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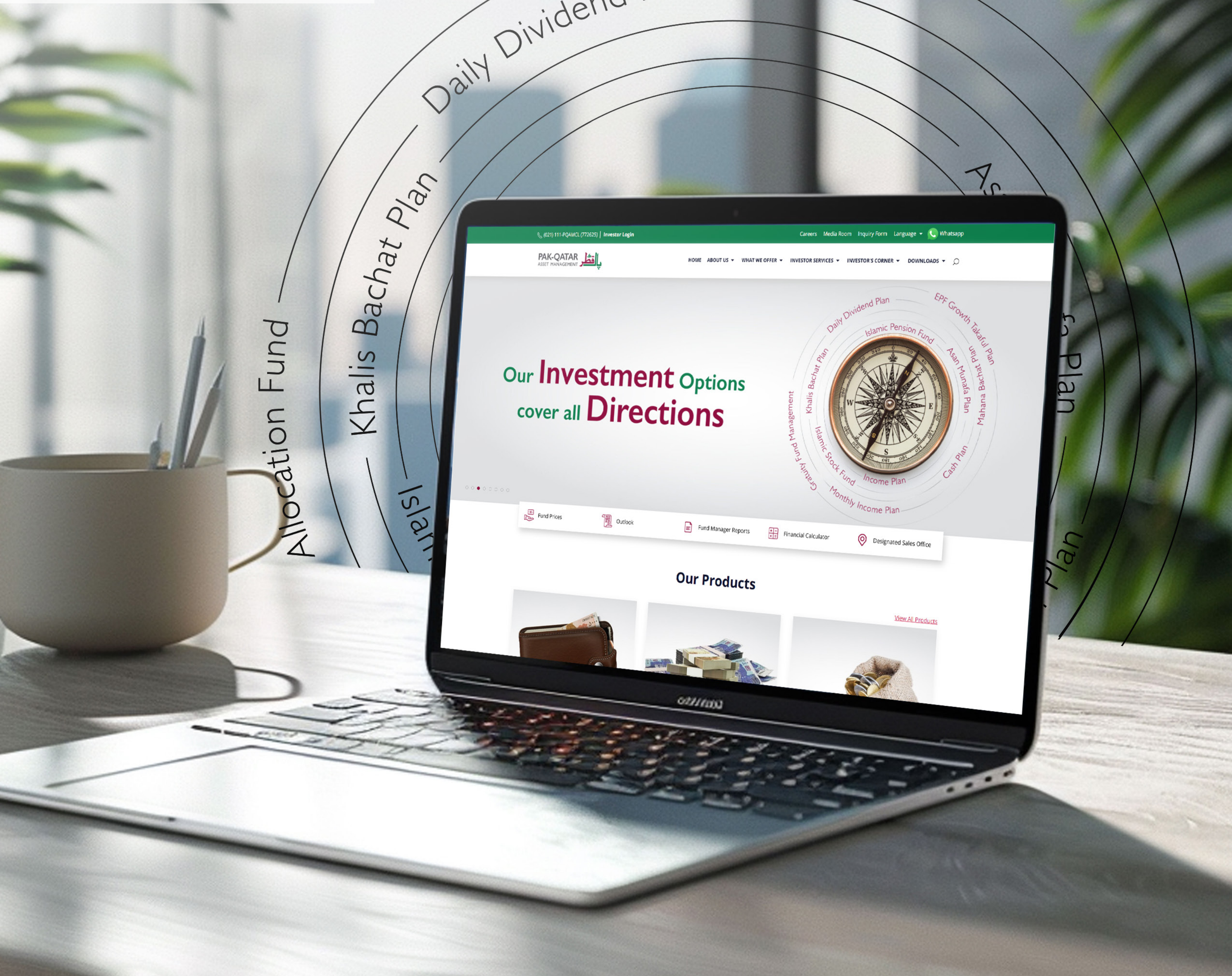
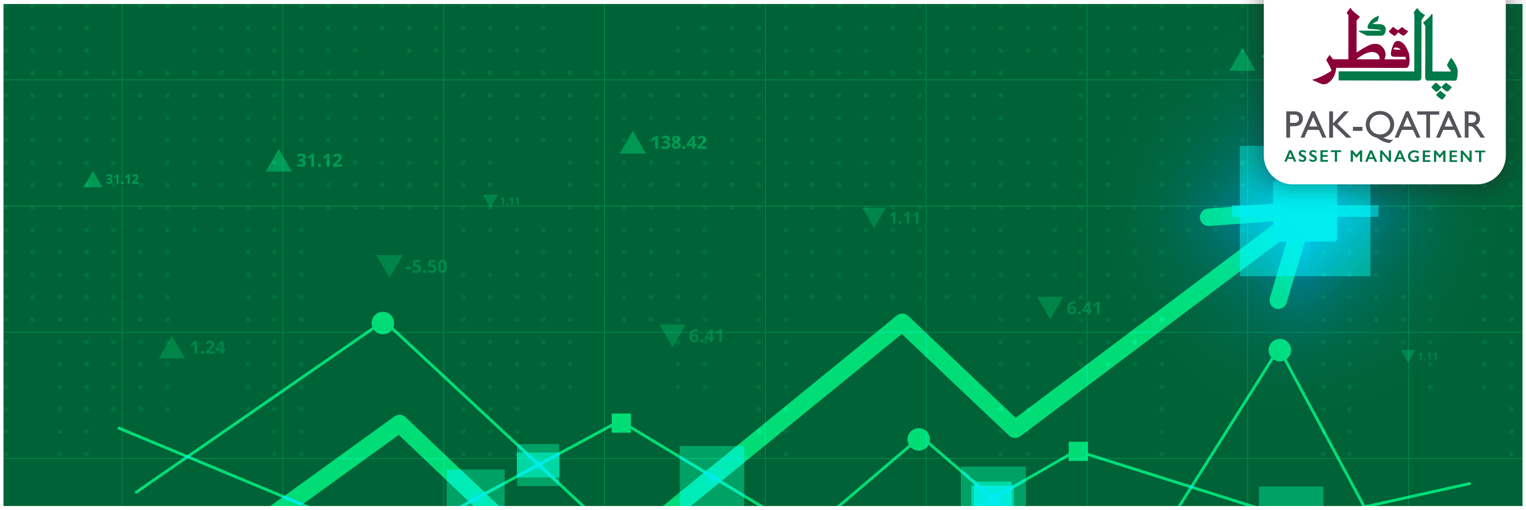
PAK-QATAR
ASSET MANAGEMENT

INVESTOR'S OUTLOOK

August 31, 2026





PAK-QATAR ASSET MANAGEMENT

Pak-Qatar Asset Management Company Limited

Keynote August 31, 2026

PAK-QATAR ASSET MANAGEMENT

Market Summary

	31-Aug-26	MTD	30days	90days	FYTD	CYTD
KSE100	176,976	0.50%	0.5%	3.5%	-1.8%	1.7%
KMI30	251,657	1.80%	1.8%	2.8%	-2.2%	1.3%
KSEAll	107,432	0.85%	0.8%	4.4%	-1.4%	2.7%

Global Markets

	31-Aug-26	MTD	30days	90days	FYTD	CYTD
UK	10,824	-0.4%	0.4%	-4.2%	-3.0%	-8.2%
USA	26,371	3.9%	-3.8%	2.7%	-0.6%	-11.9%
China	3,986	4.0%	-3.9%	2.2%	2.7%	-0.4%
Japan	65,827	2.3%	-2.2%	1.4%	8.0%	-23.5%
India	76,957	-1.5%	1.5%	-3.0%	-0.6%	10.7%

Portfolio Investments (USD mn)

EQUITY

	15 days	30 days	90 days	365days	FYTD	CYTD
FIPI (net)	(16)	(20)	(170)	(759)	10	(587)
LIPI (net)	16	20	170	759	(10)	587
Ind.	18	32	20	328	55	176
Banks/DFIs	(17)	(39)	(47)	(110)	(40)	(100)
Companies	10	20	234	562	8	511
M.Funds	(4)	9	41	260	(20)	129
Brokers	0	4	6	(9)	1	(16)
Others	2	1	(20)	(28)	(7)	1
Ins.	6	(5)	(66)	(249)	(9)	(7)
NBFC	0	(0)	1	4	1	2

Key Economic Figures

		FY23	FY24	FY25	FY26	FYTD
Policy Rate	31-Aug-26	22.0%	20.5%	11.0%	11.50%	11.50%
1yr KIBOR	31-Aug-26	23.3%	19.2%	11.3%	12.06%	11.99%
Inflation	July End	29.4%	12.6%	3.20%	11.10%	9.20%
PKR USD*	31-Aug-26	286.0	279.0	283.7	278.31	277.47

Key Economic Figures

		FY23	FY24	FY25	FY26	FY-TD
Imports	USD'mn	51,979	48,402	59,076	76,391	6,154
Exports	USD'mn	27,903	28,678	32,296	40,877	3,008
Trade Deficit	USD'mn	(24,076)	(19,724)	(26,780)	(35,514)	(3,146)
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	22,587

PKRV Rates (change in bps)

	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	11.95	14	14	(60)	130	99
PKRV 3Y	11.91	35	35	(72)	130	83
PKRV 5Y	11.90	24	24	(49)	61	53
PKRV 10Y	12.17	18	18	(58)	41	15
PKRV 20Y	12.45	11	11	(54)	50	-

**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	31.03	1,550	1,566	(0.01)
FERTILIZER	12.12	605	619	(0.02)
OIL & GAS EXPLORATION COMPANIES	12.49	624	592	0.05
CEMENT	8.76	438	438	0.00
AUTOMOBILE ASSEMBLER	3.64	182	180	0.01
OIL & GAS MARKETING COMPANIES	2.78	139	130	0.06
PHARMACEUTICALS	2.41	120	125	(0.04)

Commentary

Economic Review

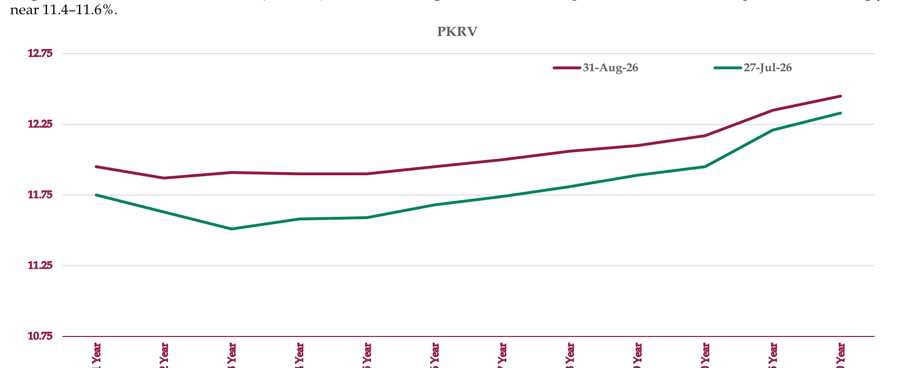
Pakistan's macro backdrop stabilized through FY26, though price pressures are re-emerging, driven mainly by food. The SBP held its policy rate at 11.5% in July (a second consecutive pause), with July inflation at 9.2% YoY. We estimate headline CPI at 10.87% YoY in August 2026, up 0.9% MoM on a 1.94% MoM jump in food prices (onions, chicken, pulses, vegetables), while core inflation stays contained. FY27 average inflation is projected near 9.40%, above FY26's 7.03%, keeping CPI above the SBP's 5-7% target — we expect a hold at 11.5% in September.

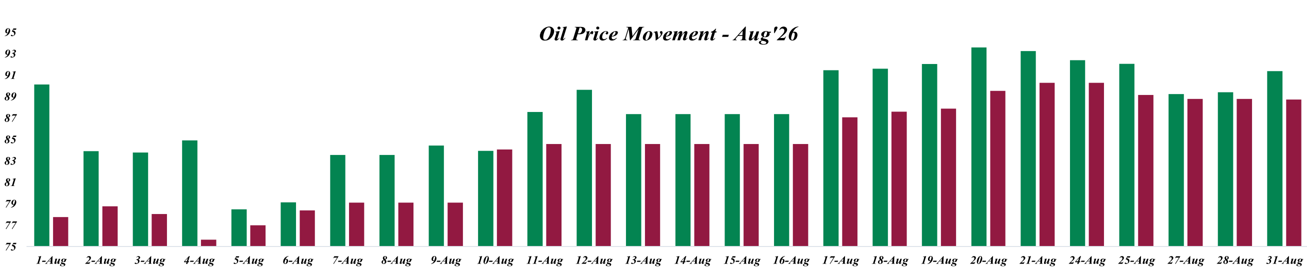
On the Fiscal side, the FBR closed FY26 at Rs 13tr, beating its revised Rs 12.983tr target by Rs 21bn, aided by record petroleum levy receipts (Rs1.564tr). FY27's target is set at Rs15.264tr (+17.4% YoY, IMF-binding). July FY27 collection of Rs 820bn beat its target by Rs 40bn (+8% YoY), but August fell short by Rs 28bn (Rs 902bn vs Rs 930bn target, flat YoY), leaving 2MFY27 collection at Rs 1.722tr — just Rs 12bn above the Rs 1.710tr target, a modest 4% YoY growth pace against a much steeper full-year requirement. The fiscal deficit stayed near 1.6% of GDP in 11MFY26. Externally, reserves stood at $17.081bn (Aug 13; total liquid $22.506bn), remittances topped $41bn in FY26 (est. $44bn FY27), and the current account deficit narrowed 60% MoM to $328mn in July; the rupee held near 277.6/USD.

Capital Market Review

Equity Market: The KSE-100 closed at 176,975.67 on August 31, down 720.83 points (-0.41%) as escalating US-Iran tensions over the Strait of Hormuz pushed Brent above $90/bbl; the prior week had been range-bound (+0.3%, to 177,696.52). The index remains 19.5% higher YoY but has corrected roughly 7% off its 52-week/record high of 191,032.73, with August marked by sharp two-way swings, a 3% weekly rally (banks contributing 1,919 points) followed by broad-based selling across autos, cement, banks, OMCs, E&P and power on renewed oil-price shocks. Refineries, cement, power, OMCs, fertilizer and banks led earlier gains before reversing; banking, fertilizer and energy remain the structural drivers. At $59bn market cap and low regional P/E, upside potential persists, but near-term direction stays hostage to Middle-East escalation and the September MPS.

Primary Market: Latest T-bill cut-offs were 11.46% (1-month) and 11.99% (12-month), bids at 4.2x accepted amount, favoring risk-free paper. Secondary/money market: SBP injected Rs 12,240.8bn via OMOs on August 28 at an 11.51% cut-off, keeping liquidity ample. With August CPI estimated at 10.87% YoY (food-led) and FY27 average near 9.40%, we expect a hold at 11.5% in September, anchoring yields near 11.4–11.6%.





31-Aug-26

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Head Office - Karachi

Suite # G-8/9, Business Arcade, Block-6, P.E.C.H.S., Shahrah-e-Faisal, Karachi-75400.

Sales Office - Islamabad

4th Floor, Chenab Center, Jinnah Avenue, Blue Area, Islamabad.

Sales Office - Rawalpindi

Office No. 504 & 505, 5th Floor, Survey No. 167/6, Kohistan Tower, Mehfooz Road, Saddar,

Sales Office - Lahore

3rd Floor, 31-E Commercial Area, Cavalry Ground Cantt, Lahore.

111-PQAMCL (772-625) | info@pqamcl.com | www.pqamcl.com