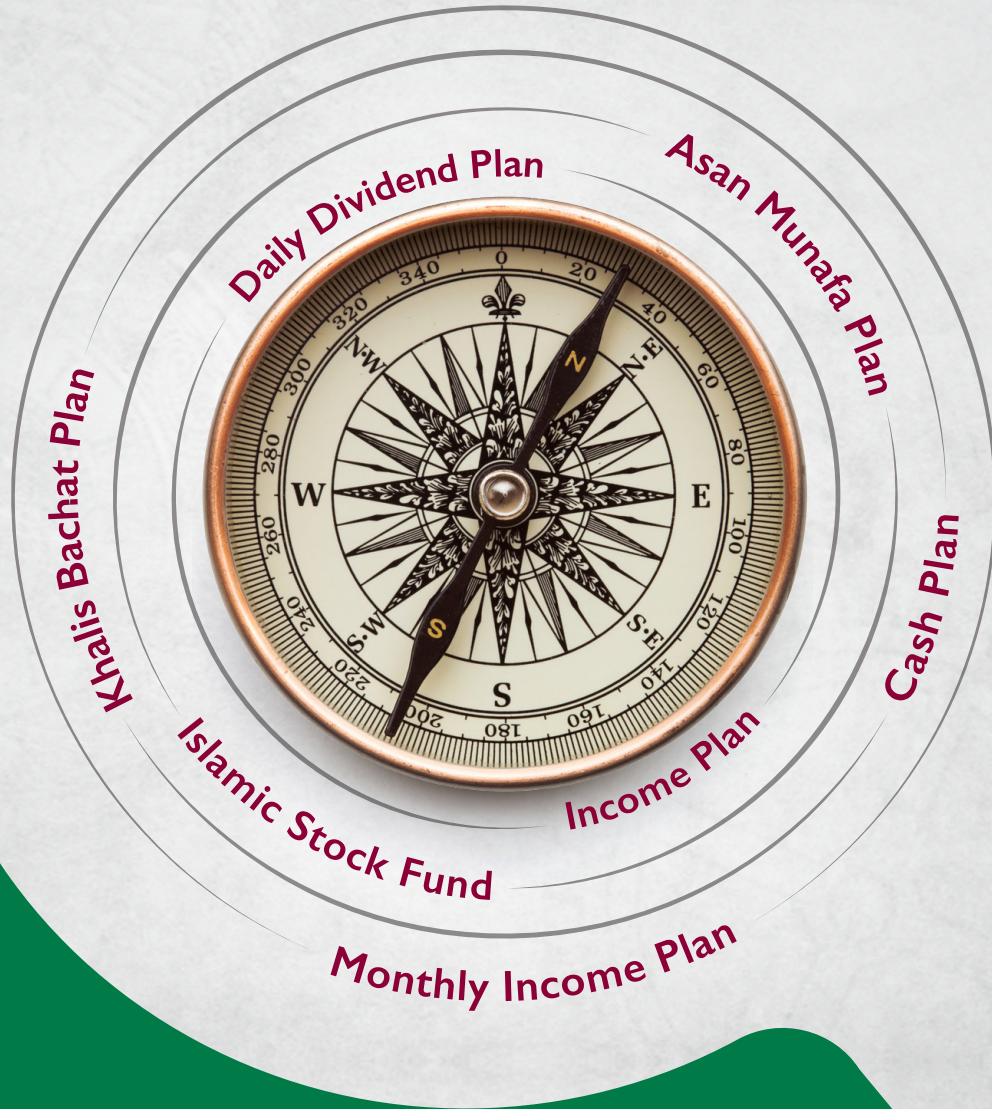




PAK-QATAR
ASSET MANAGEMENT



INVESTOR'S OUTLOOK

February 28, 2025

Pak-Qatar Asset Management Company Limited

Keynote February 28, 2025

Market Summary

	28-Feb-25	MTD	30days	90days	FYTD	CYTD
KSE100	113,252	-0.88%	1.6%	11.7%	43.7%	-1.6%
KMI30	169,453	-1.47%	1.2%	14.1%	33.7%	-5.1%
KMIAI	48,367	-0.52%	1.8%	11.5%	38.7%	-4.3%

Global Markets

	28-Feb-25	MTD	30days	90days	FYTD	CYTD
UK	8,810	-1.5%	-2.9%	-5.9%	-7.3%	-7.2%
USA	18,847	4.1%	4.2%	2.0%	-4.3%	2.5%
China	3,321	-2.1%	-2.1%	0.2%	-9.8%	0.9%
Japan	37,156	6.5%	5.8%	2.8%	6.7%	7.4%
India	73,198	5.9%	4.6%	9.0%	8.6%	6.8%

Portfolio Investments (USD mn)

	7 days	30 days	90 days	365days	FYTD	CYTD
FIPI (net)	(6)	(36)	(75)	(149)	(230)	(43)
LIPI (net)	6	36	75	149	230	43
Ind.	(19)	(9)	22	(3)	41	15
Banks/DFIs	(4)	2	(7)	(87)	(44)	(24)
Companies	(0)	10	30	34	54	28
M.Funds	32	13	53	184	180	(3)
Brokers	1	2	(6)	(6)	(10)	(4)
Others	0	1	(22)	(32)	(12)	5
Ins.	(4)	16	7	59	20	25
NBFC	0	1	(0)	(1)	0	1

Key Economic Figures

		FY21	FY22	FY23	FY24	28-Feb
Policy Rate	28-Feb-25	7.0%	13.8%	22.0%	20.5%	12.0%
1yr KIBOR	28-Feb-25	8.1%	15.7%	23.3%	19.2%	12.0%
Inflation	Feb End	9.8%	21.3%	29.4%	12.6%	1.5%
PKR USD*	28-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	33,079
Exports	USD'mn	25,304	32,450	27,903	28,678	19,175
Trade Deficit	USD'mn	(31,076)	(39,598)	(24,076)	(19,724)	(13,904)
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	15,926

PKRV Rates (change in bps)

	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	11.61	14	18	(7)	(534)	(915)
PKRV 3Y	11.79	13	15	-	(355)	(511)
PKRV 5Y	12.24	-	4	43	(255)	(334)
PKRV 10Y	12.26	10	10	42	(118)	(206)
PKRV 20Y	12.10	8	9	37	(118)	(196)

*Inter Bank Rate

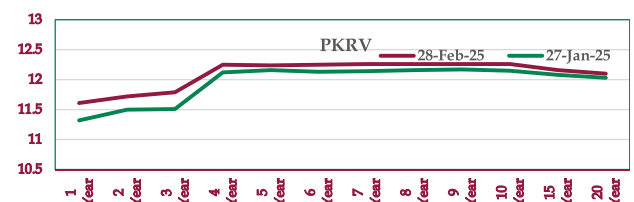
KSE100 Index Top Ten Sector Details (on Free Float Market Capitalization)

SECTORS	Index Weight (%)	Current Market Cap (PKR'Bn)	Previous Market Cap (PKR'Bn)	Change (%) in Market Cap.
COMMERCIAL BANKS	19	849	860	(1.29)
FERTILIZER	7	500	494	1.16
OIL & GAS EXPLORATION COMPANIE	16	458	479	(4.43)
CEMENT	6	292	259	12.36
CHEMICAL	3	56	56	(0.24)
OIL & GAS MARKETING COMPANIES	2	115	122	(5.58)
PHARMACEUTICALS	3	104	114	(9.24)

Commentary

Economic Review: The economic situation continued to stabilize in the 1HFY25 with easing inflation, notable growth in the exports followed by strong remittances. Central Bank continues its monetary easing stance with market expecting a further cut in policy rate ~100 bps in upcoming Monetary policy. A downtick in inflationary trend with Feb'25 m/m figure of 1.5% further enforce accommodative monetary stance. The ease is expected to enhance business confidence, fostering the recovery of Large-Scale Manufacturing (LSM). CPI for 8MFY25 average at 5.85% as compared to 27.98% in SPLFY. On a positive trend, PKR:USD has remained stable with country's total liquid foreign exchange reserves stood at USD 15.9 billion, with State Bank of Pakistan holding USD11.2 billion. On the external front, current account for 7MFY25 stood at USD682 million albite a deficit of USD420 million in Jan'25. IMF is scheduled to conduct first review for disbursement of ~USD1 billion Extended Fund Facility (EFF) program and country is also engaged with IMF for a USD1.5 billion financing package for climate change initiatives, providing essential support for the country's economic recovery. Global political shifts including news flows regarding tariff impositions while at the same time expanding diplomacy among key economies would pave way for stability, revive confidence in overall trade.

Stock Market Review: On the monthly basis, KSE-100 index recorded a consolidation of investor sentiment with negative returns of ~0.88% while KMI-30 Index also showed a declined by ~1.47%. Notably Cement and Fertilizers sectors have experienced appreciation based on strong results, while Chemicals, Oil & Gas Exploration Companies, Commercial Banks, Oil & Gas Marketing Companies and Pharmaceuticals experienced retreated during this period. Foreign Investors remained net seller to the tune of USD36 million while Companies, Mutual Funds and Insurance sectors supported the market during the period. Bourse also experienced strong results especially from cements fertilizers and banks with strong margins and high payouts respectively. Market sentiment hinges on news flows from IMF EFF package, stability in USDPKR, external funds flows, decelerating inflation and revival of LSM growth.



04-Mar-25

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PAK-QATAR

ASSET MANAGEMENT



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