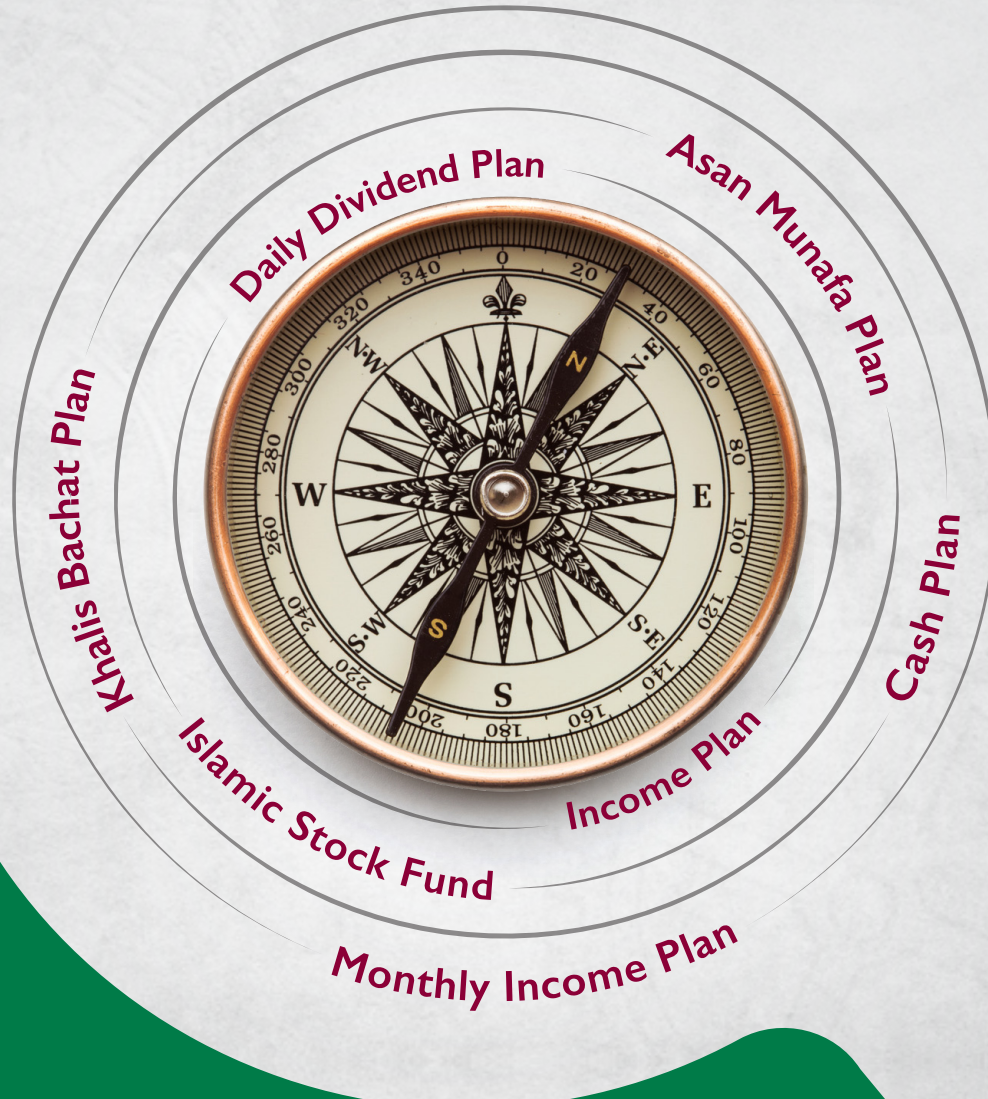




PAK-QATAR
ASSET MANAGEMENT



INVESTOR'S OUTLOOK

December 31, 2024

Pak-Qatar Asset Management Company Limited

Keynote December 31, 2024

Market Summary

	31-Dec-24	MTD	30days	90days	FYTD	CYTD
KSE100	115,127	13.59%	13.6%	40.5%	46.8%	84.3%
KMI30	178,636	20.23%	20.2%	41.4%	41.3%	70.6%
KMIALL	50,535	16.45%	16.5%	40.0%	45.0%	64.9%

Global Markets

	31-Dec-24	MTD	30days	90days	FYTD	CYTD
UK	8,173	1.4%	1.4%	1.4%	-0.1%	-5.4%
USA	19,311	-0.5%	-0.5%	-7.2%	-7.4%	-22.3%
China	3,352	-0.8%	-0.8%	-0.5%	-11.5%	-11.2%
Japan	39,895	-4.2%	-4.2%	-5.2%	-12.6%	-16.1%
India	78,139	2.1%	2.1%	7.8%	1.1%	-7.5%

Portfolio Investments (USD mn)

	7 days	30 days	90 days	365days	FYTD	CYTD
FIPI (net)	(1)	(32)	(155)	(116)	(187)	(117)
LIPI (net)	1	32	155	116	187	117
Ind.	11	6	(20)	(22)	26	(25)
Banks/DFIs	(1)	17	(28)	(70)	(21)	(70)
Companies	(4)	2	42	11	27	10
M.Funds	3	56	152	187	183	187
Brokers	0	(2)	5	(6)	(6)	(5)
Others	(11)	(28)	(14)	(43)	(17)	(40)
Ins.	3	(18)	18	61	(5)	61
NBFC	(0)	(1)	(1)	(1)	(0)	(1)

Key Economic Figures

		FY21	FY22	FY23	FY24	31-Dec
Policy Rate	31-Dec-24	7.0%	13.8%	22.0%	20.5%	13.0%
1yr KIBOR	31-Dec-24	8.1%	15.7%	23.3%	19.2%	12.5%
Inflation	Oct End	9.8%	21.3%	29.4%	12.6%	4.1%
PKR USD*	31-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	22,972
Exports	USD'mn	25,304	32,450	27,903	28,678	13,283
Trade Deficit	USD'mn	(31,076)	(39,598)	(24,076)	(19,724)	(9,689)
Remittances	USD'mn	29,370	31,238	27,028	27,093	14,766
FX Reserves	USD'mn	24,398	15,742	9,181	14,207	16,372

PKRV Rates (change in bps)

	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	12.08	40	40	(126)	(661)	(924)
PKRV 3Y	12.34	55	55	20	(417)	(420)
PKRV 5Y	12.35	54	54	37	(304)	(355)
PKRV 10Y	12.18	34	34	29	(192)	(273)
PKRV 20Y	12.04	31	31	23	(192)	(264)

*Inter Bank Rate

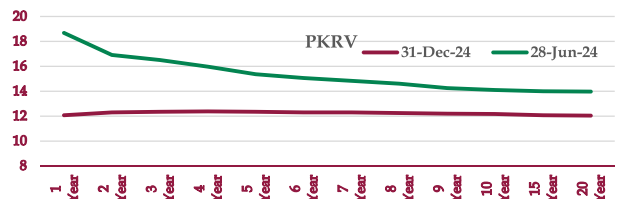
KSE100 Index Top Ten Sector Details (on Free Float Market Capitalization)

	Index Weight (%)	Current Market Cap (PKR'Bn)	Previous Market Cap (PKR'Bn)	Change (%) in Market Cap.
SECTORS				
COMMERCIAL BANKS	17	827	803	3.04
FERTILIZER	8	580	495	17.15
OIL & GAS EXPLORATION COMPANII	18	537	424	26.76
CEMENT	5	256	244	5.10
CHEMICAL	3	57	56	2.21
OIL & GAS MARKETING COMPANIES	3	150	108	39.02
PHARMACEUTICALS	3	112	103	8.45

Commentary

Economic Review : CY24 marked noticeable positives for the country, with crude oil prices remaining range bound and on downward trajectory for 2HCY24, IMF program induction, stability in PKR:USD re-setting of many delayed policy decisions (gas tariffs, IPP agreements) brought favorable incentives on economic front. Geopolitical movements also subsided as curtain fell on 2024 with more positive vibes arising after US election season for the world albeit some hiccups in local arena. The country set on a stable GDP growth trajectory, aided with strong commitments from friendly nations and continued support from western allies. Headline inflation declined from 29%~(y/y)in Dec'23 to ~4% (y/y)in Dec'24 with noticeable stability in foods prices during the calendar year. Although, Balance of trade stress continued with 6mFY25 deficit of USD11 billion (as per PBS) remittances have shown resilience with 5mFY25 growth of ~33% which aided stability in Current Account as well as supporting Foreign Exchange reserves. Foreign Exchange reserves shown noticeable improvements aided by IMF and gulf states. Comforted by declining inflation and stable currency; yield curve also shifted significantly during CY24 with cutoff for 2years, 3 years 5 years and 10 years landing at 12.5%, 12.499%,12.59% and 12.798% respectively. Market participants are hopeful of further decline in policy rate to induce LSM growth which would aid in generating employment for the country while government is also looking for external partners to induce a consistent and prolong growth trajectory which would boost investors' confidence and boost FDI in the economy.

Stock Market Review: The bourse generated stounding returns for the second consecutive calendar year with benchmark KSE100 generating ~84.35% (54.5% in CY23) while the index rose ~13.6% during Dec'24. This was accomplished despite a continued outflow of foreign investors to the tune of USD117million for CY24 (net buy of ~USD74 million in CY23). The bourse continued its upward trajectory with aid of local companies and mutual funds to the tune of ~USD10 million & ~USD187million for the calendar year. Key sectors that outshined remained blue-chips with Oil & Gas Exploration, Oil & Gas Marketing, Fertilizers, Pharmaceuticals while Textile, Engineering, Power Generation, Steel underperformed the benchmark KSE100 index despite a continued monetary easing by central bank. Investors' were attracted by higher yields which have receded in fixed income instruments as central bank dropped policy rate by 900 bps during the calendar year. The country continues on a fiscal consolidation trajectory with tight fiscal space and roaming geopolitical landscape along with a fragile internal political climate which hinders long term exposure towards risky assets.



31-Dec-24

PAK-QATAR

ASSET MANAGEMENT



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