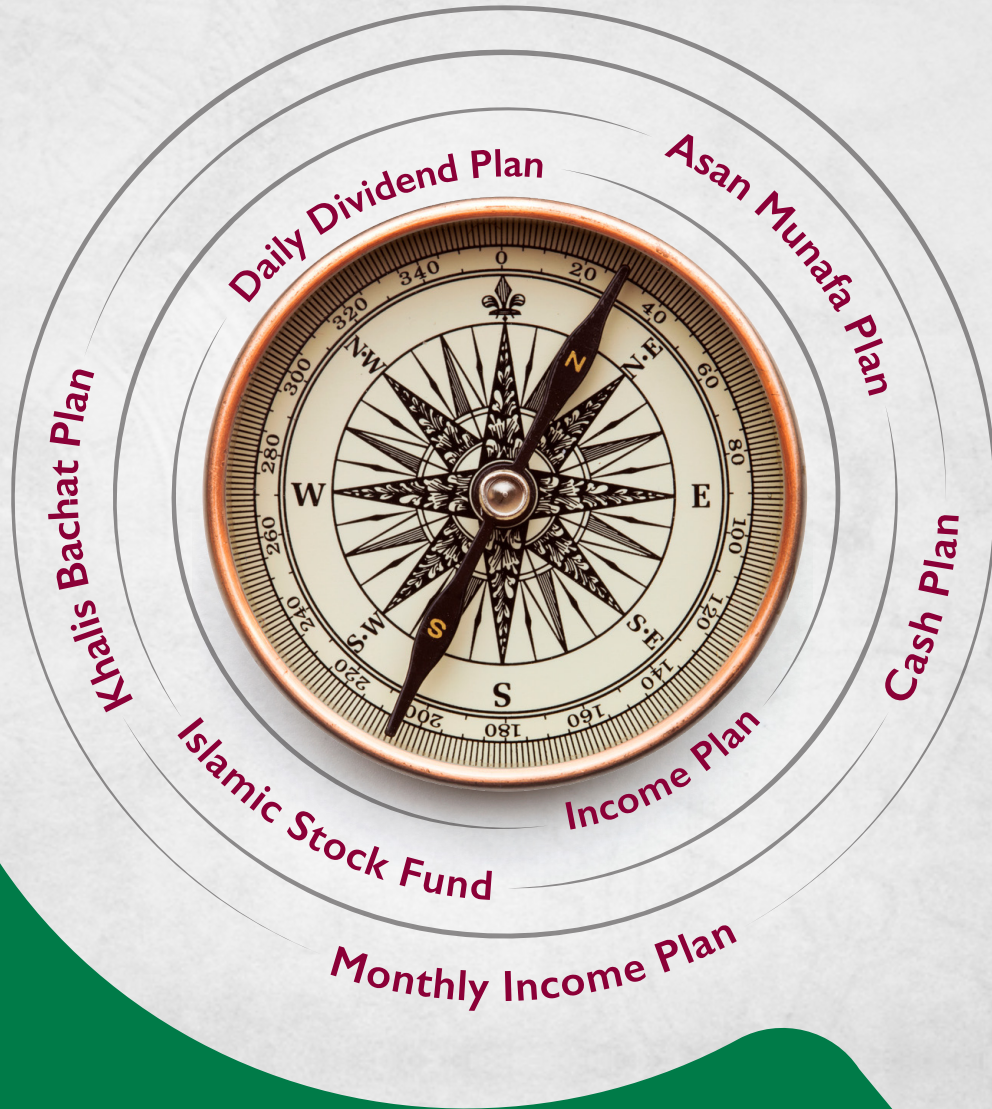


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پاک قطر

PAK-QATAR
ASSET MANAGEMENT



INVESTOR'S OUTLOOK

March 31, 2026

Pak-Qatar Asset Management Company Limited

Keynote March 31, 2026

Market Summary

	31-Mar-26	MTD	30days	90days	FYTD	CYTD
KSE100	148,743	-11.50%	-11.5%	-14.5%	18.4%	-14.5%
KMI30	216,076	-8.18%	-8.2%	-13.1%	16.9%	-13.1%
KMIALL	58,342	-9.25%	-9.3%	-14.0%	8.5%	-14.0%

Global Markets

	31-Mar-26	MTD	30days	90days	FYTD	CYTD
UK	10,176	-6.7%	7.2%	-2.4%	-13.9%	-2.4%
USA	21,591	-5.6%	6.0%	7.6%	-5.7%	7.6%
China	3,892	-6.5%	7.0%	2.0%	-11.5%	2.0%
Japan	53,222	-9.6%	8.1%	-5.4%	-24.3%	-5.4%
India	71,948	-11.5%	13.0%	18.4%	16.2%	18.4%

Portfolio Investments (USD mn)

	EQUITY					
	15 days	30 days	90 days	365days	FYTD	CYTD
FPII (net)	(18)	(53)	(403)	(332)	(650)	(399)
LPII (net)	18	53	403	712	650	399
Ind.	30	48	87	323	293	72
Banks/DFIs	1	46	(4)	(121)	(116)	1
Companies	(1)	(3)	264	382	343	262
M.Funds	(3)	(56)	84	340	334	85
Brokers	1	(3)	(24)	(15)	(13)	(21)
Others	2	19	30	(11)	(30)	33
Ins.	(12)	2	(33)	(191)	(165)	(7)
NBFC	(0)	(1)	(0)	4	3	(0)

Key Economic Figures

		FY21	FY22	FY23	FY24	FY25	FY26-TD
Policy Rate	31-Mar-26	7.0%	13.8%	22.0%	20.5%	11.0%	10.50%
1yr KIBOR	31-Mar-26	8.1%	15.7%	23.3%	19.2%	11.3%	12.02%
Inflation	Mar End	9.8%	21.3%	29.4%	12.6%	3.20%	7.30%
PKR USD*	31-Mar-26	157.3	204.8	286.0	279.0	283.7	279.15

Key Economic Figures

		FY21	FY22	FY23	FY24	FY25	FY26-TD
Imports	USDmn	56,380	72,048	51,979	48,402	59,076	41,823
Exports	USDmn	25,304	32,450	27,903	28,678	32,296	29,741
Trade Deficit	USDmn	(31,076)	(39,598)	(24,076)	(19,724)	(26,780)	(12,082)
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	21,790

PKRV Rates (change in bps)

	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	11.90	128	128	151	76	(8)
PKRV 3Y	12.45	195	195	195	127	48
PKRV 5Y	12.49	142	142	168	99	3
PKRV 10Y	12.78	118	118	131	77	47
PKRV 20Y	12.91	104	104	97	46	69

*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	24	1,260	1,516	(16.86)
FERTILIZER	7	568	653	(13.02)
OIL & GAS EXPLORATION COMPANIES	16	539	559	(3.59)
CEMENT	6	341	422	(19.08)
CHEMICAL	2	45	48	(6.69)
OIL & GAS MARKETING COMPANIES	2	121	142	(14.67)
PHARMACEUTICALS	2	95	112	(14.89)

Commentary

Economic Review: The global economic environment remains highly volatile, with the ongoing US-Iran conflict extending beyond a month despite diplomatic efforts by regional players to de-escalate tensions. The GCC continues to face significant pressure given its geographic proximity to the conflict zone, raising concerns over energy security and trade disruptions. Global supply chains are experiencing persistent ripple effects, while the surge in commodity prices—particularly energy—has compelled governments worldwide to adopt measures aimed at containing rising inflation.

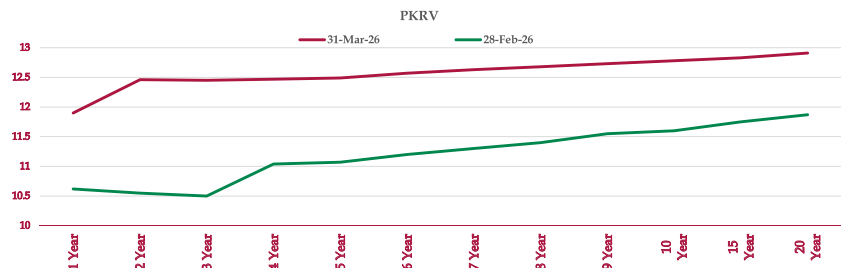
Against this backdrop, Pakistan remains particularly vulnerable due to its structural reliance on energy imports and strong economic linkages with the GCC through remittance inflows. Prolonged geopolitical tensions could exacerbate pressures on the balance of trade, with potential policy responses including demand management measures such as targeted restrictions or “smart” containment strategies as well as passing on the actual cost to end consumers to ease external account stress.

On the domestic front, the central bank has thus far maintained a measured and watchful stance, even as secondary market dynamics begin to reflect emerging risks. The yield curve has shifted upward by approximately 100 basis points, indicating rising inflation expectations and tighter financial conditions. Should inflationary pressures intensify further, the central bank may be compelled to recalibrate its policy stance through monetary tightening or complementary fiscal coordination to preserve macroeconomic stability. On the external front, International Monetary Fund has reached a staff-level agreement with Pakistan, unlocking around \$1.2 billion subject to board approval and bringing total program disbursements to approximately \$4.5 billion. The IMF has reiterated the need for a tight and data-driven monetary policy stance to contain inflation and support external stability, particularly amid rising global energy prices and geopolitical risks.

Money market yields are witnessing a reversal in the current macroeconomic environment, with expectations of a policy rate hike in the upcoming Monetary Policy Statement Pakistan. The Pakistan Revaluation Rate reflects this shift, as the longer-end remains elevated, indicating tightening expectations. In the recent GoP Ijarah Sukuk Auction, the 1-year and 5-year tenors cleared at 11.49% and 11.75%, while the 3-year bids were rejected, signaling cautious participation amid rising rate expectations. Similarly, the Treasury Bills Auction Pakistan showed firmness in yields, with most tenors accepted around 11.50%. Overall, auction outcomes indicate a shift in market sentiment, with participants demanding relatively higher yields, particularly at the short-end, in anticipation of a tighter monetary policy stance.

Stock Market Review:

During the month, the Pakistan stock market witnessed heightened volatility, reflecting weak investor sentiment and persistent selling pressure. The benchmark KSE-100 Index declined by 11.50% MoM, while the KMI-30 Index fell by 8.18%. Sector-wise, sentiment remained subdued in Cement, Oil & Gas Marketing Companies, Pharmaceuticals, and Fertilizers amid demand concerns and macroeconomic uncertainty. Foreign investors remained net sellers, with outflows of ~USD 53 million, led by foreign corporates and mutual funds, while individuals and Banks/DFIs provided partial support as net buyers. Overall, March 2026 marked a corrective phase for the market, with investor confidence impacted by external pressures and limited economic clarity. Going forward, the market is expected to remain range-bound with a cautious bias, as investors continue to monitor macroeconomic stability and key developments on the economic front.



31-Mar-26

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