



*Pak-Qatar Asset Management Company Limited*

Keynote January 15, 2024

PAK-QATAR  
ASSET MANAGEMENT



Market Summary						
	15-Jan-24	MTD	30days	90days	FYTD	CYTD
KSE100	64,269	2.91%	-2.8%	29.8%	55.0%	2.9%
KMI30	108,798	3.89%	-2.7%	30.2%	53.8%	3.9%
KMIAII	31,770	3.66%	-1.4%	31.4%	55.4%	3.7%

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	16	487	479	1.52
FERTILIZER	6	263	251	4.61
OIL & GAS EXPLORATION COMPANIE	14	289	260	11.30
CEMENT	5	169	176	(3.89)
CHEMICAL	5	59	59	(0.68)
OIL & GAS MARKETING COMPANIES	2	80	78	2.83
PHARMACEUTICALS	2	44	43	0.25

Economic Review

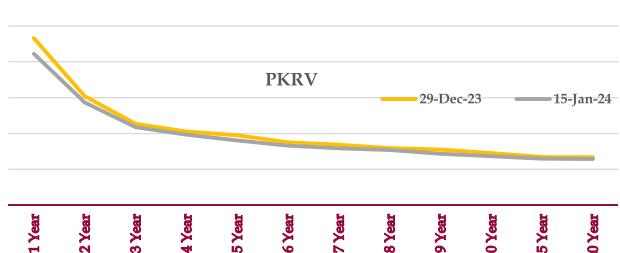
Pakistan's commitment to achieving a primary surplus of at least 0.4% of GDP in FY24 remains steadfast and reflects a strategic focus on disciplined spending by both federal and provincial governments. This dedication is further underscored by an emphasis on improved revenue performance, backed by contingency measures, as affirmed by the IMF. The recent green light for a \$700 million loan tranche marks a significant financial boost, bringing total disbursements under the Stand-By Arrangement to an USD1.9 billion and aiding to elevate Pakistan's gross official foreign exchange reserves to a six-month high of \$8.8 billion.

The IMF's emphasis on ongoing fiscal consolidation aligns with the dual imperative of reducing public debt while protecting essential development needs. Anticipation builds as the upcoming budget is poised to surpass Rs15.4 trillion, a historic milestone that symbolizes a pivotal moment in the nation's financial history. This achievement highlights Pakistan's commitment to economic stability and sets the stage for continued resilience and growth. The upcoming February 2024 elections are anticipated to bring crucial political stability to Pakistan. There's an expectation that the new government will commit to a long-term IMF program in 2024, fostering stability. As a result, we estimate the Pakistani Rupee to average Rs302 to a dollar in 2024, compared to Rs280 in 2023. The flow of events points towards a positive trajectory for the country's economic landscape.

The economic managers would continue to proceed on a cautious stance while also directing energies to enhance FDIs to compensate for burgeoning Financial Account imbalance as well as achieving a sustained Current Account. Going forward, stability in international commodity prices amid crisis in middle east and vigilant IMF watch and elicitation over our peers will give a moderate economic momentum.

## Stock Market Premiums

During fortnightly period, the bourse continued upward trajectory with KSE 100 index advancing by 2.91%, and KMI 30 also return of 3.89%. The positive momentum was fueled by the endorsement of a continued stability in PKR: USD parity, and stability in Current Account. A notable financial boost came in the form of a \$700 million loan tranche, bringing total disbursements under the Stand-By Arrangement to a substantial USD 1.9 billion. During the fortnightly period Commercial banks, Fertilizer, and Oil and Gas exploration companies experienced positive sentiments. Investors found reassurance on unversed political transitions in upcoming general elections, aligning with compliances under the IMF program and expected commitments. The bourse is likely to rise amid stable PKR: USD parity as well as effective administrative measures promoting economic stability.



\*Inter Bank Rate