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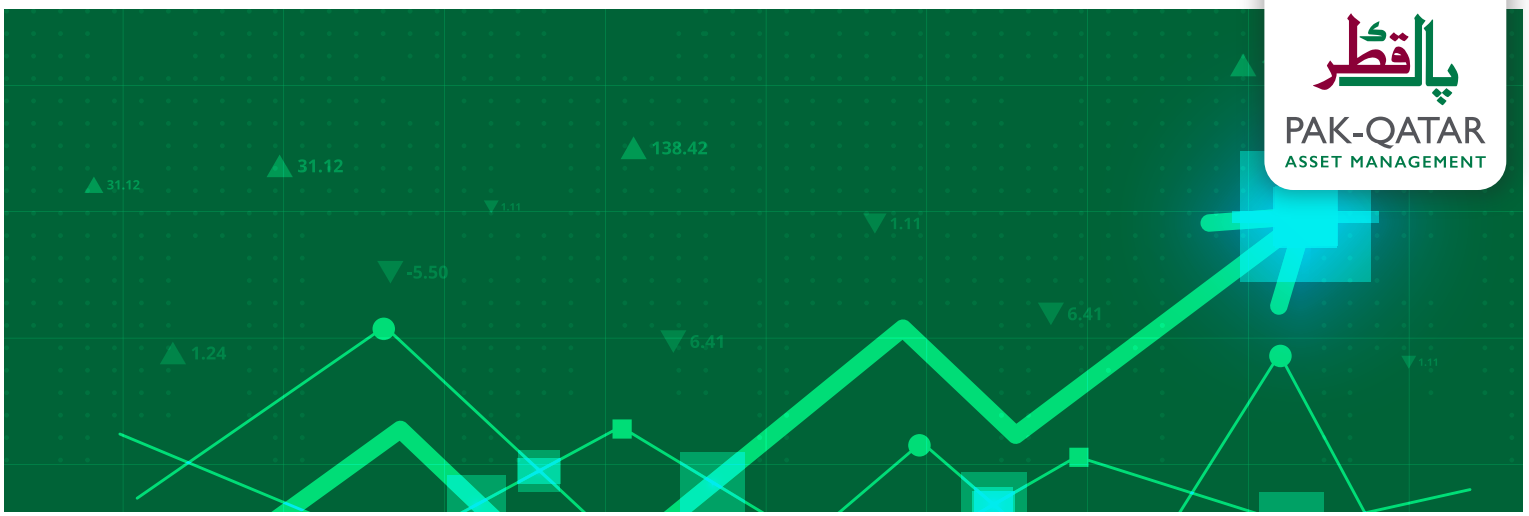
PAK-QATAR
ASSET MANAGEMENT

INVESTOR'S OUTLOOK

September 30, 2026



Pak-Qatar Asset Management Company Limited

Keynote September 30, 2026

PAK-QATAR ASSET MANAGEMENT

Market Summary

	30-Sept-26	MTD	30days	90days	FYTD	CYTD
KSE100	169,969	-3.96%	-3.96%	-7.9%	-5.7%	-2.3%
KMI30	243,609	-3.20%	-3.20%	-6.8%	-5.3%	-2.0%
KSEAll	102,893	-4.23%	-4.23%	-7.5%	-5.6%	-1.6%

Global Markets

	30-Sept-26	MTD	30days	90days	FYTD	CYTD
FTSE 100	10,606	-2.0%	-2.0%	-0.4%	1.0%	6.8%
NASDAQ Composite	26,861	1.9%	1.9%	4.0%	2.5%	15.6%
Shanghai Composite	3,842	-3.6%	-3.6%	-4.6%	-6.2%	-3.2%
Nikkei 225	67,094	1.9%	1.9%	-2.4%	-5.7%	33.3%
Nifty 50	22,620	-6.1%	-6.1%	-6.4%	-5.2%	-13.4%

Portfolio Investments (USD mn)
EQUITY

	15 days	30 days	90 days	365days	FYTD	CYTD
FIPI (net)	(6)	(22)	(5)	(720)	(8)	(605)
LIPI (net)	6	22	5	720	8	605
Ind.	7	37	100	332	92	214
Banks/DFIs	5	3	(35)	(65)	(35)	(96)
Companies	7	21	24	573	28	530
M.Funds	(14)	(42)	(75)	150	(62)	86
Brokers	(4)	(6)	(5)	(13)	(8)	(24)
Others	5	6	(1)	(17)	(1)	7
Ins.	1	2	(4)	(244)	(7)	(7)
NBFC	1	0	1	5	1	3

Key Economic Figures

	30-Jun-23	30-Jun-24	30-Jun-25	30-Jun-26	30-Sep-26
Policy Rate	22.0%	20.5%	11.0%	11.50%	11.50%
1yr KIBOR	23.0%	19.0%	11.1%	11.81%	12.18%
Inflation	29.4%	12.6%	3.20%	11.10%	10.30%
PKR USD*	285.99	279.00	283.76	278.16	277.11

Key Economic Figures

		FY23	FY24	FY25	FY26	FYTD
Imports	USD'mn	52,695	53,156	59,146	64,470	11,635
Exports	USD'mn	27,875	30,979	32,342	30,821	5,445
Trade Deficit	USD'mn	(24,820)	(22,177)	(26,804)	(33,649)	(6,190)
Remittances	USD'mn	27,332	30,250	38,299	41,584	7,287
FX Reserves	USD'mn	9,160	13,996	18,091	22,045	26,811

PKRV Rates (change in bps)

	Rate %	15day Δ	1m Δ	3m Δ	6m Δ	12m Δ
PKRV 1Y	12.20	25	25	72	46	118
PKRV 3Y	12.73	82	82	124	24	155
PKRV 5Y	12.72	82	82	110	14	124
PKRV 10Y	12.74	57	57	68	(7)	74
PKRV 20Y	12.92	47	47	49	(1)	48

**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	30.70	1,467	1,550	(0.05)
FERTILIZER	12.59	602	605	(0.01)
OIL & GAS EXPLORATION COMPANIES	12.69	607	624	(0.03)
CEMENT	8.62	412	438	(0.06)
AUTOMOBILE ASSEMBLER	3.53	169	182	(0.07)
OIL & GAS MARKETING COMPANIES	2.75	132	139	(0.05)
PHARMACEUTICALS	2.41	115	120	(0.04)

Commentary

Economic Review

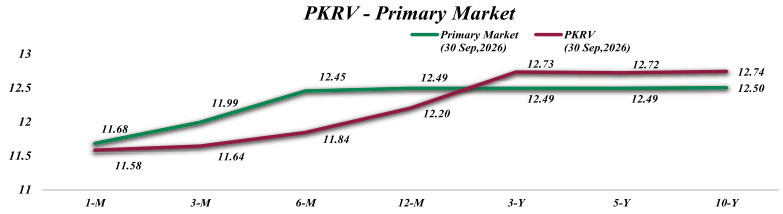
Pakistan enters October balancing macroeconomic resilience against an energy-driven inflation shock. The US-Iran conflict remains the dominant external risk and continues to impact oil supply and global pricing, with Brent closing September near USD 97.5, up about 8 percent for the month, as Hormuz negotiations continue. Inflation reached 10.3 percent in September, compared with 11.1 percent in August; with the policy rate at 11.5 percent, real rates remain barely positive, while secondary market yields have already incorporated inflationary pressures. The central bank has maintained the monetary policy stance as it expects supply-driven pressures to normalize, recognizing that monetary policy alone cannot resolve them. M2 fell 0.7 percent week-on-week to Rs44.02 trillion on 11 September, reflecting a seasonal post-June pattern, while year-on-year growth stood at 13.2 percent. Economic managers have maintained their commitments under the IMF programme by passing higher fuel costs on to consumers and revising gas subsidies and tariffs, which will affect end consumers. Despite these pressures, the central bank expects average inflation to remain within the 7–8 percent target range. FY26 GDP grew 3.7 percent, with a primary surplus of 2.9 percent of GDP. During July-August, the goods deficit widened to $7.12 billion, with exports up 7 percent and imports up 13 percent. The $543 million current account gap was contained largely by $7.3 billion in remittances, up 14.7 percent. This highlights continued dependence on diaspora inflows rather than export competitiveness. FDI rose 24 percent to $495 million, while reserves exceeded $21 billion. Stability remains intact, but sustaining it will depend on oil prices and export-led growth.

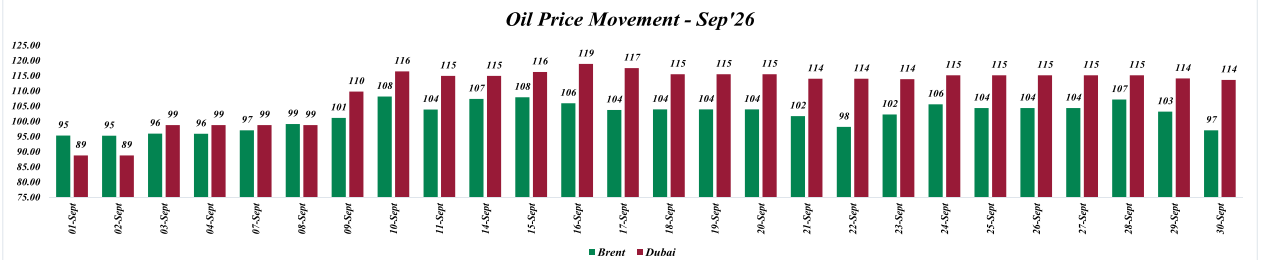
Capital Market Review

Money Market: During the month, the SBP conducted its T-Bill auction on 30 September, accepting a total face value of PKR 400.3 billion at a realized value of PKR 387.0 billion. Acceptance was concentrated in the 3-month and 1-month tenors at PKR 143.9 billion and PKR 138.4 billion, respectively, followed by PKR 88.3 billion in the 6-month and PKR 29.7 billion in the 12-month tenor. Cut-off yields increased across the curve compared to the 16 September auction, with 3-month, 6-month and 12-month yields rising by 61 bps, 75 bps and 49 bps to 11.99%, 12.45% and 12.49%, respectively. The 1-month tenor, which was not accepted in the previous auction, recorded a cut-off yield of 11.68%.

In the Islamic market, the PSX accepted PKR 45.8 billion in fresh GHS at a realized value of PKR 43.6 billion, with cut-off yields of 11.95%, 12.25% and 12.49% for the 3-month, 6-month and 1-year tenors, respectively. Additionally, PKR 71.2 billion was accepted through the re-opening of the 10-year Variable Rental Rate Sukuk at a cut-off yield of 11.68%, representing a 28.5 bps spread over the reference rate. In the PIB auction, the SBP accepted a total face value of PKR 140.1 billion, with the majority of acceptance concentrated in the 5-year and 3-year tenors at PKR 60.2 billion and PKR 51.0 billion, respectively. This was followed by PKR 16.9 billion in the 10-year and PKR 12.0 billion in the 2-year tenor. Cut-off yields stood at 12.39%, 12.49%, 12.49% and 12.50% for the 2-year, 3-year, 5-year and 10-year tenors, respectively. Our portfolios remain aligned with our macroeconomic outlook, while maintaining flexibility in duration and liquidity. We will continue to closely monitor inflation, monetary policy, liquidity conditions and developments in the external account, and adjust portfolio positioning as market conditions evolve.

Equity Market: The KSE-100 closed September at 169,969, down about 4.0 percent for the month, 5.7 percent FYTD and 2.45 percent CYTD, though 2.51 percent higher year-on-year. Sentiment tracked oil and US-Iran tensions, with Brent rising about 8 percent. Earnings remained resilient: KSE-100 companies posted 4QFY26 profits of Rs609 billion, cement earnings rose 27 percent, and listed firms paid record dividends of PKR1.01 trillion, led by banks. Initiatives included refinery policy support. The exuberance remains valid despite the geopolitical dynamics as a new Chinese automaker is expected to enter the local market with a local player. Outlook is cautious but constructive: the IMF review, the 26 October policy decision and oil prices are key catalysts, while a dividend yield near 7.5 percent offers support, and we expect the index to remain depict a range-bound behavior.





30-Sept-26

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