Important News and Impacts

October 27, 2026

Economy

Policy rate up 50bps to 12pc on rising risks – Negative

KARACHI: The Monetary Policy Committee (MPC) of the State Bank of Pakistan (SBP) on Monday raised its key policy rate by 50 basis points (bps) to 12 percent, in line with market expectations, as worsening geopolitical developments clouded the inflation outlook and heightened risks to the external account and economic growth. Addressing a press conference after the meeting, SBP Governor Jameel Ahmed announced the MPC's decision, saying that nine of the committee's 10 members voted in favour of the rate hike.

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SBP revises remittance, forex projections upward – Positive

KARACHI: The State Bank of Pakistan (SBP) has revised its projections for workers' remittances and foreign exchange reserves upward, reflecting improved inflows and a stronger external account outlook. Addressing a press conference on the monetary policy decision, SBP Governor Jameel Ahmed said Pakistan's external account position had improved significantly, adding that the country was now out of the danger zone.

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CDWP evaluates 13 key uplift projects – Neutral

ISLAMABAD: The Central Development Working Party (CDWP) has evaluated 13 key development projects, of these, 10 projects valued at Rs. 40.915 billion were approved by the forum, while 3 major projects with a combined value of Rs. 172.25 billion were recommended to the Executive Committee of the National Economic Council (ECNEC) for final consideration.

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Freelancers earn record USD197m in September – Positive

KARACHI: Pakistan's freelancers earned a record USD197 million in September 2026, taking first-quarter earnings to around USD550 million, up 46 percent year-on-year, as a new Payoneer report highlighted the growing use of stablecoins by international marketplaces and businesses for cross-border payments and financial operations.

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Govt plans $2.25bn battery Gigafactory as demand projected to hit 100,000MW in four years – Positive

KARACHI: Pakistan's military-owned Margalla Heavy Industries Limited (MHIL) has signed an agreement with Chinese partners and local investors to set up a $2.25 billion lithium-ion battery manufacturing plant in Rawalpindi, an official said on Monday, with production expected to begin within months of the government approving a policy for the sector, reports Arab News.

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Pakistan, US move to deepen energy ties amid ME crisis – Positive

ISLAMABAD: Pakistan and the US are exploring deeper cooperation in the energy sector, with Islamabad seeking US investment in refinery upgrades, expanded liquefied natural gas (LNG) supplies and long-term energy partnerships amid mounting regional uncertainties.

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Sector

Business confidence falls to 48 in October – Negative

Overall business confidence weakened further in October 2026, with the Business Confidence Index (BCI) falling 1.1 points to 48, led by a decline in services sector sentiment, the State Bank of Pakistan's (SBP) latest survey showed. The Purchasing Managers Index (PMI) also eased 1.4 points to 51.8, though it stayed above the neutral threshold, while businesses' inflation expectations moderated and manufacturing capacity utilization improved. The Business Confidence Survey (BCS) is conducted by the SBP in collaboration with the Institute of Business Administration (IBA).

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MARKET STATISTICS

Market	26/Oct/26	23/Oct/26	Difference	D%
KSE-100	163,038	162,375	663.59	0.4%
KSE-30	48,091	47,823	267.86	0.6%
All Share	98,888	98,620	267.57	0.3%
Vol (mn)	371.89	386.58	(14.69)	-3.8%
Val (mn)	16,018	18,111	(2,093)	-11.6%
Mkt Cap (US$bn)	65.22	65.04	0.18	0.3%

ECONOMIC STATS.

Monet Mkt	DoD	1-M	CY	FY
6-M KIBOR	12.29	12.04	10.65	11.56
12-M-T-Bills	12.50	12.49	10.49	11.84
10-Yr-PIBs	12.79	12.83	11.47	12.19

Interest Rates	26/Oct/26	23/Oct/26	DoD	Δ%
1YR	12.44	12.44	0.00	0.0%
3YR	12.64	12.7	-0.06	-0.5%
5YR	12.72	12.81	-0.09	-0.7%
10YR	12.79	12.82	-0.03	-0.2%

Fx Mkt	Latest	Privies	DoDD
US$	276.81	276.86	0.0%
Pound	369.59	370.82	-0.3%
Euro	309.77	309.81	0.0%
Yen	1.76	1.76	0.0%

MAJOR INT'L INDICES

Int. Markets	Current	Last Close	DoD%
Hong Kong	23,186	23,212	-0.1%
Japan	63,408	62,190	2.0%
Singapore	5,408	5,416	-0.1%
China	3,693	3,698	-0.1%
India	73,384	73,607	-0.3%
Dow Jones	52,362	52,215	0.3%
S&P 500	7,677	7,624	0.7%
NASDAQ	26,169	25,955	0.8%
London	10,767	10,690	0.7%

COMMODITIES

Commodities	Current	last	DoD%
WTI ($/bbl)	100.97	101.45	-0.5%
Brent ($/bbl)	109.94	110.19	-0.2%
Coal ($/ton)	147.25	147.00	0.2%
Silver ($/oz)	53.74	54.05	-0.6%
Cotton (c/lb)	78.68	79.48	-1.0%
Gold ($/oz)	4,029	4,031	-0.1%

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

This report prepared by Darson Sec. Ltd.

Important News and Impacts

Pakistan eyes US investment in refineries, LNG – Positive
Pakistan and the US have discussed ways to strengthen bilateral cooperation in the energy sector, with Islamabad pitching its refinery upgradation programme as an investment opportunity for US financial institutions and Washington signaling interest in long-term energy supply contracts. Pakistan said it had taken measures to secure its fuel supplies amid the conflict in the Middle East, while the US welcomed the country's handling of fuel availability, noting that no shortage had occurred despite regional challenges.
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Pakistan, Qatar explore new avenues for trade, investment cooperation – Positive
Pakistan and Qatar have reaffirmed their commitment to strengthening bilateral economic ties, exploring new avenues for trade and investment, and expanding cooperation across key sectors, including agriculture, food security, manufacturing, information technology, maritime transport and infrastructure.
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Pakistan Pays $16 Billion Interest on Loans – Negative
About $10 to 11 billion of this interest was paid with dollars the SBP bought from the market, not with fresh loans. The central bank has bought over $30 billion from the market in this period. This also helped lift reserves from about $3 billion in early 2023, when they covered only two weeks of imports, to around $21.5 billion now. SBP Governor said external debt grew by only $5 to 6 billion in the last four years, or about $1 to 1.25 billion a year. Between 2015 and 2022, it rose by around $6.5 billion every year.
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IPPs given deadline to restore RTUs – Neutral
ISLAMABAD: The National Grid Company of Pakistan Limited (NGC) has directed concerned independent power producers (IPPs) and other plant operators to restore remote telemetry units (RTUs), gateways and associated communication links by specified deadlines, as the company seeks to achieve at least 95 percent Supervisory Control and Data Acquisition (SCADA) data quality by October 31, 2026.
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CDC, EClear expand Raast digital payment services – Positive
KARACHI: The Central Depository Company of Pakistan Limited (CDC) and EClear Services Limited are expanding their collaboration to introduce additional digital payment and investor verification services in Pakistan’s capital market through CDC’s Raast Aggregator framework.
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International

Saudi defence pact countries push for peace in Tehran as Houthis launch more attacks – Neutral
Hub Power KARACHI/CAIRO, Oct 26 (Reuters) - Top officials from Saudi Arabia, Turkey and Pakistan met Iranian officials in Tehran on Monday in a bid to de-escalate the Middle East conflict, as Yemen's Houthis launched new attacks on Saudi Arabia and Egypt approved defence support for the Gulf kingdom. The talks were the first high-level contact between Iran and the three nations — which signed the Mecca mutual defence pact in August — since a war that began with US and Israeli strikes on Iran also spread to Saudi Arabia and Yemen.
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Iran says ‘very good’ talks held with Makkah pact states – Positive
TEHRAN: Iran’s security chief said on Monday he held “very good discussions” with the three member nations of the Makkah defence pact, Saudi Arabia, Turkiye and Pakistan, after their first meeting in Tehran. “Very good discussions took place between us,” Mohsen Rezaei, head of Iran’s Supreme National Security Council, told state television after the meeting with top officials from the three countries. “I feel that a new atmosphere is emerging in the region... I sensed a very positive atmosphere in the discussions among the gentlemen.”
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Oil settles lower on peace hopes – Positive
NEW YORK: Brent crude futures finished lower on Monday amid hopes of easing hostilities in the Middle East, but persistent attacks on key producer Saudi Arabia and maritime shipping kept investors wary and prices hovering near six-month highs. Brent finished the day down 91 cents, or 0.8 percent, at USD115.81 a barrel while US West Texas Intermediate crude futures closed down USD1.51, or 1.46 percent, at USD101.76 a barrel.
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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.)

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