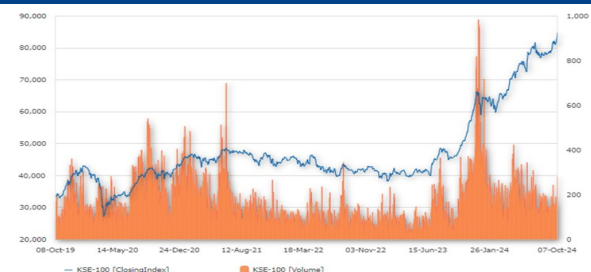


18 July, 2025

KSE -100 Volume



KSE -100 Index- Key Statistics

Open	136,379.96
High	138,943.47
Low	136,674.98
Closing	138,665.49
Change	2,285.53
Volume	299,278,059

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 (17-Jul-25)	(1.23)
Individuals (17-Jul-25)	(2.13)
Companies (17-Jul-25)	0.72
Banks/DFI (17-Jul-25)	(2.76)
NBFC (17-Jul-25)	(0.03)
Mutual Funds (17-Jul-25)	2.47
Other Organization (17-Jul-25)	0.29
Brokers (17-Jul-25)	2.03
Insurance Comp: (17-Jul-25)	0.64

Source: NCCPL

WE Financial Services Ltd.

TREC Holder - Pakistan Stock Exchange Ltd.
506-508 5th Floor, Pakistan Stock Exchange Building
Stock Exchange Road, Karachi-74000, Pakistan
Email: research@we.com.pk

Oil settles down; build in US fuel inventories offsets signs demand growing

Source: Reuters

NEUTRAL

Oil prices dipped slightly on Wednesday as rising U.S. fuel inventories and economic concerns tied to U.S. tariffs outweighed signs of stronger global demand. Brent crude settled at \$68.52 and U.S. West Texas Intermediate at \$66.38. U.S. gasoline and distillate stocks saw larger-than-expected builds, while crude inventories dropped more than forecast. Analysts noted disappointment over weakening gasoline demand during peak driving season. Meanwhile, global economic outlooks improved, with OPEC citing strength in China, India, and Brazil. Chinese refiners are boosting output, and Iraqi oil production has been disrupted by drone attacks. Tariff tensions and speculation over interest rate cuts are adding uncertainty to the market.

EU, Pakistan reaffirm commitment to implement 'Strategic Engagement Plan'

Source: Business Recorder

POSITIVE

The European Union and Pakistan reaffirmed their commitment to the 2019 Strategic Engagement Plan (SEP) during the 10th Political Dialogue held on July 17 in Brussels, aiming to deepen cooperation across all SEP areas. Both sides pledged continued collaboration under the GSP+ framework and highlighted progress in migration cooperation, planning a third Comprehensive Migration and Mobility Dialogue in 2025. They discussed regional and global issues, including Ukraine, Jammu and Kashmir, and Gaza, stressing peaceful conflict resolution, respect for international law, and support for a two-state solution in Palestine. Security cooperation, including counter-terrorism and counter-narcotics, was emphasized. The two parties agreed to hold the 7th Strategic Dialogue in 2025 and the next Political Dialogue in 2026 in Islamabad.

MENAAP Region: WB team due on 20th

Source: Business Recorder

POSITIVE

A World Bank delegation led by Husam Mohamed Beides, Practice Manager for Energy in the MENAAP region, will visit Pakistan from July 20-26, 2025, marking the country's recent transition into the MENAAP portfolio. The visit aims to introduce the team to local energy sector stakeholders and review the World Bank's ongoing energy projects. A second World Bank team will be in Pakistan from July 21-29, 2025, to prepare for Phase 1 of the Best-Pak program, which focuses on enhancing energy security through the installation of STATCOM technology by the National Grid Company (formerly NTDC). This initiative, the first large-scale STATCOM deployment in Pakistan, aims to improve voltage stability, enable reliable grid operations, and support renewable energy integration. The mission will consult with key stakeholders including ISMO, the Ministry of Energy, and the Ministry of Economic Affairs.

UAP Rail Project: Pakistan, Afghanistan, Uzbekistan sign framework deal

Source: Business Recorder

POSITIVE

Pakistan, Afghanistan, and Uzbekistan signed a Trilateral Framework Agreement in Kabul for a joint feasibility study of the Naibabad-Kharlachi rail link under the Uzbek-Afghan-Pak (UAP) Railway Corridor, marking a key step toward enhancing regional connectivity. Witnessed by Deputy Prime Minister and Foreign Minister Ishaq Dar and his Afghan and Uzbek counterparts, the agreement aims to link Central Asia with Pakistani seaports via Afghanistan, fostering regional trade, transit, and economic integration. Dar led a high-level Pakistani delegation to Kabul, where he also met with Afghan Prime Minister Mullah Muhammad Hassan Akhund and Acting Foreign Minister Amir Khan Muttaqi. Discussions focused on strengthening bilateral ties, advancing peace and security, and supporting regional development through trans-regional projects like the UAP Railway Corridor.

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

SBP-held foreign exchange reserves rise \$23mn, clock in at \$14.53bn

Source: Business Recorder

POSITIVE

As of July 11, 2025, Pakistan's foreign exchange reserves held by the State Bank of Pakistan (SBP) rose by \$23 million, reaching \$14.53 billion, according to SBP data released on Thursday. The country's total liquid foreign reserves stood at \$19.96 billion, with \$5.43 billion held by commercial banks. While the SBP did not specify the reason for this week's increase, the previous week saw a significant boost due to \$1.94 billion in foreign inflows, pushing total reserves past the \$20 billion mark for the first time in three years.

Auto loans rise for seventh month on low interest rates

Source: Dawn News

POSITIVE

Auto financing in Pakistan continued its upward trend for the seventh consecutive month, reaching Rs276.6 billion by the end of June 2025, up from Rs271.2 billion in May, driven largely by a significant cut in interest rates from 22% to 11% since June 2024. Despite this growth, outstanding car loans remain well below the June 2022 peak of Rs368 billion. While the recent imposition of the NEV adoption levy may dampen future demand, analysts remain divided on the outlook, with some expecting a slowdown due to pre-buying, while others foresee continued growth amid economic recovery. Car sales rose 43% year-on-year to 148,023 units in FY25, and are projected to surpass 217,000 units, though still below FY18's record high. Industry stakeholders are urging the SBP to raise the current Rs3 million auto loan cap to Rs6 million to support further growth. However, strict leasing terms and high down payments continue to pose challenges for consumers.

Pakistan has to repay over \$23bn external debt this year

Source: The News International

NEGATIVE

Pakistan faces external debt servicing obligations exceeding \$23 billion in the current fiscal year, including \$12 billion in foreign deposits—mainly from friendly countries like China, Saudi Arabia, the UAE, and Qatar—that Islamabad hopes to roll over. The remaining \$11 billion must be repaid to multilateral and bilateral creditors, bondholders, and commercial lenders. Notably, two Eurobond repayments totaling \$1.7 billion are due, with \$500 million maturing in September 2025. The overall public sector external debt obligation stands at \$15 billion, including \$4 billion in SAFE deposits from China, while the State Bank of Pakistan must cover an additional \$9 billion in repayments. With reduced inflation dampening nominal GDP growth, the debt-to-GDP ratio is expected to deteriorate. While plans to issue a Panda bond are underway, the issuance of Eurobonds or Sukuk bonds faces challenges due to high global interest rates, Pakistan's elevated risk premium, and domestic political uncertainty.

Diesel imports rise despite ample local supply

Source: The News International

NEGATIVE

Pakistan imported 2.03 million metric tonnes (MT) of high-speed diesel (HSD) in FY2024–25, up 200,000 MT from the previous year, prompting concerns from the oil industry over what they describe as "over-importing," given local refineries' capacity to meet 60–65% of demand. Imports peaked in December and spiked again in June after the Iran border closure due to regional tensions. Industry insiders allege that a specific oil marketing company (OMC) was allowed to import HSD despite adequate supply from Pakistan State Oil's (PSO) long-term contracts and sufficient domestic stocks. They claim that such decisions, sometimes made under regulatory pressure, led to storage overflows and reduced refinery operations. Although the Oil Companies Advisory Council (OCAC) does not oppose imports, its chairperson, Adil Khattak, stressed that they should align with actual demand, as required by Clause 35(G) of the Petroleum Rules. Investigations into the necessity of these imports are ongoing, with one committee's findings still pending.

WE Financial Services Ltd.

TREC Holder –Pakistan Stock Exchange Ltd.
506-508 5th Floor, Pakistan Stock Exchange Building
Stock Exchange Road, Karachi-74000, Pakistan
Email: research@we.com.pk

Analyst Certificate:

The Research Report is prepared by the research analyst at WE Financial Services Ltd. It includes analysis and views of our research team that precisely reflects the personal views and opinions of the analysts about the subject security(ies) or sector (or economy), and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. In addition, we currently do not have any interest (financial or otherwise) in the subject security(ies). The views expressed in this report are unbiased and independent opinions of the Research Analyst which accurately reflect his/her personal views about all of the subject companies/securities and no part of his/her compensation was, is or will be directly or indirectly related to the specific recommendations or views expressed in this report.

Disclaimer:

The Report is purely for information purposes and the opinions expressed in the Report are our current opinions as of the date of the Report and may be subject to change from time to time without notice. Past performance should not be taken as an indication or guarantee of future performance, and no representation or warranty, express or implied, is made regarding future performance. Information, opinions and estimates contained in this report reflect a judgment of its original date of publication by WE Financial Services Ltd. and are subject to change without notice. The price, value of and income from any of the securities or financial instruments mentioned in this report can fall as well as rise. The value of securities and financial instruments is subject to exchange rate fluctuation that may have a positive or adverse effect on the price or income of such securities or financial instruments. The information provided in the Report is from publicly available data, which we believe, are reliable.

This document does not constitute an offer or solicitation for the purchase or sale of any security. This publication is intended only for distribution to the clients of the Company who are assumed to be reasonably sophisticated investors that understand the risks involved in investing in equity securities. The information contained herein is based upon publicly available data and sources believed to be reliable. While every care was taken to ensure accuracy and objectivity, WE Financial Services Ltd. does not represent that it is accurate or complete and it should not be relied on as such. In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors. The information given in this document is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. WE Financial Services Ltd. reserves the right to make modifications and alterations to this statement as may be required from time to time. However, WE Financial Services Ltd. is under no obligation to update or keep the information current. WE Financial Services Ltd. is committed to providing independent and transparent recommendation to its client and would be happy to provide any information in response to specific client queries. Past performance is not necessarily a guide to future performance. This document is provided for assistance only and is not intended to be and must not alone be taken as the basis for any investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved) and should consult his or her own advisors to determine the merits and risks of such investment. WE Financial Services Ltd. or any of its affiliates shall not be in any way responsible for any loss or damage that may arise to any person from any inadvertent error in the information contained in this report.

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

Disclaimer: This document has been prepared by Research Analysts at WE Financial Services Ltd.