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Rated by VIS with
Stable outlook

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Positive outlook



PAK-QATAR
ASSET MANAGEMENT



INVESTOR'S OUTLOOK

January 30, 2026

Pak-Qatar Asset Management Company Limited

Keynote January 30, 2026

Market Summary

	30-Jan-26	MTD	30days	90days	FYTD	CYTD
KSE100	184,174	5.81%	5.8%	13.9%	43.7%	5.8%
KMI30	261,050	5.03%	5.0%	12.2%	39.7%	5.0%
KMIAll	71,231	4.95%	4.9%	11.0%	31.4%	4.9%

Global Markets

	30-Jan-26	MTD	30days	90days	FYTD	CYTD
UK	10,224	2.9%	-2.9%	-5.0%	-14.1%	-2.9%
USA	23,462	0.9%	-0.9%	1.1%	-13.9%	-0.9%
China	4,118	3.8%	-3.6%	-4.0%	-16.0%	-3.6%
Japan	53,323	5.9%	-5.6%	-1.7%	-26.0%	-5.6%
India	82,270	-3.5%	3.6%	2.0%	1.6%	3.6%

Portfolio Investments (USD mn)

EQUITY						
	15 days	30 days	90 days	365days	FYTD	CYTD
FIPI (net)	(11)	(66)	(160)	(421)	(318)	(66)
LIPI (net)	11	66	160	421	318	66
Ind.	41	24	86	259	245	24
Banks/DFIs	(9)	(80)	(65)	(207)	(198)	(80)
Companies	(12)	44	71	169	125	44
M.Funds	7	95	155	402	345	95
Brokers	(8)	(5)	8	(1)	4	(5)
Others	(1)	9	(7)	(33)	(54)	9
Ins.	(6)	(21)	(89)	(176)	(153)	(7)
NBFC	0	0	2	6	3	0

Key Economic Figures

		FY21	FY22	FY23	FY24	FY25	FY26-TD
Policy Rate	30-Jan-26	7.0%	13.8%	22.0%	20.5%	11.0%	10.50%
1yr KIBOR	30-Jan-26	8.1%	15.7%	23.3%	19.2%	11.3%	10.63%
Inflation	Dec End	9.8%	21.3%	29.4%	12.6%	3.20%	5.60%
PKR USD*	30-Jan-26	157.3	204.8	286.0	279.0	283.7	279.82

Key Economic Figures

		FY21	FY22	FY23	FY24	FY25	FY26-TD
Imports	USD/mn	56,380	72,048	51,979	48,402	59,076	31,325
Exports	USD/mn	25,304	32,450	27,903	28,678	32,296	15,507
Trade Deficit	USD/mn	(31,076)	(39,598)	(24,076)	(19,724)	(26,780)	(15,818)
Remittances	USD/mn	29,370	31,238	27,028	27,093	38,346	19,734
FX Reserves	USD/mn	24,398	15,742	9,181	14,207	18,091	21,293

PKRV Rates (change in bps)

	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	10.35	(4)	(4)	(95)	(51)	(111)
PKRV 3Y	10.26	(24)	(24)	(112)	(85)	(140)
PKRV 5Y	10.62	(19)	(19)	(88)	(75)	(162)
PKRV 10Y	11.09	(38)	(38)	(81)	(102)	(107)
PKRV 20Y	11.70	(24)	(24)	(68)	(79)	(32)

*Inter Bank Rate

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

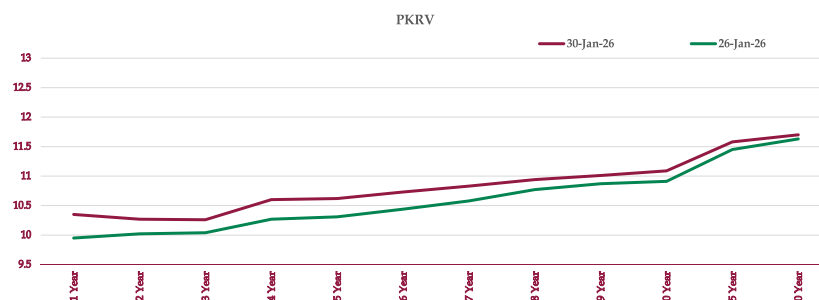
SECTORS	Index Weight (%)	Current Market Cap (PKR'Bn)	Previous Market Cap (PKR'Bn)	Change (%) in Market Cap (PKR'Bn).
COMMERCIAL BANKS	25	1,638	1,491	9.84
FERTILIZER	7	703	688	2.19
OIL & GAS EXPLORATION COMPANIES	15	649	590	9.99
CEMENT	7	486	483	0.71
CHEMICAL	2	53	53	0.28
OIL & GAS MARKETING COMPANIES	2	167	166	0.25
PHARMACEUTICALS	2	126	116	7.87

Commentary

Economic Review: Pakistan's economy completed the first half of FY2026 with sustained macroeconomic stability, underpinned by contained inflation, a significantly improved growth outlook, and strengthened foreign exchange buffers alongside a broadly stable exchange rate. Economic activity gained stronger-than-anticipated momentum, with real GDP growth provisionally reported at 3.7% y/y in Q1-FY26, led by a sharp recovery in large-scale manufacturing and supported by resilient agricultural prospects and broad-based improvements in high-frequency indicators. Reflecting this momentum, the growth outlook for FY26 has been revised upward to 3.75-4.75%, with spillovers expected to support the services sector and private sector activity. Inflation remained on a moderating path, with headline inflation easing to 5.80% y/y in January 2026, supported by softer food prices and reduction in fuel prices. The real policy rate was assessed to be adequately positive, prompting the MPC to maintain the policy rate at 10.5% to anchor inflation within the 5-7% target range while supporting sustainable growth. On the fiscal side, continued expenditure restraint and lower interest payments contributed to an improvement in the fiscal balance, although revenue growth lagged targets, highlighting the need for sustained fiscal discipline and structural reforms to broaden the tax base. On the external front, improving domestic demand led to a widening trade deficit and a cumulative current account deficit of \$1.2bn in H1-FY26; however, strong workers' remittances, resilient ICT exports, and benign global commodity prices helped contain external pressures. SBP's FX reserves rose to \$16.1bn by mid-January and are projected to exceed \$18bn by end-FY26, reinforcing external stability. Financial conditions eased, with private sector credit expanding and investor confidence strengthening, as reflected in strong capital market performance.

In the T-bill auction, the government raised PKR 270.2bn against a face value target of PKR 293.2bn. The allotments and yields were as follows: 1-month and 3-month tenors cleared at a cut-off yield of 9.90%, the 6-month at 9.95%, and the 12-month at 10.00%, while weighted average yields ranged between 9.88% and 9.99%, indicating expectations of broadly stable interest rates. The bulk of the realization was skewed toward the 12-month tenor, accounting for over 80% of total acceptances, reflecting investor preference for longer-dated instruments. In the latest GoP Ijara Sukuk auction, fixed-rate cut-off yields settled at 9.47% for the 1-year, 9.63% for the 3-year, and 9.87% for the 5-year papers, while the 10-year floating-rate Sukuk cleared at a negative spread of 56.5bps, highlighting strong demand for long-term sovereign instruments amid easing rate expectations. Overall, the auction outcomes point to comfortable liquidity conditions and a stable interest rate outlook.

Stock Market Review: Despite the central bank keeping interest rate unchanged in the last MPS, equity market closed on a positive note, with the KSE-100 index posting an MTD gain of 5.81% (CYTD: 5.81%, FYTD: 43.7%) and the KMI-30 index rising by 5.03% (CYTD: 5.03%, FYTD: 39.7%) improved foreign exchange reserve position, and range bound inflation expectations. The geopolitical volatility spike during the month which also had its reflection in the last trading week on local bourse. During the month investors sentiment remained positive in commercial Banks, pharmaceuticals, and Oil & Gas Exploration, whereas Chemicals and Cement receded due to demands dynamics. On the flow side, foreign investors recorded net inflows of USD 11.06 million during the month, while foreign corporates and banks remained net sellers and mutual funds and companies continued to provide support as net buyers. We expect market to remain range bound and investors are advised to realize gains to mitigate risks as market incorporates high volatility in various other asset classes.



30-Jan-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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