

Market Summary							Commentary																																																																																												
	29-Jul-22	7day	30day	90day	FYTD	CYTD																																																																																													
KSE100	40,150	0.2%	-2.8%	-11.3%	-3.3%	-10.0%	S&P downgrade of Pakistan rating from stable to negative had an adverse impact on yields for Pakistan's international bonds. Pressure on PKR remains visible as govt. kept hitching towards IMF tranche. Govt. also confirmed the news of raising loans by selling state owned entities to friendly countries to raise around USD4 billion with a buy back option. Considering the trade deficit, disturbed political situation and external pressures, exercise of such options remains elusive. Once again weighted average yields (WAY) have crossed over the policy rate with 12 months T bill yields increasing by 89 bps. WAY have also been expanded from the last auction indicating the stress due to increased inflation expectation of above 22% in Jul-22. During the week, SBP released Import/Export data by commodity . Breakup indicated a sharp increase in imports of 34% on y/y basis with Petroleum witnessing the highest increase as the petroleum strata jumped from ~USD 10 billion in FY21 to ~USD 19 billion in FY22 a spike of 92%. This has lead to unsustain Current Account Deficit and pressure on PKR:USD parity. Equity markets also remained under pressure as benchmark indexes generated minuscule returns. Auto assemblers came under limelight as news of plant closures going forward kept circulating with key players indicating will to reimburse deposit on bookings. Theses along with fertilisers remained major daggers while textile sector found investors' interest. Foreign investors, banks and companies were net buyers whereas Individuals, Brokers diluted their holdings during the week. Stressed sentiments, pressure on PKR, higher inflation forecast will keep market under stress albeit attractive PE multiples.																																																																																												
KMI30	65,446	-0.6%	-4.0%	-11.6%	-4.8%	-8.7%																																																																																													
KMIAll	20,294	-0.2%	-2.3%	-9.1%	-2.9%	-7.9%																																																																																													
Global Markets																																																																																																			
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UK	7,423	-2.0%	-1.5%	1.6%	-3.4%	-0.5%	During the week, SBP released Import/Export data by commodity . Breakup indicated a sharp increase in imports of 34% on y/y basis with Petroleum witnessing the highest increase as the petroleum strata jumped from ~USD 10 billion in FY21 to ~USD 19 billion in FY22 a spike of 92%. This has lead to unsustain Current Account Deficit and pressure on PKR:USD parity. Equity markets also remained under pressure as benchmark indexes generated minuscule returns. Auto assemblers came under limelight as news of plant closures going forward kept circulating with key players indicating will to reimburse deposit on bookings. Theses along with fertilisers remained major daggers while textile sector found investors' interest. Foreign investors, banks and companies were net buyers whereas Individuals, Brokers diluted their holdings during the week. Stressed sentiments, pressure on PKR, higher inflation forecast will keep market under stress albeit attractive PE multiples.																																																																																												
USA	12,378	-4.4%	-9.7%	-0.4%	-10.9%	26.4%																																																																																													
China	3,253	0.5%	3.3%	-6.3%	4.5%	4.5%																																																																																													
Japan	27,802	0.4%	-3.6%	-3.4%	-5.1%	3.6%																																																																																													
India	57,570	-2.6%	-7.9%	-0.9%	-7.9%	1.2%																																																																																													
KSE100 Index Top Ten Sector Details (on Free Float Market Capitalization)																																																																																																			
	Index Weight (%)	Current Market Cap (PKR'Bn)	Previous Week Market Cap (PKR'Bn)	Change (%) in Market Cap.																																																																																															
SECTORS																																																																																																			
COMMERCIAL BANKS	22	344	338	1.62																																																																																															
FERTILIZER	13	232	233	(0.33)																																																																																															
OIL & GAS EXPLORATION COMPANIES	12	195	195	0.23																																																																																															
CEMENT	7	115	120	(4.36)																																																																																															
TECHNOLOGY & COMMUNICATION	7	103	102	0.60																																																																																															
POWER GENERATION & DISTRIBUTION	5	86	87	(0.97)																																																																																															
AUTOMOBILE ASSEMBLER	4	72	73	(0.67)																																																																																															
CHEMICAL	4	64	65	(1.55)																																																																																															
OIL & GAS MARKETING COMPANIES	4	62	60	2.02																																																																																															
PHARMACEUTICALS	3	52	53	(1.69)																																																																																															
Portfolio Investments (USD mn)																																																																																																			
	29-Jul-22	30day	90day	365days	FYTD	CYTD																																																																																													
FIPI (net)	2	8	(14)	(262)	7	(40)	<table border="1"> <thead> <tr> <th colspan="5">Key Economic Figures</th> </tr> <tr> <th></th> <th>FY19</th> <th>FY20</th> <th>FY21</th> <th>Fy22</th> <th>29-Jul</th> </tr> </thead> <tbody> <tr> <td>Policy Rate</td> <td>June end</td> <td>10.8%</td> <td>7.0%</td> <td>7.0%</td> <td>13.8%</td> <td>15.0%</td> </tr> <tr> <td>1yr KIBOR</td> <td>June end</td> <td>13.6%</td> <td>7.4%</td> <td>8.1%</td> <td>15.7%</td> <td>16.2%</td> </tr> <tr> <td>Inflation</td> <td>June end</td> <td>8.8%</td> <td>7.8%</td> <td>9.8%</td> <td>21.3%</td> <td>21.0%</td> </tr> <tr> <td>PKR USD*</td> <td>June end</td> <td>163.1</td> <td>168.2</td> <td>157.3</td> <td>204.8</td> <td>240.0</td> </tr> </tbody> </table> <table border="1"> <thead> <tr> <th colspan="6">Key Economic Figures</th> </tr> <tr> <th></th> <th>FY19</th> <th>FY20</th> <th>FY21</th> <th>Fy22</th> <th>FY23E</th> </tr> </thead> <tbody> <tr> <td>Imports</td> <td>USD mn</td> <td>51,869</td> <td>46,417</td> <td>56,380</td> <td>72,048</td> <td>64,000</td> </tr> <tr> <td>Exports</td> <td>USD mn</td> <td>24,257</td> <td>23,462</td> <td>25,304</td> <td>32,450</td> <td>32,000</td> </tr> <tr> <td>Trade Deficit</td> <td>USD mn</td> <td>(27,612)</td> <td>(22,955)</td> <td>(31,076)</td> <td>(39,598)</td> <td>(32,000)</td> </tr> <tr> <td>Remittances</td> <td>USD mn</td> <td>21,740</td> <td>23,131</td> <td>29,370</td> <td>31,238</td> <td>32,000</td> </tr> <tr> <td>FX Reserves</td> <td>USD mn</td> <td>14,482</td> <td>18,886</td> <td>24,398</td> <td>15,742</td> <td>18,000</td> </tr> </tbody> </table>							Key Economic Figures						FY19	FY20	FY21	Fy22	29-Jul	Policy Rate	June end	10.8%	7.0%	7.0%	13.8%	15.0%	1yr KIBOR	June end	13.6%	7.4%	8.1%	15.7%	16.2%	Inflation	June end	8.8%	7.8%	9.8%	21.3%	21.0%	PKR USD*	June end	163.1	168.2	157.3	204.8	240.0	Key Economic Figures							FY19	FY20	FY21	Fy22	FY23E	Imports	USD mn	51,869	46,417	56,380	72,048	64,000	Exports	USD mn	24,257	23,462	25,304	32,450	32,000	Trade Deficit	USD mn	(27,612)	(22,955)	(31,076)	(39,598)	(32,000)	Remittances	USD mn	21,740	23,131	29,370	31,238	32,000	FX Reserves	USD mn	14,482	18,886	24,398	15,742	18,000
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Ind.	(0.7)	7	35	161	9	94																																																																																													
Banks/DFIs	0.7	7	42	111	1	88																																																																																													
Companies	0.5	4	27	105	4	55																																																																																													
M.Funds	(0.5)	(13)	(44)	(143)	(12)	(130)																																																																																													
Brokers	(0.9)	(4)	(2)	(18)	(3)	(11)																																																																																													
Others	0.4	3	9	60	2	20																																																																																													
Ins.	(1.3)	(11)	(51)	(17)	(8)	(75)																																																																																													
NBFC	0.0	0	(2)	3	0	(1)																																																																																													
PKRV Rates (change in bps)																																																																																																			
	Rate %	7day Δ	1m Δ	3m Δ	6m Δ	12m Δ																																																																																													
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