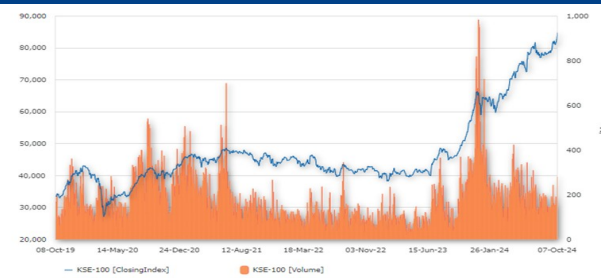


22 July, 2025

### KSE –100 Volume



### KSE –100 Index– Key Statistics

|         |             |
|---------|-------------|
| Open    | 138,597.36  |
| High    | 139,201.15  |
| Low     | 138,149.56  |
| Closing | 138,205.12  |
| Change  | (392.24)    |
| Volume  | 219,636,927 |

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 (21-Jul-25)               | (2.86) |
| Individuals (21-Jul-25)        | 3.36   |
| Companies (21-Jul-25)          | (0.61) |
| Banks/DFI (21-Jul-25)          | 0.68   |
| NBFC (21-Jul-25)               | (0.02) |
| Mutual Funds (21-Jul-25)       | 0.40   |
| Other Organization (21-Jul-25) | (0.53) |
| Brokers (21-Jul-25)            | 0.34   |
| Insurance Comp: (21-Jul-25)    | (0.74) |

Source: NCCPL

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

Source: Reuters News

NEUTRAL

Oil prices dipped slightly on Wednesday as a surprising rise in U.S. gasoline and distillate inventories, along with economic concerns linked to U.S. tariffs, overshadowed signs of increasing crude demand. Brent crude fell by 19 cents to \$68.52 per barrel, while U.S. West Texas Intermediate dropped 14 cents to \$66.38. The Energy Information Administration reported gasoline stocks rose by 3.4 million barrels and distillates by 4.2 million—both well above expectations—despite a larger-than-expected 3.9 million-barrel decline in crude inventories. Analysts attributed the inventory buildup to high refinery activity nearing 94% of capacity.

### 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, is visiting Pakistan from July 20–26, 2025, for introductory meetings following Pakistan's transition to the MENAAP region on July 1. The team aims to assess ongoing energy projects and support future development. Concurrently, another World Bank team will visit from July 21–29 to prepare for Phase 1 of the "Best-Pak" program, focused on boosting energy security through improved power transmission. This includes evaluating the installation of STATCOM technology by the National Grid Company to enhance voltage stability and integrate renewable energy. This would mark the first large-scale deployment of STATCOMs in Pakistan.

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

Source: Business Recorder

POSITIVE

Pakistan, Afghanistan, and Uzbekistan signed a Trilateral Framework Agreement in Kabul to launch a joint feasibility study for the Naibabad–Kharlachi rail link under the UAP (Uzbek–Afghan–Pak) Railway Corridor, marking a key step toward enhancing regional connectivity. Pakistan's Deputy Prime Minister and Foreign Minister Ishaq Dar, accompanied by a high-level delegation, attended the signing and held talks with Afghan leadership to reinforce bilateral ties. The UAP Railway Project aims to link Central Asian countries to Pakistani seaports via Afghanistan, promoting regional trade, transit, and economic integration. Dar's meetings with Afghan leaders also focused on deepening cooperation in peace, security, and trade, emphasizing the shared commitment to regional development and connectivity.

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

Source: Business Recorder

NEUTRAL

As of July 11, 2025, the State Bank of Pakistan's foreign exchange reserves rose by \$23 million to reach \$14.53 billion, according to data released Thursday. This brought the country's total liquid foreign reserves to \$19.96 billion, with \$5.43 billion held by commercial banks. While the SBP did not specify the reason for the weekly increase, it follows a significant \$1.94 billion inflow the previous week, which had pushed Pakistan's total reserves past the \$20 billion mark for the first time in three years.

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

Source: The News International

NEGATIVE

Pakistan faces over \$23 billion in external debt servicing obligations during the current fiscal year (FY2025–26), with about \$12 billion tied up in foreign deposits that authorities hope to roll over with help from friendly nations. The remaining \$11 billion must be repaid to multilateral institutions, bilateral lenders, international bondholders, and commercial creditors. Key repayments include a \$500 million Eurobond maturing in September 2025 and another \$1 billion Eurobond due in April 2026, along with \$2.3 billion in commercial loans and \$2.8 billion owed to multilateral lenders. Around \$9 billion of this debt is managed by the State Bank of Pakistan, including deposits from Saudi Arabia, the UAE, Qatar, and Kuwait. With a worsening debt-to-GDP ratio due to lower inflation and slower nominal growth, Pakistan's financing challenges are compounded by limited global market access, high interest rates, and domestic political instability, making new international bond issuance difficult despite plans for a Panda bond under consideration.

### 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

### Pakistan facing over Rs700bn tax fraud, NA's PAC body told

Source: The News International

NEGATIVE

FBR Chairman Rashid Langrial revealed that Pakistan is grappling with over Rs700 billion in tax fraud, primarily linked to widespread sales tax evasion, which he described as significantly higher than in other countries. Speaking before a sub-committee of the National Assembly's Public Accounts Committee, he acknowledged improvements in the tax system but admitted that completely eliminating sales tax fraud is unlikely. Langrial emphasized the need for stronger post-audit controls and harsher penalties to combat fake invoicing. He also noted that Rs200 billion was recovered last fiscal year through resolved tax litigation cases. Despite FBR gaining greater authority to tackle fraud, Langrial warned that repeatedly releasing arrested tax evaders weakens deterrence and risks perpetuating future fraud.

### Govt mulls delinking hydel profit from tariff

Source: Dawn News

NEUTRAL

The Power Division has strongly opposed shifting the burden of Rs170 billion in net hydel profit (NHP) arrears onto electricity consumers, instead advocating that these payments be made through the federal budget or from Wapda's own revenues. Arguing that increased tariffs could derail critical power sector reforms and undermine investor confidence, the division also rejected provincial demands—particularly from Khyber Pakhtunkhwa and Sindh—for the transfer of hydropower assets, asserting these are federal projects funded through public resources. Citing constitutional and legal complexities, the division contends that the current tariff-based NHP mechanism is unsustainable and outdated, especially since hydro now comprises just 27% of the power mix. A report submitted to the Council of Common Interests recommends revising the NHP methodology to reflect actual generation within provinces, recalculating shares, and allocating a portion to Wapda. Both the Power Division and Sindh have opposed using consumer tariffs or creating escrow accounts for NHP disbursements, stressing the need for a more equitable and fiscally responsible approach.

### Auto loans rise for seventh month on low interest rates

Source: Dawn News

POSITIVE

Auto financing in Pakistan rose for the seventh straight month, reaching Rs276.6 billion by June 2025, up from Rs271.2 billion in May, driven by a steep drop in interest rates from 22% to 11% since June 2024. While still below the June 2022 peak of Rs368 billion, the revival reflects improved consumer demand, though rising car prices due to the new NEV adoption levy may slow future growth. Industry experts are divided on short-term trends, with some expecting a temporary slowdown and others projecting continued expansion supported by low borrowing costs and economic recovery. Car sales surged 43% year-on-year in FY25, with Topline Securities forecasting total sales to reach 217,000 units, up 31% from FY24. Despite this rebound, sales remain well below the FY18 peak, and growth for FY26 and FY27 is expected to continue modestly. Auto assemblers are urging the SBP to raise the Rs3 million loan cap to Rs6 million to sustain momentum, though high down payments and short loan tenures remain hurdles for many buyers.

### Medium- and small-scale agri activities: PM for easy lending policy

Source: Business Recorder

POSITIVE

Prime Minister Shehbaz Sharif has called for urgent and bold measures to revive Pakistan's agricultural sector, focusing on providing easy loans and advanced technology to small and medium farmers, especially those owning less than 12 acres. During a high-level review meeting, he directed officials to develop a comprehensive plan by the end of July to facilitate farmers' access to modern equipment, AI technologies, quality seeds, and small-scale industrial machinery for value addition and export readiness. Emphasizing agriculture's vital role in national development, Sharif highlighted ongoing reforms to enhance water management, processing capabilities, and training to boost exports. The meeting included top government officials and the State Bank Governor, with a strong push towards modernizing agri-financing systems to support farmers with affordable credit on easier terms.

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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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