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Rated by PACRA with **Positive** outlook

پاک قطر

PAK-QATAR

ASSET MANAGEMENT

INVESTOR'S OUTLOOK

October 17, 2025

Pak-Qatar Asset Management Company Limited

Keynote October 17, 2025

PAK-QATAR ASSET MANAGEMENT

Market Summary						
	15-Oct-25	MTD	30days	90days	FYTD	CYTD
KSE100	165,686	0.12%	6.6%	19.5%	29.2%	43.9%
KMI30	241,651	-1.87%	6.2%	23.8%	29.3%	35.3%
KMIAll	66,593	-1.60%	4.2%	18.1%	22.9%	31.8%

Global Markets						
	15-Oct-25	MTD	30days	90days	FYTD	CYTD
UK	9,425	0.8%	-1.6%	-4.8%	-6.8%	-13.3%
USA	22,670	0.0%	-1.4%	-7.9%	-10.9%	-14.8%
China	3,912	0.8%	-1.3%	-10.1%	-11.6%	-14.3%
Japan	48,123	7.5%	-6.6%	-16.7%	-18.0%	-17.1%
India	82,605	2.9%	-1.0%	-0.4%	1.2%	-5.4%

Portfolio Investments (USD mn) EQUITY						
	15 days	30 days	90 days	365days	FYTD	CYTD
FIPI (net)	(19)	(57)	(129)	(385)	(132)	(250)
LIPI (net)	19	57	129	385	132	250
Ind.	56	74	115	173	89	130
Banks/DFIs	7	(18)	(93)	(191)	(150)	(187)
Companies	10	3	40	147	28	95
M.Funds	22	83	163	377	206	253
Brokers	(8)	(10)	(6)	(17)	(1)	(13)
Others	(6)	(10)	(30)	(39)	(39)	(17)
Ins.	(61)	(65)	(61)	(68)	(3)	(7)
NBFC	0	0	0	4	1	4

Portfolio Investments (USD mn) DEBT						
	15 days	30 days	90 days	365days	FYTD	CYTD
FIPI (net)	0	0	(0)	(0)	(0)	(0)
LIPI (net)	(0)	(0)	0	0	0	0
Ind.	0	0	0	1	(0)	2
Banks/DFIs	182	201	292	719	97	541
Companies	0	1	1	2	0	3
M.Funds	(150)	(173)	(268)	(717)	(105)	(567)
Brokers	0	(0)	(0)	(0)	(0)	0
Others	(0)	(0)	2	11	3	10
Ins.	(31)	(29)	(27)	(17)	5	(7)
NBFC	-	-	-	(0)	(0)	(0)

Key Economic Figures							
		FY21	FY22	FY23	FY24	FY25	FY26-TD
Policy Rate	15-Oct-25	7.0%	13.8%	22.0%	20.5%	11.0%	11.00%
1yr KIBOR	15-Oct-25	8.1%	15.7%	23.3%	19.2%	11.3%	11.41%
Inflation	Sep End	9.8%	21.3%	29.4%	12.6%	3.20%	5.60%
PKR USD*	15-Oct-25	157.3	204.8	286.0	279.0	283.7	281.12

Key Economic Figures							
		FY21	FY22	FY23	FY24	FY25	FY26-TD
Imports	USD'mn	56,380	72,048	51,979	48,402	59,076	16,971
Trade Deficit	USD'mn	(31,076)	(39,598)	(24,076)	(19,724)	(26,780)	(9,368)
Remittances	USD'mn	29,370	31,238	27,028	27,093	38,346	9,536
FX Reserves	USD'mn	24,398	15,742	9,181	14,207	18,091	19,810

PKRV Rates (change in bps)						
	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	11.15	13	15	42	(76)	(247)
PKRV 3Y	11.31	13	15	39	(47)	(119)
PKRV 5Y	11.50	2	3	21	(80)	(99)
PKRV 10Y	12.00	-	-	(6)	(48)	(12)
PKRV 20Y	12.46	2	3	(5)	11	53

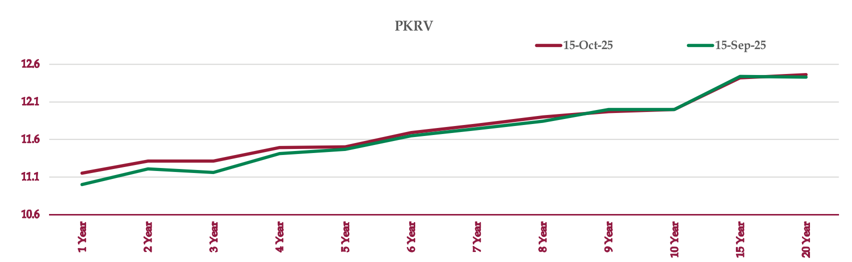
**Inter Bank Rate*

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 (PKR'Bn)
COMMERCIAL BANKS	24	1,457	1,397	4.26
FERTILIZER	7	591	569	3.92
OIL & GAS EXPLORATION COMPANIES	14	568	592	(4.09)
CEMENT	7	448	474	(5.38)
CHEMICAL	2	53	53	(0.07)
OIL & GAS MARKETING COMPANIES	2	170	169	0.17
PHARMACEUTICALS	2	124	127	(2.41)

Commentary

Economic Review: The month unfolded with Pakistan's economy sustaining its stable trajectory, while displaying gradual signs of recovery. The GDP growth forecast for FY25 was revised upward to 3% from 2.68%, suggesting a slight recovery in domestic activity, while the World Bank lowered its projection for FY26 to 2.62% due to the economic damage caused by recent flash floods. Updated figures from the central bank for the first quarter of FY26 showed a 33% increase in the trade deficit compared to the same period last year, driven by a 13% rise in imports and a slight decline in exports. However, remittance inflows provided some cushion, increasing by 8% year-on-year. The rupee registered gains against the US dollar during this period, buoyed by improved market sentiment and the conclusion of a staff-level agreement with the IMF for a $1.2 billion tranche, now pending final approval. Foreign exchange reserves also rose by $20 million, reaching $19.81 billion, reflecting a modest improvement in external liquidity. On the global front, oil prices declined, offering some relief on the import bill, while metal commodity prices surged to all-time highs, raising cost pressures for certain industries. Meanwhile, regional developments, including a temporary easing of hostilities in key areas and heightened tensions along the western border, have subtly influenced trade routes, energy dynamics, and investor sentiment. While some indicators show resilience, particularly remittances and currency stability, the economy continues to face headwinds, requiring steady policy direction and external support to maintain stability in the months ahead.

Stock Market Review: In the latter half of October 2025, the Pakistan Stock Exchange (PSX) remained resilient despite heightened volatility driven by geopolitical tensions and macroeconomic uncertainty. The KSE-100 Index rose by 0.12%, while KMI-30 loss 1.87%, which had reached record highs earlier in the month, experienced a sharp single-day drop of 2.85% due to rising border tensions, but quickly rebounded with a 4.44% gain the next day as concerns eased and positive developments emerged around Pakistan's agreement with the IMF. Investor sentiment stayed broadly positive, supported by expectations of macroeconomic stability, steady interest rates, and strong corporate earnings. Key sectors such as cement, oil & gas, and banking continued to lead gains, while local institutions and overseas Pakistanis absorbed selling pressure from foreign investors. The market witnessed total net inflows of USD 18 million across both equity and debt segments, with foreign corporates and insurance companies emerging as net sellers in equities, whereas individuals and mutual funds took the position of net buyers. Despite concerns, the market outlook remains positive for long term investors amid some high volatility expected in short term as bourse consolidates and investors build positions based on revised sector outlooks.



15-Oct-25

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