MORNING UPDATE

Important News and Impacts

October 15, 2026

Economy

PM Shehbaz calls for expanded trade, energy ties with Russia – Positive

Prime Minister Shehbaz Sharif has called for broadening Pakistan-Russia cooperation in trade and investment, energy, and economic development, as visiting Russian Interior Minister Vladimir Kolokoltsev held a series of high-level meetings in the federal capital and Rawalpindi.

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Aurangzeb says Pakistan's fiscal deficit falls to 22-year low – Positive

Finance Minister Muhammad Aurangzeb on Wednesday told an International Monetary Fund (IMF) meeting that Pakistan's fiscal deficit had fallen to a 22-year low, with three consecutive years of primary surpluses and economic growth of 3.7 per cent, according to a statement issued by the Ministry of Finance.

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Exporters seek govt support to stem decline – Positive

ISLAMABAD: Textile and clothing exporters have urged the government to introduce structural reforms and provide temporary financial support to arrest the sector's downturn and protect Pakistan's share in international markets amid mounting global competition.

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Banks ignore climate in project financing – Neutral

KARACHI: Pakistan's major commercial banks have made limited progress in extending sustainability commitments to the businesses and projects they finance, with climate change and biodiversity emerging as the weakest areas in a new assessment of the sector.

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DISCOs, have asked the NEPRA to approve their tariffs for 2027 – Neutral

Pakistan's ten electricity distribution companies, known as DISCOs, have asked the National Electric Power Regulatory Authority (NEPRA) to approve their tariffs for 2027. Inside those requests are Prior Year Adjustments, which are old claims for money the companies say they could not recover earlier.

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Sector

Electric buses JV: Pakistani firm signs MoU with Chinese co – Neutral

ISLAMABAD: A Pakistani firm has signed a memorandum of understanding (MoU) with a Chinese company to establish a joint venture for manufacturing electric buses in Pakistan.

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DISCOs tariffs: Export industries oppose proposed hike – Neutral

Export-oriented industries have strongly opposed proposed increases of 5 to 10 percent in electricity tariffs by power distribution companies (DISCOs), warning that higher energy costs, increased fixed charges and the recovery of historical expenses and utilities' income tax liabilities from consumers could further undermine Pakistan's export competitiveness.

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MARKET STATISTICS

Market	14/Oct/26	13/Oct/26	Difference	D%
KSE-100	165,418	164,776	641.06	0.4%
KSE-30	49,038	48,868	170.21	0.3%
All Share	100,346	99,976	370.21	0.4%
Vol (mn)	584.25	381.85	202.41	53.0%
Val (mn)	20,046	13,066	6,980	53.4%
Mkt Cap (US$bn)	66.38	66.14	0.24	0.4%

ECONOMIC STATS.

Monet Mkt	DoD	1-M	CY	FY
6-M KIBOR	12.24	12.04	10.65	11.56
12-M-T-Bills	12.50	12.49	10.49	11.84
10-Yr-PIBs	12.83	12.83	11.47	12.19

Interest Rates	14/Oct/26	13/Oct/26	DoD	Δ%
1YR	12.46	12.45	0.01	0.1%
3YR	12.73	12.73	0.00	0.0%
5YR	12.8	12.8	0.00	0.0%
10YR	12.83	12.82	0.01	0.1%

Fx Mkt	Latest	Privies	DoDD
US$	276.95	276.97	0.0%
Pound	364.32	366.95	-0.7%
Euro	309.81	309.69	0.0%
Yen	1.75	1.75	0.0%

MAJOR INT'L INDICES

Int. Markets	Current	Last Close	DoD%
Hong Kong	24,056	24,314	-1.1%
Japan	64,660	68,143	-5.1%
Singapore	5,371	5,423	-1.0%
China	3,699	3,767	-1.8%
India	72,782	72,782	0.0%
Dow Jones	51,621	51,670	-0.1%
S&P 500	7,719	7,805	-1.1%
NASDAQ	26,693	27,204	-1.9%
London	10,725	10,650	0.7%

COMMODITIES

Commodities	Current	last	DoD%
WTI ($/bbl)	94.04	95.31	-1.3%
Brent ($/bbl)	104.49	106.52	-1.9%
Coal ($/ton)	145.00	145.50	-0.3%
Silver ($/oz)	56.26	58.75	-4.2%
Cotton (c/lb)	80.42	80.83	-0.5%
Gold ($/oz)	4,169	4,165	0.1%

Source: Bloomberg, Oil Prices, Investing, BarChart, LME.

This report prepared by Darson Sec. Ltd.

Important News and Impacts

Generation, transmission & distribution: Power regulator urges govt to repeal five existing rules – Neutral
The National Electric Power Regulatory Authority (NEPRA) has urged the federal government to repeal five existing rules, including the Performance Standards (Distribution) Rules, 2005, warning that their continued existence alongside corresponding regulations notified by the regulator could create legal uncertainty and lead to divergent interpretations.
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Pakistan eyes US energy imports, Boeing aircraft financing – Positive
Pakistan has discussed increasing energy imports from the United States to diversify supplies and maintain fuel availability amid rising tensions in the Middle East, alongside financing for Boeing aircraft acquisitions
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BoP problems: Competitive, export-driven economy constitutes the solution: Ahsan – Positive
ISLAMABAD: Federal Minister for Planning, Development and Special Initiatives, Ahsan Iqbal on Wednesday called for a globally competitive, export-driven economy to overcome Pakistan's recurring balance of payments related problems and strengthen economic sovereignty, saying that achieving the USD100 billion export target by 2035 is essential for Pakistan to break the cycle of economic dependency, ensure sustainable growth, and strengthen its economic independence.
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Over USD5bn annual exports targeted: Asia Pak seeks govt help for aluminum smelter at PQ – Positive
AsiaPak Investments Limited has sought the government's support for a proposed export-oriented aluminum smelter in the Port Qasim industrial area, targeting annual exports of more than USD5 billion at full development, alongside a long-term power supply arrangement linked to a conditional waiver of USD90 million in late payment interest (LPI) owed by the Central Power Purchasing Agency-Guarantee (CPPA-G) to Port Qasim Electric Power Company (Private) Limited (PQEPCL).
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Aurangzeb urges IFIs to align financing terms with improved ratings – Positive
Finance Minister Muhammad Aurangzeb on Wednesday urged international financial institutions to align financing terms with Pakistan's improved sovereign ratings and expanding access to international capital markets, while reaffirming the government's commitment to sustained economic reforms, fiscal discipline and regional cooperation.
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Anti-terror finance controls tightened – Positive
The Securities and Exchange Commission of Pakistan (SECP) has issued a Guidebook on Targeted Financial Sanctions (TFS) to help prevent terrorist financing and other illicit activity while safeguarding the integrity of Pakistan's financial system.
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Govt seeks 15-year Saudi oil facility – Positive
BANGKOK: Pakistan on Tuesday took up the issue of revival of the $1.2 billion annual oil facility on deferred payments with the Saudi Fund for Development (SFD), as both sides discussed ways to deepen energy cooperation.
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International

Asian markets sell off as AI trades crumble after hot US CPI data – Neutral
SINGAPORE, Oct 15 (Reuters) - Markets started the day on the back foot as trading kicked off in Asia on Thursday, as a quicker-than-expected increase in US consumer price inflation upped expectations for the Federal Reserve to act later this year and pushed stocks lower.
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Oil prices climb as Iran deploys new tactics to target ships transiting Hormuz – Negative
Oil prices climbed on Wednesday after two vessels were struck in the Strait of Hormuz and Iranian officials told Reuters they were deploying new tactics to target ships, as Tehran seeks to keep oil prices high and influence the US midterm elections.
Click here to more info

Source: Bloomberg, Oil Prices, Investing, BarChart, LME.

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Rating System:
If;

- **Expected return >15%** - Buy Call
- **Expected Return is in between 0% to 15%** - Neutral/Hold Call
- **Expected Return <0%** - Sell Call

Valuation Methodology
To arrive at our period end target prices, DSL uses different valuation methodologies including:

- Discounted cash flow (DCF, DDM)
- Justified price to book (JPB)
- Relative Valuation (P/E, P/B, P/S etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)

CONTACT US

CORPORATE OFFICE

1. KARACHI
Room # 808, Business & Finance Centre, I.I. Chundrigar Road, Karachi.
UAN: 021 111 900 400, **Fax:** 021 32471088

BRANCH NETWORK

2. KARACHI
Office No. 516, 5th Floor, PSX Building, Stock Exchange Road, Karachi. **Phone:** 021-32425538

3.Karachi
Gulshan Iqbal Office Bearing No:2, Mezzanine Floor, Anum Tower, SB-37,Block 13/C, Gulshan Iqbal, Karachi 021-34800811

4. LAHORE
LSE BRANCH
Room No. 102, 1st Floor, LSE Building, Aiwan-e-Iqbal Road, Lahore.
Phone: 042-36309842 042-36314293

5. LIBERTY BRANCH
Office No. 404, 3rd Floor, Liberty Tower, Liberty Gulberg, Lahore.
Phone: 042-6366263, 6364208 042-5789705

6. GUJRANWALA
Office No. 10, Ground Floor, Block A, GDA Trust Plaza, G.T. Road Gujranwala
Phone: 0553-732963-64

7. DERA ISMAIL KHAN
2nd Floor, State Life Building, Near Skynet Courier Office, Circular Road, Dera Ismail Khan.
Phone: 0966-730906

8. SARGODHA
Office # 3, 1st Floor, Al-Munir Market, Liaquat Bazar, Sargodha.
Phone: 0483-701141, 0333-9804899

9. JHELUM
1st Floor, Metro Trade Centre, Near Shaloom Centre, Al-Markaz Road, Jehlum.
Phone: 0544-626087, 832289

10. HYDERABAD
Office # 9 , 6th Floor , Salman Icon Tower , Auto Bhan Road Hyderabad
Phone: 022-3821230-1

11. FAISALABAD (1)
Room No. 160-161, Mezzanine Floor, City Mall, Chen One Road, Faisalabad.
Phone: 041-8711313, 8712377

12. FAISALABAD (2)
Room No. 512, 5th Floor, State Life Bldg. no. 2, Liaquat Road, Faisalabad.
Phone: 041-2610777

13. ISLAMABAD
Office # 24 , 1st Floor , City Square, Gate no. 1, Block-B, Sector B-17, IslamabadPhone: 051-7234859