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PAK-QATAR
ASSET MANAGEMENT



INVESTOR'S OUTLOOK

February 28, 2026

Pak-Qatar Asset Management Company Limited

Keynote February 28, 2026

Market Summary

	27-Feb-26	MTD	30days	90days	FYTD	CYTD
KSE100	168,062	-8.75%	-10.8%	0.8%	33.8%	-3.4%
KMI30	235,325	-9.85%	-11.9%	-1.7%	27.3%	-5.3%
KMIAII	64,292	-9.74%	-11.3%	-1.7%	19.6%	-5.3%

Global Markets

	27-Feb-26	MTD	30days	90days	FYTD	CYTD
UK	10,911	6.7%	-6.9%	-10.9%	-19.7%	-9.0%
USA	22,668	-3.4%	5.2%	3.1%	-10.1%	2.5%
China	4,163	1.1%	-0.3%	-6.6%	-17.3%	-4.7%
Japan	58,850	9.7%	-9.3%	-14.6%	-31.5%	-14.5%
India	81,287	-1.2%	1.3%	5.4%	2.9%	4.8%

Portfolio Investments (USD mn)

	EQUITY					
	15 days	30 days	90 days	365days	FYTD	CYTD
FIIPI (net)	(259)	(269)	(398)	(675)	(597)	(345)
LIPI (net)	259	269	398	675	597	345
Ind.	0	18	66	268	245	24
Banks/DFIs	49	30	(45)	(157)	(163)	(45)
Companies	209	220	288	384	346	265
M.Funds	7	30	195	423	390	140
Brokers	(11)	(21)	(15)	(15)	(10)	(18)
Others	5	5	15	(29)	(49)	14
Ins.	(2)	(14)	(107)	(203)	(167)	(7)
NBFC	0	0	2	6	4	0

Key Economic Figures

		FY21	FY22	FY23	FY24	FY25	FY26-TD
Policy Rate	27-Feb-26	7.0%	13.8%	22.0%	20.5%	11.0%	10.50%
1yr KIBOR	27-Feb-26	8.1%	15.7%	23.3%	19.2%	11.3%	10.87%
Inflation	Feb End	9.8%	21.3%	29.4%	12.6%	3.20%	6.89%
PKR USD*	27-Feb-26	157.3	204.8	286.0	279.0	283.7	279.46

Key Economic Figures

		FY21	FY22	FY23	FY24	FY25	FY26-TD
Imports	USD'mn	56,380	72,048	51,979	48,402	59,076	36,662
Exports	USD'mn	25,304	32,450	27,903	28,678	32,296	18,260
Trade Deficit	USD'mn	(31,076)	(39,598)	(24,076)	(19,724)	(26,780)	(18,402)
Remittances	USD'mn	29,370	31,238	27,028	27,093	38,346	23,202
FX Reserves	USD'mn	24,398	15,742	9,181	14,207	18,091	21,408

PKRV Rates (change in bps)

	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	10.62	27	29	(53)	(34)	(101)
PKRV 3Y	10.50	22	21	(90)	(58)	(128)
PKRV 5Y	11.07	46	44	(52)	(30)	(117)
PKRV 10Y	11.60	50	53	(32)	(42)	(66)
PKRV 20Y	11.87	17	19	(48)	(58)	(22)

*Inter Bank Rate

27-Feb-26

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

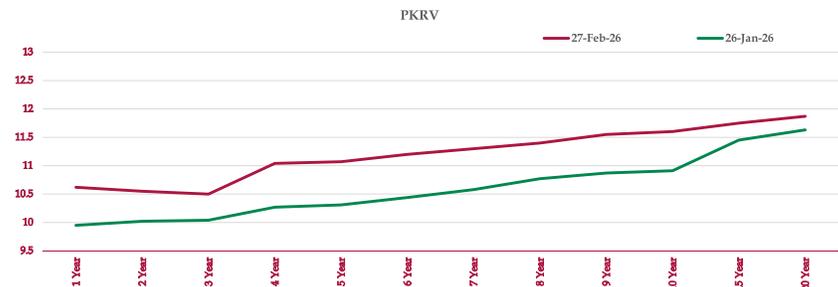
SECTORS	Index Weight (%)	Current Market Cap (PKR'bn)	Previous Market Cap (PKR'bn)	Change (%) in Market Cap (PKR'bn).
COMMERCIAL BANKS	25	1,516	1,599	(5.22)
FERTILIZER	8	653	679	(3.87)
OIL & GAS EXPLORATION COMPANIES	14	559	596	(6.31)
CEMENT	6	422	469	(10.04)
CHEMICAL	2	48	51	(5.97)
OIL & GAS MARKETING COMPANIES	2	142	160	(11.24)
PHARMACEUTICALS	2	112	127	(12.19)

Commentary

Economic Review: Despite geopolitical concerns, Pakistan's economy has entered the third quarter of FY2026 on a markedly stronger footing, with improved macroeconomic stability and strengthening growth momentum. External sector pressures remain manageable, supported by exchange rate stability, an 11.3% rise in remittances to \$23.2 billion, resilient IT exports (up 19.8%), and foreign exchange reserves standing at \$21.3 billion as of mid-February 2026. While the current account posted a modest deficit of \$1.1 billion during Jul-Jan FY2026, January recorded a surplus of \$121 million, reflecting improving dynamics. Inflation has remained contained at 6.89% YoY in February, well within target, and improved financing conditions. Large-Scale Manufacturing rebounded by 4.8% during Jul-Dec FY2026, led by automobiles, wearing apparel, and petroleum products, while cement dispatches and auto production posted robust double-digit growth. Fiscal consolidation efforts yielded a 0.4% of GDP surplus and a strong primary surplus of 3.2% of GDP, driven by disciplined expenditure management and broad-based revenue growth. Agricultural prospects remain encouraging, with wheat sowing covering 23.1 million acres and improved input availability. While the government remains adamant on achieving GDP target, spike in global energy prices and shifting geopolitical landscape could fuel inflationary aspects which needs monitoring for stable growth trajectory.

In the T-bill auction held on 19th February 2026, the government raised PKR 302.9bn against a total face value target of PKR 371.7bn, reflecting relatively selective participation across tenors. The allotments and yields were as follows: the 1-month tenor cleared at a cut-off yield of 10.1482% (W.A.Y: 10.1401%), the 3-month at 10.2853% (W.A.Y: 10.2255%), the 6-month at 10.4437% (W.A.Y: 10.4201%), and the 12-month at 10.5996% (W.A.Y: 10.5257%). The yield curve remained upward sloping, indicating higher return expectations at the longer end. The bulk of the realization was concentrated in the 12-month paper, which accounted for the largest share of total acceptances, followed by the 3-month tenor, highlighting investor inclination toward locking in relatively higher rates amid evolving interest rate expectations.

Stock Market Review: During the month, the equity market remained volatile and closed on a negative note, as investor sentiment stayed cautious amid prevailing economic uncertainty and continued market pressures. The KSE-100 Index declined by 8.75%, while the KMI-30 Index fell by 9.85%. Overall sector performance remained largely negative, weighed down by an extreme geopolitical environment. Key sectors including Oil & Gas Marketing Companies, Pharmaceuticals, and Cement significantly dampened market sentiment. On the flow side, During the month foreign investors remained net sellers to the tune of USD 268 million. Among foreign investors, foreign corporates were the major sellers. On the Local Portfolio Investors, local companies made bulk of buying followed by local banks and mutual funds. Looking ahead, the market is anticipated to remain range bound with selective sectoral opportunities, as ongoing economic and geopolitical developments are likely to influence trading patterns.



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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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