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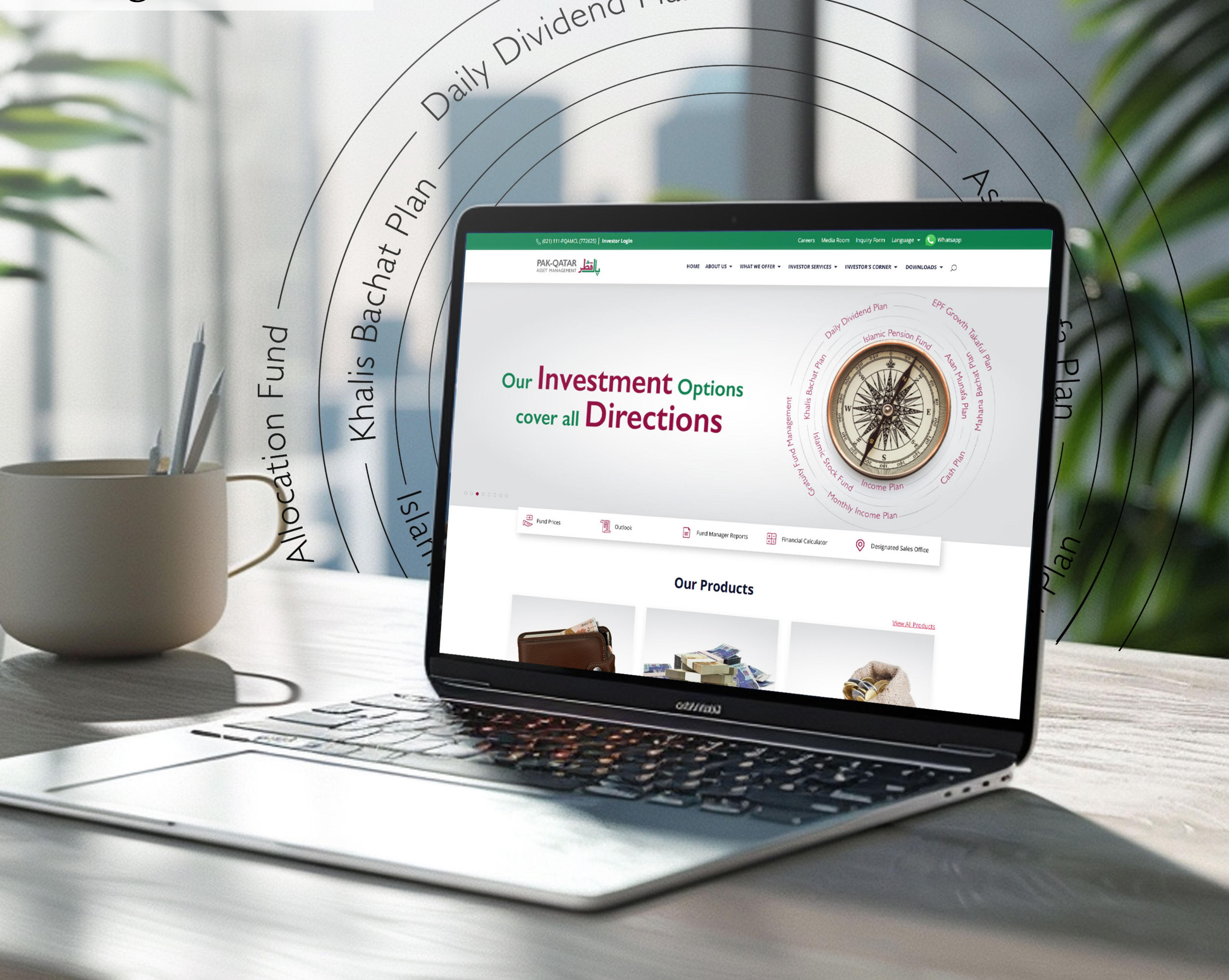
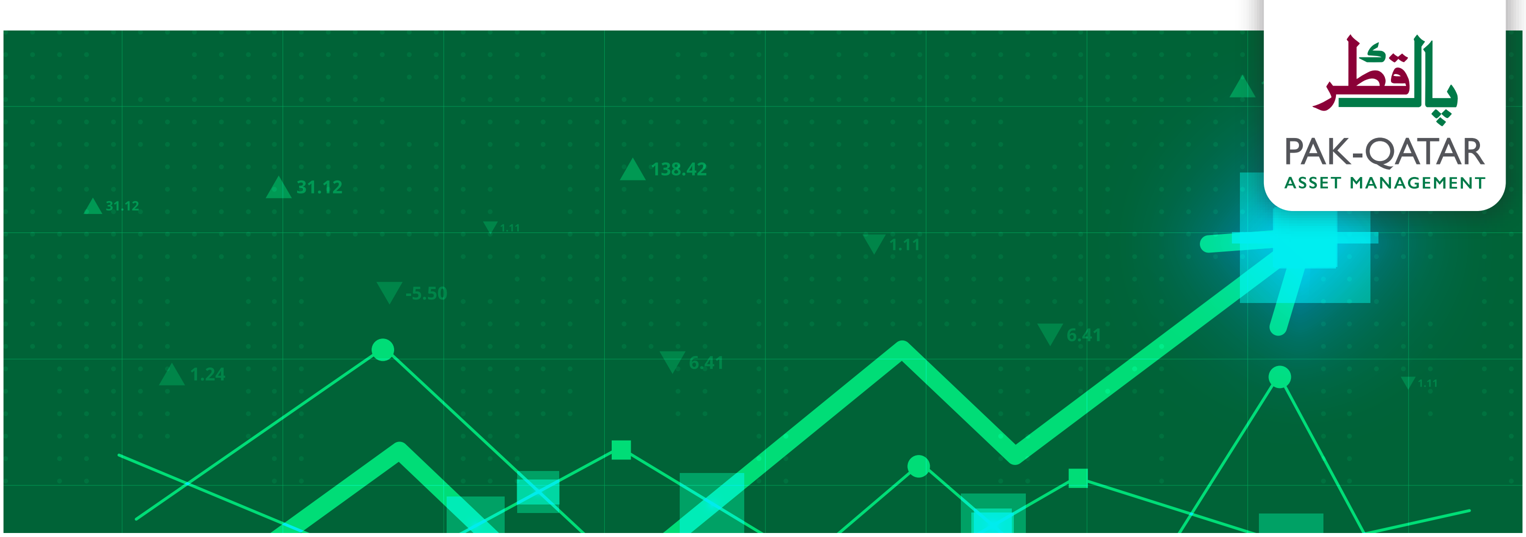
PAK-QATAR
ASSET MANAGEMENT

INVESTOR'S OUTLOOK

August 13, 2026





Pak-Qatar Asset Management Company Limited

Keynote August 13, 2026

PAK-QATAR ASSET MANAGEMENT

Market Summary

	13-Aug-26	MTD	30days	90days	FYTD	CYTD
KSE100	180,105	2.31%	3.8%	8.8%	-0.1%	3.5%
KMI30	252,988	1.99%	3.5%	5.9%	-1.7%	1.8%
KMIAll	69,789	2.21%	2.9%	6.9%	-1.4%	2.8%

Global Markets

	13-Aug-26	MTD	30days	90days	FYTD	CYTD
UK	10,773	-1.2%	-2.3%	-5.4%	-2.6%	-7.8%
USA	26,803	9.7%	-2.6%	-2.2%	-2.2%	-13.3%
China	3,927	2.6%	1.0%	5.3%	4.3%	1.1%
Japan	68,309	11.2%	-0.8%	-10.1%	4.1%	-26.3%
India	78,080	0.5%	-1.3%	-3.6%	-2.1%	9.1%

Portfolio Investments (USD mn)
EQUITY

	15 days	30 days	90 days	365days	FYTD	CYTD
FIPI (net)	(5)	15	(169)	(771)	26	(567)
LIPI (net)	5	(15)	169	771	(26)	567
Ind.	11	16	1	323	36	144
Banks/DFIs	(22)	(39)	(29)	(113)	(23)	(78)
Companies	10	14	223	573	(2)	499
M.Funds	15	(2)	34	278	(16)	133
Brokers	4	5	5	(6)	0	(14)
Others	(1)	(1)	(20)	(35)	(8)	2
Ins.	(11)	(7)	(46)	(252)	(14)	(7)
NBFC	(0)	0	2	4	1	2

Key Economic Figures

		FY23	FY24	FY25	FY26	FYTD
Policy Rate	13-Aug-26	22.0%	20.5%	11.0%	11.50%	11.50%
1yr KIBOR	13-Aug-26	23.3%	19.2%	11.3%	12.06%	11.76%
Inflation	June End	29.4%	12.6%	3.20%	11.10%	9.20%
PKR USD*	13-Aug-26	286.0	279.0	283.7	278.31	277.80

Key Economic Figures

		FY23	FY24	FY25	FY26	FY-TD
Imports	USD'mn	51,979	48,402	59,076	76,391	6,890
Exports	USD'mn	27,903	28,678	32,296	40,877	2,940
Trade Deficit	USD'mn	(24,076)	(19,724)	(26,780)	(35,514)	(3,950)
Remittances	USD'mn	27,028	27,093	38,346	41,585	3,631
FX Reserves	USD'mn	9,181	14,207	18,091	22,442	22,498

PKRV Rates (change in bps)

	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	11.95	17	35	(51)	145	105
PKRV 3Y	11.71	18	10	(97)	130	63
PKRV 5Y	11.76	11	5	(111)	80	38
PKRV 10Y	12.10	13	5	(101)	73	10
PKRV 20Y	12.39	5	5	(89)	66	(5)

**Inter Bank Rate*

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

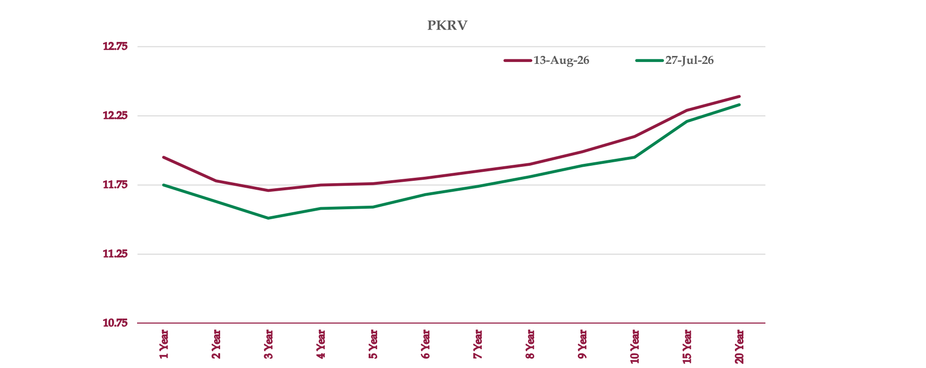
SECTORS	Index Weight (%)	Current Market Cap (PKR'Bn)	Previous Market Cap (PKR'Bn)	Change (%) in Market Cap
COMMERCIAL BANKS	23.54	1,200	1,158	0.04
FERTILIZER	12.05	513	519.8	(0.01)
OIL & GAS EXPLORATION COMPANIES	12.08	209	204.1	0.02
CEMENT	8.87	308	299.4	0.03
AUTOMOBILE ASSEMBLER	3.58	104	101.9	0.02
OIL & GAS MARKETING COMPANIES	2.64	40	39.2	0.03
PHARMACEUTICALS	2.46	323	304.7	0.06

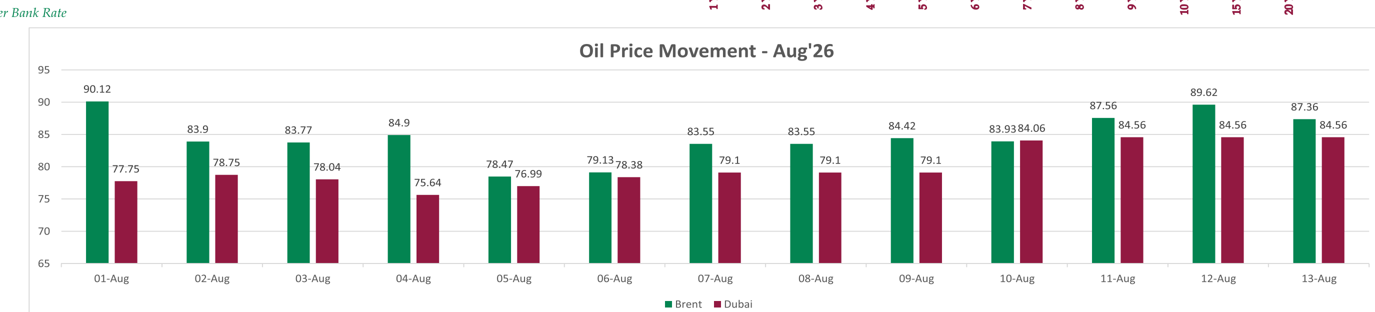
Commentary

Economic Review: Pakistan's economy showed cautious stability rather than fresh momentum. Headline inflation eased sharply to 9.2% in July, down from 11.1% in June, though food and communication prices moved against the broader trend, and the State Bank kept its policy rate unchanged at 11.5% for a second straight meeting. The rupee stayed remarkably steady near PKR 277.6–277.9 against the dollar, while total liquid foreign exchange reserves held around $22.5 billion, giving roughly 2.5 months of import cover. The KSE-100 consolidated near 180,000 points, pausing after a historic 44% rally in FY26. Remittances opened the new fiscal year strongly at $3.63 billion in July, up 13% year-on-year, led by Saudi Arabia and the UAE. The one clear warning sign was the external trade account: July's deficit widened 22–25% year-on-year to nearly $3.9 billion, as energy and machinery imports outpaced export growth. Fiscal performance remained a bright spot, with FY26's deficit falling to a roughly 22-year low of 2.6% of GDP. Overall, remittance strength and IMF-anchored credibility are still offsetting the emerging import pressure, but that trade gap is the key metric to watch as FY27 progresses.

Market Review: Pakistan's capital markets showed a resilient equity segment alongside a stable but firming fixed-income backdrop. The benchmark KSE-100 Index rose from around 176,094 to 180,502 (roughly +2.5%), led by an opening-week surge of 3.03% on cooling July inflation (9.2% YoY, down from 11.07% in June) and strong 2QCY26 bank earnings, before a mid-period pullback of 0.73% as US-Iran ceasefire uncertainty and Strait of Hormuz supply risk unsettled sentiment; the index stabilized into a volatile but positive close by August 17, 2026, led by energy, refinery, cement and banking counters.

On the fixed-income side, the State Bank of Pakistan held its policy rate steady at 11.5%, and government borrowing remained heavy but well-absorbed: an August 4–5 PIB auction raised roughly Rs860 billion, with the 15-year tenor drawing the strongest demand at a cut-off yield of 12.49%, while a companion T-bill auction the following day raised about Rs939 billion, with yields ranging from 11.35% (1-month) to 11.95% (12-month), broadly flat versus prior auctions. Supporting macro data — narrowing trade deficit (July: $3.9bn, -15% MoM on a 31.1% export jump), rising remittances (+13% YoY), and continued access to international debt markets — kept both equity valuations (P/E ~8.0-8.2x, dividend yield ~6.1-6.2%) and bond demand well-supported, even as geopolitical headline risk remained the dominant swing factor for near-term direction across both markets. Meanwhile, in the GoP Sukuk auctions, competitive cut-off yields cleared at 11.44% (3-month), 11.69% (6-month), and 11.84% (1-year) for Fixed Rate Discounted papers; 11.75% (3-year) and 11.78% (5-year) for Fixed Rental Rate instruments; 11.57% for 10-year Variable Rental Rate Sukuk; and 12.39% for 10-year Zero Coupon Ijarah Sukuk. Overall, the auction results reflect robust market participation and comfortable liquidity conditions across both conventional and Islamic sovereign instruments.





13-Aug-26

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