

Pak-Qatar Asset Management Company Limited

Keynote April 30, 2024

Market Summary

	30-Apr-24	MTD	30days	90days	FYTD	CYTD
KSE100	71,103	6.12%	6.1%	14.7%	71.5%	13.9%
KMI30	119,445	6.30%	6.3%	15.2%	68.8%	14.1%
KMIAll	33,272	5.42%	5.4%	9.8%	62.7%	8.6%

Global Markets

	30-Apr-24	MTD	30days	90days	FYTD	CYTD
UK	8,144	-2.4%	-2.4%	-5.8%	-7.5%	-5.0%
USA	15,658	4.7%	4.7%	-2.2%	-11.9%	-4.1%
China	3,105	-2.0%	-2.0%	-10.1%	3.1%	-4.2%
Japan	38,406	5.1%	5.1%	-5.6%	-13.6%	-12.9%
India	74,483	-2.7%	-2.7%	-3.6%	-13.1%	-3.0%

Portfolio Investments (USD mn)

	7 days	30 days	90 days	365days	FYTD	CYTD
FIPI (net)	4	48	89	126	123	126
LIPI (net)	(4)	(48)	(89)	(126)	(123)	(126)
Ind.	(1)	(14)	(21)	(10)	(30)	6
Banks/DFIs	(2)	(15)	(36)	(122)	(128)	(104)
Companies	(2)	(5)	(39)	33	25	102
M.Funds	3	8	8	(73)	(47)	(128)
Brokers	0	3	(2)	(24)	(23)	(30)
Others	(1)	(4)	(11)	(20)	(21)	(12)
Ins.	(1)	(20)	11	89	100	40
NBFC	(0)	(0)	(0)	1	(1)	1

Key Economic Figures

		FY20	FY21	FY22	FY23	30-Apr
Policy Rate	30-Apr-24	7.0%	7.0%	13.8%	22.0%	22.0%
1yr KIBOR	30-Apr-24	7.4%	8.1%	15.7%	23.3%	21.2%
Inflation	Oct End	7.8%	9.8%	21.3%	29.4%	17.3%
PKR USD*	30-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	38,783
Exports	USD'mn	23,462	25,304	32,450	27,903	23,026
Trade Deficit	USD'mn	(22,955)	(31,076)	(39,598)	(24,076)	(15,757)
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	13,316

PKRV Rates (change in bps)

	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	20.80	7	7	(4)	(84)	(96)
PKRV 3Y	16.61	(13)	(13)	(12)	(102)	(166)
PKRV 5Y	15.45	(12)	(12)	(2)	(12)	41
PKRV 10Y	14.18	(4)	(4)	1	(98)	(91)
PKRV 20Y	14.01	(1)	(1)	(2)	(99)	(114)

*Inter Bank Rate

30-Apr-24

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	563	520	8.37
FERTILIZER	8	323	282	14.49
OIL & GAS EXPLORATION COMPANIE	14	294	275	7.00
CEMENT	5	175	165	6.02
CHEMICAL	4	50	51	(2.33)
OIL & GAS MARKETING COMPANIES	2	74	74	(0.44)
PHARMACEUTICALS	2	51	46	11.30

Commentary

Economic Review

Central Bank kept policy rate unchanged, managing Current Account and Inflationary pressures. Notably CPI is kept hovering around 17.34% in April '24 as compared to 20.7% in March'24 with a downtick in the prices of wheat products, Fuel Cost adjustment and a higher base effect. Keeping the moderate GDP growth rate of 2 to 3 percent while the country received a noteworthy financial boost with the recent approval of a SDR 828 million (approximately \$1.1 billion) loan tranche, bringing the total disbursements under the Stand-By Arrangement to 2.250 billion (around \$3 billion). The government commitment to meeting fiscal targets while safeguarding the vulnerable, implementing a market-driven exchange rate to absorb external pressures, and expanding structural reforms to foster robust and equitable economic growth. Inflation projection for the latter half of FY24 remains decelerating amid fall in commodity prices, improved food supplies and high base effect. This would allow Central bank to toning down the policy rate which would allow the Central Bank positive real interest rates while also maintains the Current Account Deficit. Pakistan's Current Account achieved a surplus of \$619 million in March 2024, marking a substantial increase from the revised surplus of \$98 million. This improvement primarily stems for a favorable trade balance. In March 2024, remittances amounted to \$2.954 billion, showing a MoM increase of 31%. This also marks third highest monthly surplus in the history of the country. In a positive trend PKR USD has stabilized. On the external front Pakistan's total liquid foreign exchange reserves increased to \$ 13.3 billion on April 25, 2024, with SBP's reserves stood at \$ 8.0 billion and Commercial banks' reserves remained at \$ 5.3 billion. Ensuring a stable economic recovery demands ongoing efforts in fiscal consolidation and the maintenance of a cautious policy approach. Moreover, timely and sufficient financial inflows play a vital role in fulfilling overall financing requirements and securing stability in the exchange market.

Stock Market Review

During the month, the KSE 100 recorded a gain of 6.12%, and the KMI 30 also showed positive returns, marking a 6.30% increase. Notably, the Fertilizers, Pharmaceuticals, Commercial Banks 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 DGKC, AVN, PIOC, NRL and FCCL, witnessing increased trading prices. Conversely, CNERGY, TPLP, COLG, EPCL and LOTCHEM experienced noticeable decreases in their trading prices.

