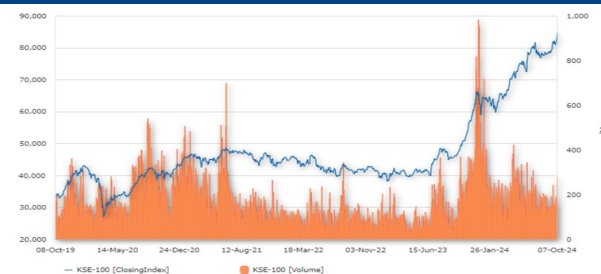


10 July, 2025

KSE -100 Volume



KSE -100 Index- Key Statistics

Open	133,403.19
High	133,566.37
Low	132,326.17
Closing	132,403.98
Change	(826.21)
Volume	161,034,774

Source: PSX

Key Economic Data

Reserves (13-Jun-2025)	\$12.727 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 (09-Jul-25)	1.01
Individuals (09-Jul-25)	4.43
Companies (09-Jul-25)	(0.26)
Banks/DFI (09-Jul-25)	(12.30)
NBFC (09-Jul-25)	0.02
Mutual Funds (09-Jul-25)	12.78
Other Organization (09-Jul-25)	(0.71)
Brokers (09-Jul-25)	(1.99)
Insurance Comp: (09-Jul-25)	(2.97)

Source: NCCPL

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Govt raises Rs1.62 trillion via T-bill, bond auctions

Source: Express Tribune

POSITIVE

The State Bank of Pakistan (SBP) raised approximately Rs1.62 trillion through recent government securities auctions, primarily from Market Treasury Bills (MTBs), which accounted for Rs1.413 trillion, and Rs208.42 billion from 10-year Pakistan Investment Bonds Floating Rate (PFL). The MTB auction showed strong investor demand across all tenors, particularly the 12-month bills, signaling a shift toward longer durations amid falling yields. Non-competitive bids totaled Rs379.78 billion, mostly concentrated in the three-month tenor. While the total fell slightly short of the Rs1.7 trillion target, analysts noted increased interest in longer-term securities and a flattening yield curve. Meanwhile, the Pakistani rupee slightly weakened to Rs284.47 against the dollar, and local gold prices dropped Rs3,000 per tola to Rs351,500 due to a stronger US dollar and lower international gold rates.

Pakistan kicks off Beijing Roadshow for first-ever Panda Bond

Source: Mettis Global

POSITIVE

From July 7 to 11, 2025, Pakistan's Ministry of Finance conducted a non-deal investor roadshow (NDR) in Beijing to prepare for its first-ever Panda Bond issuance. Shared by Advisor to the Finance Minister Khurram Shehzad, the meetings involved technical discussions with Chinese investors, underwriters, legal advisors, and rating agencies, focusing on Pakistan's economic outlook, debt management reforms, and the structure of the upcoming bond. The NDR garnered strong initial interest, reflecting investor confidence in Pakistan's reform path and signaling its readiness to access China's onshore capital market. The government aims to finalize the bond launch later this year, backed by credit guarantees from multilateral partners—marking a strategic step toward diversifying funding sources and expanding Pakistan's presence in international capital markets.

Nepra okays Rs4.043/kWh negative adjustment for KE, 50 paise per unit for Discos

Source: Business Recorder

NEUTRAL

The National Electric Power Regulatory Authority (Nepra) has approved provisional negative fuel cost adjustments (FCA) for April and May 2025: Rs4.043/kWh for K-Electric (KE) consumers and Rs0.50 per unit for Discos. These adjustments will reflect in July 2025 bills and exclude lifeline, protected, EV charging stations, and pre-paid consumers. Although the Ministry of Energy (MoE) requested to delay the KE FCA decision, citing workload and ongoing efforts to implement uniform FCAs nationwide, Nepra rejected the request due to lack of formal Cabinet approval or policy guidelines. Nepra emphasized that FCA proceedings cannot be indefinitely deferred without legal grounds and noted that the current framework permits monthly fuel cost adjustments. The Authority also reaffirmed its commitment to calculating individual Disco FCAs while moving toward a uniform national FCA regime as mandated by law. Concerns were raised during hearings about the high cost of furnace oil-based generation, and CPPA-G was instructed to manage inter-Disco settlements to reflect actual energy costs.

Remittances hit record \$38.3b

Source: Express Tribune

POSITIVE

Pakistan's worker remittances hit a record \$38.3 billion in FY25, up 27% year-on-year, despite an 8% month-on-month decline in June to \$3.41 billion due to post-Eid seasonality. This surge was driven by improved economic conditions in Gulf countries, the formalization of remittance channels under the SBP's Pakistan Remittance Initiative, and rising confidence in the financial system. Major growth came from Saudi Arabia, UAE, the UK, and EU nations, offsetting declines from the US and other developed countries. However, the June dip underscores the seasonal and volatile nature of inflows, with concentrated reliance on a few countries posing risks amid global uncertainties. Experts stress the need for Pakistan to diversify remittance sources, expand skilled labor exports, and further incentivize formal transfers to ensure sustainable and stable inflows.

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

Wall Street shakes off tariff concerns, Nvidia leaps to \$4trn

Source: Business Recorder

POSITIVE

Wall Street edged higher on Wednesday, driven by Nvidia's milestone achievement as the first company to reach a \$4 trillion market valuation, reinforcing its dominance in AI-related technology. The Dow rose slightly, while the S&P 500 and Nasdaq saw moderate gains, led by strength in tech and communication services. Despite former President Donald Trump's renewed tariff threats—including a 50% levy on copper and planned duties on semiconductors and pharmaceuticals—markets remained steady, with investors largely dismissing the rhetoric as part of a familiar pattern likely to soften before the August 1 implementation deadline. Analysts expect ongoing negotiations to ease trade tensions. Meanwhile, investor focus is shifting to upcoming U.S. jobless claims data and the Fed's June meeting minutes for clues on potential rate cuts, with the likelihood of a September reduction currently at 64%.

Sazgar reports sales growth in June as auto rickshaw, four-wheeler demand surges

Source: Profit Pakistan Today

POSITIVE

Sazgar Engineering Works Limited (PSX: SAZEW) reported robust sales growth in June 2025, with auto rickshaw sales rising 28% month-on-month and 34% year-on-year to 2,435 units, while four-wheeler sales surged 47% from May and 55% annually to 1,349 units. This strong performance reflects improving consumer demand, better financing access, and a stabilizing economic environment. However, production lagged behind sales: rickshaw output fell 24% from May but was up 7% year-on-year, while four-wheeler production dipped 6% monthly but rose 19% annually. Analysts view the sales rebound as a positive sign for Sazgar's recovery momentum amid supportive macroeconomic trends.

SBP selects PDs, SPDs for current fiscal year

Source: Business Recorder

NEUTRAL

The State Bank of Pakistan (SBP) has appointed Primary Dealers (PDs) and Special Purpose Primary Dealers (SPDs) for Fiscal Year 2025-26 following a selection process that began with applications on May 7, 2025. Ten institutions were chosen as Primary Dealers: United Bank Limited, Bank Alfalah Limited, National Bank of Pakistan, Habib Bank Limited, Habib Metropolitan Bank Limited, MCB Bank Limited, The Bank of Punjab, Pak Oman Investment Company Limited, JS Bank Limited, and Citi Bank N.A. Pakistan Branch. Additionally, Central Depository Company Limited and National Clearing Company of Pakistan were selected as Special Purpose Primary Dealers. The top three performing PDs for FY 2024-25 were United Bank Limited, Bank Alfalah Limited, and National Bank of Pakistan, with performance details for others to be communicated individually by SBP.

Strategy devised to stabilize sugar market

Source: Express Tribune

POSITIVE

To prevent a potential sugar shortage and curb price hikes, the government has announced immediate measures to stabilize the market and provide consumer relief. At a key meeting chaired by Federal Minister Rana Tanveer Hussain, the steering committee on sugar import decided that the Trading Corporation of Pakistan (TCP) will handle sugar imports to ensure transparency and quality control. All duties and taxes on sugar imports have been waived to keep prices affordable. Imports will occur in two phases: an initial tender for 200,000 metric tons, followed by another for 150,000 metric tons a week later. The sugar will be of premium coarse grain quality, with strict post-shipment inspections to maintain standards. The minister reaffirmed the government's commitment to fighting inflation and ensuring essential goods remain accessible to the public.

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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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