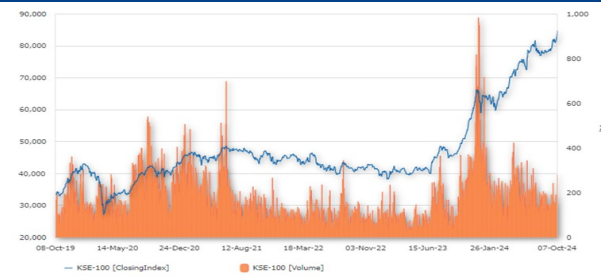


01 July, 2025

### KSE -100 Volume



### KSE -100 Index- Key Statistics

Open	124,379.06
High	125,748.58
Low	124,500.20
Closing	125,627.31
Change	1,248.25
Volume	258,993,624

Source: PSX

### Key Economic Data

Reserves (11-Apr-2025)	\$15.662 bn
Inflation CPI (Mar'25)	0.69%
Exports - (Mar'25)	\$2.617 bn
Imports - (Mar'25)	\$4.736 bn
Trade Balance- (Mar'25)	\$(2.199) bn
Current A/C- (Mar'25)	\$1,195 Mn
Remittance - (Mar'25)	\$4.055 bn

Source: SBP

### FIPI/LIPI (USD Million)

FIPI (30-Jun-25)	(4.17)
Individuals (30-Jun-25)	2.46
Companies (30-Jun-25)	3.00
Banks/DFI (30-Jun-25)	(5.62)
NBFC (30-Jun-25)	0.04
Mutual Funds (30-Jun-25)	4.38
Other Organization (30-Jun-25)	(0.42)
Brokers (30-Jun-25)	0.59
Insurance Comp: (30-Jun-25)	(0.27)

Source: NCCPL

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### Finance ministry sees June inflation near 4pc

Source: The News International

POSITIVE

The Ministry of Finance's Monthly Economic Outlook for June 2025 presents an overall positive picture of Pakistan's economy, highlighting easing inflation—forecast at 3–4% for June and 5–7% for FY26—and growing optimism for a recovery in large-scale manufacturing, supported by strong auto and cement sector indicators. Real GDP grew 2.68% in FY25, inflation declined significantly from 11.8% in May 2024 to 3.5% in May 2025, and the current account recorded a \$1.81 billion surplus, aided by a 28.8% surge in remittances. Despite a widening trade deficit due to rising imports, export growth and a primary fiscal surplus of 3.2% of GDP underscore improving macro fundamentals. While cumulative LSM remained in decline, sectoral gains in textiles, beverages, and automobiles suggest a gradual industrial rebound. Ongoing IMF programs, improved credit ratings, and higher private sector credit uptake point to growing investor confidence, with FDI flows concentrated in financial services, power, and oil and gas.

### \$1bn target in sight as Vietnam prioritises Pakistan trade

Source: The News International

POSITIVE

During his visit to the Karachi Chamber of Commerce & Industry (KCCI), Vietnamese Ambassador Pham Anh Tuan expressed a strong desire to strengthen economic ties between Vietnam and Pakistan, with bilateral trade nearing \$850 million and the potential to exceed \$1 billion soon. He emphasized enhancing institutional collaboration, exchanging trade information, and boosting participation in trade fairs to unlock untapped trade and investment opportunities. Highlighting the historic and growing diplomatic relationship between the two countries, the ambassador praised Pakistan's dynamic business community and noted a rare trade surplus for Pakistan in FY24, with exports to Vietnam at \$356 million and imports at \$285 million. Both the ambassador and KCCI leadership called for continued efforts to deepen business-to-business engagement and realize the full potential of bilateral economic cooperation.

### LPG price reduced by seven rupees; new rate set at Rs 233/kg

Source: Profit Pakistan

POSITIVE

The Oil and Gas Regulatory Authority (OGRA) has announced a reduction in Liquefied Petroleum Gas (LPG) prices for July 2025, offering relief to households and small businesses that rely on LPG for cooking and heating. The price of an 11.8 kg domestic cylinder has been cut by Rs 87.71, bringing it down to Rs 2,750.60, while a commercial cylinder will now cost Rs 10,583 after a Rs 337 reduction. This 3.1% price drop—driven by a 4.29% decline in Saudi Aramco's Contract Price—also lowers the per-kilogram rate from Rs 241 to Rs 233. Despite a slight rise in the dollar exchange rate, international price trends led to a net decrease, with the producer price falling by over Rs 7,400 per ton. The change is expected to benefit millions of low- and middle-income consumers, particularly in areas without access to piped natural gas.

### CCP clears 40.63% share acquisition of Mitchell's Fruit Farms by CCL Holding

Source: Profit Pakistan

POSITIVE

The Competition Commission of Pakistan (CCP) has approved CCL Holding (Private) Limited's acquisition of a 40.63% stake in Mitchell's Fruit Farms Limited from two individual shareholders, following a detailed competition review. The CCP categorized the relevant markets as jams, sauces, confectionery, and one-step drinks, and concluded that the merger poses no threat to competition, as it is a conglomerate transaction with no product or market overlaps. CCL Holding, primarily involved in healthcare and pharmaceuticals through its group companies, does not directly engage in trading or manufacturing, while Mitchell's is a publicly listed company known for its food and grocery products.

### KSE –100 Index– Key Statistics

PIB (3Y) (09-Apr-25)	11.88%
PIB (5Y) (09-Apr-25)	12.34%
PIB (10Y) (09-Apr-25)	12.79%
T-Bills (3M) (16-Apr-25)	12.32%
T-Bills (6M) (16-Apr-25)	12.01%
T-Bills (1Y) (16-Apr-25)	11.99%
POLICY RATE	11.00% p.a
SUKUK (Cutoff rate/Price)	10.9999/90.1146

Source: PSX & SBP

### Merit Packaging approves sale of assets to Kompass Pakistan for Rs1 billion

Source: Profit Pakistan

POSITIVE

Merit Packaging Limited has approved the sale of its flexible packaging unit—including plant, machinery, and associated goodwill—for Rs 1 billion to Kompass Pakistan (Private) Limited, following shareholder approval at an Extraordinary General Meeting on June 27, 2025. The assets, located in Karachi's Korangi Industrial Area, will be sold under the best available offer, with transaction authority delegated to key company officials. The board has also outlined procedures for finalizing the deal and granted flexibility to amend the resolution in line with SECP requirements. This strategic move aims to streamline operations and optimize efficiency for the company, which serves major clients like Nestle, Unilever, Colgate, and National Foods across diverse sectors.

### IPPs warn govt: FO levies could raise generation costs

Source: Business Recorder

NEGATIVE

Independent Power Producers (IPPs), including Hub Power Company (Hubco) and the IPPs Advisory Council (IPPAC), have raised serious concerns over the proposed Carbon Levy (CL) and Petroleum Levy (PL) on furnace oil set to take effect from July 1, 2025, as outlined in the draft Finance Bill 2025–26. The levies—Rs. 77 per litre for PL and Rs. 2.5 per litre for CL—would increase furnace oil prices by Rs. 84,742 per metric ton, making it less competitive and leading to higher electricity generation costs. Hubco warned that despite the availability of cheaper fuels, furnace oil plants are essential for meeting peak summer demand due to their quick start-up capabilities. The levies could also disrupt refinery operations by reducing furnace oil consumption, potentially causing storage issues and worsening Pakistan's circular debt crisis. Both Hubco and IPPAC urged the government to reconsider the move, highlighting that increased furnace oil costs would raise industrial production expenses, undermine recent efforts to lower electricity tariffs, decrease utilization of FO-based power plants, and likely reduce government revenues due to lower sales and tax collections.

### FBR fixes MRP of cement

Source: Business Recorder

NEGATIVE

The Federal Board of Revenue (FBR) has set the minimum retail price (MRP) of cement for July 2025 to ensure accurate sales tax payments and curb under-invoicing by manufacturers. Through S.R.O. 1126 (1)/2025, the FBR fixed the MRP as the average cement prices from Karachi, Lahore, Faisalabad, Peshawar, Rawalpindi, and Islamabad—based on the latest data published by the Pakistan Bureau of Statistics—reduced by Rs 25 for sales tax calculation purposes. This new notification supersedes the earlier S.R.O. 746 (I)/2025 issued in April 2025, reinforcing price transparency and compliance within the cement industry.

### Govt hikes petrol price by Rs8.36, diesel by Rs10.39 per litre

Source: Business Recorder

NEGATIVE

The federal government has raised petrol prices by Rs8.36 per litre, increasing the rate to Rs266.79 from Rs258.43, effective for the next 15 days starting July 1, 2025. Similarly, the price of high-speed diesel was increased by Rs10.39 per litre, now set at Rs272.98 from Rs262.59. This follows a recent fortnightly review where petrol and diesel prices were previously raised by Rs4.80 and Rs7.95 per litre, respectively.

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WE Financial Services Ltd. uses three rating categories, depending upon return from current market price, with Target period as December 2018 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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