



PAK-QATAR
ASSET MANAGEMENT



INVESTOR'S OUTLOOK

July 31, 2025

Pak-Qatar Asset Management Company Limited

Keynote July 31, 2025

Market Summary

	31-Jul-25	MTD	30days	90days	FYTD	CYTD
KSE100	139,390	10.96%	8.7%	22.2%	8.7%	21.1%
KMI30	196,908	6.50%	5.3%	15.4%	5.3%	10.2%
KMIALL	57,277	6.53%	5.7%	17.0%	5.7%	13.3%

Global Markets

	31-Jul-25	MTD	30days	90days	FYTD	CYTD
UK	9,133	4.2%	-3.8%	-5.9%	-3.8%	-10.5%
USA	21,122	3.7%	-4.4%	-14.9%	-4.4%	-8.6%
China	3,573	3.7%	-3.2%	-8.2%	-3.2%	-6.2%
Japan	40,724	1.0%	-3.1%	-9.6%	-3.1%	-2.0%
India	81,186	-2.9%	3.0%	-0.8%	3.0%	-3.8%

Portfolio Investments (USD mn)

	15 days	30 days	90 days	365days	FYTD	CYTD
FIPI (net)	(13)	(29)	(85)	(360)	(32)	(149)
LIPI (net)	13	29	85	360	32	149
Ind.	8	39	56	99	34	77
Banks/DFIs	28	(30)	(43)	353	(28)	379
Companies	2	3	22	112	7	76
M.Funds	(20)	29	33	(181)	36	(378)
Brokers	4	1	11	(12)	1	(11)
Others	(9)	(17)	(20)	(3)	(19)	11
Ins.	(0)	1	25	(11)	(1)	(7)
NBFC	(0)	1	1	3	1	3

Key Economic Figures

		FY21	FY22	FY23	FY24	FY25	31-Jul
Policy Rate	31-Jul-25	7.0%	13.8%	22.0%	20.5%	11.0%	11.00%
1yr KIBOR	31-Jul-25	8.1%	15.7%	23.3%	19.2%	11.31%	11.23%
Inflation	July End	9.8%	21.3%	29.4%	12.6%	3.20%	4.10%
PKR USD*	31-Jul-25	157.3	204.8	286.0	279.0	283.76	282.87

Key Economic Figures

		FY21	FY22	FY23	FY24	FY25	FY26-TD
Imports	USD'mn	56,380	72,048	51,979	48,402	59,076	-
Exports	USD'mn	25,304	32,450	27,903	28,678	32,296	-
Trade Deficit	USD'mn	(31,076)	(39,598)	(24,076)	(19,724)	(26,780)	-
Remittances	USD'mn	29,370	31,238	27,028	27,093	38,346	-
FX Reserves	USD'mn	24,398	15,742	9,181	14,207	18,091	19,607

PKRV Rates (change in bps)

	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	10.84	(1)	(1)	(111)	(63)	(722)
PKRV 3Y	11.12	(3)	(3)	(69)	(54)	(513)
PKRV 5Y	11.37	(3)	(3)	(100)	(87)	(388)
PKRV 10Y	12.10	(20)	(20)	(40)	(6)	(197)
PKRV 20Y	12.50	(8)	(8)	6	48	(145)

*Inter Bank Rate

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

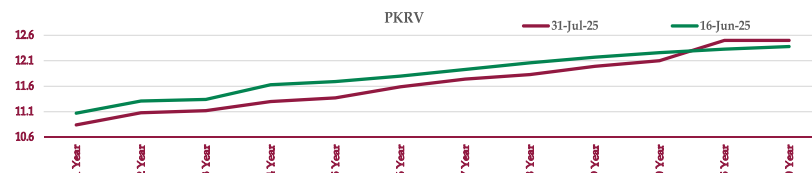
SECTORS	Index Weight (%)	Current Market Cap	Previous Market Cap (PKR'Bn)	Change (%) in Market
COMMERCIAL BANKS	22	1,182	987	19.67
FERTILIZER	7	549	478	14.90
OIL & GAS EXPLORATION COMPANIE	14	497	483	2.91
CEMENT	6	355	355	(0.05)
CHEMICAL	2	51	51	1.27
OIL & GAS MARKETING COMPANIES	2	143	131	9.13
PHARMACEUTICALS	2	114	105	8.63

Commentary

Economic Review: In July 2025, Pakistan's economy experienced a wave of important developments signaling cautious progress and growing strategic focus. The central bank maintained the policy rate at 11%. SBP adopted cautious stance, keeping into consideration inflationary shocks and risk to external account. While some businesses pushed for rate cuts, concerns over rising energy prices and possible supply shocks kept the monetary stance unchanged. On the external front, the current account recorded a surplus of \$2.1 billion in FY25, amid significant growth in remittances. While country's foreign currency reserves jumped to nearly \$20 billion by end of July-2025. For the month of July-25, NCPI stood at 4.1% as compared to 3.2% in June-25 and 11.1% in July-24. On MoM basis, July-25 witness inflation of 2.9% as compared to 0.2% in the month of June-25. During the month, major contributor which led to higher inflation was increase in food head, specifically perishable food head, followed by upward revision in Housing, electricity and fuels head and higher transportation prices. The money market reflected expectations of a future easing cycle, with short-term T-bill yields beginning to soften, particularly on 3-month and 6-month papers, while longer-tenor government bond yields remained elevated amid lingering fiscal and external risks. In the T-Bill auctions conducted during the month of July-25, SBP raised a total of PKR 1,413 billion against the target of PKR 1,350 billion. While banks offered PKR 2,998 billion. Last cut-off yields settled at 11.2403%, 11.9977%, 10.8976% and 10.8000% for 1M, 3M, 6M and 12M paper respectively. In the PIB auction held during the month, SBP raised PKR 342 billion against the participation of PKR 1,050 billion with last cut-off yields settling at 10.8480%, 11.0500%, 11.3900% and 12.2000% for 2yr, 3yr, 5yr and 10yr bond respectively.

A major development was the reported 23% increase in domestic oil reserves—now estimated at 238 million barrels—following discoveries across key fields in Punjab, KP, and Balochistan. On the innovation front, Pakistan advanced digital and AI cooperation with a major Asian partner, with joint ventures explored under the Digital Pakistan initiative. Overall, July marked a pivotal month, blending macroeconomic stability with emerging opportunities and geopolitical alignments.

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 10.96%, while the KMI-30 Index increased by 6.50%, indicating signs of a sustained market rebound. Key contributors to the sectoral uptrend included Commercial Banks, Fertilizers, Oil and Gs Marketing companies 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 28 million, primarily from foreign corporates and individuals. In contrast, local Banks/DFIs were net sellers. Looking ahead we expect the market to sustain its positive momentum.



31-Jul-25

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ASSET MANAGEMENT



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