MORNING UPDATE

Important News and Impacts

October 16, 2026

Economy

PM calls for agricultural innovation to ensure food security – Neutral

ISLAMABAD: Prime Minister Muhammad Shehbaz Sharif has reaffirmed the government's commitment to modernizing Pakistan's agriculture and food sectors through scientific research, technological innovation and improved support for farmers to strengthen national food security.
Click here to more info

Loss-making Disco on sell-off list: IESCO seeks over 54pc hike in tariff for CY27 – Negative

ISLAMABAD; The Islamabad Electric Supply Company (IESCO), a loss-making power distribution company included in the first phase of the government's privatization programme, has sought an increase of over 54 per cent in its consumer-end tariff to Rs43.54 per kilowatt-hour (kWh) from the existing Rs28.20 per kWh for calendar year 2027 (CY27), starting January, to clean up its balance sheet before being offered to the private sector.
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Aurangzeb holds key investor, bilateral, multilateral engagements – Positive

BANGKOK: Federal Minister for Finance and Revenue Senator Muhammad Aurangzeb held a series of high-level engagements with international investors, a sovereign credit rating agency, multilateral financial institutions, development partners and government counterparts on the sidelines of the IMF–World Bank Annual Meetings in Bangkok, highlighting Pakistan's macroeconomic stabilization, structural reform agenda and commitment to sustainable, export-led growth.
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FBR extends income tax return filing deadline to Oct 31 – Neutral

FBR grants second extension in a month after trade bodies' requests, giving taxpayers until Oct 31 to file returns The Federal Board of Revenue (FBR) on Thursday extended the deadline for filing income tax returns for Tax Year 2026 by another 16 days to Oct 31."In exercise of the powers conferred under Section 214A of the Income Tax Ordinance, 2001, the Federal Board of Revenue is pleased to further extend the date of filing of Income Tax Returns for Tax Year 2026 up to 31st October, 2026," the FBR said in a post on X.
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Consumers to pay additional Rs32.7bn for Sep FPA – Negative

ISLAMABAD: The Power Division has claimed that targeted load management and other measures helped limit the projected Fuel Price Adjustment (FPA) for September 2026 to Rs2.56 per unit, against an estimated Rs5 to Rs6 per unit, saving electricity consumers from an additional burden of up to Rs3.44 per unit.
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Sector

1QFY27 textile exports grow 5.26pc YoY – Positive

Minister for Information Technology and Telecommunication Shaza Fatima Khawaja on Tuesday said that Pakistan is in the final ISLAMABAD: The textile exports registered an increase of 5.26 percent during the first quarter (July-September) of the current fiscal year 2026-27 compared to the same quarter last year, according to foreign trade data released by the Pakistan Bureau of Statistics (PBS) on Thursday.
Click here to more info

TMA for reforms to restore export competitiveness – Positive

KARACHI: Omer Anwar Lari, Vice Chairman of the Towel Manufacturers' Association of Pakistan (TMA), has called for immediate and comprehensive policy measures to address the rising cost of doing business, ease liquidity constraints, and restore the international competitiveness of Pakistan's export-oriented industries.
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MARKET STATISTICS

Market	15/Oct/26	14/Oct/26	Difference	Δ%
KSE-100	166,186	165,418	768.66	0.5%
KSE-30	49,294	49,038	255.06	0.5%
All Share	100,823	100,346	477.21	0.5%
Vol (mn)	515.69	584.25	(68.57)	-11.7%
Val (mn)	23,549	20,046	3,503	17.5%
Mkt Cap (US$bn)	66.68	66.38	0.30	0.5%

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	12.80	12.83	11.47	12.19

Interest Rates	15/Oct/26	14/Oct/26	DoD	Δ%
1YR	12.45	12.46	-0.01	-0.1%
3YR	12.69	12.73	-0.04	-0.3%
5YR	12.74	12.8	-0.06	-0.5%
10YR	12.8	12.83	-0.03	-0.2%

Fx Mkt	Latest	Privies	DoDD
US$	276.92	276.95	0.0%
Pound	367.10	364.32	0.8%
Euro	310.42	309.81	0.2%
Yen	1.76	1.75	0.6%

MAJOR INT'L INDICES

Int. Markets	Current	Last Close	DoD%
Hong Kong	24,369	24,063	1.3%
Japan	65,551	64,426	1.7%
Singapore	5,444	5,404	0.8%
China	3,743	3,707	0.9%
India	74,316	74,316	0.0%
Dow Jones	51,621	51,621	0.0%
S&P 500	7,719	7,719	0.0%
NASDAQ	26,693	26,693	0.0%
London	10,725	10,725	0.0%

COMMODITIES

Commodities	Current	last	DoD%
WTI ($/bbl)	95.11	94.62	0.5%
Brent ($/bbl)	104.51	104.48	0.0%
Coal ($/ton)	144.95	145.10	-0.1%
Silver ($/oz)	56.90	56.88	0.0%
Cotton (c/lb)	80.32	80.29	0.0%
Gold ($/oz)	4,179	4,178	0.0%

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

This report prepared by Darson Sec. Ltd.

Important News and Impacts

akistan, IsDB advance USD5.6bn cooperation – Positive

BANGKOK: Federal Minister for Economic Affairs Ahad Khan Cheema met Dr Muhammad Sulaiman Al Jasser, Chairman of the Islamic Development Bank (IsDB) Group, on the sidelines of the 2026 World Bank Group–IMF Annual Meetings in Bangkok to discuss accelerating development cooperation under Pakistan's Member Country Partnership Strategy (MCPS) 2026–2030.

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Soaring costs force PHMA to seek export support – Negative

KARACHI: The Pakistan Hosiery Manufacturers & Exporters Association (PHMA) on Thursday urged the federal government to provide temporary export support of 6-8 per cent of the free-on-board (FoB) value of shipments and take immediate measures to curb rising production costs, warning that mounting financial pressures are threatening export orders, international buyers and Pakistan's market share.

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Govt keeps treasury bill returns higher over policy rate – Negative

KARACHI: The government kept treasury bill rates almost unchanged in an auction held on Wednesday, but the returns on all tenors of T-bills remained higher than the State Bank's policy rate of 11.5 per cent.

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Ministry seeks cut in wheat seed prices – Neutral

ISLAMABAD: The Ministry of National Food Security and Research has urged private seed companies to reduce wheat seed prices to make them more affordable for farmers ahead of the Rabi sowing season, which begins in the coming weeks.

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WTO sees lasting impact on trade from ME war – Negative

BANGKOK: Shifting geopolitics and the wars in Ukraine and the Middle East will have a lasting impact on world trade flows as companies hedge their bets against future shocks, Ngozi Okonjo-Iweala, director general of the World Trade Organization, told Reuters on Thursday.

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International

AI selloff hammers hedge funds this week, Asia managers lead losses – Neutral

TOKYO, Oct 16 (Reuters) - Global hedge funds suffered steep losses this week, according to a Goldman Sachs prime brokerage note, battered by the violent unwind of a swathe of AI bets, with Asia-focused funds hit the hardest.Investors are increasingly questioning whether massive AI spending can pay off anytime soon as elevated inflation keeps borrowing costs high.

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Oil prices retreat as investors weigh supply outlook, Middle East tensions – Positive

Oil prices fell more than 1% on Thursday as investors weighed risks to supply from attacks on shipping through the Strait of Hormuz against US efforts to cut petroleum shipping costs by easing sanctions on vessels. Brent crude futures fell $1.64, or 1.6%, to $104.42 a barrel, while US West Texas Intermediate crude futures were down 98 cents, or 1%, to $94.11, reversing gains from the previous session.

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.)

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