



PAK-QATAR
ASSET MANAGEMENT



INVESTOR'S OUTLOOK

July 15, 2025

Pak-Qatar Asset Management Company Limited

Keynote July 15, 2025

Market Summary

	15-Jul-25	MTD	30days	90days	FYTD	CYTD
KSE100	135,940	8.21%	11.3%	17.2%	6.0%	18.1%
KMI30	191,070	3.34%	5.9%	8.4%	2.2%	7.0%
KMIAll	55,738	3.67%	7.0%	10.3%	2.8%	10.3%

Global Markets

	15-Jul-25	MTD	30days	90days	FYTD	CYTD
UK	8,938	2.0%	-1.0%	-7.4%	-1.7%	-8.6%
USA	20,678	1.5%	-6.1%	-21.1%	-2.3%	-6.6%
China	3,505	1.8%	-3.7%	-6.5%	-1.3%	-4.4%
Japan	39,691	-1.5%	-4.7%	-14.3%	-0.6%	0.5%
India	82,571	-1.2%	-1.8%	-6.7%	1.3%	-5.4%

Portfolio Investments (USD mn)

	15 days	30 days	90 days	365days	FYTD	CYTD
FIPI (net)	(23)	(34)	(75)	(338)	(323)	(137)
LIPI (net)	23	34	75	338	323	137
Ind.	29	41	58	95	96	69
Banks/DFIs	(62)	(69)	12	323	330	350
Companies	8	15	28	107	100	74
M.Funds	61	60	(24)	(160)	(176)	(358)
Brokers	(3)	(3)	0	(19)	(21)	(15)
Others	(10)	(12)	9	4	2	20
Ins.	(1)	2	(11)	(14)	(12)	(7)
NBFC	1	1	2	3	3	4

Key Economic Figures

	FY21	FY22	FY23	FY24	FY25	15-Jul
Policy Rate	15-Jul-25	7.0%	13.8%	22.0%	20.5%	11.0%
1yr KIBOR	15-Jul-25	8.1%	15.7%	23.3%	19.2%	11.3%
Inflation	June End	9.8%	21.3%	29.4%	12.6%	3.20%
PKR USD*	15-Jul-25	157.3	204.8	286.0	279.0	283.8

Key Economic Figures

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

PKRV Rates (change in bps)

	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	10.72	(13)	(25)	(109)	(88)	(778)
PKRV 3Y	10.95	(20)	(30)	(84)	(85)	(552)
PKRV 5Y	11.25	(15)	(35)	(106)	(105)	(414)
PKRV 10Y	12.12	(18)	(8)	(36)	(7)	(198)
PKRV 20Y	12.53	(5)	19	18	52	(143)

*Inter Bank Rate

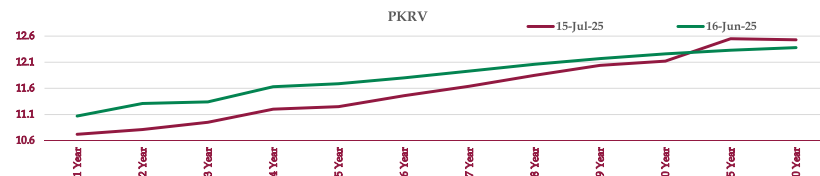
KSE100 Index Top Ten Sector Details (on Free Float Market Capitalization)

SECTORS	Index Weight (%)	Current Market Cap	Previous Market Cap (PKR'Bn)	Change (%) in Market
COMMERCIAL BANKS	23	1,195	987	21.02
FERTILIZER	6	502	478	5.14
OIL & GAS EXPLORATION COMPANIE	14	485	483	0.42
CEMENT	6	360	355	1.53
CHEMICAL	2	51	51	1.09
OIL & GAS MARKETING COMPANIES	2	132	131	0.62
PHARMACEUTICALS	2	112	105	7.12

Commentary

Economic Review: As Pakistan embarked on its new financial year FY2025-26, the economy entered a phase characterized by cautious stabilization and pivotal reforms amid evolving domestic and international challenges. Inflation remained subdued, with the consumer price index recording 3.2% year-on-year in June, and preliminary indications suggest similar trends for July. Core inflation continued to moderate, supported by stable food and energy prices despite a 5% increase in local oil prices in early July driven by global market dynamics. On the fiscal front, FY26 federal budget of PKR17.6BN received final approval from parliament. The budget FY26, which on one hand, has targeted a balance between fiscal consolidation and growth stimulation, simultaneously, government has also enhanced FBR's authority to strengthen tax enforcement, including the imposition of new restrictions on non-filers, to broaden the tax base and improve revenue collection. The financial year commenced with the State Bank of Pakistan maintaining the policy rate at 11%, reflecting a prudent approach amid external pressures and the necessity to balance inflation containment with economic growth. The Pakistani rupee experienced volatility influenced by rising US tariffs, however, PKR still stabilized around the PKR285 mark against the US dollar, supported by robust foreign exchange reserves that reached approximately USD20BN. This reserve build-up was underpinned by strong remittances and external inflows. Moreover, new gas tariff adjustments were implemented to address circular debt within the energy sector, aligning with IMF conditionalities and promoting fiscal sustainability. In addition to the economic limelight, SBP was seen focused towards enhanced digital inclusion with launch of a pilot central bank digital currency (CBDC). Simultaneously, the government operationalized the virtual Assets Act, establishing a regulatory framework for digital asset activities. Although, FY 2025 reflected encouraging signs of macroeconomic stability, strengthened reserves, and determined reform efforts; nevertheless, Pakistan must continue to navigate significant risks – including trade uncertainties, external pressures, high debt servicing costs, and energy sector inefficiencies – to sustain this positive momentum. Continued progress will depend on the government's steadfast commitment to fiscal discipline, structural reforms, and adept management of the evolving global economic landscape.

Stock Market Review: The beginning of FY26 significantly demonstrated a remarkable strength and confidence, the KSE 100 index surging to all time high amid a wave of investor optimism setting new records along the way. The KSE-100 Index posted a gain of around 8.21%, while the KMI-30 Index increased by 3.34%, indicating signs of a sustained market rebound. Key contributors to the sectoral uptrend included Commercial Banks, Fertilizers, and Pharmaceuticals. This bullish momentum has been driven by strong institutional and foreign investor interest, bolstered by positive macroeconomic signals such as anticipated monetary easing, improved fiscal clarity following the federal budget, and continued engagement with the International Monetary Fund (IMF). Although the market faced brief bouts of volatility – most notably a sharp decline of over 800 points on July 9 was driven by profit-taking, while overall market sentiment remained firmly positive. These short-lived corrections have generally been viewed as healthy adjustments, providing investors with opportunities to re-enter the market at more attractive levels. During this time, overall sentiment remained upbeat, supported by expectations of declining inflation, lower interest rates, and improving macroeconomic stability. Foreign investors recorded net outflows of USD 23 million, primarily from foreign corporates, individuals and overseas Pakistanis. In contrast, local Banks/DFI, Broker Proprietary Trading and Insurance Companies were net sellers. Looking ahead we expect the market to sustain it positive momentum.



15-Jul-25

Disclaimer: The information contained in this report has been compiled by research department of Pak Qatar Asset Management Company Limited (PQAMC), from various sources supposed to be reliable and in good faith, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness. Moreover, all opinions, figures and estimates contained in this document are based judgments as of the date of this document and are subject to change without notice and are provided in good faith but without legal responsibility.

PAK-QATAR

ASSET MANAGEMENT



For information regarding
Pak-Qatar Asset Management Company products
Please call us at
111-PQAMCL (772-625)

email us at info@pqamcl.com
or visit us at www.pqamcl.com

Address: Suite G 8-9 Business Arcade Block 6 PECHS Sharah-e-Faisal, Karachi

Disclaimer: The information contained in this report has been compiled by research department of Pak Qatar Asset Management Company Limited (PQAMCL), from various sources supposed to be reliable and in good faith, but no representation or warranty, express or implied, is made as to their accuracy, completeness or correctness. Moreover, all opinions, figures and estimates contained in this document are based judgments as of the date of this document and are subject to change without notice and are provided in good faith but without legal responsibility. Finally, the recipient should check this email and any attachments for the presence of any viruses. PQAMCL accepts no liability for any damage caused by any virus/error transmitted by this email.