

Monthly Bulletin

September 2026

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SECTION 01

Current Geopolitical Implication on Pakistan



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01 Geopolitical Implication on Pakistan

Chokepoint Crises and Global Energy Disruption

The conflict between Iran and the US is escalating. Tehran has taken an aggressive stance and threatens to close the Strait of Hormuz. One-fifth of global seaborne oil passes through this strait. Alternate routes are being used. However, the situation in Yemen is worsening. Saudi forces are advancing against the Houthis. The Houthis are being forced to retreat to the coastline. In response, they are retaliating against Saudi Arabia. They are targeting its oil infrastructure and shipping. As a result, conditions in the energy market have worsened. This has adversely impacted Pakistan's equity market. The market closed this month down by 4.0%.

Activation of the Makkah Defense Pact

This current situation led to the triggering of the Makkah Defense Pact, following the Strategic Political and Defense Committee (SPDC) meeting in Riyadh on October 5, 2026. Pakistan became an active participant in the conflict by deploying military hardware and personnel on Saudi soil on strict defensive parameters, with Saudi forces engaging Houthi forces on their home turf.

01 Geopolitical Implication on Pakistan

Supply Chain Resilience Amid Skyrocketing Freight Costs

The future outlook remains optimistic, as oil exports have recovered in the end of September to pre-war levels by as much as 97.5% reported by Euro news. It is to note that this level of exports is prone to high freight costs, as it is up by as much as 17.14x compared to pre-war levels reported by Business insurance, and tanker-to-tanker sea transfers just off the coast of Oman, and the fragile Saudi East-West pipeline, to ship oil from the Red Sea.

Breakdown of U.S.-Iran Diplomacy and Economic Escalation

Talks between Iran and the US have stalled. This month, the MoU brokered by Pakistan in mid-June broke down completely, as maritime hostilities resumed between the two countries. The US also bluntly rejected Iran's seven-day peace proposal. In addition, the Iranian Foreign Minister was reportedly made to leave the US ahead of schedule during the recent UN General Assembly meeting in New York.

Meanwhile, the US Treasury Department warned global financial institutions against any involvement with Iran's financial sector. As a result, the Iranian rial has fallen to a record low. Taken together, these developments point to a further escalation of the conflict between the two countries and a worsening regional situation in the Middle East.

01 Geopolitical Implication on Pakistan

Macroeconomic Fallout and Fiscal Strain on Pakistan

The current geopolitical situation has led to a drop in direct exports to Gulf Cooperation Council (GCC countries) by \$1.5 billion to \$2.0 billion; worsening energy prices have also led to 2.5% to 3.0% inflation, premium added to current inflation figures. Also, a potential loss of remittances reported by the Pakistan Institute of Development Economics (PIDE) warns this conflict can force up to 500,000 people to repatriate from Gulf countries, which can slice \$3.0 to \$4.0 billion from foreign reserves annually.

Market Volatility and Investor Sentiment Amid Geopolitical Uncertainty

Heightened geopolitical tensions have intensified risk aversion in Pakistan's equity market, with rising oil prices threatening to widen the import bill, fuel inflation, and pressure the current account. Persistent uncertainty may delay monetary easing, keeping borrowing costs elevated and corporate profitability under pressure. Until regional stability improves, market performance is likely to remain sensitive to oil prices and geopolitical developments.

02

SECTION 02

Global Economy



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02 Global Economy

Global Inflation Dynamics and Monetary Tightening

Macroeconomic data across major economies reflects sharp structural divergence in late 2026. Pakistan records the highest inflation at 10.26% YoY (Sep-26), followed by Bangladesh (8.34%), Sri Lanka (8.00%), and Russia (6.35%). Western economies reflect moderate price growth US at 3.70%, UK at 3.10%, while China remains near-stagnant at 0.90%. In response, central bank policy rates remain deeply restrictive in Russia (14.00%), Pakistan (11.50%), and Bangladesh (9.50%), contrasting with the US (4.00%) and UK (3.75%).

Bond Yield Spreads and External Sovereign Debt

In September Sovereign borrowing costs highlight persistent risk premiums across emerging markets. 10-year government bond yields remain severely elevated in Russia (16.83%), Pakistan 12.50%, and Sri Lanka (12.18%), far outpacing US Treasuries (5.29%) and Chinese bonds (1.68%). These elevated yields exacerbate borrowing pressures alongside massive external debt loads, led by the US (\$30,467B) and UK (\$11,421B), compared to Pakistan's external debt of \$138.85B.

02 Global Economy

Trade Balances and Current Account Imbalances

Global trade reflects stark structural imbalances. China maintains dominant trade performance with a \$133.5B monthly trade surplus (Sep-26 exports of \$447.18B) and a \$193.72B Q2 current account surplus. Conversely, the US posted a -\$105.60B trade deficit and a -\$246.0B current account deficit, while Pakistan faces ongoing external pressure with a -\$3.53B monthly trade gap.

Global Imbalances and Financial Market Pressures

Diverging inflation trends, elevated sovereign yields, and persistent trade imbalances continue to shape global financial conditions. For Pakistan, inflation of 10.26% and a policy rate of 11.50% constrain monetary flexibility, while elevated bond yields increase financing costs. Combined with a \$3.53 billion monthly trade deficit, these pressures reinforce external vulnerabilities and may weigh on investor sentiment and market performance.

02 Global Economy

Inflation CPI YoY

Country	Period	Rate
Pakistan	Sep-26	10.26%
US	Sep-26	3.70%
UK	Aug-26	3.10%
Bangladesh	Sep-26	8.34%
India	Sep-26	5.54%
Sri Lanka	Sep-26	8.00%
Japan	Aug-26	2.70%
China	Sep-26	0.90%
Russia	Sep-26	6.35%

Policy Rate

Country	Period	Rate
Pakistan	Sep-26	11.50%
US	Sep-26	4.00%
UK	Aug-26	3.75%
Bangladesh	Sep-26	9.50%
India	Sep-26	5.50%
Sri Lanka	Sep-26	8.75%
Japan	Aug-26	1.25%
China	Sep-26	3.00%
Russia	Sep-26	14.00%

10-Year Government Bond Yield

Country	Period	Yield
Pakistan	Sep-26	12.50%
US	Sep-26	5.29%
UK	Aug-26	5.44%
Bangladesh	Sep-26	8.54%
India	Sep-26	7.18%
Sri Lanka	Sep-26	12.18%
Japan	Aug-26	3.06%
China	Sep-26	1.68%
Russia	Sep-26	16.83%

02 Global Economy

Exports

Country	Period	Amount (Bn)
Pakistan	Sep-26	\$2.96
US	Aug-26	\$315.20
UK	Aug-26	£34.40
Bangladesh	Aug-26	\$4.40
India	Aug-26	\$44.40
Sri Lanka	Aug-26	\$1.24
Japan	Aug-26	¥10,050
China	Sep-26	\$447.18
Russia	Aug-26	\$40.93

Import

Country	Period	Amount (Bn)
Pakistan	Sep-26	\$6.49
US	Aug-26	\$420.80
UK	Aug-26	£54.20
Bangladesh	Aug-26	\$5.20
India	Aug-26	\$74.61
Sri Lanka	Aug-26	\$1.91
Japan	Aug-26	¥11,150
China	Aug-26	\$313.66
Russia	Aug-26	\$29.19

Trade Balance

Country	Period	Amount (Bn)
Pakistan	Sep-26	-\$3.53
US	Jul-26	-\$105.60
UK	Aug-26	-£19.80
Bangladesh	Aug-26	-\$0.74
India	Aug-26	-\$30.12
Sri Lanka	Jul-26	-\$0.7
Japan	Aug-26	-¥1,110
China	Aug-26	\$133.5
Russia	Jul-26	\$11.7

02 Global Economy

External Debt

Country	Period	Amount (Bn)
Pakistan	Jun-26	\$138.85
US	Q2 2026	\$30,467
UK	Aug-26	\$11,421
Bangladesh	30-Jun-26	\$114.98
India	Jun-26	\$778.20
Sri Lanka	Q2 2026	\$55.12
Japan	Aug-26	¥736,130
China	Q2 2026	\$2,498
Russia	Q2 2026	\$313.30

Foreign Direct Investment

Country	Period	Amount (Bn)
Pakistan	Sep-26	\$0.2195
US	2025	-\$172.10
UK	Jun-26	23.7
Bangladesh	Jul-26	\$1.47
India	Q1 FY27	\$19.82
Sri Lanka	Q2 2026	\$0.20
Japan	Aug-26	-¥1,020.00
China	Q2 2026	\$26.58
Russia	Q2 2026	\$25.40

Current Account Balance

Country	Period	Balance (Bn)
Pakistan	Sep-26	-\$0.356
US	Q2 2026	-\$246.0
UK	Q2 2026	-£19.93
Bangladesh	FY26	-\$1.6
India	Q1 FY27	-\$4.2
Sri Lanka	Q2 2026	-\$0.9857
Japan	Aug-26	¥4,060.00
China	Q2 2026	\$193.72
Russia	Q2 2026	\$21.40

03

SECTION 03

Pakistan Economy



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03 Pakistan Economy

Monetary Policy Stance & Inflation Outlook

The Monetary Policy Committee (MPC) of the State Bank of Pakistan (SBP), in its meeting held on September 14, 2026, decided to keep the benchmark policy rate unchanged at 11.5%. According to the Pakistan Bureau of Statistics, general CPI inflation stood at 10.3% year-on-year for September 2026, while on a month-on-month basis inflation increased by 1.9% compared to August 2026. Urban non-food non-energy (NFNE) core inflation was recorded at 8.6% year-on-year for the month, remaining below the headline figure, which indicates that food and energy prices continue to contribute to the headline reading. The unchanged policy rate keeps borrowing costs steady for the participants, while inflation remains the key variable to watch for the future course of monetary policy. We see inflation moving forward to 10.62%, while keeping in mind the current situation, as IMF recent revision of inflation figure for Pakistan forecast to 9.9% from its previous forecast of 7.20%, institutional thinking seems to be in line with our projections.

03 Pakistan Economy

Foreign Exchange Reserves & FX Liquidity

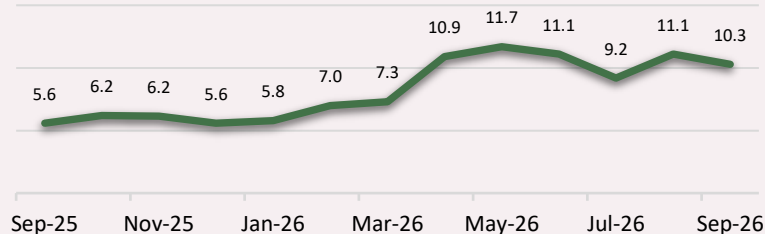
Total liquid foreign exchange reserves stood at \$26.77 billion, in the final week of this month alone SBP added \$39.00 million to the reserves, while total reserves held by SBP stood at \$21.44 billion and reserves held by commercial banks stood at \$5.33 billions as reported by SBP. The special convertible rupee account stood at PKR 27.89 billion.

Fiscal Performance & Revenue Collection

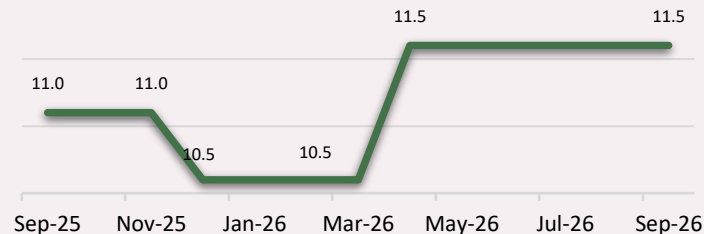
The Federal Board of Revenue (FBR) collected Rs 1.360 trillion in September 2026, surpassing its monthly target of Rs 1.343 trillion by Rs 17 billion and reflecting an 11% growth compared to September of the previous year. For the first quarter of FY27 (July–September 2026), total collection stood at Rs 3.083 trillion against the overall target of Rs 3.053 trillion, beating the benchmark by Rs 30 billion. The outperformance was primarily driven by higher-than-expected sales tax and Federal Excise Duty (FED) receipts, which offset the shortfalls in income tax and customs duty collections, providing some comfort on the fiscal front for the market participants.

03 Pakistan Economy

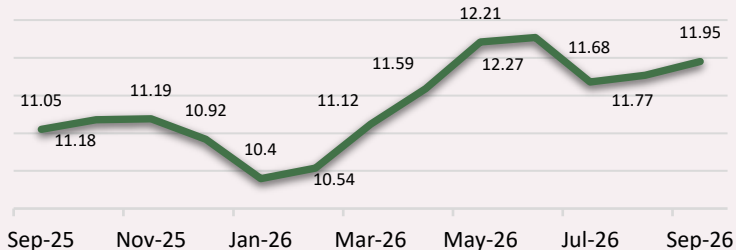
Inflation (%) 10.3%



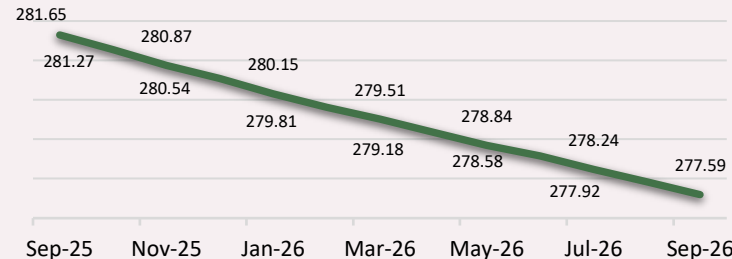
Policy Rate (%) 11.5%



6M KIBOR – Avg. (%) 11.95%



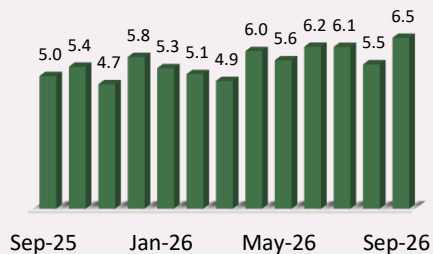
Exchange Rate (PKR/USD) 277.59



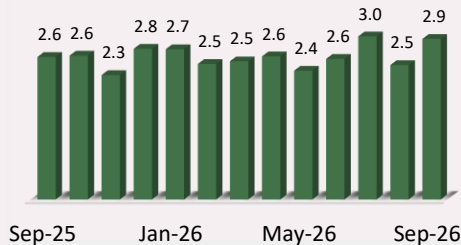
Source: SBP, Pak Qatar Asset Management Company Limited

03 Pakistan Economy

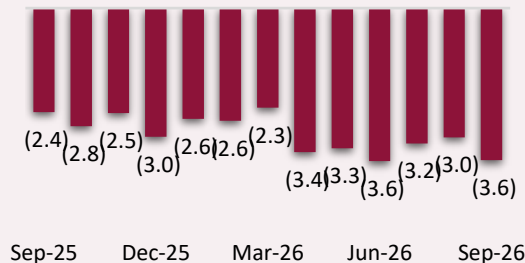
Imports (\$Bn) 6.5



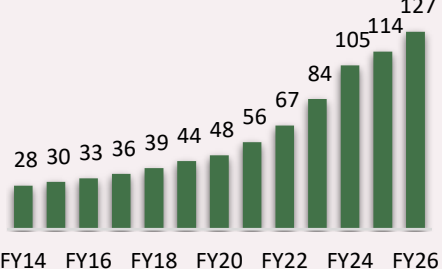
Exports (\$Bn) 2.9



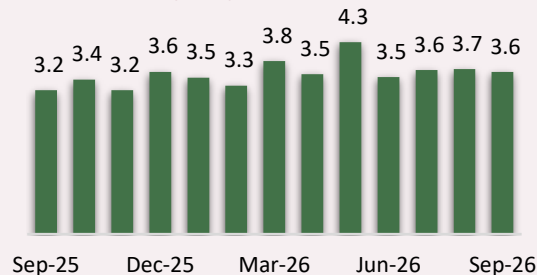
Trade Balance (\$Bn) -3.6



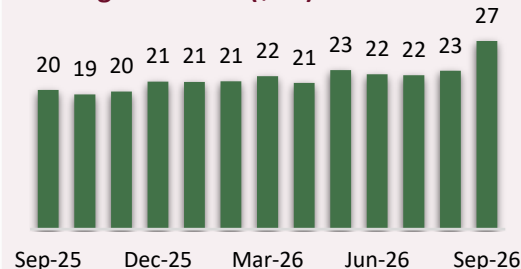
GDP (PKR Tn) 127



Remittances (\$Bn) 3.6



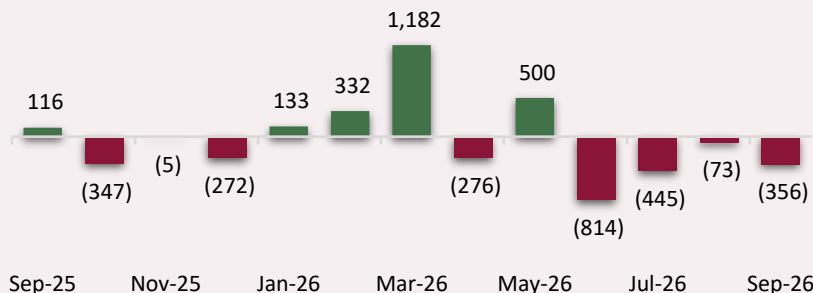
Foreign Reserves (\$Bn) 27



03 Pakistan Economy

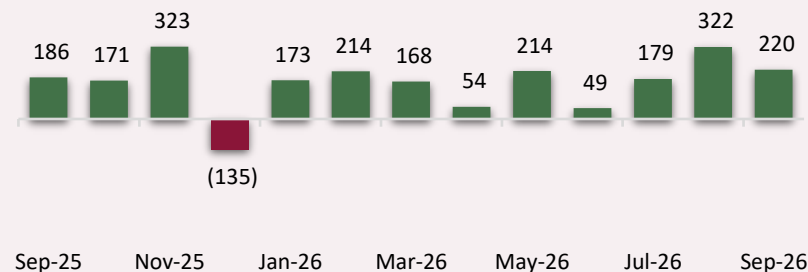
Current Account Deficit (\$Mn)

-356

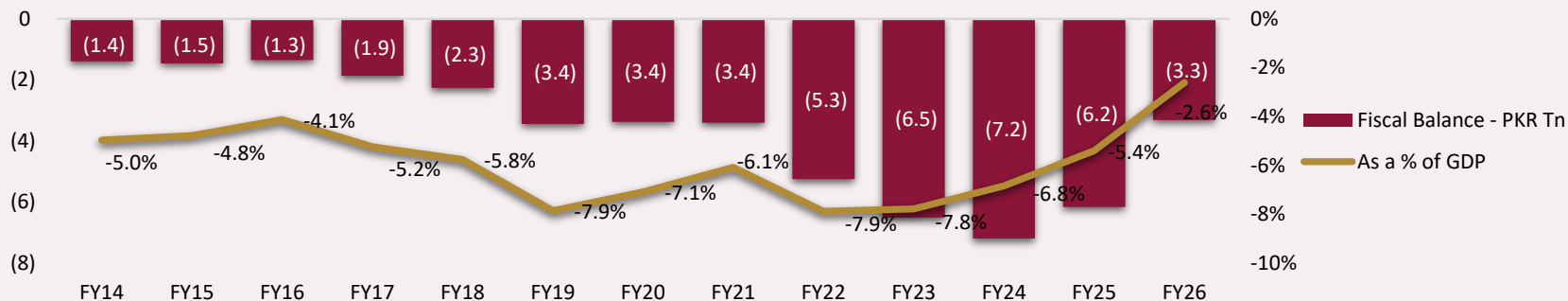


FDI (\$Mn)

220



Fiscal Balance As % of GDP



04

SECTION 04

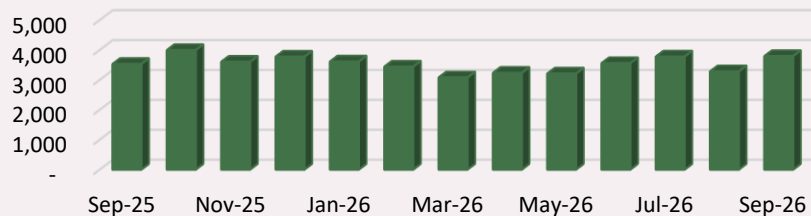
Large Scale Manufacturing



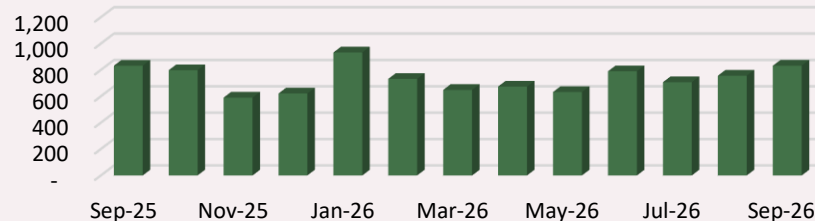
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04 Cement Sector

Local Sales (000' Tonnes)

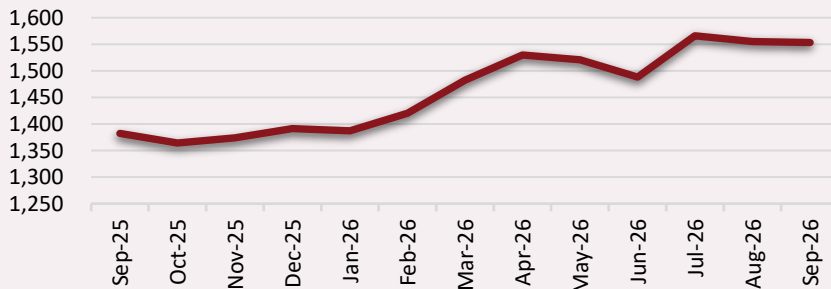


Export Sales (000' Tonnes)



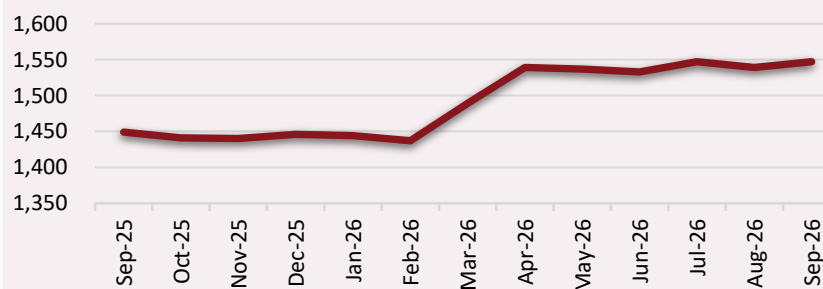
North Prices (PKR/Bag)

1,553



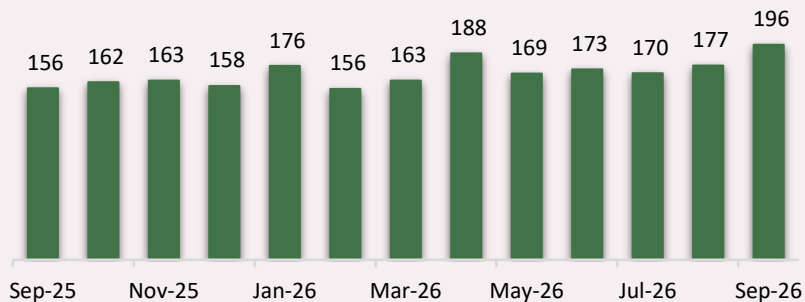
South Prices (PKR/Bag)

1,547

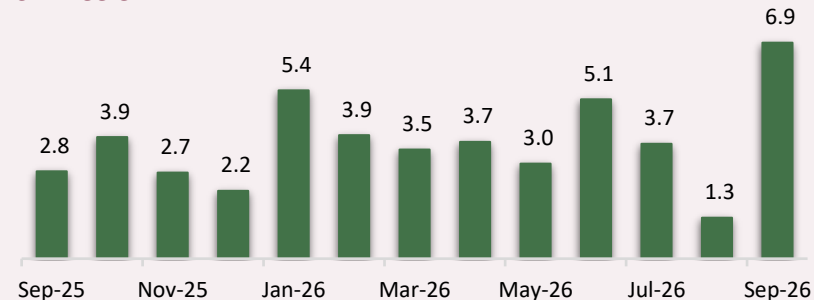


04 Automobile Sector – Sales (000')

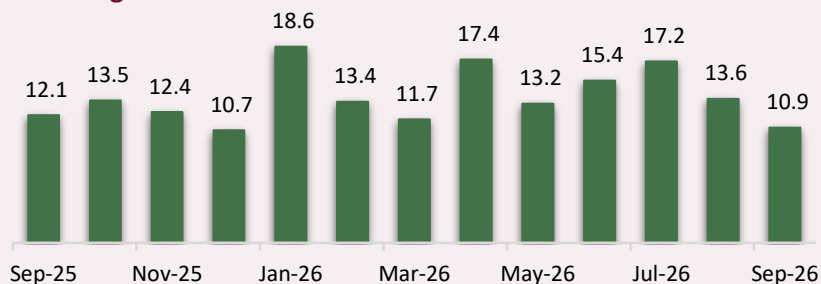
2 Wheeler



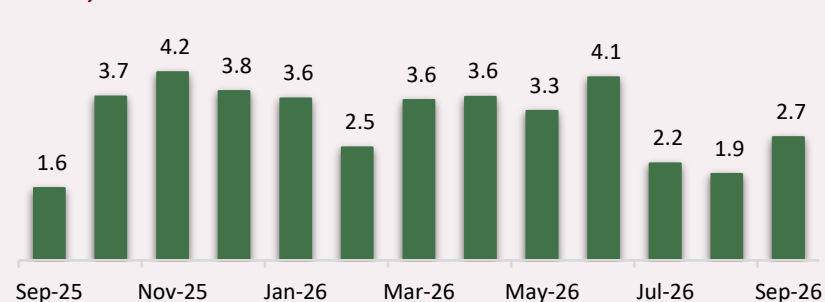
3 Wheeler



Passenger Car

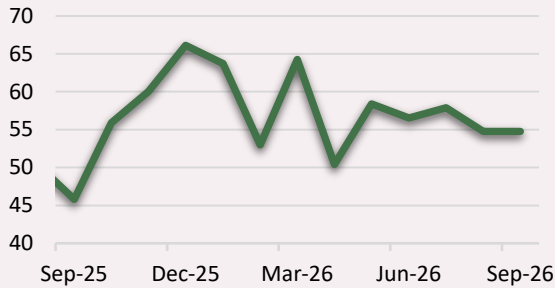


Truck, Bus & Tractor

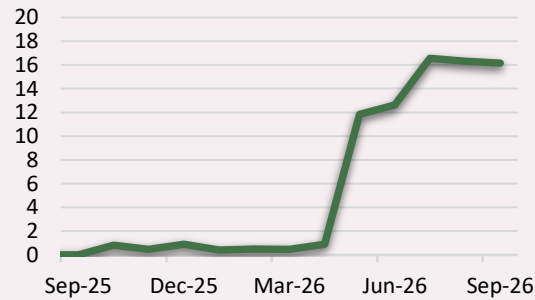


04 POL Sector – Sales (000') Tonnes

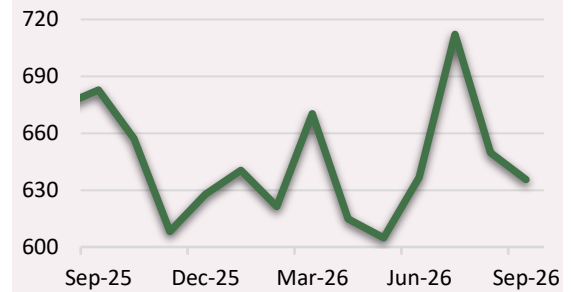
JP-1



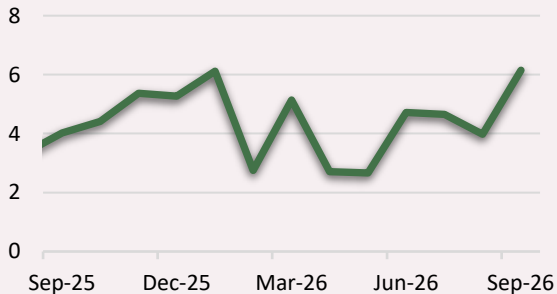
JP-8



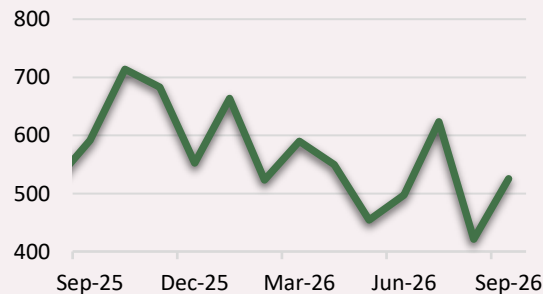
MS



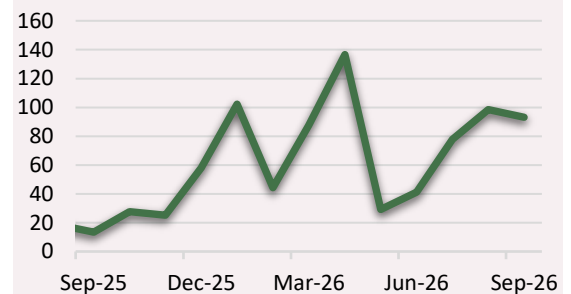
Kerosene



HSD

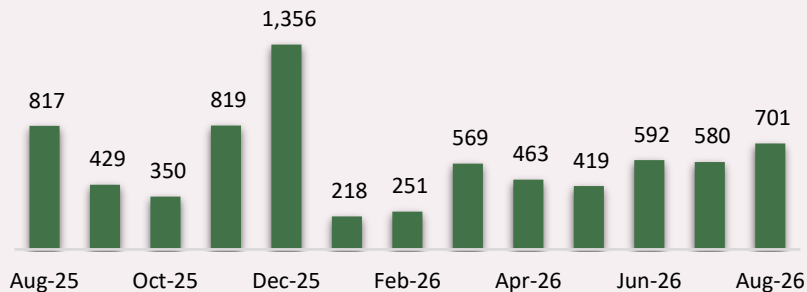


FO

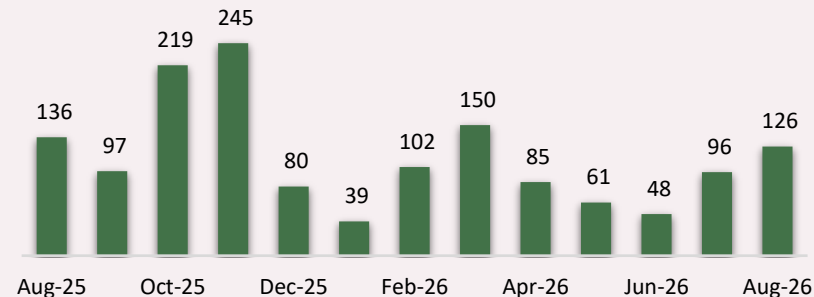


04 Fertilizer Sector – Sales (000') Tonnes

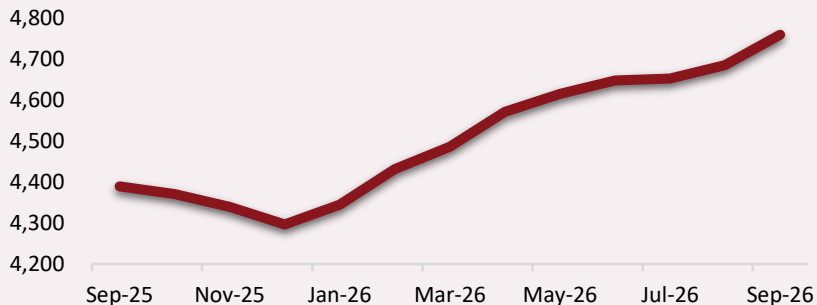
Urea



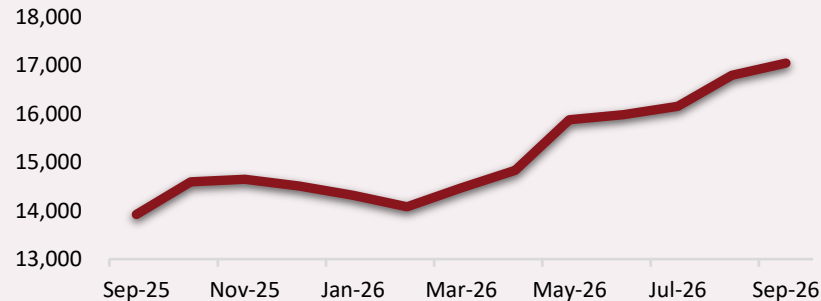
DAP



Urea Prices - SPI



DAP Prices- SPI



05

SECTION 05

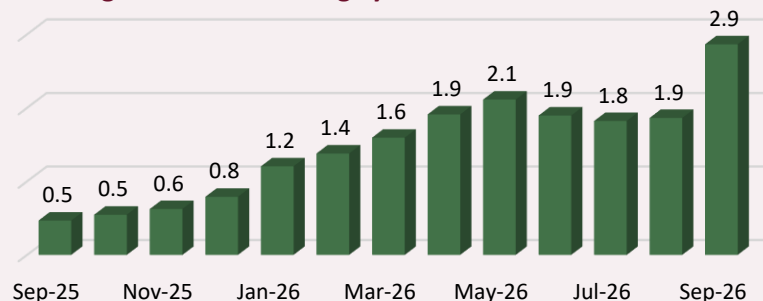
Monetary and Financial Sector



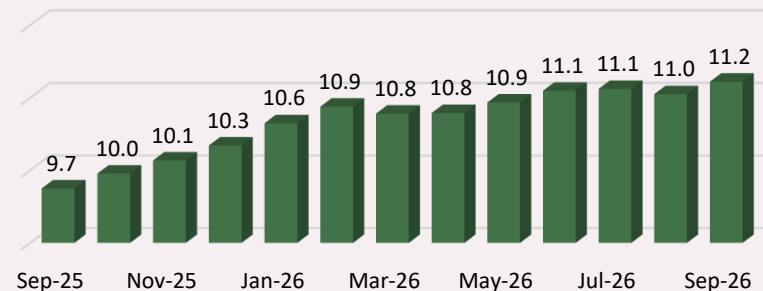
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05 Monetary & Financial Sector

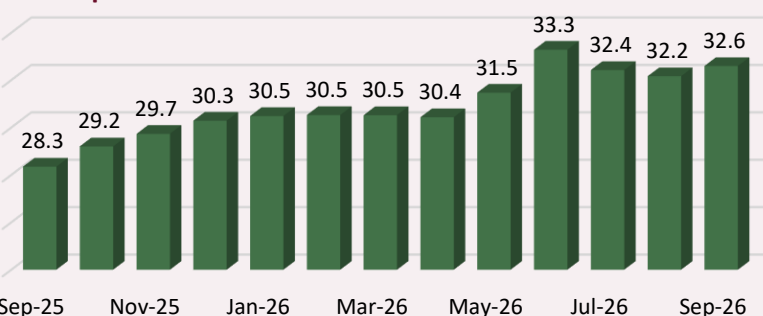
Net Foreign Assets of Banking System - Tn



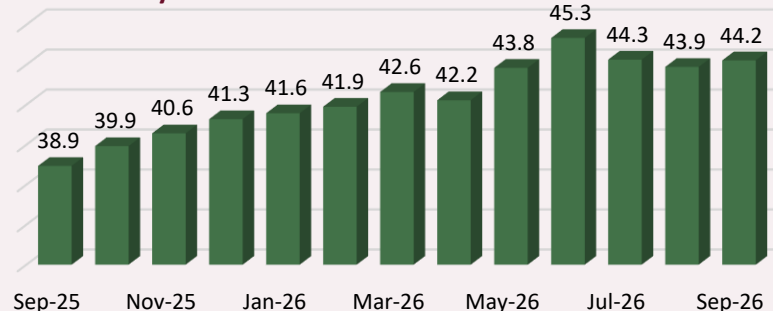
Credit to Private Sector - Tn



Total Deposits with Banks - Tn

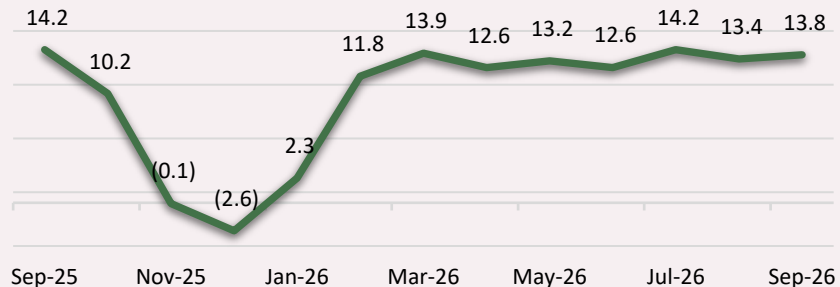


Broad Money - Tn

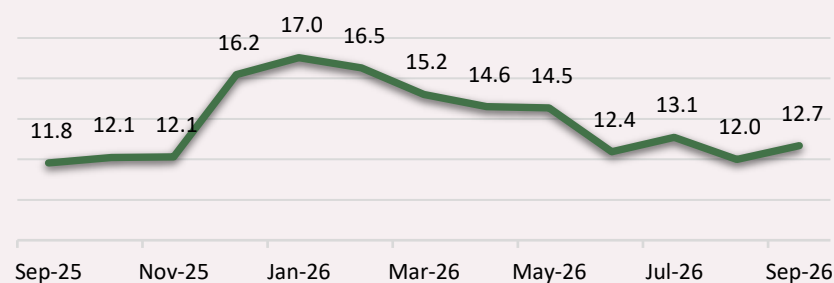


05 Monetary & Financial Sector

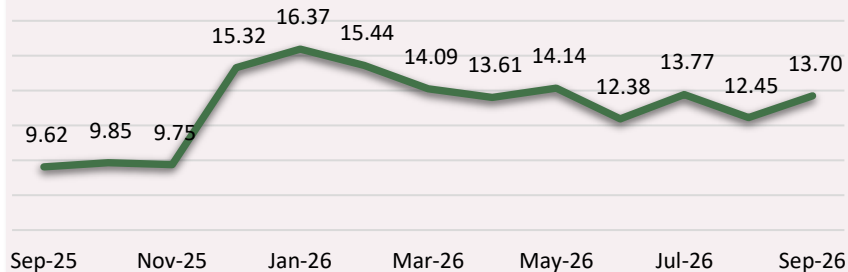
Pvt. Sector Credit Growth %



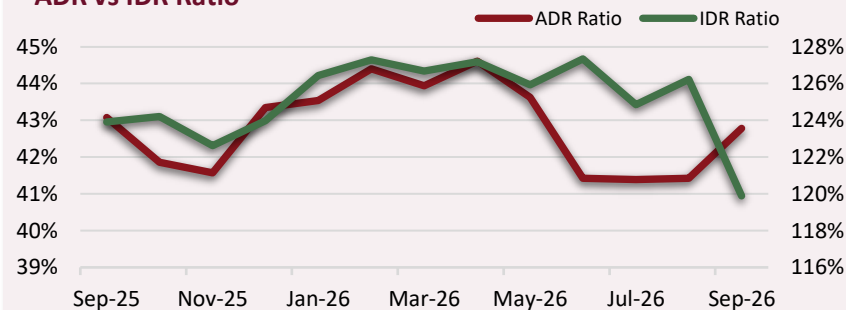
M2 Growth %



Total Deposits Growth %



ADR vs IDR Ratio



06

SECTION 06

Global Market Returns

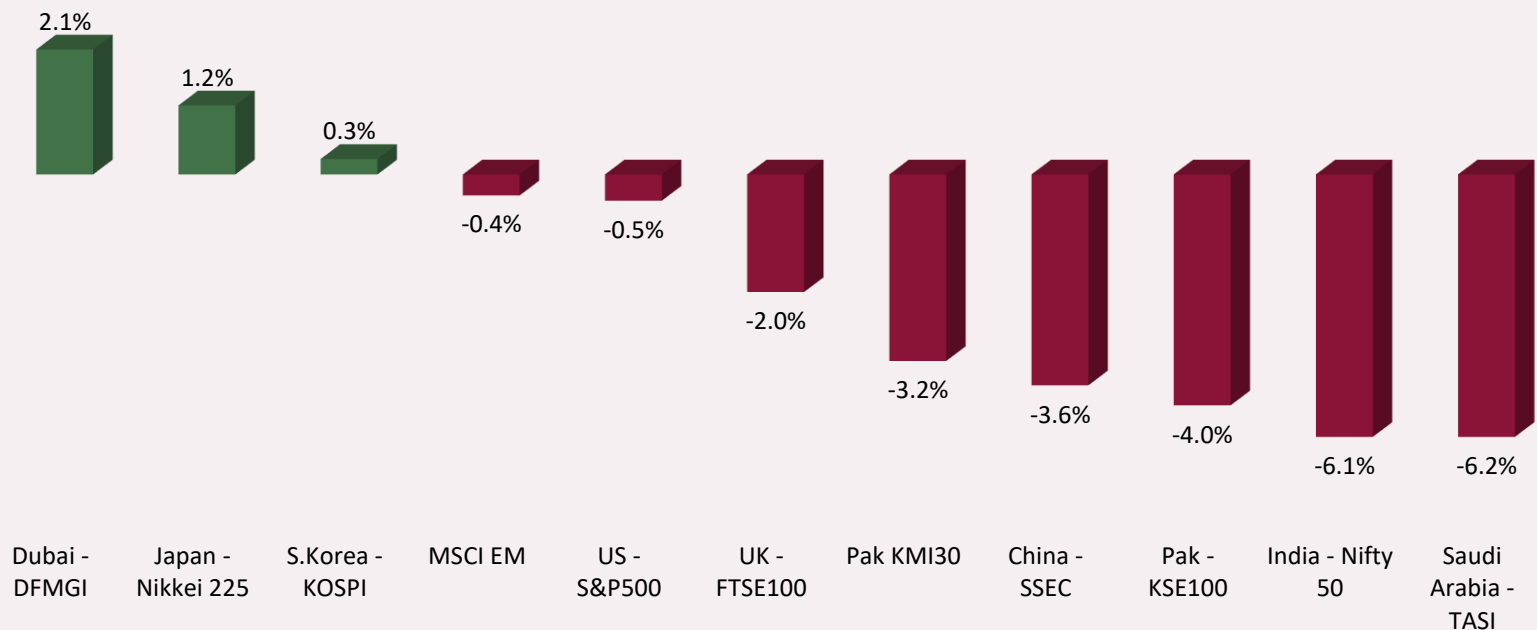


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06

Global Market Returns for Sep'26

Major global equity markets posted mostly negative returns



07

SECTION 07

International Commodities Prices

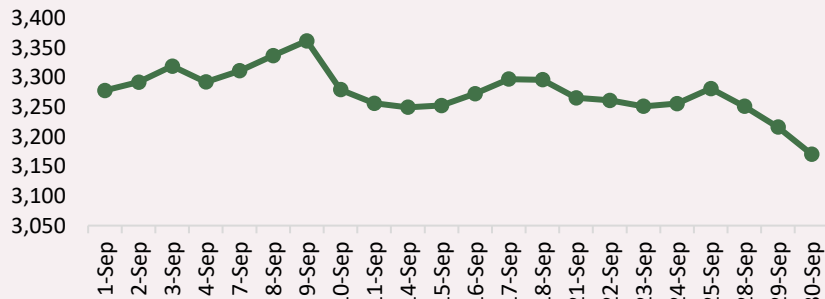


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07 International Commodities Price Returns DoD

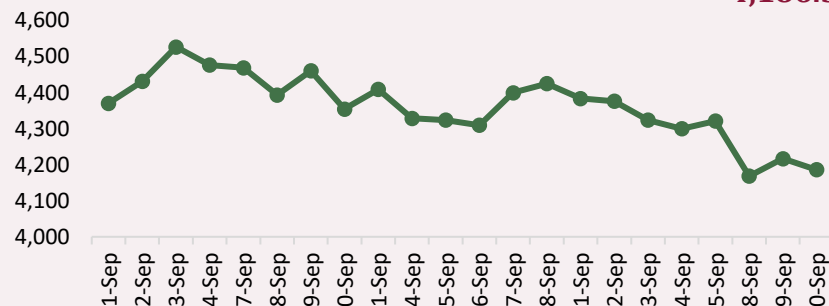
Aluminium

3,170.4



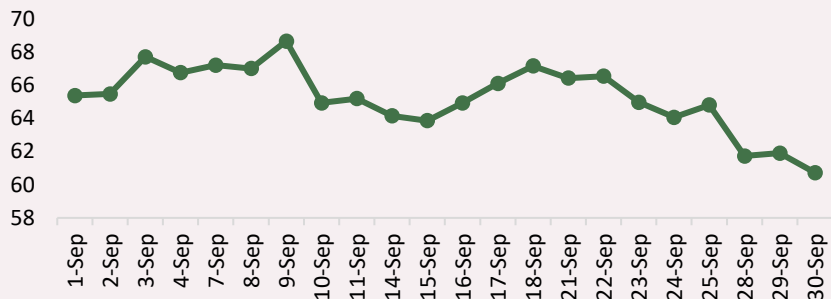
Gold

4,186.3



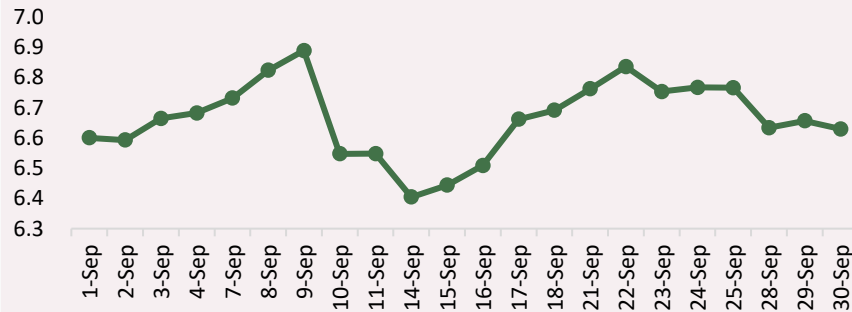
Silver

60.7



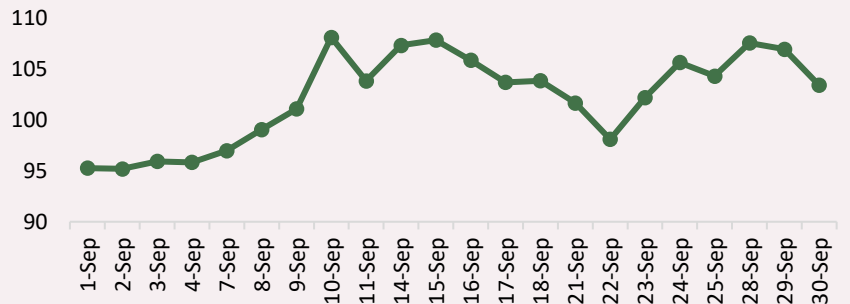
Copper

6.6

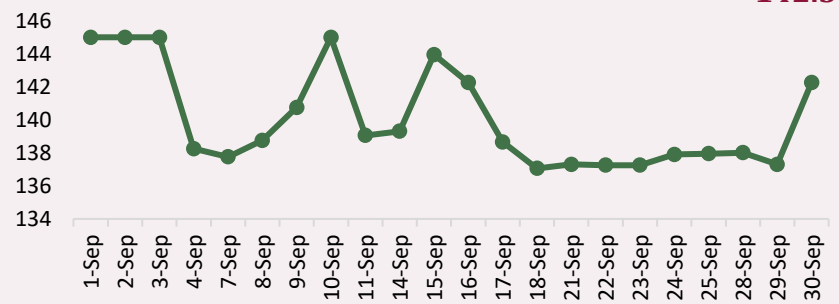


07 International Commodities Price Returns DoD

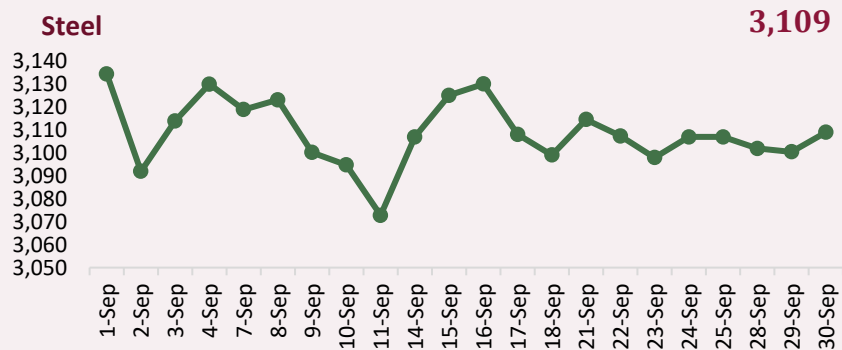
Brent



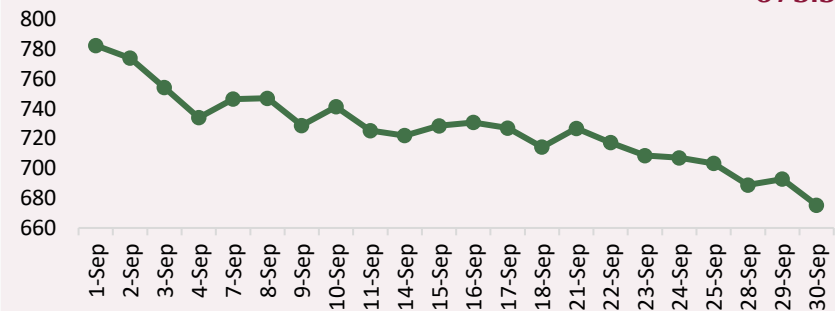
Coal



Steel



Wheat



08

SECTION 08

Pakistan Equity Market



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08 Pakistan Equity Market

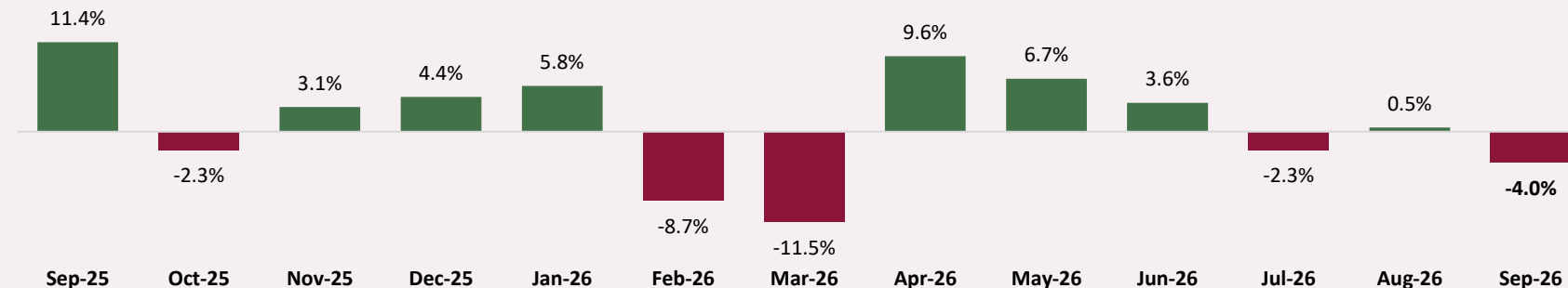
Equity Market Pullback Amid Geopolitical Headwinds

Discussed geopolitical headwind has forced the equity market to shed (3.96%) of its value, as KSE 100 index is down from 176,975.68 to 169,969.33 as closing of this month and down by (3.62%) YTD. The benchmark index KMI 30 is down by (3.20%) this month and (2.82%) YTD. Market sentiments remain pessimistic throughout this month as Fertilizer, Power Generation & Distribution, Oil & Gas Exploration, Cement, Technology & Communication, Refinery & Engineering sectors became drags for the equity market, while oil and gas marketing companies (OMCs), Textile & Apparel, Transport and Sugar sectors gave some support to the equity market and T-bills acted as a safe cushion for the participants as State bank of Pakistan raised PKR 853 billion in T-bills compare to target of PKR 700 billion.

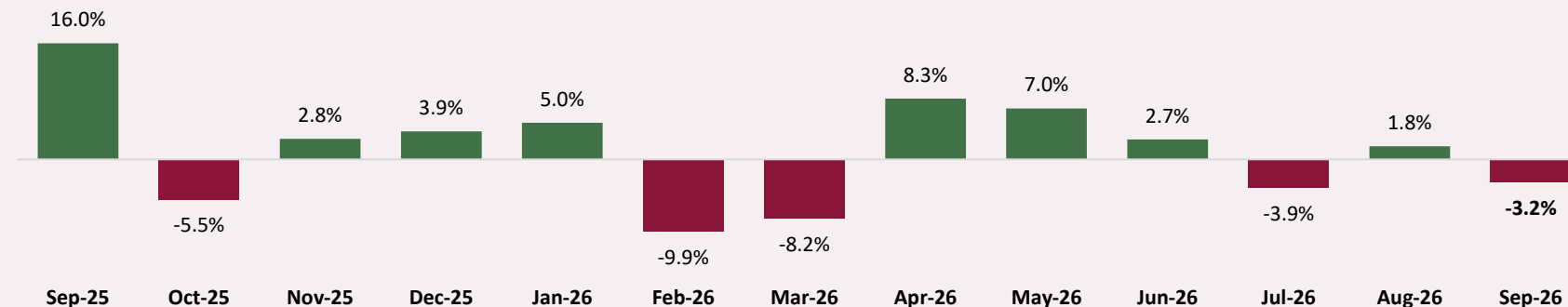
08

Pakistan Equity Market

KSE-100 declined 4.0% MoM in September, after a gain in August



KMI-30 declined 3.2% MoM in September, after a gain in August



08 Stocks Return (KMI-30 Stocks) for Sep'26

KSE-100

169,969

-4.0%

KMI-30

243,608

-3.2%

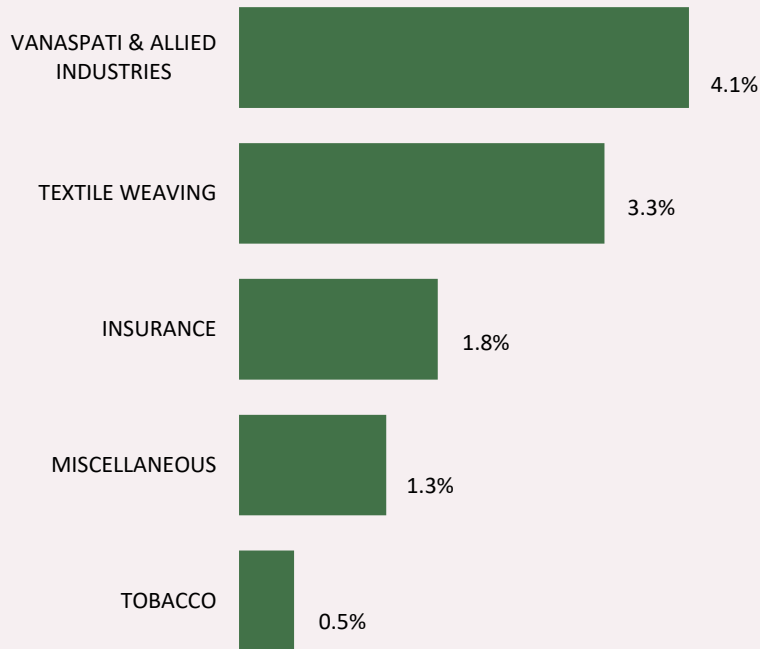
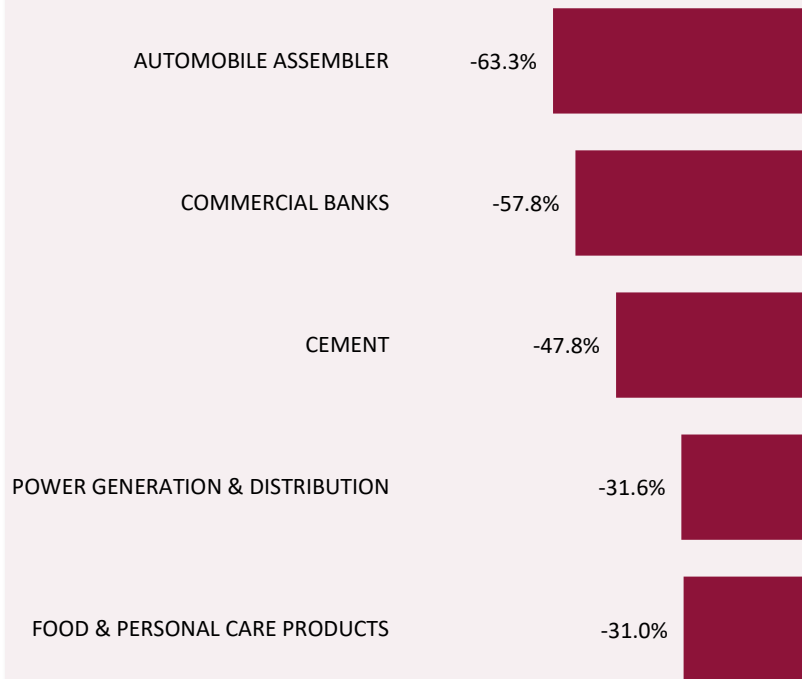
KSI

102,892

-4.2%

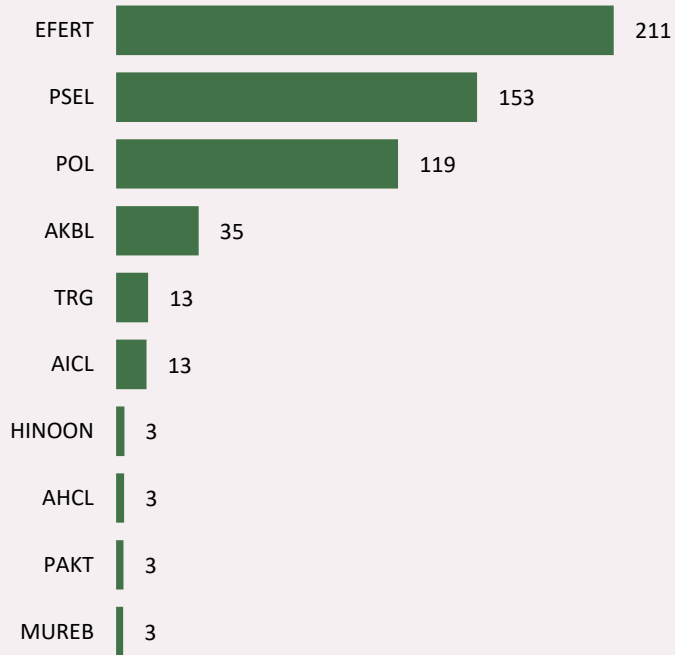
Scrip	Sector	31-Aug	30-Sep	Return
SAZEW	Automobile Assembler	1,883.76	1,707.65	-9.3%
HCAR	Automobile Assembler	247.11	217.56	-12.0%
GHNI	Automobile Assembler	1,290.11	1,068.93	-17.1%
GAL	Automobile Assembler	641.40	545.98	-14.9%
FCCL	Cement	55.31	52.79	-4.6%
LUCK	Cement	437.33	415.19	-5.1%
MLCF	Cement	99.58	93.16	-6.4%
DGKC	Cement	209.58	192.45	-8.2%
MEBL	Commercial Banks	578.15	554.91	-4.0%
PPL	Oil & Gas Exploration	234.50	226.91	-3.2%
MARI	Oil & Gas Exploration	663.26	633.73	-4.5%
OGDC	Oil & Gas Exploration	328.70	316.73	-3.6%
EFERT	Fertilizer	181.35	194.53	7.3%
FFC	Fertilizer	552.70	541.02	-2.1%

Scrip	Sector	31-Aug	30-Sep	Return
TREET	Food & Personal Care	23.52	22.16	-5.8%
FFL	Food & Personal Care	15.61	14.72	-5.7%
ENGROH	Inv. Banks / Securities	264.86	263.49	-0.5%
PSO	Oil & Gas Marketing	363.84	351.18	-3.5%
SNGP	Oil & Gas Marketing	101.86	91.84	-9.8%
SSGC	Oil & Gas Marketing	27.66	23.81	-13.9%
CPHL	Pharmaceuticals	75.16	73.19	-2.6%
SEARL	Pharmaceuticals	86.76	79.94	-7.9%
HUBC	Power Gen. & Distribution	209.67	201.42	-3.9%
NRL	Refinery	549.83	596.18	8.4%
ATRL	Refinery	1,197.49	1,185.04	-1.0%
PRL	Refinery	104.42	93.02	-10.9%
SYS	Technology & Comm.	124.54	119.16	-4.3%
AIRLINK	Technology & Comm.	133.98	122.83	-8.3%
PAEL	Cable & Electrical Goods	39.36	35.63	-9.5%
NML	Textile Composite	143.86	132.80	-7.7%

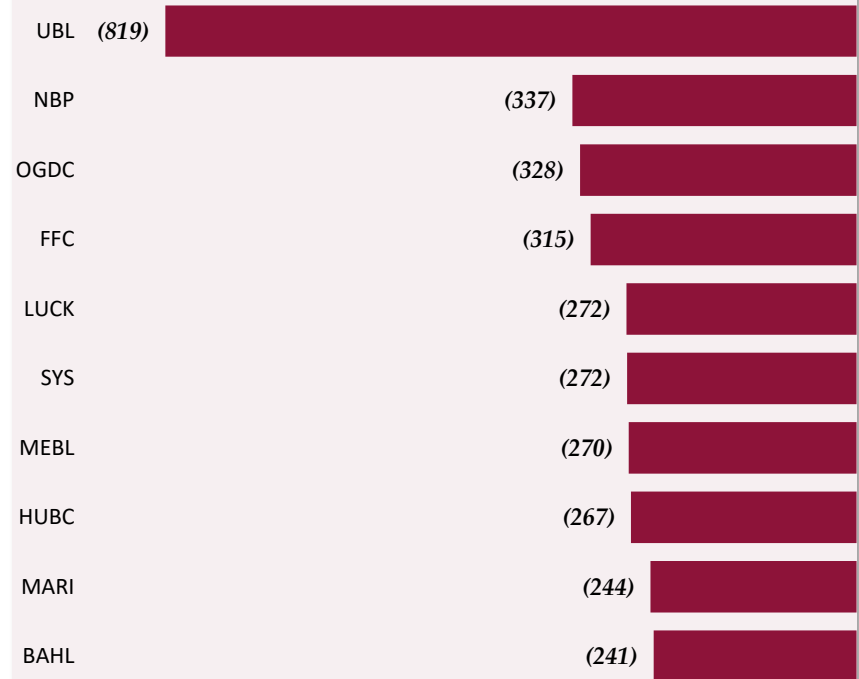
08 Top Leaders and Laggards of KSE-100 (Sep'26)**Top Leaders – Sectors****Top Laggards – Sectors**

08 Top Leaders and Laggards of KSE-100 (Sep'26)

EFERT & PSEL was the largest contributor in the KSE-100 Index

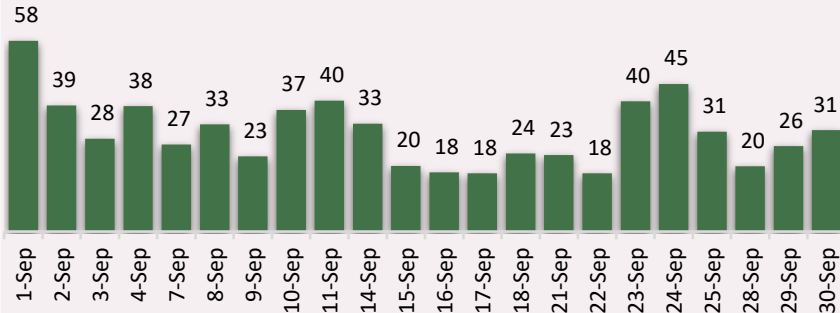


EFERT & PSEL was the largest contributor in the KSE-100 Index

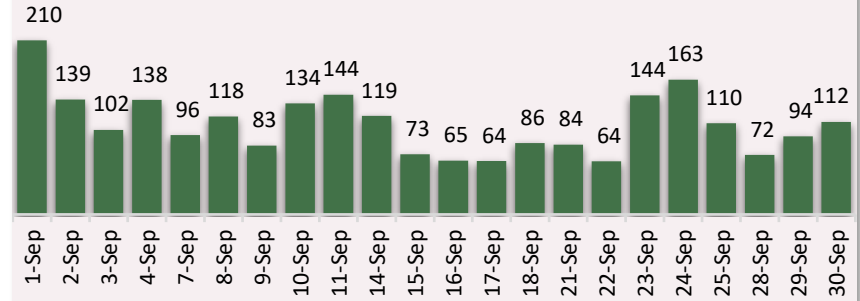


08 PSX Market Activity declined Moderately MoM

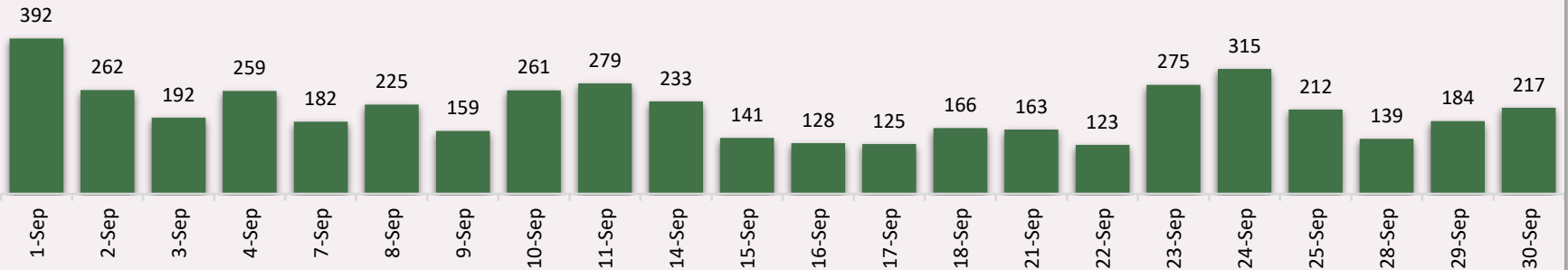
Average daily value traded (PKR Bn)



Average daily value traded (\$Mn)

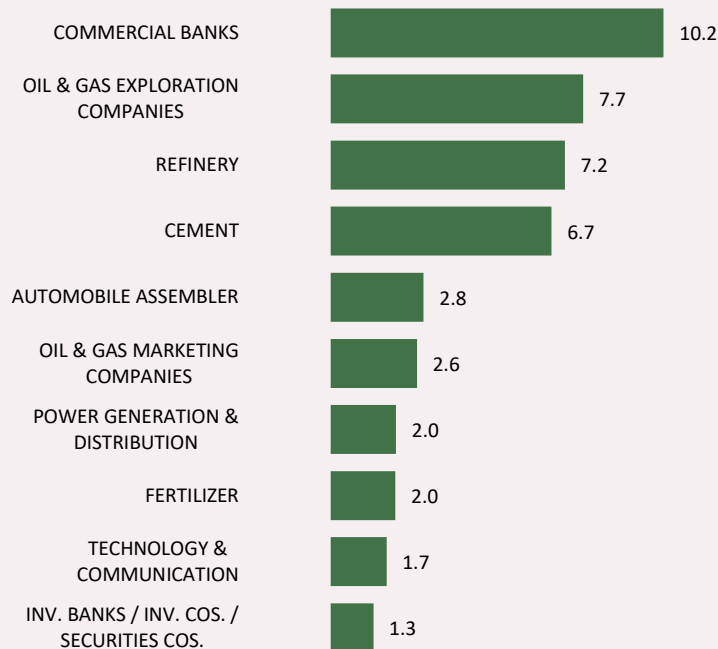


Average daily volumes traded (PKR Mn)

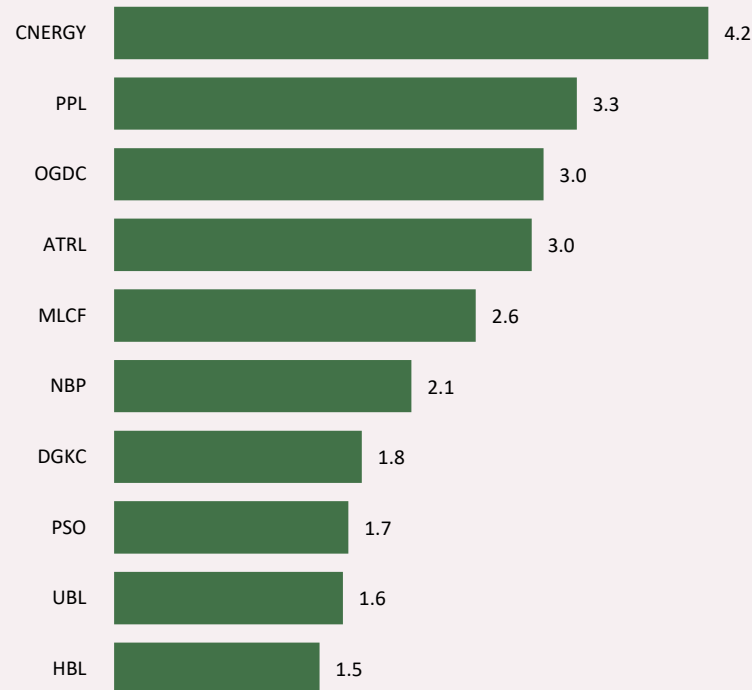


08 Top Sectors & Scrips by Activity

Top Sectors by Value Traded (\$Mn)

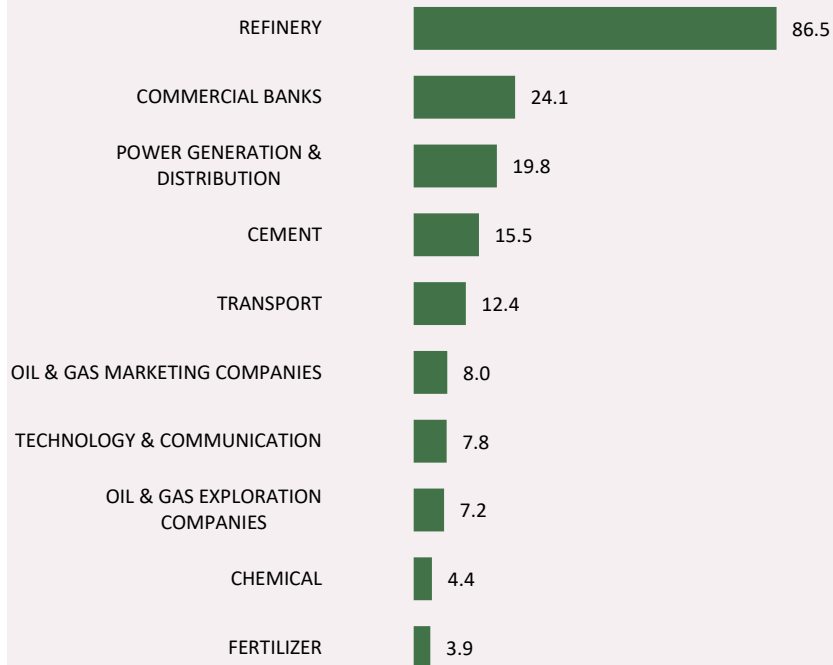


Top Scrips by Value Traded (\$Mn)

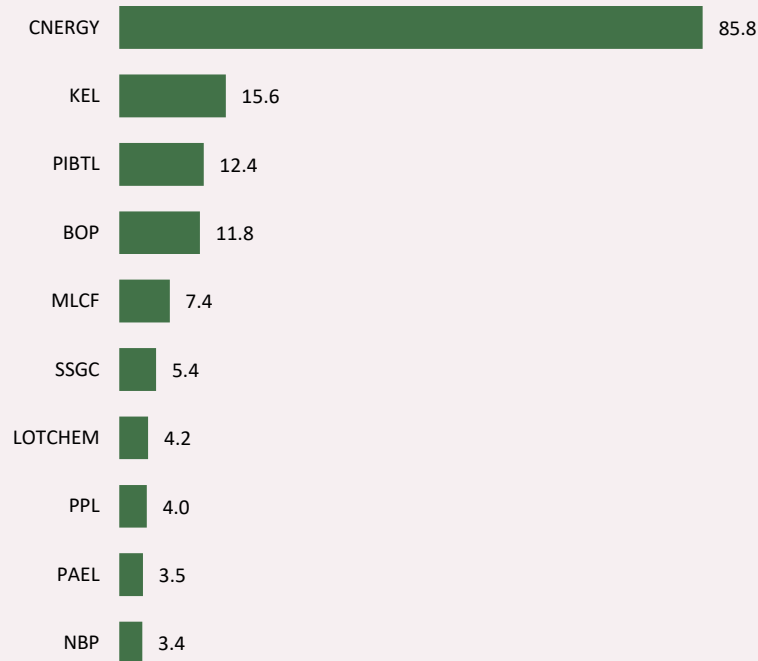


08 Top Sectors & Scripts by Activity

Top Sectors by Volume Traded (Mn Shares)



Top Scripts by Volume Traded (Mn Shares)



AM2+

Rated by PACRA & VIS with a
Stable Outlook



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