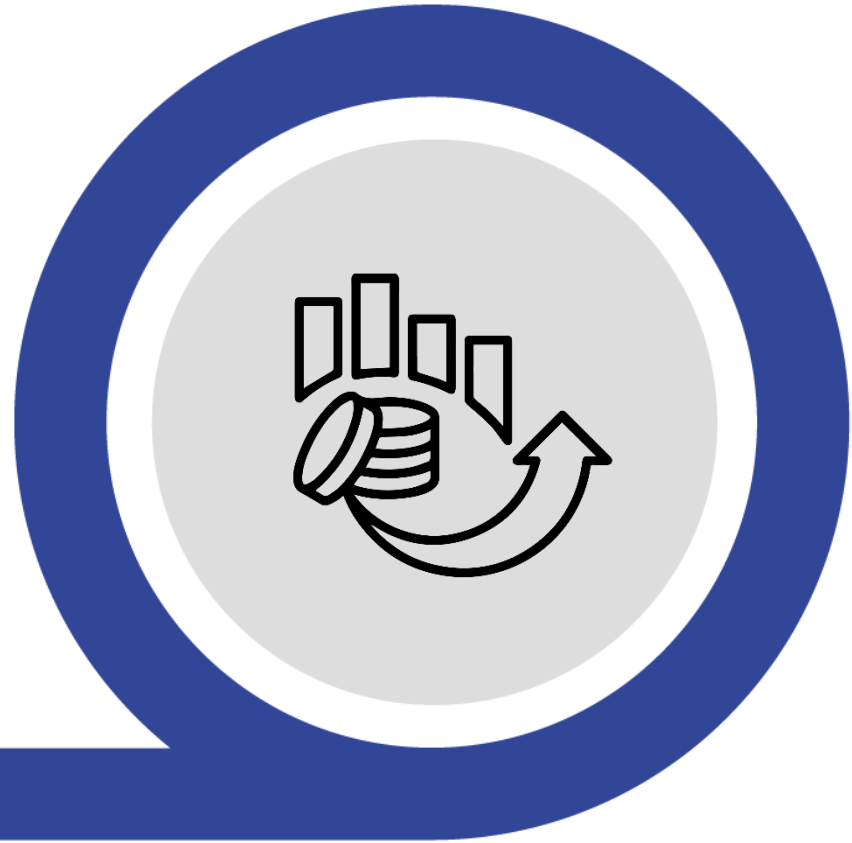


Market Performance

May'25: KSE:100 index gains 8,365pts | 7.5% MoM



30-May-2025

REP-300

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 Broker: '25
Best Equity Capital Market House: '25

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

CDC
CENTRAL DEPOSITORY COMPANY

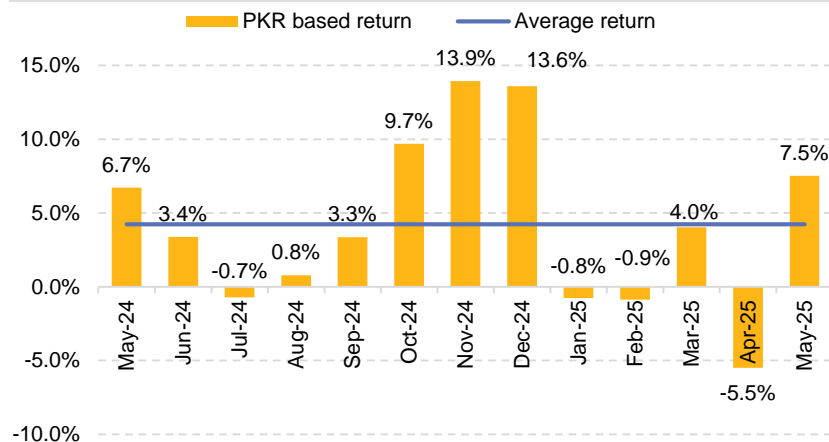
Excellence Award Leading Brokerage House for RDA '21

PSX Performance - May 2025

KSE-100 up 8,365 points, closing at 119,691

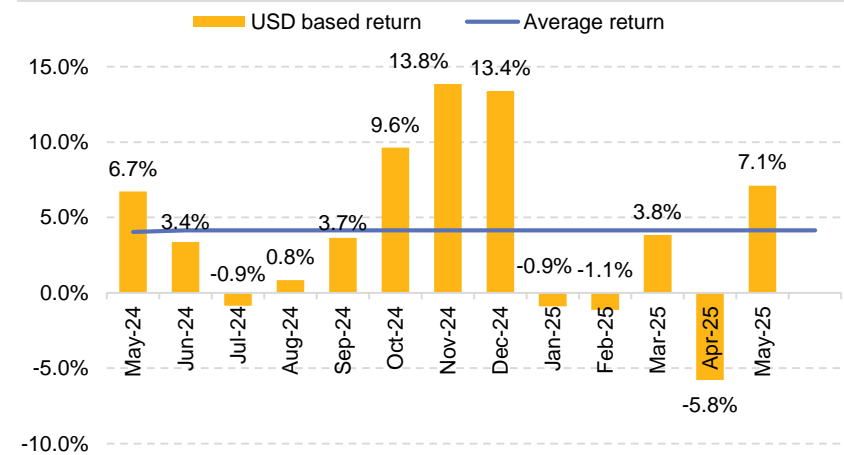
- In May'25, KSE-100 went through a rollercoaster ride, primarily influenced by a brief episode of geopolitical tension.
- In the first week of May'25, the KSE-100 Index stayed mostly negative amid rising Pak-India tensions and escalation concerns. During the week, On 8th May'25, the index recorded its steepest single-day decline points-wise, plunging by 6,482 points to close at 103,527.
- As the geopolitical environment stabilized, investor confidence returned, and the market rebounded strongly. The KSE-100 Index rose by 10,123 points (9.45%) in a single day, closing at 117,298, marking the highest one-day gain in the index's history in both absolute and percentage terms.
- Alongside the easing of tensions, positive economic developments helped support the market recovery. Pakistan received approval from the International Monetary Fund for USD 1bn under the Extended Fund Facility (EFF) and USD 1.4bn under the Resilience and Sustainability Facility (RSF), providing a boost to external financing.
- The SBP lowered the policy rate by 100bps to 11% citing improving inflation trends and macroeconomic stability.
- Moreover, Finance Ministry reported a budget deficit of PKR 2,970bn (2.4% of GDP) in 9MFY25.
- Additionally, MSCI added 3 Pakistani companies to the FM Index and 4 to the FM Small Cap Index.
- Furthermore, Pakistan launched its first ever Green Sukuk, aiming to raise PKR 20bn - PKR 30bn for environmentally sustainable projects.
- The SBP reserves increased by 13% MoM to USD 11.5bn by the end of May'25, primarily due to disbursements received from the IMF.
- The overall index closed 119,691 points | 7.5% up on a MoM basis, rebounding on easing geopolitical tensions and IMF inflows.

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

PSX Performance - May 2025

Major News and Economic developments

Major News

The urea and DAP sales dwindled by 25% and 4% YoY, respectively in Apr'25, Cement dispatches in Apr'25 witnessed a YoY growth of 13%, reaching 3.34mn tons, automobile sales stood at 10.6K units, reflecting a 5% MoM decline and remaining largely flat with a marginal 1% YoY increase, Power generation rose by 21.7% YoY, reaching 10,513 GWh (14,601 MW), compared to 8,639 GWh (11,999 MW) in Apr'24, Oil sales jump 32% YoY in April on strong economic activity, FFC converts preference shares in Agritech, lifts stake to 37.36%, Technology exports went up by 2% YoY during Apr'25 to USD 317mn, Banking sector deposits increased by 13.7% YoY in Apr'25.

Economic Development

- In Apr'25, the current account surplus was USD 12mn, down from USD 315mn in Apr'24 and USD 1.2bn in Mar'25. The cumulative surplus in 10MFY25 reached USD 1.9bn, marking a significant improvement from a deficit of USD 1,337mn during 10MFY24.
- Workers' remittances grew robustly by 13% YoY, reaching USD 3.2bn in Apr'25, compared to USD 2.8bn in Apr'24. On a MoM basis, remittances decreased by 22%, up from USD 4.1bn in Mar'25. In 10MFY25, remittances increased by 31%YoY to USD 31.2bn. Key contributors to this growth included Saudi Arabia, with a 2% YoY rise to USD 728mn, the UAE, which saw a 21% increase to USD 658mn, and the UK, which experienced a 33% YoY growth to USD 535mn.
- The National Accounts Committee (NAC) released the latest GDP data, revealing a 2.68% YoY growth for FY25, with a 5.47% YoY growth in 4QFY25. The size of GDP reached USD 411bn while per capita income reached USD 1,824. The expected real GDP growth is lower than the initially estimated number of 3.6%.
- Pakistan's economy achieved a primary surplus of PKR 3.5trn (2.8% of GDP) during 9MFY25. In 3QFY25, the country recorded a primary deficit of PKR 135bn (0.1% of GDP). The overall fiscal deficit narrowed significantly by 24% YoY, decreasing to PKR 3.0trn (2.4% of GDP) from 3.7% in the same period last year. This improvement was driven by robust revenue growth in both tax and non-tax categories, which outpaced the rise in overall expenditures.
- Large Scale Manufacturing Industries (LSMI) output witnessed an increase of 1.79% YoY during Mar'25 while on MoM basis, it decreased by 4.6%. During 9MFY25, LSM output decreased by 1.5% YoY.

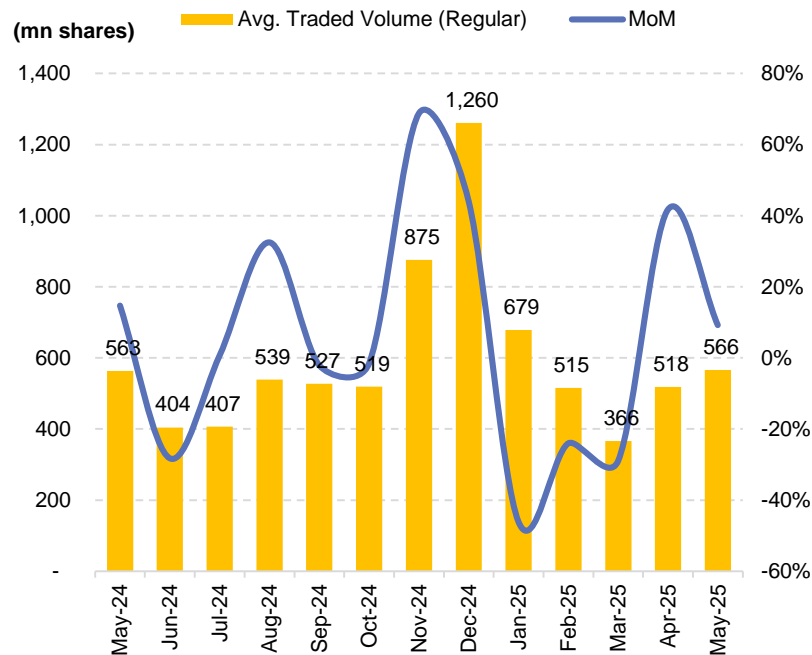
PSX Performance – May 2025

Historical volume and value

Increase in traded volume during May-25

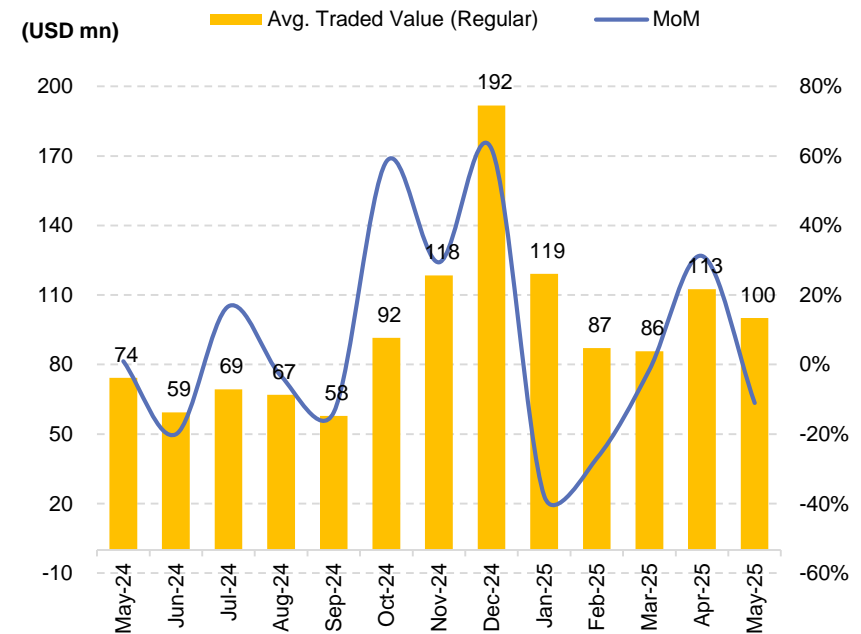
- During May'25, the average traded volume increased by 9% to 566mn shares, while the average traded value decreased by 11% to USD 100mn.

Figure: PSX historic average traded volume



Source (s): PSX, AHL Research

Figure: PSX historic average traded value



Source (s): PSX, SBP, AHL Research

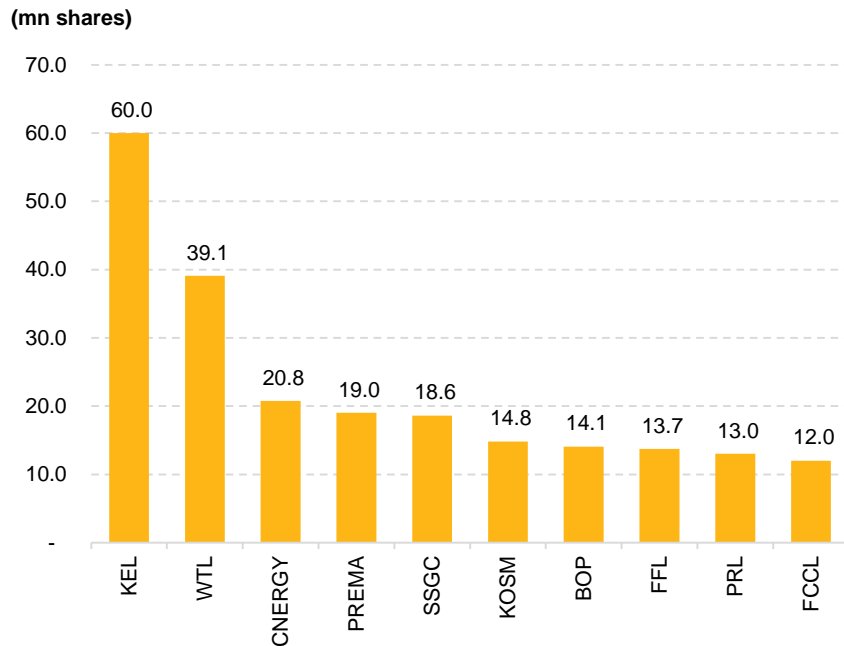
PSX Performance - May 2025

Company & sector wise volume leaders

Volume leaders during May'25

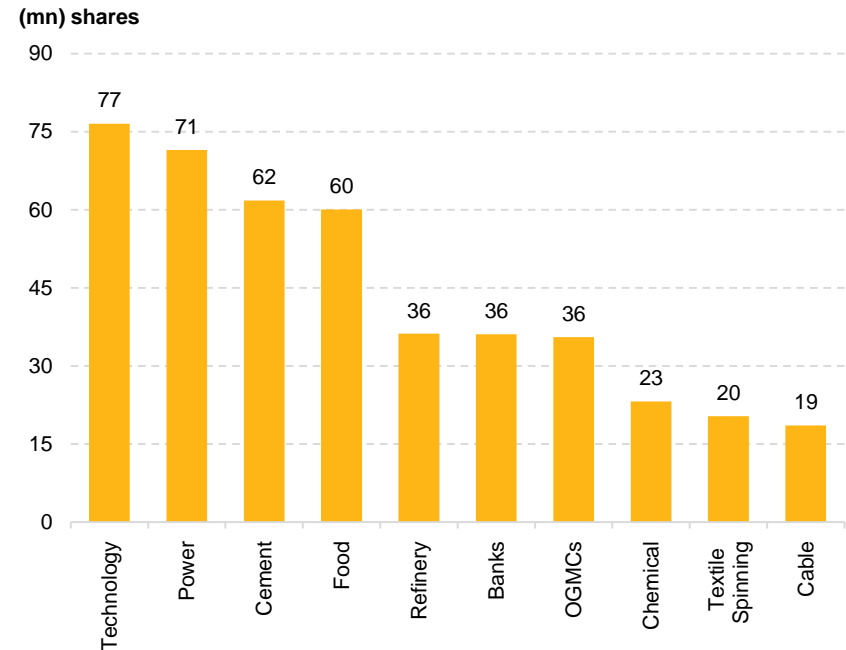
- Sectors that garnered the most activity during the month were Technology, Power, Cement, Food and Refineries reporting average volumes of 77mn, 71mn, 62mn, 60mn and 36mn respectively.
- Whereas on a scrip-wise basis, volumes were led by KEL (60.0mn), WTL (39.1mn), CENERGY (20.8mn), PREMA (19.0mn) and SSGC (18.6mn).

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



Source (s): PSX, AHL Research

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



Source (s): PSX, AHL Research

PSX Performance - May 2025

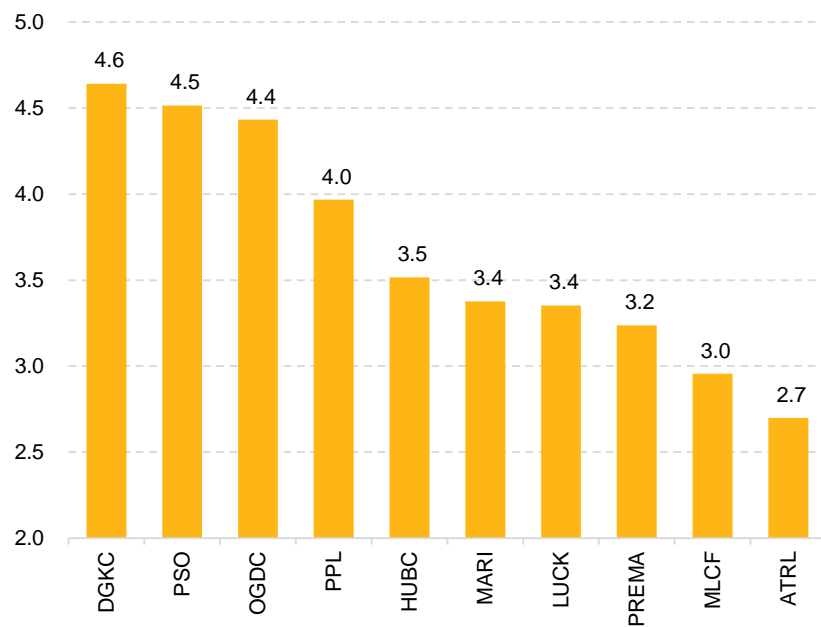
Company & sector wise value leaders

Value leaders during May'25

- On a sector-wise basis, the most activity during the period was witnessed in Cement, E&P, OGMCs, Banks and Food posting a trade value of USD 16mn, USD 12mn, USD 10mn, USD 9mn, and USD 8mn, respectively.
- Meanwhile, on a scrip-wise basis, the highest trading values were dominated by DGKC (USD 4.6mn), followed by PSO (USD 4.5mn), OGDC (USD 4.4mn), PPL (USD 4.0mn), HUBC (USD 3.5mn), MARI (USD 3.4mn), LUCK (USD 3.4mn), PREMA (USD 3.2mn), MLCF (USD 3.0mn), and ATRL (USD 2.7mn).

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

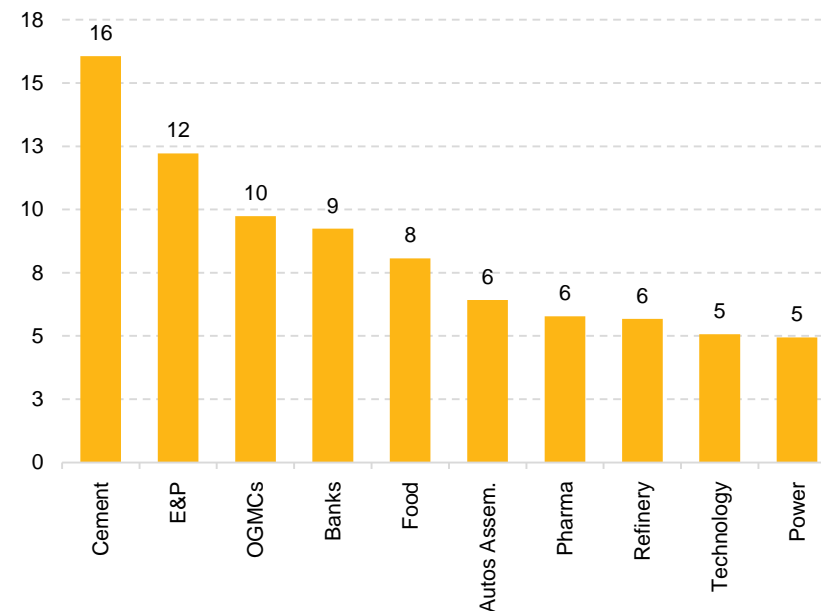
(USD mn)



Source (s): PSX, SBP, AHL Research

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

(USD mn)



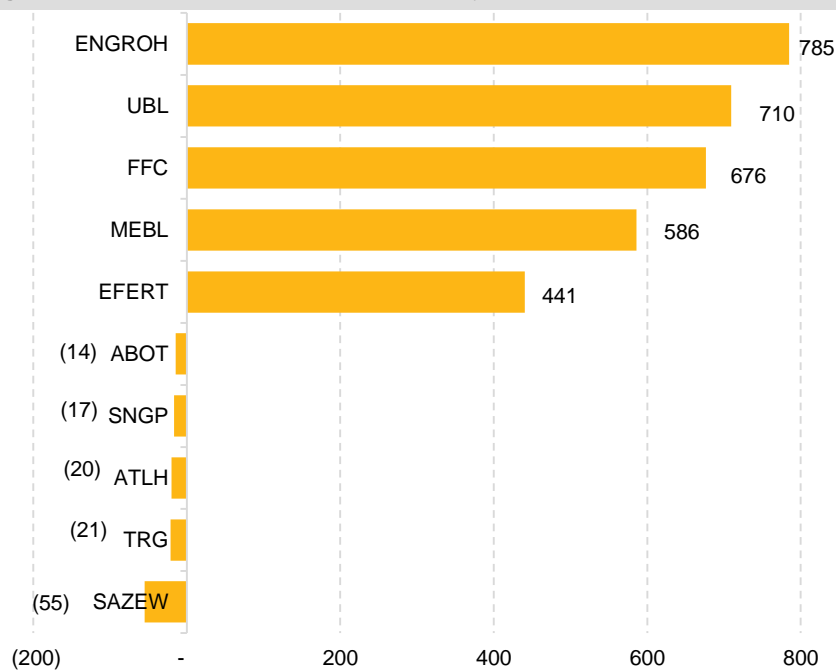
Source (s): PSX, SBP, AHL Research

PSX Performance - May 2025

Index contribution

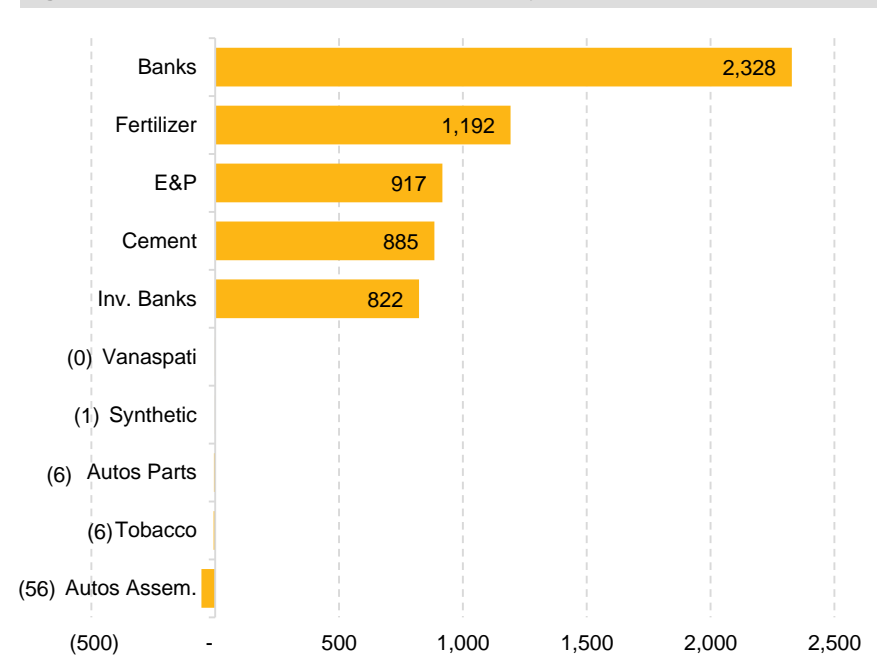
- Sectors contributing positively to the index during May'25 include Banks (2,328pts), Fertilizer (1,192pts), E&P (917 pts), Cement (885pts), and Investment Banks (822pts). However, the sectors contributing negatively comprised of Auto Assemblers' (-56pts) followed by Tobacco (-6pts), Autos Parts (-6pts), Synthetics (-1 points), Vanaspati (-0.5pts).
- Scrip wise positive contributors during the month were ENGROH (785pts), UBL (710pts), FFC (676pts), MEBL (586pts) and EFERT (441pts). Scrip-wise negative contributors were SAZEW (-55pts), TRG (-21pts), AT LH (-20pts), SNGP (-17pts) and ABOT (-14pts).

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



Source (s): PSX, AHL Research

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



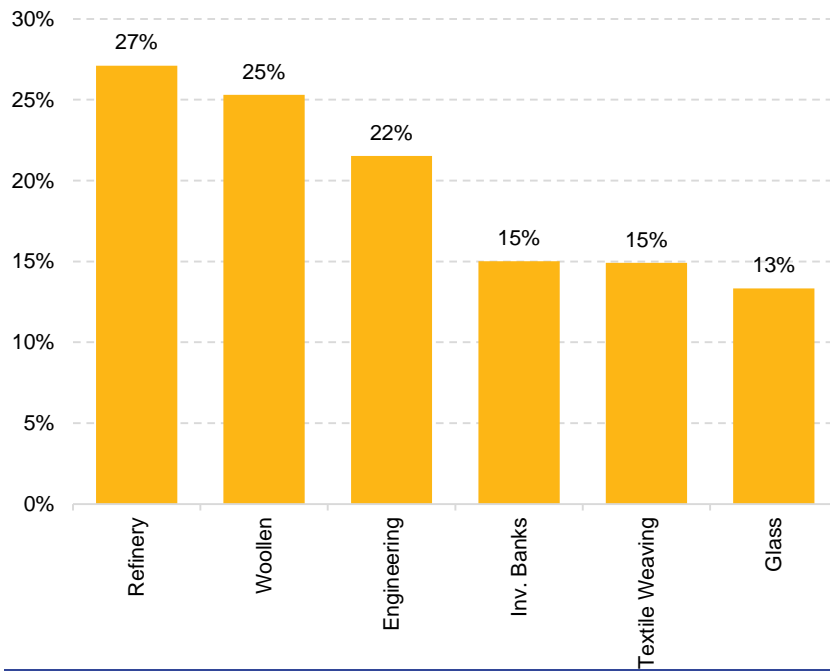
Source (s): PSX, AHL Research

PSX Performance - May 2025

Sector-wise major gainers and losers

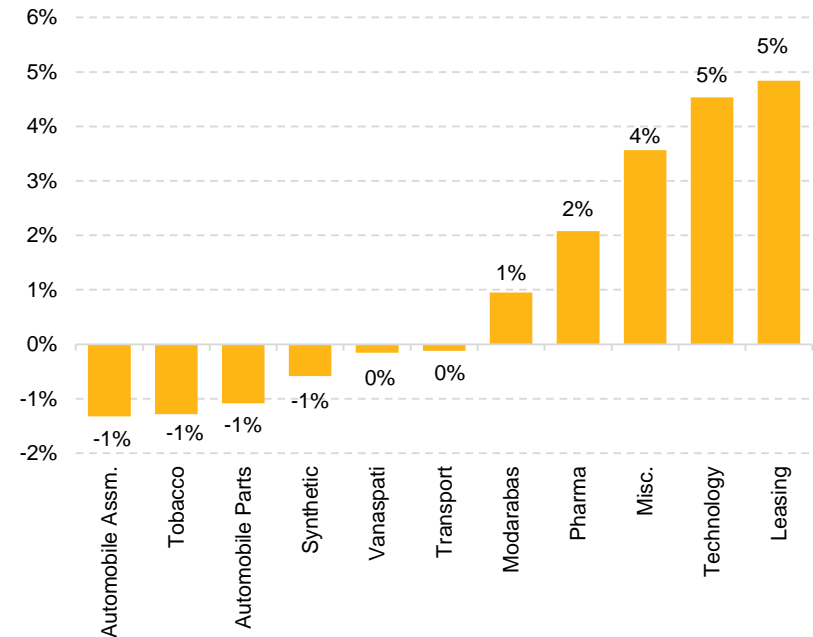
- In terms of sectors, major gainers were Refineries (27%), Woollen (25%), Engineering (22%), Investment Banks (15%), Textile Weaving (15%) and Glass (13%) during May'25. However, major losers were Automobile Assemblers (-1%), Tobacco (-1%), Automobile Parts (-1%) & Synthetics (-1%)

Figure: Sector wise major gainers (KSE100)



Source (s): PSX, AHL Research

Figure: Sector wise major losers (KSE100)



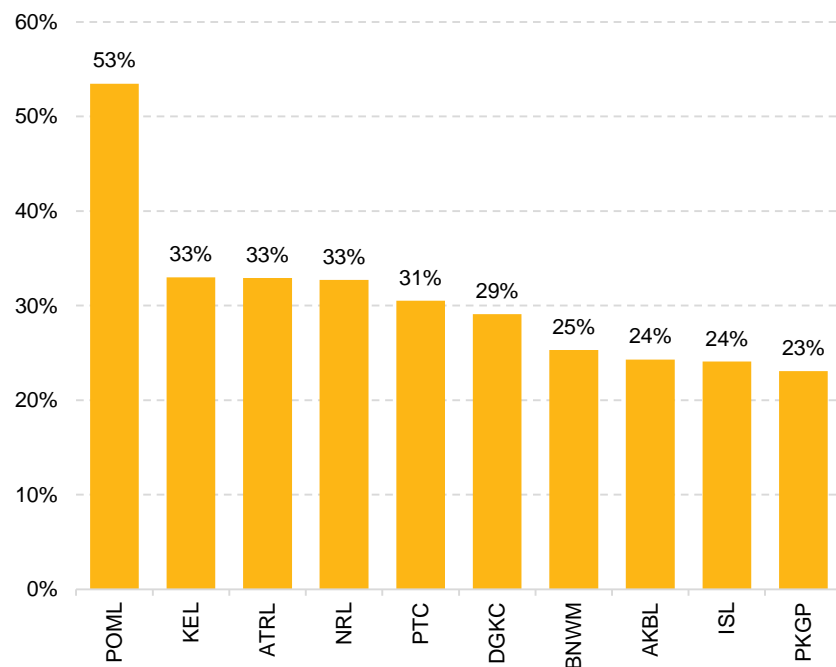
Source (s): PSX, AHL Research

PSX Performance - May 2025

Scrip-wise major gainers and losers

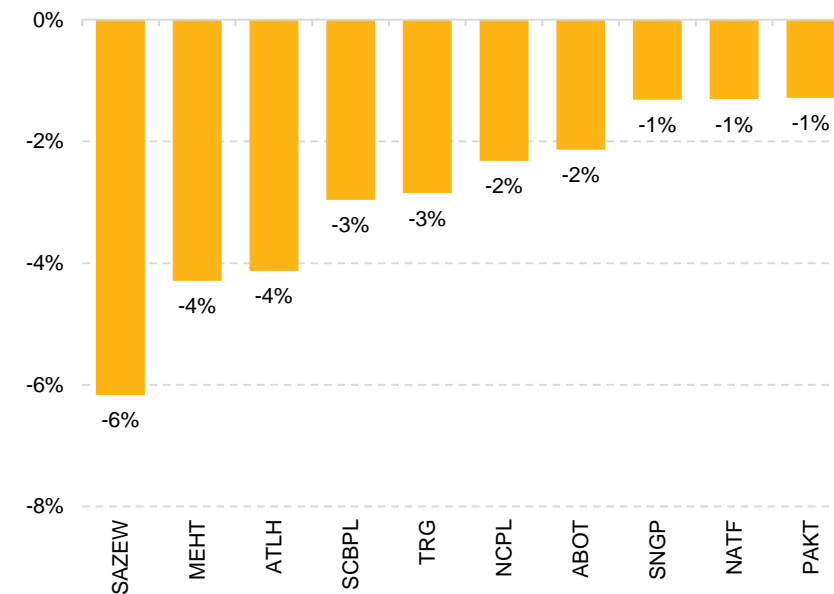
- Scrip-wise major gainers during May'25 were witnessed in POML, KEL, ATRL, NRL and PTC posting returns of 53%, 33%, 33%, 33%, and 31%, respectively. Meanwhile, negative returns during the month came from SAZEW, MEHT, ATLH, SCBPL and TRG, each posting returns of -6%, -4%, -4%, -3%, and -3%, respectively.

Figure: Scrip wise major gainers (KSE100)



Source (s): PSX, AHL Research

Figure: Scrip wise major losers (KSE100)



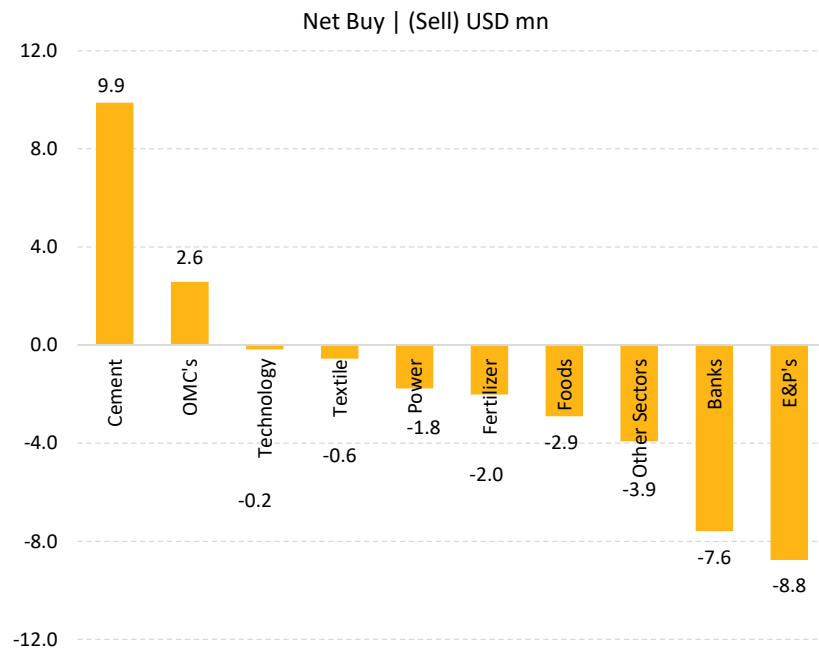
Source (s): PSX, AHL Research

PSX Performance – May 2025

Regional portfolio investment and FIPI

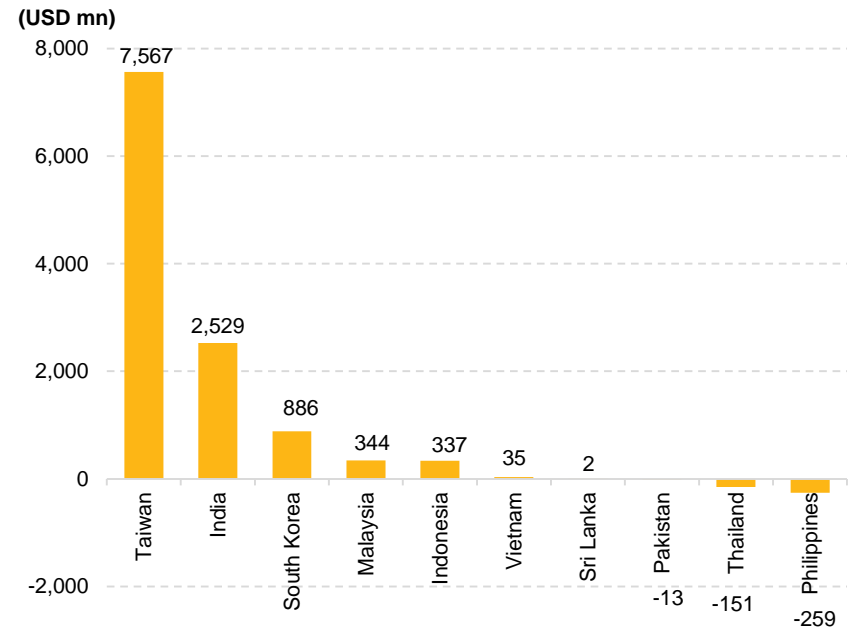
- Foreign buying was witnessed in the Asia-Pacific region during May'25, which was led by Taiwan (USD 7.6bn) followed by India (USD 2.5bn), South Korea (USD 0.9bn), Malaysia (USD 0.3bn) and Indonesia (USD 0.3bn).
- On the domestic stock exchange, foreign selling activity of USD 13mn was reported for the month of May'25. The outflows were predominantly in E&Ps (-USD 8.8mn), Banks (-USD 7.6mn) & Other Sectors (-USD 3.9mn). Whereas, net buying was observed in Cement's (USD 9.9mn) & OMC's (USD 2.6mn).

Figure: Sector wise FIPI May-25



Source (s): NCCPL, AHL Research

Figure: Regional Portfolio investment during May-25



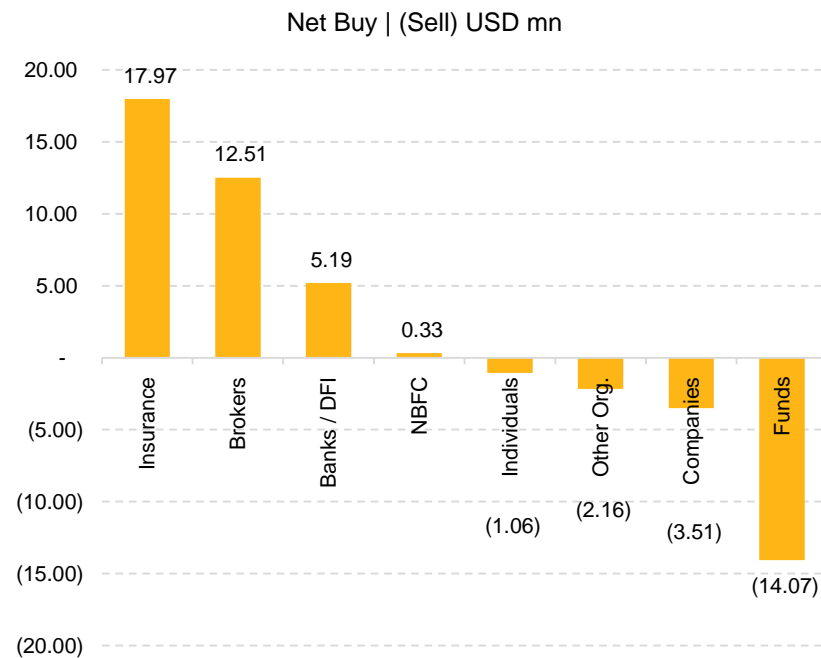
Source (s): NCCPL, Bloomberg, AHL Research

PSX Performance – May 2025

Portfolio investment (LIPI)

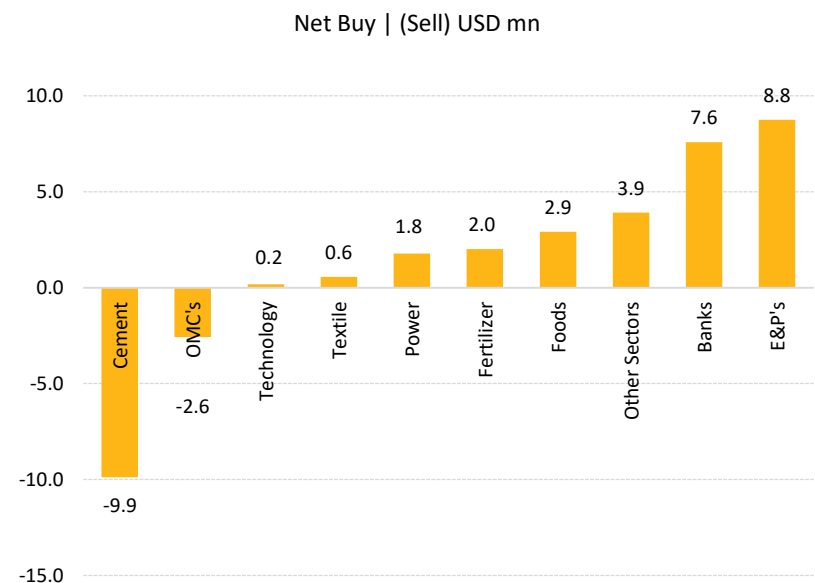
- On the local front, buying was reported by Insurance (USD 17.97mn), Brokers (USD 12.51mn), Banks / DFIs (USD 5.19mn) and NBFCs (USD 0.33mn). Meanwhile, selling was witnessed by Funds (-USD 14.07mn), Companies (-USD 3.51m), Other Organisations (-USD 2.16m) and Individuals (-USD 1.06mn) during May'25.

Figure: Local Investors Portfolio Investment (May-25) (Excluding Debt Markets)



Source (s): NCCPL, AHL Research

Figure: Sector wise LIPI (May-25)



Source (s): NCCPL, AHL Research

PSX Performance – May 2025

Outlook & Recommendation

The month ahead carries significant weight for Pakistan's economic direction, with two key events poised to shape market sentiment. First up is the Federal Budget FY26, expected on June 10, 2025, which will outline the government's fiscal roadmap. Closely following the budget is the MPC meeting in June. With inflation on a moderating path and real interest rates remaining high, market participants are anticipating a possible rate cut. Should the central bank decide to ease policy, it would likely act as a strong tailwind for equities.

Headline inflation is expected to remain on the lower side in the coming month, likely registering at around 3.04% in May'25. Looking ahead, inflation is likely to stay within this low range, assuming food prices remain under control, global commodity and energy markets remain stable, and the PKR maintains its current strength.

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 ~8.4% compared to its 10-year average of ~6.5%. Our preferred stocks are OGDC, PPL, PSO, FFC, FCCL, HUBC, NBP, UBL, SYS, MCB and AIRLINK.

PSX Performance - May 2025

World Indices Performance

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

Sr#	Index	Country	Index	Return (%)	Sr#	Index	Country	Index	Return (%)
1	Ghana	GGSECI Index	6,170	39.5	37	Europe	SX5E Index	5,397	4.5
2	Iceland	ICEXI Index	2,247	14.3	38	UK	UKX Index	8,771	4.3
3	Taiwan	TWSE Index	21,347	13.5	39	Luxembourg	LUXXX Index	1,522	4.2
4	Bulgaria	SOFIX Index	995	12.2	40	Australia	AS51 Index	8,435	4.2
5	Ireland	ISEQ Index	11,434	10.1	41	Hungary	BUX Index	95,848	4.2
6	USA	NDX Index	21,364	9.2	42	Hong Kong	HSI Index	23,290	4.1
7	South Korea	KOSPI Index	2,698	8.9	43	Egypt	EGX30 Index	32,697	4.0
8	Greece	ASE Index	1,850	8.9	44	USA	INDU Index	42,216	3.8
9	Argentina	MERVAL Index	2,308,056	8.6	45	Sweden	OMX Index	2,502	3.6
10	Vietnam	VNIndex Index	1,333	8.5	46	Romania	BET Index	18,050	3.4
11	Slovenia	SBITOP Index	2,176	8.4	47	Chile	IPSA Index	8,192	3.3
12	Austria	ATX Index	4,435	8.1	48	Dubai	DFMGI Index	5,481	3.3
13	Indonesia	JCI Index	7,176	7.9	49	Lithuania	VILSE Index	1,203	3.2
14	Germany	DAX Index	24,142	7.2	50	Brazil	IBOV Index	138,534	3.1
15	Pakistan	KSE100 Index	119,691	7.1	51	China	SHSZ300 Index	3,840	2.9
16	South Africa	JALSH Index	94,396	7.1	52	Singapore	FSSTI Index	3,895	2.8
17	Italy	FTSEMIB Index	40,278	7.0	53	France	CAC Index	7,802	2.7
18	Kenya	NSEASI Index	134	6.9	54	Zimbabwe	ZHIALSH Index	197	2.1
19	Nigeria	NGSEINDX Index	111,955	6.8	55	Belgium	BEL20 Index	4,511	1.8
20	Sri Lanka	CSEALL Index	16,855	6.7	56	Serbia	BELEX15 Index	1,162	1.7
21	Norway	OBXP Index	653	6.7	57	Uae	ADSMI Index	9,685	1.6
22	Jordan	JOSMGNFF Index	2,660	6.7	58	Switzerland	SMI Index	12,291	1.4
23	Spain	IBEX Index	14,190	6.7	59	Mongolia	MSETOP Index	49,596	1.3
24	Czech Republic	PX Index	2,147	6.4	60	Poland	WIG20 Index	2,744	1.0
25	USA	SPX Index	5,912	6.2	61	Mauritius	SEMDEX Index	2,414	0.9
26	Portugal	PSI20 Index	7,421	6.0	62	Tunisia	TUSISE Index	11,349	0.7
27	Estonia	TALSE Index	2,078	6.0	63	Bahrain	BHSEASI Index	1,921	0.5
28	Mexico	MEXBOL Index	58,614	5.8	64	India	SENSEX Index	81,451	0.4
29	Oman	MSM30 Index	4,561	5.7	65	Qatar	DSM Index	10,463	0.0
30	Canada	SPTSX Index	26,211	5.5	66	Kazakhstan	KZKAK Index	5,581	0.0
31	Netherland	AEX Index	927	5.5	67	Ukraine	PFTS Index	505.5	(0.1)
32	Croatia	CRO Index	3,459	5.1	68	Philippines	PCOMP Index	6,342	(0.2)
33	Denmark	KFX Index	1,791	5.1	69	Latvia	RIGSE Index	867	(0.2)
34	New Zealand	NZSE Index	1,795	4.9	70	Malaysia	FBMKLCI Index	1,508	(0.7)
35	Japan	NKY Index	37,965	4.7	71	Turkey	XU100 Index	9,052	(2.2)
36	Finland	HEX Index	10,478	4.5	72	Thailand	SET Index	1,149	(2.4)

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.

Disclosure required under Research Analyst Regulations, 2015:

In order to avoid any conflict of interest, we hereby disclosed that;

Arif Habib Limited (AHL) has a shareholding in PPL, OGDC, AKBL, BOP, EFERT, FFC and HUBC.