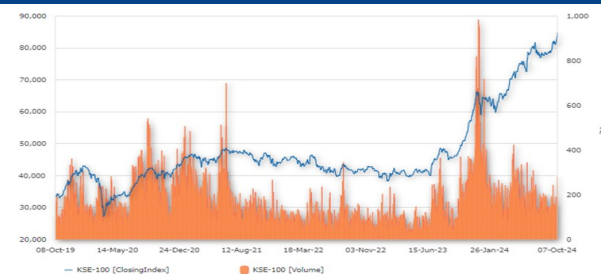


08 August 2025

KSE -100 Volume



KSE -100 Index- Key Statistics

Open	145,088.49
High	146,081.02
Low	145,250.17
Closing	145,647.13
Change	558.64
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 (7-Aug-25)	(7.35)
Individuals (7-Aug-25)	2.87
Companies (7-Aug-25)	3.06
Banks/DFI (7-Aug-25)	(2.76)
NBFC (7-Aug-25)	(0.07)
Mutual Funds (7-Aug-25)	8.13
Other Organization (7-Aug-25)	(1.91)
Brokers (7-Aug-25)	(0.69)
Insurance Comp: (7-Aug-25)	(1.41)

Source: NCCPL

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Public resources programme: World Bank likely to approve \$600m

Source: Business Recorder

NEUTRAL

The World Bank is expected to approve \$600 million for Pakistan's "Public Resources for Inclusive Development" program, part of a broader \$1.624 billion, 5-year federal initiative aligned with IMF targets and Pakistan's Medium Term Fiscal Framework. The program aims to improve the level and quality of inclusive development spending by addressing structural fiscal challenges and supporting reforms under the National Fiscal Pact. Through a phased approach, it focuses on expanding the tax base, enhancing public expenditure efficiency, and strengthening the data ecosystem to improve service delivery and fiscal governance. Key components include establishing a tax policy unit, reforming pensions and subsidies, digitizing financial systems, and creating a national statistical hub—all supporting the government's broader economic reform plan, Uraan Pakistan.

No punitive US tariffs on Pakistani exports

Source: Express Tribune

POSITIVE

Parliamentary Secretary for Commerce Zulfiqar Ali Bhatti clarified that the United States has not imposed punitive tariffs on Pakistani exports, and Pakistan now enjoys one of the lowest tariff rates in the region, especially compared to India. Responding to concerns about potential export losses, he credited diplomatic efforts by key government officials and the Special Investment Facilitation Council (SIFC) for this favorable outcome. Bhatti noted that Pakistan currently maintains a \$3.3 billion trade surplus with the U.S., and exports are expected to grow further. He also highlighted ongoing collaboration with trade bodies to support exporters through training and facilitation. Addressing a concern about poor export infrastructure in areas like Gilgit-Baltistan, Bhatti acknowledged challenges in cold storage for perishable goods and stated that the government is working to improve logistics and storage in remote regions.

GSMA warns Pakistan likely to lag in digital race without urgent reforms

Source: Business Recorder

NEGATIVE

At the GSMA Digital Nation Summit 2025 in Islamabad, the GSMA warned that Pakistan risks falling behind in the digital race due to stalled 5G rollout, high smartphone taxes, and a 52% mobile internet usage gap—the highest in the region—despite widespread coverage and smartphone ownership. Launching its report "Unlocking Pakistan's Digital Potential," GSMA urged urgent reforms to address unsustainable spectrum pricing, heavy taxation, regulatory uncertainty, and low digital adoption. Julian Gorman emphasized that Pakistan has the talent and ambition to become a digital leader but is being held back by policy barriers. The summit also highlighted concerns over slowing IT export growth and infrastructure challenges, while Federal Minister Shaza Fatima Khawaja reaffirmed the government's commitment to building an inclusive digital ecosystem, noting progress such as a 14% rise in the ICT Development Index and growth in telecom and broadband subscribers.

Nepra slashes uniform tariff by Rs1.89 for Aug-Oct

Source: DAWN NEWS

NEUTRAL

Nepra has announced a uniform tariff reduction of Rs1.89 per kilowatt-hour (kWh) for the next three months (August to October 2025), applicable to all consumers including K-Electric users, except lifeline and prepaid consumers. Additionally, Nepra approved a negative fuel cost adjustment (FCA) of Rs0.78 per unit for August bills of all ex-Wapda distribution company (XWDiscos) consumers, excluding lifeline, protected, EV charging stations, and prepaid categories. This FCA is based on lower actual fuel costs in June 2025 (Rs7.68/kWh) compared to the reference cost (Rs8.3341/kWh), resulting in a Rs0.65/kWh drop. The adjustments follow public hearings on overbilling complaints and a request by XWDiscos to refund Rs53.4 billion to consumers through negative quarterly adjustments due to savings in capacity payments during April–June FY2025.

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

Pakistan's foreign exchange reserves slip by \$111 million

Source: Profit Pakistan

NEGATIVE

Pakistan's total liquid foreign exchange reserves declined by \$111.40 million (0.57%) during the week ending August 1, 2025, bringing the total to \$19.50 billion. The State Bank of Pakistan (SBP) reported a \$72 million drop in its reserves—now at \$14.23 billion—due to external debt repayments. Simultaneously, commercial banks' reserves fell by \$39.40 million, reaching \$5.26 billion. The combined decline in both SBP and commercial bank reserves accounted for the overall reduction in the country's foreign exchange holdings.

Cotton crop condition termed satisfactory

Source: Express Tribune

NEGATIVE

The Punjab Agriculture Department has reported that the overall condition of the cotton crop is satisfactory, despite minor impacts from heatwaves, rainfall, and pests in some areas, and efforts are ongoing to ensure crop health and better prices for farmers. To enhance transparency and data accuracy, the department has requested the FBR to implement a robust reporting mechanism at all ginning factories. As of July 31, 2025, Punjab's seed cotton production is estimated at 609,000 bales based on scientific methods, while the Pakistan Cotton Ginners Association (PCGA) reports 301,000 bales—reflecting only cotton received at ginning factories, excluding stocks still on farms, transferred out of province, or stored by stockists.

ECNEC approves Rs1.5tr for 27 projects

Source: Express Tribune

POSITIVE

In a rapid and controversial move, the federal government approved 27 development projects worth over Rs1.5 trillion in under two hours, with most projects focused on Sindh and Balochistan, some reportedly violating the IMF-backed National Fiscal Pact. Key approvals by ECNEC, chaired by Deputy PM Ishaq Dar, include the long-delayed Sukkur-Hyderabad Motorway (M-6) at Rs363 billion—marking a 121% cost increase since 2020—and several PPP-backed Sindh projects funded by Rs86 billion in federal resources. Additionally, three major upgrades to the hazardous N-25 Karachi-Quetta-Chaman road were approved at Rs415 billion. The meeting, criticized for lack of scrutiny, also saw Chinese interest in building the entire M-6 motorway, parts of which are already funded by the Islamic Development Bank.

Pakistan to Import Nigerian Bonny Light Crude for the first time

Source: Profit Pakistan

NEUTRAL

Pakistan is diversifying its crude oil imports to reduce reliance on costly Middle Eastern sources, with Pakistan Refinery Limited set to receive its first shipment of Nigerian Bonny Light crude from Vitol in September 2025. This follows a separate U.S. crude deal by Cnergyico, expected in October. Rising Middle Eastern oil prices have prompted Pakistan, like other Asian refiners, to seek alternatives such as U.S. West Texas Intermediate and Kazakh CPC Blend. Bonny Light, valued for its high gasoline and diesel yields, marks a strategic shift in sourcing, as oil remains Pakistan's largest import, totaling \$11.3 billion in FY2025—about one-fifth of the national import bill.

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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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