

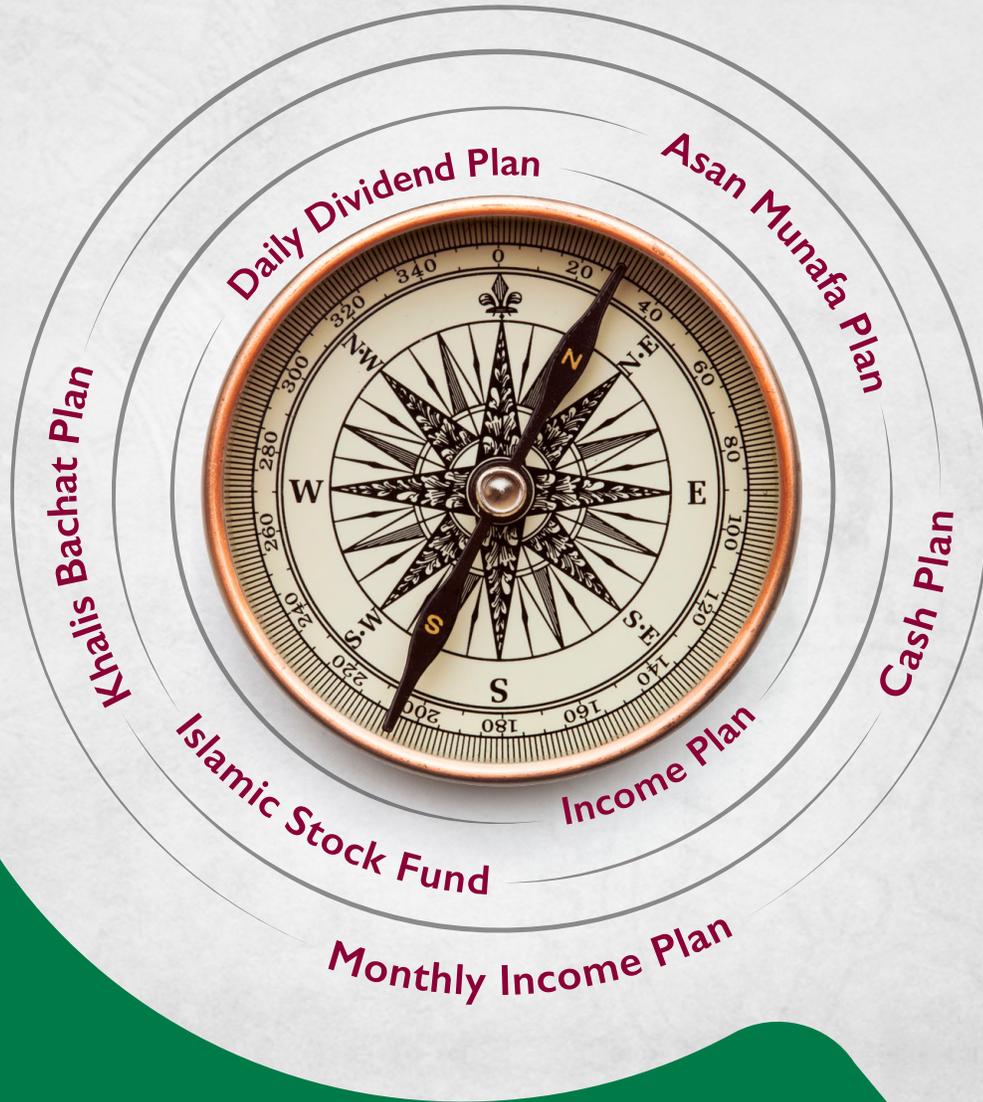
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Stable outlook

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Positive outlook



PAK-QATAR
ASSET MANAGEMENT



INVESTOR'S OUTLOOK

February 13, 2026

Pak-Qatar Asset Management Company Limited

Keynote February 13, 2026

Market Summary

	13-Feb-26	MTD	30days	90days	FYTD	CYTD
KSE100	179,604	-2.48%	-1.6%	10.9%	40.1%	3.2%
KMI30	253,396	-2.93%	-1.0%	9.4%	35.6%	2.0%
KMIALL	69,330	-2.67%	-0.9%	8.8%	27.9%	2.1%

Global Markets

	13-Feb-26	MTD	30days	90days	FYTD	CYTD
UK	10,446	2.2%	-2.5%	-7.2%	-15.9%	-4.9%
USA	22,547	-3.9%	4.1%	1.6%	-10.4%	3.1%
China	4,082	-0.9%	1.1%	-2.2%	-15.3%	-2.8%
Japan	56,942	6.2%	-5.2%	-11.5%	-30.7%	-11.6%
India	82,627	0.4%	0.9%	2.3%	1.2%	3.1%

Portfolio Investments (USD mn)

	EQUITY					
	15 days	30 days	90 days	365days	FYTD	CYTD
FIPI (net)	(28)	(53)	(175)	(444)	(355)	(104)
LIPI (net)	28	53	175	444	355	104
Ind.	28	70	74	273	257	36
Banks/DFIs	(18)	(35)	(75)	(221)	(211)	(94)
Companies	11	3	76	177	137	56
M.Funds	30	57	204	450	391	141
Brokers	(15)	(13)	(3)	(12)	(4)	(12)
Others	1	1	1	(32)	(53)	9
Ins.	(10)	(30)	(104)	(197)	(164)	(7)
NBFC	0	0	1	6	3	0

Key Economic Figures

		FY21	FY22	FY23	FY24	FY25	FY26-TD
Policy Rate	13-Feb-26	7.0%	13.8%	22.0%	20.5%	11.0%	10.50%
1yr KIBOR	13-Feb-26	8.1%	15.7%	23.3%	19.2%	11.3%	10.79%
Inflation	Jan End	9.8%	21.3%	29.4%	12.6%	3.20%	5.80%
PKR USD*	13-Feb-26	157.3	204.8	286.0	279.0	283.7	279.62

Key Economic Figures

		FY21	FY22	FY23	FY24	FY25	FY26-TD
Imports	USDmn	56,380	72,048	51,979	48,402	59,076	31,325
Exports	USDmn	25,304	32,450	27,903	28,678	32,296	15,507
Trade Deficit	USDmn	(31,076)	(39,598)	(24,076)	(19,724)	(26,780)	(15,818)
Remittances	USDmn	29,370	31,238	27,028	27,093	38,346	19,987
FX Reserves	USDmn	24,398	15,742	9,181	14,207	18,091	21,375

PKRV Rates (change in bps)

	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	10.50	15	38	(81)	(41)	(113)
PKRV 3Y	10.41	13	17	(105)	(66)	(141)
PKRV 5Y	10.96	35	52	(67)	(41)	(135)
PKRV 10Y	11.37	27	23	(60)	(63)	(86)
PKRV 20Y	11.73	3	(1)	(62)	(73)	(35)

*Inter Bank Rate

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

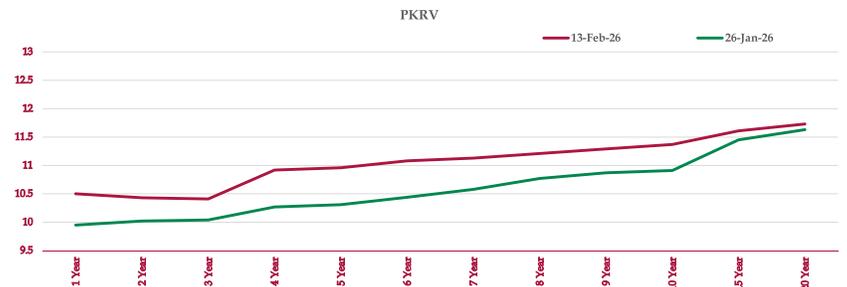
SECTORS	Index Weight (%)	Current Market Cap (PKR'Bn)	Previous Market Cap (PKR'Bn)	Change (%) in Market Cap (PKR'Bn).
COMMERCIAL BANKS	25	1,599	1,638	(2.38)
FERTILIZER	7	679	703	(3.40)
OIL & GAS EXPLORATION COMPANIES	14	596	649	(8.10)
CEMENT	6	469	486	(3.51)
CHEMICAL	2	51	53	(4.61)
OIL & GAS MARKETING COMPANIES	2	160	167	(4.15)
PHARMACEUTICALS	2	127	126	1.37

Commentary

Economic Review: Pakistan is scheduled to undergo the third review under the Extended Fund Facility (EFF) and the second review under the Resilience and Sustainability Facility (RSF) in the last week of February 2026, with performance to be assessed against September and December 2025 targets. Quantitative Performance Criteria (QPCs), which require Board-level waivers if breached, are largely expected to be met, with only one pending data point regarding the floor on targeted cash transfers (previously missed by Rs1br) yet to be confirmed. Despite achievements on macros, concerns regarding performance of State Owned Enterprise (SOE) persists which are continue to pressure gov. balance sheets. Central Bank remains hopeful of achieving growth target with strong LSM and agricultural output. Inflation also remains under targeted zone despite some hiccups expected in the latter half of fiscal year. There are some concerns to spike in energy prices due to spike in international oil prices due to which yield curve is has taken some adjustments. Central Bank remains committed to IMF program target vis-à-vis Net International Reserves (NIR) to remain above the stipulated floors for the period, while SBP's Net Domestic Assets (NDA) are likely to stay comfortably below the ceiling limits. SBP Foreign currency swaps appear broadly aligned with program thresholds, and the primary fiscal surplus is expected to exceed targets for both September and December 2025, indicating continued fiscal consolidation. Government guarantees, social spending requirements, and new tax filer targets are also likely to be achieved. However, FBR tax revenues—classified as an indicative target—have reportedly fallen short by Rs336bn, and although some recovery may occur through the pending Super Tax verdict, collections are still expected to remain below the annual target.

In the latest T-bill auction, the government raised PKR 474.2bn against a total face value of PKR 505.1bn. The allotments and yields were as follows: the 1-month and 3-month tenors both cleared at a cut-off yield of 10.20%, the 6-month at 10.32%, and the 12-month at 10.40%, while weighted average yields ranged between 10.10% and 10.35%, indicating a relatively stable yield environment with a slight upward slope toward longer maturities. The bulk of the realization was concentrated in the 12-month tenor, which accounted for nearly half of total acceptances, reflecting investor preference to lock in higher rates at the longer end. In the GoP Jjarah auction, fixed-rate cut-off yields settled at 9.85% for the 1-year (fresh issue), 9.80% for the 3-year (re-opening), and 10.23% for the 5-year (re-opening), suggesting anchored medium- to long-term rate expectations.

Stock Market Review: On the fortnightly basis, Despite the central bank keeping interest rate unchanged in the last MPS, equity market closed on a negative note, with the KSE-100 index posting an MTD declined of 1.62% (CYTD: 3.2%, FYTD: 40.1%) and the KMI-30 index declined by 1.03% (CYTD: 2.0%, FYTD: 35.6%). During the month investors sentiment remained negative in sectors like commercial Banks, fertilizer, cement and Oil & Gas Exploration, whereas pharmaceutical sector remain positive. On the flow side, foreign investors recorded net inflows of USD 27.5 million during the month, while foreign corporates and banks remained net sellers and mutual funds and companies continued to provide support as net buyers. International Oil price volatility has pushed yields upward as investors adjust to geopolitical headwinds, the trend is also visible in local bourse. Investors' sentiments remained fragile with market expected to maneuver a range bound movement.



13-Feb-26

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Head Office - Karachi

Suite # G-8/9, Business
Arcade, Block-6, P.E.C.H.S.,
Shahrah-e-Faisal,
Karachi-75400.

Sales Office - Islamabad

4th Floor, Chenab Center,
Jinnah Avenue, Blue Area,
Islamabad.

Sales Office - Rawalpindi

Office No. 504 & 505, 5th
Floor, Survey No. 167/6,
Kohistan Tower,
Mehfooz Road, Saddar,
Rawalpindi.

Sales Office - Lahore

3rd Floor, 31-E
Commercial Area,
Cavalry Ground Cantt,
Lahore.

||| -PQAMCL (772-625) | info@pqamcl.com | www.pqamcl.com

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