



PAK-QATAR
ASSET MANAGEMENT



INVESTOR'S OUTLOOK

August 31, 2025

Pak-Qatar Asset Management Company Limited

Keynote August 31, 2025

Market Summary

	29-Aug-25	MTD	30days	90days	FYTD	CYTD
KSE100	148,618	6.62%	7.4%	24.2%	15.9%	29.1%
KMI30	212,371	7.85%	9.4%	17.6%	13.6%	18.9%
KMIALL	61,228	6.90%	8.0%	18.4%	13.0%	21.2%

Global Markets

	29-Aug-25	MTD	30days	90days	FYTD	CYTD
UK	9,187	0.6%	-0.5%	-4.5%	-4.4%	-11.0%
USA	21,456	1.6%	-1.5%	-10.9%	-5.8%	-10.0%
China	3,858	8.0%	-6.3%	-13.2%	-10.4%	-13.1%
Japan	42,718	4.9%	-4.6%	-11.1%	-7.7%	-6.6%
India	79,810	-1.7%	2.1%	2.1%	4.8%	-2.1%

Portfolio Investments (USD mn)

	15 days	30 days	90 days	365days	FYTD	CYTD
FIIPI (net)	(28)	(43)	(112)	(410)	(75)	(192)
LIPI (net)	28	43	112	410	75	192
Ind.	14	18	77	102	55	98
Banks/DFIs	3	(13)	(77)	329	(57)	350
Companies	21	21	46	134	27	96
M.Funds	(11)	14	81	(137)	70	(344)
Brokers	3	4	1	(13)	4	(8)
Others	(5)	(9)	(28)	(8)	(29)	1
Ins.	3	7	10	(0)	3	(7)
NBFC	(0)	1	2	4	1	4

Key Economic Figures

		FY21	FY22	FY23	FY24	FY25	FY26-TD
Policy Rate	29-Aug-25	7.0%	13.8%	22.0%	20.5%	11.0%	11.00%
1yr KIBOR	29-Aug-25	8.1%	15.7%	23.3%	19.2%	11.3%	11.27%
Inflation	Aug End	9.8%	21.3%	29.4%	12.6%	3.20%	3.00%
PKR USD*	29-Aug-25	157.3	204.8	286.0	279.0	283.7	281.77

Key Economic Figures

		FY21	FY22	FY23	FY24	FY25	FY26-TD
Imports	USD/mn	56,380	72,048	51,979	48,402	59,076	5,449
Exports	USD/mn	25,304	32,450	27,903	28,678	32,296	2,697
Trade Deficit	USD/mn	(31,076)	(39,598)	(24,076)	(19,724)	(26,780)	(2,752)
Remittances	USD/mn	29,370	31,238	27,028	27,093	38,346	3,214
FX Reserves	USD/mn	24,398	15,742	9,181	14,207	18,091	19,618

PKRV Rates (change in bps)

	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	10.96	12	29	(13)	(65)	(599)
PKRV 3Y	11.08	(4)	14	(21)	(71)	(428)
PKRV 5Y	11.37	-	7	(21)	(87)	(349)
PKRV 10Y	12.02	(8)	8	(21)	(24)	(144)
PKRV 20Y	12.45	(5)	1	10	35	(84)

*Inter Bank Rate

31-Aug-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.

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

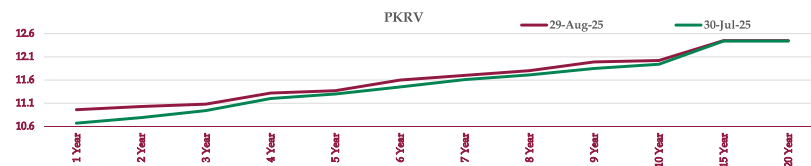
SECTORS	Index Weight (%)	Current Market Cap	Previous Market Cap (PKR/Bn)	Change (%) in Market
COMMERCIAL BANKS	23	1,280	1,182	8.34
FERTILIZER	6	532	549	(3.03)
OIL & GAS EXPLORATION COMPANIE	14	525	497	5.65
CEMENT	7	428	355	20.54
CHEMICAL	2	50	51	(2.48)
OIL & GAS MARKETING COMPANIES	2	145	143	1.52
PHARMACEUTICALS	2	120	114	5.15

Commentary

Economic Review: The country faces severe monsoon along with flash floods in the north. This has primarily impacted the country's food basket. The government has taken steps to control damages, albeit loss of property remains imminent. This is also expected to translate into some supply-side shock which affects the flow of goods, impacting not only food supplies but also transport from the north — thereby affecting exports during the period. In addition to the supply shock, adverse impact on rabi crop sowing season can also affect the second half of the fiscal year, potentially forcing some realignment in the projected GDP growth. While the country is yet to filter news for an actual assessment, the prevailing sentiment dampens any expectation of a rate cut in the upcoming Monetary Policy Statement (MPS) by the central bank. Inflation for the month stood at 3% year-on-year easing from 4.1% in the previous month, reflecting relative stability in headline prices; however, risks remain tilted to the upside due to weather-driven supply disruptions, especially in food categories. The country marked a visible improvement in its foreign exchange reserves, which accumulated to ~USD 19,617 million compared to ~USD 18,976 million in July'25, with the PKR:USD rate maintaining around ~283 in the open market. On the external front, the trade deficit for the month stood at USD 2.7 billion, reflecting a slight widening driven by weaker exports. These figures precede the recent floods, with future trade likely to reflect logistics and infrastructure disruptions in the export-critical northern regions. Although the current account remains in deficit, and the nominal exchange rate has been steady, any misalignment in the Real Exchange Rate (RER) going forward could affect external competitiveness and weigh on short-term macroeconomic stability.

On the money market front, in the T-bill auction held on 20th August, 2025 the State Bank raised PKR 383 billion against a total participation of PKR 1,314 billion. The cut-off yields were set at 10.8996% for 1-month, 10.8502% for 3-month, 10.8501% for 6-month, and 10.9990% for 12-month tenors.

Stock Market Review: The month of August 2025 sustained the positive momentum in the domestic equity market, extending the bullish undertone seen at the outset of FY26. The KSE-100 Index continued its upward trajectory, registering a gain of approximately 6.62%, while the KMI-30 Index advanced by 7.85%, reflecting persistent investor confidence. The market's performance was underpinned by continued improvements in macroeconomic indicators, relatively stable inflation, and optimism around the external account. Investor sentiment remained broadly constructive, driven by expectations of monetary easing and a stable PKR, supported by a notable increase in foreign exchange reserves. Key sectoral performers during the month included Commercial Banks, Cements, Oil & Gas Exploration Companies and Pharmaceuticals. The rally, however, was not without volatility. A mid-month dip was observed, triggered by uncertainty surrounding the central bank's Monetary Policy Statement (MPS) and early concerns regarding the economic fallout from widespread flooding in the northern regions. Foreign investors recorded net outflows of USD 42 million during August, marking a continuation of cautious offshore positioning. On the domestic front, Individuals and Insurance Companies emerged as notable net buyers, absorbing foreign selling pressure and maintaining support at key technical levels. Looking forward, the market is expected to maintain its positive momentum, keenly eyeing upcoming macro data, monetary policy signals, and any revisions to FY26 GDP projections due to weather-related supply shocks.



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.