

Market Summary

	31-May-23	15days	30days	90days	FYTD	CYTD
KSE100	41,331	-1.61%	-0.6%	1.6%	-0.5%	2.3%
KMI30	71,340	-1.14%	-1.4%	3.1%	3.7%	4.5%
KMIAII	20,080	0.96%	1.5%	3.6%	-3.9%	0.5%

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

	31-May-23	15days	30days	90days	FYTD	CYTD	SECTORS	Index Weight (%)	Current Market Cap (PKR'Bn)	Previous Week Market Cap (PKR'Bn)	Change (%) in Market Cap.
							COMMERCIAL BANKS	20	301	314	(4.30)
							FERTILIZER	15	218	216	0.67
							OIL & GAS EXPLORATION COMPANIES	12	184	188	(2.34)
							CEMENT	9	130	123	5.32
							CHEMICAL	3	46	45	1.73
							OIL & GAS MARKETING COMPANIES	3	46	49	(7.08)
							PHARMACEUTICALS	2	32	34	(5.53)

Global Markets

	31-May-23	15days	30days	90days	FYTD	CYTD
UK	7,446	4.1%	5.7%	6.7%	-3.7%	0.1%
USA	12,935	-4.6%	-5.6%	-11.4%	-14.7%	-19.1%
China	3,205	2.7%	3.7%	3.3%	6.1%	-3.6%
Japan	30,888	-3.4%	-5.7%	-11.0%	-14.6%	-15.5%
India	62,622	-1.1%	-2.4%	-5.9%	-15.3%	-2.8%

Commentary

Continuing political turmoil, PKR woes and delay in IMF deal finalization are aggravating pressure on macro-economic numbers. Pakistan has renewed its efforts to strike IMF deal to avoid speculations regarding default. As per a cabinet minister, the International Monetary Fund (IMF) has rejected Pakistan's request to lower the requirement of arranging \$6 billion in new loans, leaving the government with no alternative but to try and revive the deal. In a policy statement during the National Assembly Standing Committee on Finance, Minister of State for Finance Dr Aisha Pasha emphasized that returning to the IMF Program was Pakistan only option.

Portfolio Investments (USD mn)

	7 days	30 days	90 days	365days	FYTD	CYTD
FIPI (net)	1	(4)	(19)	(17)	(5)	(4)
LIPI (net)	(1)	4	19	17	5	4
Ind.	1.2	15	20	100	79	30
Banks/DFIs	3.9	6	18	84	74	24
Companies	(0.4)	(2)	41	113	91	68
M.Funds	(4.0)	(12)	(26)	(142)	(130)	(67)
Brokers	0.4	2	(6)	(14)	(12)	(5)
Others	(0.6)	(1)	2	28	22	6
Ins.	(1.0)	(6)	(32)	(149)	(119)	(56)
NBFC	0.0	2	1	(2)	(0)	2

The State Bank of Pakistan (SBP) has revised the GDP growth estimate downward side and projected below 2 percent growth during this fiscal year (FY23) due to weakened performance of LSM and agricultural sector. The SBP also projected that National Consumer Price Index (NPCI) inflation to remain elevated within the range of 27-29 percent in FY23 as CPI hit new record with 38% in the month of May'23. As per data released by PBS, food inflation in urban areas soared by a staggering 48.1% in May 2023. The rural areas fared worse with 52.4% price increase on a year-on-year basis. The food group inflation was pushed by substantial increase in chicken prices. Despite such inflation levels, market analysts expect no change in monetary policy rate in the upcoming monetary policy committee meeting to be held on 12-June-23. The high base effects from a year earlier should push inflation back down from the month of June'23.

Key Economic Figures

	31-May-23	FY19	FY20	FY21	Fy22	31-May
Policy Rate	10.8%	7.0%	7.0%	7.0%	13.8%	21.0%
1yr KIBOR	13.6%	7.4%	8.1%	15.7%	22.4%	
Inflation	May End	8.8%	7.8%	9.8%	21.3%	38.0%
PKR USD*	163.1	168.2	157.3	204.8	285.5	

On the other hand, Pakistan has posted current account surpluses in the month of April & March by USD 18 Million and USD 654 Million respectively. The decline in surplus is mainly due to lower home remittance inflows in April 23. The country received \$2.5 billion workers' remittances during March 23 due to Eid and Ramzan. While home remittances inflows during April 23 were \$2.2 billion.

Key Economic Figures

		FY19	FY20	FY21	Fy22	FY23-TD
Imports	USD'mn	51,869	46,417	56,380	72,048	51,614
Exports	USD'mn	24,257	23,462	25,304	32,450	29,220
Trade Deficit	USD'mn	(27,612)	(22,955)	(31,076)	(39,598)	(22,394)
Remittances	USD'mn	21,740	23,131	29,370	31,238	22,742
FX Reserves	USD'mn	14,482	18,886	24,398	15,742	9,731

Stock Market Review

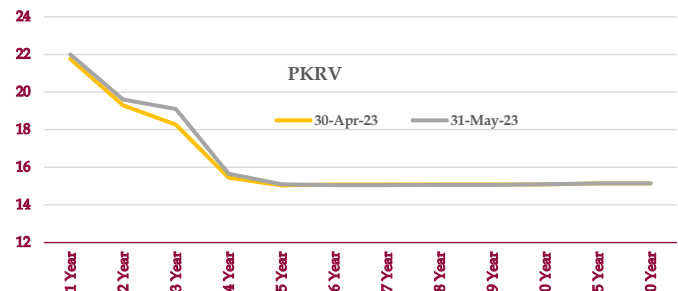
Pakistan Stock Market continues to face brunt of political instability & higher interest rates. Oil & Gas Marketing Companies, Oil & Gas Exploration Companies, pharmaceuticals & Commercial banks remained red while cement sector remained green, reacting strongly to falling coal prices.

PKRV Rates (change in bps)

	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	22.00	14	24	202	510	739
PKRV 3Y	19.10	5	83	89	403	551
PKRV 5Y	15.10	5	6	(73)	112	247
PKRV 10Y	15.10	-	1	(40)	160	246
PKRV 20Y	15.15	-	-	(10)	119	165

*Inter Bank Rate

31-May-23



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