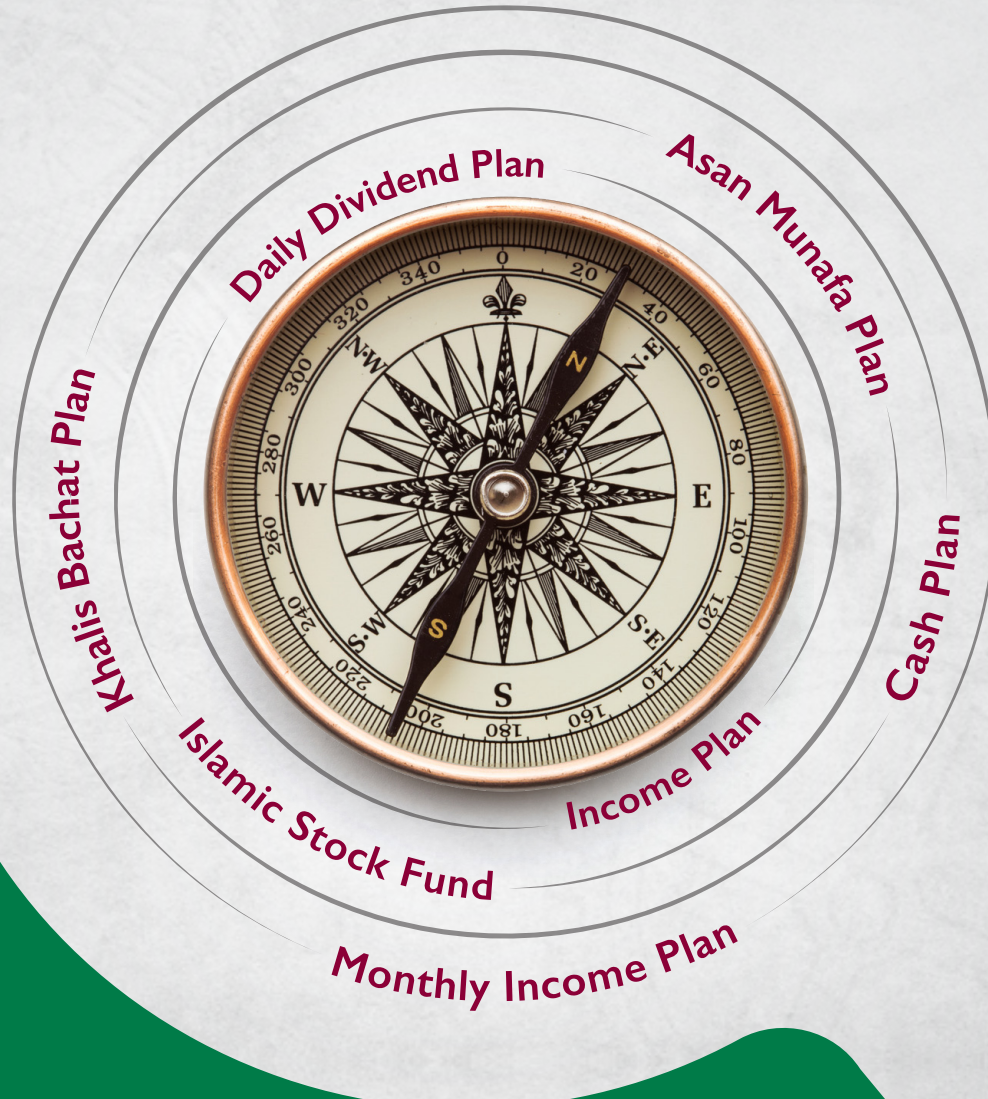




PAK-QATAR
ASSET MANAGEMENT



INVESTOR'S OUTLOOK

March 15, 2025

Pak-Qatar Asset Management Company Limited

Keynote March 15, 2025

ASSET MANAGEMENT

Market Summary

	14-Mar-25	MTD	30days	90days	FYTD	CYTD
KSE100	115,536	2.02%	2.3%	1.1%	46.6%	0.4%
KMI30	176,321	4.05%	3.5%	-1.6%	39.1%	-1.3%
KMIAll	49,969	3.31%	3.5%	-2.9%	43.3%	-1.1%

Global Markets

	14-Mar-25	MTD	30days	90days	FYTD	CYTD
UK	8,632	2.1%	2.0%	-3.8%	-5.4%	-5.3%
USA	17,754	6.2%	10.7%	12.2%	1.5%	8.8%
China	3,420	-2.9%	-2.1%	-0.8%	-12.4%	-2.0%
Japan	37,053	0.3%	5.8%	6.5%	7.0%	7.7%
India	73,829	-0.9%	3.2%	11.2%	7.6%	5.8%

Portfolio Investments (USD mn)

	7 days	30 days	90 days	365days	FYTD	CYTD
FIPI (net)	(3)	(22)	(68)	(167)	(238)	(51)
LIPI (net)	3	22	68	167	238	51
Ind.	1	(16)	51	(11)	35	9
Banks/DFIs	111	153	143	71	110	130
Companies	1	10	41	52	63	37
M.Funds	(111)	(131)	(180)	36	31	(151)
Brokers	(2)	(3)	(7)	(9)	(13)	(7)
Others	2	(1)	(18)	(34)	(13)	4
Ins.	0	9	38	62	24	28
NBFC	0	1	0	(0)	0	1

Key Economic Figures

		FY21	FY22	FY23	FY24	14-Mar
Policy Rate	14-Mar-25	7.0%	13.8%	22.0%	20.5%	12.0%
1yr KIBOR	14-Mar-25	8.1%	15.7%	23.3%	19.2%	12.2%
Inflation	Feb End	9.8%	21.3%	29.4%	12.6%	1.5%
PKR USD*	14-Mar-25	157.3	204.8	286.0	279.0	280.22

Key Economic Figures

		FY21	FY22	FY23	FY24	FY25-TD
Imports	USD'mn	56,380	72,048	51,979	48,402	37,802
Exports	USD'mn	25,304	32,450	27,903	28,678	22,022
Trade Deficit	USD'mn	(31,076)	(39,598)	(24,076)	(19,724)	(15,780)
Remittances	USD'mn	29,370	31,238	27,028	27,093	23,969
FX Reserves	USD'mn	24,398	15,742	9,181	14,207	15,926

PKRV Rates (change in bps)

	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	11.76	15	14	(35)	(467)	(858)
PKRV 3Y	12.01	22	21	(10)	(220)	(471)
PKRV 5Y	12.42	18	11	29	(164)	(303)
PKRV 10Y	12.33	7	12	31	(78)	(189)
PKRV 20Y	12.22	12	15	22	(71)	(180)

*Inter Bank Rate

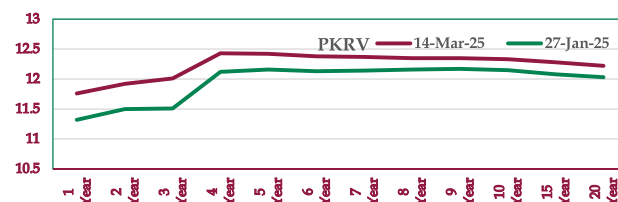
KSE100 Index Top Ten Sector Details (on Free Float Market Capitalization)

SECTORS	Index Weight (%)	Current Market Cap (PKR'Bn)	Previous Market Cap (PKR'Bn)	Change (%) in Market Cap.
COMMERCIAL BANKS	18	835	849	(1.63)
FERTILIZER	7	499	500	(0.25)
OIL & GAS EXPLORATION COMPANIE	16	481	458	5.09
CEMENT	6	309	292	5.89
CHEMICAL	3	56	56	(0.20)
OIL & GAS MARKETING COMPANIES	2	132	115	14.42
PHARMACEUTICALS	3	107	104	2.65

Commentary

Economic Review: Latest Monetary policy statement by central bank showed a caution stance by keeping policy rate unchanged to 12% hinged on sticky core inflationary (Y/Y Urban Core at 7.8% while Rural Core at 4.6%) albeit soft headline inflation figures. Central bank has opined that soft monetary stance has been used to generate manufacturing growth which has yet to turn positive as LSM data till Dec'24 as published by PBS continued its negative trajectory. Also, a continued engagement with IMF along with a keen eye on Current Account has led central bank to keep policy rate unmoved. Headline inflation for the month of Feb'25 stood at 1.5% while average for 8mFY25 stood at 5.85% compared to 27.96% SPLFY. This was greatly supported by soft Food and Transport inflation figures which both remained negative. Economic managers are also weary of burden of external Financial flows which despite some respite in Current Account 7mFY25 USD 682 million compared to deficit of USD 1,801 million SPLFY has been a concern with SBP Foreign Exchange Reserves declining by ~USD168 million during the month of Feb'25 to reach at USD11,249.5 million. The country has also been facing challenges on GDP growth with new-flows suggesting weak agri-crop yields, missing targets which intern would be replenished with imports which can lead to Food inflation. Despite strong real return, central bank has held policy rate with focus on forward inflationary risk spilling from a sluggish GDP growth. Given there are two MPS by Jun'25, we expect central bank to portray a cautious stance with focus on inflows, GDP growth and revenue targets. Comforted by declining inflation and stable currency; yield curve also shifted. In the secondary market, government bond yields increased, with cutoffs of 11.86%, 11.78%, and 11.71% for 3-month, 6-month, and 12-month bonds, respectively. Yields for the 3-year, 5-year, and 10-year bonds rose to 12.13%, 12.56%, and 12.38%, respectively.

Stock Market Review: On the fortnightly basis, the KSE 100 recorded a gain of 2.02%, and the KMI 30 also showed positive returns, marking a 4.05% increase. Notably, the Oil & Gas Exploration Companies, Cement and Pharmaceuticals have experienced positive sentiments. Notably Cement, Oil & Gas Exploration Companies, Oil & Gas Marketing Companies and Pharmaceuticals sectors have experienced appreciation, while Chemicals, Commercial Banks and Fertilizers experienced consolidation during this period. The Central Bank maintained a stable policy rate, leading market participants to adopt a stable approach, The market sentiment is shaped by news regarding the IMF review of EFF package, the stability of the USDPKR, external fund flows, the slowdown in inflation, and the recovery in LSM growth. Looking ahead we expect the market to sustain its positive momentum.



17-Mar-25

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PAK-QATAR

ASSET MANAGEMENT



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