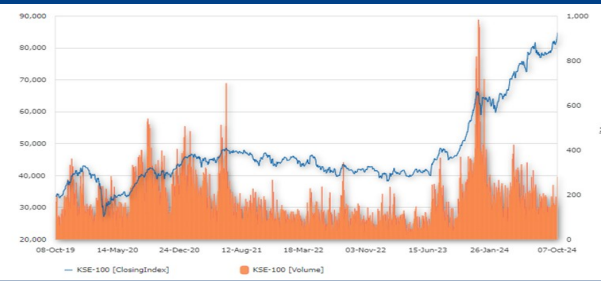


06 August, 2025

KSE -100 Volume



KSE -100 Index- Key Statistics

Open	142,052.64
High	143,281.34
Low	142,235.71
Closing	143,037.16
Change	984.52
Volume	262,315,814

Source: PSX

Key Economic Data

Reserves (18-Jul-2025)	\$19.918 bn
Inflation CPI (Jun'25)	3.2%
Exports - (Jun'25)	\$2.543 bn
Imports - (Jun'25)	\$4.866 bn
Trade Balance- (Mar'25)	\$(2.323) bn
Current A/C- (Mar'25)	\$1,195 Mn
Remittance - (Jun'25)	\$3.406 bn

Source: SBP

FIPI/LIPI (USD Million)

FIPI (05-Aug-25)	(2.01)
Individuals (05-Aug-25)	0.05
Companies (05-Aug-25)	0.60
Banks/DFI (05-Aug-25)	(0.54)
NBFC (05-Aug-25)	(0.01)
Mutual Funds (05-Aug-25)	1.69
Other Organization (05-Aug-25)	(0.08)
Brokers (05-Aug-25)	(0.94)
Insurance Comp: (05-Aug-25)	1.24

Source: NCCPL

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Trump says he will 'very substantially' raise tariffs on India in next 24 hours over Russian oil purchases

Source: Dawn News

NEUTRAL

Former U.S. President Donald Trump announced plans to significantly increase tariffs on Indian imports, citing India's continued purchase of Russian oil as fueling Russia's war in Ukraine. Trump criticized India for being an unfair trading partner and suggested penalties without specifying new rates. India's Ministry of External Affairs responded strongly, defending its oil imports as necessary due to disrupted global supply chains and accusing the U.S. and EU of hypocrisy, given their ongoing trade with Russia. Despite past cordial ties between Trump and Indian Prime Minister Narendra Modi, recent tensions—exacerbated by Trump's perceived favoritism toward Pakistan and inflammatory rhetoric—have strained relations. India, now taking a firmer stance, is weighing its options amid domestic backlash and economic concerns..

PHMA urges PM to reverse SRO 1359

Source: Express Tribune

NEGATIVE

The Pakistan Hosiery Manufacturers and Exporters Association (PHMA) has strongly opposed SRO 1359(I)/2025, warning it could severely damage the value-added textile sector, the country's largest source of foreign exchange. PHMA North Zone Chairman Abdul Hameed urged Prime Minister Shehbaz Sharif to immediately revoke the notification, which imposes restrictions on the import of cotton and blended yarns and shortens the material utilisation period under the Export Facilitation Scheme from 24 to 9 months. Exporters argue the move will block billions in sales tax refunds, threatening their operations and international competitiveness.

Telenor's acquisition by PTCL: CCP seeks further clarity on key issues

Source: Business Recorder

POSITIVE

The Competition Commission of Pakistan (CCP) has requested additional clarity from Pakistan Telecommunication Company Limited (PTCL) regarding its proposed acquisition of 100% shareholding in Telenor Pakistan and Orion Towers. During a recent hearing under Section 11(6) of the Competition Act, PTCL's senior management presented a detailed briefing on its business plan, projected efficiencies, and regulatory data. However, the CCP emphasized the need for further information to thoroughly assess the potential impact on market competition and consumer welfare. The Telenor Group previously indicated that the merger is expected to be finalized in the first half of 2025.

Advancing market infrastructure: SBP chief lands SECP's efforts

Source: Business Recorder

NEUTRAL

The Securities and Exchange Commission of Pakistan (SECP) and the State Bank of Pakistan (SBP) held their 33rd Coordination Committee Meeting in Islamabad to enhance strategic dialogue and regulatory coordination. The meeting focused on strengthening collaboration between the two regulators to promote financial system stability and development. SBP Governor Jameel Ahmad emphasized using capital markets as a sustainable funding source to allow banks to prioritize private sector financing, while SECP Chairperson Akif Saeed stressed the importance of deeper bank involvement in capital market development. Key topics included digital payment integration, improved credit information access, and financial innovation. Both institutions reaffirmed their commitment to fostering a resilient, inclusive, and tech-driven financial ecosystem.

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

July textile exports grow 33.7pc to \$1.69bn YoY

Source: Business Recorder

POSITIVE

Pakistan's textile exports saw a strong rebound, rising by 33.7% to \$1.69 billion in July, the first month of FY 2025-26, compared to \$1.27 billion in the same month of the previous fiscal year. Data from the All Pakistan Textile Mills Association (APTMA) shows a fluctuating trend over recent years, with July exports at \$1.47 billion in FY 2021-22, \$1.48 billion in FY 2022-23, \$1.31 billion in FY 2023-24, and \$1.27 billion in FY 2024-25. Annual textile exports were \$19.30 billion in FY 2022, followed by declines to \$16.51 billion in FY 2023 and \$16.68 billion in both FY 2024 and FY 2025, highlighting the significance of the recent monthly surge.

PM orders PRAL closure in 6 months

Source: Express Tribune

NEGATIVE

Prime Minister Shehbaz Sharif has ordered the abolition of Pakistan Revenue Automation Limited (PRAL) within six months, raising concerns over potential disruptions to tax operations and delays in the \$400 million World Bank-funded IT upgrade of the Federal Board of Revenue (FBR). Established over 30 years ago, PRAL is central to tax processing and data storage, but outdated infrastructure and divided responsibilities have hampered modernization efforts. The government plans to replace PRAL with a fully autonomous, professionally staffed organization to spearhead FBR's digital transformation. However, critics warn the transition may destabilize critical tax functions, especially with PRAL's key data centers still unready. The decision comes amid policy backtracking on enforcement measures against under-taxed individuals, signaling potential compromises with the business community that could undermine revenue goals and IMF commitments.

PM directs FBR to eliminate bureaucratic barriers

Source: Dawn News

POSITIVE

Prime Minister Shehbaz Sharif has directed the Federal Board of Revenue (FBR) to fully implement tax reforms by eliminating bureaucratic and institutional obstacles, while urging both federal and provincial governments to maintain momentum in revenue collection. Chairing a review meeting, the PM expressed satisfaction with the rise in the tax-to-GDP ratio from 8.83% in FY24 to 10.24% in FY25—the highest in 23 years—attributing the improvement to structural reforms. He emphasized the importance of integrating technology to streamline customs clearance, reduce delays, and improve efficiency. The meeting also highlighted the launch of user-friendly Urdu income tax forms, expected to benefit 84% of filers. The PM reaffirmed adherence to reform timelines, called for coordinated strategy development, and emphasized public awareness efforts and institutional strengthening to sustain progress.

SBP targets to raise over Rs6tr: Auction Calendar Aug–Oct

Source: Mettis Global

NEUTRAL

The government plans to raise Rs6.175 trillion between August and October 2025 through auctions of Market Treasury Bills (MTBs) and Pakistan Investment Bonds (PIBs), as per auction calendars released by the State Bank of Pakistan (SBP). This includes Rs3.675 trillion via MTBs through seven scheduled auctions and Rs2.5 trillion via PIBs, split into Rs1,100 billion in fixed-rate bonds and Rs1,400 billion in floating-rate bonds. MTB auctions are set for August 6 and 20, September 3 and 17, and October 1, 15, and 29, with varying targets. PIB fixed-rate auctions will occur on August 1 (Rs300bn), September 4, and October 14 (Rs400bn each), while seven auctions are planned for PIB floaters. SBP recently revised the coupon rate for 10-year fixed-rate PIBs to 10.8974%, effective from July 10, 2025.

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WE Financial Services Ltd. uses three rating categories, depending upon return form 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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