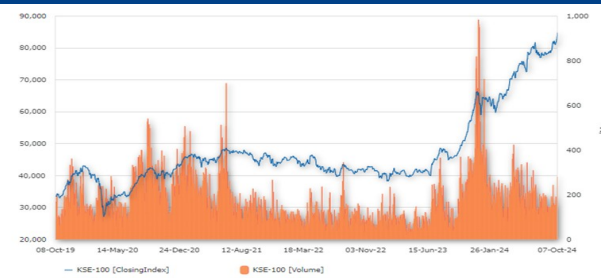


07 August 2025

KSE -100 Volume



KSE -100 Index- Key Statistics

Open	143,037.16
High	145,187.17
Low	143,409.59
Closing	145,088.49
Change	2,051.33
Volume	383,514,758

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 (6-Aug-25)	(2.35)
Individuals (6-Aug-25)	3.05
Companies (6-Aug-25)	2.87
Banks/DFI (6-Aug-25)	(9.98)
NBFC (6-Aug-25)	(0.09)
Mutual Funds (6-Aug-25)	8.14
Other Organization (6-Aug-25)	(0.20)
Brokers (6-Aug-25)	0.13
Insurance Comp: (6-Aug-25)	(1.57)

Source: NCCPL

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Stock Market Impact: July Trade Deficit Soars 44.16% YoY

Source: Business Recorder

NEGATIVE

In July FY26, Pakistan's trade deficit surged by 44.16% year-on-year, despite a 17% growth in merchandise exports, which reached \$2.7 billion compared to \$2.31 billion in July FY25. Imports also rose sharply by 29.25% to \$5.45 billion, driven mainly by higher oil prices amid geopolitical tensions, including the Iran-Israel conflict. Textile exports saw a strong 33.7% increase to \$1.69 billion, but other export sectors struggled. On a month-on-month basis, exports grew by 8.9%, while imports increased by 16.02%. Additionally, services exports grew 9.23% to \$8.34 billion in FY25, though services imports also rose by 2%, leading to a trade deficit in services.

PM derives satisfaction from PSX surge

Source: Business Recorder

POSITIVE

Prime Minister Shehbaz Sharif expressed satisfaction as Pakistan's stock exchange index surpassed the 145,000-point mark, attributing the surge to business-friendly reforms and improvements in the Federal Board of Revenue's tax system, which have boosted investor confidence. He emphasized that supporting investment remains a top priority for his government, signaling a positive economic direction.

Mills Required to Comply with Global Standards

Source: Express Tribune

POSITIVE

Asian Development Bank (ADB) Country Director Emma Fan and her delegation met with Pakistan's textile millers to discuss the industry's performance and strategies to boost exports. The ADB emphasized the need for compliance with international conventions, particularly around sustainability, labor, and human rights. The session also highlighted the ADB's new Country Partnership Strategy for Pakistan, focusing on energizing the private sector, optimizing the public sector, expanding connectivity, and fostering resilience. ADB expressed strong interest in collaborating with the All Pakistan Textile Mills Association (Aptma) to support Pakistan's sustainable growth. Aptma Chairman Kamran Arshad outlined the \$50 billion textile export vision, which includes establishing 1,000 garment plants in dedicated apparel parks to drive exports, create jobs, and improve foreign exchange reserves, noting significant growth in value-added textile exports, especially in knitwear, garments, and bedwear.

Pakistan Mart to give exporters global access

Source: Express Tribune

POSITIVE

The Pakistan Mart project, a joint initiative between the National Logistics Cell (NLC) and DP World, aims to transform Pakistan's export landscape by offering a modern platform for showcasing Pakistani products in Dubai, a global trade hub. According to Major General Farrukh Shehzad, Director General of NLC, the facility will eliminate middlemen, providing direct access to international buyers and enhancing the visibility of Pakistani goods, particularly from small and medium enterprises (SMEs). The project aims to establish the "Made in Pakistan" brand globally, with a focus on expanding market reach in the Middle East, Africa, and South America. The facility will feature state-of-the-art logistics, warehousing, and display infrastructure to meet global buyer expectations and improve the country's export efficiency.

Iraq interested in ferry service, rice import

Source: Business Recorder

POSITIVE

Pakistan and Iraq have agreed to enhance maritime cooperation by launching a ferry service between Iraq's Umm Qasr Port and Pakistan's Gwadar Port, aiming to boost religious tourism, trade, and regional connectivity. During a meeting between Pakistan's Federal Minister for Maritime Affairs and Iraqi diplomats, Iraq also expressed interest in importing Pakistani rice and expanding trade in medicines, meat, and fertilizers like potassium sulphate. The ferry service is expected to facilitate pilgrimages and tourist travel, with potential alignment to similar projects with Iran and GCC countries, forming a regional maritime network. Iraq pledged support for Pakistan's bid in the upcoming International Maritime Organization (IMO) elections, while both sides emphasized the strategic importance of maritime links in strengthening economic ties. With current bilateral trade modest at \$199.75 million in FY24, the initiative is seen as a significant step under Pakistan's blue economy strategy to unlock new business opportunities and port activity.

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%
CPI	1.52%
POLICY RATE	11.00% p.a
SUKUK (Cutoff rate/Price)	10.9999/90.1146

Source: PSX & SBP

Govt eyes bankruptcy reform to revive industry and ease harassment

Source: Profit Pakistan

POSITIVE

Special Assistant to the Prime Minister on Industries and Production, Haroon Akhtar Khan, announced that proposed reforms to Pakistan's bankruptcy legislation aim to provide a comprehensive legal framework to stabilize industries and revive struggling enterprises. During a high-level meeting with various stakeholders, including officials from the Federal Board of Revenue and the Securities and Exchange Commission of Pakistan, proposed amendments to the Corporate Rehabilitation Act, 2018, were discussed. These reforms include removing eligibility thresholds, introducing judicial stay orders, offering relief for companies under winding-up orders, and establishing asset valuation and mediation systems. The discussions also addressed issues in the Corporate Restructuring Companies Act, 2016, and emphasized creating a collaborative framework between financial institutions and distressed firms. Khan highlighted that these changes are designed to build investor trust, eliminate undue harassment from state authorities, and create a more business-friendly environment, in line with Prime Minister Shehbaz Sharif's vision of reviving industrial units and promoting foreign investment.

US stuns India with massive tariff as ties hit new low

Source: Dawn News

NEUTRAL

US President Donald Trump imposed a 25% tariff on Indian goods, bringing the total duties on some products to as high as 50%, citing India's continued import of Russian oil despite the ongoing Ukraine conflict. This move escalates tensions between the US and India, disrupting access to the US market for India's \$87 billion worth of exports, particularly in textiles, footwear, gems, and jewelry. The Indian government rejected the tariffs, calling them "unjustified" and vowing to protect national interests, with opposition leader Rahul Gandhi calling it "economic blackmail." India is under pressure to negotiate with the US, potentially reducing Russian oil imports, but the increased tariffs may severely impact India's GDP growth and trade relations. The tariffs put Indian exporters at a significant disadvantage compared to countries like Vietnam, Bangladesh, and Japan. While India seeks relief for exporters, the ongoing tensions suggest a realignment in alliances, with India possibly turning towards China and Russia. The move also sparked a rise in oil prices, adding further strain on global markets.

Pakistan eyes castor cultivation to boost exports and farmer incomes

Source: Profit Pakistan

POSITIVE

Pakistan is exploring large-scale cultivation of castor as part of a strategy to diversify agriculture, enhance exports, and improve farmer livelihoods. Federal Minister for National Food Security, Rana Tanveer Hussain, highlighted castor's potential as a low-input, high-yield crop well-suited for arid and semi-arid regions. The crop is fetching Rs7,000 per 40kg, making it more profitable than traditional crops. With support from a Chinese NGO providing high-quality hybrid seeds, yields could double, and a local company has pledged to purchase the entire harvest at pre-agreed prices, reducing market uncertainty for farmers. The Ministry of National Food Security will collaborate with provincial agriculture departments to launch awareness campaigns and distribute seeds. The initiative also aims to position Pakistan as a competitive player in the global castor oil market, with strong demand in industries like pharmaceuticals, cosmetics, and biofuels. Pilot projects and farmer contracts are expected to kick off soon, building a sustainable, export-oriented value chain.

Govt raises Rs589b via securities

Source: Express Tribune

NEUTRAL

The State Bank of Pakistan (SBP) raised Rs589.49 billion through recent auctions of Pakistan Investment Bonds (PIBs) and Market Treasury Bills (MTBs), reflecting strong investor confidence despite challenging macroeconomic conditions. The PIB auction raised Rs203.35 billion through 10-year floating-rate bonds, while the MTB auction attracted Rs386.14 billion across various tenors, with competitive bidding resulting in slightly lower yields than expected. Additionally, the Pakistani rupee experienced a minor depreciation of 0.04%, settling at 282.67 against the US dollar, after 10 consecutive sessions of gains. Meanwhile, gold prices in Pakistan increased, contrary to global trends, with the price of 24-carat gold rising by Rs1,300 per tola to Rs359,300, as local market conditions remained bullish. Global gold prices saw a slight dip, with spot gold falling 0.1% to \$3,378.12 per ounce.

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Analyst Certificate:

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Stock Ratings

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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