

Market Summary

	31-Oct-24	MTD	30days	90days	FYTD	CYTD
KSE100	88,967	9.68%	8.8%	13.7%	13.4%	42.5%
KMI30	133,711	7.18%	5.4%	8.0%	5.8%	27.7%
KMIAII	38,888	8.75%	7.4%	12.1%	11.6%	26.9%

Global Markets

	31-Oct-24	MTD	30days	90days	FYTD	CYTD
UK	8,110	1.6%	2.1%	0.8%	0.7%	-4.6%
USA	18,095	0.5%	-54.3%	-7.3%	-1.2%	-17.0%
China	3,280	1.7%	1.7%	-11.4%	-9.5%	-9.3%
Japan	39,081	-3.0%	-1.1%	-8.1%	-10.8%	-14.4%
India	79,389	6.2%	6.1%	2.0%	-0.4%	-9.0%

Portfolio Investments (USD mn)

	7 days	30 days	90 days	365days	FYTD	CYTD
FIPI (net)	(6)	(70)	24	35	44	46
LIPI (net)	6	70	(24)	(35)	(44)	(46)
Ind.	1	(17)	(31)	(37)	(30)	6
Banks/DFIs	(15)	(39)	(166)	(129)	(172)	(148)
Companies	2	35	51	15	56	133
M.Funds	11	59	60	85	40	(41)
Brokers	1	1	(28)	(21)	(30)	(38)
Others	(1)	18	(23)	(22)	(24)	(15)
Ins.	7	12	115	75	116	55
NBFC	0	0	(1)	(0)	(1)	1

Key Economic Figures

		FY21	FY22	FY23	FY24	31-Oct
Policy Rate	31-Oct-24	7.0%	13.8%	22.0%	20.5%	15.0%
1yr KIBOR	31-Oct-24	8.1%	15.7%	23.3%	19.2%	13.1%
Inflation	Oct End	9.8%	21.3%	29.4%	12.6%	6.2%
PKR USD*	31-Oct-24	157.3	204.8	286.0	279.0	277.7

Key Economic Figures

		FY21	FY22	FY23	FY24	FY25-TD
Imports	USD'mn	56,380	72,048	51,979	48,402	14,219
Exports	USD'mn	25,304	32,450	27,903	28,678	7,496
Trade Deficit	USD'mn	(31,076)	(39,598)	(24,076)	(19,724)	(6,723)
Remittances	USD'mn	29,370	31,238	27,028	27,093	8,786
FX Reserves	USD'mn	24,398	15,742	9,181	14,207	16,049

PKRV Rates (change in bps)

	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	12.65	(83)	(65)	(545)	(820)	(908)
PKRV 3Y	11.81	(49)	(22)	(437)	(480)	(601)
PKRV 5Y	12.01	(18)	17	(322)	(344)	(343)
PKRV 10Y	12.01	(11)	13	(208)	(216)	(313)
PKRV 20Y	11.94	(7)	11	(202)	(207)	(306)

*Inter Bank Rate

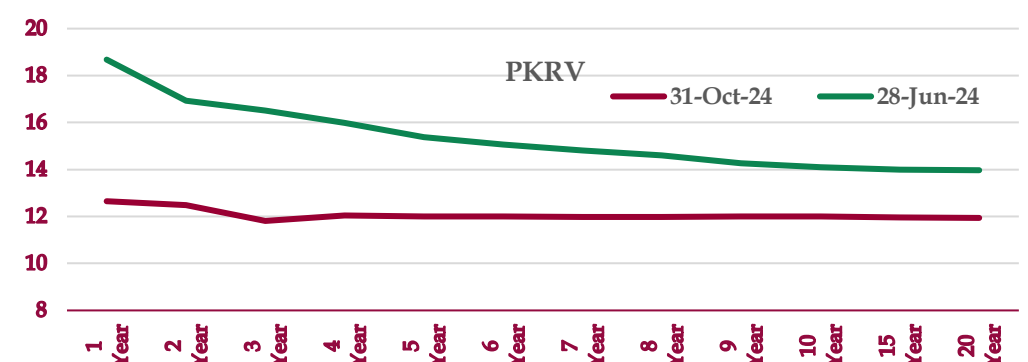
KSE100 Index Top Ten Sector Details (on Free Float Market Capitalization)

SECTORS	Index Weight (%)	Current Market Cap (PKR'Bn)	Previous Market Cap (PKR'Bn)	Change (%) in Market Cap.
COMMERCIAL BANKS	19	694	660	5.09
FERTILIZER	9	443	393	12.88
OIL & GAS EXPLORATION COMPANII	15	378	347	8.77
CEMENT	5	218	194	12.48
CHEMICAL	3	47	45	3.94
OIL & GAS MARKETING COMPANIES	2	87	81	6.62
PHARMACEUTICALS	2	81	69	17.98

Commentary

Economic Review: The month ended on a positive note for the economy, with Central Bank tweaking down policy rate by 250 basis points to 15 % due to decelerating inflation, as October CPI hovered around 7.2%, compared to 11.1% in July 2024 while keeping ample real rate which will keep the market in positive flux. The outlook is further bolstered by the new IMF program, as external accounts show substantial improvement, inflation declines sharply, secondary market yield on government securities and KIBOR have declined substantially and fiscal accounts continue to consolidate. Central Bank target GDP growth rate of 3.5%. This range experienced impressive growth in Large-Scale Manufacturing (LSM), which increased by m/m 4.7% in August 2024, signaling a strong revival in economic activity. On a positive note, Current account deficit also subdued to \$ 0.1 billion compared to \$ 1.2 billion last year. During July-Sep FY25 exports increased by 7.8% while imports recorded an increase of 15.7%. The country managed to cope with trade deficit of \$6.7% billion with assistance from remittances which have reach to \$8.8 billion, marking 39% increase. The country also had some respite from international agency with Pakistan's long term issuer rating by one notch to CCC+. The upgrade reflects external funding prospects, narrowed fiscal deficit and improvement in Foreign Exchange reserves. However, Pakistan still faces large funding needs and risks from challenging reforms, with continued support from bilateral partners crucial for maintaining stability and further improvement. As, of October 25, 2024, Pakistan's total liquid foreign exchange reserves stood at \$16.0 billion, with the State Bank of Pakistan holding \$11.0 billion of this amount. The Pakistani Rupee has strengthened due to improved external account stability and rising inflows, appreciating during the last fiscal year and showing further gains so far in the current fiscal year against the US dollar. On the fiscal front, the country managed to have a positive primary balance at 0.05% of GDP. Going forward, central bank will continue to soften monetary stance amid a tight fiscal policy with aim to enhance employment and productivity in the economy.

Stock Market Review: During the monthly basis the KSE 100 recorded a positive return of 9.68 % and the KMI 30 showed positive returns, marking a 7.18% increase. Notably, the Cement, Pharmaceuticals, Fertilizers and Oil & Gas Exploration Companies, Oil and Gas Marketing Companies have experienced positive sentiments. The Central Bank maintained a steady policy rate, prompting participants to adopt a cautious approach, anticipating the peak of the interest rate cycle. This stability helped maintain positive investor confidence, leading some investors to take long positions in the equity market. Meanwhile, local investors recorded an outflow of ~USD75 million. Looking ahead, we expect index to consolidate around these levels.



31-Oct-24

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