

Pak-Qatar Asset Management Company Limited

Keynote March 31, 2024

Market Summary

	29-Mar-24	MTD	30days	90days	FYTD	CYTD
KSE100	67,005	5.18%	5.2%	7.3%	61.6%	7.3%
KMI30	112,364	5.13%	5.1%	7.3%	58.8%	7.3%
KMIAll	31,563	2.82%	2.8%	3.0%	54.3%	3.0%

Global Markets

	29-Mar-24	MTD	30days	90days	FYTD	CYTD
UK	7,953	-4.1%	-4.1%	-2.8%	-5.3%	-2.8%
USA	16,400	-2.8%	-2.8%	-8.5%	-15.9%	-8.5%
China	3,041	-2.7%	-2.7%	-2.2%	5.3%	-2.2%
Japan	40,369	-2.9%	-2.9%	-17.1%	-17.8%	-17.1%
India	72,470	-0.2%	-0.2%	-0.3%	-10.7%	-0.3%

Portfolio Investments (USD mn)

	7 days	30 days	90 days	365days	FYTD	CYTD
FIPI (net)	4	14	4	69	75	77
LIPI (net)	(4)	(14)	(4)	(69)	(75)	(77)
Ind.	0	(2)	(6)	11	(16)	20
Banks/DFIs	(5)	(11)	(19)	(99)	(113)	(89)
Companies	(8)	(26)	(18)	48	31	107
M.Funds	1	(3)	(5)	(88)	(55)	(136)
Brokers	2	(2)	(7)	(29)	(26)	(33)
Others	(3)	(4)	(10)	(14)	(17)	(8)
Ins.	9	34	61	102	121	60
NBFC	(0)	(0)	(0)	1	(0)	1

Key Economic Figures

		FY20	FY21	FY22	FY23	29-Mar
Policy Rate	29-Mar-24	7.0%	7.0%	13.8%	22.0%	22.0%
1yr KIBOR	29-Mar-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*	29-Mar-24	168.2	157.3	204.8	286.0	278.07

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	18,083
FX Reserves	USD'mn	18,886	24,398	15,742	9,181	13,428

PKRV Rates (change in bps)

	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	20.73	-	-	(59)	(217)	(66)
PKRV 3Y	16.74	(16)	(16)	20	(237)	(159)
PKRV 5Y	15.57	(5)	(5)	(33)	(166)	34
PKRV 10Y	14.22	(11)	(11)	(69)	(190)	(100)
PKRV 20Y	14.02	(4)	(4)	(66)	(132)	(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	18	523	520	0.53
FERTILIZER	7	298	282	5.50
OIL & GAS EXPLORATION COMPANIE	13	273	275	(0.51)
CEMENT	5	162	165	(1.67)
CHEMICAL	4	51	51	0.21
OIL & GAS MARKETING COMPANIES	2	74	74	(0.28)
PHARMACEUTICALS	2	46	46	(0.28)

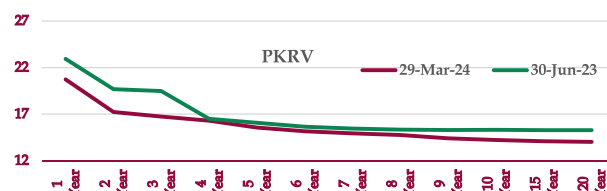
Commentary

Economic Review

The economy traversed a controlled path for 2HFY24 with the central bank keeping a tight monetary stance, managing Current Account and Inflationary pressures. Notably, CPI kept hovering around 20% on March 24 with an uptick in food & fuel costs being passed on to end consumers. Keeping a moderate GDP growth rate target in the range of 2 to 3 percent while the country gears up for the upcoming IMF program, it is diligently adhering to the rigorous measures set forth by the IMF. Inflation projection for the latter half of the FY24 remains decelerating amid a fall in food supplies, global commodity prices, and favorable base effect. This would allow SBP room for toning down the policy rate which would allow the Central Bank positive real interest rates while also aiming to manage Current Account deficit. During 1HFY24 The current account recorded a deficit of \$1.0 billion, compared to a deficit of \$3.9 billion in the previous year. This improvement primarily stems for a favorable trade balance. In a positive trend PKR USD has stabilized, indicating a favorable trend especially with a notable increase on 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 stood at \$8.084 billion and Commercial banks' reserves remained at \$5.340 billion. For sustainable economic recovery, it's essential to persist with fiscal consolidation efforts and maintain a prudent policy stance. Additionally, timely and sufficient financial inflows are crucial to meet the gross financing requirements and ensure stability in exchange market.

Stock Market Review

During the month, the KSE 100 recorded a gain of 5.18%, and the KMI 30 also showed positive returns, marking a 5.13% increase. Notably, the Fertilizers, Commercial Banks and Chemicals 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 MEBL, ATRL, NRL, ENGRO and MARI, witnessing increased trading prices. Conversely, SYS, DGKC, PPL, MLCF, and SNGP experienced noticeable decreases in their trading prices.



29-Mar-24

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