

## Pak-Qatar Asset Management Company Limited

Keynote August 30, 2024

PAK-QATAR  
ASSET MANAGEMENT

پاک قطر

### Market Summary

|        | 30-Aug-24 | MTD   | 30days | 90days | FYTD  | CYTD  |
|--------|-----------|-------|--------|--------|-------|-------|
| KSE100 | 78,488    | 0.77% | 0.8%   | 3.4%   | 0.1%  | 25.7% |
| KMI30  | 124,792   | 1.52% | 1.5%   | -0.8%  | -1.3% | 19.2% |
| KMIAll | 35,343    | 2.73% | 2.7%   | 1.5%   | 1.4%  | 15.3% |

### Global Markets

|       | 30-Aug-24 | MTD   | 30days | 90days | FYTD  | CYTD   |
|-------|-----------|-------|--------|--------|-------|--------|
| UK    | 8,377     | -1.1% | -1.1%  | -1.2%  | -2.5% | -7.7%  |
| USA   | 17,714    | -2.9% | -3.2%  | -5.5%  | 0.9%  | -15.3% |
| China | 2,842     | 3.1%  | 3.1%   | 8.6%   | 4.4%  | 4.7%   |
| Japan | 38,648    | 1.2%  | 1.2%   | -0.4%  | -9.8% | -13.4% |
| India | 82,366    | -0.9% | -0.9%  | -10.2% | -4.0% | -12.3% |

### Portfolio Investments (USD mn)

|            | 7 days | 30 days | 90 days | 365days | FYTD  | CYTD  |
|------------|--------|---------|---------|---------|-------|-------|
| FIPI (net) | 4      | 9       | 35      | 143     | 174   | 176   |
| LIPI (net) | (4)    | (9)     | (35)    | (143)   | (174) | (176) |
| Ind.       | 6      | 20      | 8       | (26)    | (35)  | 1     |
| Banks/DFIs | (4)    | (7)     | (13)    | (116)   | (143) | (120) |
| Companies  | 2      | (3)     | 2       | 3       | 24    | 101   |
| M.Funds    | (3)    | (8)     | (18)    | (33)    | (70)  | (151) |
| Brokers    | 1      | 3       | 2       | (16)    | (23)  | (30)  |
| Others     | (3)    | (7)     | (14)    | (33)    | (44)  | (35)  |
| Ins.       | (2)    | (7)     | (3)     | 79      | 118   | 57    |
| NBFC       | (1)    | (0)     | (0)     | (1)     | (1)   | 1     |

### Key Economic Figures

|             |           | FY21  | FY22  | FY23  | FY24  | 30-Aug |
|-------------|-----------|-------|-------|-------|-------|--------|
| Policy Rate | 30-Aug-24 | 7.0%  | 13.8% | 22.0% | 20.5% | 19.5%  |
| 1yr KIBOR   | 30-Aug-24 | 8.1%  | 15.7% | 23.3% | 19.2% | 17.3%  |
| Inflation   | Oct End   | 9.8%  | 21.3% | 29.4% | 12.6% | 9.6%   |
| PKR USD*    | 30-Aug-24 | 157.3 | 204.8 | 286.0 | 279.0 | 278.6% |

### Key Economic Figures

|               |        | FY21     | FY22     | FY23     | FY24     | FY25-TD |
|---------------|--------|----------|----------|----------|----------|---------|
| Imports       | USD'mn | 56,380   | 72,048   | 51,979   | 48,402   | 4,819   |
| Exports       | USD'mn | 25,304   | 32,450   | 27,903   | 28,678   | 2,391   |
| Trade Deficit | USD'mn | (31,076) | (39,598) | (24,076) | (19,724) | (2,428) |
| Remittances   | USD'mn | 29,370   | 31,238   | 27,028   | 27,093   | 2,995   |
| FX Reserves   | USD'mn | 24,398   | 15,742   | 9,181    | 14,207   | 14,776  |

### PKRV Rates (change in bps)

|          | Rate % | 15day Δ | 1m Δ  | 3m Δ  | 6m Δ  | 12m Δ |
|----------|--------|---------|-------|-------|-------|-------|
| PKRV 1Y  | 16.95  | (111)   | (111) | (297) | (380) | (633) |
| PKRV 3Y  | 15.34  | (91)    | (91)  | (125) | (156) | (523) |
| PKRV 5Y  | 14.79  | (46)    | (46)  | (60)  | (80)  | (243) |
| PKRV 10Y | 13.44  | (63)    | (63)  | (70)  | (89)  | (287) |
| PKRV 20Y | 13.28  | (67)    | (67)  | (72)  | (80)  | (209) |

\*Inter Bank Rate

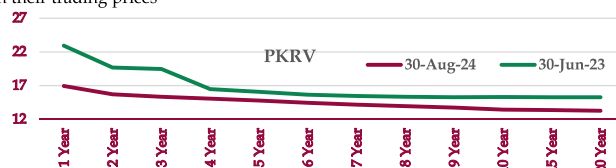
### KSE100 Index Top Ten Sector Details (on Free Float Market Capitalization)

| SECTORS                        | Index Weight (%) | Current Market Cap (PKR'Bn) | Previous Market Cap (PKR'Bn) | Change (%) in Market Cap. |
|--------------------------------|------------------|-----------------------------|------------------------------|---------------------------|
| COMMERCIAL BANKS               | 20               | 631                         | 657                          | (4.06)                    |
| FERTILIZER                     | 8                | 351                         | 352                          | (0.46)                    |
| OIL & GAS EXPLORATION COMPANIE | 14               | 328                         | 302                          | 8.76                      |
| CEMENT                         | 5                | 180                         | 186                          | (3.52)                    |
| CHEMICAL                       | 4                | 48                          | 47                           | 1.66                      |
| OIL & GAS MARKETING COMPANIES  | 2                | 82                          | 82                           | 0.44                      |
| PHARMACEUTICALS                | 2                | 66                          | 63                           | 3.57                      |

### Commentary

**Economic Review:** The government managed to reduce the fiscal deficit to 6.8% of GDP from July to May of FY2024, compared to 7.8% during the same period last year. The primary balance also showed a surplus of 0.9% of GDP during this period, compared to a 1.0% GDP deficit in FY2023. The fiscal performance remained robust due to the prudent measures. Total revenues grew by 38.0 percent due to a notable increase in both tax and non-tax collection~ Notably CPI is kept hovering at 9.6% in August 2024, down from 11.1% in July 2024. The MoM increase is largely due to a 0.63% rise in food prices, particularly driven by higher prices for chicken, onions, and eggs. However, a reduction in petroleum product prices is expected to help ease overall inflation during the month. The projected average inflation rate for the upcoming FY25 is 10.04%, indicating a potential decline. This could lead to a more lenient monetary policy as announced in the forthcoming Monetary Policy Statement. While the real interest rate is showing a positive trajectory. In a positive trend, PKR USD has stabilized indicating a favorable trend. The external account position improved due to a significant rise in exports and remittances. Remittances experienced a notable YoY growth of 44.4% in June 2024. By Aug 23, 2024, Pakistan's total liquid foreign exchange reserves had reached \$14.8 billion, with the State Bank of Pakistan holding \$9.4 billion of these reserves. In July FY2025, the current account deficit narrowed to \$0.2 billion, down from \$0.7 billion in the previous year. Goods exports grew by 12.9%, reaching \$2.4 billion, while imports rose to \$4.8 billion, a 16.3% increase from last year's \$4.1 billion. As a result, the goods trade deficit widened to \$2.4 billion, compared to \$2.0 billion last year. The Pakistani government and the IMF have reached a staff-level agreement on a comprehensive program, with support from both federal and provincial authorities. This agreement could lead to a 37-month Extended Fund Facility (EFF) worth approximately SDR 5,320 million (around US\$7 billion at current exchange rates). The program's goal is to build on the macroeconomic stability gained over the past year by continuing efforts to improve public finances, reduce inflation, strengthen external reserves, and eliminate economic distortions to promote private sector-led growth.

**Stock Market Review** During the monthly basis the KSE 100 recorded a positive return of 0.77 % and the KMI 30 also showed positive returns, marking a 1.52% increase. Notably, the Oil & Gas Exploration Companies, Pharmaceuticals and Chemical have experienced positive sentiments. The Central Bank maintained a stable policy rate, leading market participants to adopt a stable approach, anticipating the peak of the interest rate cycle. Notable performers in the KMI 30 index for the month included AIRLINK, MARI, PRL, FCCL and TPLP witnessing increased trading prices. Conversely, EFERT, DGKC, MLCF, MTL and EPCL experienced noticeable decreases in their trading prices



30-Aug-24

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