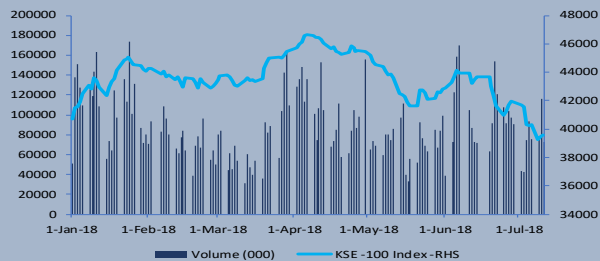


31st May, 2023

KSE -100 Index



Source: PSX & 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
CENERGY	3.72	0.81%	7.07

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Economy faces serious fiscal risks

Highlighting fiscal risks at the end of the current fiscal year, the Ministry of Finance (MoF) on Tuesday wished the inflation peaking at 34-36 per cent this month would start descending owing to the ease in international commodity prices that would absorb the negative impact of currency depreciation. "The inflation may remain in the range of 34-36pc for May," said the ministry in its [monthly economic update and outlook](#), adding that there are certain downside risks to the financial sector towards the end of the current fiscal year. "These risks may emerge due to higher-than-expected expenditures mainly due to rise in debt servicing costs and higher expenditures for the flood rehabilitation activities", it said. [Click to see more](#)

IMF hopes for board meeting on Pakistan soon

The International Monetary Fund (IMF) remains in touch with Pakistan's authorities in order to pave the way for a board meeting before a financing programme expires at the end of June, the IMF mission chief for Pakistan said. Ordinarily, a board meeting on a review of the programme would require a prior staff-level agreement, which in Pakistan's case would unlock \$1.1 billion in financing for the cash-strapped South Asian nation as part of a \$7bn IMF package. The staff-level agreement has been delayed since November, with more than 100 days gone since the last staff-level mission to Pakistan, the longest such delay since at least 2008. [Click to see more](#)

Chinese IPP serves notice of payment default on CPPA

Port Qasim Electric Power Company Ltd (PQEPC), which runs a \$1.9 billion power plant of 1,320 megawatts on imported coal, has served a formal notice of payment default on the Central Power Purchasing Agency (CPPA). The total verified due amount that the state-backed, sole electricity purchaser owes the independent power producer (IPP) amounted to Rs77.3bn or \$263.5 million as of May 15, according to PQEPC CEO Guo Guangling. Owned by China's Sinohydro Resources Ltd and Qatar's Al Mirqab Capital Ltd, the IPP was part of the early-harvest phase of the China-Pakistan Economic Corridor (CPEC). [Click to see more](#)

Private sector credit shrinks by 98pc

Bank lending to the private sector has shrunk to just Rs28 billion this fiscal year after plummeting 98 per cent compared to last year, central bank data showed on Tuesday. The State Bank reported that from July 1 to May 19, the private sector borrowed a record low Rs27.9bn from banks compared to Rs1.414 trillion a year ago. The economy has been facing a constant problem of a record-high interest rate of 21pc and headline inflation at 36.4pc. Average inflation is estimated to reach 30pc this fiscal year, which ends in June. [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%

KTBA asks FBR to cut tax rates

The Karachi Tax Bar Association (KTBA) has asked the Federal Board of Revenue (FBR) to reduce tax rates and address barriers which impede smooth business operations. In its budget proposals for 2023-24, the association on Tuesday recommended reducing the withholding tax rate to 1pc and allowing the tax withheld as input tax to registered taxpayers upon providing the necessary identification of unregistered suppliers. It noted that the 3pc sales tax to unregistered taxpayers creates an undue burden because of the current definition of active taxpayers. [Click to see more](#)

Efforts on to put economy back on track

Finance Minister Ishaq Dar has emphasised that the government is utilising all its energies to bring the economy back on track and the country should be taken forward without indulging in blame game. "Everyone is aware of the situation. All segments of society would have to join hands to get ourselves out of this difficult situation," he said. Dar spoke on Tuesday at a meeting with office-bearers of the Lahore Chamber of Commerce and Industry (LCCI). LCCI President Kashif Anwar presented budget proposals to the minister. The finance minister announced that the upcoming federal budget would be business-friendly, adding that the IMF programme was taking time but all formalities for the ninth review had been met. [Click to see more](#)

Rupee to fall as IMF urges market rate

The Pakistani currency witnessed a marginal recovery of 0.02% or Rs0.07, reaching Rs285.35 against the US dollar in the interbank market on Tuesday. However, financial experts are projecting another round of currency depreciation as the revival of the IMF loan programme draws near. The International Monetary Fund (IMF) has once again reminded the government to fulfil three conditions in order to resume its \$6.5 billion loan programme. [Click to see more](#)

Govt plans budget at Rs290/\$

The federal government has made the decision to set the new budget at an exchange rate of Rs290 to a dollar, aiming to control market expectations of a significant currency devaluation in the coming year. However, this move raises concerns about the feasibility of the budget, given the highly uncertain economic environment. Ministry of Finance has instructed government departments to prepare budget estimates for the fiscal year 2023-24 using the Rs290 to a dollar exchange rate. This rate is crucial for determining the defence budget, foreign debt servicing, the cost of running Pakistan's missions abroad, and the Public Sector Development Programme (PSDP). [Click to see more](#)

Analyst Certificate:

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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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