



PAK-QATAR  
ASSET MANAGEMENT



# INVESTOR'S OUTLOOK

*May 31, 2025*

## Pak-Qatar Asset Management Company Limited

Keynote May 31, 2025

### Market Summary

	30-May-25	MTD	30days	90days	FYTD	CYTD
KSE100	119,691	7.51%	7.5%	5.7%	51.8%	4.0%
KMI30	180,639	8.57%	8.6%	6.6%	42.5%	1.1%
KMIAll	51,711	7.77%	7.8%	6.9%	48.3%	2.3%

### Global Markets

	30-May-25	MTD	30days	90days	FYTD	CYTD
UK	8,772	3.3%	-3.2%	0.4%	-6.9%	-6.8%
USA	19,114	9.6%	-8.7%	-1.4%	-5.7%	1.0%
China	3,347	2.1%	-2.0%	-0.8%	-10.5%	0.1%
Japan	37,965	5.3%	-5.1%	-2.1%	4.4%	5.1%
India	81,451	1.5%	-1.5%	-10.1%	-2.4%	-4.1%

### Portfolio Investments (USD mn)

	15 days	30 days	90 days	365days	FYTD	CYTD
FIPI (net)	(10)	(15)	(37)	(264)	(267)	(80)
LIPI (net)	10	15	37	264	267	80
Ind.	17	(1)	(1)	37	47	21
Banks/DFIs	(11)	5	5	395	406	427
Companies	(5)	(4)	(4)	92	77	50
M.Funds	13	(14)	(14)	(237)	(243)	(426)
Brokers	7	13	(11)	(55)	4	(9)
Others	(6)	(2)	27	1	11	29
Ins.	10	18	18	(13)	(19)	(14)
NBFC	0	0	0	28	11	2

### Key Economic Figures

		FY21	FY22	FY23	FY24	30-May
Policy Rate	30-May-25	7.0%	13.8%	22.0%	20.5%	11.00%
1yr KIBOR	30-May-25	8.1%	15.7%	23.3%	19.2%	11.48%
Inflation	May End	9.8%	21.3%	29.4%	12.6%	3.50%
PKR USD*	30-May-25	157.3	204.8	286.0	279.0	282.02

### Key Economic Figures

		FY21	FY22	FY23	FY24	FY25-TD
Imports	USD'mn	56,380	72,048	51,979	48,402	43,388
Exports	USD'mn	25,304	32,450	27,903	28,678	24,660
Trade Deficit	USD'mn	(31,076)	(39,598)	(24,076)	(19,724)	(18,728)
Remittances	USD'mn	29,370	31,238	27,028	27,093	31,210
FX Reserves	USD'mn	24,398	15,742	9,181	14,207	16,637

### PKRV Rates (change in bps)

	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	11.09	(86)	(86)	(52)	(59)	(883)
PKRV 3Y	11.29	(51)	(51)	(50)	(50)	(530)
PKRV 5Y	11.58	(79)	(79)	(66)	(23)	(380)
PKRV 10Y	12.23	(27)	(27)	(3)	39	(191)
PKRV 20Y	12.35	(4)	(4)	25	62	(165)

\*Inter Bank Rate

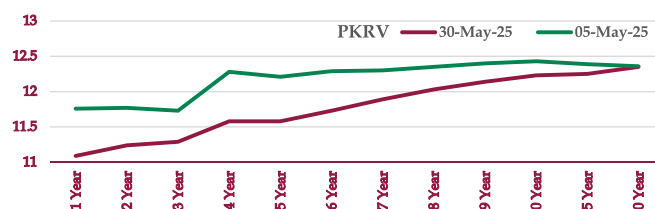
### KSE100 Index Top Ten Sector Details (on Free Float Market Capitalization)

SECTORS	Index Weight (%)	Current Market Cap (PKR'Bn)	Previous Market Cap (PKR'Bn)	Change (%) in Market Cap.
COMMERCIAL BANKS	20	895	833	7.46
FERTILIZER	7	451	422	7.05
OIL & GAS EXPLORATION COMPANIE	16	465	440	5.64
CEMENT	7	340	318	6.68
CHEMICAL	3	51	48	5.17
OIL & GAS MARKETING COMPANIES	2	128	124	3.40
PHARMACEUTICALS	2	102	100	2.08

### Commentary

**Economic Review:** The air thickens as FY25 nears its end, and with the announcement of the budget for the upcoming FY26 set for June 10, 2025, right after the Eid Ul Adha holidays, this budget—according to the Ministry of Finance—is expected to be both bold and strategic. The monthly wrap-up of Pakistan's economy has been positive, with Fitch upgrading Pakistan's rating citing strengthened macroeconomic stability over the past fiscal year, supported by better fiscal management and a surplus in the current account. The International Monetary Fund (IMF) has approved a new arrangement under the Resilience and Sustainability Facility (RSF), along with the immediate release of USD 1 billion under the Extended Fund Facility (EFF), raising total foreign exchange reserves to USD 16.6 billion, with the central bank holding USD 11.5 billion. Inflation for the month has increased to 3.5% year-on-year, up from 0.3% in April 2025 but significantly lower than 11.8% recorded in May 2024. On a month-on-month basis, inflation declined by 0.2% in May 2025, following a 0.8% drop in the previous month and a 3.2% decrease in May 2024, slightly narrowing the space for an accommodative monetary policy stance. Although Large-Scale Manufacturing (LSM) activity stayed subdued, the automobile and export-driven sectors showed positive growth. Climate finance efforts—such as the IMF's Resilience and Sustainability Facility and the issuance of Green Sukuk—are helping to advance inclusive and sustainable economic development. On the external front, the current account is projected to remain in surplus for FY25, with recent months already reflecting this positive trend, bolstered by robust remittance inflows and a decline in global oil prices. However, despite the global decrease, the government recently raised domestic fuel prices. This decision was primarily due to the increase in the petroleum levy, which now stands at Rs. 78 per litre for petrol and Rs. 77 per litre for diesel. The government opted to retain the levy at these elevated levels instead of passing on the benefits of lower international prices to consumers. The upcoming budget, largely shaped by IMF directives, has raised concerns among market participants and industry leaders. Fears of new taxes, subsidy cuts, and tighter fiscal measures are weighing on business sentiment. While aimed at stabilizing the economy, these steps may impact short-term growth. A balanced and strategic budget will be crucial to sustain progress and build resilience amid ongoing challenges.

**Stock Market Review:** On the monthly basis, the KSE-100 Index gained ~7.51%, while the KMI-30 Index rose by around 8.57%, reflecting a stable market recovery after a geopolitical tension and the announcement of ceasefire and amid the ongoing budget uncertainty. On the economic front, improvements in Pakistan's external financing and foreign exchange reserves further supported investor confidence. Foreign investors recorded net outflows of USD 15.2 million, primarily from foreign corporates, while overseas Pakistanis and local banks remained net buyers. In contrast, local individual were net sellers. Going forward, while the market remains sensitive to geopolitical risks and expectations surrounding the upcoming federal budget—focusing on fiscal discipline and structural reforms, we expect the market to remain range bound on the grounds of upcoming budget.



31-May-25

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