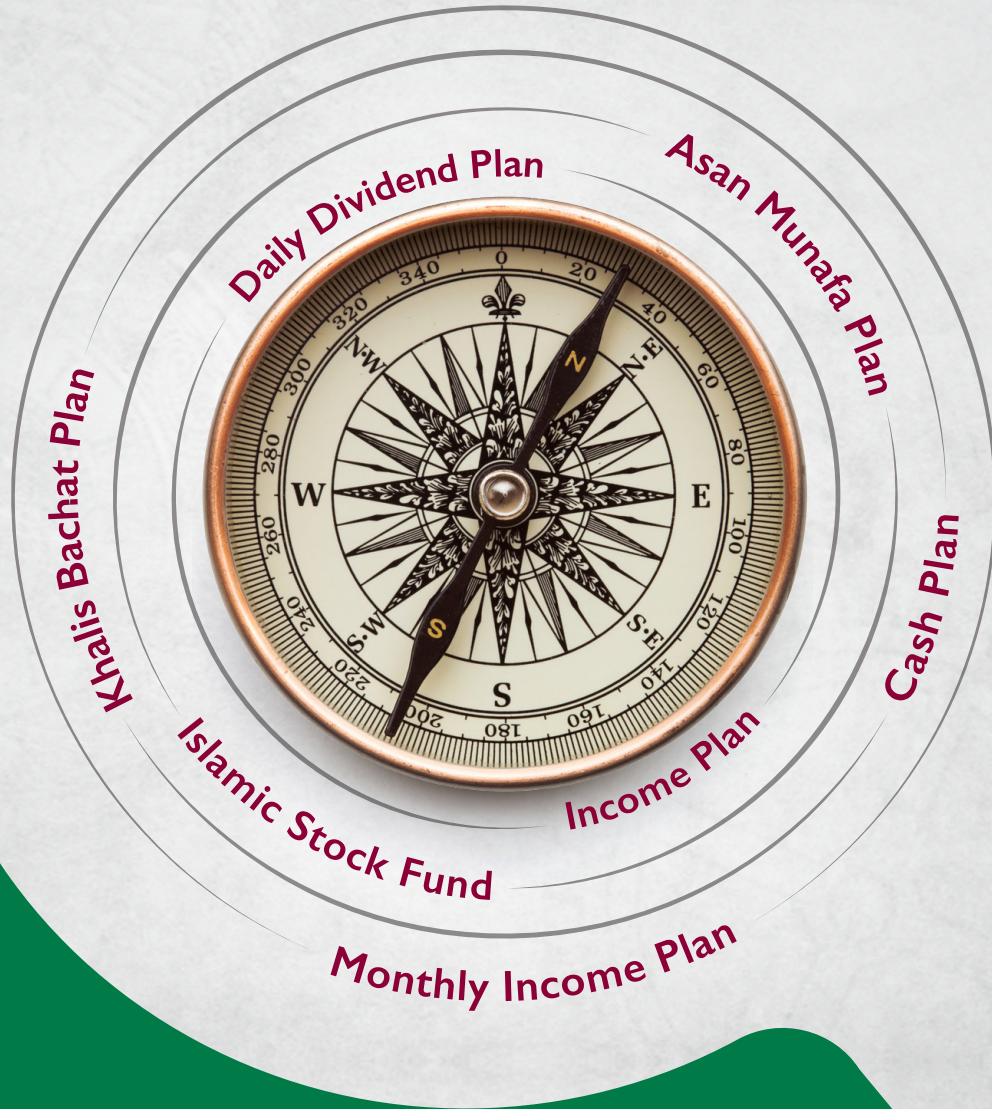




PAK-QATAR
ASSET MANAGEMENT



INVESTOR'S OUTLOOK

January 31, 2025

Pak-Qatar Asset Management Company Limited

Keynote January 31, 2025

Market Summary

	31-Jan-25	MTD	30days	90days	FYTD	CYTD
KSE100	114,256	-0.76%	-0.2%	25.7%	45.7%	83.0%
KMI30	171,979	-3.73%	-5.2%	25.5%	36.0%	64.2%
KMIAll	48,621	-3.79%	-2.4%	22.8%	39.5%	58.6%

Global Markets

	31-Jan-25	MTD	30days	90days	FYTD	CYTD
UK	8,674	-5.8%	-5.8%	-5.7%	-5.9%	-10.8%
USA	19,627	-1.6%	-0.6%	-7.1%	-8.9%	-23.5%
China	3,251	3.1%	3.1%	0.7%	-8.7%	-8.5%
Japan	39,572	0.8%	0.8%	-3.8%	-11.9%	-15.4%
India	77,501	0.8%	1.3%	2.9%	2.0%	-6.8%

Portfolio Investments (USD mn)

	7 days	30 days	90 days	365days	FYTD	CYTD
FIPI (net)	(5)	(14)	(110)	(97)	(202)	(132)
LIPI (net)	5	14	110	97	202	132
Ind.	2	29	25	2	51	(0)
Banks/DFIs	(6)	(31)	(18)	(97)	(49)	(97)
Companies	6	23	27	20	48	31
M.Funds	(3)	(18)	86	179	170	175
Brokers	2	(5)	(1)	(11)	(11)	(10)
Others	3	6	(21)	(35)	(12)	(34)
Ins.	1	9	14	41	4	70
NBFC	0	(1)	(1)	(2)	(1)	(2)

Key Economic Figures

		FY21	FY22	FY23	FY24	31-Jan
Policy Rate	31-Jan-25	7.0%	13.8%	22.0%	20.5%	12.0%
1yr KIBOR	31-Jan-25	8.1%	15.7%	23.3%	19.2%	11.9%
Inflation	Jan End	9.8%	21.3%	29.4%	12.6%	2.4%
PKR USD*	31-Jan-25	157.3	204.8	286.0	279.0	278.9

Key Economic Figures

		FY21	FY22	FY23	FY24	FY25-TD
Imports	USD'mn	56,380	72,048	51,979	48,402	27,743
Exports	USD'mn	25,304	32,450	27,903	28,678	16,230
Trade Deficit	USD'mn	(31,076)	(39,598)	(24,076)	(19,724)	(11,513)
Remittances	USD'mn	29,370	31,238	27,028	27,093	17,846
FX Reserves	USD'mn	24,398	15,742	9,181	14,207	16,052

PKRV Rates (change in bps)

	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	11.47	(61)	(61)	(110)	(663)	(939)
PKRV 3Y	11.66	(68)	(68)	(17)	(452)	(508)
PKRV 5Y	12.24	(11)	(11)	24	(299)	(323)
PKRV 10Y	12.16	(2)	(2)	15	(193)	(200)
PKRV 20Y	12.02	(2)	(2)	10	(194)	(201)

*Inter Bank Rate

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

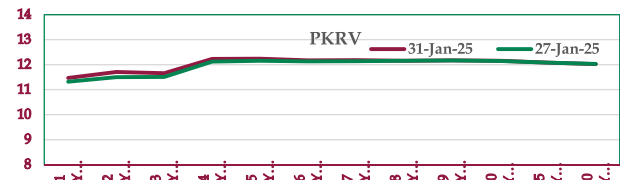
SECTORS	Index Weight (%)	Current Market Cap (PKR'Bn)	Previous Market Cap (PKR'Bn)	Change (%) in Market Cap.
COMMERCIAL BANKS	19	860	830	3.58
FERTILIZER	7	494	489	1.03
OIL & GAS EXPLORATION COMPANIE	16	479	518	(7.64)
CEMENT	5	259	251	3.41
CHEMICAL	3	56	56	(0.26)
OIL & GAS MARKETING COMPANIES	2	122	137	(10.93)
PHARMACEUTICALS	3	114	114	0.20

Commentary

Economic Review Pakistan's GDP growth has shown encouraging signs of recovery and resilience during 1QFY25. In Q1, the GDP growth rate reached at 0.92%, The real sectors have shown positive trends specifically in agriculture and Service sector. Although the inflation figures are gradually decreasing with a positive primary balance. During the month National CPI (Consumer Price Index) kept hovering around 2.45% as compared to 4.1% in the previous month ~ with a significant drop in food and transportation prices being passed on to consumers. The Real Interest Rate indicates on a positive trajectory while keeping managed a Current Account. The current account has significantly improved, posting a surplus of USD 1,210 million for 1HFY25, compared to a deficit of USD 1,397 million in SPLFY. This improvement is primarily driven by a notable rise in workers' remittances, which reached approximately USD 17,846 million in 1HFY25, up from USD 13,436 million in the same period last year. In a positive trend PKR.USD has stabilized, Foreign Exchange Reserves showed stability with Pakistan's total liquid foreign exchange reserves rising to \$ 16 billion, with SBP's reserves at \$ 11 billion and commercial banks' reserves at \$ 4.6 billion. The country continues to comply with the IMF program, with broadly supportive economic indicators reflecting a positive outlook. The GDP growth for FY2025 is projected to gradually improve, with the government forecasting a growth rate of 2.5%, while the IMF expects a slightly modest growth of 2.0%. In the money market, yields for government bonds have continued to decline, with cutoffs dropping to 11.94%, 11.89%, and 12.40% for 2-year, 3-year, and 5-year bonds, respectively. The market is anticipating further policy rate cuts of around 100 basis points, which are expected to provide continued support for economic growth.

Overall, Pakistan's economy is on an upward trajectory, with continued improvements in key indicators and ongoing efforts to foster stability and growth. The debt market is responding positively, and additional rate cuts could further support government borrowing and broader economic activity.

Stock Market Review: During the monthly basis, the KSE-100 Index recorded a negative return of ~0.76% while the KMI-30 Index also showed a negative return of ~3.73%. Notably The Commercial Banks, Fertilizer and Pharmaceuticals have experienced positive sentiments, while the Oil & Gas Exploration Companies, Cement, Chemicals, and Oil & Gas Marketing Companies experienced consolidation during this period. Foreign investors recorded net inflows of USD 8 million. Looking ahead, the index is expected to maintain a range-bound movement, navigating through political and macroeconomic developments. Market participants will be closely monitoring the potential impact of fiscal and monetary policy decisions.



31-Jan-25

PAK-QATAR

ASSET MANAGEMENT



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