

INVESTOR'S OUTLOOK

September 30, 2024



Pak-Qatar Asset Management Company Limited

Keynote September 30, 2024

PAK-QATAR
ASSET MANAGEMENT



Market Summary

	30-Sep-24	MTD	30days	90days	FYTD	CYTD
KSE100	81,114	3.35%	3.3%	2.0%	3.4%	29.9%
KMI30	124,751	-0.03%	0.0%	-2.1%	-1.3%	19.1%
KMIAII	35,758	1.17%	1.2%	2.0%	2.6%	16.7%
Global Markets						
	30-Sep-24	MTD	30days	90days	FYTD	CYTD
UK	8,237	1.7%	1.7%	-1.4%	-0.9%	-6.1%
USA	18,189	-2.6%	-2.6%	0.0%	-1.7%	-17.5%
China	3,337	-14.8%	-14.8%	-10.2%	-11.1%	-10.8%
Japan	37,920	1.9%	1.9%	5.7%	-8.1%	-11.7%
India	84,300	-2.3%	-2.3%	-5.8%	-6.2%	-14.3%

KSE100 Index Top Ten Sector Details (on Free Float Market Capitalization)

SECTORS	Index Weight (%)	Current Market Cap (PKR'Bn)	Previous Market Cap (PKR'Bn)	Change (%) in Market Cap.
COMMERCIAL BANKS	20	660	632	4.50
FERTILIZER	8	393	345	13.73
OIL & GAS EXPLORATION COMPANIES	15	347	327	6.06
CEMENT	5	194	181	7.39
CHEMICAL	3	45	47	(4.17)
OIL & GAS MARKETING COMPANIES	2	81	83	(1.69)
PHARMACEUTICALS	2	69	67	2.52

Commentary

Economic Review: The country continues to track on economic recovery with a landmark clinging of IMF program of ~USD 7 Billion. Central Bank also rejuvenated with an announcement of receiving the first tranche of ~USD1,027 million (SDR 760 million). The program highlights major structural refit for the economic managers to maintain a strong, resilient and inclusive growth. The Fund mentioned (i) consistent and sound macro economic policies (ii) broadening tax base (iii) reforming State Own Enterprises (iv) incorporating climate resilience for growth sustainability. Economic growth is expected at ~3.2% for FY25 while inflation rate has declined to average ~9.5% for FY25. A slowdown in global energy prices have also boded well for the country. A gradual recovery in LSM along with stable exchange rate and sustained FX reserves buildup is expected to lay a strong foundation for sustained economic growth. Open market yields have also declined which also indicates a strong cut for the upcoming MPS in Nov'24. External account also remains a factor which the country has been able to manage with the Current Account achieving a surplus for Aug'25 to end at USD 75 million with 2mFY25 Current Account deficit of USD171 million compared to a deficit of USD893 million SPLFY.

Stock Market Review

During the monthly basis the KSE 100 recorded a positive return of 3.35 % and the KMI 30 showed negative returns, marking a 0.03 decrease. Notably, the Cement, Oil & Gas Exploration Companies and Fertilizers have experienced positive sentiments. In 1Q2024, Pakistan's KSE-100 index rose by 2.91%, its consecutive quarter of growth, supported by strong trading activity. While KMI 30 fell by 1.55% in the 1Q2024. Domestic buyers included mutual funds (USD 14.2 million) and individuals (USD 45.8 million), while insurance companies and corporates were net sellers. Top-performing stocks were Engro Fertilizers Limited, Fauji Cement Company Limited, Pioneer Cement Limited, Cherat Cement Company Limited and Lucky Cement Limited. Growth in sectors like petroleum, refinery, power and generation, and cement also boosted the market, further supported by the IMF's Stand-By Arrangement and progress on a new program.

Portfolio Investments (USD mn)

	7 days	30 days	90 days	365days	FYTD	CYTD
FIPI (net)	(14)	(55)	(20)	97	119	122
LIPI (net)	14	55	20	(97)	(119)	(122)
Ind.	2	22	45	(14)	(12)	23
Banks/DFIs	9	10	3	(90)	(134)	(110)
Companies	(4)	(2)	(15)	(3)	22	99
M.Funds	20	42	25	10	(28)	(109)
Brokers	(5)	(9)	(10)	(23)	(31)	(39)
Others	2	2	(9)	(38)	(42)	(33)
Ins.	(10)	(11)	(20)	62	107	46
NBFC	(0)	0	0	(1)	(1)	1

Key Economic Figures

	FY21	FY22	FY23	FY24	30-Sep
Policy Rate	30-Sep-24	7.0%	13.8%	22.0%	20.5%
1yr KIBOR	30-Sep-24	8.1%	15.7%	23.3%	19.2%
Inflation	Oct End	9.8%	21.3%	29.4%	12.6%
PKR USD*	30-Sep-24	157.3	204.8	286.0	279.0

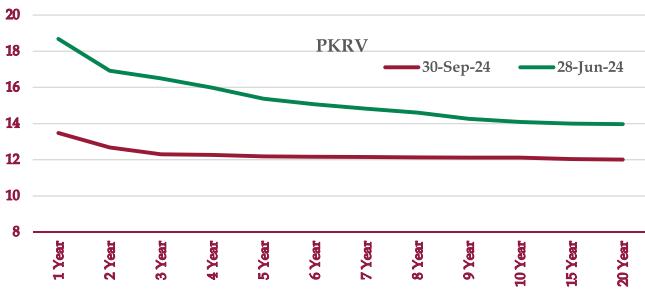
Key Economic Figures

	FY21	FY22	FY23	FY24	FY25-TD
Imports	USD'mn	56,380	72,048	51,979	48,402
Exports	USD'mn	25,304	32,450	27,903	28,678
Trade Deficit	USD'mn	(31,076)	(39,598)	(24,076)	(19,724)
Remittances	USD'mn	29,370	31,238	27,028	27,093
FX Reserves	USD'mn	24,398	15,742	9,181	14,207

PKRV Rates (change in bps)

	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	13.48	(347)	(347)	(521)	(727)	(942)
PKRV 3Y	12.30	(304)	(304)	(421)	(441)	(681)
PKRV 5Y	12.19	(260)	(260)	(320)	(339)	(504)
PKRV 10Y	12.12	(132)	(132)	(198)	(208)	(400)
PKRV 20Y	12.01	(127)	(127)	(195)	(200)	(333)

*Inter Bank Rate



30-Sep-24

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PAK-QATAR ASSET MANAGEMENT



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