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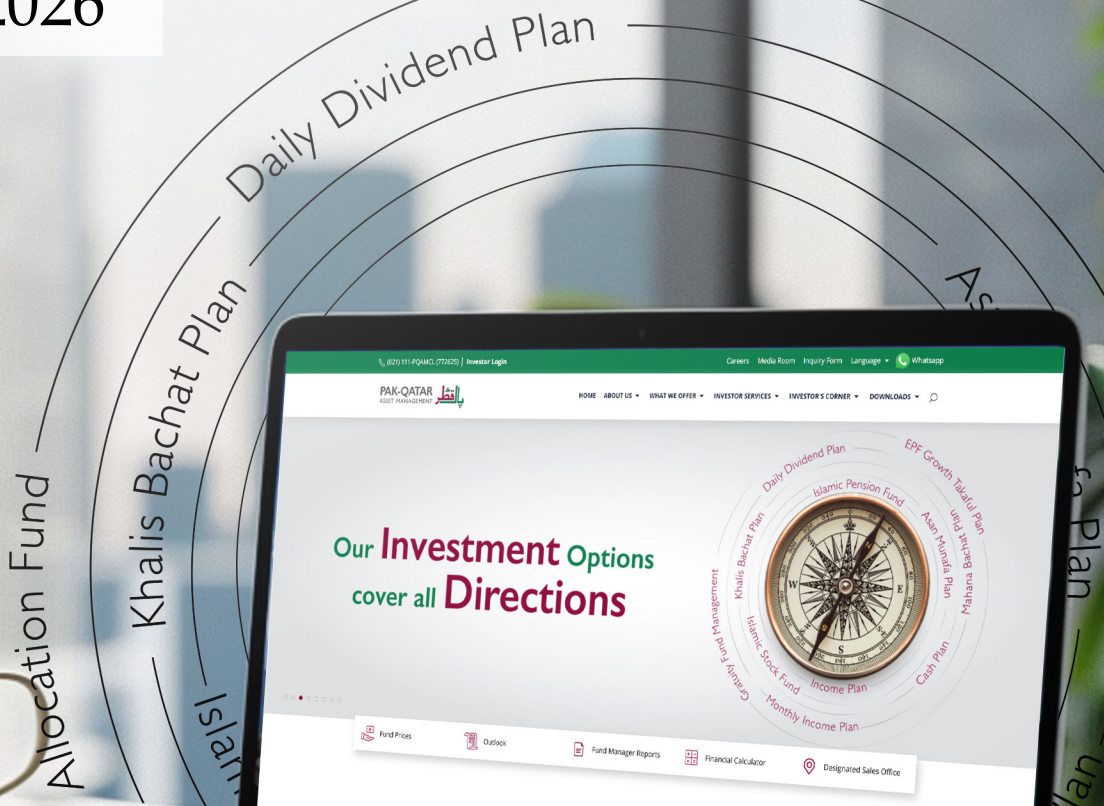
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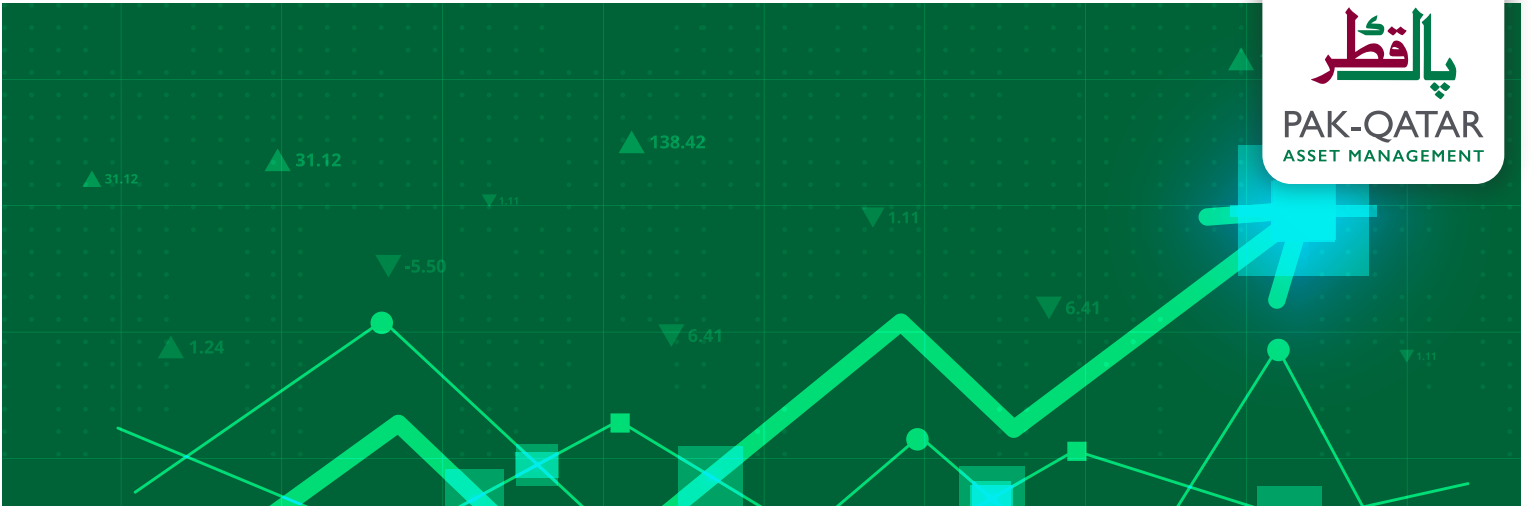
پاک قطر

PAK-QATAR
ASSET MANAGEMENT

INVESTOR'S OUTLOOK

June 30, 2026





Pak-Qatar Asset Management Company Limited

Keynote June 30, 2026

Market Summary

	30-Jun-26	MTD	30days	90days	FYTD	CYTD
KSE100	180,302	3.64%	3.6%	15.9%	43.5%	3.6%
KMI30	257,327	2.73%	2.7%	14.2%	39.2%	3.5%
KMIAH	70,784	4.33%	4.3%	16.8%	31.7%	4.3%

Global Markets

	30-Jun-26	MTD	30days	90days	FYTD	CYTD
UK	10,497	0.8%	-0.8%	-1.3%	-16.5%	-5.4%
USA	26,214	-2.8%	2.9%	-16.7%	-22.3%	-11.3%
China	4,094	0.6%	-0.6%	-3.6%	-15.9%	-3.1%
Japan	71,119	7.3%	-6.8%	-23.8%	-43.3%	-29.2%
India	76,479	2.3%	-2.2%	-4.4%	9.3%	11.4%

Portfolio Investments (USD mn)

	EQUITY					
	15 days	30 days	90 days	365days	FYTD	CYTD
FIPI (net)	(161)	(182)	(198)	(852)	(848)	(597)
LIPI (net)	161	182	198	852	848	597
Ind.	(55)	(26)	34	330	328	107
Banks/DFIs	(6)	(5)	(55)	(177)	(172)	(54)
Companies	223	229	241	588	585	504
M.Funds	66	48	66	407	401	151
Brokers	3	8	10	(3)	(3)	(12)
Others	(7)	(15)	(24)	(54)	(54)	9
Ins.	(62)	(56)	(76)	(243)	(241)	(7)
NBFC	(0)	0	2	5	5	1

Key Economic Figures

		FY21	FY22	FY23	FY24	FY25	FY26-TD
Policy Rate	30-Jun-26	7.0%	13.8%	22.0%	20.5%	11.0%	11.50%
1yr KIBOR	30-Jun-26	8.1%	15.7%	23.3%	19.2%	11.3%	12.06%
Inflation	May End	9.8%	21.3%	29.4%	12.6%	3.20%	11.10%
PKR USD*	30-Jun-26	157.3	204.8	286.0	279.0	283.7	278.31

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	38,109
FX Reserves	USD/mn	24,398	15,742	9,181	14,207	18,091	21,485

PKRV Rates (change in bps)

	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	11.60	(92)	(92)	(20)	121	75
PKRV 3Y	11.69	(93)	(93)	(59)	119	54
PKRV 5Y	11.80	(57)	(57)	(50)	99	40
PKRV 10Y	12.19	(56)	(56)	(45)	72	(11)
PKRV 20Y	12.52	(46)	(46)	(26)	58	(6)

*Inter Bank Rate

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

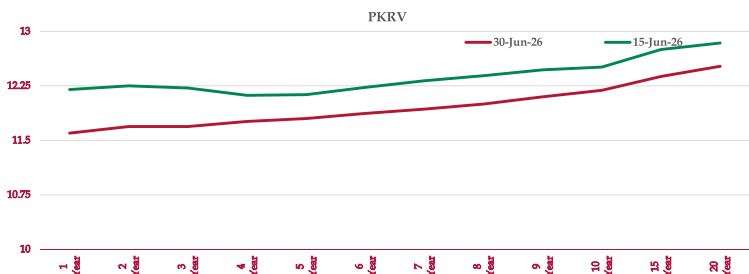
SECTORS	Index Weight (%)	Current Market Cap (PKR Bn)	Previous Market Cap (PKR Bn)	Change (%) in Market Cap
COMMERCIAL BANKS	24	1,517	1,462	3.76
FERTILIZER	7	626	604	3.53
OIL & GAS EXPLORATION COMPANIES	15	630	606	3.94
CEMENT	7	455	424	7.28
CHEMICAL	2	52	50	3.95
OIL & GAS MARKETING COMPANIES	2	134	131	2.37
PHARMACEUTICALS	2	111	104	6.10

Commentary

Economic Review: Pakistan closed FY26 on a note of relative macro stability, even as inflationary pressures that intensified through the second half of the year persisted into June. Headline inflation is estimated to have eased marginally to around 11.5% YoY in June 2026, from 11.7% in May, as falling global oil prices following the de-escalation in the Middle East offset continued food-price pressure; on a month-on-month basis, CPI is estimated to have risen by only about 0.1%, a sharp deceleration from May 0.52% increase. With inflation still running well above the State Bank of Pakistan's 5-7% medium-term target and core inflation remaining sticky, the Monetary Policy Committee kept the policy rate unchanged at 11.5% at its June review, judging that the broader macro and external outlook had not shifted enough to warrant a change, while flagging renewed Middle East escalation as the key upside risk to the inflation and rate outlook. On the fiscal side, the Federal Board of Revenue closed the year with provisional FY26 collections of approximately Rs. 13.0 trillion, up roughly 11% over the Rs. 11.7 trillion collected in FY25, but falling short of the IMF-revised target of Rs. 13.98 trillion by close to Rs. 975 billion, with income tax the strongest contributor at Rs. 6.6 trillion. The tax-to-GDP ratio slipped marginally to 10.2%. Attention now shifts to FY2027, where the federal budget of roughly Rs. 17 trillion carries an FBR revenue target of Rs. 15.26 trillion, alongside additional taxation measures and revisions to salaried-income tax slabs agreed as part of the government's IMF program commitments. On the external front, Pakistan Bureau of Statistics data through May showed exports of \$27.9 billion against imports of \$62.7 billion for the July-May period, leaving a cumulative eleven-month trade deficit of roughly \$34.8 billion; the monthly gap did narrow in May itself, to about \$2.6 billion, as exports edged up 1.3% while imports fell 6.6% year-on-year. Workers' remittances remained the standout offsetting factor, rising 9.2% to \$38.1 billion during July-May FY26, with May's inflow of \$4.25 billion marking the highest-ever monthly total (up 20.2% month-on-month); on this trajectory, full-year FY26 remittances are expected to exceed \$41 billion for the first time. SBP-held foreign exchange reserves and a broadly stable rupee, trading near Rs. 278-281/USD through the year, continued to provide a cushion against the wider goods trade gap.

In the latest T-bill auction, the government raised PKR 557.7 billion against a total face value of PKR 581.3 billion, reflecting healthy investor participation across all tenors. The allotments and yields were as follows: the 1-month tenor cleared at a cut-off yield of 11.3703% (W.A.Y: 11.3244%), the 3-month tenor at 12.0848% (W.A.Y: 12.0080%), the 6-month tenor at 12.3499% (W.A.Y: 12.2797%), and the 12-month tenor at 12.4999% (W.A.Y: 12.3945%). The yield curve remained upward sloping, indicating relatively higher return expectations for longer-duration securities.

Stock Market Review: The Pakistan Stock Exchange ended closed out FY26 on a strong note despite a volatile final month. The KSE-100 Index gained approximately 3.6% during June, recovering from the mid-month pressure of renewed Iran-related tensions to close the fiscal year at 180,301.70 points — up from 173,963 at end-May and from 125,627 at end-FY25, a fiscal-year gain of roughly 44% that follows FY25's 60% rally and confirms PSX's standing as one of the world's best-performing equity markets for a second consecutive year. Sector-wise, Commercial Banks remained the single largest contributor to index gains through the year, Fertilizer counters and Exploration & Production names benefited from firmer oil prices, while Technology, Power Generation and select Cement names remained actively traded. Over the three fiscal years FY24-FY26, the KSE-100 has delivered a cumulative return of 335% in rupee terms (347% in US dollars), with average FY26 daily traded volumes reaching an all-time high of roughly 913 million shares and average daily traded value climbing to about \$152 million, the highest since FY08 — underscoring the extent to which deepening domestic liquidity, rather than foreign flows, has powered the rally; foreign corporates remained net sellers for the year as a whole, a pattern domestic institutions and individuals consistently absorbed. Going into FY27, the market's continued advance is likely to depend more on earnings delivery and external-account stability than on further valuation re-rating, with the trajectory of the US-Iran conflict, oil prices, and continued IMF program compliance the key swing factors for investors to monitor.



30-Jun-26

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