

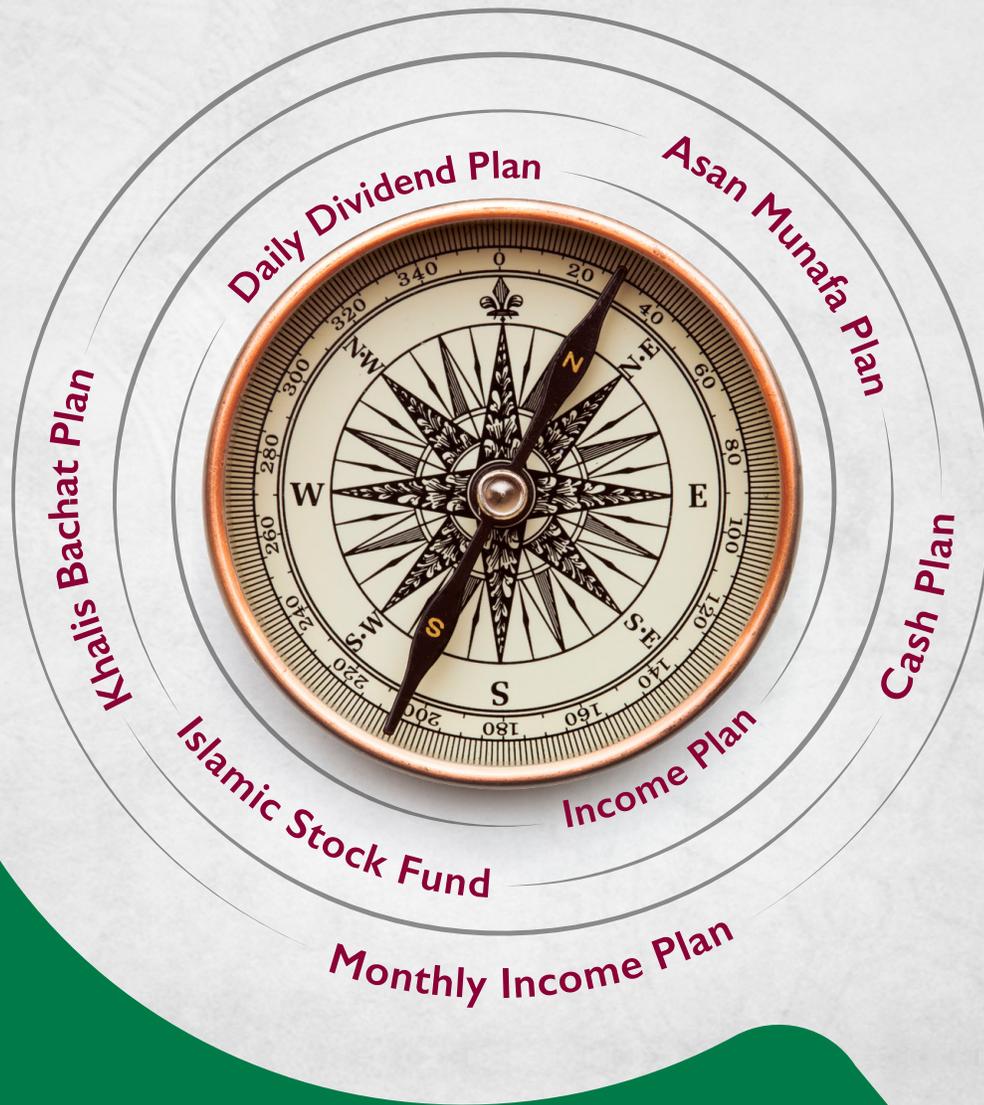
# AM2+ / AM2

Rated by VIS with  
**Stable** outlook

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**Positive** outlook



PAK-QATAR  
ASSET MANAGEMENT



# INVESTOR'S OUTLOOK

March 15, 2026

Pak-Qatar Asset Management Company Limited

Keynote March 15, 2026

Market Summary

	13-Mar-26	MTD	30days	90days	FYTD	CYTD
KSE100	153,866	-8.45%	-15.9%	-9.4%	22.5%	-11.6%
KMI30	220,139	-6.45%	-15.2%	-9.9%	19.1%	-11.4%
KMIAII	59,630	-7.25%	-15.6%	-11.2%	10.9%	-12.1%

Global Markets

	13-Mar-26	MTD	30days	90days	FYTD	CYTD
UK	10,261	-6.0%	2.1%	-6.0%	-14.6%	-3.2%
USA	22,105	-3.4%	4.3%	4.9%	-7.9%	5.1%
China	4,095	-1.6%	0.9%	-5.0%	-15.9%	-3.1%
Japan	53,820	-8.5%	7.6%	-5.5%	-25.1%	-6.5%
India	74,564	-8.3%	13.0%	14.4%	12.1%	14.3%

Portfolio Investments (USD mn)

	EQUITY					
	15 days	30 days	90 days	365days	FYTD	CYTD
FIPI (net)	(47)	(295)	(403)	(701)	(632)	(381)
LIPI (net)	47	295	403	701	632	381
Ind.	11	12	78	294	264	43
Banks/DFIs	66	95	(15)	(116)	(117)	0
Companies	(5)	209	263	377	345	264
M.Funds	(49)	(41)	107	360	337	87
Brokers	(3)	(15)	(21)	(18)	(14)	(22)
Others	17	21	28	(8)	(32)	30
Ins.	10	13	(38)	(193)	(153)	(7)
NBFC	(0)	0	0	5	3	0

Key Economic Figures

		FY21	FY22	FY23	FY24	FY25	FY26-TD
Policy Rate	13-Mar-26	7.0%	13.8%	22.0%	20.5%	11.0%	10.50%
1yr KIBOR	13-Mar-26	8.1%	15.7%	23.3%	19.2%	11.3%	11.52%
Inflation	Feb End	9.8%	21.3%	29.4%	12.6%	3.20%	6.89%
PKR USD*	13-Mar-26	157.3	204.8	286.0	279.0	283.7	279.53

Key Economic Figures

		FY21	FY22	FY23	FY24	FY25	FY26-TD
Imports	USDmn	56,380	72,048	51,979	48,402	59,076	36,662
Exports	USDmn	25,304	32,450	27,903	28,678	32,296	18,260
Trade Deficit	USDmn	(31,076)	(39,598)	(24,076)	(19,724)	(26,780)	(18,402)
Remittances	USDmn	29,370	31,238	27,028	27,093	38,346	26,490
FX Reserves	USDmn	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	11.59	97	114	42	57	(15)
PKRV 3Y	11.40	90	108	4	24	(66)
PKRV 5Y	11.77	70	97	22	29	(65)
PKRV 10Y	12.30	70	112	40	30	(3)
PKRV 20Y	12.58	71	94	25	15	34

\*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	1,362	1,516	(10.13)
FERTILIZER	7	594	653	(9.06)
OIL & GAS EXPLORATION COMPANIES	15	545	559	(2.54)
CEMENT	6	350	422	(17.02)
CHEMICAL	2	46	48	(3.68)
OIL & GAS MARKETING COMPANIES	2	130	142	(8.30)
PHARMACEUTICALS	2	99	112	(11.65)

Commentary

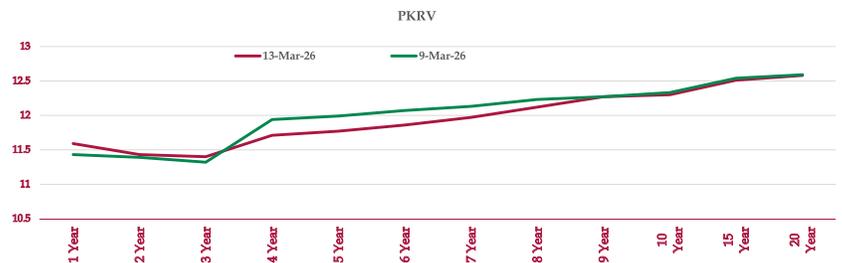
**Economic Review:** The situation in the Strait of Hormuz remains highly uncertain, creating an unfavorable environment for investment. The potential disruption to energy supplies has already led to visible pressures on energy and commodity prices. Given Pakistan's strong economic linkages with the Middle East, the country remains vulnerable to significant shocks due to its reliance on the region for energy imports and remittance inflows. If the conflict persists, Pakistan may be forced to enter a phase of import rationing while also increasing domestic prices to curb demand.

The government has already begun passing on the initial impact through an increase in fuel prices, despite the fragile political environment in the country. These developments are likely to trigger an upward inflationary cycle, which may compel the central bank to reassess its policy rate direction going forward. This trend is also reflected in the secondary market, where yields have moved upward. As the government implements measures to absorb the rising costs of fuel and energy, cost-push pressures are expected to drive inflation higher, potentially exceeding the central bank's projected range, although the annual average for this fiscal year may still remain within single digits.

In the latest Treasury Bills (T-Bills) auction, the government raised PKR 317.84 billion against a total face value of PKR 336.91 billion, with the central bank absorbing a significant portion of the 12-month tenor. Cut-off yields remained unchanged for the 1-month and 3-month tenors at 10.50%, indicating stable short-term interest rate expectations. However, yields increased marginally for the 6-month and 12-month tenors to 10.74% and 10.99%, respectively, reflecting mild upward pressure on medium- to long-term rates, possibly driven by liquidity conditions and evolving market expectations regarding the interest rate outlook.

**Stock Market Review:**

On the fortnightly basis, markets depicted volatile investors sentiment with the KSE-100 index posting an MTD declined of 8.45% and the KMI-30 index declined by 6.45%. Investors' sentiment had shifted to developing geopolitical crisis which has stated to impact global energy prices and supply chains. Market remained bearish with foreign investors being seller to the tune of ~USD 47 million with local banks and local individuals being the major buyers in the market. Mutual funds also faced redemptions with net selling pressure witnessed across all major sectors in the market. This was despite the central bank maintaining the policy rate in its last monetary policy statement. The trend will remain cautious as investors would wait for the index to consolidate at certain levels with hope of better news flow on economic front with IMF tranche and geopolitical fronts.



13-Mar-26

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