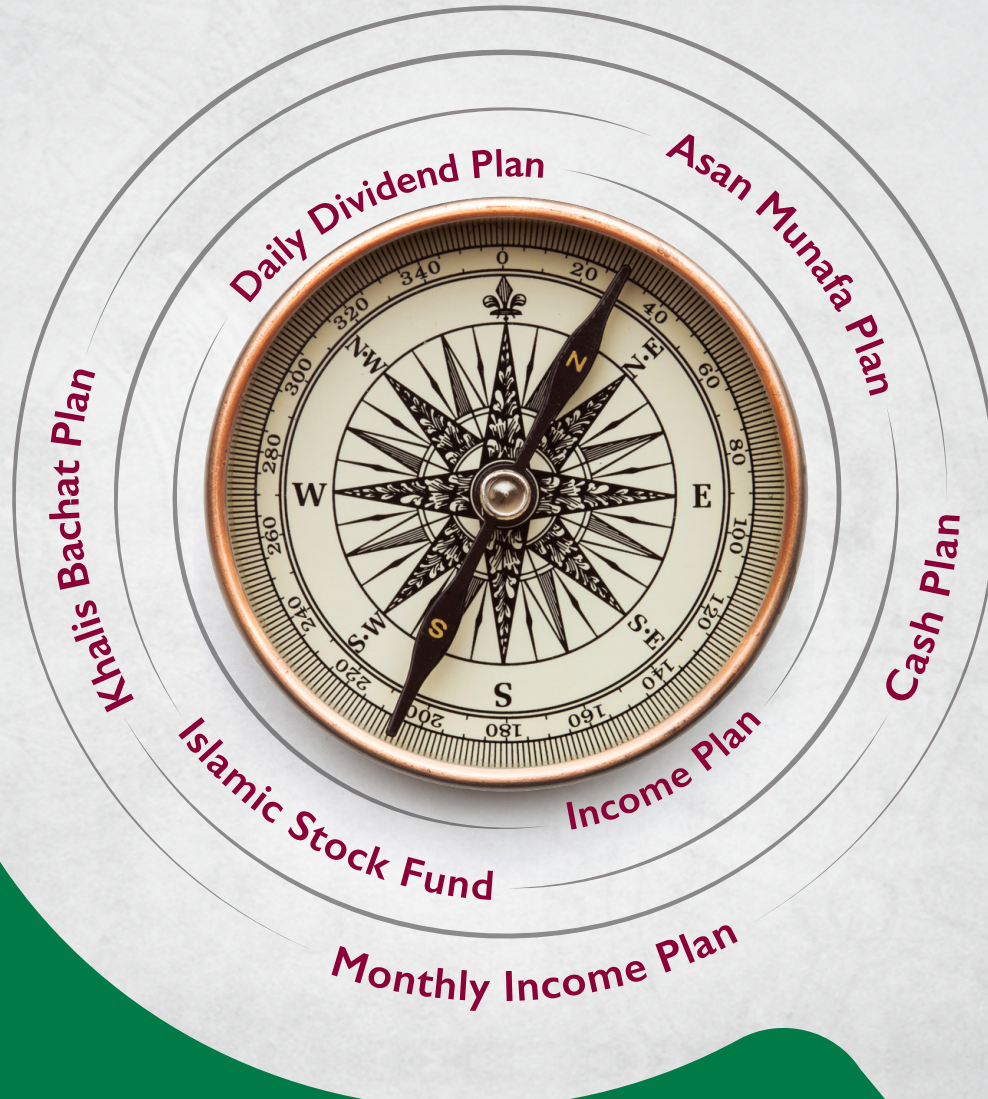




PAK-QATAR
ASSET MANAGEMENT



INVESTOR'S OUTLOOK

February 15, 2025

Pak-Qatar Asset Management Company Limited

Keynote February 15, 2025

Market Summary

	14-Feb-25	MTD	30days	90days	FYTD	CYTD
KSE100	112,085	-1.90%	-4.2%	18.3%	42.9%	79.5%
KMI30	167,984	-2.32%	-4.6%	16.2%	32.9%	60.4%
KMIAll	47,813	-1.66%	-6.7%	14.4%	37.2%	56.0%

Global Markets

	14-Feb-25	MTD	30days	90days	FYTD	CYTD
UK	8,732	-0.7%	-4.9%	-7.7%	-6.5%	-11.4%
USA	20,027	-2.0%	-2.6%	-6.7%	-10.7%	-25.0%
China	3,347	-2.9%	-3.6%	-0.5%	-11.3%	-11.1%
Japan	39,149	1.1%	-1.8%	-1.3%	-11.0%	-14.5%
India	75,939	2.1%	1.0%	2.2%	4.1%	-4.9%

Portfolio Investments (USD mn)

	7 days	30 days	90 days	365days	FYTD	CYTD
FIPI (net)	(7)	(20)	(112)	(123)	(219)	(32)
LIPI (net)	7	20	112	123	219	32
Ind.	(4)	16	34	2	56	29
Banks/DFIs	10	(15)	3	(86)	(41)	(20)
Companies	0	17	44	27	51	24
M.Funds	(8)	(22)	37	167	157	(26)
Brokers	5	5	(4)	(6)	(9)	(4)
Others	(1)	1	(25)	(34)	(12)	5
Ins.	4	18	23	52	18	23
NBFC	0	1	(0)	(1)	(0)	0

Key Economic Figures

		FY21	FY22	FY23	FY24	14-Feb
Policy Rate	14-Feb-25	7.0%	13.8%	22.0%	20.5%	12.0%
1yr KIBOR	14-Feb-25	8.1%	15.7%	23.3%	19.2%	12.0%
Inflation	Jan End	9.8%	21.3%	29.4%	12.6%	2.4%
PKR USD*	14-Feb-25	157.3	204.8	286.0	279.0	279.21

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	20,848
FX Reserves	USD'mn	24,398	15,742	9,181	14,207	15,863

PKRV Rates (change in bps)

	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	11.63	16	1	(151)	(542)	(914)
PKRV 3Y	11.83	17	(14)	(55)	(377)	(486)
PKRV 5Y	12.31	7	16	(1)	(262)	(319)
PKRV 10Y	12.25	9	15	10	(175)	(194)
PKRV 20Y	12.09	7	10	13	(175)	(194)

*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	862	860	0.31
FERTILIZER	7	490	494	(0.82)
OIL & GAS EXPLORATION COMPANIE	16	461	479	(3.77)
CEMENT	6	275	259	6.00
CHEMICAL	3	56	56	(0.24)
OIL & GAS MARKETING COMPANIES	2	114	122	(7.07)
PHARMACEUTICALS	3	109	114	(4.63)

Commentary

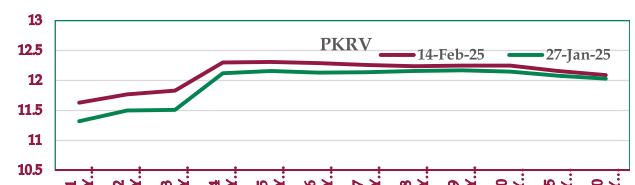
Economic Review The recent reduction in policy rate by 100 basis points to 12% was largely contributed to snailly Consumer Price Index (CPI) pacing at 2.4% in Jan'25, lowest of nine years. Market participants expect interest rates to stabilize with monetary easing nearing trough. Traditionally, an expected surge in manufacturing is to follow to boost employment growth, which in turn may lead to increased government revenues. Short term weighted average yields for 3, 6, and 12 months stood at 11.6653%, 11.4092%, and 11.3787%, respectively.

Amid spike in US tariff wars, a slowdown in global oil prices allowed government to reduce petroleum prices which also bodes well to curb inflation, boost economic growth, and improve Pakistan's trade balance. The economic managers also would have to keep monitoring demand pressure to keep USDKRW in range to address endogenous spike in CPI.

Pakistan's GDP growth target has been revised down and a further downward revision resulting from slow agricultural growth would put further stress on the economy. Economic managers have been managing trade balance to induce stability to enhance confidence in the economy as the country recorded current account surplus of USD1.2 billion for 1HFY25. This surplus is largely driven by a surge in workers' remittances, which reached \$20.8 billion in the 7mFY25, with over USD3 billion received in January. Additionally, gross inflows under the Roshan Digital Account (RDA) reached \$211 million in January 2025, surpassing the six-month average of USD177 million. However, challenges persist, notably with foreign exchange reserves which are largely related to repayment of foreign loans/interest. Political front remained largely unperturbed with some little noise on street and parties exchanging letters to address their grievances. Overall, Pakistan's key economic indicators present a strong outlook, with the country making progress in various areas, including trade, climate change, and monetary policy.

Stock Market Review: On the fortnightly basis, the KSE-100 Index recorded a negative return of ~1.90% while the KMI-30 Index also showed a negative return of ~2.32%. Notably The Commercial Banks, Cement have experienced positive sentiments, while the Oil & Gas Exploration Companies, Fertilizers, Chemicals, Pharmaceuticals and Oil & Gas Marketing Companies experienced consolidation during this period. In the MSCI February 2025 Quarterly Index Review, two securities were added to the MSCI Pakistan Index, and three were added while four were removed from the MSCI FM Small Cap (Pakistan) Index.

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 in the fiscal space under IMF review.



17-Feb-25

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PAK-QATAR

ASSET MANAGEMENT



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