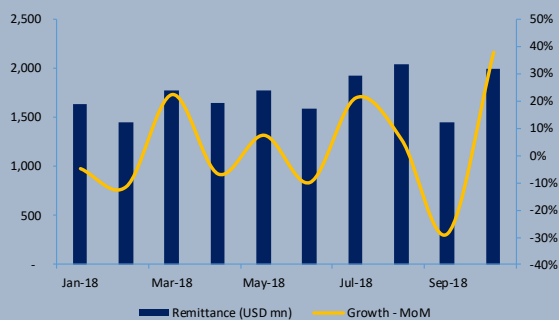


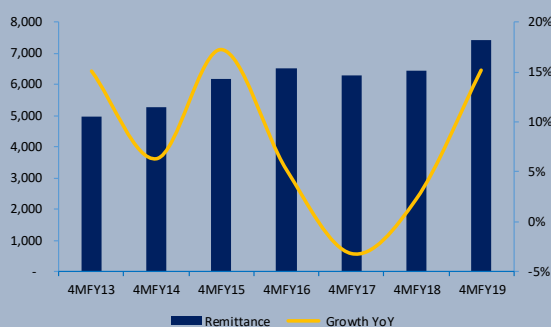
November 14, 2018

#### Monthly Remittances



Source: SBP & WE Research

#### Remittance Trend



Source: SBP & WE Research

- As per the data compiled by SBP, remittance registered a tremendous growth of 38% MoM in Oct'18 to record at USD 2,000 million vs USD 1,452 million last month. This immense growth attributed to low base effect as inflows in Sep'18 had witnessed 29% declined due to Eid. On YoY basis, remittance surged by 21% while cumulatively it improved by 15% YoY to clock in at USD 7,420 million as opposed to USD 6,444 million on the back of 19% YoY rupee devaluation during 4MFY19.
- During 4MFY19, highest growth in remittance noted from USA jumped by 35% YoY clocking at PKR 1,137 vs PKR 842 SPLY, followed by UK (+16%YoY) on account of improved economic health depicting by lower unemployment rate in USA (3.7%) and UK (4%) and rupee devaluation. While, remittances from UAE grew by 14%YoY trailed by EU (+6%YoY), Saudi Arabia (+4%YoY) and GCC (-3%YoY).
- During 4MFY19, Saudi Arabia outshined by contributing 24% of total remittance, followed by UAE (22%), USA (15%), UK (14%) GCC (10%) and EU (3%).
- On MoM basis, USA and Saudi Arabia reported a fall of 2ppts & 3ppts to reach at 15% and 25% contribution during Oct'18 respectively. On the other hand, UK and GCC posted shrank by 1ppts each to arrive at 15% & 10%, while EU registered a flat growth in contribution clocking at 3%.
- Keeping in mind 4MFY19 growth, rupee devaluation and renewed confidence of overseas Pakistanis, we expect the worker's remittance will meet target of USD 20 -21 billion for FY19 set by SBP.

#### Major Countries/Regions Wise Remittances

(Source: SBP & WE Research)

	Oct-18	Oct-17	YoY	Sep-18	MoM	4MFY19	4MFY18	YoY
Total	2,000	1,654	21%	1,452	38%	7,420	6,444	15%
USA	309	216	43%	231	34%	1,137	842	35%
UK	299	270	10%	203	47%	1,058	914	16%
S.A	495	461	7%	360	37%	1,758	1,689	4%
UAE	412	334	24%	301	37%	1,608	1,411	14%
Other GCC	198	185	7%	134	48%	725	748	-3%
EU Countries	57	51	12%	41	40%	223	211	6%

#### Contribution By Major Countries

(Source: SBP & WE Research)

	Oct-18	Oct-17	Sep-18	4MFY19	4MFY18
Total	100%	100%	100%	100%	100%
USA	15%	13%	16%	15%	13%
UK	15%	16%	14%	14%	14%
Saudi Arabia	25%	28%	25%	24%	26%
UAE	21%	20%	21%	22%	22%
Other GCC	10%	11%	9%	10%	12%
EU Countries	3%	3%	3%	3%	3%

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## Analyst Certificate:

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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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