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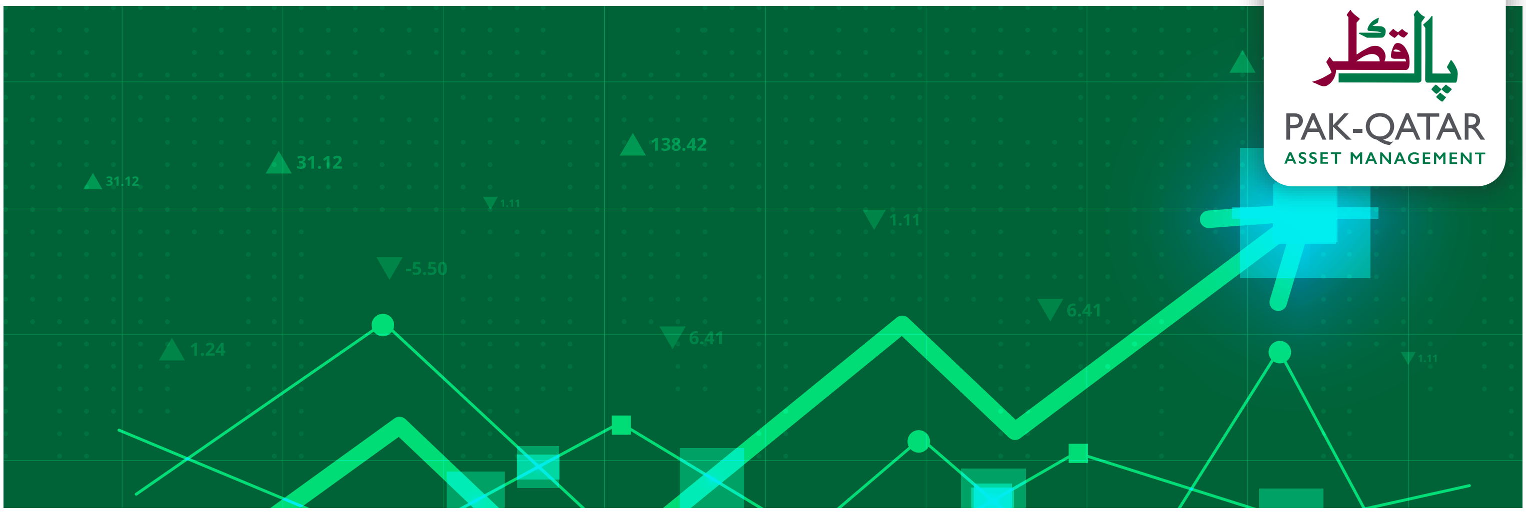
PAK-QATAR
ASSET MANAGEMENT

INVESTOR'S OUTLOOK

July 15, 2026



Pak-Qatar Asset Management Company Limited

Keynote July 15, 2026

PAK-QATAR ASSET MANAGEMENT

Market Summary						
	15-Jul-26	MTD	30days	90days	FYTD	CYTD
KSE100	175,286	-2.78%	-1.0%	3.2%	-2.8%	0.7%
KMI30	246,776	-4.10%	-2.6%	0.3%	-4.1%	-0.7%
KMIAll	68,373	-3.41%	-1.1%	3.3%	-3.4%	0.7%

Global Markets						
	15-Jul-26	MTD	30days	90days	FYTD	CYTD
UK	10,516	0.2%	-0.8%	0.7%	-0.2%	-5.6%
USA	26,269	0.2%	1.6%	-8.2%	-0.2%	-11.5%
China	3,956	-3.4%	3.6%	2.5%	3.5%	0.3%
Japan	67,348	-5.3%	3.0%	-11.9%	5.6%	-25.3%
India	77,185	0.9%	-1.2%	1.0%	-0.9%	10.4%

Portfolio Investments (USD mn) EQUITY						
	15 days	30 days	90 days	365days	FYTD	CYTD
FIPI (net)	11	(146)	(181)	(816)	11	(582)
LIPI (net)	(11)	146	181	816	(11)	582
Ind.	20	(35)	38	323	20	127
Banks/DFIs	17	9	8	(113)	17	(39)
Companies	(16)	205	216	558	(16)	486
M.Funds	(14)	50	12	344	(14)	136
Brokers	(4)	(3)	3	(5)	(4)	(18)
Others	(7)	(13)	(29)	(50)	(7)	3
Ins.	(8)	(68)	(69)	(246)	(8)	(7)
NBFC	1	1	2	5	1	2

Key Economic Figures							
		FY21	FY22	FY23	FY24	FY25	FY26-TD
Policy Rate	15-Jul-26	7.0%	13.8%	22.0%	20.5%	11.0%	11.50%
1yr KIBOR	15-Jul-26	8.1%	15.7%	23.3%	19.2%	11.3%	11.89%
Inflation	May End	9.8%	21.3%	29.4%	12.6%	3.20%	11.10%
PKR USD*	15-Jul-26	157.3	204.8	286.0	279.0	283.7	278.15

Key Economic Figures							
		FY21	FY22	FY23	FY24	FY25	FY26-TD
Imports	USD'mn	56,380	72,048	51,979	48,402	59,076	58,458
Exports	USD'mn	25,304	32,450	27,903	28,678	32,296	28,253
Trade Deficit	USD'mn	(31,076)	(39,598)	(24,076)	(19,724)	(26,780)	(30,205)
Remittances	USD'mn	29,370	31,238	27,028	27,093	38,346	3,475
FX Reserves	USD'mn	24,398	15,742	9,181	14,207	18,091	23,989

PKRV Rates (change in bps)						
	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	11.60	-	(60)	(15)	159	88
PKRV 3Y	11.60	(9)	(62)	(35)	158	65
PKRV 5Y	11.70	(10)	(43)	(30)	145	45
PKRV 10Y	12.04	(15)	(47)	(42)	114	(8)
PKRV 20Y	12.34	(18)	(50)	(34)	75	(19)

**Inter Bank Rate*

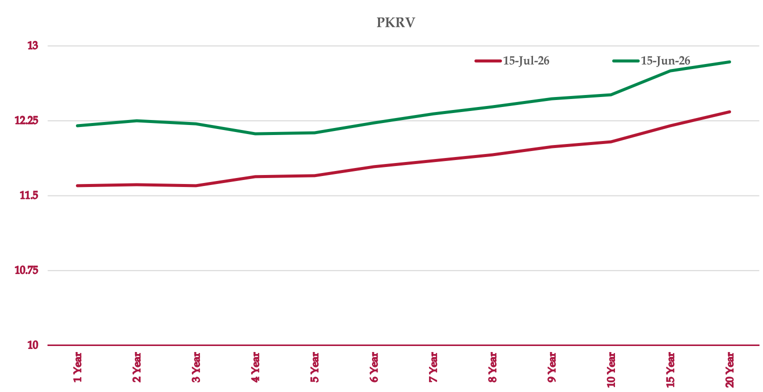
KSE100 Index Top Ten Sector Details (on Free Float Market Capitalization)				
SECTORS	Index Weight (%)	Current Market Cap (PKR'Bn)	Previous Market Cap (PKR'Bn)	Change (%) in Market Cap
COMMERCIAL BANKS	24	1,544	1,517	1.78
FERTILIZER	7	597	626	(4.63)
OIL & GAS EXPLORATION COMPANIES	15	602	630	(4.37)
CEMENT	6	421	455	(7.51)
CHEMICAL	2	53	52	1.37
OIL & GAS MARKETING COMPANIES	2	132	134	(1.75)
PHARMACEUTICALS	2	106	111	(4.29)

Commentary

Economic Review: Pakistan entered July 2026 on solid footing after closing FY2025-26 with 3.7% GDP growth, a $452 billion economy, record remittances of $41.6 billion, and reserves near $23.99 billion, supported by an on-track $7 billion IMF program. But the month has been dominated by the Strait of Hormuz crisis, now over 130 days old, which has choked Gulf shipping and threatens Pakistan's heavy dependence on Qatari and Emirati LNG and Saudi crude. Islamabad, previously an active mediator alongside Qatar, saw its diplomatic track stall as a ceasefire collapsed around July 10-13, with US strikes on Iran and Iranian retaliation continued to jolt Gulf region. Despite this, the KSE-100 rallied to repeated record highs in early July, briefly selling off mid-month before recovering, as falling oil prices and strong remittance data buoyed investors; Barclays also upgraded Pakistani debt to "overweight." Inflation ended FY26 at 7.05% but ticked up to 11.07% in June, with the ADB revising 2026-27 forecasts upward.
Geopolitically, an escalation on Saudi Yemeni front could spark a new round of rally in oil markets which would adversely impact economic growth for countries like Pakistan albeit deep defense ties in the region while also facing a sharply escalating Indus Waters Treaty standoff with India. India has kept the treaty suspended since 2025, restricted flows through dams, stalled sharing hydrological data, and fast-tracked new projects violating Indus water treaty. Pakistan has registered strong protest, raised concerns and verbal rhetoric continues to flare temperature in South Asia.

In the latest T-bill auction, the government raised PKR 968.2 billion against a total face value of PKR 1,063.3 billion. The 1-month, 3-month, 6-month, and 12-month tenors cleared at cut-off yields of 11.3968%, 11.3978%, 11.4375%, and 11.4880%, with weighted average yields of 11.3917%, 11.3716%, 11.3904%, and 11.3731%, respectively. The auction saw the highest allocation in the 12-month tenor, while the yield curve remained slightly upward sloping, reflecting relatively higher yields for longer maturities.

Stock Market Review: Pakistan's KSE-100 had a volatile first half of July 2026, driven by escalating US-Iran tensions. The index opened the fiscal year strongly, hitting a record 184,050 on renewed rate-cut hopes, but reversed sharply mid-month as fresh US strikes on Iran and a Strait of Hormuz blockade threat triggered heavy selling, dropping over 6,400 points (3.56%) in one session. Commercial banks, cement, oil & gas exploration, and fertilizer stocks led the declines throughout the selloff, consistently the top index-point losers on down days. Once ceasefire signals emerged around July 15-16, the same sectors reversed course and drove the recovery, with commercial banks, cement, fertilizer, oil & gas exploration, and OMCs all seeing broad-based buying interest, pushing the index up nearly 4,400 points over two sessions. Index-heavy names like HUBCO, OGDC, POL, MCB, MEBL, and UBL swung with sentiment. Technology and investment companies remained the year's standout performers (52% and 51% FY26 returns respectively), while banks stayed the single largest index contributor by points despite the recent turbulence.



15-Jul-26

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