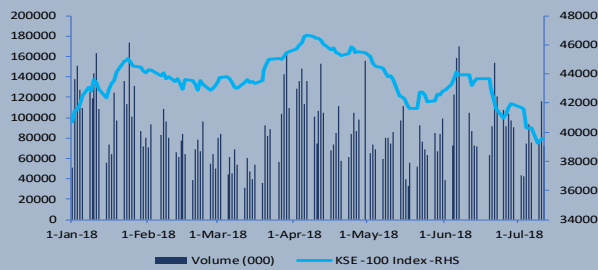


October 11, 2018

KSE -100 Index



Source: PSX & WE Research

KSE -100 Index- Key Statistics

Open	38,504.84
High	38,830.43
Low	37,894.09
Closing	38,792.09
Change	+287.25
Volume	112,571,180

Source: PSX

Key Economic Data

Reserves (19-Sept-2018)	\$15.52bn
Inflation CPI (Jul-18-Sep-18)	5.60%
Exports - (Aug-2018)	\$2.54bn
Imports - (Aug-2018)	\$5.18bn
Trade Balance- (Aug-2018)	\$(2.64bn)
Current A/C- (Aug-2018)	\$(600 mln)
Remittance - (Aug-2018)	\$2.04bn
Target GDP FY19	6.2%

Source: SBP

FIPI/LIPI (USD Million)

FIPI (10-Oct-2018)	1.04
Individuals (10-Oct-2018)	(1.44)
Companies (10-Oct-2018)	(0.66)
Banks/DFI (10-Oct-2018)	(0.66)
NBFC (10-Oct-2018)	(0.00)
Mutual Funds (10-Oct-2018)	1.05
Other Organization (10-Oct-2018)	1.14
Brokers (10-Oct-2018)	0.05
Insurance Comp: (10-Oct-2018)	(0.53)

Source: NCCPL

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Trade deficit narrows to \$8.9b in first quarter

Source: Tribune Express

POSITIVE

Despite giving huge concessions to exporters at a critical time, Pakistan's exports totaled only \$5.4 billion in first quarter of the current fiscal year, but the trade deficit contracted to \$8.9 billion following a flat growth in imports. A 4.6% rise in exports was far lower than expectations, but the deficit was driven down by the stagnation in imports that stood at \$14.3 billion in the July-September quarter of 2018-19, showed statistics released by the Pakistan Bureau of Statistics (PBS) on Wednesday. The trade deficit of \$8.9 billion was 1.6% or \$145-million lower than the deficit recorded in the corresponding quarter of previous fiscal year. Exports in July-September increased 4.6% to \$5.4 billion. In absolute terms, the export receipts rose \$234 million.

Remittances up 13pc to \$5.4bn

Source: Dawn News

POSITIVE

The country received 13 per cent more remittances in the first quarter of the current fiscal, indicating inflows were higher from almost all sources except the Gulf Cooperation Council (GCC) countries. Overseas Pakistanis remitted \$5.419 billion in the first quarter of FY19; 13.14pc higher than the same period of last year. However, according to a State Bank's report issued on Wednesday, remittances in September dropped to \$1.452bn compared to \$2.03bn in August.

Moody's warns Pakistan on high debt refinancing

Source: The News

NEGATIVE

Pakistan is likely to face high refinancing cost for its international bonds maturing over the next two years that would increase the country's debt burden, ratings agency Moody's said on Wednesday. Moody's Investors Service said international bonds issued by frontier market governments in Asia Pacific and Africa are coming due over the next two years in a tighter refinancing environment. Pakistan tops the countries that "will prove the most exposed to more costly debt financing as (its) international sovereign bonds mature in 2019 and 2020," Moody's said in a report titled 'Sovereigns — Frontier markets: Maturing international bonds contribute to exposure to financing risks'. "If the tighter financing conditions are pronounced and sustained, such a situation would weaken the debt affordability for these countries, and raise their debt burden, especially if local currencies depreciate," the ratings agency said.

Water shortage to affect cotton yield adversely in Punjab, Sindh

Source: The Nation

NEUTRAL

Due to shortage of water during Kharif season, Punjab could miss over 15 percent while Sindh could have 32 per cent lesser yield of cotton, Senate Standing Committee on Food Security was told on Wednesday. The committee was informed that extraordinary shortage of water during Kharif season had adversely affected cotton sowing. However, Punjab achieved 85 percent of the target and Sindh achieved 68 percent of the target.

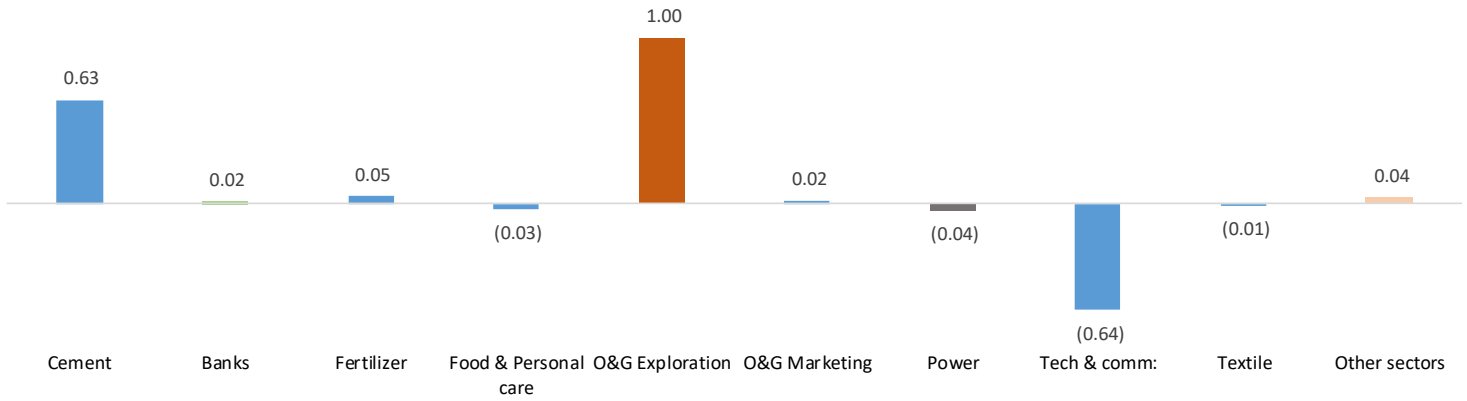
Cars sales witness nominal increase of 1.13pc in three months

Source: Nation

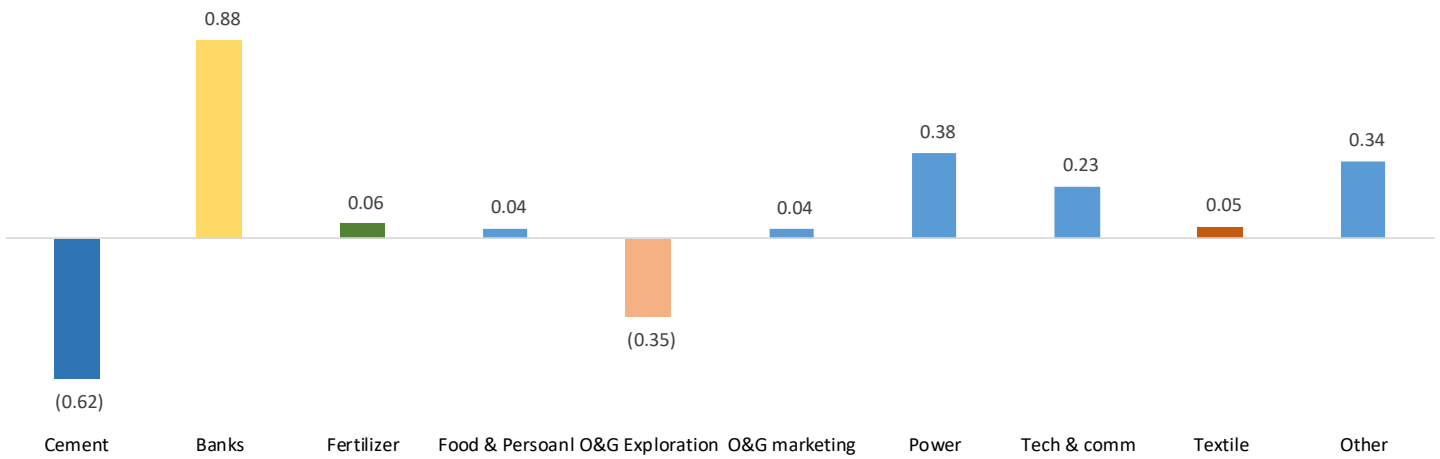
NEUTRAL

Sale of cars in the country during first quarter of current fiscal year (2018-19) increased by 1.13 percent to 51,221 units against the sale of 50,640 units in same period of previous year. According to a data issued by Pakistan Automobile Manufacturers Association (PAMA) on Wednesday, as many as 12,161 units of Honda (Civic & City) were sold in the country during July-September 2018-19 as compared to the sale of 10,534 units during same month of previous year, thus showing an increase of 15.44 percent. Toyota Corolla cars' sale also witnessed growth of 3.37 per cent as it rose to 13,196 units in the period under review from 12,765 units in first three months of the year 2017-18.

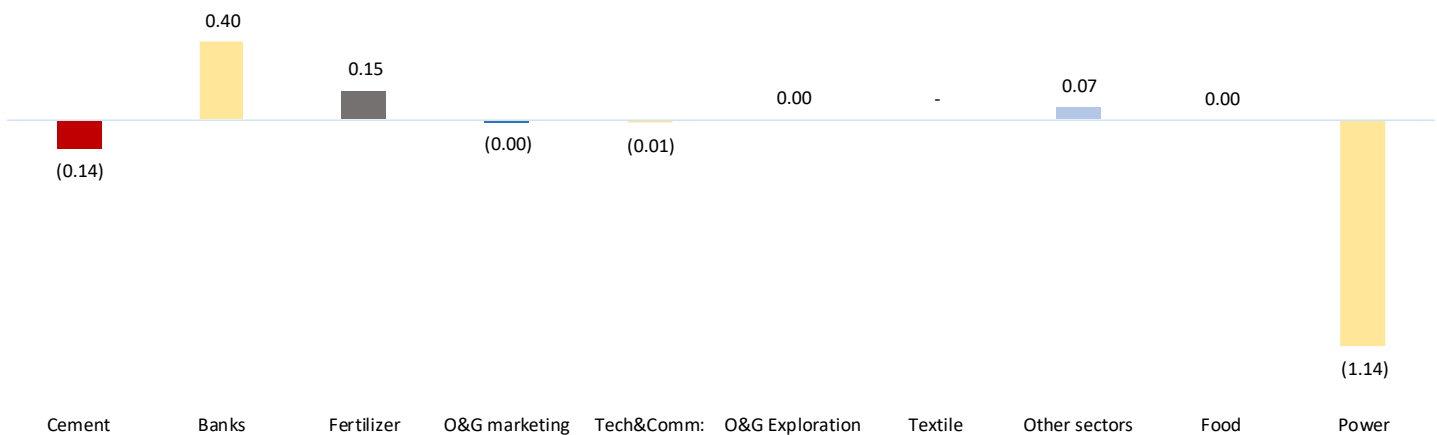
FII Sector Wise USD (Mil)



Mutual Funds Sector Wise USD (Mil)



Banks/DFIs Sector Wise USD (Mil)



Source: NCCPL

Analyst Certificate:

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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

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