

Pak-Qatar Asset Management Company Limited

Keynote May 15, 2024

Market Summary

	15-May-24	MTD	30days	90days	FYTD	CYTD
KSE100	74,664	4.14%	5.8%	22.4%	80.1%	19.6%
KMI30	123,887	3.01%	4.5%	22.7%	75.1%	18.3%
KMIAll	34,681	3.39%	6.0%	16.9%	69.6%	13.2%

Global Markets

	15-May-24	MTD	30days	90days	FYTD	CYTD
UK	8,446	-3.5%	-5.8%	-10.0%	-10.8%	-8.4%
USA	16,742	-4.5%	-5.1%	-5.0%	-17.6%	-10.3%
China	3,120	-0.2%	-3.2%	-8.1%	2.6%	-4.6%
Japan	38,381	-1.2%	2.2%	-0.6%	-13.5%	-12.8%
India	72,987	2.3%	0.7%	-1.6%	-11.3%	-1.0%

Portfolio Investments (USD mn)

	7 days	30 days	90 days	365days	FYTD	CYTD
FIPI (net)	10	55	96	148	141	143
LIPI (net)	(10)	(55)	(96)	(148)	(141)	(143)
Ind.	(7)	(26)	(32)	(30)	(39)	(3)
Banks/DFIs	(3)	(11)	(35)	(128)	(132)	(108)
Companies	(0)	(4)	(33)	36	27	104
M.Funds	3	7	12	(67)	(46)	(127)
Brokers	1	0	2	(25)	(23)	(30)
Others	(2)	(11)	(17)	(27)	(29)	(20)
Ins.	(2)	(12)	9	94	101	40
NBFC	(0)	(0)	(1)	(1)	(1)	1

Key Economic Figures

		FY20	FY21	FY22	FY23	15-May
Policy Rate	15-May-24	7.0%	7.0%	13.8%	22.0%	22.0%
1yr KIBOR	15-May-24	7.4%	8.1%	15.7%	23.3%	21.1%
Inflation	Oct End	7.8%	9.8%	21.3%	29.4%	17.3%
PKR USD*	15-May-24	168.2	157.3	204.8	286.0	2.78

Key Economic Figures

		FY20	FY21	FY22	FY23	FY24-TD
Imports	USD'mn	46,417	56,380	72,048	51,979	43,353
Exports	USD'mn	23,462	25,304	32,450	27,903	25,669
Trade Deficit	USD'mn	(22,955)	(31,076)	(39,598)	(24,076)	(17,684)
Remittances	USD'mn	23,131	29,370	31,238	27,028	23,849
FX Reserves	USD'mn	18,886	24,398	15,742	9,181	14,626

PKRV Rates (change in bps)

	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	20.62	39	(18)	(15)	(23)	(124)
PKRV 3Y	16.64	8	(10)	(5)	4	(241)
PKRV 5Y	15.45	4	(10)	(5)	(17)	40
PKRV 10Y	14.19	1	(3)	-	(68)	(91)
PKRV 20Y	14.01	1	-	(2)	(71)	(114)

*Inter Bank Rate

15-May-24

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	18	579	563	2.83
FERTILIZER	7	312	323	(3.44)
OIL & GAS EXPLORATION COMPANIE	14	313	294	6.42
CEMENT	5	190	175	8.82
CHEMICAL	4	50	50	0.61
OIL & GAS MARKETING COMPANIES	2	76	74	2.45
PHARMACEUTICALS	2	60	51	16.10

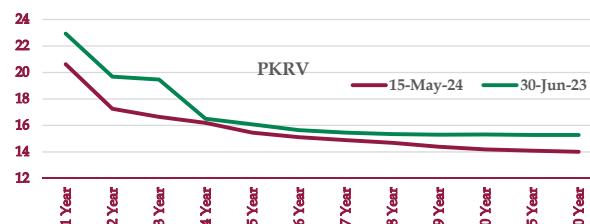
Commentary

Economic Review

The recent approval from the IMF Executive Board, completing the second review under the Stand-By Arrangement (SBA) for Pakistan, allows for an immediate disbursement of SDR 828 million (approximately \$1.1 billion). This brings total disbursements under the arrangement to SDR 2.250 billion (about \$3 billion). The completion of this second and final review reflects the authorities' stronger policy efforts under the SBA, which have supported the stabilization of the economy. While the Pakistan's determined policy efforts under the 2023 Stand-By Arrangement have led to notable progress in restoring economic stability. External pressures have eased, and although inflation remains elevated, it has started to decline. To build on this hard-earned stability, Pakistan implements on sound macroeconomic policies and structural reforms, aiming for stronger, more inclusive, and sustainable growth~ The large-scale manufacturing sector is anticipated to keep recovering throughout the remaining months of FY24, as indicated by ongoing growth observed in high-frequency indicators~PKR: USD has stabilized, On the external front, the current account recorded a surplus of US\$ 619 million in March 2024, a significant deviation from the monthly average deficits of US\$ 1.46 billion in 2022 and US\$ 0.19 billion in 2023. This surplus is six times greater than the previous month and marks the highest monthly surplus in the past nine years. Adhering closely to the SBA targets and the anticipated successful completion of the second review have bolstered investor confidence. For sustainable economic recovery its essential to persist with fiscal consolidation efforts and prudent monetary stance. Additionally timely and sufficient inflows are crucial to meet the gross financing requirements and financial stability in exchange market.

Stock Market Review

During the fortnightly basis, the KSE 100 recorded a gain of 4.14%, and the KMI 30 also showed positive returns, marking a 3.01% increase. Notably, the Oil & Gas Exploration Companies, Cement and Pharmaceuticals 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 DGKC, FCCL, PIOC, DCR and SEARL, witnessing increased trading prices. Conversely, COLG, ATRL, EFFERT,AVN and ENGRO experienced noticeable decreases in their trading prices.



Disclaimer: The information contained in this report has been compiled by research department of Pak Qatar Asset Management Company Limited(PQAMC), from various sources supposed to be reliable and in good faith, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness. Moreover, all opinions, figures and estimates contained in this document are based judgments as of the date of this document and are subject to change without notice and are provided in good faith but without legal responsibility.