

Market Summary

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

	28-Feb-23	15days	MTD	90days	FYTD	CYTD	SECTORS	Index Weight (%)	Current Market Cap (PKR'Bn)	Previous Week Market Cap (PKR'Bn)	Change (%) in Market Cap.
KSE100	40,510	-2.89%	-0.4%	-4.3%	-2.5%	0.2%	COMMERCIAL BANKS	21	316	316	(0.09)
KMI30	68,762	-4.22%	-1.0%	-4.2%	0.0%	0.7%	FERTILIZER	15	232	234	(0.82)
KMIAll	19,361	-4.62%	-1.6%	-7.3%	-7.4%	-3.1%	OIL & GAS EXPLORATION COMPANIES	12	190	211	(10.29)
							CEMENT	7	110	110	0.63
							CHEMICAL	3	44	46	(3.56)
							OIL & GAS MARKETING COMPANIES	3	49	56	(12.09)
							PHARMACEUTICALS	2	35	37	(3.16)

Global Markets

	28-Feb-23	15days	MTD	90days	FYTD	CYTD
UK	7,876	0.9%	-1.3%	-3.8%	-9.0%	-5.4%
USA	11,456	3.8%	1.1%	0.1%	-3.7%	-8.6%
China	3,280	0.1%	-0.7%	-3.9%	3.6%	-5.8%
Japan	27,446	-0.1%	-0.4%	1.9%	-3.8%	-4.9%
India	58,962	2.5%	1.0%	7.0%	-10.1%	3.2%

Commentary

Under period of uncertainty, a clear plan for masses remains imperative for the country. Economic stress is clearly visible with CPI for Feb'23 hitting over 30%, accelerated by Food, Transport and Housing stratoms. Gov. negotiations with IMF remains shabby, with the demands for removal of untargeted subsidies, increase in gas, power and fuel prices along with hike in interest rates all to shatter demand pressures. Inflationary pressures are yet to reach it boiling point as government will continue to implement IMF conditions. Despite the recovery in Current Account Deficit (CAD) of USD242 million in Jan'23 compared to USD2,467 million in Jan'22 taking 7mFY23 CAD to 3,799 million compare to CAD of 11,558 million SPLFY. These are result of severe action both on monetary and fiscal front, but despite too little too late actions, Foreign Exchange reserves with central bank hit USD3,258 million taking total FX reserves in banking system at USD8,726 million. In view of unfavorable reserves standing, Moody further downgraded Pakistan's local and foreign currency issuer and senior unsecured debt rating from Caa1 to Caa3 on 28 February - the second downgrade since 6 October 2022, citing weak governance and heightened social risks as core reasons which further impedes Pakistan ability to secure future financing. Pressures on PKR will remain despite an abnormal recovery during the period.

Money Market Review

SBP conducted auction on 22-Feb-23, in which yields for 3M, 6M & 12M settled at 19.95%, 19.9% & 19.79% respectively. The auction resulted in sudden jumped in KIBOR's for different term periods. Market yield have incorporated the expected rate hike as certain quarters have predicted as an IMF dictate. Inflation rate being more stubborn, central bank followed though by increasing policy rate by 300 basis point to 20%.

Stock Market Review

Bears dominated the market as KMI-30 & KSE-100 indexes posted loss of 0.97% & 0.40% respectively. Declined was primarily due to lack of certainty regarding IMF deal, possible increment in monetary policy rate and decreased in monthly remittances in the month of January'23.

During the month, foreigners were net Buyers of USD8.11mn. The major buying was observed in E&P (USD 7.03mn), Banks (USD 2.32mn), and OMC (USD 0.68mn) while a net selling was seen in Technology (USD 1.48mn). On the local side, Insurance Companies (USD 16.19mn) and Mutual Funds (USD14.22mn) were the major seller, whereas the net buying of USD 20.02mn by the Companies was witnessed during the month.

During the month, major sectors remained red which contributed to negative returns during the month of Feb'23.

Portfolio Investments (USD mn)

	7 days	30 days	90 days	365days	FYTD	CYTD
FIPI (net)	2	8	(17)	(33)	16	17
LIPI (net)	(2)	(8)	17	33	(16)	(17)
Ind.	(5.4)	3	12	148	64	16
Banks/DFIs	(0.9)	3	51	115	57	7
Companies	7.8	22	36	78	46	23
M.Funds	(2.8)	(16)	(51)	(176)	(101)	(37)
Brokers	(0.8)	(3)	(4)	(10)	(6)	2
Others	0.7	2	10	40	21	5
Ins.	(0.0)	(19)	(37)	(158)	(97)	(33)
NBFC	0.0	0	(1)	(3)	(2)	0

Key Economic Figures

		FY19	FY20	FY21	Fy22	28-Feb
Policy Rate	28-Feb-23	10.8%	7.0%	7.0%	13.8%	20.0%
1yr KIBOR	28-Feb-23	13.6%	7.4%	8.1%	15.7%	20.4%
Inflation	Feb End	8.8%	7.8%	9.8%	21.3%	31.6%
PKR USD*	28-Feb-23	163.1	168.2	157.3	204.8	261.5

Key Economic Figures

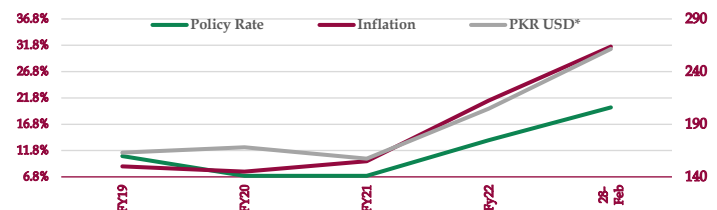
		FY19	FY20	FY21	Fy22	FY23-TD
Imports	USD'mn	51,869	46,417	56,380	72,048	37,949
Exports	USD'mn	24,257	23,462	25,304	32,450	20,625
Trade Deficit	USD'mn	(27,612)	(22,955)	(31,076)	(39,598)	(17,324)
Remittances	USD'mn	21,740	23,131	29,370	31,238	16,007
FX Reserves	USD'mn	14,482	18,886	24,398	15,742	8,727

PKRV Rates (change in bps)

	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	19.93	198	198	303	403	898
PKRV 3Y	18.17	124	134	311	452	723
PKRV 5Y	15.80	36	32	180	285	484
PKRV 10Y	15.46	91	101	195	286	439
PKRV 20Y	15.25	85	88	131	184	349

\*Inter Bank Rate

28-Feb-23



**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.