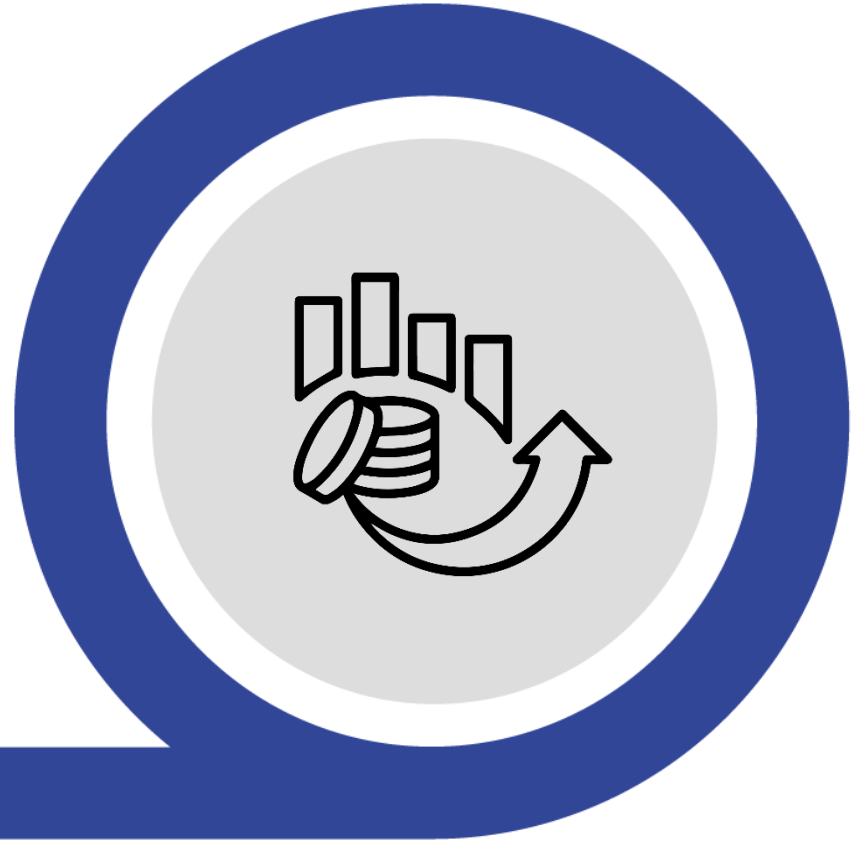


Market Performance

Mar'25: KSE:100 index gains 4.6k points | +4% MoM



28-Mar-2025

AHL Research

D: +92 21 3828 0283

UAN: +92 21 111 245 111, Ext: 248

E: research@arifhabibltd.com

EUROMONEY

Best for Research: '24
Best for Diversity & Inclusion: '24
Best Investment Bank: '23

ASIAMONEY

Best Securities House: '23
Best Investment Bank: '23

**CFA Society
Pakistan**

Best Brokerage House: '23 – '21
Best Corporate Finance House: '23 - '13
Best Economic Research House: : '23 – '21
Best Research Analyst: '22 – '20

FinanceAsia

Best Investment Bank: '22

**INTERNATIONAL
FINANCE**

Best Brokerage House: '23

PSX
PAKISTAN
STOCK EXCHANGE
LIMITED

Top 25 Companies
('17-'19)

ASSET ASIAN AWARDS
TRIPLE A

Best Gender Equality Bond: '24
Best Equity Advisor: '21

CC
CENTRAL
DEPOSITORY
COMPANY

Excellence Award Leading
Brokerage House for RDA '21

PSX Performance - Mar 2025

KSE-100 gains 4.6k points, closing at 117.8k level

- During Mar'25, the KSE-100 index remained upbeat, hitting an all-time intraday high of 119k points, fuelled by optimism over Pakistan's USD 1.0bn IMF staff-level agreement under the EFF, pending Executive Board approval.
- Additionally, a USD 1.3bn RSF arrangement was also secured.
- Positive sentiment was further fuelled by anticipation of circular debt resolution.
- Moreover, the IMF approved a FY25 tax target revision to PKR 12.3trn (from PKR 12.97trn), as per media.
- However; some profit taking, proposal of cement royalties in KPK and IMF concerns over tariff adjustments, limited gains.
- Pakistan's GDP grew 1.73% YoY in 2QFY25, with 1HFY25 growth at 1.54% (vs. 2.33% in 1HFY24).
- The SBP reserves stood at USD 10.6bn, depicting a significant decline of USD 642.7mn compared to last month.
- Hence, the market closed at 117,807 points, depicting a massive gain of 4,555 points | 4.0% MoM.

Exhibit: Market Performance and Activity during Mar'25

KSE100 Index Performance

	Index Level	% Change	Absolute Change
Mar-25	117,807	4.0%	4,555
FY25TD	78,445	50.2%	39,362

PSX Activity

			MoM Change
Average Volume	mn shares	365.7	-29.0%
Average Value	USD mn	85.8	-1.5%

Source (s): PSX, AHL Research

Exhibit: Net FIPI and LIPI during Mar'25

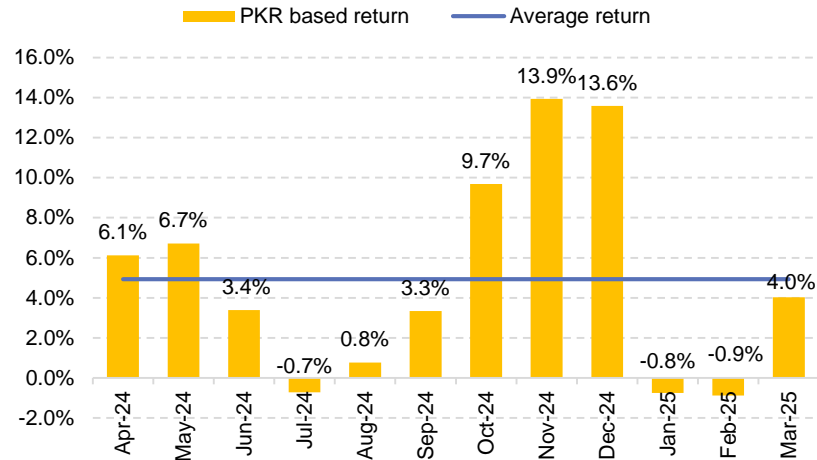
USD mn	FIPI	Ind.	Comp.	Banks	NBFC	Funds	Others	Brokers	Insurance
OMC	4.3	7.7	-0.4	2.8	0.0	3.3	-1.9	-0.1	-15.6
Other Sectors	1.8	-5.9	1.8	2.6	0.1	3.3	3.1	-1.5	-5.3
Technology	1.3	-1.0	-0.1	0.6	0.0	0.5	0.1	-1.8	0.4
Fertilizer	1.3	5.3	-15.0	0.9	0.3	-2.8	-0.6	-0.6	11.2
Debt	0.0	0.3	-0.2	315.1	0.0	-316.4	2.4	0.0	-1.2
Textile	-0.3	-1.6	1.2	-1.3	0.0	1.9	0.1	-0.1	0.1
Foods	-0.8	1.2	-0.3	0.8	0.0	-0.5	0.5	-1.0	0.0
Cements	-1.3	-5.4	6.8	1.1	0.1	-2.4	-0.7	-0.1	1.6
Power	-2.5	1.4	-1.9	-0.4	-0.1	4.8	0.1	-1.6	0.3
E&P	-6.5	-10.2	6.7	-1.4	0.0	10.5	-0.5	2.2	-0.8
Banks	-9.5	4.4	1.3	4.4	0.2	2.2	0.8	-1.1	-2.6
Total	-12.0	-3.8	-0.1	325.2	0.5	-295.5	3.4	-5.7	-11.9

Source (s): NCCPL, AHL Research

PSX Performance - Mar 2025

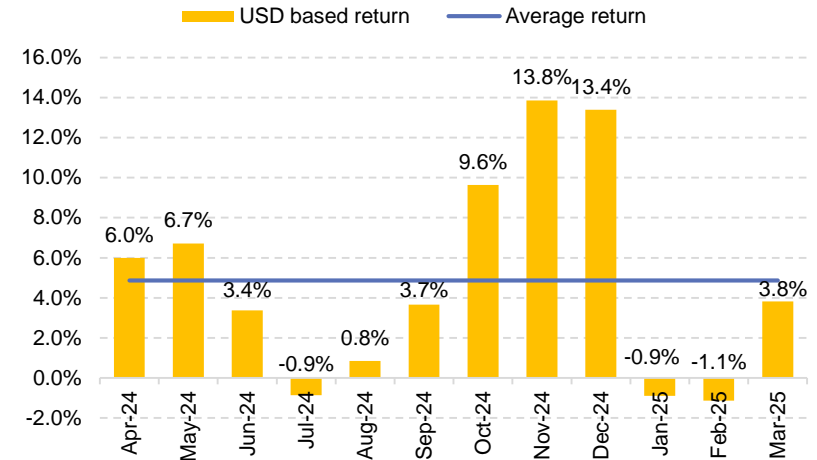
KSE-100 gains 4.6k points, closing at 117.8k level

Figure: KSE-100 historical performance (PKR based)



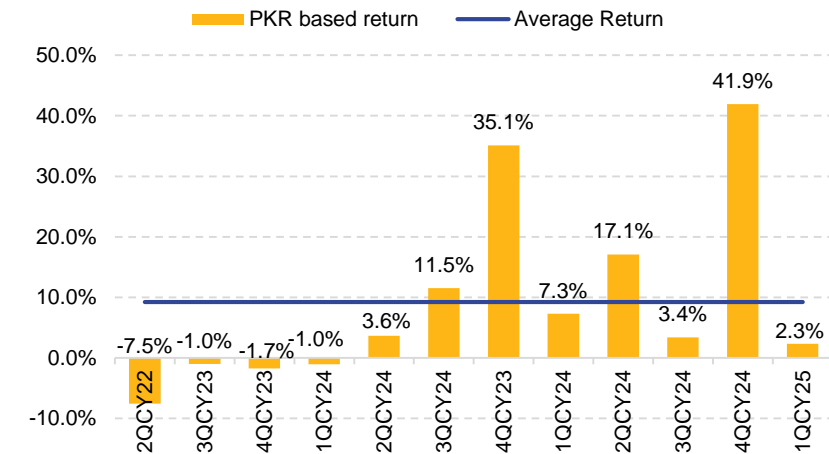
Source (s): PSX, AHL Research

Figure: KSE-100 historical performance (USD based)



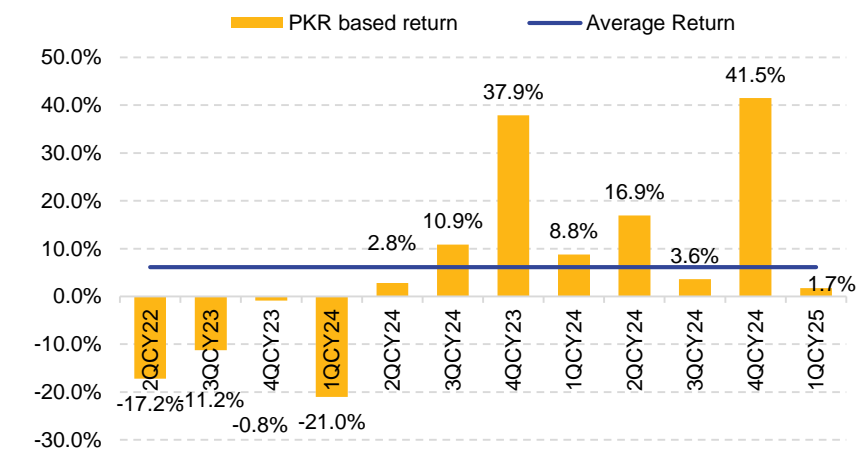
Source (s): PSX, SBP, AHL Research

Figure: KSE-100 historical performance (PKR based)



Source (s): PSX, AHL Research

Figure: KSE-100 historical performance (USD based)



Source (s): PSX, SBP, AHL Research

Major News and Economic developments

Major News

Pakistan's petroleum sales depicted a growth of 2% YoY while declined by 18% MoM to reach 1.14mn tons in Feb'25, Cement sales improve by 7% YoY in February, Urea and DAP sales in Feb'25 plunge by 36% and 65% YoY, respectively, Car sales rise by around 25% in Feb, Pakistan's power generation drops 15% in February, Pakistan's textile exports remain flattish YoY, down 16% MoM, Mari Energies begins production from Shewa discovery in Waziristan Block, Punjab CM launches free tractor scheme, Mari Energies makes second gas and condensate discovery at Spinwam-1 well, Big Bird Foods to install 3MW solar power system, Amreli Steels extends suspension of operations at SITE Rolling Mill, Engro completes divestment of Eximp Agriproducts for Rs2.4bn, Haleon Pakistan ships first Centrum consignment to Kenya, SBP approves SILK merger with UBL.

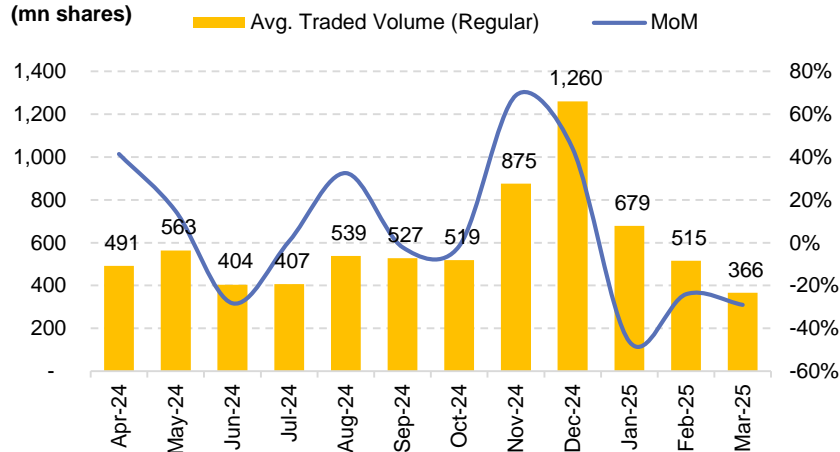
Economic Development

- The current account balance posted a deficit of USD 12mn in Feb'25 (a consecutive deficit after Jan'25) compared to a surplus of USD 71mn in Feb'24 and a deficit of USD 399mn in Jan'25. The current account deficit was observed due to increase in trade deficit, with the goods deficit increasing by 32% YoY to USD 2.4bn from USD 1.8bn in SPLY. The services deficit also up 3.5x YoY to USD 304mn from USD 88mn in SPLY. Hence, the combined trade deficit (goods and services) expanded to USD 2.7bn. On a cumulative basis, the country posted a current account surplus of USD 691mn in 8MFY25, an improvement from the deficit of USD 1.73bn during SPLY.
- Workers' remittances grew robustly by 39% YoY, reaching USD 3,119mn in Feb'25, compared to USD 2,250bn in Feb'24. However, on a MoM basis, remittances increased by 4%, up from USD 3,003bn in Jan'25. In 8MFY25, remittances increased by 33%YoY to USD 24.0bn. Key contributors to this growth included Saudi Arabia, with a 38% YoY rise to USD 744mn, the UAE, which saw a 70% increase to USD 652mn, and the UK, which experienced a 45% YoY growth to USD 502mn.
- The country witnessed net FDI inflow of USD 95mn during Feb'25, compared to net inflow of USD 194mn during Jan'25. During 8MFY25, net FDI inflow up by 41% YoY to USD 1,618mn compared to an inflow of USD 1,148mn in 8MFY24.
- Large-scale manufacturing (LSM) sector recorded negative growth of 1.8% YoY during the 7MFY25. The sectors which negatively contributed to this included food, chemical production, non-metallic mineral products, iron and steel products, electrical equipment, machinery, and furniture.
- The economy continues to move forward, demonstrating resilience despite sectoral variations. The National Accounts Committee (NAC) released the latest GDP figures, showing a 1.73% YoY growth in 2QFY25. Agriculture and services sectors continue to support economic expansion, while industrial recovery remains a challenge. In 2QFY25, the agriculture sector posted a 1.10% YoY growth, and services expanded by 2.57% YoY. However, the industrial sector contracted by 0.18% YoY, highlighting the need for targeted policy interventions.

PSX Performance - Mar 2025

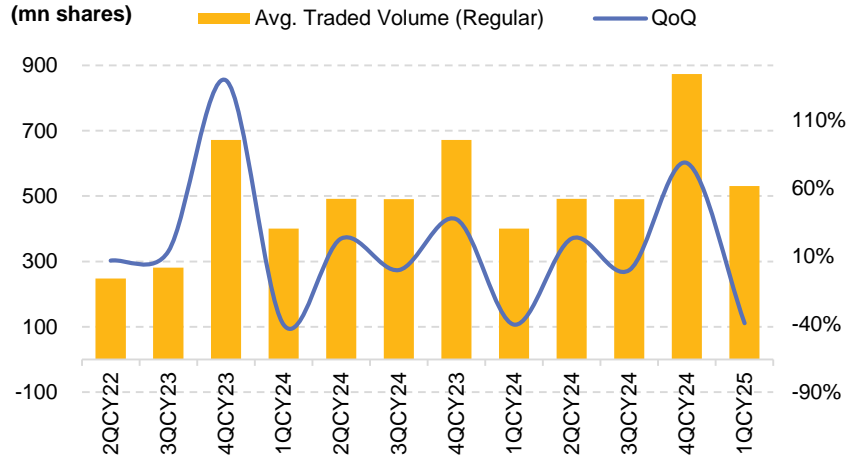
Historical volume and value

Figure: PSX historic average traded volume



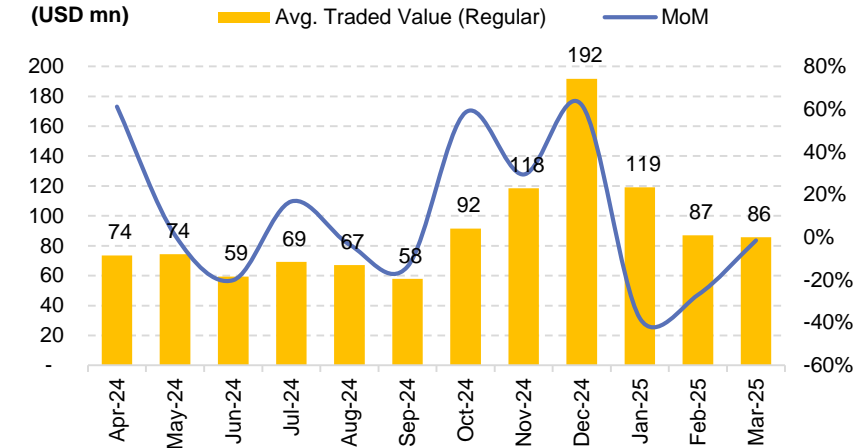
Source (s): PSX, AHL Research

Figure: PSX historic average traded volume



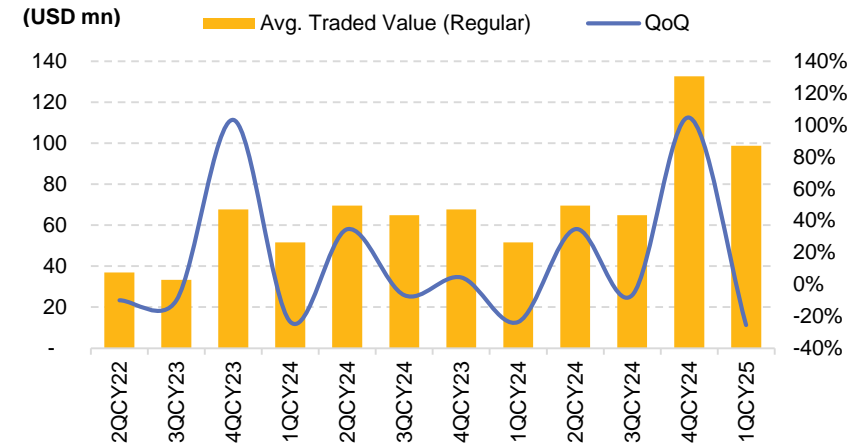
Source (s): PSX, AHL Research

Figure: PSX historic average traded value



Source (s): PSX, SBP, AHL Research

Figure: PSX historic average traded value



Source (s): PSX, SBP, AHL Research

PSX Performance - Mar 2025

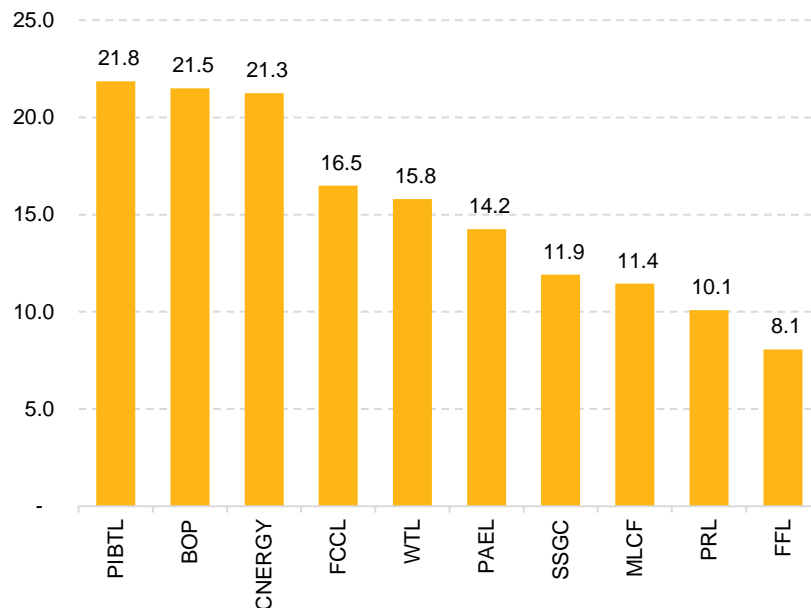
Company & sector wise volume leaders

Volume leaders during Mar'25

- Sectors that garnered the most activity during the month were Cement, Banks, Technology, Food, and Refinery, reporting average volumes of 47mn, 43mn, 35mn, 33mn and 33mn, respectively.
- Whereas on a scrip-wise basis, volumes were led by PIBTL (22mn), BOP (22mn), CENERGY (21mn), FCCL (17mn) and WTL (16mn).

Figure: Top Scrip-wise volume leaders (Mar-25)

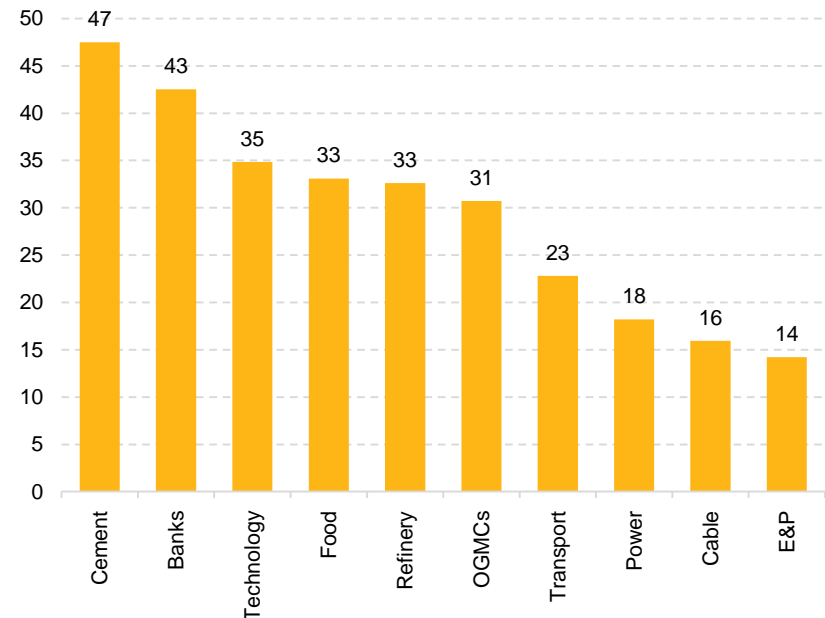
(mn shares)



Source (s): PSX, AHL Research

Figure: Top sector-wise volume leaders (Mar-25)

(mn) shares



Source (s): PSX, AHL Research

PSX Performance - Mar 2025

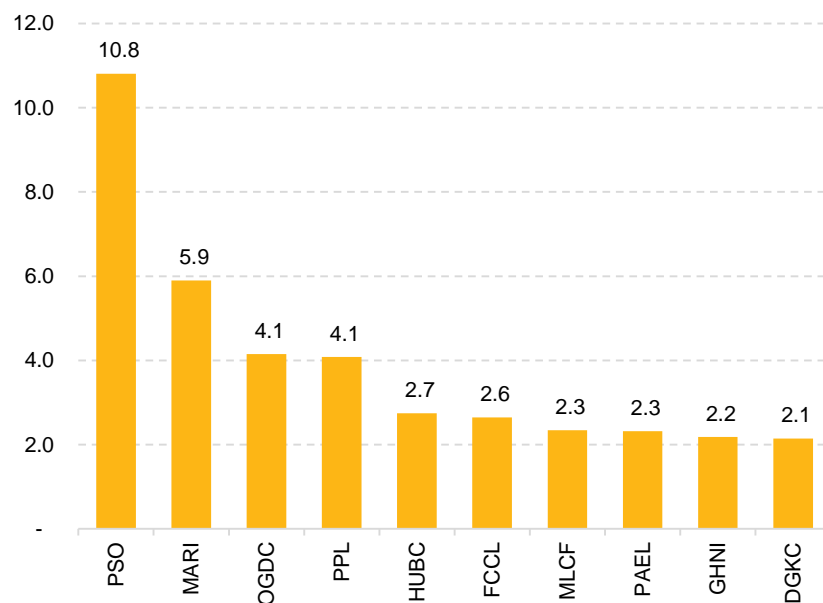
Company & sector wise value leaders

Value leaders during Mar'25

- On a sector-wise basis, the most activity during the period was witnessed in OGMCs, E&P, Cement, Banks, and Auto Assembler posting a trade value of USD 15mn, USD 15mn, USD 11mn, USD 6mn, and USD 6mn, respectively.
- Meanwhile, on a scrip-wise basis, the highest trading values were dominated by PSO (USD 11mn), followed by MARI (USD 6mn), OGDC (USD 4mn), PPL (USD 4mn), and HUBC (USD 3mn).

Figure: Top scrip-wise value leaders (Mar-25)

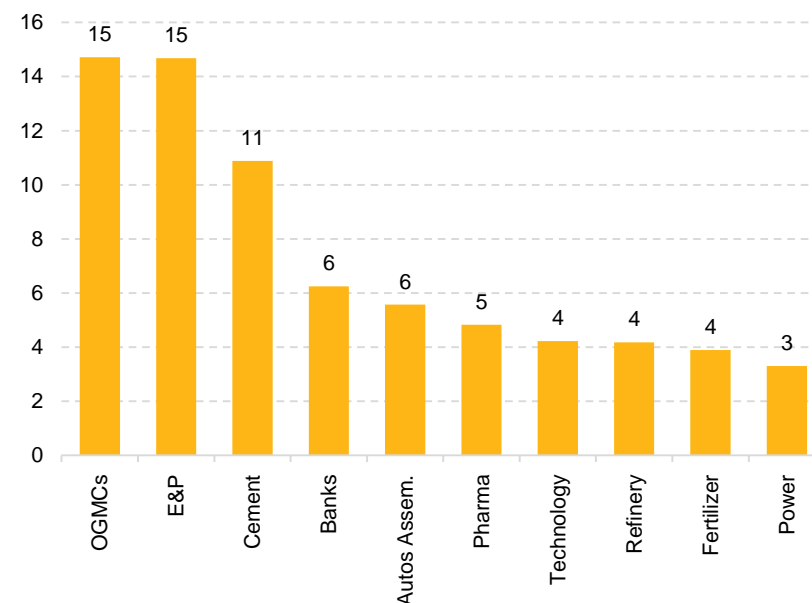
(USD mn)



Source (s): PSX, SBP, AHL Research

Figure: Top sector-wise value leaders (Mar-25)

(USD mn)



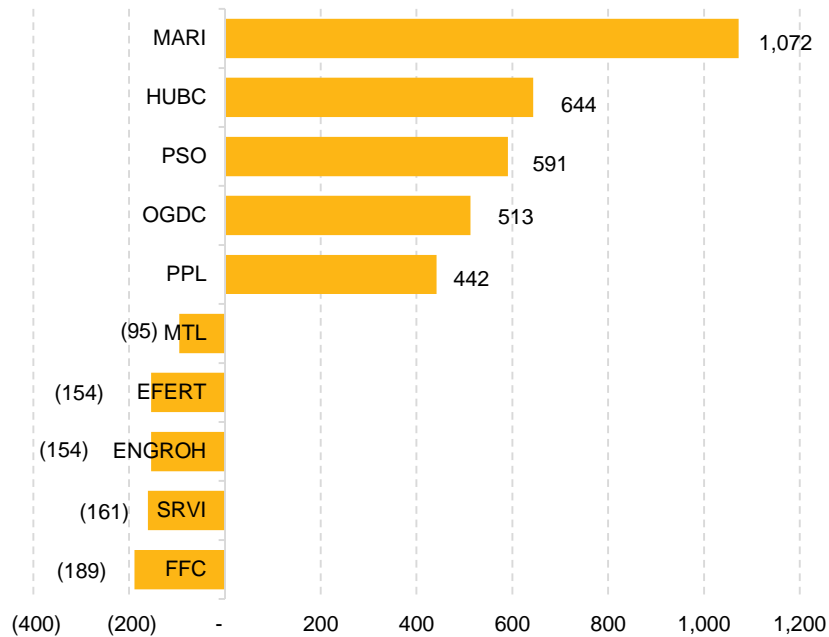
Source (s): PSX, SBP, AHL Research

PSX Performance - Mar 2025

Index contribution

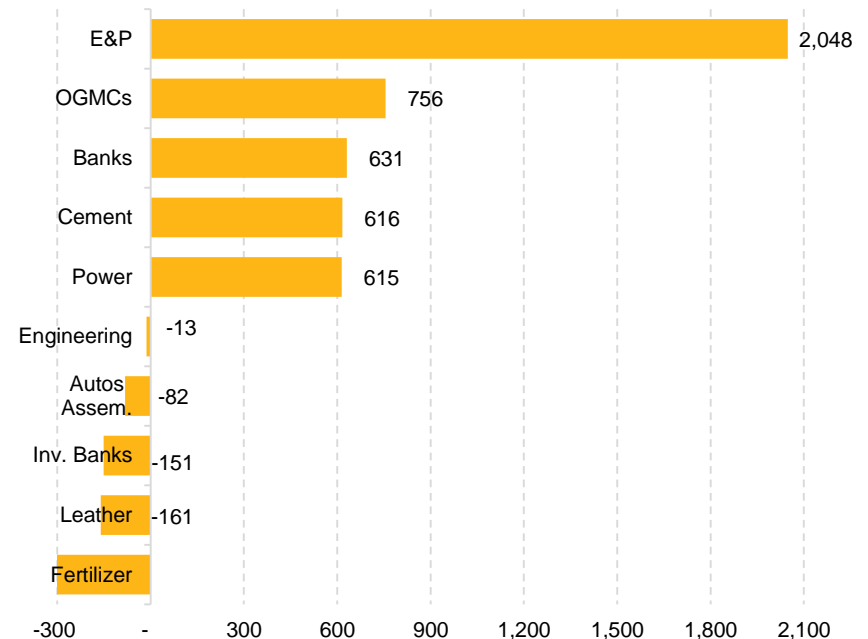
- Sectors contributing positively to the index during Mar'25 include E&P (2,048pts), OGMCs (756pts), Banks (631pts), Cement (616pts), and Power (615pts). However, the sectors contributing negatively comprised of Fertilizer (-320pts) followed by Leather (-161pts), Investment Banks (-151pts), Auto Assemblers (-82pts) and Engineering (-13pts).
- Scrip wise positive contributors during the month were MARI (1,072pts), HUBC (644pts), PSO (591pts), OGDC (513pts) and PPL (442pts). Scrip-wise negative contributors were FFC (-189pts), SRVI (-161pts), ENGROH (-154pts), EFERT (-154pts) and MTL (-95pts).

Figure: Top Scrip-wise index contributors (Mar-25)



Source (s): PSX, AHL Research

Figure: Top sector-wise index contributors (Mar-25)



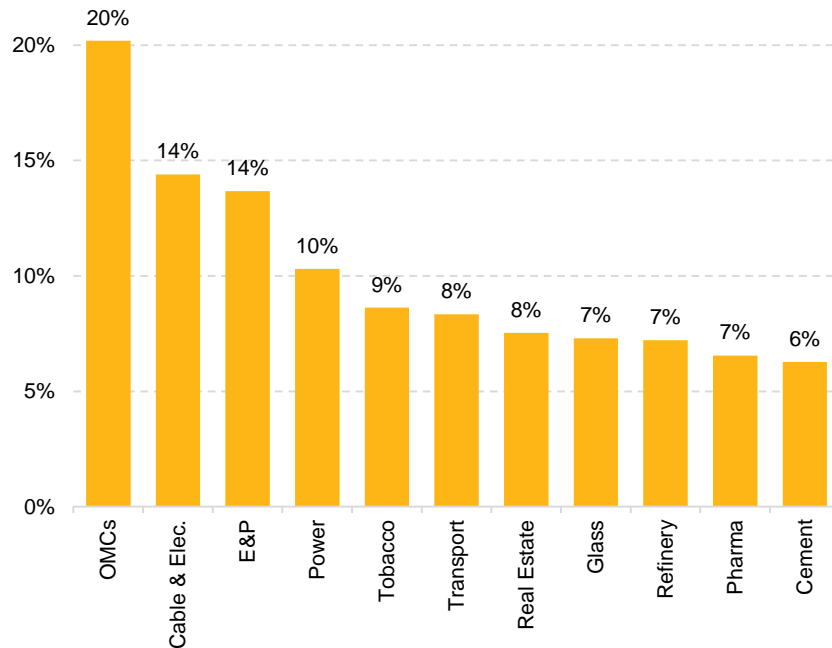
Source (s): PSX, AHL Research

PSX Performance - Mar 2025

Sector-wise major gainers and losers

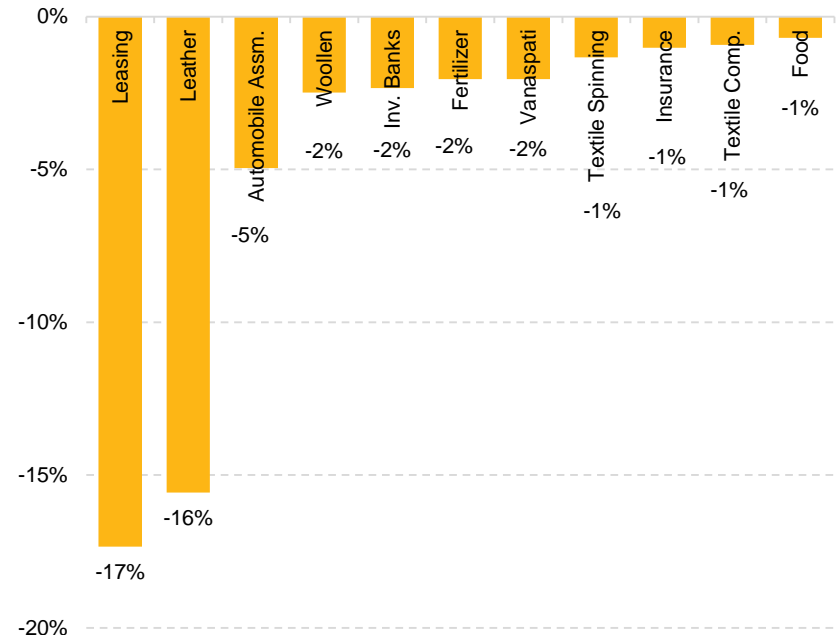
- In terms of sectors, major gainers were OMCs (20%), Cable & Electrical Goods (14%), E&P (14%), Power (10%), and Tobacco (9%) during Mar'25. However, major losers were Leasing (-17%), Leather (-16%), and Auto Assembler (-5%).

Figure: Sector wise major gainers (KSE100)



Source (s): PSX, AHL Research

Figure: Sector wise major losers (KSE100)



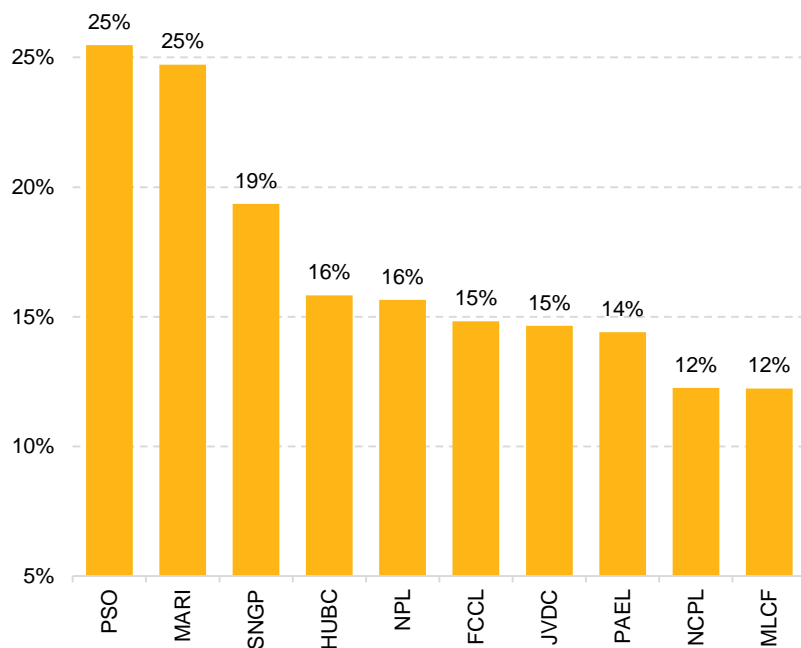
Source (s): PSX, AHL Research

PSX Performance - Mar 2025

Scrip-wise major gainers and losers

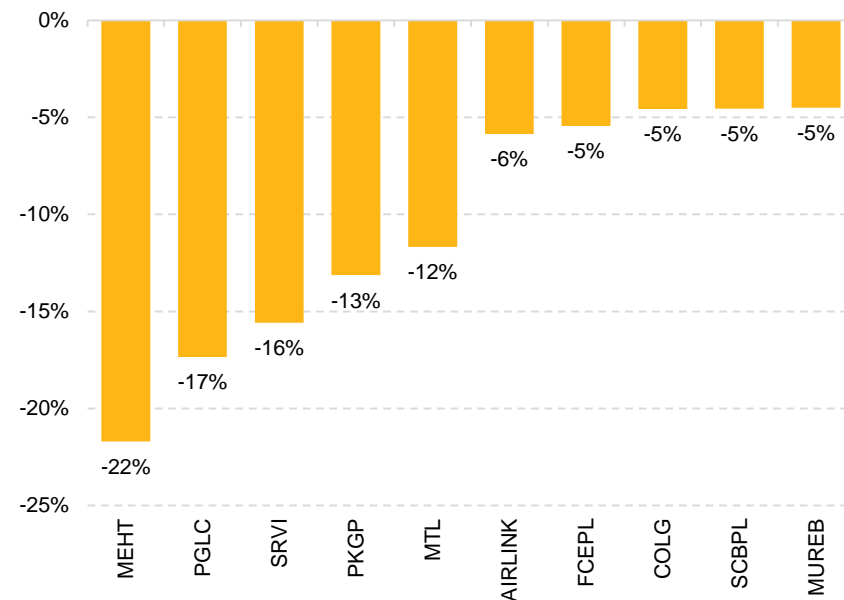
- Scrip-wise major gainers during Mar'25 were witnessed in PSO, MARI, SNGP, HUBC and NPL posting returns of 25%, 25%, 19%, 16%, and 16%, respectively. Meanwhile, negative returns during the month came from MEHT, PGLC, SRVI, PKGP and MTL, each posting returns of -22%, -17%, -16%, -13%, and -12%, respectively.

Figure: Scrip wise major gainers (KSE100)



Source (s): PSX, AHL Research

Figure: Scrip wise major losers (KSE100)



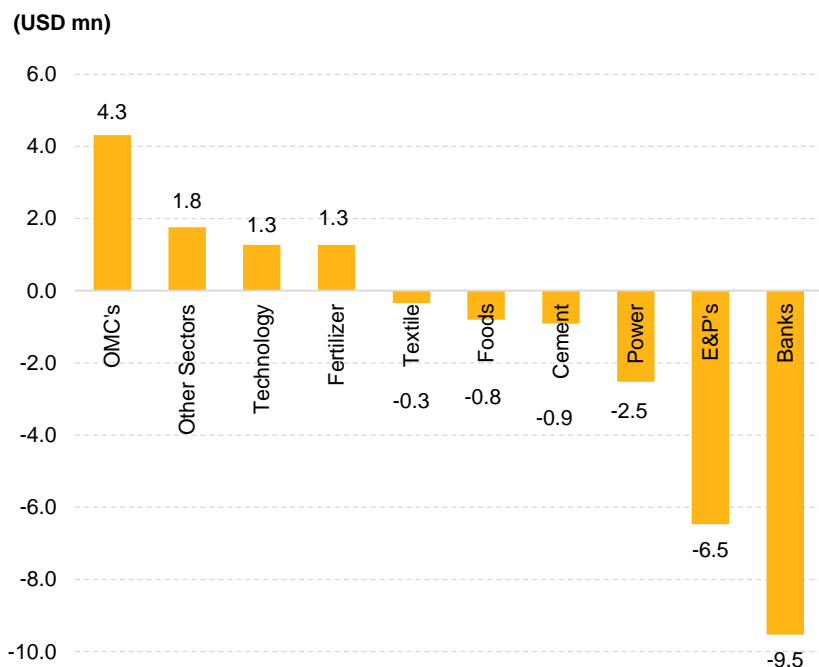
Source (s): PSX, AHL Research

PSX Performance - Mar 2025

Regional portfolio investment and FIPI

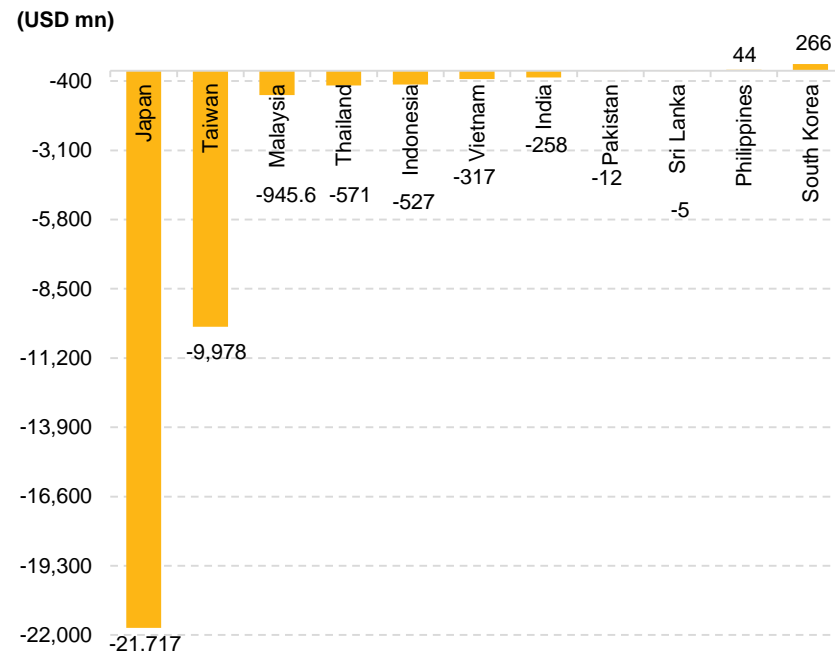
- Hefty foreign selling was witnessed in the Asia-Pacific region during Mar'25, which was led by Japan (-USD 21.7bn) on the concerns regarding expected US tariff hike and its possible impact on Asian supply chains followed by Taiwan (-USD 10.0bn) and Malaysia (-USD 0.9bn).
- On the domestic stock exchange, foreign selling activity of USD 12.0mn was reported for the month of Mar'25. The outflows were predominantly in Banks (-USD 9.8mn), E&Ps (-USD 6.5mn), Power (-USD 2.5mn), Cement (-USD 0.9mn), and Foods (-USD 0.8mn). Whereas, net buying was observed in OGMC's (USD 4.3mn), Other Sectors (USD 1.8mn), Technology (USD 1.3mn), and Fertilizer (USD 1.3mn).

Figure: Sector wise FIPI Mar-25



Source (s): NCCPL, AHL Research

Figure: Regional Portfolio investment during Mar-25



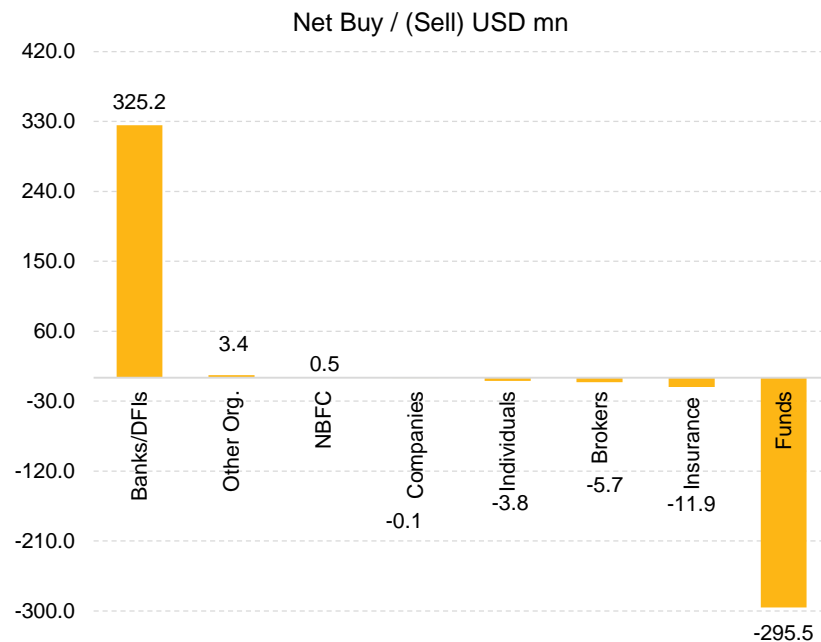
Source (s): NCCPL, Bloomberg, AHL Research

PSX Performance - Mar 2025

Portfolio investment (LIPI)

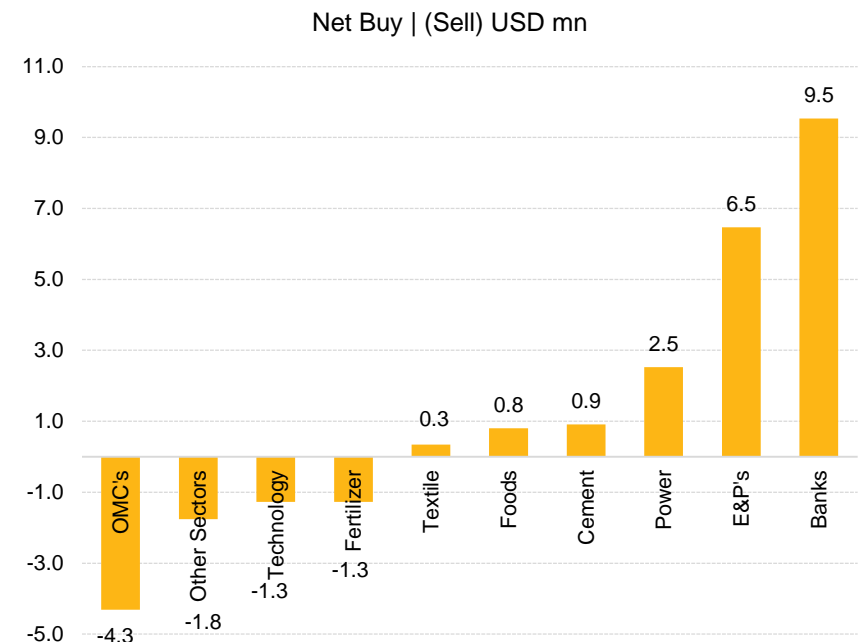
- On the local front, buying was reported by Banks/DFIs (USD 325.2mn), Other Organization (USD 3.4mn), and NBFC (USD 0.5mn). Meanwhile, selling was witnessed by Mutual Funds (-USD 295.5mn), Insurance (-USD 11.9mn), Brokers (-USD 5.7mn), and Individuals (-USD 3.8mn) during Mar'25.

Figure: Local Investors Portfolio Investment (Mar-25)



Source (s): NCCPL, AHL Research

Figure: Sector wise LIPI (Mar-25)



Source (s): NCCPL, AHL Research

PSX Performance - Mar 2025

Outlook & Recommendation

We expect market to be remain positive in the upcoming month, continuing the robust sentiment witnessed post SLA between Pakistan and IMF and signing of new RSF program towards end of Mar'25. Furthermore, the result season is expected to commence from next month, where certain scrips are anticipated to be in the limelight amid the expectation of better financial results.

Moreover, we expect headline inflation for Mar'25 to drop to a 59 year low of 0.79% YoY (lowest inflation reading since Dec'65). The recent monthly back-to-back low YoY inflation readings are mainly a result of the high base effect, coupled with a drop in food and housing indices. Furthermore, if global commodity and energy prices stay stable and the PKR maintains its strength, it will further support the inflation outlook, helping to keep price pressures under control.

The KSE-100 is currently trading at a PER of 6.4x (2025) compared to its 10-year average of 8.0x offering a dividend yield of ~8.2% compared to its 10-year average of ~6.5%. Our preferred stocks are PSO, OGDC, PPL, FFC, FCCL, MLCF, LUCK, NBP, AKBL, HUMNL, SYS, AIRLINK and HTL.

PSX Performance - Mar 2025

World Indices Performance

Exhibit: World's Major Stock Market Performance (USD based return, Mar'25)

Sr#	Index	Country	Index	Return (%)	Sr#	Index	Country	Index	Return (%)
1	ASE Index	Greece	1,746	13.3	38	ZHIALSH Index	Zimbabwe	206	1.4
2	PX Index	Czech Republic	2,145	10.7	39	PCOMP Index	Philippines	6,140	1.4
3	WIG20 Index	Poland	2,780	10.7	40	VNINDEX Index	Vietnam	1,324	1.1
4	GGSECI Index	Ghana	6,229	10.3	41	SPTSX Index	Canada	25,161	0.9
5	OBXP Index	Norway	655	10.2	42	OMX Index	Sweden	2,573	0.7
6	BUX Index	Hungary	92,720	9.0	43	ISEQ Index	Ireland	10,556	0.7
7	MERVAL Index	Argentina	2,412,082	9.0	44	PFTS Index	Ukraine	505	0.7
8	IBOV Index	Brazil	133,149	8.1	45	JCI Index	Indonesia	6,511	0.2
9	LUXXX Index	Luxembourg	1,564	7.5	46	KZKAK Index	Kazakhstan	5,607	(0.2)
10	BELEX15 Index	Serbia	1,164	6.1	47	BHSEASI Index	Bahrain	1,951	(0.5)
11	SENSEX Index	India	77,606	6.0	48	DSEX Index	Bangladesh	5,219	(0.5)
12	IPSA Index	Chile	7,654	5.7	49	SHSZ300 Index	China	3,932	(0.6)
13	TALSE Index	Estonia	1,936	5.4	50	HSI Index	Hong Kong	23,579	(0.6)
14	ATX Index	Austria	4,265	5.0	51	SEMDEX Index	Mauritius	2,472	(0.6)
15	FTSEMIB Index	Italy	39,099	5.0	52	SASEIDX Index	Saudi Arabia	12,025	(0.7)
16	IBEX Index	Spain	13,423	4.9	53	NZSE Index	New Zealand	1,778	(0.9)
17	EGX30 Index	Egypt	32,026	4.8	54	NSEASI Index	Kenya	130	(1.5)
18	PSI20 Index	Portugal	6,899	4.5	55	MSM30 Index	Oman	4,367	(1.5)
19	TUSISE Index	Tunisia	10,960	4.5	56	KOSPI Index	South Korea	2,607	(1.7)
20	DAX Index	Germany	22,679	4.3	57	SET Index	Thailand	1,188	(1.7)
21	RIGSE Index	Latvia	878	4.2	58	NKY Index	Japan	37,800	(1.9)
22	JALSH Index	South Africa	89,898	4.1	59	ICEXI Index	Iceland	2,211	(2.0)
23	SOFIX Index	Bulgaria	903	3.4	60	DSM Index	Qatar	10,233	(2.1)
24	BEL20 Index	Belgium	4,435	3.4	61	INDU Index	USA	42,300	(2.2)
25	KSE100 Index	Pakistan	117,807	3.8	62	ADSMI Index	UAE	9,390	(2.3)
26	VILSE Index	Lithuania	1,155	3.2	63	AS51 Index	Australia	7,969	(2.8)
27	MEXBOL Index	Mexico	53,478	2.4	64	SPX Index	USA	5,693	(2.9)
28	AEX Index	Netherlands	915	2.4	65	FBMKLCI Index	Malaysia	1,536	(3.0)
29	BET Index	Romania	17,505	2.4	66	CSEALL Index	Sri Lanka	15,882	(3.6)
30	CAC Index	France	7,990	2.2	67	NDX Index	USA	19,799	(3.7)
31	FSSTI Index	Singapore	3,982	2.1	68	DFMGI Index	Dubai	5,120.4	(4.5)
32	JOSMGNFF Index	Jordan	2,641	2.0	69	NGSEINDX Index	Nigeria	105,426	(4.5)
33	CRO Index	Croatia	3,333	1.9	70	XU100 Index	Turkey	9,613	(5.4)
34	SX5E Index	Europe	5,381	1.9	71	TWSE Index	Taiwan	21,952	(5.6)
35	SBITOP Index	Slovenia	2,025	1.7	72	BLOM Index	Lebanon	2,283	(5.6)
36	HEX Index	Finland	10,245	1.7	73	KFX Index	Denmark	1,807	(13.8)
37	UKX Index	UK	8,666	1.6					

Source (s): Bloomberg, AHL Research

Analyst Certification and Disclaimer

Analyst Certification: The research analyst(s) is (are) principally responsible for preparation of this report. The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject security (ies) or sector (or economy), and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. In addition, we currently do not have any interest (financial or otherwise) in the subject security (ies). Furthermore, compensation of the Analyst(s) is not determined nor based on any other service(s) that AHL is offering. Analyst(s) are not subject to the supervision or control of any employee of AHL's non-research departments, and no personal engaged in providing non-research services have any influence or control over the compensatory evaluation of the Analyst(s).

Equity Research Ratings

Arif Habib Limited (AHL) uses three rating categories, depending upon return form current market price, with Target period as Dec 2025 for Target Price. In addition, return excludes all type of taxes. For more details, kindly refer the following table;

Rating	Description
BUY	Upside* of subject security(ies) is more than +15% from last closing of market price(s)
HOLD	Upside* of subject security(ies) is between 0% and +15% from last closing of market price(s)
SELL	Upside* of subject security(ies) is less than 0% from last closing of market price(s)

Equity Valuation Methodology

AHL Research uses the following valuation technique(s) to arrive at the period end target prices;

- Discounted Cash Flow (DCF)
- Dividend Discount Model (DDM)
- Sum of the Parts (SoTP)
- Justified Price to Book (JPTB)
- Reserved Base Valuation (RBV)

Risks: The following risks may potentially impact our valuations of subject security (ies);

- Market risk
- Interest Rate Risk
- Exchange Rate (Currency) Risk

Disclaimer: This document has been prepared by Research analysts at Arif Habib Limited (AHL). This document does not constitute an offer or solicitation for the purchase or sale of any security. This publication is intended only for distribution to the clients of the Company who are assumed to be reasonably sophisticated investors that understand the risks involved in investing in equity securities. The information contained herein is based upon publicly available data and sources believed to be reliable. While every care was taken to ensure accuracy and objectivity, AHL does not represent that it is accurate or complete and it should not be relied on as such. In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors. The information given in this document is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. AHL reserves the right to make modifications and alterations to this statement as may be required from time to time. However, AHL is under no obligation to update or keep the information current. AHL is committed to providing independent and transparent recommendation to its client and would be happy to provide any information in response to specific client queries. Past performance is not necessarily a guide to future performance. This document is provided for assistance only and is not intended to be and must not alone be taken as the basis for any investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult his or her own advisors to determine the merits and risks of such investment. AHL or any of its affiliates shall not be in any way responsible for any loss or damage that may be arise to any person from any inadvertent error in the information contained in this report.