

Market Summary

	31-Jul-23	15days	30days	90days	FYTD	CYTD
KSE100	48,035	6.58%	15.9%	14.6%	15.9%	18.8%
KMI30	80,371	4.94%	13.6%	10.5%	13.6%	17.7%
KMIAII	23,423	4.96%	14.5%	17.7%	14.5%	17.2%

Global Markets

	31-Jul-23	15days	30days	90days	FYTD	CYTD
UK	7,699	-3.4%	-2.2%	1.0%	-2.2%	-3.2%
USA	14,346	-1.6%	-3.9%	-15.8%	-3.9%	-27.0%
China	3,291	-1.6%	-2.7%	1.0%	-2.7%	-6.1%
Japan	33,172	-2.4%	0.1%	-12.1%	0.1%	-21.3%
India	66,528	-0.7%	-2.7%	-7.8%	-2.7%	-8.5%

Portfolio Investments (USD mn)

	7 days	30 days	90 days	365days	FYTD	CYTD
FIPI (net)	5	18	21	12	18	21
LIPI (net)	(5)	(18)	(21)	(12)	(18)	(21)
Ind.	0.6	2	18	78	2	38
Banks/DFIs	(4.2)	(6)	(1)	66	(6)	17
Companies	1.5	3	14	99	3	80
M.Funds	(4.9)	(17)	(43)	(150)	(17)	(98)
Brokers	0.3	(1)	(2)	(13)	(1)	(8)
Others	4.8	(2)	(0)	21	(2)	7
Ins.	(3.1)	2	(9)	(114)	2	(59)
NBFC	0.0	0	2	(0)	0	2

Key Economic Figures

		FY20	FY21	FY22	FY23	31-Jul
Policy Rate	31-Jul-23	7.0%	7.0%	13.8%	22.0%	22.0%
1yr KIBOR	31-Jul-23	7.4%	8.1%	15.7%	23.3%	23.5%
Inflation	July End	7.8%	9.8%	21.3%	29.4%	28.3%
PKR USD*	31-Jul-23	168.2	157.3	204.8	286.0	286.6

Key Economic Figures

		FY20	FY21	FY22	FY23	FY24-TD
Imports	USD'mn	46,417	56,380	72,048	56,222	3,664
Exports	USD'mn	23,462	25,304	32,450	32,449	2,057
Trade Deficit	USD'mn	(22,955)	(31,076)	(39,598)	(23,773)	(1,607)
Remittances	USD'mn	23,131	29,370	31,238	24,832	NA
FX Reserves	USD'mn	18,886	24,398	15,742	9,181	13,534

PKRV Rates (change in bps)

	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	23.02	39	9	127	507	720
PKRV 3Y	19.46	63	(1)	118	261	610
PKRV 5Y	16.86	77	78	182	136	347
PKRV 10Y	15.96	52	64	86	155	298
PKRV 20Y	15.44	17	16	29	106	195

\*Inter Bank Rate

31-Jul-23

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

SECTORS	Index Weight (%)	Current Market Cap (PKR'Bn)	Previous Week Market Cap (PKR'Bn)	Change (%) in Market Cap.
COMMERCIAL BANKS	23	390	366	6.77
FERTILIZER	12	208	208	(0.13)
OIL & GAS EXPLORATION COMPANIES	13	216	199	8.28
CEMENT	9	145	141	2.43
CHEMICAL	3	58	57	1.70
OIL & GAS MARKETING COMPANIES	4	60	55	10.03
PHARMACEUTICALS	2	35	36	(0.29)

Commentary

Economic Review

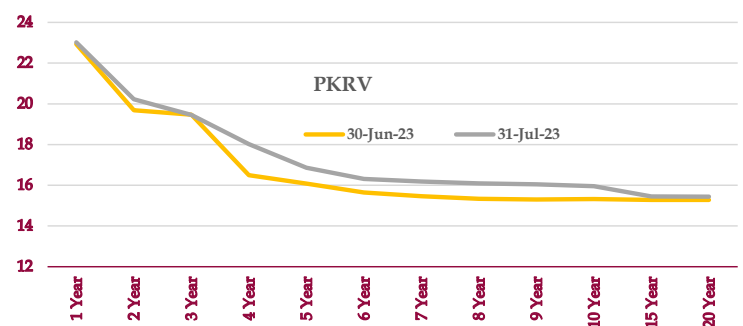
The month ended with a sigh of relief with central bank keeping the policy rate unchanged at 22%. SBP sighted comfort as Foreign Exchange Reserves were showed up by gov. through assistance from GCC and Chinese roll over of debt. Central bank sighted broad economic indicators which have been effective in curbing demand pressures and buildup of reserves to a sustainable level. Central bank has also indicated to continue to implement measures to keep interbank rate aligned with the market. Expected GDP growth target has been set for around 2%-3% while inflation is expected to come down gradually leaving room for adjustment in 2HFY24.

Country debt repayments are expected to be around USD25 billion inclusive of interest payments which central bank expects to be managed partially with rollovers and partially with multilateral and commercial inflows.

Gov. has also been engaged for a long-term solution, with agreements for setting up refinery and promoting trade partnerships with foreign investors which it hopes will pave way for a balanced trade relationship.

Stock Market Review

Market celebrated positive news flows of IMF program loan approval of ~USD3 billion, aid from GCC countries and rerating from Fitch on Pakistan foreign currency issued debt from CCC- to CCC. Gov. also managed to disburse ~PKR 142 billion to pacify circular debt, The benchmark KSE100 index closing at 48,035 a gain of ~16% while KMI30 managed to spike by 13.6%. During the month foreign investors remained net buyers of ~USD18 million with major interests in Commercial Banks, Technology and Cements. Central bank also indicated a declining inflationary expectation while acknowledging that gov. would pass on electricity and gas tariff. While the inflationary pressures persist, demand would remain passive amid central bank's actions. Market would jubilate on result announcements, as investors will stay positive on expected smooth political transition, compliances under IMF program and expected commitments.



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