

Market Summary

	15-Sep-23	MTD	30days	90days	FYTD	CYTD
KSE100	45,754	1.67%	-5.0%	10.8%	10.4%	13.2%
KMI30	77,481	3.35%	-4.3%	9.1%	9.5%	13.5%
KMIALL	22,196	2.64%	-4.5%	8.3%	8.5%	11.1%

Global Markets

	14-Sep-23	MTD	30days	90days	FYTD	CYTD
UK	7,673	-2.6%	-3.7%	-0.4%	-1.8%	-2.9%
USA	13,926	0.7%	-2.1%	-1.7%	-1.0%	-24.8%
China	3,127	0.3%	1.6%	4.7%	2.4%	-1.2%
Japan	33,213	-2.6%	-2.9%	1.5%	-0.1%	-21.4%
India	67,519	-3.6%	-3.4%	-6.1%	-4.1%	-9.9%

Portfolio Investments (USD mn)

	7 days	30 days	90 days	365days	FYTD	CYTD
FIIPI (net)	(1)	5	33	28	29	31
LIPI (net)	1	(5)	(33)	(28)	(29)	(31)
Ind.	(0.7)	(5)	(6)	60	(5)	30
Banks/DFIs	(5.9)	(25)	(36)	31	(36)	(12)
Companies	(0.4)	6	32	109	22	99
M.Funds	(0.8)	(10)	(46)	(164)	(39)	(120)
Brokers	0.5	(4)	(13)	(27)	(7)	(14)
Others	0.9	(5)	(8)	9	(9)	(1)
Ins.	7.7	38	44	(44)	47	(14)
NBFC	(0.0)	(0)	(0)	(1)	(0)	2

Key Economic Figures

		FY20	FY21	FY22	FY23	14-Sep
Policy Rate	15-Sep-23	7.0%	7.0%	13.8%	22.0%	22.0%
1yr KIBOR	15-Sep-23	7.4%	8.1%	15.7%	23.3%	25.0%
Inflation	Aug End	7.8%	9.8%	21.3%	29.4%	27.4%
PKR USD*	15-Sep-23	168.2	157.3	204.8	286.0	298.1

Key Economic Figures

		FY20	FY21	FY22	FY23	FY24-TD
Imports	USD'mn	46,417	56,380	72,048	51,979	8,490
Exports	USD'mn	23,462	25,304	32,450	27,903	4,542
Trade Deficit	USD'mn	(22,955)	(31,076)	(39,598)	(24,076)	(3,948)
Remittances	USD'mn	23,131	29,370	31,238	27,028	4,122
FX Reserves	USD'mn	18,886	24,398	15,742	9,181	13,079

PKRV Rates (change in bps)

	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	24.43	115	145	245	343	848
PKRV 3Y	20.61	4	116	155	241	674
PKRV 5Y	17.92	70	116	291	279	469
PKRV 10Y	16.57	26	44	147	141	382
PKRV 20Y	15.54	17	17	39	43	208

*Inter Bank Rate

15-Sep-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	22	354	363	(2.64)
FERTILIZER	12	192	193	(0.71)
OIL & GAS EXPLORATION COMPANIE	13	208	203	2.42
CEMENT	8	132	130	1.76
CHEMICAL	3	50	49	1.38
OIL & GAS MARKETING COMPANIES	3	55	51	7.90
PHARMACEUTICALS	2	30	31	(1.28)

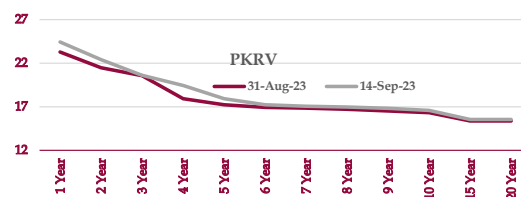
Commentary

Economic Review

Central Bank delivered a shock in Monetary Policy Statement (MPS), kept rates unchanged despite heavy uptick market expectations. T-Bill auction on 6th September, SBP despite mopping ~PKR1,332 billion against a participation of PKR1,973 billion at weighted average yields 23.3938%, 24.7868% and 25.0569% has given a surprise to all money managers. Key trigger which central bank hinged, positive volatility in exchange rate, comfortable Current Account Deficit (CAD) figures as well as confirmation of roll-overs on foreign loans. CAD for 2MFY24 stood at USD935million compared to USD2,035million SPLFY. Balance of Trade has also been favorable with imports down by ~USD3 billion. A slowdown in remittances by ~21% during 2MFY24, primarily due to exchange instability during the period is also expected to pacify as confidence returns in market. Forward expectation on deceleration of inflation has given central bank cushion to maintain policy rate at current level. These have started to translate into bond yields as local player foresee stability going forward amid caution i.e., PKR:USD, spike in commodity prices especially for energy in global markets, confronted by production cuts as well as supply issues.

Stock Market Review

KSE-100 index rose by 1.67% while KMI-30 increased by 3.35% during the first half of September. Oil & Gas Marketing, Oil & Gas Exploration and Cement Sectors remained green while Commercial Banks, Fertilizer and Pharmaceutical sectors remained negative. Due to unexpected status quo in 14-Sep-23 monetary policy, market is expected to capitalize on positive vibes as PKR strengthens against dollar and strong administrative measures to ensure stability in the economy.



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