Important News and Impacts

October 19, 2026

Economy

FinMin seeks BB rating, $1.5b financing – Positive
Federal Minister for Finance and Revenue Senator Muhammad Aurangzeb has sought Fitch Ratings' assessment of the requirements for Pakistan to progress towards the BB sovereign rating category, as the government explored a potential structure combining a World Bank policy-based guarantee with MIGA coverage to mobilize approximately $1.5 billion in financing at competitive rates.
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Pakistan, US discuss external financing – Positive
ISLAMABAD: Federal Minister for Finance and Revenue Senator Muhammad Aurangzeb on Friday met Under Secretary for International Affairs US Department of the Treasury, Erin Browne and discussed Pakistan's economic outlook, reform agenda and external financing strategy.
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Pakistan, Turkey sign JV deal to explore critical minerals in Baluchistan – Positive
ISLAMABAD: Pakistan and Turkey have agreed to jointly explore and develop antimony, copper, gold, silver, molybdenum and other minerals across nearly 499 square kilometers in Baluchistan, in a partnership aimed at attracting foreign investment and strengthening Pakistan's role in the global critical minerals supply chain.
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Gulf inflows in domestic bonds – Positive
Foreign investment in Pakistan's domestic bonds reached $188 million in the first nine days of October, indicating growing overseas interest and opening another source of dollar inflows for the government.
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Pakistan reports over $18bn trade data discrepancy to IMF – Negative
A high-powered official committee, in its report submitted to the International Monetary Fund (IMF), conceded that there was a discrepancy in Pakistan's trade data ranging over $18 billion over a five-year period from the fiscal year 2020-21 to 2024-25.
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Q1 CA deficit soars 16pc YoY on higher imports – Negative
KARACHI: The country's current account deficit widened by 16 percent in the first quarter of this fiscal year, mainly due to a higher goods import bill. The State Bank of Pakistan (SBP) reported on Friday that Pakistan posted a current account deficit of USD 874 million during July-Sep of FY27 compared to USD 755 million in same period of the last fiscal year (FY26), depicting an increase of USD 119 million.
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Jul-Aug FY27 LSM grows 1.85pc YoY – Positive
ISLAMABAD: The Large Scale Manufacturing (LSM) sector posted growth of 1.85 percent during July-August 2026-27 on a year-on-year (YoY) basis, lower than the 3.03 percent LSM growth registered in July 2026, according to provisional data released here on Friday by the Pakistan Bureau of Statistics (PBS).
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Sector

Economy is more resilient, outlook improving, says SBP – Positive
KARACHI: Pakistan's central bank governor told global investors this week that the country's economy has become more resilient to shocks, citing falling inflation, rising growth and a sharp rebuild in foreign exchange reserves, according to a statement issued on Saturday.
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FDI rises 20pc to $720m in Q1 – Positive
KARACHI: Pakistan's net foreign direct investment (FDI) jumped 20 per cent year-on-year (YoY) to $719.7 million in the first quarter of fiscal year 2026-27, data from the State Bank of Pakistan (SBP) showed on Friday..
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PSO clears renewed SPA with PARCO? – Neutral
ISLAMABAD: Pakistan State Oil (PSO) Board has reportedly given its nod sought to execute a renewed five-year Sale Purchase Agreement (SPA) with Pak Arab Refinery Limited (PARCO), providing for a substantial increase in monthly allocations of motor gasoline and high-speed diesel (HSD) while sharply reducing furnace oil supplies..
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Pakistan has enough energy supplies to last through Nov: Aurangzeb – Positive
Pakistan's finance minister on Saturday told AFP the country had so far withstood the shock from skyrocketing energy prices due to the Iran war, but that attacks on infrastructure in Saudi Arabia and other Gulf countries were "worrying" for the country's longer-term economic outlook. In an interview on the sidelines of the IMF-World Bank Annual Meetings in Bangkok, Muhammad Aurangzeb said the South Asian country had procured enough energy supplies to last through November, and was now planning for the winter months, when household needs typically spike.
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Refineries post GRMs of around $30 per barrel in 1QFY27 – Positive
KARACHI: Gross refining margins (GRMs) remained around $30 per barrel in the first quarter of the current fiscal year, supported by strong diesel spreads and anticipated inventory gains amid global supply disruptions linked to the US-Iran and Russia-Ukraine conflicts.
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International

Measures to boost LPG supply presented – Positive
ISLAMABAD: The Petroleum Division has submitted a set of measures to improve the LPG supply position in the market. One of these measures is the disposal of locally produced LPG through a transparent and competitive process, while ensuring the availability of the product in far-flung and hilly areas in accordance with the LPG Policy 2016.
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MARKET STATISTICS

Market	16/Oct/26	15/Oct/26	Difference	D%
KSE-100	166,420	166,186	233.55	0.1%
KSE-30	49,317	49,294	23.11	0.0%
All Share	100,872	100,823	48.64	0.0%
Vol (mn)	395.66	515.69	(120.02)	-23.3%
Val (mn)	18,621	23,549	(4,929)	-20.9%
Mkt Cap (US$bn)	66.70	66.68	0.02	0.0%

ECONOMIC STATS.

Monet Mkt	DoD	1-M	CY	FY
6-M KIBOR	12.27	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	16/Oct/26	15/Oct/26	DoD	Δ%
1YR	12.45	12.45	0.00	0.0%
3YR	12.69	12.69	0.00	0.0%
5YR	12.74	12.74	0.00	0.0%
10YR	12.8	12.8	0.00	0.0%

Fx Mkt	Latest	Privies	DoDD
US$	276.91	276.92	0.0%
Pound	367.10	367.10	0.0%
Euro	311.66	310.42	0.4%
Yen	1.76	1.76	0.0%

MAJOR INT'L INDICES

Int. Markets	Current	Last Close	DoD%
Hong Kong	24,187	24,187	0.0%
Japan	64,746	65,324	-0.9%
Singapore	5,435	5,416	0.4%
China	3,722	3,716	0.2%
India	74,629	74,729	-0.1%
Dow Jones	52,002	52,178	-0.3%
S&P 500	7,659	7,744	-1.1%
NASDAQ	26,143	26,713	-2.1%
London	10,882	10,840	0.4%

COMMODITIES

Commodities	Current	last	DoD%
WTI ($/bbl)	97.36	97.77	-0.4%
Brent ($/bbl)	107.72	105.99	1.6%
Coal ($/ton)	145.65	144.95	0.5%
Silver ($/oz)	57.92	58.04	-0.2%
Cotton (c/lb)	80.58	80.41	0.2%
Gold ($/oz)	4,201	4,199	0.1%

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

This report prepared by Darson Sec. Ltd.

Important News and Impacts

CPEC power projects await Rs498bn dues from CPPA-G – Negative
ISLAMABAD: Chinese power projects established under the China-Pakistan Economic Corridor (CPEC) framework are reportedly awaiting payments of outstanding dues amounting to Rs498 billion from the Central Power Purchasing Agency-Guarantee (CPPA-G), which is unable to clear the liabilities due to financial constraints, well-informed sources told Business Recorder.
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Expensive fuel pushes Sept power costs up 37.5pc – Negative
ISLAMABAD: Power consumption rose by about four per cent in September from a year earlier, but its fuel cost surged by almost 37.5pc, mainly because high-tax-laden expensive fuels were used to compensate for war-related constraints on liquefied natural gas (LNG) supplies and greater reliance on imported coal.
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Rs2.56 per unit power tariff hike sought for Nov – Negative
ISLAMABAD: Pakistan's ex-Wapda distribution companies have sought regulatory approval to recover an additional Rs2.5624 per unit from consumers through electricity bills for November 2026, as the actual cost of power delivered to the distribution system in September rose to Rs10.022 per unit. The proposed increase would also apply to K-Electric consumers under the government's uniform fuel charges adjustment policy.
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KE tariff cut raises concerns over investment in power network – Negative
KARACHI: K-Electric's (KE) proposed investment plan for FY2023-24 to FY2029-30 has been put on hold following a reduction in its approved average tariff from Rs39.97 to Rs32.37 per unit, raising concerns about the utility's financial viability and its ability to expand Karachi's electricity network.Click here to more info

GEPCO proposes 50pc raise in its authorised share capital – Neutral
ISLAMABAD: Gujranwala Electric Power Company Limited (GEPCO) has proposed a 50 percent increase in its authorised share capital, ie, from Rs50 billion to Rs75 billion, following directions conveyed by the Cabinet Committee on Privatisation through the Privatisation Commission, according to an official notice issued by the company, sources close to CEO GEPCO told Business Recorder.
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Chinese investors keen to invest in electric bike plant in Punjab Positive
China's Yadea Technology Global Group has expressed interest in setting up an electric two-wheeler manufacturing plant in Punjab to cater to domestic and export markets. Click here to more info

Auto financing in Pakistan rises to Rs407bn in September – Positive
Automobile financing in Pakistan has increased to Rs407.12bn in September 2026, witnessing a rise of 3.49% MoM compared to Rs393.4bn recorded in August 2026, according to the latest data released by the central bank.Compare Car Loans On a year on year basis, car financing increased by 33.61%, as in the same period last year, the figure for financing was reported at Rs304.71bn.
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Pakistan's IT exports hit $435mn in September, 'second-highest ever' – Positive
Pakistan's IT and tech exports rose to $435 million in September 2026, the second-highest monthly figure on record, Adviser to the Finance Minister Khurram Schehzad said on Friday.
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Banks' deposits increase by 16% YoY in September – Positive
The total deposits held by scheduled banks have moved up by 15.95% YoY to Rs40.83 trillion in September 2026 compared to Rs35.21tr in September 2025. According to data released by the SBP, Banks' deposits have edged higher by 4.04% MoM, compared to Rs39.24tr in August 2026.
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Food exports surge 25pc in July-Sept – Positive
Pakistan's raw food exports surged 25.31 per cent in the first quarter of the current fiscal year, compared with the same period last year, driven largely by higher rice shipments.
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Govt lifts milk price cap to pursue $2bn dairy export target – Neutral
Pakistan may opt to liberalise its dairy market and exclude milk from the essential commodities list, representing a significant reform designed to encourage investment and position the nation as a dairy exporter rather than merely a major milk producer.
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Aptma challenges Ogra's RLNG pricing – Negative
ISLAMABAD: The All Pakistan Textile Mills Association (Aptma) has challenged the Oil and Gas Regulatory Authority's (Ogra) treatment of re-gasified liquefied natural gas (RLNG) costs, seeking an independent audit of unaccounted-for-gas (UFG) recoveries, pricing calculations and other charges imposed on consumers between April 2015 and June 2022.
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Govt, MNCs in deadlock over PET bottle ban – Negative
The government and multinational companies (MNCs) failed to break a gridlock over a sudden ban on the use of recyclable bottles by the food and beverages industry, driven by the authorities' desire to present Islamabad as a plastic-free city at the upcoming Shanghai Cooperation Organisation (SCO) summit.
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Crescent Fibres board recommends sale of Nooriabad Spinning Unit-1 – Neutral
The sale of 14 acres of land and the building on it, which houses Spinning Unit-1 at Nooriabad, S.I.T.E., District Jamshoro, has been unanimously recommended by the board of directors of Crescent Fibres Limited (PSX: CFL).The building measures 233,270 square feet and sits at Plot # B/123, Nooriabad S.I.T.E., District Jamshoro, Sindh. The board took the decision on October 16, 2026, and also recommended holding an Extra Ordinary General Meeting (EOGM) to seek shareholder approval for the sale/transfer of the land and building.
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Integrated Equities seeks PSX listing through Rs7/share IPO – Positive
The draft prospectus for an initial public offering (IPO) of 50,312,500 ordinary shares at a floor price of Rs7 per share has been placed on the Pakistan Stock Exchange (PSX) website, seeking public comments. Integrated Equities Limited has applied for listing on the Main Board of the PSX. The shares have a par value of Rs1 each and will be offered through the book building method. Arif Habib Limited is the Lead Manager to the issue.
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Freelancers Set New Monthly Earnings Record – Positive
Pakistani freelancers earned a record $197 million in export receipts in September 2026, the highest monthly amount in the country's history. The inflow pushed total earnings for the first quarter of fiscal year 2026-27 (July to September) to about $550 million.
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Asian stocks skid, Wall Street and bonds aided by oil slip
SYDNEY, Oct 19 (Reuters) - Asian share markets slipped on Monday as unease over AI's enormous funding needs undermined confidence ahead of a week packed with earnings, while Chinese economic data pipped forecasts in a positive for world growth.
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Oil slips as Trump's sanction waiver may lead to more Russian fuel supplies
SINGAPORE, Oct 19 (Reuters) - Oil prices slipped on Monday after US President Donald Trump waived sanctions and tariffs on Russia that may lead to more Russian fuel exports. Brent crude futures fell $1.94, or 1.77%, to $107.92 a barrel by 0227 GMT after settling at its highest since May 19 on Friday.
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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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