

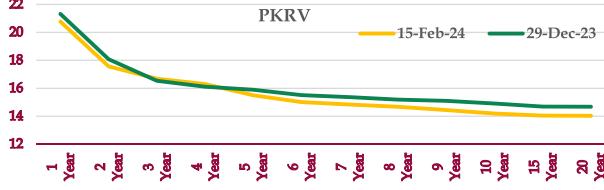


Pak-Qatar Asset Management Company Limited

Keynote February 15, 2024

PAK-QATAR
ASSET MANAGEMENT



| Market Summary | | | | | | KSE100 Index Top Ten Sector Details (on Free Float Market Capitalization) | | | | | |
|--|-----------|----------|----------|----------|----------|---|---|------------------|-----------------------------|------------------------------|---------------------------|
| | 15-Feb-24 | MTD | 30days | 90days | FYTD | CYTD | SECTORS | Index Weight (%) | Current Market Cap (PKR'Bn) | Previous Market Cap (PKR'Bn) | Change (%) in Market Cap. |
| KSE100 | 61,020 | -1.33% | -4.3% | 6.9% | 47.2% | -2.3% | COMMERCIAL BANKS | 17 | 493 | 489 | 0.76 |
| KMI30 | 100,992 | -2.47% | -6.0% | 3.2% | 42.7% | -3.6% | FERTILIZER | 7 | 260 | 261 | (0.13) |
| KMIAII | 30,002 | -1.24% | -4.8% | 5.7% | 46.7% | -2.1% | OIL & GAS EXPLORATION COMPANIES | 13 | 257 | 281 | (8.54) |
| Global Markets | | | | | | | CEMENT | 5 | 156 | 161 | (2.61) |
| UK | 7,598 | 0.9% | -0.5% | -1.2% | -0.9% | 1.8% | CHEMICAL | 5 | 53 | 53 | (1.08) |
| USA | 15,906 | -2.5% | -6.0% | -11.2% | -13.3% | -5.6% | OIL & GAS MARKETING COMPANIES | 2 | 68 | 73 | (6.64) |
| China | 2,866 | -1.2% | 1.0% | 6.6% | 11.7% | 3.8% | PHARMACEUTICALS | 2 | 42 | 42 | 0.71 |
| Japan | 38,158 | -5.5% | -6.7% | -12.0% | -13.0% | -12.3% | Commentary | | | | |
| India | 71,836 | -1.0% | 1.8% | -8.4% | -9.9% | 0.6% | The country's GDP, signaling a positive upturn in the initial quarter of FY2024. The real sector's indicators are showing positive trends. Specifically in agriculture, wheat cultivation has surpassed the target by 1.8 percent during the Rabi season of 2023-24. Projections suggest this positive trajectory will persist into the second quarter. Although Consumer Price Index (CPI) delivered an inflation figure of 28.3% with a severe impact of gas and electricity charges, food inflation being passed on end to consumers. In a positive trend the PKR: USD exchange rate has stabilized, indicating a favorable trend, especially with the notable increase in remittances on a year-on-year basis. Foreign Exchange Reserves showed stability with on a fortnightly basis with Central Bank reserves at \$8.2 billion while total banking foreign exchange reserves at \$5.0 billion. The current account deficit improved amid a stable trade balance of \$831 million, showing an improvement from \$3.6 billion last year, resulting in a trade deficit of \$9.9 billion compared to \$15.4 billion last year. The interim government is focused on meeting IMF requirements by maintaining enough foreign reserves, adjusting gas prices, and stabilizing banking rates. Expect tough decisions to tackle the current account deficit and inflation, including adherence to the IMF program and fiscal deficit containment. Interest rates may remain high temporarily. Privatization efforts will be prioritized, with a focus on attracting foreign direct investment. Reconciliation and continuity of policies under the IMF program will characterize the approach, alongside efforts to build international relations and introduce agricultural reforms while maintaining a populist stance. | | | | |
| Portfolio Investments (USD mn) | | | | | | | Economic Review | | | | |
| | 7 days | 30 days | 90 days | 365days | FYTD | CYTD | During fortnightly period KSE 100 shrunk by -1.33% while KMI 30 also generated a negative return of -2.47%. Notably sectors like Oil and Gas Exploration companies, Cement, Oil& Gas Marketing Companies and Chemicals faced downward trends, contrasting with the positive trajectory witnessed in the commercial banks and Pharmaceuticals. Central bank endorsed stable policy rate; market participants entered stable mode with expectation of peaked interest rate cycle. Noteworthy outperformers during the (MTD) period within the KMI30 index included MTL, EFERT, MEBL, DRC, TPLP, attracting heightened trading prices. Conversely, APL, PSO, DGKC, OGDC and NRL experienced a discernible downturn in trading volume. | | | | |
| | FY20 | FY21 | FY22 | FY23 | 15-Feb | | | | | | |
| Policy Rate | 15-Feb-24 | 7.0% | 7.0% | 13.8% | 22.0% | 22.0% | | | | | |
| 1yr KIBOR | 15-Feb-24 | 7.4% | 8.1% | 15.7% | 23.3% | 21.2% | | | | | |
| Inflation | Oct End | 7.8% | 9.8% | 21.3% | 29.4% | 28.3% | | | | | |
| PKR USD* | 15-Feb-24 | 168.2 | 157.3 | 204.8 | 286.0 | 279.20 | | | | | |
| Key Economic Figures | | | | | | | Stock Market Review | | | | |
| | FY20 | FY21 | FY22 | FY23 | FY24-TD | | | | | | |
| Imports | USD'mn | 46,417 | 56,380 | 72,048 | 51,979 | 25,241 | | | | | |
| Exports | USD'mn | 23,462 | 25,304 | 32,450 | 27,903 | 15,289 | | | | | |
| Trade Deficit | USD'mn | (22,955) | (31,076) | (39,598) | (24,076) | (9,952) | | | | | |
| Remittances | USD'mn | 23,131 | 29,370 | 31,238 | 27,028 | 15,832 | | | | | |
| FX Reserves | USD'mn | 18,886 | 24,398 | 15,742 | 9,181 | 13,149 | | | | | |
| PKRV Rates (change in bps) | | | | | | | | | | | |
| | Rate % | 15day Δ | 1m Δ | 3m Δ | 6m Δ | 12m Δ | | | | | |
| PKRV 1Y | 20.77 | (3) | 33 | (8) | (225) | 253 | | | | | |
| PKRV 3Y | 16.69 | (4) | 36 | 9 | (305) | (48) | | | | | |
| PKRV 5Y | 15.50 | 3 | (6) | (12) | (125) | (3) | | | | | |
| PKRV 10Y | 14.19 | 1 | (59) | (68) | (193) | (49) | | | | | |
| PKRV 20Y | 14.03 | - | (55) | (69) | (134) | (47) | | | | | |
| *Inter Bank Rate | | | | | | | | | | | |
| 15-Feb-24 | | | | | | | | | | | |
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