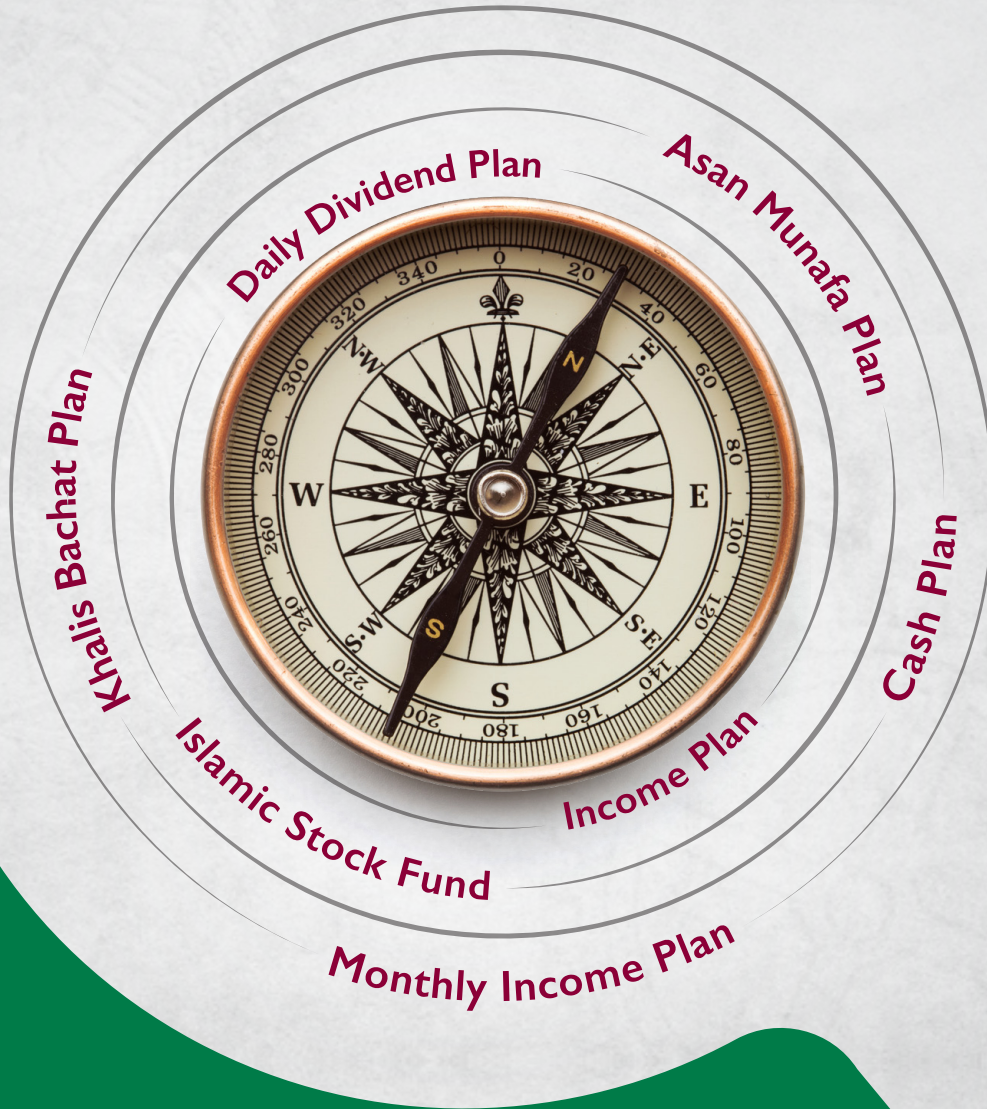


AM2

Rated by PACRA with Positive outlook



PAK-QATAR
ASSET MANAGEMENT



INVESTOR'S OUTLOOK

October 31, 2025

Pak-Qatar Asset Management Company Limited

Keynote October 31, 2025

Market Summary							KSE100 Index Top Ten Sector Details (on Free Float Market Capitalization)				
	31-Oct-25	MTD	30days	90days	FYTD	CYTD	SECTORS	Index Weight (%)	Current Market Cap (PKR'Bn)	Previous Market Cap (PKR'Bn)	Change (%) in Market Cap (PKR'Bn)
KSE100	161,632	-2.45%	-2.4%	14.6%	26.1%	40.4%	COMMERCIAL BANKS	24	1,435	1,397	2.68
KMI30	232,700	-3.70%	-5.7%	15.7%	24.5%	30.3%	FERTILIZER	7	584	569	2.64
KMIAll	64,180	-3.62%	-6.0%	10.0%	18.4%	27.0%	OIL & GAS EXPLORATION COMPANIES	14	537	592	(9.33)
							CEMENT	7	434	474	(8.48)
							CHEMICAL	2	51	53	(2.69)
							OIL & GAS MARKETING COMPANIES	2	162	169	(4.08)
							PHARMACEUTICALS	2	118	127	(6.98)
							Commentary				
Global Markets							Economic Review: For the month, the economic situation reflected a cautiously improving outlook. The central bank decided to keep the policy rate unchanged at 11 percent for the fourth consecutive meeting, noting that the impact of the previously eased monetary stance is gradually taking effect amid improving economic conditions. The bank highlighted a steady recovery in the manufacturing sector while remaining cautious about potential supply-side pressures from recent floods and elevated food prices, which could keep headline inflation slightly above the 5-7 percent target range for a few months. CPI inflation stood at 6.2 percent year-on-year in October 2025, while core inflation also inched up to 7.5% on y/y basis and 8.4% on y/y basis for urban and rural areas. The government revised GDP growth figures for FY25 stood at 3 percent from 2.68 percent, reflecting stronger performance in agriculture and industry, with large-scale manufacturing growing 4.4 percent early in FY26. Growth for FY26 is projected between 3.25 and 4.25 percent, supported by continued momentum in the services sector. On the external front, the current account deficit for 1QFY26 stood at USD 594 million, compared to USD 502 million in the same period last year, though a USD 110 million surplus was recorded in September 2025. Despite a 10 percent quarterly rise in the trade deficit, strong remittance inflows (up 8 percent quarter-on-quarter) and lower oil price volatility have helped strengthen external stability. Foreign exchange reserves reached USD 19.85 billion, including SBP reserves of USD 14.46 billion as of October 17, 2025, even after repaying a USD 500 million Eurobond. Foreign Exchange Reserves are projected to rise to USD 17.8 billion by June 2026. The recent rate cut by the U.S. Federal Reserve has contributed to a more accommodative global financial environment, easing pressures in international capital markets. This shift may accommodate emerging economies, including Pakistan, through improved investor confidence and relatively stable external funding conditions. On the fiscal side, tax revenues increased by 12.5 percent year-on-year albeit shortfall from targeted figures, supported by higher non-tax revenues such as SBP profits and petroleum levies, helping maintain overall and primary surpluses in Q1-FY26. Overall, the recent monetary policy decision indicates a wait and see approach with central bank confident of further improvement in business confidence amid a lagged impact of soft monetary stance. While some recovery is visible in growth and external indicators, inflationary pressures and fiscal challenges persist. Maintaining policy coordination, prudent fiscal management, and a focus on structural reforms will be important to balance price stability with the goal of supporting sustainable economic growth.				
UK	9,717	3.1%	-2.8%	-6.7%	-9.6%	-15.9%	Stock Market Review: The Pakistan Stock Exchange ended October 2025 on a slightly negative note, with the KSE-100 index falling around 2.4% and KMI-30 index declined by 3.70% amid cautious investor sentiment. The decline was mainly driven by uncertainty over the upcoming monetary policy decision, rising inflation concerns, and profit-taking after earlier gains. Despite the pullback, trading volumes remained stable, showing sustained investor interest. Sectors such as Commercial banks and Fertilizers performed relatively well, while cement and technology came under pressure due to higher costs and policy-related factors. The market recorded net inflows of USD 25 million across equity, with foreign corporates and Insurance companies acting as net sellers, while Individuals and Companies were net buyers in equity. Overall, the market reflected a period of consolidation after a strong rally earlier in the year.				
USA	23,725	4.7%	-4.1%	-13.0%	-14.8%	-18.6%					
China	3,955	1.1%	-1.8%	-10.0%	-12.6%	-15.2%					
Japan	52,411	8.9%	-14.3%	-22.2%	-24.7%	-23.9%					
India	83,939	1.6%	-3.5%	-4.0%	-0.4%	-6.9%					
Portfolio Investments (USD mn)											
EQUITY											
FIPI (net)	15 days	30 days	90 days	365days	FYTD	CYTD					
LIPI (net)	(7)	(25)	(124)	(365)	(157)	(275)					
Ind.	7	25	124	365	157	275					
Banks/DFIs	15	70	123	198	159	200					
Companies	4	18	(76)	(158)	(132)	(169)					
M.Funds	7	26	49	128	54	120					
Brokers	(18)	(16)	121	333	190	237					
Others	5	(3)	(5)	(13)	(4)	(16)					
Ins.	(5)	(8)	(27)	(52)	(47)	(25)					
NBFC	(0)	(62)	(62)	(75)	(64)	(7)					
	0	0	1	3	2	4					
Key Economic Figures											
Policy Rate	FY21	FY22	FY23	FY24	FY25	FY26-TD					
1yr KIBOR	31-Oct-25	7.0%	13.8%	22.0%	20.5%	11.0%					
Inflation	31-Oct-25	8.1%	15.7%	23.3%	19.2%	11.3%					
PKR USD*	Oct End	9.8%	21.3%	29.4%	12.6%	3.20%					
	31-Oct-25	157.3	204.8	286.0	279.0	283.7					
Key Economic Figures											
Imports	FY21	FY22	FY23	FY24	FY25	FY26-TD					
Exports	USD'mn	56,380	72,048	51,979	48,402	59,076					
Trade Deficit	USD'mn	25,304	32,450	27,903	28,678	32,296					
Remittances	USD'mn	(31,076)	(39,598)	(24,076)	(19,724)	(26,780)					
FX Reserves	USD'mn	29,370	31,238	27,028	27,093	38,346					
	USD'mn	24,398	15,742	9,181	14,207	18,091					
PKRV Rates (change in bps)											
PKRV 1Y	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ					
PKRV 3Y	11.30	15	29	44	(65)	(135)					
PKRV 5Y	11.38	7	20	27	(43)	(43)					
PKRV 10Y	11.50	-	2	13	(87)	(51)					
PKRV 20Y	11.90	(10)	(11)	(21)	(60)	(11)					
	12.38	(8)	(6)	(11)	(6)	44					
*Inter Bank Rate											

31-Oct-25

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PAK-QATAR

ASSET MANAGEMENT



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