

## Pak-Qatar Asset Management Company Limited

Keynote April 15, 2024

### Market Summary

	15-Apr-24	MTD	30days	90days	FYTD	CYTD
KSE100	70,545	5.28%	8.8%	10.7%	70.2%	13.0%
KMI30	118,563	5.52%	7.7%	10.3%	67.6%	13.2%
KMIALL	32,717	3.66%	5.0%	3.9%	60.0%	6.7%

### Global Markets

	15-Apr-24	MTD	30days	90days	FYTD	CYTD
UK	7,954	0.0%	-2.9%	-5.0%	-5.3%	-2.8%
USA	15,885	3.2%	0.6%	-5.9%	-13.2%	-5.5%
China	3,019	0.7%	1.2%	-4.2%	6.0%	-1.5%
Japan	39,210	3.0%	-1.3%	-9.2%	-15.4%	-14.7%
India	73,515	-1.4%	-1.2%	-0.5%	-12.0%	-1.7%

### Portfolio Investments (USD mn)

	7 days	30 days	90 days	365days	FYTD	CYTD
FIPI (net)	5	16	15	74	85	14
LIPI (net)	(5)	(16)	(15)	(74)	(85)	(14)
Ind.	4	(1)	1	10	(13)	(5)
Banks/DFIs	(8)	(19)	(27)	(110)	(121)	(29)
Companies	(0)	(16)	(23)	52	31	(22)
M.Funds	(1)	(2)	(3)	(84)	(53)	(2)
Brokers	3	3	(2)	(25)	(23)	(2)
Others	(1)	(6)	(12)	(17)	(18)	(7)
Ins.	(1)	25	51	100	113	53
NBFC	(0)	(0)	(0)	1	(0)	(0)

### Key Economic Figures

		FY20	FY21	FY22	FY23	15-Apr
Policy Rate	15-Apr-24	7.0%	7.0%	13.8%	22.0%	22.0%
1yr KIBOR	15-Apr-24	7.4%	8.1%	15.7%	23.3%	21.4%
Inflation	Oct End	7.8%	9.8%	21.3%	29.4%	20.7%
PKR USD*	15-Apr-24	168.2	157.3	204.8	286.0	2.78

### Key Economic Figures

		FY20	FY21	FY22	FY23	FY24-TD
Imports	USD'mn	46,417	56,380	72,048	51,979	34,079
Exports	USD'mn	23,462	25,304	32,450	27,903	20,538
Trade Deficit	USD'mn	(22,955)	(31,076)	(39,598)	(24,076)	(13,541)
Remittances	USD'mn	23,131	29,370	31,238	27,028	21,037
FX Reserves	USD'mn	18,886	24,398	15,742	9,181	13,442

### PKRV Rates (change in bps)

	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	20.80	7	46	36	(180)	(88)
PKRV 3Y	16.74	-	2	41	(134)	(146)
PKRV 5Y	15.55	(2)	10	(1)	(58)	40
PKRV 10Y	14.22	-	-	(56)	(159)	(89)
PKRV 20Y	14.01	(1)	(1)	(57)	(128)	(113)

\*Inter Bank Rate

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

SECTORS	Index Weight (%)	Current Market Cap (PKR'Bn)	Previous Market Cap (PKR'Bn)	Change (%) in Market Cap.
COMMERCIAL BANKS	19	553	523	5.79
FERTILIZER	7	317	298	6.54
OIL & GAS EXPLORATION COMPANIE	14	290	273	6.26
CEMENT	5	172	162	5.79
CHEMICAL	4	51	51	(1.11)
OIL & GAS MARKETING COMPANIES	2	78	74	5.71
PHARMACEUTICALS	2	51	46	10.81

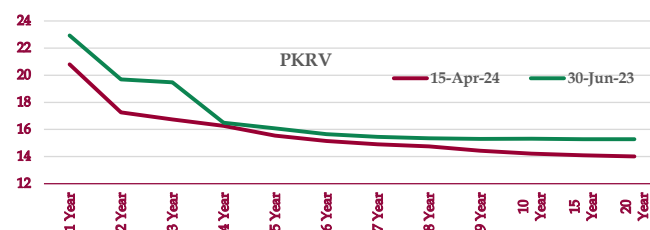
### Commentary

### Economic Review

The much-awaited government action on fuel prices has started to materialize, with a recent hike in fuel prices now taking effect. The government is being urged to implement an Rs18 per liter general sales tax (GST) on petroleum products. These actions will allow the country to face increased taxes in the upcoming budget due to IMF pressure. There are indications that the government may raise the petroleum levy rate in the forthcoming budget to bolster revenue collection from oil consumers. With resulting inflation figures spiking further adding to economic woes in the short term. While Government commitment to achieving the FY24 primary balance target of PRs 401 billion (0.4% of GDP) through efforts to broaden the tax base and implement timely adjustments to power and gas tariffs to align with costs and prevent circular debt accumulation. The State Bank of Pakistan continues to maintain a prudent monetary policy focused on lowering inflation and ensuring exchange rate flexibility and transparency in the FX market. In a positive trend, Industrial output also demonstrated growth, with Large Scale Manufacturing (LSM) showing a YoY increase of 0.1%, PKR USD has stabilized, indicating a favorable trend, especially with a notable increase on a YoY basis. On the external front, Pakistan's total liquid foreign exchange reserves increased to \$ 13.421 billion on March 27, 2024, with SBP's reserves standing at \$ 8.084 billion and Commercial banks' reserves remaining at \$ 5.340 billion. Achieving sustainable economic recovery requires continuing fiscal consolidation efforts and maintaining a prudent policy stance. Additionally, timely and adequate financial inflows are critical to meeting gross financing needs and ensuring exchange market stability.

### Stock Market Review

During the fortnightly basis, the KSE 100 recorded a gain of 5.28%, and the KMI 30 also showed positive returns, marking a 5.52% increase. Notably, the Pharmaceuticals, Fertilizer and Oil & Gas explorations Companies experienced positive sentiments. The Central Bank maintained a stable policy rate, leading market participants to adopt a stable approach, anticipating the peak of the interest rate cycle. Notable performers in the KMI 30 index for the month included AVN, SEARL, FCCL, NRL and DGKC witnessing increased trading prices. Conversely, TPLP, PRL, UNITY, COLG, and LOTCHEM experienced noticeable decreases in their trading prices.



15-Apr-24

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