

## Investor caution prevails

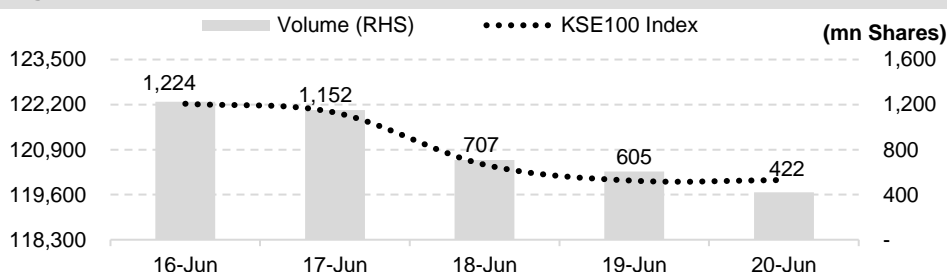
The market closed the week in negative territory, primarily due to escalating geopolitical tensions. Although Monday began on a bullish note following the Monetary Policy Statement (MPS), which met expectations by keeping the policy rate unchanged, sentiment quickly turned cautious. Concerns over geopolitical situation weighed on investor confidence, leading to broad-based profit-taking and a decline of 2,120 points in the benchmark index. On the economic front, the State Bank of Pakistan (SBP) maintained the policy rate at 11%. Following this, the SBP conducted a special 22-day T-bill auction for the first time, raising PKR 916bn and exceeding the target of PKR 900bn. In PIB auction, the SBP raised PKR 557bn against a target of PKR 300bn, with strong participation totaling PKR 1,217bn. Cutoff yields now range between 11.39% and 12.70%. The SBP also reported a current account deficit of USD 103mn for May'25, down from USD 235mn in May'24. Meanwhile, SBP's foreign exchange reserves rose by USD 46mn to USD 11.7bn, while the PKR depreciated by PKR 0.74 WoW to close at 283.70 against the USD. The market closed at 120,023 points, depicting a decline of 2,120 points, which is down 1.7% WoW.

The sectors that contributed negatively were i) Power (652pts), ii) Cement (475pts), iii) Fertilizer (193pts), iv) Pharmaceuticals (144pts), and v) Oil and Gas Exploration (144pts). Meanwhile, sector-wise positive contributions came from i) Banks (234pts), ii) Misc. (18pts), iii) Oil & Gas Marketing (15pts), iv) Textile Composite (14pts), and iv) Insurance (9pts). Scrip wise negative contributions came from PKGP (566pts), LUCK (242pts), FFC (114pts), MARI (91pts), and PPL (88pts). Whereas, Scrip-wise positive contributors were UBL (107pts), BAHF (90pts), HBL (72pts), OGDC (60pts) and SYS (60pts).

Foreigner buying witnessed this week clocked in at USD 0.46mn compared to a net sell of USD 7.43mn last week. Major buying was witnessed in Cements (USD 1.6mn) followed by E&P (USD 1.0mn). On the local front, selling was reported by Mutual Funds (USD 16.0mn) and Insurance Companies (USD 2.9mn). Average volumes arrived at 821.9mn shares (down 9.4%WoW), while the average value traded settled at USD 78.4mn (down 40.4% WoW).

Other major news includes: i) Large Scale Manufacturing Industries (LSMI) output witnessed an increase of 2.3% YoY, ii) Real Effective Exchange Rate (REER) clocked in at 97.8 (lowest since Sep'23) as of May'25, iii) Country witnessed net FDI inflow of USD 194mn during May'25, iv) Repatriation of profits and dividends clocked in at USD 264.0mn in May'25, v) As per PBS, Pakistan recorded a trade deficit of USD 2.6bn in May'25 vi) Banking sector deposits and advances increased by 11.6% and 7.0% YoY respectively, While ADR and IDR stood 39.8% and 105.7% respectively.

**Figure: KSE100 Index and PSX Volume**



Source (s): PSX, AHL Research

## Outlook and Recommendation

Next week, market sentiment is expected to remain influenced by geopolitical cues, particularly developments in the Middle East where tensions remain high. Investors will be closely monitoring any signals of de-escalation, which could act as a catalyst for a market rebound. Our preferred stocks are OGDC, PPL, PSO, FFC, FCCL, HUBC, NBP, UBL, SYS, MCB and AIRLINK. 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%.

## PSX Indices Performance

Index	Current	WoW (%)	CY25TD (%)
KSE100	120,023	(1.7)	4.3
KSEAll	74,957	(1.4)	3.9
KSE30	36,533	(0.9)	1.0
KMI30	177,648	(1.5)	(0.6)
BKTI	30,162	0.7	16.7
OGTI	27,008	(0.7)	(12.0)

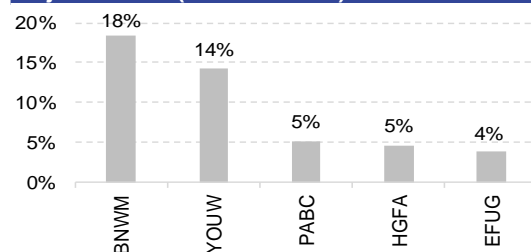
## KSEAll Market Capitalization

	Current	WoW (%)	CY25TD (%)
PKR bn	14,536	(1.4)	0.3
USD bn	51.2	(1.7)	(1.5)

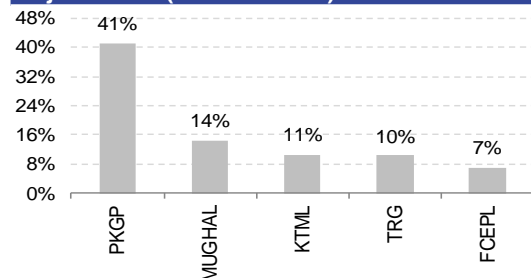
## PSX Volume Leaders

	Avg. Vol. (mn)	Closing
WTL	145.0	1.5
PASL	56.3	2.8
FCSC	36.4	2.5
SSGC	34.5	43.0
KOSM	29.4	5.5

## Major Gainers (KSE100 Index)



## Major Losers (KSE100 Index)



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- It was a tense geopolitical week marked by heightened tension between Israel and Iran. Israel initiated limited strikes under “Operation Rising Lion,” reportedly targeting select military and nuclear-linked sites within Iran. In response, Iran launched a barrage of missiles and drones toward Israel under “**Operation True Promise**.” The exchange marked a serious escalation, drawing international concern and adding to regional instability, particularly as tensions intensified through the week.
- **U.S. Position:** President Trump announced he will decide within two weeks (from June 20) whether to join strikes against Iran, while keeping open the possibility of diplomacy.
- **European Mediation:** The UK, France, and Germany, along with EU officials, are meeting Iranian Foreign Minister Abbas Araqchi in Geneva to push for de-escalation and a diplomatic resolution.
- **China and Russia:** Presidents Putin and Xi jointly condemned Israel's airstrikes, denouncing them as violations of international law. Both emphasized that the conflict should be resolved through diplomacy and expressed readiness to mediate.
- **Legal Questions:** International law experts are debating whether Israel's actions qualify as anticipatory self-defense. Some argue there is insufficient evidence of an imminent threat, making the legality questionable.
- Iran has warned the U.S. against entering the conflict, threatening regional military bases, shipping lanes, and mobilizing its “Axis of Resistance” networks. Oil prices have surged around 20% month-to-date and remained highly volatile throughout the week, fluctuating within a USD 10 range in response to developments in escalation and diplomacy.
- **Impact on Pakistan:** If tensions do not escalate significantly, the impact on Pakistan is expected to be limited. Refugee inflows would likely remain contained, and oil prices may temporarily rise to around USD 80–85/bbl, leading to only a modest draw on Pakistan's foreign reserves. However, in the event of a full-scale conflict, the economic fallout could be far more serious. For an economy already grappling with low growth, high taxation, and low exports, such an external shock would be difficult to absorb. A USD 5/bbl increase in global oil prices is estimated to raise Pakistan's annual import bill by ~USD 996mn and add nearly 22bps to headline inflation.
- Pakistan is carefully managing a nuanced diplomatic position. While its relationship with the US remains important, it also values ties with Iran. Striking the right balance between these key partnerships is essential for preserving regional stability and safeguarding national interests.

Figure: Oil Prices



Source (s): Bloomberg

## Business and Economic News of the Week

## WB approves additional \$70m credit (BR)

The World Bank has approved an additional \$70 million credit for the Pakistan Raises Revenue (PRR) project to boost Pakistan's domestic revenue collection and improve tax compliance. This additional financing brings the total amount of resources under the project to \$470 million..

## Pakistan may miss Rs 1,161 billion petroleum levy target due to global oil price surge (Profit)

Fuel price hike due to Israel-Iran conflict may lead to shortfall in expected revenue; petroleum price increase expected from June 16. The federal government may fall short of its target to collect Rs 1,161 billion in petroleum levy (PL) on petroleum products, mainly due to rising oil prices both globally and domestically following Israel's attacks on Iran, according to a media report. On Friday, shortly after Israel launched its attacks on Iran, the price of petrol surged by \$1.98 per barrel, from \$71.81 to \$73.79, while high-speed diesel (HSD) rose by \$2.54 per barrel, from \$76.14 to \$78.68. As a result, motorists may face an increase in petrol prices by Rs 4.38 per litre and HSD by Rs 5.02 per litre, effective June 16, 2025.

## Power Division presents plan to tackle Rs2.42 trillion circular debt to National Assembly (Profit)

Division unable to determine electricity tariff changes for Discos, awaiting NEPRA approval of submitted cost components The Power Division on Friday presented its strategy to address the circular debt, which currently stands at Rs 2,429 billion, to the National Assembly. Minister for Power Division Sardar Awais Khan Leghari stated that the circular debt was being managed under the Circular Debt Management Plan and that ongoing efforts by the Task Force, Ministry of Energy, and Ministry of Finance were focused on reducing the debt.

## SBP profit expected to reach Rs2.4tr in FY25: governor (The News)

The State Bank of Pakistan (SBP) said on Monday that its profit is expected to reach Rs2.4 trillion for the fiscal year ending in June. Central Bank Governor Jameel Ahmad told analysts in a briefing following the rate cut decision that the bank is on track to meet the government's estimated target of Rs2.4 trillion. The SBP reported a record profit of Rs3.42 trillion in the last fiscal year (FY24) due to higher interest rates and exchange gains.

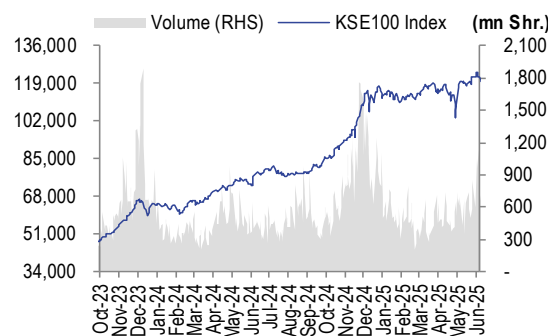
## Solar panel, hybrid car tax rejected (Tribune)

A National Assembly panel on Tuesday unanimously rejected the 18% sales tax on solar panel imports, while the government announced it would withdraw another controversial proposal to increase in sales tax on hybrid vehicles, rolling back two controversial budget measures viewed as anti-environment. The National Assembly Standing Committee on Finance also raised questions about the proposed Digital Presence Proceeds Act 2025 but did not issue a final decision. The meeting was chaired by Pakistan People's Party (PPP) MNA and former finance minister Syed Naveed Qamar.

## ARL signs pact with Italian firm for FEED for its upgrade project (The News)

Attock Refinery Ltd (ARL) on Wednesday signed an agreement for Front End Engineering Design (FEED) and Project Management Consultancy (PMC) for the Refinery Upgradation Project with STP Studi Technologie Progetti of Italy. CEO of STP Carlo Gustavo Lombardi and CEO of ARL Adil Khattak signed on behalf of their companies, says a press release. This is an important milestone towards ARL's goal of value addition and environment friendly production.

## PSX Volume and KSE100 Index



## Top Contributors in KSE100 Index

Companies	Index Contribution
<b>Bullish Companies</b>	
UBL	107.2
BAHL	89.9
HBL	72.3
OGDC	60.4
SYS	60.3
	<b>390.1</b>

<b>Bearish Companies</b>	
PKGP	(566.0)
LUCK	(241.6)
FFC	(114.2)
MARI	(91.0)
PPL	(88.1)
	<b>(1,100.8)</b>

Sectors	Index Contribution
<b>Bullish Sectors</b>	
Commercial Banks	234.1
Miscellaneous	17.5
Oil & Gas Marketing Companies	15.4
Textile Composite	13.8
Insurance	8.6
	<b>289.5</b>

<b>Bearish Sectors</b>	
Power Generation & Distribution	(652.4)
Cement	(475.3)
Fertilizer	(192.6)
Pharmaceuticals	(144.0)
Oil & Gas Exploration Companies	(143.4)
	<b>(1,607.6)</b>



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**AHL Universe - Performance**

Code	Closing	WoW (%)	MTD (%)	CYTD (%)	90-Days		180-Days		365-Days	
					High	Low	High	Low	High	Low
AKBL	48.80	1.86	0.60	37.09	40.94	34.52	40.94	26.05	40.94	18.96
UBL	524.19	0.77	2.86	44.11	270.08	183.67	270.08	134.95	270.08	84.30
HBL	166.30	0.38	8.47	0.92	166.23	134.18	172.33	118.40	172.33	92.98
OGDC	212.25	0.09	1.32	(3.27)	230.76	188.70	230.76	158.47	230.76	110.19
FABL	59.05	(0.02)	21.75	32.09	48.36	44.72	48.45	41.73	49.15	31.54
POL	536.48	(0.11)	1.75	(11.59)	619.69	514.60	636.11	514.60	636.11	386.20
ILP	61.80	(0.60)	6.37	(10.07)	65.49	55.08	74.24	55.08	81.28	55.08
PSO	372.29	(0.64)	1.72	(15.52)	423.55	325.68	445.20	195.32	445.20	147.41
MEBL	308.25	(0.88)	1.64	34.50	271.96	222.21	271.96	200.24	271.96	188.74
ABL	140.91	(1.29)	8.63	8.52	135.77	122.62	142.67	102.00	142.67	81.78
NML	118.29	(1.46)	9.05	10.41	120.30	89.34	126.13	68.49	126.13	58.47
NCPL	24.33	(1.46)	-	(2.72)	26.85	22.28	27.58	21.50	27.58	19.30
SGF	74.70	(1.61)	(2.34)	(21.83)	96.25	79.18	101.27	60.51	101.27	56.77
NBP	103.83	(1.67)	9.98	72.11	89.64	54.47	89.64	52.87	89.64	31.50
BOP	10.13	(1.75)	1.81	8.64	12.12	8.29	12.12	4.65	12.12	3.99
HUBC	136.05	(1.78)	(2.56)	7.95	146.91	121.71	146.91	99.45	151.62	93.74
SNGP	115.66	(1.81)	(1.26)	10.05	117.92	80.66	117.92	69.04	117.92	53.44
LOTCEM	19.77	(1.89)	(5.32)	(5.45)	23.01	17.61	23.27	16.53	23.27	15.67
KOHC	381.96	(2.05)	(1.27)	(1.39)	430.70	359.62	446.02	317.21	446.02	206.32
MCB	277.90	(2.34)	0.40	5.23	280.65	254.52	280.65	219.23	280.65	171.51
AHCL	10.33	(2.36)	(2.46)	47.70	11.59	6.51	11.59	5.30	11.59	3.53
FFC	374.05	(2.42)	1.81	9.94	380.49	336.63	390.20	225.24	390.20	119.57
KAPCO	32.73	(2.44)	0.74	(1.16)	34.30	30.99	34.30	22.56	34.30	20.95
NCL	37.10	(2.57)	(2.16)	8.82	36.69	29.15	39.14	27.34	39.14	22.11
LCI	1,517.30	(2.70)	(1.18)	45.22	1,499.48	1,078.29	1,499.48	995.57	1,499.48	747.50
HTL	43.51	(2.81)	2.59	(15.02)	49.71	39.90	60.57	37.98	60.57	24.78
FATIMA	87.02	(2.86)	0.16	16.70	85.99	75.25	85.99	57.83	85.99	42.70
MLCF	81.35	(2.87)	4.52	77.08	69.44	42.27	69.44	36.44	69.44	32.15
MARI	620.76	(3.08)	(0.41)	(13.74)	706.65	520.50	899.73	406.47	899.73	271.04
MTL	547.41	(3.35)	(2.46)	(5.54)	677.21	576.54	682.15	502.48	682.15	476.41
BAFL	75.17	(3.47)	2.09	(3.54)	79.47	70.66	81.34	61.12	81.34	49.34
HUMNL	11.12	(3.64)	(6.95)	(24.20)	14.40	12.07	15.90	12.07	15.90	6.95
EFERT	180.30	(3.66)	(1.81)	(7.22)	216.40	173.43	227.89	173.43	227.89	134.02
SAZEW	1,117.48	(3.92)	(5.77)	1.81	1,357.85	934.68	1,357.85	934.68	1,357.85	659.39
EPCL	31.99	(4.05)	0.41	(13.70)	39.58	30.20	40.67	30.20	48.08	30.20
PPL	163.63	(4.30)	(1.64)	(18.12)	191.84	162.81	207.55	125.42	207.55	101.48
NPL	34.95	(4.35)	(1.99)	10.32	37.89	30.50	37.89	23.11	37.89	20.28
HCAR	269.87	(4.36)	(5.25)	(11.00)	305.87	273.98	333.54	238.07	333.54	238.07
FML	61.00	(4.67)	(5.15)	(11.57)	69.03	57.49	73.81	57.49	89.00	57.49
APL	450.86	(4.76)	(7.67)	(16.51)	498.29	425.01	544.90	425.01	544.90	354.80
INDU	1,757.83	(5.12)	(8.06)	(13.84)	2,058.48	1,910.61	2,151.21	1,708.77	2,151.21	1,398.28
ACPL	277.09	(5.20)	(12.06)	2.67	299.44	217.48	299.44	131.45	299.44	87.49
POWER	13.57	(5.50)	(2.93)	49.94	14.45	9.01	14.45	5.26	14.45	4.75
FCCL	44.71	(5.60)	(3.04)	22.23	47.52	36.00	47.52	28.91	47.52	18.88
AGHA	8.32	(6.41)	(3.26)	(20.31)	10.55	8.74	12.80	8.74	15.20	8.43
LUCK	329.93	(7.32)	(1.70)	49.90	350.29	215.23	350.29	168.89	350.29	162.66
ENGROH	171.50	(7.40)	(5.90)	3.91	227.89	165.04	275.28	165.04	275.28	165.04
DGKC	154.89	(8.02)	(3.60)	47.63	135.33	102.13	135.33	77.77	135.33	73.30
AIRLINK	142.41	(8.54)	(8.78)	(34.35)	197.93	157.41	219.76	120.06	219.76	65.62
ASTL	21.78	(9.74)	(14.08)	(15.52)	25.09	19.66	26.30	18.58	28.96	16.65
KTML	175.70	(9.89)	(5.09)	45.25	181.42	120.21	181.42	85.00	181.42	70.09

Source (s): Bloomberg, AHL Research

**Forward Estimates**

Country	Indonesia	India	Vietnam	Philippines	Sri Lanka	Thailand	China	Taiwan	S.Korea	Peer Avg	Pakistan	Prem/(Disc)
DY (%)	6.0	1.3	2.7	3.3	2.8	5.1	3.3	3.4	2.0	3.3	8.4	151.9%
P/E (x)	9.8	18.2	7.6	9.6	9.3	10.9	11.9	16.3	9.0	11.4	6.4	-44.3%
P/B (x)	1.4	3.2	1.4	1.2	1.3	1.0	1.2	2.3	1.0	1.5	1.1	-26.9%

Source: Bloomberg, AHL Research

## Local &amp; Foreign Investors Portfolio Investment (USD mn)

LIPI Normal Current Week					Last Week				
Category	Gross Buy	Gross Sell	Net	Net	Category	Gross Buy	Gross Sell	Net	Net
Individuals	400.61	385.00	BUY	15.61	Individuals	506.75	503.40	BUY	3.36
Companies	16.98	11.04	BUY	5.94	Companies	16.00	15.62	BUY	0.38
Banks / DFIs	26.83	25.82	BUY	1.01	Banks / DFIs	23.59	15.52	BUY	8.07
NBFC	0.38	0.43	SELL	-0.05	NBFC	0.36	0.37	SELL	-0.01
Mutual Funds	127.02	143.02	SELL	-16.00	Mutual Funds	33.10	30.57	BUY	2.52
Other Organizations	2.48	4.01	SELL	-1.53	Other Organizations	4.48	4.58	SELL	-0.09
Broker Proprietary Trading	60.66	63.17	SELL	-2.52	Broker Proprietary Trading	74.35	76.91	SELL	-2.57
Insurance Companies	4.90	7.82	SELL	-2.92	Insurance Companies	4.77	9.00	SELL	-4.23
<b>Total</b>	<b>639.86</b>	<b>640.32</b>	<b>SELL</b>	<b>-0.46</b>	<b>Total</b>	<b>663.41</b>	<b>655.97</b>	<b>BUY</b>	<b>7.43</b>

LIPI Sector Wise Current Week					Last Week				
Sector	Gross Buy	Gross Sell	Net	Net	Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	58.87	59.23	SELL	-0.36	Commercial Banks	60.28	57.08	BUY	3.20
Fertilizer	11.53	11.79	SELL	-0.26	Fertilizer	10.95	10.74	BUY	0.20
Cement	89.64	91.21	SELL	-1.57	Cement	159.67	161.94	SELL	-2.27
Power Generation & Distribution	10.59	10.64	SELL	-0.06	Power Generation & Distribution	17.64	17.19	BUY	0.45
Exploration & Production	41.25	42.25	SELL	-1.00	Exploration & Production	69.19	66.24	BUY	2.96
Oil & Gas Marketing Companies	69.80	69.84	SELL	-0.03	Oil & Gas Marketing Companies	66.87	67.26	SELL	-0.39
Food and Personal Care Products	28.05	28.08	SELL	-0.03	Food and Personal Care Product	40.14	39.68	BUY	0.47
Textile Composite	9.82	10.01	SELL	-0.19	Textile Composite	8.20	8.12	BUY	0.08
Technology and Communication	44.51	43.60	BUY	0.91	Technology and Communication	34.30	33.18	BUY	1.12
Debt	132.03	132.03	SELL	-0.00	Debt	2.42	2.42	SELL	0.00
All other Sectors	143.77	141.64	BUY	2.13	All other Sectors	193.74	192.13	BUY	1.61
<b>Total</b>	<b>639.86</b>	<b>640.32</b>	<b>SELL</b>	<b>(0.46)</b>	<b>Total</b>	<b>663.41</b>	<b>655.97</b>	<b>BUY</b>	<b>7.43</b>

FIPI Normal Current Week					Last Week				
Category	Gross Buy	Gross Sell	Net	Net	Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	0.06	0.04	BUY	0.02	Foreign Individuals	2.12	2.33	SELL	-0.21
Foreign Corporates	8.70	10.18	SELL	-1.48	Foreign Corporates	5.63	14.88	SELL	-9.25
Overseas Pakistani	32.48	30.56	BUY	1.92	Overseas Pakistani	47.43	45.40	BUY	2.03
<b>Total</b>	<b>41.23</b>	<b>40.77</b>	<b>BUY</b>	<b>0.46</b>	<b>Total</b>	<b>55.17</b>	<b>62.61</b>	<b>SELL</b>	<b>(7.43)</b>

FIPI Sector Wise Current Week					Last Week				
Sector	Gross Buy	Gross Sell	Net	Net	Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	6.16	5.80	BUY	0.36	Commercial Banks	4.77	7.96	SELL	-3.20
Fertilizer	0.78	0.52	BUY	0.26	Fertilizer	1.74	1.94	SELL	-0.20
Cement	5.48	3.91	BUY	1.57	Cement	10.85	8.58	BUY	2.27
Power Generation & Distribution	0.75	0.70	BUY	0.06	Power Generation & Distribution	2.39	2.84	SELL	-0.45
Exploration & Production	5.17	4.17	BUY	1.00	Exploration & Production	6.16	9.12	SELL	-2.96
Oil & Gas Marketing Companies	4.65	4.62	BUY	0.03	Oil & Gas Marketing Companies	4.20	3.81	BUY	0.39
Food and Personal Care Products	2.53	2.51	BUY	0.03	Food and Personal Care Product	2.50	2.97	SELL	-0.47
Textile Composite	1.12	0.92	BUY	0.19	Textile Composite	0.61	0.69	SELL	-0.08
Technology and Communication	2.62	3.53	SELL	-0.91	Technology and Communication	4.32	5.44	SELL	-1.12
Debt	-	-	SELL	0.00	Debt	-	-	SELL	0.00
All other Sectors	11.98	14.12	SELL	-2.13	All other Sectors	17.65	19.26	SELL	-1.61
<b>Total</b>	<b>41.25</b>	<b>40.79</b>	<b>BUY</b>	<b>0.46</b>	<b>Total</b>	<b>55.17</b>	<b>62.61</b>	<b>SELL</b>	<b>(7.43)</b>

Source (s): NCCPL, AHL Research



## Key Economic Data &amp; Commodities Prices

Month end	Units	May-24	Jun-24	Jul-24	Aug-24	Sep-24	Oct-24	Nov-24	Dec-24	Jan-25	Feb-25	Mar-25	Apr-25	May-25	Current*
<b>Money Market Data</b>															
03-M T-Bill	%	20.44	19.97	19.41	18.05	15.52	13.41	12.19	11.88	11.75	11.85	12.15	11.95	10.93	11.15
06-M T-Bill	%	20.81	19.91	19.09	17.61	14.64	13.03	12.12	11.90	11.66	11.75	12.03	11.92	10.98	11.18
12-M T-Bill	%	19.92	18.68	18.06	16.95	13.48	12.65	11.68	12.08	11.47	11.61	11.98	11.95	11.09	11.14
03-Y PIB	%	16.59	16.50	16.25	15.34	12.30	11.81	11.79	12.34	11.66	11.79	11.97	11.80	11.29	11.34
05-Y PIB	%	15.39	15.37	15.25	14.79	12.19	12.01	11.81	12.35	12.24	12.24	12.47	12.37	11.58	11.65
10-Y PIB	%	14.14	14.09	14.07	13.44	12.12	12.01	11.84	12.18	12.16	12.26	12.31	12.50	12.23	12.40
06-M KIBOR	%	21.02	20.14	19.39	17.91	15.20	13.56	12.67	12.16	11.72	12.37	12.12	12.10	11.20	11.20
Policy Rate	%	22.00	20.50	19.50	19.50	17.50	17.50	15.00	13.00	12.00	12.00	12.00	12.00	12.00	11.00
<b>Inflation (YoY)</b>															
Headline (CPI New Base)	%	11.8	12.6	11.1	9.6	6.9	7.2	4.9	4.1	2.4	1.5	0.7	0.3	3.5	3.5
<b>Monetary Sector</b>															
M1	PKR bn	29,134	30,518	30,100	30,377	30,763	30,919	31,046	31,228	31,444	31,780	33,080	33,020	n/a	33,020
M2	PKR bn	34,843	36,499	36,070	36,315	36,741	36,771	36,912	36,987	36,905	37,321	38,717	38,757	n/a	38,757
M3	PKR bn	37,949	39,608	39,195	39,447	39,888	39,932	40,086	40,183	40,132	40,571	41,994	42,066	n/a	42,066
<b>Banking Sector</b>															
Deposits	PKR bn	29,349	31,122	30,603	30,654	31,342	31,116	31,145	30,283	31,003	30,458	31,626	32,316	32,715	32,715
Advances	PKR bn	12,169	12,435	11,872	11,666	12,305	13,779	14,873	16,009	14,728	13,973	13,470	13,139	13,025	13,025
Investment	PKR bn	28,923	30,171	30,431	30,521	30,699	28,938	29,026	29,129	30,023	31,213	32,384	33,204	34,626	34,626
WALR	%	19.0	19.0	18.1	17.9	17.3	15.4	14.8	13.7	13.2	13.0	13.3	13.5	13.0	13.0
WADR	%	11.8	11.8	11.2	11.1	10.5	9.5	8.7	7.6	6.6	5.7	6.1	6.0	5.8	5.8
Spread	%	7.1	7.3	6.8	6.8	6.8	5.9	6.0	6.1	6.5	7.3	7.2	7.5	7.2	7.2
<b>External Sector</b>															
Forex Reserves	USD bn	13.7	14.0	14.0	14.8	15.4	15.5	16.1	15.9	15.6	15.5	15.0	14.8	16.1	17.0
With SBP	USD bn	9.1	9.4	9.2	9.4	10.7	11.2	12.0	11.7	11.4	11.2	10.6	10.3	11.5	11.7
With Banks	USD bn	4.5	4.6	4.7	5.3	4.7	4.3	4.1	4.2	4.2	4.2	4.4	4.5	4.6	5.3
Exchange rate	PKR/USD	278.3	278.3	278.7	278.5	277.7	277.9	278.1	278.6	278.9	279.7	280.2	281.0	282.0	283.7
C/A Balance	USD mn	(235.0)	(500.0)	(322.0)	(59.0)	(21.0)	328	744	490	(399)	(97)	1,204	47	(103)	(103.0)
Exports	USD bn	3.7	3.1	3.0	3.1	3.3	3.7	3.5	3.9	3.7	3.3	3.5	3.3	3.1	3.1
Imports	USD bn	6.0	5.8	5.7	5.7	5.7	5.6	4.9	5.9	6.5	6.0	5.9	6.1	6.4	6.4
Trade Balance	USD bn	(2.2)	(2.7)	(2.7)	(2.6)	(2.4)	(1.9)	(1.5)	(2.0)	(2.8)	(2.7)	(2.4)	(2.8)	(3.2)	(3.2)
Remittances	USD bn	3.2	3.2	3.0	2.9	2.9	3.1	2.9	3.1	3.0	3.1	4.1	3.2	3.7	3.7
<b>Key Commodities Prices</b>															
<b>International</b>															
Coal	USD/ton	107.5	106.5	110.3	115.5	112.8	110.4	111.4	106.8	101.3	94.8	87.1	88.5	88.4	91.7
Steel (HRC)	USD/ton	527.5	510.2	477.7	455.8	523.6	503.0	488.1	475.5	476.6	469.5	467.1	455.2	448.0	445.1
PTA	USD/ton	805.0	810.0	780.0	730.0	690.0	675.0	660.0	660.0	680.0	695.0	665.0	610.0	655.0	680.0
Gold	USD/oz	2,327.3	2,326.8	2,447.6	2,503.4	2,634.6	2,744.0	2,643.2	2,624.5	2,798.4	2,857.8	3,057.3	3,288.7	3,289.3	3,370.9
Cotton (COTLOOK A)	USD/lb	86.8	84.7	79.6	81.2	84.7	82.6	82.0	79.4	77.3	77.3	77.9	78.0	77.3	78.3
Crude oil (WTI)	USD/bbl	77.5	81.5	77.9	73.6	68.2	69.3	68.0	71.7	72.5	69.8	69.9	58.2	60.8	75.1
Crude oil (Arab Light)	USD/bbl	84.4	88.1	82.1	79.4	74.7	73.0	73.8	77.3	81.7	75.9	78.0	65.6	63.8	77.4
Crude oil (Brent)	USD/bbl	81.6	86.4	80.7	78.8	71.8	73.2	72.9	74.6	76.8	73.2	74.0	63.1	63.9	78.9
<b>Local</b>															
Cotton	PKR/maund	19,700.0	18,500.0	17,200.0	19,000.0	18,000.0	18,000.0	17,400.0	17,800.0	18,000.0	17,500.0	16,800.0	16,900.0	16,900.0	16,500.0
Cement	PKR/bag	1,237.9	1,277.1	1,462.1	1,481.3	1,460.0	1,447.2	1,426.4	1,408.5	1,372.9	1,347.7	1,382.8	1,422.1	1,417.9	1,416.4
Gold	PKR/10 grms	205,980	206,670	216,440	228,740	237,920	250,430	242,970	241,350	248,890	261,660	279,240	315,510	297,330	307,790
*Current Price															

## World's Major Stock Market Performance (\$ based return)

Country	Index	Index Closing*	WTD (%)	CY25TD (%)	Country	Index	Index Closing*	WTD (%)	CY25TD (%)
South Korea	KOSPI Index	3,022	4.1	13.3	Oman	MSM30 Index	4,507	(0.8)	(1.5)
Hungary	BUX Index	98,327	2.8	4.5	Norway	OBXP Index	684	(0.9)	28.4
Vietnam	VNIndex Index	1,349	2.3	0.8	Australia	AS51 Index	8,505	(0.9)	9.4
Nigeria	NGSEINDX Index	117,882	2.3	8.2	Germany	DAX Index	23,390	(0.9)	30.2
Croatia	CRO Index	3,538	1.9	3.6	Europe	SX5E Index	5,261	(0.9)	19.6
Brazil	IBOV Index	138,717	1.8	5.0	South Africa	JALSH Index	94,960	(0.9)	18.6
Kazakhstan	KZKAK Index	5,994	1.6	5.6	Estonia	TALSE Index	2,058	(1.0)	31.6
India	SENSEX Index	82,408	1.0	(0.1)	UK	UKX Index	8,827	(1.0)	16.4
Belgium	BEL20 Index	4,455	0.9	2.4	Singapore	FSSTI Index	3,883	(1.0)	9.1
Belgium	BEL20 Index	4,455	0.9	2.4	Netherland	AEX Index	916	(1.0)	16.0
Romania	BET Index	18,600	0.8	3.7	New Zealand	NZSE Index	1,814	(1.0)	1.3
Poland	WIG20 Index	2,731	0.7	(0.3)	Canada	SPTSX Index	26,506	(1.1)	12.3
USA	NDX Index	21,720	0.4	1.8	Jordan	JOSMGNFF Index	2,647	(1.1)	6.3
Japan	NKY Index	38,403	0.4	(0.1)	Ukraine	PFTS Index	505	(1.1)	0.7
Mongolia	MSETOP Index	48,606	0.3	(2.2)	Malaysia	FBMKLCI Index	1,503	(1.2)	(3.8)
Serbia	BELEX15 Index	1,195	0.2	4.3	France	CAC Index	7,621	(1.2)	14.9
Luxembourg	LUXXX Index	1,526	0.2	2.3	Argentina	MERVAL Index	2,064,099	(1.3)	(27.7)
Ghana	GGSECI Index	6,211	0.1	0.6	Slovenia	SBITOP Index	2,223	(1.5)	47.7
USA	SPX Index	5,981	0.1	1.2	Hong Kong	HSI Index	23,530	(1.5)	16.1
Tunisia	TUSISE Index	11,258	0.1	0.8	<b>Pakistan</b>	<b>KSE100 Index</b>	<b>120,023</b>	<b>(1.9)</b>	<b>2.4</b>
Taiwan	TWSE Index	22,046	(0.0)	3.9	Kenya	NSEASI Index	145	(2.0)	17.2
USA	INDU Index	42,172	(0.1)	(0.2)	Ireland	ISEQ Index	11,268	(2.0)	28.5
Bulgaria	SOFIX Index	1,007	(0.2)	2.4	Saudi Arabia	SASEIDX Index	10,611	(2.2)	(11.8)
Lithuania	VILSE Index	1,196	(0.2)	0.9	Turkey	XU100 Index	9,181	(2.2)	(16.8)
Dubai	DFMGI Index	5,352	(0.2)	(2.3)	Greece	ASE Index	1,801	(2.2)	36.4
Italy	FTSEMIB Index	39,442	(0.3)	(0.2)	Sri Lanka	CSEALL Index	17,088	(2.2)	4.5
Austria	ATX Index	4,354	(0.4)	(0.2)	Bahrain	BHSEASI Index	1,875	(2.3)	(5.6)
China	SHSZ300 Index	3,847	(0.4)	0.5	Switzerland	SMI Index	11,951	(2.4)	14.0
Spain	IBEX Index	13,899	(0.4)	(0.4)	Chile	IPSA Index	8,077	(2.5)	26.6
Mauritius	SEMDEX Index	2,292	(0.5)	(4.8)	Sweden	OMX Index	2,447	(2.5)	12.3
Latvia	RIGSE Index	889	(0.5)	4.0	Philippines	PCOMP Index	6,340	(2.7)	(1.7)
Uae	ADSMI Index	9,513	(0.5)	(1.8)	Iceland	ICEXI Index	2,066	(3.3)	(3.6)
Portugal	PSI20 Index	7,453	(0.7)	2.3	Mexico	MEXBOL Index	56,068	(3.4)	23.8
Finland	HEX Index	10,447	(0.7)	0.8	Qatar	DSM Index	10,261	(3.4)	(2.9)
Czech Republic	PX Index	2,140	(0.7)	1.4	Indonesia	JCI Index	6,907	(4.4)	(3.7)
Thailand	SET Index	1,068	(6.0)	(20.4)	Denmark	KFX Index	1,839	(5.2)	(3.1)

Source (s): Bloomberg, AHL Research, \* Last Closing

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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)

\* Upside for Power Generation Companies is upside plus dividend yield.

## Equity Valuation Methodology

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

- **Discounted Cash Flow (DCF)**
- **Dividend Discounted 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**

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Arif Habib Limited (AHL) has a shareholding in PSO, PPL, OGDC, NBP, HUBC, FCCL, DGKG, BOP and AKBL.