



Market Performance
FY26: KSE:100 index
up by 54,674 pts | 43.5% YoY

30-Jun-2026

REP-300

AHL Research

D: +92 21 3828 0283

E: research@arifhabibltd.com

EUROMONEY

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

ASIAMONEY

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

CFA Society Pakistan

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

INTERNATIONAL FINANCE

Best Brokerage House:
 2023

FinanceAsia

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

PSX
 PAKISTAN STOCK EXCHANGE LIMITED

Top 25 Companies ('17-'19)

ASSET ASIAN AWARDS
 TRIPLE A

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

CC
 CENTRAL DEPOSITORY COMPANY

Excellence Award Leading Brokerage House for RDA '21

PSX Performance – FY26

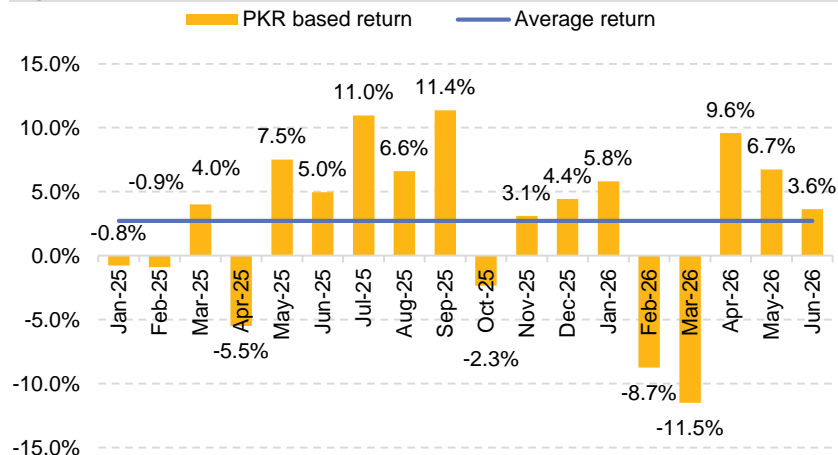
KSE-100 up by 43.5%, closes at 180,302

- The KSE-100 Index delivered a strong performance in FY26, surging by 43.5% in PKR terms and 46.4% in USD terms, to close at 180,302 points, up from 125,627 at the end of FY25.
- In the first half of the outgoing fiscal year, KSE-100 registered total returns of 38.5% in PKR terms and 40.3% in USD terms, which came on the back of 3.3% growth in KSE-100 profitability for 1HFY26 and improving investor participation.
- The second half of FY26 saw the benchmark index deliver a return of 3.6% in PKR terms, and 4.3% in USD terms. Overall index profitability for the quarter 3QFY26 grew by 22% YoY, however overall benchmark performance was impacted due to escalating geopolitical tensions between US and Iran, along with elevated oil prices. During the same period, Pakistan gained recognition for its role as a mediator, owing to its efforts in facilitating peace talks between the US and Iran.
- The State Bank of Pakistan (SBP) maintained the policy rate at 11.0% during most of 1HFY26 before cutting it by 50bps in Dec'25 amid contained inflation and improving economic activity. However, a resurgence in inflationary pressures driven by higher oil prices prompted a 100bps hike in May'26. The policy rate was subsequently kept unchanged in Jun'26, ending FY26 at 11.5%.
- During FY26, MSCI added a total of 7 Pakistani companies, and deleted 1 company from its Frontier Market Index as part of its index reviews throughout the year, taking Pakistan's estimated weight in the index to ~5.8%.
- In Mar'26, the IMF and Government of Pakistan reached a staff level agreement on the third review of Extended Fund Facility (EFF) and second review of the Resilience and Sustainability Facility (RSF), paving the way to disbursements amounting to ~USD 1.21bn, subject to board approval.
- The country's remittance position showed resilience, as the 11MFY26 remittance position clocked-in at USD 38.1bn, up by 3.8% YoY.
- GDP grew by 3.7% YoY in FY26, with industrial sector contributing 3.5%, services sector contributing 3.1%, and agriculture sector contributing 2.9%.
- On the external account front, Pakistan recorded a narrowing current account surplus of USD 255mn in 11MFY26, compared to USD 1,618mn in same period last year.
- Meanwhile, the PKR appreciated by a modest 1.97% against the USD in FY26.
- Inflation averaged 6.7% in 11MFY26, compared to 4.6% in SPLY. A slight surge was due to the recent trend in oil prices due to escalating geopolitical tensions.
- The year concluded with a budget focused on fiscal consolidation while providing targeted relief to the salaried class and mid-sized companies through the abolition of the super tax, alongside other measures.

PSX Performance – FY26

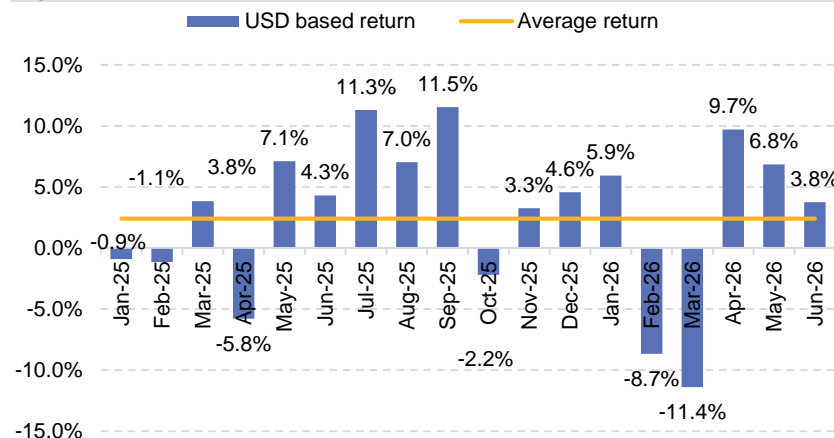
KSE-100 up by 43.5%, closes at 180,302

Figure: KSE-100 historical performance (PKR based)



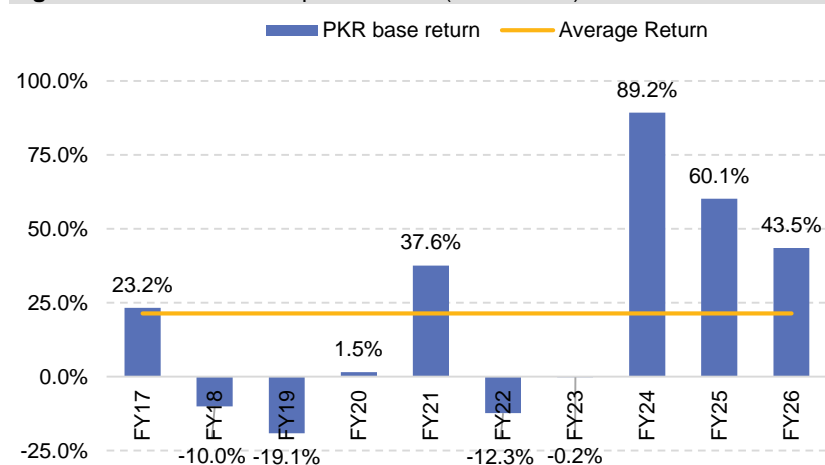
Source (s): PSX, AHL Research

Figure: KSE-100 historical performance (USD based)



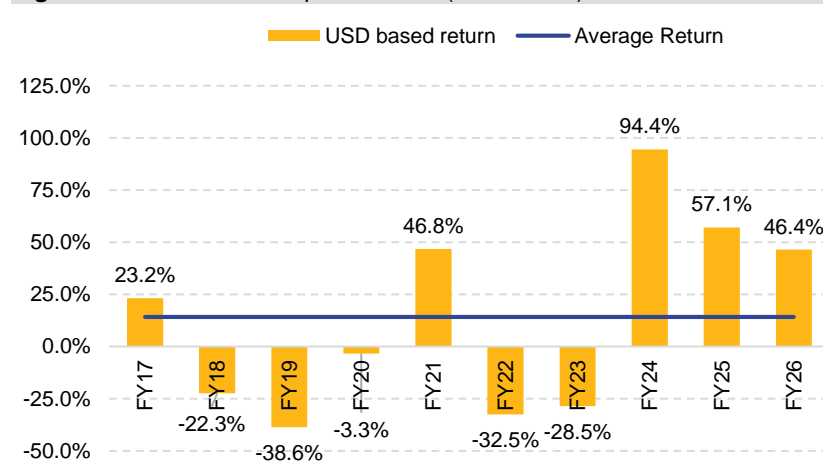
Source (s): PSX, SBP, AHL Research

Figure: KSE-100 historical performance (PKR based)



Source (s): PSX, AHL Research

Figure: KSE-100 historical performance (USD based)

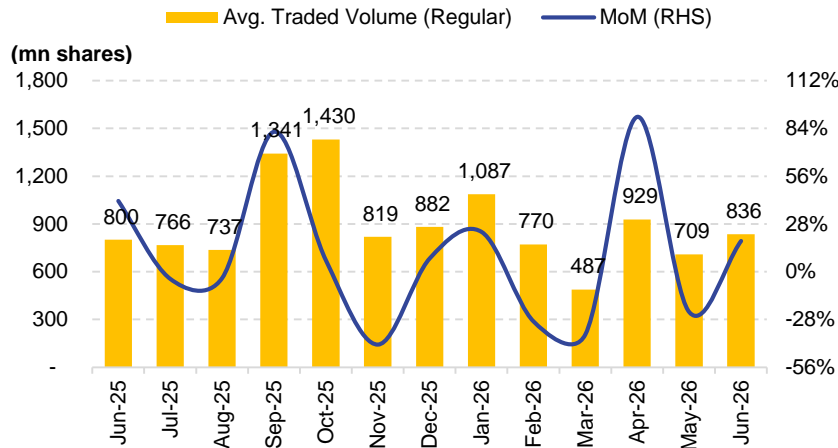


Source (s): PSX, SBP, AHL Research

PSX Performance – FY26

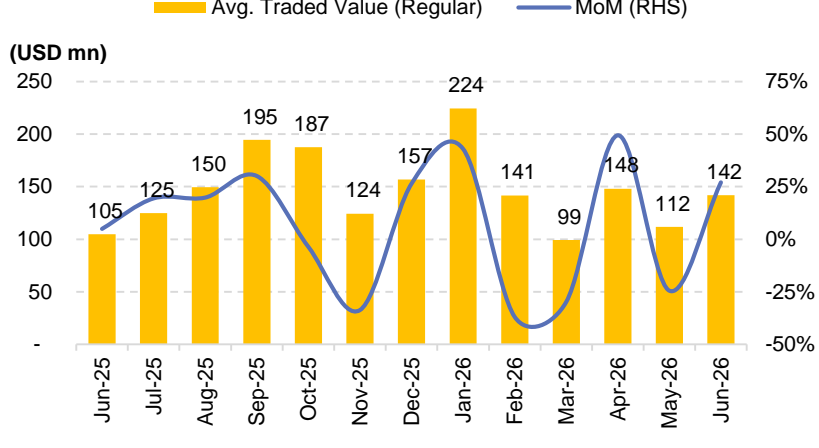
Historical volume and value

Figure: PSX historic average traded volume



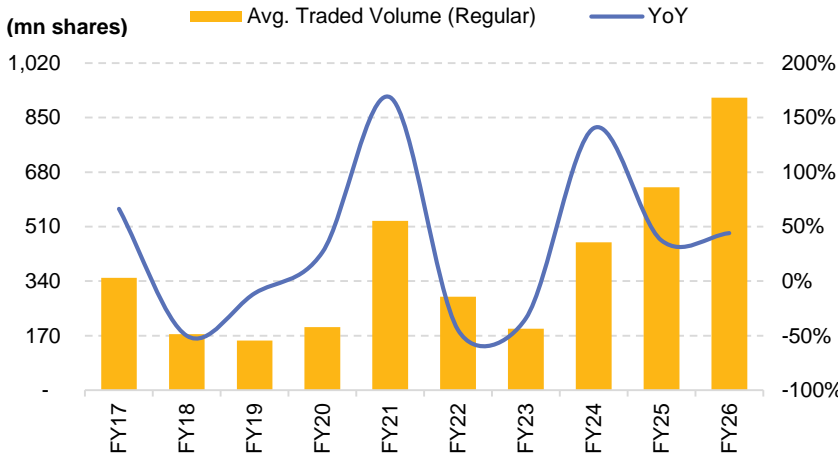
Source (s): PSX, AHL Research

Figure: PSX historic average traded value



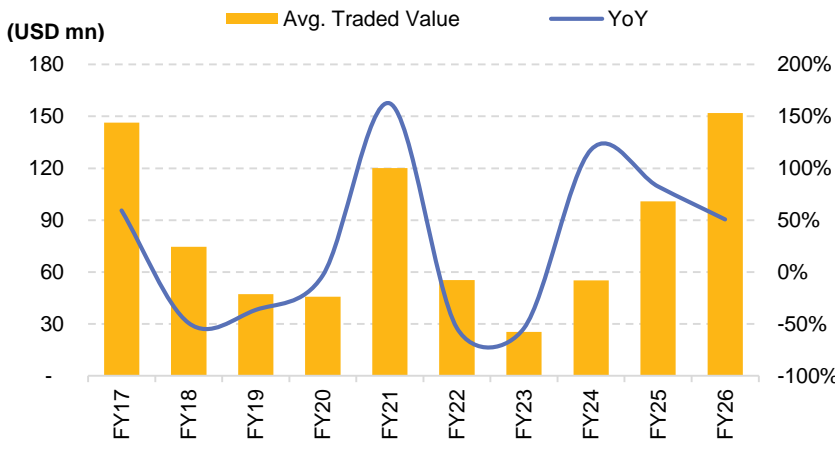
Source (s): PSX, SBP, AHL Research

Figure: PSX historic average traded volume FY Wise



Source (s): PSX, AHL Research

Figure: PSX historic average traded value FY Wise



Source (s): PSX, SBP, AHL Research

PSX Performance – FY26

KSE100 continues to outperform

- The KSE100 exhibited the strongest performance across all asset classes, boasting a FY26 return of 43.5%, significantly outperforming Gold (13.9%), T-Bills (11.6%), Bank Deposits (8.8%), USD/PKR (-2.0%), and PIBs (12.2%). The KSE100's returns consistently outshine those of other major asset categories, as shown in the data.
- On a multi-period average return basis, the KSE-100 has outperformed all major asset classes over the 5-year and 15-year horizons, while delivering returns comparable to gold over the 10-year and 20-year periods.
- This performance suggests that the KSE100, particularly the equity market, remains a considerably lucrative asset class for investors with a long-term horizon in Pakistan.

Investment Returns: Pakistan Equities Versus Other Assets Classes

Year	KSE100	Inflation	Real Return	Gold	T-Bills	Bank Deposits	USD PKR	PIBs
FY26	43.5%	6.7%	39.0%	13.9%	11.6%	8.8%	-2.0%	12.2%
5Y Average	36.1%	15.2%	21.3%	30.8%	15.9%	12.1%	13.4%	10.5%
10Y Average	21.4%	11.1%	10.5%	24.2%	12.1%	9.2%	11.3%	10.2%
15Y Average	22.9%	9.7%	13.3%	16.5%	11.0%	8.5%	8.9%	10.5%
20 Average	19.6%	10.6%	9.2%	19.9%	11.2%	8.1%	8.6%	11.0%

Source (s): SBP, PSX, AHL Research

PSX Performance – FY26

IPO market maintains positive momentum

- The IPO market in FY26 continued to gain traction, as PSX recorded total of 13 IPO approvals, out of which 11 have been listed and 2 are yet to be listed. The total amount raised by currently listed IPOs amounts ~PKR 20bn
- Of the IPOs that have been listed, the activity highlights a diverse range of sectors, including Automobiles Parts and Accessories with SLM Tires Limited, raising PKR 7.77bn (the largest ever private sector IPO in Pakistan's history), Oil and Gas Marketing Companies with Sitara Petroleum Services Limited, adding PKR 4.8bn and Food and Personal Care Products with Ghani Dairies Limited, contributing PKR 3.43bn.
- This shows increasing investor participation in Pakistan's capital markets, along with improving regulations from SECP that has enabled companies from various sectors to raise equity capital with ease.

Exhibit: Equity Capital Raising (IPO) FY26

Company	Amount raised (PKR mn)
Main Board	
Signature Residency REIT	116
Pak-Qatar General Takaful Limited	420
Ghani Dairies Limited	3,439
Wahdat Poultry Farms Limited	956
LSE SPAC-I Limited	50
JS Rental REIT	574
Sitara Petroleum Service Limited	4,837
Service Long March Tyres Limited	7,775
Image REIT	921
Blue-Ex Limited	65
Pak Qatar Family Takaful Limited	901
Total	20,054

Source (s): PSX, AHL Research

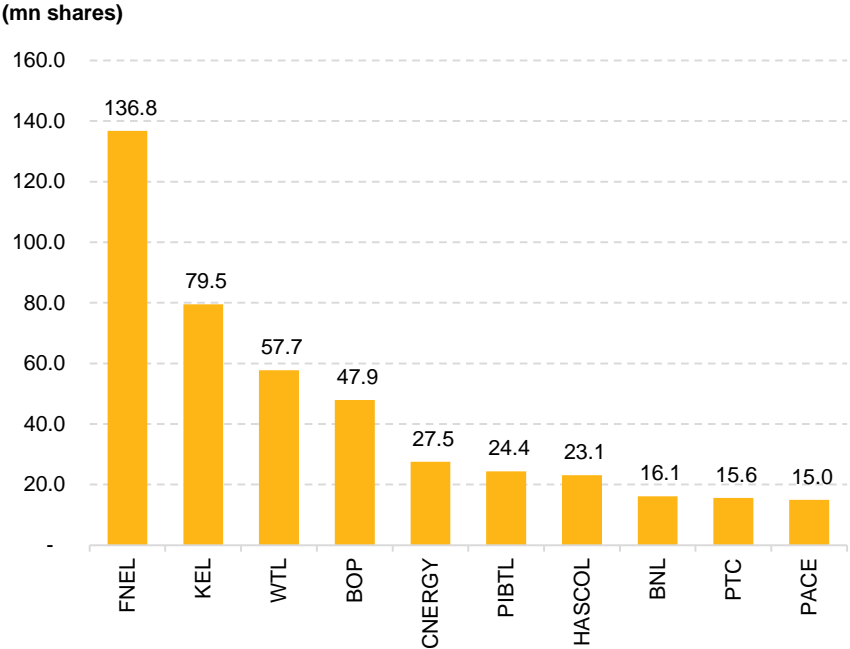
PSX Performance – FY26

Company & sector wise volume leaders

Volume leaders during FY26

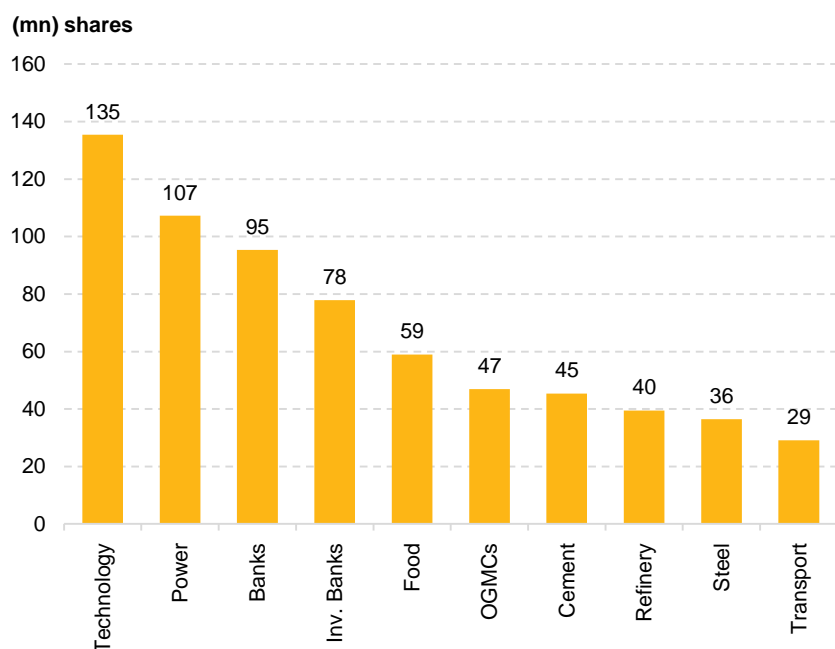
- Sectors that contributed the most activity during the month were Technology, Power, Banks, Inv. Banks, and Food, reporting average volumes of 135mn, 107mn, 95mn, 78mn and 59mn respectively.
- Whereas on a scrip-wise basis, volumes were led by FNEL (136.8mn), KEL (79.5mn), WTL (57.7mn), BOP (47.9mn), and CNERGY (27.5mn).

Figure: Top Scrip-wise volume leaders (FY26)



Source (s): PSX, AHL Research

Figure: Top sector-wise volume leaders (FY26)



Source (s): PSX, AHL Research

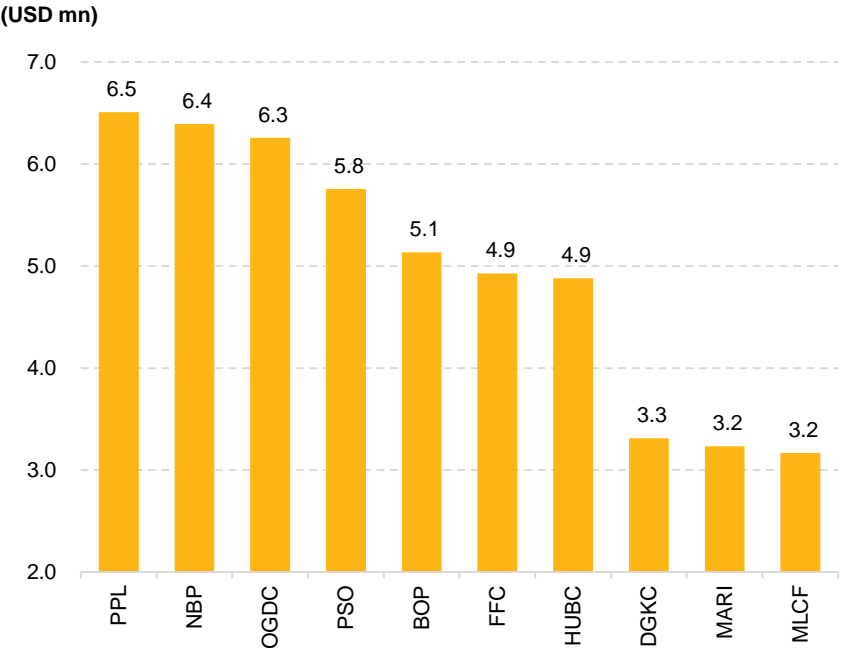
PSX Performance – FY26

Company & sector wise value leaders

Value leaders during FY26

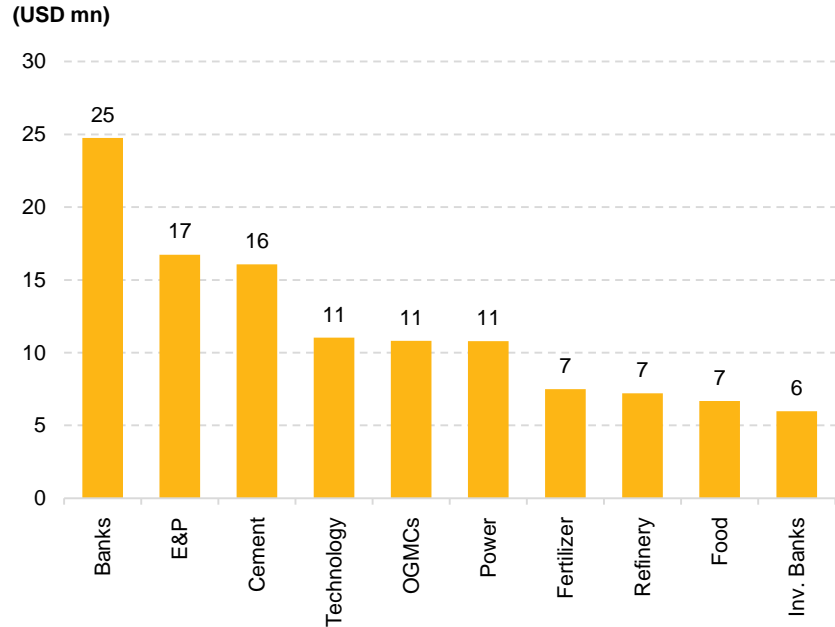
- On a sector-wise basis, the highest activity in terms of value was observed in Banks (USD 25mn), followed by E&Ps (USD 17mn), Cement (USD 16mn), Technology (USD 11mn) and OGMCs (USD 11mn).
- Meanwhile, on a scrip-wise basis, the highest trading values were dominated by PPL (USD 6.5mn), NBP (USD 6.4mn), OGDC (USD 6.3mn), PSO (USD 5.8mn) and BOP (USD 5.1mn).

Figure: Top scrip-wise value leaders (FY26)



Source (s): PSX, SBP, AHL Research

Figure: Top sector-wise value leaders (FY26)



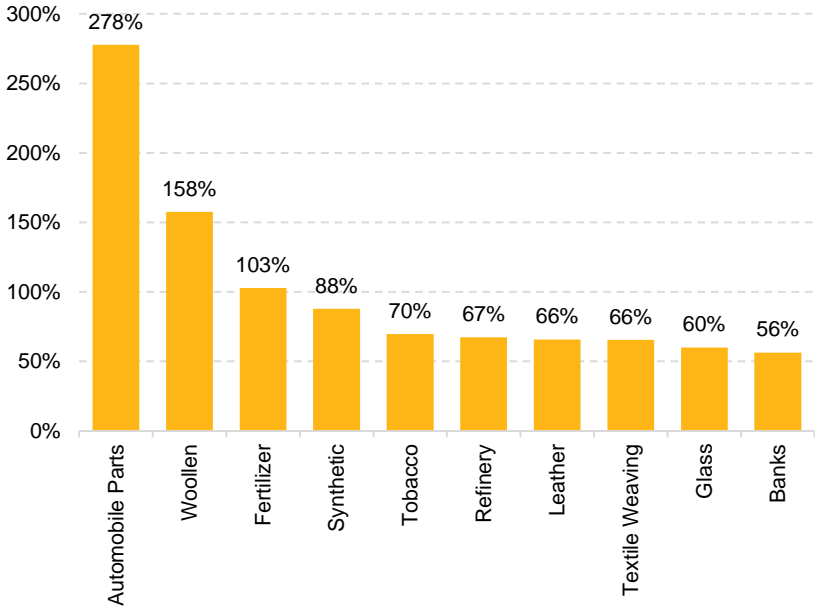
Source (s): PSX, SBP, AHL Research

PSX Performance – FY26

Sector-wise major gainers and losers

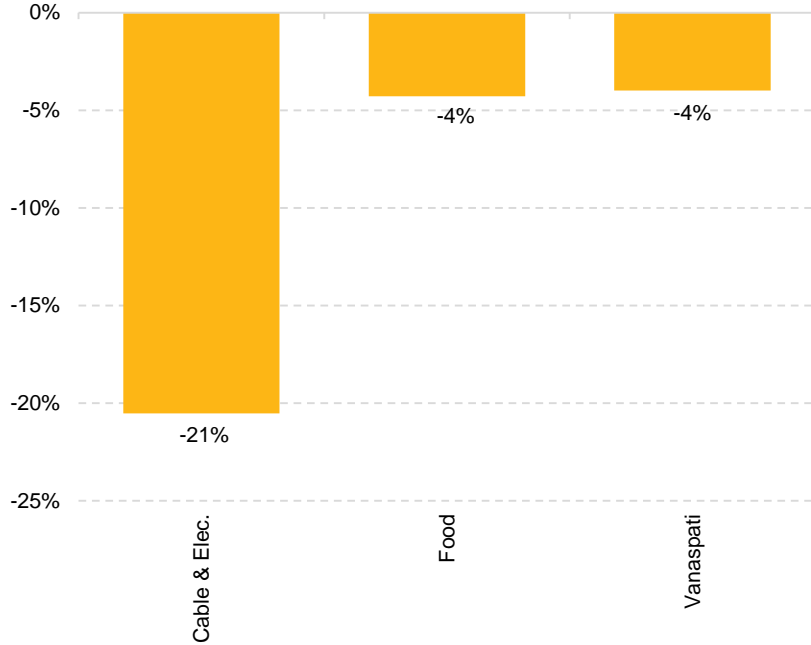
- In terms of sectors, major gainers were Automobile parts (278%), Woollen (158%), Fertilizer (103%), Synthetic (88%) & Tobacco (70%) during FY26.

Figure: Sector wise major gainers (KSE100) (FY26)



Source (s): PSX, AHL Research

Figure: Sector wise major losers (KSE100) (FY26)



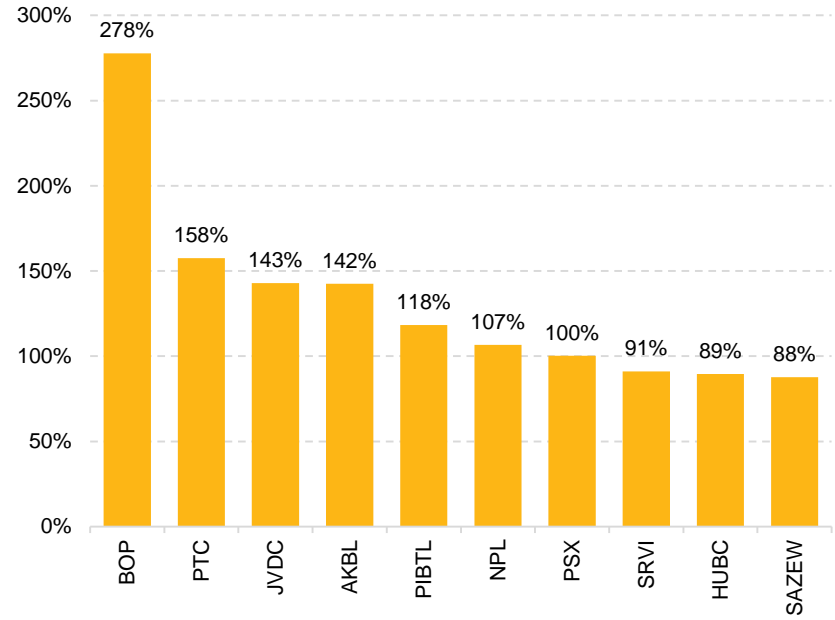
Source (s): PSX, AHL Research

PSX Performance – FY26

Scrip-wise major gainers and losers

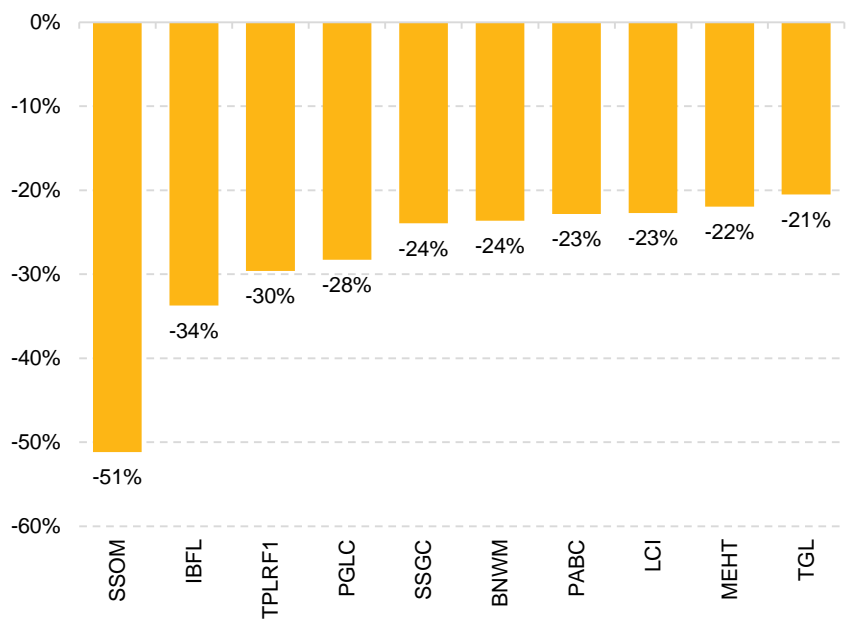
- Scrip-wise major gainers during FY26 were BOP, PTC, JVDC, AKBL, and PIBTL, posting gains of 278%, 158%, 143%, 142%, and 118%, respectively. Meanwhile, major laggards during the year included SSOM (-51%), followed by IBFL (-34%), TPLRF1 (-30%), PGLC (-28%), SSGC (-24%), and BNWM (-24%).

Figure: Scrip wise major gainers (KSE100) (FY26)



Source (s): PSX, AHL Research

Figure: Scrip wise major losers (KSE100) (FY26)

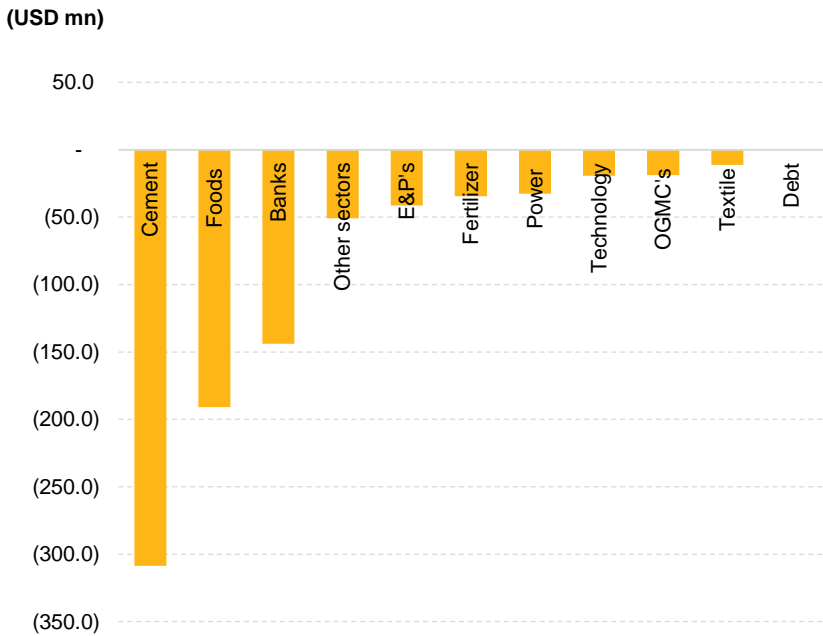


Source (s): PSX, AHL Research

Regional portfolio investment and FIPI

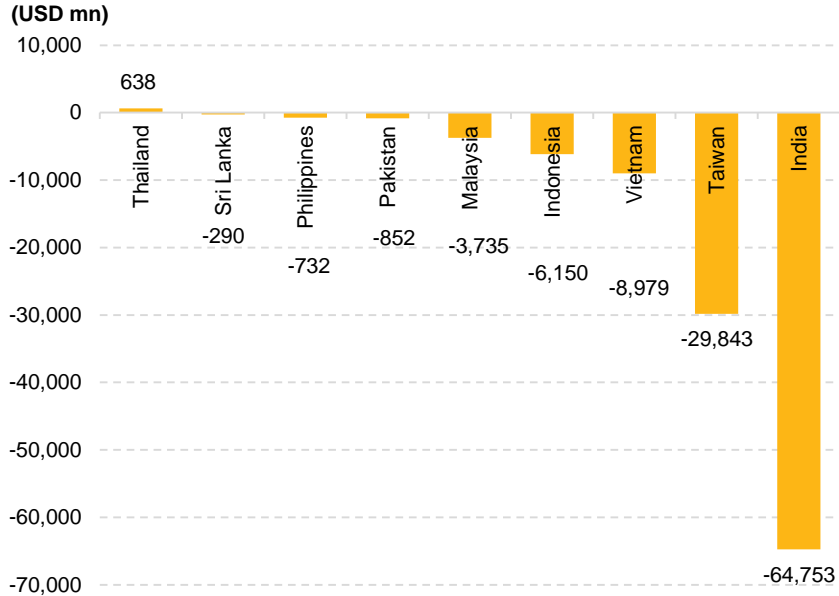
- Foreign selling was witnessed in the Asian region during FY26, which was led by India (USD 64,753mn), followed by Taiwan (USD 29,843mn), and Vietnam (USD 8,979mn).
- On the domestic stock exchange, foreign selling activity of USD 851mn was reported for FY26. The outflows were predominantly in Cements (USD 308.7mn), Foods (USD 190.9mn) & Banks (USD 143.9mn).

Figure: Sector wise FIPI (FY26)



Source (s): NCCPL, AHL Research

Figure: Regional Portfolio investment during (FY26)



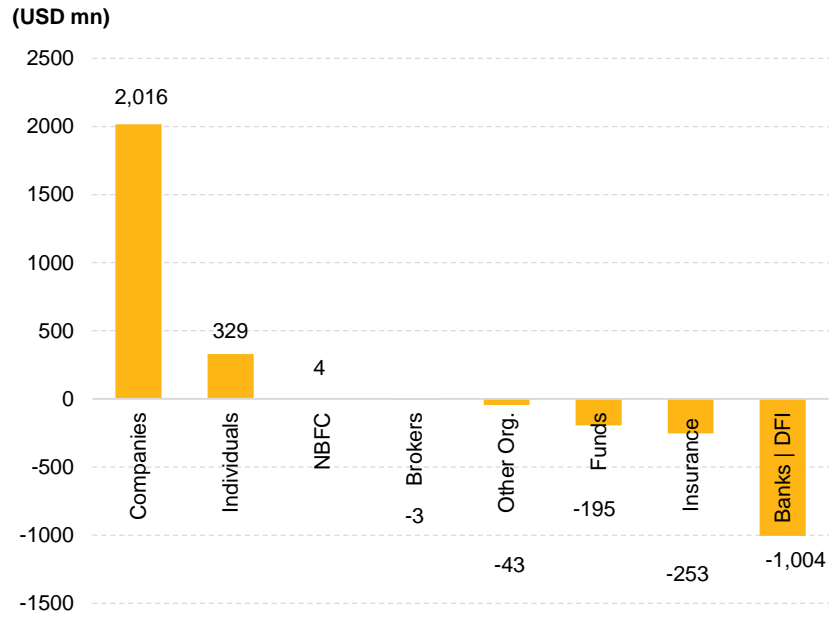
Source (s): NCCPL, Bloomberg, AHL Research

PSX Performance – FY26

Portfolio investment (LIPI)

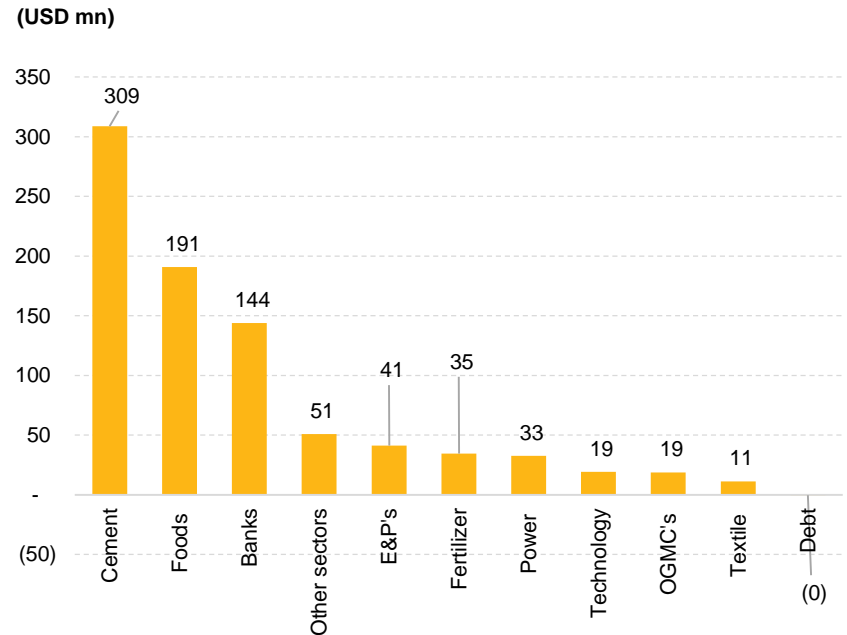
- On the local front, buying was reported by Companies (USD 2,016mn), Individuals (USD 329mn), and NBFCs (USD 4mn). Meanwhile, selling was witnessed by Banks/DFIs (USD 1,004mn), Insurance (USD 253mn) and Funds (USD 195mn) in FY26.

Figure: Local Investors Portfolio Investment (FY26)



Source (s): NCCPL, AHL Research

Figure: Sector wise LIPI (FY26)



Source (s): NCCPL, AHL Research

PSX Performance – FY26

Outlook & Recommendation

- On a forward looking basis, we expect positive market momentum to continue on the back of expected earnings growth of ~10% to 11%, stable macroeconomic conditions, along with improving market liquidity. However, the market performance remains watchful of geopolitical developments.
- For the next fiscal year, FY27, the GDP growth is expected to clock-in at 4%, supported mainly by expansions in services and industrial sectors, where any potential cut in policy rate expected to drive additional growth in the industrial sector. Moreover, we expect modest growth in the agriculture sector, due to improving crop yields and farm economics, provided the year is not disrupted by flooding.
- In terms of the external account, the current account position at the end of FY26 is projected to be a modest deficit of less than USD 500mn, translating into 0.1% of GDP (in our view). A slight widening of the current account deficit is expected, going into FY27, however SBP expects reserve buildup to continue amidst FX purchases.
- Remittances are projected to reach approximately USD 42bn by end-FY26, serving as a key source of external support and helping keep the current account deficit within manageable levels.
- No major depreciation is expected for the PKR against the USD, which is currently estimated to remain around PKR 282-283/USD by Jun'27 (in our view), helped by timely external inflows and continued focus on managing the external balance.
- Average inflation for FY27 is expected at 7.5% (11MFY26: 6.7%), slightly above SBP's medium term target of 5-7%, however as easing oil prices take hold, we can expect inflation to moderate from its current levels, also providing an opportunity for future policy rate cuts.
- The KSE-100 Index is currently trading at a forward PER of 7.3x, and offers a dividend yield of ~6.5%.

PSX Performance – FY26

World Indices Performance

Exhibit: World's Major Stock Market Performance (USD based return, FY26)

Sr#	Index	Country	Index	Return (%)	Sr#	Index	Country	Index	Return (%)
1	South Korea	KOSPI Index	8,476	140.9	37	Bulgaria	SOFIX Index	1,263	19.4
2	Ghana	GGSECI Index	14,724	115.3	38	Portugal	PSI20 Index	9,161	19.1
3	Nigeria	NGSEINDX Index	227,210	110.5	39	USA	INDU Index	52,183	18.3
4	Taiwan	TWSE Index	46,126	90.2	40	Luxembourg	LUXXX Index	1,992	18.3
5	Oman	MSM30 Index	7,508	66.8	41	Bangladesh	DSEX Index	5,763	18.2
6	Tunisia	TUSISE Index	19,802	66.7	42	Czech Republic	PX Index	2,579	18.0
7	Romania	BET Index	32,351	62.0	43	Ireland	ISEQ Index	13,904	18.0
8	Hungary	BUX Index	140,025	55.8	44	Lithuania	VILSE Index	1,461	17.9
9	Egypt	EGX30 Index	50,443	54.7	45	Switzerland	SMI Index	14,273	17.5
10	Japan	NKY Index	70,062	53.7	46	UK	UKX Index	10,601	16.7
11	Pakistan	KSE100 Index	180,302	46.4	47	Norway	OBXP Index	769	16.3
12	Kenya	NSEASI Index	223	45.1	48	Europe	SX5E Index	6,309	15.3
13	Thailand	SET Index	1,591	42.8	49	Netherland	AEX Index	1,076	14.1
14	Austria	ATX Index	6,433	40.7	50	Malaysia	FBMKLCI Index	1,664	11.9
15	Kazakhstan	KZKAK Index	7,699	38.9	51	Sri Lanka	CSEALL Index	22,263	10.2
16	Jordan	JOSMGNFF Index	3,856	38.8	52	Mongolia	MSETOP Index	53,032	7.8
17	Spain	IBEX Index	19,522	35.2	53	Australia	AS51 Index	8,779	7.7
18	Vietnam	VNIndex Index	1,860	34.2	54	France	CAC Index	8,415	6.4
19	China	SHSZ300 Index	4,979	33.6	55	Bahrain	BHSEASI Index	2,043	5.1
20	Chile	IPSA Index	10,763	31.8	56	Dubai	DFMGI Index	5,956	4.4
21	USA	NDX Index	29,775	31.3	57	Germany	DAX Index	24,980	1.2
22	Brazil	IBOV Index	173,205	31.0	58	Serbia	BELEX15 Index	1,213	(1.3)
23	Greece	ASE Index	2,476	28.4	59	Estonia	TALSE Index	2,106	(1.4)
24	Singapore	FSSTI Index	5,171	28.2	60	Uae	ADSMI Index	9,804	(1.6)
25	Slovenia	SBITOP Index	2,985	27.1	61	Latvia	RIGSE Index	905	(1.8)
26	Mexico	MEXBOL Index	67,641	26.5	62	New Zealand	NZSE Index	1,907	(2.4)
27	Italy	FTSEMIB Index	51,678	25.8	63	Saudi Arabia	SASEIDX Index	10,787	(3.6)
28	Finland	HEX Index	13,666	25.6	64	Qatar	DSM Index	10,242	(4.7)
29	Sweden	OMX Index	3,210	25.5	65	Hong Kong	HSI Index	22,881	(4.8)
30	Belgium	BEL20 Index	5,773	25.0	66	Iceland	ICEXI Index	2,019	(6.4)
31	Canada	SPTSX Index	34,824	24.4	67	Mauritius	SEMDEX Index	2,246	(7.0)
32	South Africa	JALSH Index	110,305	23.8	68	Denmark	KFX Index	1,620	(9.7)
33	Turkey	XU100 Index	14,201	21.8	69	Lebanon	BLOM Index	1,802	(10.1)
34	Poland	WIG20 Index	3,590	20.8	70	Philippines	PCOMP Index	6,037	(12.9)
35	USA	SPX Index	7,440	19.9	71	India	SENSEX Index	76,479	(17.2)
36	Croatia	CRO Index	4,447	19.6					

Source (s): Bloomberg, AHL Research

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

Disclaimer: This document has been prepared by Research analysts at Arif Habib Limited (AHL). This document does not constitute an offer or solicitation for the purchase or sale of any security. This publication is intended only for distribution to the clients of the Company who are assumed to be reasonably sophisticated investors that understand the risks involved in investing in equity securities. The information contained herein is based upon publicly available data and sources believed to be reliable. While every care was taken to ensure accuracy and objectivity, AHL does not represent that it is accurate or complete and it should not be relied on as such. In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors. The information given in this document is as of the date of this report and there can be no assurance that future results or events will be consistent with this information. This information is subject to change without any prior notice. AHL reserves the right to make modifications and alterations to this statement as may be required from time to time. However, AHL is under no obligation to update or keep the information current. AHL is committed to providing independent and transparent recommendation to its client and would be happy to provide any information in response to specific client queries. Past performance is not necessarily a guide to future performance. This document is provided for assistance only and is not intended to be and must not alone be taken as the basis for any investment decision. The user assumes the entire risk of any use made of this information. Each recipient of this document should make such investigation as it deems necessary to arrive at an independent evaluation of an investment in the securities of companies referred to in this document (including the merits and risks involved), and should consult his or her own advisors to determine the merits and risks of such investment. AHL or any of its affiliates shall not be in any way responsible for any loss or damage that may be arise to any person from any inadvertent error in the information contained in this report.

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,HBL,NBP,AKBL,BOP,FCCL,DGKC,MLCF,HUBC,NCPL,NPL,NML,MUGHAL and PAEL.