ARIF HABIB LIMITED

WEEKLY MARKET UPDATE

August 28th, 2026

REP-300

Best Broker: '25
Best Bank for Research:'25
Best Investment Bank for M&A: '25
Best for Research: '24
Best for Diversity & Inclusion: '24
Best Investment Bank: '23

Best Corporate Finance House: '25, '23-'13
Best Brokerage House: '23 – '21
Best Brokerage House (Runner-up): '25–'24
Best Economic Research House: '23–'21
Best Economic Research House (Runner-up): '25–'24

Best Broker:'26
Best Equity Capital Market House:'26
Best Investment Bank:'26

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

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

Best Brokerage House: 2023

Top 25 Companies ('17-'19)

Excellence Award Leading Brokerage House for RDA '21

AHL Research

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Pakistan Weekly Update

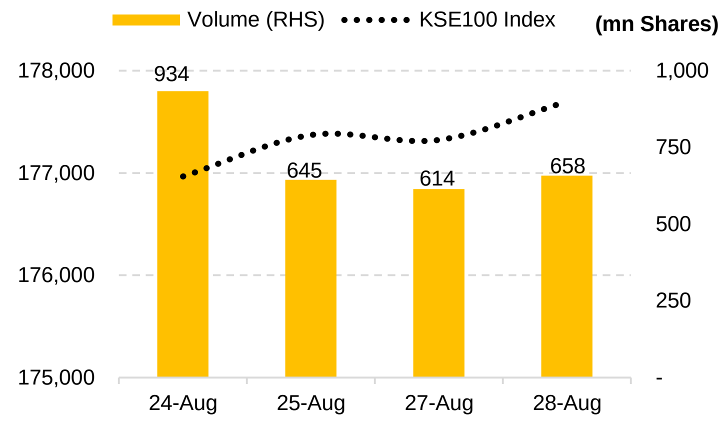
Market stays range-bound

- KSE-100 remained largely range-bound this week as the US-Iran conflict seems to be moving towards a slow resolution, keeping investors cautiously watchful, while a public holiday further slowed trading activity, with the index closing at 177,697 points, up 0.3% WoW (530 points).
- Moody's upgraded Pakistan's credit rating to B3 from Caa1, while outlook was maintained as stable.
- IMF's fourth EFF review mission set to visit Pakistan in September 2026 to assess progress on structural reforms, including the Sovereign Wealth Fund legislation, SOE governance, and anti-corruption measures, as authorities continue working through related legislative and institutional commitments, as per media sources.
- SBP's net profit fell 20% YoY to PKR 1.99trn in FY26, down from PKR 2.499trn in FY25, with a surplus of PKR 1.932trn remitted to the Federal Government.
- Pakistan's five major refineries are set to sign agreements under the Brownfield Refinery Upgradation Policy early next month, unlocking ~USD 6bn in investment to enable domestic production of Euro 5-compliant fuels and reduce reliance on imported petrol and diesel.
- Petroleum prices rose under the new daily pricing mechanism: MS up PKR 4.82/liter to PKR 342.6/liter, HSD up PKR 6.91/liter to PKR 371.61/liter, tracking the seven-day average of Platts prices; PL, IFEM, and OMC margins remain unchanged.
- Liquid FX reserves rose to USD 22.6bn as of 27-Aug-2026 (up USD 81.3mn WoW), with SBP reserves at USD 17.1bn (+USD16.6mn) and bank reserves at USD 5.5bn (+USD 64.7mn), taking import cover to 2.56 months.
- The PKR appreciated marginally by 0.02%, closing at PKR 277.50/USD versus PKR 277.56/USD previously.

Outlook and Recommendation

- Going forward, market direction is likely to stay sensitive to geopolitical developments, while the ongoing earnings season, with results coming in largely decent so far, is expected to lend support to overall market performance this week.
- The KSE-100 Index is currently trading at a P/E of 8.0 offering a dividend yield of 6.2%.
- Our top picks include OGDC, PPL, FFC, LUCK, MLCF, NBP, HUBC, PSO, DGKC, SAZEW and ATRL.

Figure: KSE100 Index and PSX Volume



Source (s): PSX, AHL Research

Exhibit: PSX Indices Performance

Index	Current	WoW (%)	CY26TD (%)
KSE100	177,697	0.3	2.1
KSEAll	107,705	0.1	3.0
KSE30	52,933	0.5	(0.7)
KMI30	251,799	0.1	1.3
BKTI	50,491	1.0	4.3
OGTI	36,062	(1.0)	3.4

Source (s): PSX, AHL Research

Sector Wise Contribution

The sectors contributing positively were i) Banks (+491 pts), ii) Power (+124 pts), iii) Cement (+107 pts), iv) Fertilizer (+101 pts) and v) Textile Comp (+70 pts).Whereas, sectors that contributed negatively were i) Leather & Tanneries (-207 pts), ii) OMCs (-100 pts), iii) E&Ps (-88 pts), iv) Inv. Banks (-72 pts) and v) Misc. (-29 pts).

Scrip wise Contribution

Scrip-wise positive contributions came from UBL (+381 pts), HBL (+188 pts), FFC (+162 pts), HUBC (+131 pts) and BOP (+105 pts). Whereas, scrip-wise negative contributors were NBP (-246 pts), SRVI (-207 pts), PSO (-119 pts), MARI (-88 pts) and PPL (-85 pts).

Volume & Value

Average volumes arrived at 712.69mn shares (down 15.7% WoW), while the average value traded settled at USD 127.4mn (down 13.8% WoW).

Exhibit: PSX Volume Leaders

	Avg. Vol. (mn)	Closing
CNERGY	131.1	14.4
FNEL	49.7	1.2
PRL	36.0	94.9
BOP	28.7	35.0
WTL	24.8	1.2

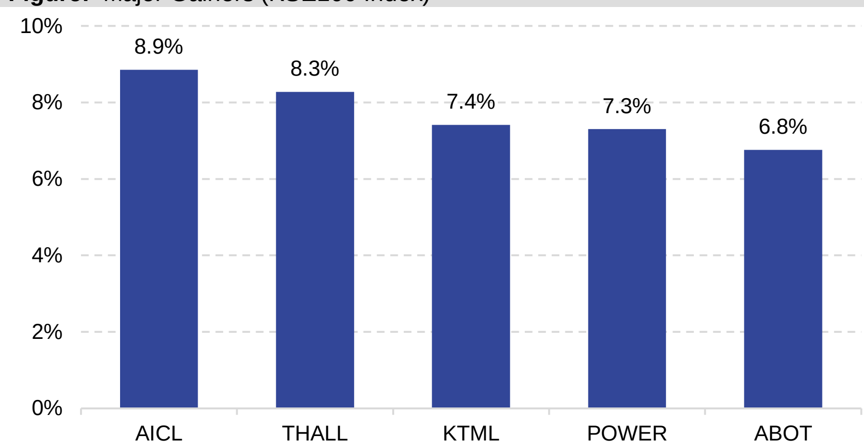
Source (s): PSX, AHL Research

Exhibit: KSE-All Market Capitalization

	Current	WoW (%)	CY26TD (%)
PKR bn	19,885	0.01	3.5
USD bn	72	0.03	4.5

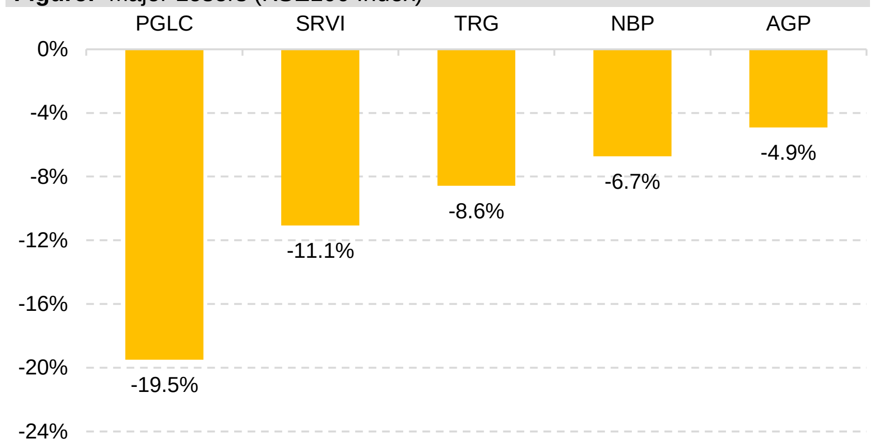
Source (s): PSX, AHL Research

Figure: Major Gainers (KSE100 Index)



Source (s): PSX, AHL Research

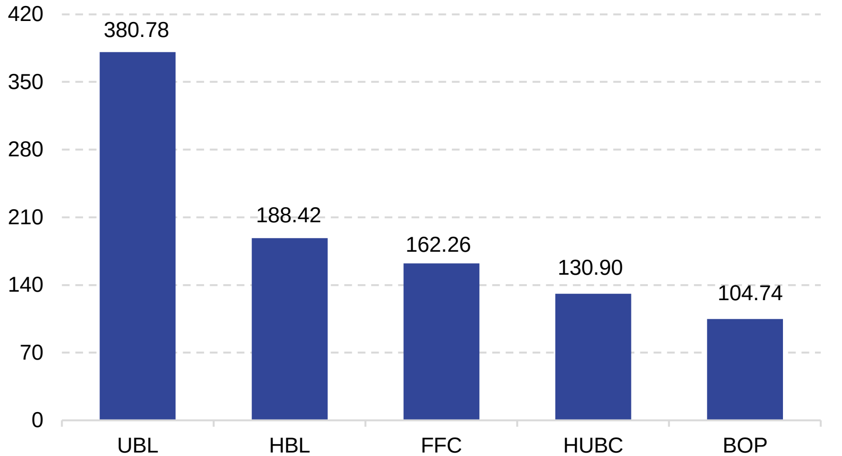
Figure: Major Losers (KSE100 Index)



Source (s): PSX, AHL Research

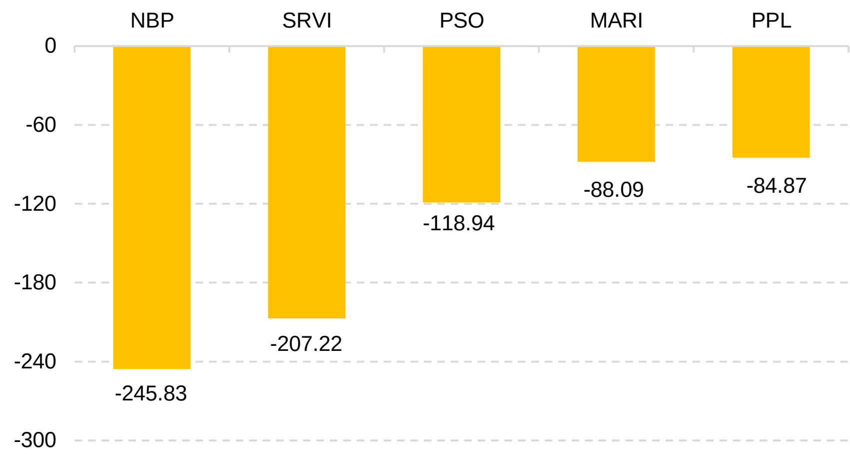
KSE-100 Top Index Contributors

Figure: Bullish Companies (Points Contributed)



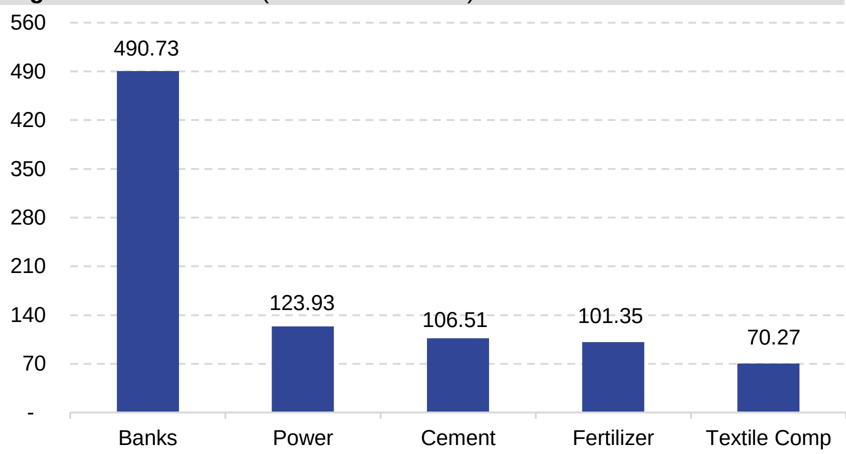
Source (s): PSX, AHL Research

Figure: Bearish Companies (Points Contributed)



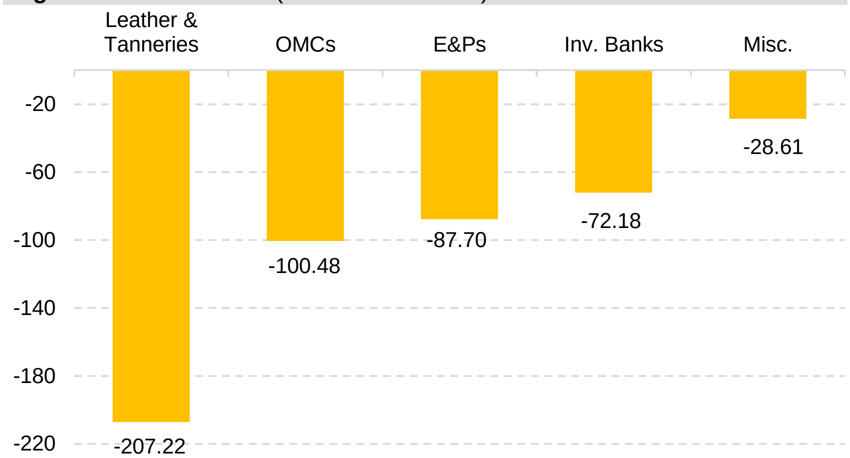
Source (s): PSX, AHL Research

Figure: Bullish Sectors (Points Contributed)



Source (s): PSX, AHL Research

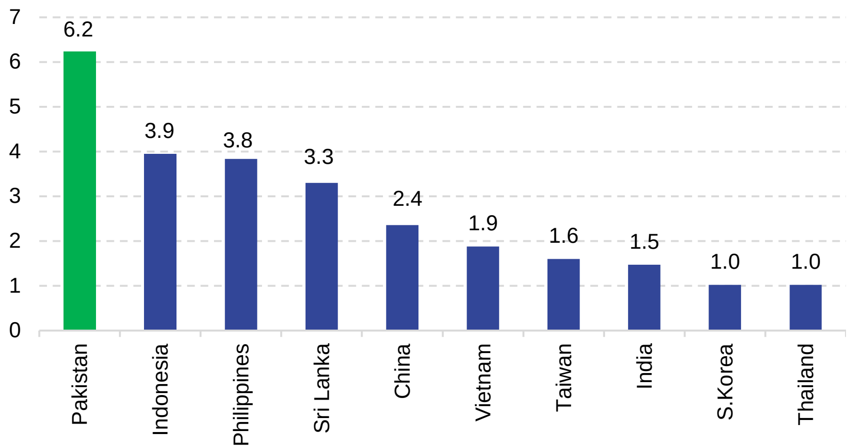
Figure: Bearish Sectors (Points Contributed)



Source (s): PSX, AHL Research

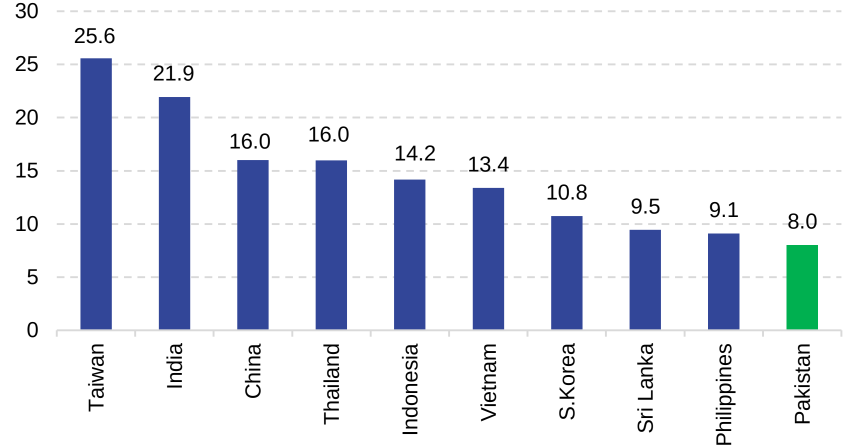
Pakistan Weekly Update
Regional Comparison

Figure: Regional Dividend Yield (%)



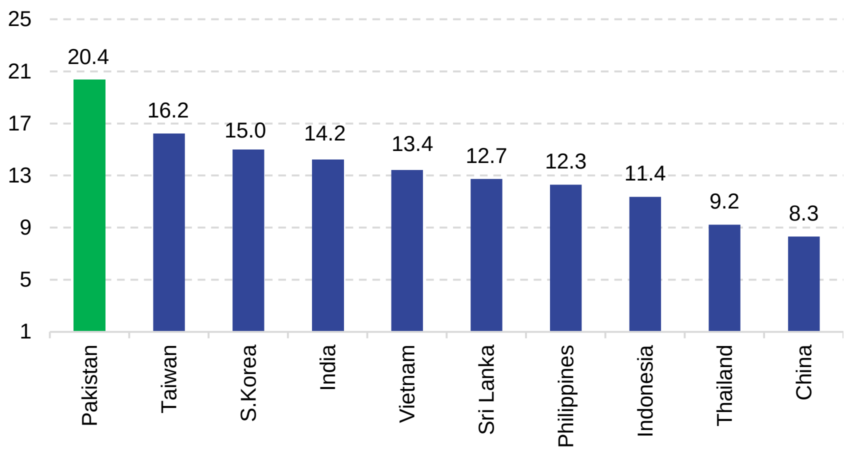
Source (s): Bloomberg, AHL Research

Figure: Regional Price to Earning (x)



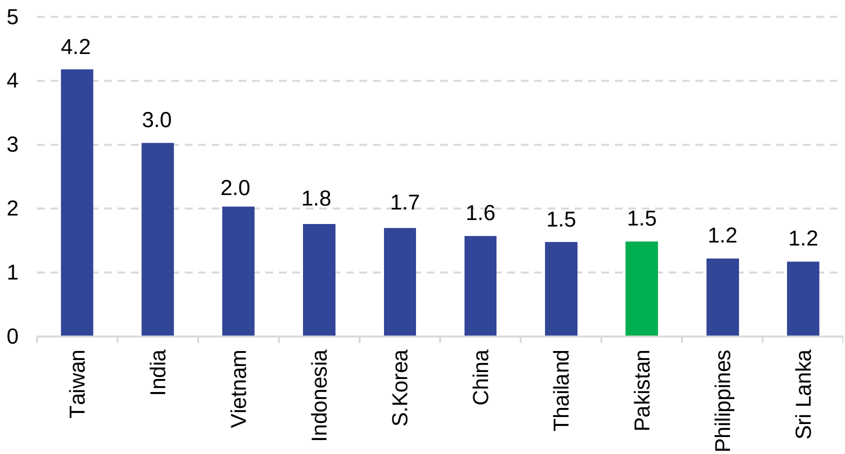
Source (s): Bloomberg, AHL Research

Figure: Regional Return on Equity (%)



Source (s): Bloomberg, AHL Research

Figure: Regional Price to Book (x)



Source (s): Bloomberg, AHL Research

Pakistan Weekly Update

Local Investors Portfolio Investment (USD mn)

LIPI Normal

Current Week

Category	Gross Buy	Gross Sell	Net	Net
Individuals	663.67	662.13	BUY	1.54
Companies	31.13	25.77	BUY	5.36
Banks / DFIs	21.25	82.29	SELL	(61.04)
NBFC	0.15	0.24	SELL	(0.08)
Mutual Funds	122.24	62.74	BUY	59.51
Other Organizations	15.15	11.95	BUY	3.20
Broker Proprietary Trading	122.71	125.29	SELL	(2.57)
Insurance Companies	8.68	3.94	BUY	4.74
Total	**984.98**	**974.34**	**BUY**	**10.65**

LIPI Normal

Last Week

Category	Gross Buy	Gross Sell	Net	Net
Individuals	693.89	676.62	BUY	17.27
Companies	22.30	17.43	BUY	4.87
Banks / DFIs	71.73	45.30	BUY	26.43
NBFC	0.70	0.62	BUY	0.08
Mutual Funds	84.45	137.80	SELL	(53.35)
Other Organizations	3.96	3.21	BUY	0.74
Broker Proprietary Trading	105.99	106.27	SELL	(0.28)
Insurance Companies	9.02	3.75	BUY	5.27
Total	**992.06**	**991.01**	**BUY**	**1.04**

LIPI Sector Wise

Current Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	88.94	82.76	BUY	6.19
Fertilizer	9.54	9.57	SELL	(0.03)
Cement	125.08	124.32	BUY	0.76
Power Generation & Distribution	35.79	35.65	BUY	0.14
Exploration & Production	114.07	113.21	BUY	0.86
Oil & Gas Marketing Companies	62.12	61.67	BUY	0.45
Food and Personal Care Products	20.44	20.36	BUY	0.08
Textile Composite	7.47	7.33	BUY	0.14
Technology and Communication	51.26	47.76	BUY	3.50
All other Sectors	373.13	374.56	SELL	(1.43)
Total (Ex Debt)	887.84	877.18	BUY	10.65
Debt	97.15	97.15	SELL	(0.01)
Total	**984.98**	**974.34**	**BUY**	**10.65**

LIPI Sector Wise

Last Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	64.24	59.15	BUY	5.09
Fertilizer	13.61	13.55	BUY	0.07
Cement	60.02	60.61	SELL	(0.59)
Power Generation & Distribution	31.92	31.37	BUY	0.54
Exploration & Production	104.64	108.92	SELL	(4.28)
Oil & Gas Marketing Companies	137.13	136.58	BUY	0.55
Food and Personal Care Products	27.76	27.97	SELL	(0.21)
Textile Composite	12.14	12.26	SELL	(0.12)
Technology and Communication	28.48	28.24	BUY	0.24
All other Sectors	420.69	420.91	SELL	(0.22)
Total (Ex Debt)	900.63	899.57	BUY	1.06
Debt	91.43	91.45	SELL	(0.02)
Total	**992.06**	**991.01**	**BUY**	**1.04**

Source (s): NCCPL, AHL Research

Pakistan Weekly Update

Foreign Investors Portfolio Investment (USD mn)

FIPI Normal

Current Week

Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	0.11	1.81	SELL	(1.70)
Foreign Corporates	5.03	15.90	SELL	(10.88)
Overseas Pakistani	52.05	50.12	BUY	1.93
Total	**57.19**	**67.83**	**SELL**	**(10.65)**

FIPI Normal

Last Week

Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	2.75	2.42	BUY	0.34
Foreign Corporates	4.66	9.55	SELL	(4.89)
Overseas Pakistani	55.11	51.60	BUY	3.51
Total	**62.52**	**63.56**	**SELL**	**(1.04)**

FIPI Sector Wise

Current Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	5.61	11.80	SELL	(6.19)
Fertilizer	0.84	0.81	BUY	0.03
Cement	8.67	9.42	SELL	(0.76)
Power Generation & Distribution	3.20	3.34	SELL	(0.14)
Exploration & Production	7.28	8.14	SELL	(0.86)
Oil & Gas Marketing Companies	3.36	3.81	SELL	(0.45)
Food and Personal Care Products	1.60	1.67	SELL	(0.08)
Textile Composite	0.39	0.54	SELL	(0.14)
Technology and Communication	6.16	9.67	SELL	(3.50)
All other Sectors	20.06	18.63	BUY	1.43
Total (Ex Debt)	57.18	67.83	SELL	(10.65)
Debt	0.01	-	BUY	0.01
Total	**57.19**	**67.83**	**SELL**	**(10.65)**

FIPI Sector Wise

Last Week

Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	4.72	9.81	SELL	(5.09)
Fertilizer	1.16	1.23	SELL	(0.07)
Cement	3.90	3.31	BUY	0.59
Power Generation & Distribution	1.93	2.47	SELL	(0.54)
Exploration & Production	10.34	6.05	BUY	4.28
Oil & Gas Marketing Companies	9.57	10.12	SELL	(0.55)
Food and Personal Care Products	3.18	2.97	BUY	0.21
Textile Composite	0.51	0.39	BUY	0.12
Technology and Communication	2.38	2.61	SELL	(0.24)
All other Sectors	24.81	24.59	BUY	0.22
Total (Ex Debt)	62.50	63.56	SELL	(1.06)
Debt	0.02	0.00	BUY	0.02
Total	**62.52**	**63.56**	**SELL**	**(1.04)**

Source (s): NCCPL, AHL Research

Pakistan Weekly Update

Recommendation Summary

ARIF HABIB LIMITED

Exhibit: AHL Universe - Recommendation Summary

Code	Company	Price 28-Aug-26	TP Dec'26	Total Return (%)	Stance	EPS (PKR) 2025	EPS (PKR) 2026	EPS (PKR) 2027	DPS (PKR) 2025	DPS (PKR) 2026	DPS (PKR) 2027	P/E (x) 2026	P/E (x) 2027	DY (%) 2026	DY (%) 2027	P/B (x) 2026	P/B (x) 2027	RoE (%) 2026	RoE (%) 2027	Indices
Exploration & Production																				
MARI	Mari Petroleum Ltd	664.7	740.7	15.5	Buy	54.2	72.5	70.4	21.70	27.00	28.88	9.2	9.4	4.1	4.3	2.5	2.4	29.3	25.7	KSE100, KSE30, KMI & MSCI
OGDC	Oil and Gas Dev Co.	325.2	400.0	28.2	Buy	39.5	39.2	51.3	15.00	17.00	21.80	8.3	6.3	5.2	6.7	1.0	0.9	12.1	14.7	KSE100, KSE30 & MSCI
POL	Pakistan Oilfields Ltd.	739.4	648.0	1.2	Hold	85.2	112.4	91.3	75.00	100.00	79.71	6.6	8.1	13.5	10.8	2.3	2.9	37.6	31.9	KSE100, KSE30 & MSCI
PPL	Pakistan Petroleum Ltd.	237.1	300.0	30.1	Buy	33.8	31.7	40.7	7.50	8.49	10.66	7.5	5.8	3.6	4.5	0.8	0.8	11.7	13.7	KSE100, KSE30, KMI & MSCI
Commercial Banks^																				
FABL	Faysal Bank Ltd.	96.4	121.8	33.1	Buy	14.8	15.0	16.2	6.50	6.50	8.00	6.4	6.0	6.7	8.3	1.2	1.1	18.9	19.1	KSE100, KMI & MSCI
MEBL	Meezan Bank Ltd.	574.3	618.4	12.9	Buy	50.4	56.6	61.2	28.00	30.00	30.00	10.1	9.4	5.2	5.2	3.3	2.8	34.0	32.1	KSE100, KSE30 , KMI & MSCI
AKBL	Askari Bank Ltd.	107.4	137.3	35.3	Buy	15.8	17.1	19.4	5.00	8.00	8.00	6.3	5.5	7.4	7.4	1.0	0.9	15.9	16.8	KSE100 & MSCI
BAFL	Bank Alfalah Ltd.	58.3	68.7	28.9	Buy	8.8	10.9	11.4	5.25	6.50	6.50	5.3	5.1	11.2	11.2	0.9	0.9	17.3	17.3	KSE100, KSE30 & MSCI
BOP	The Bank of Punjab	35.0	36.9	14.0	Buy	4.7	5.7	6.1	2.50	3.00	3.00	6.1	5.7	8.6	8.6	1.1	1.0	18.1	18.1	KSE100,KSE30 & MSCI
HBL	Habib Bank Ltd.	325.8	372.8	21.8	Buy	45.5	49.8	53.5	20.00	24.00	24.00	6.5	6.1	7.4	7.4	1.0	0.9	15.1	15.6	KSE100, KSE30 & MSCI
MCB	MCB Bank Ltd.	402.7	432.8	16.4	Buy	49.3	47.6	52.2	36.00	36.00	36.00	8.5	7.7	8.9	8.9	1.5	1.4	17.0	18.5	KSE100, KSE30 & MSCI
NBP	National Bank of Pakistan.	189.0	244.2	43.0	Buy	40.0	32.2	39.4	35.00	26.00	29.00	5.9	4.8	13.8	15.3	0.8	0.8	13.4	16.7	KSE100 KSE30 & MSCI
UBL	United Bank Ltd.	458.7	496.9	15.3	Buy	51.9	60.6	66.0	29.50	32.00	33.00	7.6	6.9	7.0	7.2	2.5	2.1	31.6	32.9	KSE100, KSE30 & MSCI
Fertilizer																				
EFERT	Engro Fertilizer^	182.6	220.0	28.2	Buy	16.9	15.9	21.7	15.00	14.05	20.70	11.5	8.4	7.7	11.3	4.9	4.7	45.0	57.3	KSE100, KSE30, KMI & MSCI
FFC	Fauji Fertilizer Co.	550.0	640.0	24.4	Buy	51.1	57.4	57.1	37.00	44.25	43.00	9.6	9.6	8.0	7.8	4.9	4.4	55.8	48.2	KSE100, KMI, KSE30 & MSCI
INV. BANKS / INV. COS. / SECURITIES COS.																				
ENGROH	Engro Holdings Limited^	265.9	340.0	27.9	Buy	46.2	37.6	48.3	-	-	11.50	7.1	5.5	-	4.3	1.2	1.0	19.1	19.6	KSE100, KSE30, KMI & MSCI
Cement																				
DGKC	D.G. Khan Cement Co.	212.7	312.4	47.3	Buy	19.8	26.1	29.0	2.00	1.00	2.90	8.2	7.3	0.5	1.4	0.8	0.8	10.6	10.4	KSE100, KSE30, KMI & MSCI
FCCL	Fauji Cement Co.	56.3	65.1	18.1	Buy	5.4	6.6	7.1	1.25	1.50	2.00	8.5	7.9	2.7	3.5	1.4	1.3	17.8	17.3	KSE100, KSE30, KMI & MSCI
KOHC	Kohat Cement Co.	97.4	125.0	30.4	Buy	12.6	10.7	14.2	-	2.04	2.84	9.1	6.9	2.1	2.9	1.6	1.4	18.9	21.5	KSE100 & KMI
MLCF	Maple Leaf Cement.^	101.4	133.4	31.5	Buy	11.0	11.3	14.5	-	-	-	8.9	7.0	-	-	1.1	1.3	14.4	17.1	KSE100, KSE30, KMI & MSCI
LUCK	Lucky Cement Ltd.^	442.1	584.4	33.3	Buy	52.5	60.8	74.1	4.00	5.00	5.42	7.3	6.0	1.1	1.2	1.4	1.2	20.7	21.5	KSE100, KSE30, KMI & MSCI
Oil & Gas Marketing																				
APL	Attock Petroleum Ltd.	591.1	701.8	28.9	Buy	83.5	136.3	78.8	25.50	60.00	31.50	4.3	7.5	10.2	5.3	1.0	0.9	24.6	12.6	KSE100 & KMI
PSO	Pakistan State Oil	361.1	620.0	70.0	Buy	44.5	31.4	72.6	10.00	9.41	21.77	11.5	5.0	2.6	6.0	0.7	0.6	5.8	12.4	KSE100, KSE30, KMI & MSCI
SPSL	Sitara Petroleum Service Limited	16.3	23.3	43.1	Buy	1.9	3.1	3.7	-	-	-	5.2	4.4	-	-	1.5	1.1	39.6	29.5	KSE100
Automobile Assemblers^																				
HCAR	Honda Atlas Cars (Pak)	238.1	287.2	24.4	Buy	19.0	22.6	35.3	8.00	9.00	14.00	10.5	6.7	3.8	5.9	1.3	1.2	13.2	18.7	KSE100, KMI & MSCI
INDU	Indus Motor Co.	1,949.1	2,600.0	43.6	Buy	292.7	330.5	315.2	176.00	198.00	189.00	5.9	6.2	10.2	9.7	1.8	1.6	31.6	26.8	KSE100
MTL	Millat Tractors Ltd.	301.2	247.8	-10.1	Sell	16.0	23.3	28.7	30.00	23.00	20.85	12.9	10.5	7.6	6.9	9.5	6.5	90.1	73.7	KSE100, KMI & MSCI
SAZEW	Sazgar Engineering Works Ltd.	1,868.4	2,650.0	45.0	Buy	270.3	330.0	285.4	52.00	67.00	77.50	5.9	6.5	3.2	4.1	2.7	2.0	72.3	35.6	KSE100, KMI & MSCI
Power Generation & Distribution																				
HUBC	The Hub Power Company Ltd.^	210.8	220.0	18.6	Buy	35.6	38.3	37.3	15.00	20.00	15.00	5.5	5.6	9.5	7.1	1.2	1.0	21.8	19.5	KSE100, KSE30, KMI30 and MSCI
NPL	Nishat Power Limited.^	65.9	100.0	54.1	Buy	(1.1)	7.8	9.2	6.00	1.50	3.00	8.5	7.1	2.3	4.6	0.8	0.7	9.4	10.4	KSE ALL & MSCI
NCPL	Nishat Chunian Power Ltd.^	57.3	75.0	33.6	Buy	(9.2)	7.2	6.9	7.00	1.50	3.00	8.0	8.3	2.6	5.2	0.8	0.8	10.8	9.7	KSE ALL & MSCI
KAPCO	Kot Addu Power Company Ltd.	27.5	59.4	126.8	Buy	2.9	3.1	5.7	7.00	3.00	3.00	8.9	4.8	10.9	10.9	0.4	0.4	4.8	8.7	KSE ALL
Technology & Communication																				
AIRLINK	Air Link Communication Ltd.^	133.4	221.2	69.9	Buy	12.0	12.5	13.2	4.50	5.50	6.00	10.7	10.1	4.1	4.5	2.5	2.1	25.9	22.8	KSE100 & KMI
SYS	Systems Ltd.^	130.8	196.5	52.5	Buy	7.5	9.2	12.5	2	3.00	4.00	14.2	10.5	2.3	3.1	2.9	2.2	23.6	24.0	KSE100, KSE30, KMI & MSCI
Engineering																				
MUGHAL	Mughal Iron & Steels Ind Ltd.	77.9	102.0	31.0	Buy	2.9	7.7	7.3	-	-	-	10.1	10.7	-	-	0.8	0.8	8.6	7.5	KSEALL, KMI & MSCI

Source (s): Bloomberg, AHL Research, *Upside is total return, ^ Consolidated

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 2026 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 +10% from last closing of market price(s)
HOLD	Upside* of subject security(ies) is between -5% and +10% from last closing of market price(s)
SELL	Upside* of subject security(ies) is less than -5% 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

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,NBP,BOP,FCCL,MLCF,HUBC,NCPL,NPL,PAEL & SPSL.