



PAK-QATAR  
ASSET MANAGEMENT



# INVESTOR'S OUTLOOK

*June 30, 2025*

## Pak-Qatar Asset Management Company Limited

Keynote June 30, 2025

### Market Summary

	30-Jun-25	MTD	30days	90days	FYTD	CYTD
KSE100	125,627	4.96%	5.0%	6.6%	59.4%	9.1%
KMI30	184,887	2.35%	2.4%	1.0%	45.9%	3.5%
KMIAll	53,764	3.97%	4.0%	4.3%	54.2%	6.4%

### Global Markets

	30-Jun-25	MTD	30days	90days	FYTD	CYTD
UK	8,761	-0.1%	0.1%	-1.4%	-6.8%	-6.7%
USA	20,370	6.6%	-6.2%	-14.3%	-11.5%	-5.2%
China	3,444	2.9%	-2.8%	-2.8%	-13.1%	-2.7%
Japan	40,305	6.2%	-5.8%	-11.6%	-1.7%	-1.0%
India	83,606	2.6%	-2.6%	-9.1%	-4.9%	-6.5%

### Portfolio Investments (USD mn)

	15 days	30 days	90 days	365days	FYTD	CYTD
FIPI (net)	(15)	(38)	(62)	(304)	(304)	(118)
LIPI (net)	15	38	62	304	304	118
Ind.	14	22	32	69	69	43
Banks/DFIs	(12)	(20)	289	386	386	407
Companies	10	19	41	96	96	69
M.Funds	3	11	(267)	(232)	(232)	(415)
Brokers	(0)	(3)	(12)	(18)	(18)	(12)
Others	(2)	1	29	12	12	31
Ins.	3	7	(20)	(11)	(11)	(7)
NBFC	0	0	2	2	2	2

### Key Economic Figures

		FY21	FY22	FY23	FY24	30-Jun
Policy Rate	30-Jun-25	7.0%	13.8%	22.0%	20.5%	11.00%
1yr KIBOR	30-Jun-25	8.1%	15.7%	23.3%	19.2%	11.31%
Inflation	May End	9.8%	21.3%	29.4%	12.6%	3.50%
PKR USD*	30-Jun-25	157.3	204.8	286.0	279.0	283.76

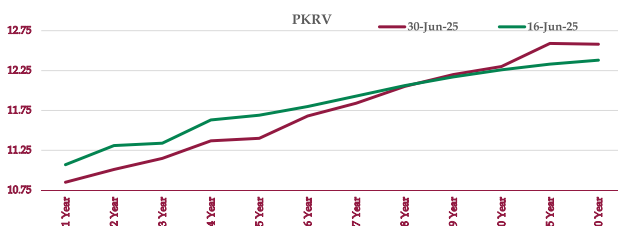
### Key Economic Figures

		FY21	FY22	FY23	FY24	FY25(11MTD)
Imports	USD/mn	56,380	72,048	51,979	48,402	54,084
Exports	USD/mn	25,304	32,450	27,903	28,678	29,690
Trade Deficit	USD/mn	(31,076)	(39,598)	(24,076)	(19,724)	(24,394)
Remittances	USD/mn	29,370	31,238	27,028	27,093	34,940
FX Reserves	USD/mn	24,398	15,742	9,181	14,207	17,005

### PKRV Rates (change in bps)

	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	10.85	(24)	(24)	(113)	(123)	(783)
PKRV 3Y	11.15	(14)	(14)	(82)	(119)	(535)
PKRV 5Y	11.40	(18)	(18)	(106)	(95)	(397)
PKRV 10Y	12.30	7	7	(1)	12	(179)
PKRV 20Y	12.58	23	23	36	54	(139)

\*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	21	987	895	10.27
FERTILIZER	7	478	451	5.87
OIL & GAS EXPLORATION COMPANIES	15	483	465	4.03
CEMENT	7	355	340	4.47
CHEMICAL	3	51	51	(0.35)
OIL & GAS MARKETING COMPANIES	2	131	128	2.15
PHARMACEUTICALS	2	105	102	3.08

### Economic Review: June 2025 attracted special attention and remained in highlight due to on-going heated economic events. Post budget FY-2026, where central government seemed optimistic about country's economic growth, SBP announced last MPS for the out-going Fiscal Year 2025, in which SBP decided to maintain policy rate at 11%. SBP adopted cautious stance in consideration to potential risks to external sector and weak financial inflows. Hence, MPC decided to hold policy rate at 11% to sustain the macroeconomic and price stability.

On the inflationary end, SPI (sensitive price index) for the week ended on 26-June-25 recorded a decrease 1.52% on YoY basis and 0.18% on WoW basis. For June-2025, market analysts are expecting headline inflation to settle in the range of 3.50% - 3.60% (YoY basis) as compared to 3.48% recorded in the month of May-2025. This will lead to FY25 average inflation of 4.50% as compared to average inflation of 23.41% in FY25. Sharp decline in headline inflation was observed during FY25, due to high base effect and reduction in food and fuel prices.

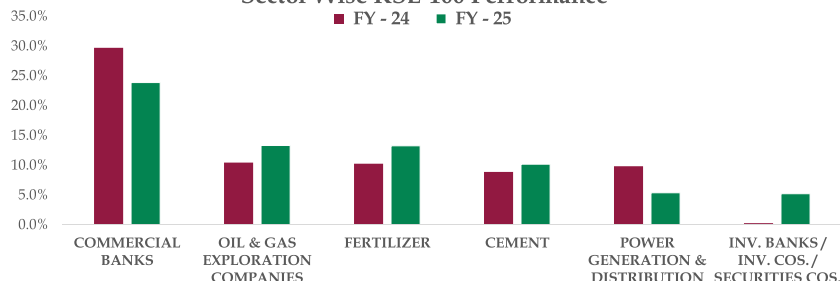
Another major highlight during past week was movement in SBP's foreign currency reserves. During the week ended on 20-June-25, SBP reserves dropped to USD 9.064BN (country's total reserves USD 14.40BN), on the back of USD 2.6BN external debt repayment. Further to this, as per sources, China has rolled over USD 3.4BN loan. Out of these USD 3.4BN, USD 2.1BN are part of central bank's reserves while USD 1.3BN refinanced commercial loans, paid back by country two months back. This rollover will help avoiding further pressure on PKR.

Overall, FY26 is expected to be economically challenging year amid impact of budgetary measures on medium term inflation outlook and regional geo-political conflicts and expected supply chain disruptions. On the Fixed Income side, Following MPS announcement, SBP conducted PIB auction on 18-June-25, in which central bank raised PKR 556 billion, against the target of PKR 300BN, while banks offered PKR 1,217BN. Cut-off yields settled at 11.3900%, 11.3980%, 11.7000%, 12.4995% and 12.7000% for 2yr, 3yr, 5yr, 10yr and 15yr bond respectively. Overall, SBP slashed yield in the range of 30bps to 65bps as compared to the bond auction held on 7-May-25. On the Islamic Money Market front, SBP conducted an auction for sale of GOP Ijaara Sukuk on 25-June-25, in which SBP cumulatively raised PKR 249BN against the target of PKR 200BN. While Islamic Banks/DFIs offered PKR 460BN. For 1yr discounted instrument, yield settled at 10.45%. For 3yr and 5yr FRR, yields stood at 10.86% and 11.39% respectively. For 5yr and 10yr VRR, effective yields settled at 10.5628% and 10.7516% with margin of minus -55bps and -36.12bps respectively over cut-off rate. While SBP rejected all bids for 10yr zero coupon Ijaara Sukuk.

**Stock Market Review:** During FY25, Pakistan's equity market posted stellar gains, with the KSE-100 Index posting return of 59.4% and the KMI-30 Index rising by 45.9%, driven by improved investor confidence amid monetary easing, IMF progress, stable FX reserves, and stable PKR/USD parity. In latter half of FY25, market performance was further supported by improved geo-political environment. Sectoral performance was led by Oil & Gas Exploration, Marketing, Fertilizers, Pharmaceuticals, Cement, and Commercial Banks, with support from softening monetary stance from central bank aided by stable currency and declining CPI readings. Conversely, Chemicals, Textile, Engineering, Power, and Steel underperformed due to regulatory and commodity-related challenges. In terms of market capitalization, Oil & Gas and Cement sector received renewed interest, with market capitalization increasing by 2.9% and 1.3% respectively while commercial banks witnessed decline in market capitalization by 5.8%. On the monthly basis, the KSE-100 Index gained ~2.85% and KMI-30 Index rise by 2.49%, reflecting a stable market recovery amid a geopolitical tension escalating in the middle east introducing heightened volatility. Foreign investors recorded net outflows of USD 15.4 million, primarily from foreign corporates and individuals, while overseas Pakistanis remained net buyers. In contrast, local Banks/DFI and Broker Proprietary Trading were net sellers. Looking ahead, major key triggers for bourse hinges on performance of Large-Scale Manufacturing and sustained agri growth along with suitable geo-political climate.

### Sector Wise KSE-100 Performance

■ FY - 24 ■ FY - 25



30-Jun-25

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## ASSET MANAGEMENT



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