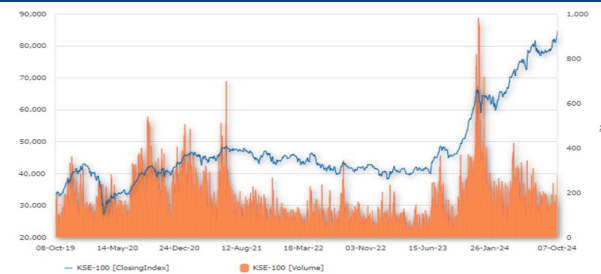


24 July, 2025

KSE -100 Volume



KSE -100 Index- Key Statistics

Open	139,419.61
High	140,202.17
Low	139,105.05
Closing	139,254.35
Change	(165.26)
Volume	193,415,774

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 (23-Jul-25)	(1.15)
Individuals (23-Jul-25)	(2.06)
Companies (23-Jul-25)	1.23
Banks/DFI (23-Jul-25)	7.57
NBFC (23-Jul-25)	0.04
Mutual Funds (23-Jul-25)	(7.02)
Other Organization (23-Jul-25)	(1.48)
Brokers (23-Jul-25)	1.00
Insurance Comp: (23-Jul-25)	1.88

Source: NCCPL

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Oil prices climb on US trade optimism, drop in crude stockpiles

Source: Reuters

NEGATIVE

Oil prices rose on Thursday, supported by optimism surrounding U.S. trade negotiations that could ease global economic pressure and by a larger-than-expected drop in U.S. crude inventories. Brent crude increased to \$68.75 a barrel, while U.S. WTI rose to \$65.50. Markets were encouraged by the recent U.S.-Japan tariff deal and signs of progress in U.S.-EU trade talks, though uncertainty over U.S.-China relations and Ukraine-Russia peace efforts capped further gains. U.S. crude stocks fell by 3.2 million barrels, exceeding forecasts. Meanwhile, geopolitical tensions remained high, with limited progress in Ukraine-Russia talks and disruptions to oil exports from Russia's Black Sea ports amid tightening Western sanctions.

ADB revises Pakistan's FY25 growth to 2.7pc

Source: The News International

POSITIVE

The Asian Development Bank (ADB) has revised Pakistan's GDP growth forecast for FY2025 upward to 2.7% from 2.5%, citing stronger-than-expected performance in the industrial and services sectors, despite an anticipated decline in agriculture. The FY2026 growth estimate remains at 3.0%. Inflation for FY2025 was also revised downward due to a quicker drop in food and non-food prices, while the FY2026 inflation outlook is unchanged. Regionally, South Asia's growth forecast for 2025 was slightly lowered to 5.9% due to policy uncertainty and trade disruptions tied to rising U.S. tariffs. The ADB cautioned that risks such as escalating trade tensions and geopolitical conflicts could further weaken economic prospects for Asia and the Pacific, urging continued efforts toward economic stability and regional cooperation.

T-bill yields fall on rate cut expectations

Source: The News International

POSITIVE

Yields on Market Treasury Bills (T-bills) in Pakistan dropped on Wednesday as investors anticipated a modest interest rate cut by the State Bank of Pakistan (SBP) in its upcoming policy meeting. The one-month T-bill yield fell by 39 basis points to 10.85%, with similar declines in the three-, six-, and 12-month papers. The government raised Rs424 billion—more than double its Rs200 billion target—amid expectations of continued single-digit inflation, a stable external account, strong remittances, and consistent foreign inflows. The SBP had kept the policy rate at 11% in June, but analysts now expect a 50-basis-point cut, citing room for monetary easing due to a projected FY26 inflation average of 5–7%. Annual inflation fell sharply to 4.49% in FY2024-25 from 23.41% the previous year, driven by a high base effect and lower food and transport prices. A market poll showed that 56% of participants anticipate a 50–100 bps rate cut, while 37% foresee no change.

PM orders removing bottlenecks in privatization of SOEs

Source: The News International

POSITIVE

Prime Minister Shehbaz Sharif has directed that the Privatization Commission be granted full legal autonomy to streamline the denationalization of state-owned enterprises (SOEs), emphasizing transparency, expert consultation, and adherence to international standards. He stressed that privatization of loss-making SOEs is crucial for economic recovery and instructed that phased targets be aligned with economic conditions to avoid losses. During a separate meeting with UK High Commissioner Jane Marriott, the PM expressed appreciation for the UK's role in easing Pakistan-India tensions and reaffirmed Pakistan's willingness for dialogue with India. He also chaired a review on Federal Board of Revenue (FBR) reforms, calling for a digitized, sustainable tax system with increased enforcement and stakeholder engagement. The reforms led to a record 1.5% increase in the tax-to-GDP ratio and a rise in tax filers to 7.2 million. Additionally, the PM ordered expedited rescue and relief operations in flood-hit areas, prioritizing road rehabilitation and health safety for stranded passengers.

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

NTDC's split into new entities: World Bank seeks amendments to project agreements

Source: Business Recorder

NEUTRAL

The World Bank has requested formal amendments to project agreements for the National Transmission Modernization I Project to reflect the restructuring of the National Transmission and Dispatch Company (NTDC) into three new entities: the Independent System Market Operator, the National Grid Company of Pakistan, and the Energy Infrastructure and Development Management Company. In its latest review, the Bank rated the project's progress as "Moderately Satisfactory," noting that most components are on track for completion by end-2025, except the Islamabad West Substation (IWS), now scheduled for November 2026. The project's overall closing date has been extended to December 31, 2026, with no further extensions likely. Key issues include delays in contract finalizations, pending compensation payments, and limited coordination among stakeholders. The Bank emphasized the need for consistent communication, timely contract renewals, and resolution of right-of-way issues, while also commending resumed work at previously stalled sites in Balochistan. The ERP system rollout continues steadily, with full implementation expected by December 2025.

Pakistan, Afghanistan strike trade deal

Source: Express Tribune

POSITIVE

Pakistan and Afghanistan signed a one-year Preferential Trade Agreement (PTA) on Wednesday, set to take effect on August 1, 2025, aimed at boosting bilateral trade through significant tariff reductions on selected agricultural products. Under the Early Harvest Programme, both countries will cut tariffs—currently over 60%—to as low as 22% on key exports. Pakistan will reduce duties on Afghan tomatoes, grapes, apples, and pomegranates, while Afghanistan will slash tariffs on Pakistani potatoes, kinnows, bananas, and mangoes. The agreement, signed by Afghanistan's Deputy Minister of Industry and Commerce and Pakistan's Commerce Secretary, marks a rare diplomatic breakthrough amid strained ties over the Tehreek-e-Taliban Pakistan (TTP) issue. Both sides agreed to implement reciprocal concessions and establish a joint committee to monitor and review progress monthly. The PTA may be extended beyond its initial term through mutual consent.

Production capacity boost: Haleon plans to ramp up investment in Pakistan

Source: Business Recorder

POSITIVE

Haleon, a global leader in consumer health, has announced a \$12 million investment to expand its operations in Pakistan, primarily to boost the annual production of Panadol to 8 billion tablets at its Jamshoro facility, ensuring consistent local supply amid rising demand. CEO Qawi Naseer highlighted that the demerger from GSK in 2022 allowed Haleon to focus on local investment, innovation, and healthcare accessibility. The company is also targeting export growth to 19 countries within 12–18 months, with plans to generate 10% of total sales from exports. While awaiting regulatory approvals for broader expansion, Haleon is exploring local sourcing partnerships for Active Pharmaceutical Ingredients (APIs) and advocating for long-term, stable economic policies to attract investment. Naseer expressed concern over the new 18% e-commerce sales tax, warning it could hinder access to OTC products like Panadol and Centrum. Haleon has also deepened its CSR efforts, promoting self-care, preventive healthcare, and health equity through partnerships with organizations like UNICEF, TCF, and Smile Train. Environmentally, the company is enhancing its solar capacity and waste composting to support sustainability goals.

Sugar price hike: PAC unhappy with FBR, ministry's briefings

Source: Business Recorder

NEGATIVE

The Public Accounts Committee (PAC) expressed dissatisfaction with the briefings from the Federal Board of Revenue (FBR) and the Ministry of Food Security regarding the recent surge in sugar prices, currently at Rs 183 per kg nationwide. During a session chaired by Junaid Akbar, PAC members scrutinized the handling of sugar availability and pricing, demanding detailed information on the government's decision to import 500,000 tons of sugar—300,000 tons of which will now be brought in. FBR Chairman Rashid Langrial clarified that decisions on food imports are made by the cabinet, not the FBR, which only implements directives. As part of the import facilitation, the government has slashed customs duty from 20% and reduced the sales tax and advance tax on sugar imports to 0.25%.

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Stock Ratings

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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