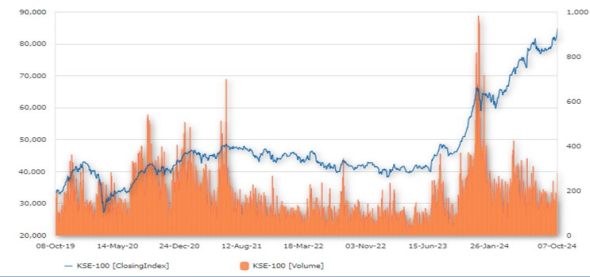


23 July, 2025

### KSE -100 Volume



### KSE -100 Index- Key Statistics

Open	138,205.12
High	139,901.77
Low	138,197.81
Closing	139,419.61
Change	1,202.03
Volume	245,773,858

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 (22-Jul-25)	(1.32)
Individuals (22-Jul-25)	1.77
Companies (22-Jul-25)	0.19
Banks/DFI (22-Jul-25)	(2.32)
NBFC (22-Jul-25)	(0.10)
Mutual Funds (22-Jul-25)	5.99
Other Organization (22-Jul-25)	(6.33)
Brokers (22-Jul-25)	0.88
Insurance Comp: (22-Jul-25)	1.23

Source: NCCPL

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### Experts warn subsidy cuts could slow remittances

Source: The News International

NEGATIVE

The Pakistani government's reduction of remittance-related subsidies, including eliminating funding for the Pakistan Remittance Initiative (PRI) in FY26, has raised concerns that official remittance inflows could decline, potentially shifting more transactions to informal channels. Experts stress the need for direct incentives to remitters, digitalisation, and affordable payment systems to maintain flows through formal banking channels. While critics argue that subsidies disproportionately benefit banks, financial institutions defend the high costs of maintaining official channels. Recent changes to the Telegraphic Transfer rebate structure and growing concerns over circular debt further complicate the issue. Despite these challenges, experts believe that with strong governance, macroeconomic stability, and continued efforts to formalise the economy, remittance flows—vital to Pakistan's current account and foreign exchange reserves—could remain robust, with FY26 projections ranging from \$35 billion to \$41 billion.

### \$10b UAE trade attracts private sector

Source: Express Tribune

POSITIVE

Bilateral trade between Pakistan and the UAE surged to \$10.1 billion in FY25, reflecting a 20.24% year-on-year increase and signaling a revival in economic ties, though the trade balance remains heavily tilted in the UAE's favor. While Pakistan's exports stayed flat at \$2.1 billion, imports from the UAE rose to nearly \$8 billion. The renewed momentum in relations was underscored by the revival of the Pakistan-UAE Joint Ministerial Commission after 13 years, with discussions spanning trade, energy, IT, and manpower. Experts advocate for extending visa exemptions to genuine investors and improving business facilitation to attract UAE investments, especially in renewable energy, logistics, and fintech. With the UAE already a top trading partner and second-largest remittance source for Pakistan (\$7.83 billion in FY25), analysts believe bilateral trade could double within five years through customs harmonisation, reduced red tape, and strengthened private-sector partnerships.

### Pakistan-Vietnam trade to hit \$1 billion, with goal of \$10 billion set for the future

Source: Profit Pakistan

POSITIVE

Vietnam's Ambassador to Pakistan, Pham Anh Tuan, announced that bilateral trade between the two nations is approaching \$1 billion, with a long-term goal of reaching \$10 billion, reflecting both countries' commitment to a comprehensive economic partnership. Trade between Pakistan and Vietnam rose to \$850 million in 2024, with Pakistan exporting goods like cereals, cotton, leather, and pharmaceuticals, while importing electronics, coffee, and synthetic materials from Vietnam. Both sides see strong potential due to their complementary economies and have identified key sectors for cooperation, including textiles, agriculture, IT, and energy. The 5th Pakistan-Vietnam Joint Trade Committee meeting in July 2025 marked renewed engagement, with plans to initiate Preferential Trade Agreement (PTA) talks within the year. Both nations aim to deepen trade ties through regular dialogue, institutional collaboration, and improved market access.

### Pakistan receives \$5bn external financing in June

Source: Mettis Global

POSITIVE

In June 2025, Pakistan secured \$5.13 billion in external financing—six times higher than the previous month and double the amount from June 2024—bringing the total for FY25 to \$11.66 billion, well short of the \$19.39 billion target. According to the Economic Affairs Division, this financing included \$1.43 billion in loans and \$44.97 million in grants. While multilateral and bilateral lenders disbursed \$1.58 billion in June and \$5.44 billion throughout FY25, commercial borrowing reached only \$1.92 billion via the Naya Pakistan Certificate, with no funds secured from foreign commercial banks despite a \$3.78 billion target. Notably, \$4.7 billion of June's inflows were non-project loans for budgetary support, contributing to \$8.6 billion in such support during the fiscal year. Despite the improvement in foreign exchange reserves, the overall inflows remained significantly below expectations, reflecting persistent challenges in meeting external financing goals.

### 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

### Task force trying to resolve gas sector issues

Source: The News International

POSITIVE

After finalizing a Rs1,275 billion bank borrowing plan to address circular debt in the power sector—recovered via a Rs3.23/unit surcharge—the government’s Task Force on Power has shifted focus to resolving the gas sector’s Rs2,800 billion circular debt. Officials propose similar measures, including imposing a Special Petroleum Levy of Rs3–10 per litre and increasing gas tariffs. The levy would help repay commercial loans over 6–7 years, while the existing Rs160 billion cross-subsidy for protected consumers will be phased out by December 2026 under IMF commitments, further necessitating price hikes. Of the Rs2,800 billion debt, Rs2,000 billion is principal and Rs800 billion is in Late Payment Surcharge (LPS); part of the LPS may be waived internally, with the remainder paid directly. The average gas cost is Rs1,890/MMBtu, and officials note that charging all users uniformly could prevent future debt but may be politically difficult. The task force is also evaluating structural reforms, including unbundling gas utilities and possibly privatizing segments to prevent debt reaccumulation.

### Denmark to launch 3-year SSC programme with Pak power sector

Source: Business Recorder

POSITIVE

Denmark will launch a new three-year Strategic Sector Cooperation (SSC) program with Pakistan’s power sector starting January 1, 2026, aimed at enhancing the technical capacity of key national energy institutions. Led by the Danish Energy Agency, the initiative will focus on long-term energy planning, renewable energy integration, and industrial energy efficiency to support Pakistan’s transition to a more sustainable energy system. In preparation, a high-level Danish delegation will visit Pakistan from August 18–22, 2025, to engage with energy stakeholders and understand recent institutional reforms, including the unbundling of the NTDC into the NGC, ISMO, and EIDMC—who are identified as key SSC partners. These meetings will help shape future training and cooperation efforts under the program.

### Agritech Limited Urea Plant shuts down for repairs due to technical issue

Source: Profit Pakistan

NEGATIVE

Agritech Limited (PSX: AGL) has announced an immediate shutdown of its Urea Plant due to a technical issue, halting production for at least five days while repairs are conducted. The company disclosed the development in a filing to the Pakistan Stock Exchange. Agritech, a key producer of Urea and Granulated Single Super Phosphate fertiliser in Pakistan since its founding in 1959, recently merged with Fauji Fertilizer Bin Qasim Limited (FFBL). The merger is expected to enhance operational efficiency and strengthen the company’s position in the agricultural and fertiliser sectors.

### SECP grants first-ever digital-only non-life insurance licence

Source: Business Recorder

POSITIVE

The Securities and Exchange Commission of Pakistan (SECP) has granted the country’s first digital-only non-life insurance license to Digi Insurance Limited, marking a major milestone in the digital transformation of Pakistan’s insurance sector. Operating entirely through digital channels, Digi Insurance will manage policy issuance, customer onboarding, and claims processing without any physical branches—enabling cost efficiency and greater accessibility, especially for underserved populations. Issued under SECP’s progressive regulatory framework, the move reflects the regulator’s commitment to financial inclusion and innovation. This approval is expected to spur competition, enhance service delivery, and accelerate tech-driven growth across the insurance industry.

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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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