

Market Summary

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

	15-Dec-22	15day	30day	90day	FYTD	CYTD	SECTORS	Index Weight (%)	Current Market Cap (PKR'Bn)	Previous Week Market Cap (PKR'Bn)	Change (%) in Market Cap.
KSE100	41,179	-2.76%	-3.8%	-1.2%	-0.9%	-7.7%	COMMERCIAL BANKS	21	318	325	(2.11)
KMI30	69,390	-3.31%	-4.2%	1.1%	0.9%	-3.2%	FERTILIZER	15	225	223	0.93
KMIAll	19,994	-4.28%	-6.0%	-4.7%	-4.3%	-9.2%	OIL & GAS EXPLORATION COMPANIES	12	180	184	(2.25)
							CEMENT	7	115	125	(7.76)
							CHEMICAL	3	54	58	(7.99)
							OIL & GAS MARKETING COMPANIES	4	56	59	(5.90)
							PHARMACEUTICALS	3	42	46	(7.86)

Global Markets

	15-Dec-22	15day	30day	90day	FYTD	CYTD
UK	7,426	2.0%	-0.8%	-2.6%	-3.5%	-0.6%
USA	10,811	6.1%	5.1%	5.9%	2.0%	44.7%
China	3,169	-0.5%	-1.1%	-1.3%	7.3%	14.9%
Japan	28,052	-0.3%	-0.2%	-1.7%	-5.9%	2.6%
India	61,799	2.1%	0.1%	-4.8%	-14.2%	-5.7%

Commentary

The financial managers feeling the brunt of external deficit, massive commodity super cycle continue to notch monetary tools to curtail inflationary pressures. Resultant demand curtailment along with a supply gap from the aforementioned actions both by central bank and gov. has caused appreciation in PKR:USD. A ripple effect of these policy which on the one hand could create a supply shortage and increase local prices. The country faced severe backlash despite honoring maturing Eurobond as reserves figures in banking system hit USD12,582 million as at 02'Dec, a spread b/w kerb and interbank has created room for non-banking channels to come alive which further aggravate the situation, dwindled with import cover falling below two months threshold. Also, apart from the Current Account woes, an economic reality of Afghan trade, without any external support to bridge that gap, fizzled down financial premium of key stakeholder. The resulting pressure has started to surface on frontiers which made news headline. Gov. policy actions have created a secondary market for USD which incentivize a market-based exchange rate with implication on inflow of remittance, already visible with Nov'22 figures down 5% on M/M basis with cumulative 5MFY23 of USD12,009 million compared to USD13,287 million SPLFY.

Portfolio Investments (USD mn)

	7 days	30 days	90 days	365days	FYTD	CYTD
FIPI (net)	(16)	(5)	10	(18)	21	(26)
LIPI (net)	16	5	(10)	18	(21)	26
Ind.	6.0	19	46	145	62	147
Banks/DFIs	9.0	9	7	95	14	101
Companies	7.2	6	5	76	17	68
M.Funds	(6.6)	(21)	(36)	(186)	(62)	(179)
Brokers	0.4	(4)	(7)	(11)	(2)	(10)
Others	0.7	0	5	26	12	30
Ins.	(0.7)	(3)	(26)	(126)	(60)	(127)
NBFC	(0.3)	(2)	(3)	(2)	(2)	(3)

Key Economic Figures

		FY19	FY20	FY21	Fy22	15-Dec
Policy Rate	15-Dec-22	10.8%	7.0%	7.0%	13.8%	16.0%
1yr KIBOR	15-Dec-22	13.6%	7.4%	8.1%	15.7%	17.3%
Inflation	Nov-22	8.8%	7.8%	9.8%	21.3%	23.8%
PKR USD*	15-Dec-22	163.1	168.2	157.3	204.8	224.7

Key Economic Figures

		FY19	FY20	FY21	Fy22	FY23-TD
Imports	USD'mn	51,869	46,417	56,380	72,048	21,093
Exports	USD'mn	24,257	23,462	25,304	32,450	9,563
Trade Deficit	USD'mn	(27,612)	(22,955)	(31,076)	(39,598)	(11,530)
Remittances	USD'mn	21,740	23,131	29,370	31,238	12,009
FX Reserves	USD'mn	14,482	18,886	24,398	15,742	12,480

PKRV Rates (change in bps)

	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	16.92	2	121	97	134	575
PKRV 3Y	15.29	23	116	144	159	369
PKRV 5Y	14.26	26	106	106	126	263
PKRV 10Y	13.50	(1)	60	78	60	167
PKRV 20Y	13.96	2	46	49	46	143

\*Inter Bank Rate

15-Dec-22

Money Market

SBP conducted T-Bill auction on 14-Dec where yields for 3M, 6M & 12M settled at 17%, 16.9% & 16.8% respectively. With KIBOR & PKRV on higher sides, floating instruments with spreads have become attractive as Yields for Govt Ijarah VRR have increased to approx. 16%. With no gains in sight in stock market, money market will continue to witness further inflow due to attractive returns.

Stock Exchange Market

KSE-100 & KMI-30 Indexed posted losses of 2.76% & 3.31% respectively. Oil & Gas exploration, Oil & Gas Marketing & Cement sectors got significant hit, causing indexes to tumbled. Market sentiments remained bleak with many investors remaining sidelined, sharp discounts with double digit inflation has allowed industrial stakeholders to buyback realizing quality gains under stressed scenario. Foreign Investors remained net sellers on fortnightly basis while fiscal year figures remained positive with investment of USD21 million along with local Individuals.

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