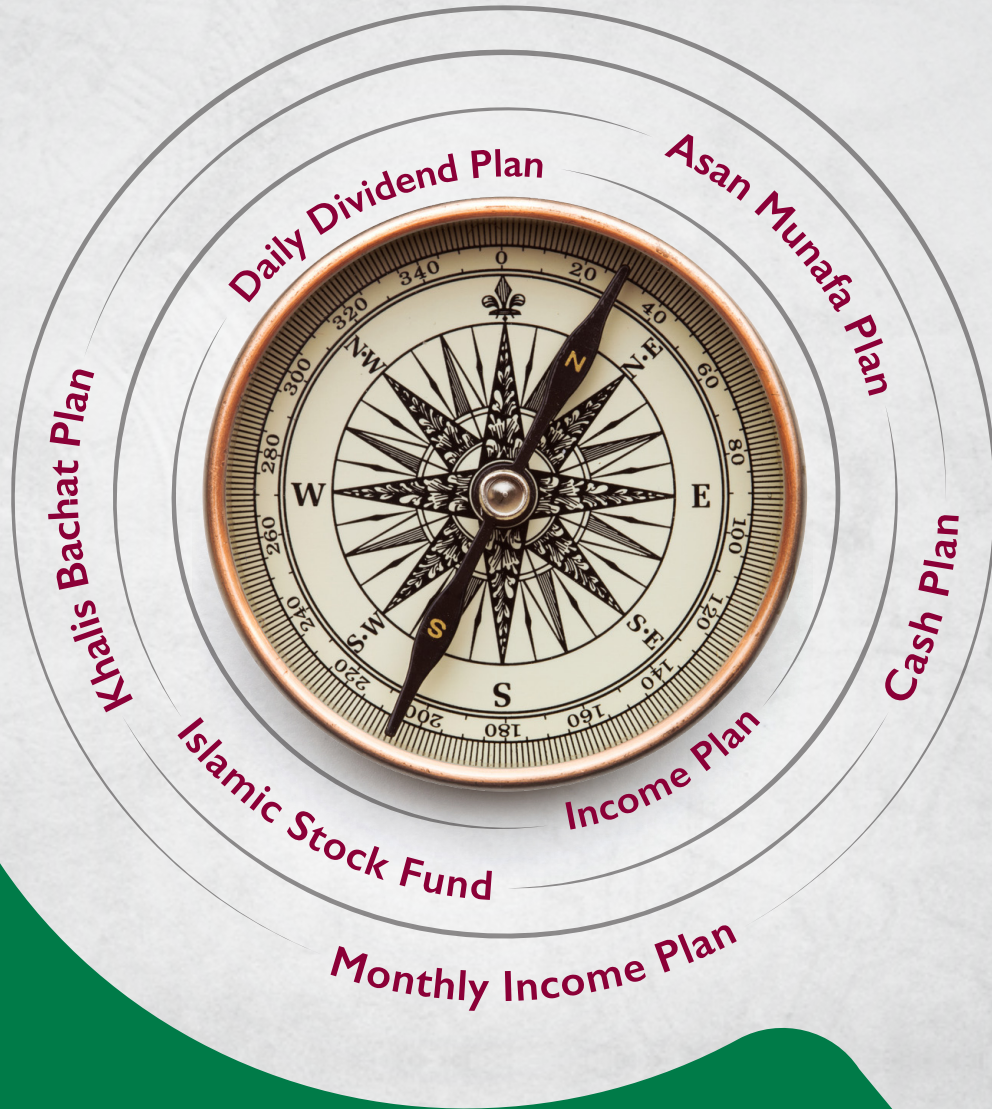




PAK-QATAR  
ASSET MANAGEMENT



# INVESTOR'S OUTLOOK

*December 16, 2024*

## Pak-Qatar Asset Management Company Limited

Keynote December 16, 2024

### Market Summary

	13-Dec-24	MTD	30days	90days	FYTD	CYTD
KSE100	114,302	22.61%	22.4%	44.1%	45.7%	83.0%
KMI30	179,177	26.57%	25.6%	42.8%	41.7%	71.1%
KMIALL	51,457	24.98%	24.1%	44.3%	47.6%	67.9%

### Global Markets

	13-Dec-24	MTD	30days	90days	FYTD	CYTD
UK	8,300	-3.3%	-3.3%	-0.3%	-1.6%	-6.8%
USA	19,927	-3.2%	-3.5%	-11.3%	-10.3%	-24.7%
China	3,392	0.9%	1.4%	-20.3%	-12.5%	-12.3%
Japan	39,470	-0.2%	-1.9%	-7.3%	-11.7%	-15.2%
India	82,133	-4.2%	-5.4%	0.9%	-3.8%	-12.0%

### Portfolio Investments (USD mn)

	7 days	30 days	90 days	365days	FYTD	CYTD
FIPI (net)	(1)	(67)	(189)	(93)	(170)	(100)
LIPI (net)	1	67	189	93	170	100
Ind.	(10)	(38)	(54)	(80)	(16)	(68)
Banks/DFIs	(3)	10	(28)	(75)	(33)	(82)
Companies	(13)	12	33	5	22	5
M.Funds	41	96	229	200	212	216
Brokers	(3)	1	(4)	(7)	(6)	(5)
Others	(4)	(7)	(18)	(17)	5	(18)
Ins.	(7)	(7)	(6)	67	(14)	52
NBFC	(0)	(0)	0	(1)	0	(1)

### Key Economic Figures

		FY21	FY22	FY23	FY24	13-Dec
Policy Rate	13-Dec-24	7.0%	13.8%	22.0%	20.5%	15.0%
1yr KIBOR	13-Dec-24	8.1%	15.7%	23.3%	19.2%	12.5%
Inflation	Oct End	9.8%	21.3%	29.4%	12.6%	4.9%
PKR USD*	13-Dec-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	18,832
Exports	USD'mn	25,304	32,450	27,903	28,678	10,508
Trade Deficit	USD'mn	(31,076)	(39,598)	(24,076)	(19,724)	(8,324)
Remittances	USD'mn	29,370	31,238	27,028	27,093	11,848
FX Reserves	USD'mn	24,398	15,742	9,181	14,207	16,076

### PKRV Rates (change in bps)

	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	12.11	(91)	(92)	(432)	(684)	(919)
PKRV 3Y	12.11	(17)	(18)	(210)	(422)	(433)
PKRV 5Y	12.13	(10)	(12)	(193)	(315)	(378)
PKRV 10Y	12.02	(6)	(6)	(109)	(203)	(292)
PKRV 20Y	12.00	5	4	(93)	(193)	(277)

\*Inter Bank Rate

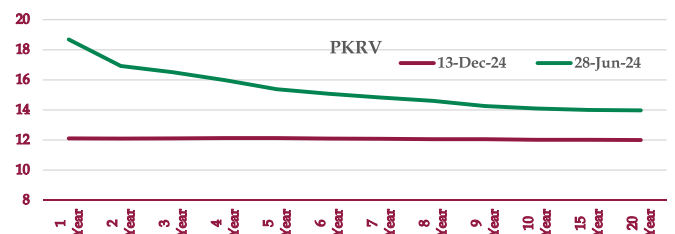
### KSE100 Index Top Ten Sector Details (on Free Float Market Capitalization)

SECTORS	Index Weight (%)	Current Market Cap (PKR'Bn)	Previous Market Cap (PKR'Bn)	Change (%) in Market Cap.
COMMERCIAL BANKS	16	777	803	(3.28)
FERTILIZER	9	586	495	18.39
OIL & GAS EXPLORATION COMPANIE	18	557	424	31.29
CEMENT	5	277	244	13.71
CHEMICAL	3	59	56	5.86
OIL & GAS MARKETING COMPANIES	2	132	108	22.25
PHARMACEUTICALS	3	116	103	12.20

### Commentary

**Economic Review :** The upcoming MPS has already raised expectation of another cut while the central bank monitors inflation with its long-term inflation target. Current spread between policy rate(15%) and average national ~CPI (8.9%) of ~6% is expected to go down by ~2% in this last MPS of CY24. Market participation in short term government papers also reveals a strong impulse for long end (12 months) with government mopping ~PKR1,196 billion with PKR655 billion in one year tenor. Yield also dropped as cutoff came to around 11.999%, 11.999% and 12.299% respectively for 3 months, 6 months and 12 month maturities. Yield curve has turned flat which also indicates a further monetary softening in upcoming MPS albeit soft and gradual movement going forward. Government key concern lies at tax collection budgeted 3mFY25 ~PKR 3,242 million compared to actual PKR2,775 million which had been committed with IMF. On the external front, Current Account for 4mFY25 stood at USD97 million compared to a deficit of USD1,649 million SPLFY. Impact of positive Current Account balance also reflected on USD:PKR stability while Foreign Exchange Reserves also remained stable with ~USD16,600million with central bank reserves of USD12,050 million with an import cover of ~3.5.

**Stock Market Review:** Bourse generated strong returns with KSE100 and KMI30 achieving 22.6% and 26.5% respectively for the fortnightly period. Fiscal year for KSE100 and KMI30 proved bumper yields of 45.7% and 41.7% respectively. This investor sentiment was moved by stability in USD:PKR, sufficient reserves, declining interest rates, development on SIFC and IMF engagements. Key note regarding the flow of funds reveals investors taking positions via Mutual Funds with net buying of USD216million for CY24 to-date while foreign investors realized ~USD100million during the calendar year. During the fortnightly period, Investors remained bullish in Oil & Gas exploration and Oil & Gas marketing followed by Fertilizer sector while Commercial Banks took some reversal amid ADR issues highlighted in news. Going forward, we advise long term risk savvy investors to keep long term exposure while short term gains can be realized to mitigate year end risk.



13-Dec-24

# PAK-QATAR

## ASSET MANAGEMENT



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