



Market Performance CY24: A fascinating year for the market

31-Dec-2024

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PSX Performance – CY24

World's second-best performing market in 2024

Exuberant sentiment drives index to the highest level of 116k points

CY24 can be summed up to be the best year for the local equity market, setting new highs, turning into world's second best performing market during the year. This remarkable performance was driven by a series of developments that elevated investor confidence.

Key catalysts for jubilant momentum:

- Pakistan successfully completed the IMF's Stand-By Arrangement (SBA), resulting in a total disbursement of USD 1.8bn during the 1HCY24.
- Towards the end of this program, the government negotiated a new Extended Fund Facility (EFF) of USD 7bn in Jul'24, with an initial tranche of USD 1bn released in Sep'24.
- Political stability was another positive factor, with formation of a new government post General Elections in Feb'24.
- Furthermore, key economic reforms further reinforced market optimism.
- OGRA increased gas price Feb'24, which curtailed piling up of gas circular debt of OGDC and PPL, leading to receivable collections up to 100% in 4QFY24 and 1QFY25.
- Government fast-tracked privatization efforts, creating positive momentum across sectors.
- SBP's commenced monetary easing cycle from Jun'24, cutting policy rate from 22% (held since Jun'23) down to 13% by Dec'24.
- With the monetary easing cycle commencing from Jun'24, the investors are moving from fixed income securities towards equity market via investments in mutual funds. Hence, mutual funds have been actively engaged in buying in the local segment.
- Whereas, rollovers of debts by UAE, Saudi Arabia, and China further helped to stabilize foreign reserves. Pakistan and Saudi Arabia agreed to a USD 5bn investment package in Apr'24, followed by a Saudi delegation visit in May'24 and Oct'24, which fuelled optimism for strategic investments.
- The favourable macroeconomic indicators continued given Moody's upgraded Pakistan's rating to Caa2 in Aug'24, and inflation dropped to a 79-month low of 4.9% by Nov'24, compared to 27.3% in Jan'24.
- Government also conducted significant treasury buybacks totalling PKR 1,026bn in Oct'24.

Exhibit: World's Major Stock Market Performance during CY24

Sr.#	Country	Index	Return (%)	
			Local	USD based
1	Argentina	MERVAL Index	172.5	113.8
2	Pakistan	KSE100 Index	84.3	86.5
3	Sri Lanka	CSEALL Index	48.6	64.6
4	Kenya	NSEASI Index	33.7	62.4
5	Lebanon	BLOM Index	31.7	31.7
6	Ghana	GGSECI Index	56.2	26.9
7	Dubai	DFMGI Index	26.9	26.9
8	Slovenia	SBITOP Index	33.0	24.9
9	Mongolia	MSETOP Index	23.0	23.6
10	Serbia	BELEX15 Index	31.0	23.2
11	Taiwan	TWSE Index	29.3	20.6
12	Croatia	CRO Index	25.9	18.3
13	Hong Kong	HSI Index	17.6	18.3
14	Malaysia	FBMKLCI Index	12.6	15.8
15	Kazakhstan	KZKAK Index	32.8	15.6
16	Czech Republic	PX Index	24.5	14.8
17	Hungary	BUX Index	30.9	14.3
18	Singapore	FSSTI Index	17.1	13.6
19	China	SHSZ300 Index	16.6	13.4
20	USA	NDX Index	13.0	13.0

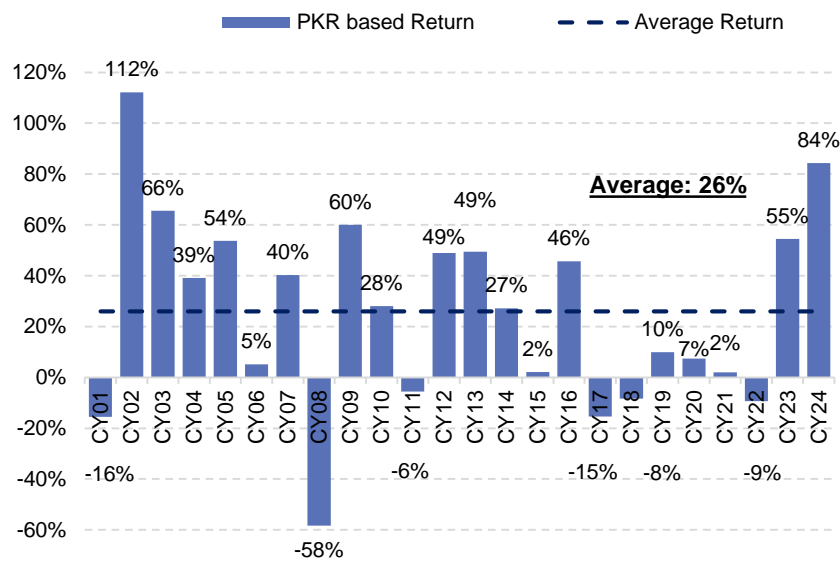
Source: Bloomberg, AHL Research

PSX Performance – CY24

World's second-best performing market in 2024

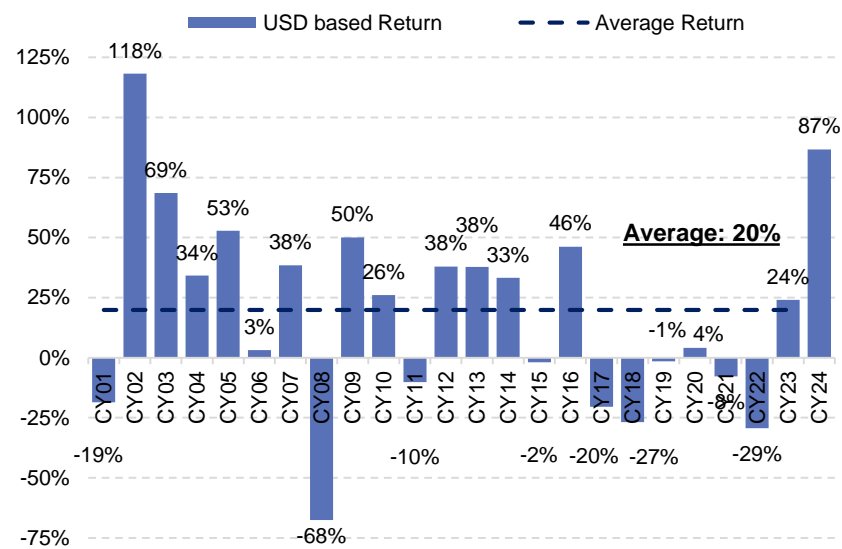
- During Oct'24, the government successfully garnered support in the parliament to pass 26th Constitutional Amendment.
- In CY24, the SBP reserves climbed up by USD 3.6bn to USD 11.9bn, while PKR appreciated by 1.2% to 278.55 against the USD.
- In terms of sector, E&P sector and OMC sector remained in the limelight owing to 100% receivable rate of OGDC, PPL, and PSO from Sui companies. Moreover, merger of FFC and FFBL also kept the fertilizer sector in focus. Furthermore, the SBP has abolished ADR related tax for banks and revised MDR mechanism, which resulted in activity in the banking sector. Meanwhile, the termination and re-negotiation of contracts of IPPs resulted in bearish momentum in the power sector.
- The KSE100 touched mammoth high of 116,169 points, which resulted in significant gain of 53,718pts (86.02%) since Dec'23. The KSE-100 index ranked as 2nd best performing stock market in CY24 in terms of US based returns.
- The market closed at 115,127 points, gaining 52,676 points (up by 84%) YoY.

Figure: KSE-100 historical performance (PKR based)



Source (s): PSX, AHL Research

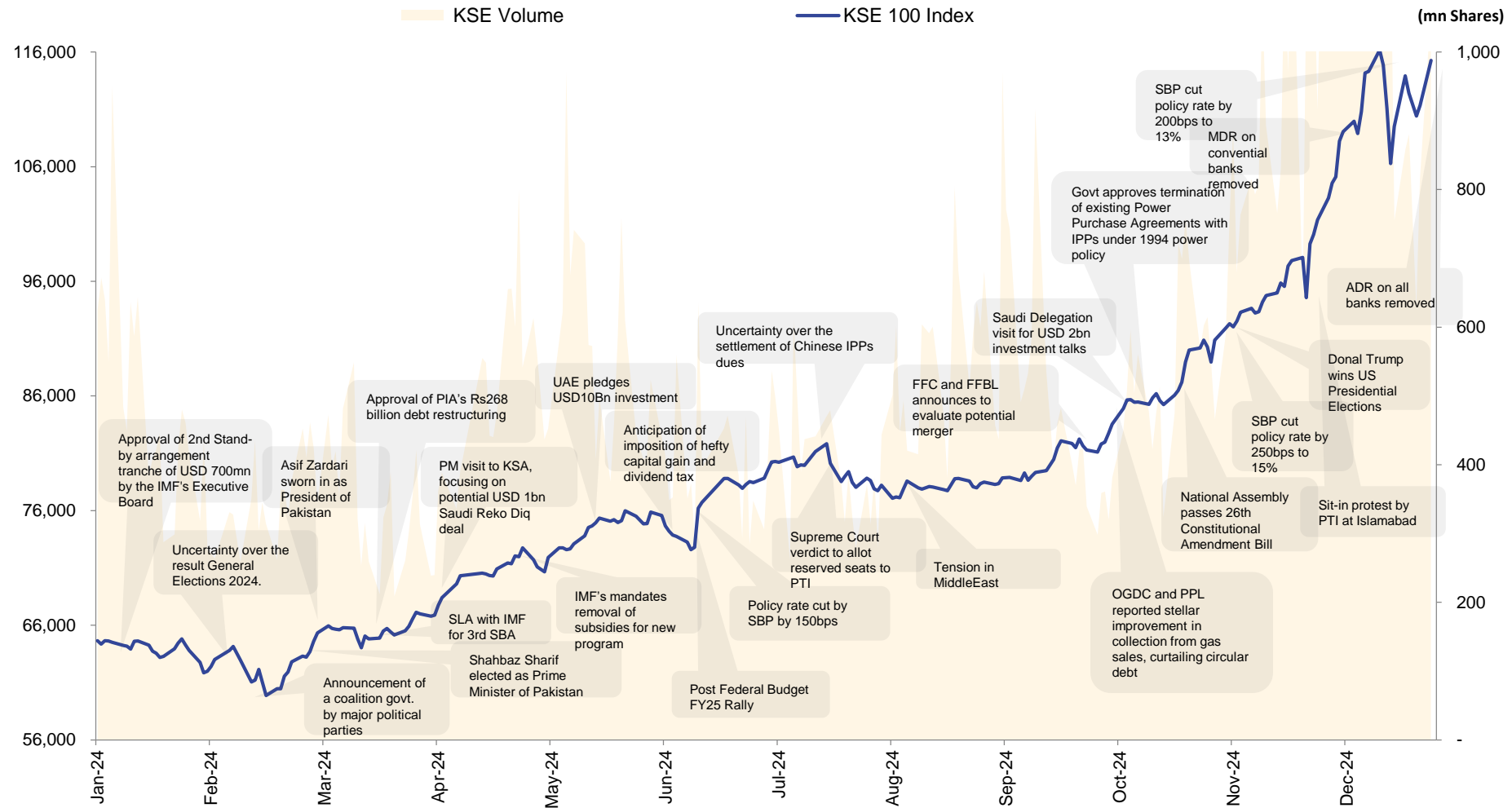
Figure: KSE-100 historical performance (USD based)



Source (s): PSX, AHL Research

PSX Performance – CY24

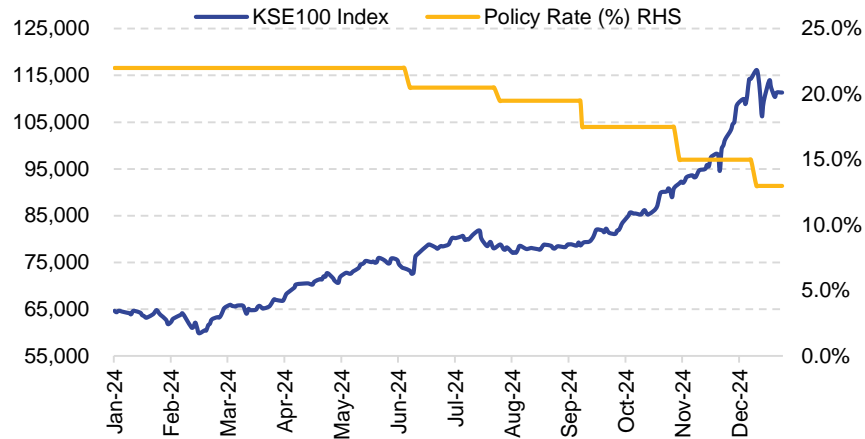
CY24 Event Chart



PSX Performance – CY24

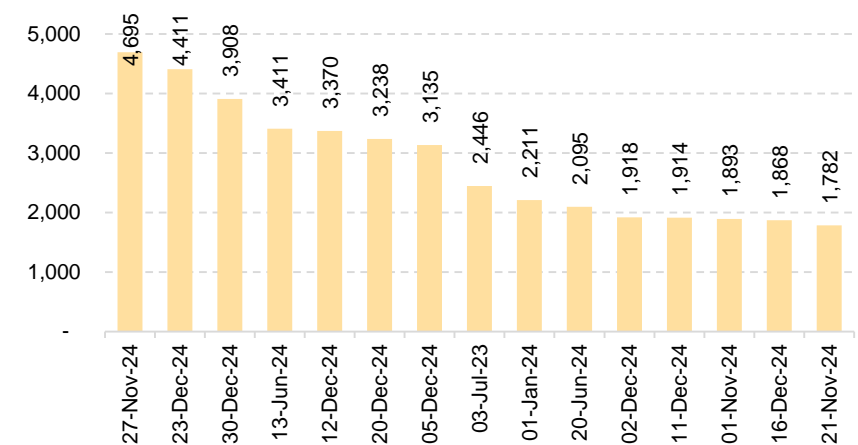
New horizons

Figure: KSE100 Index vs. Policy Rate



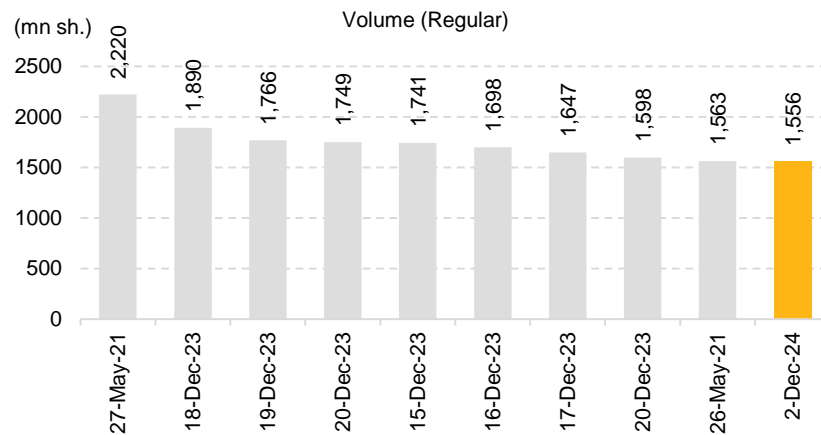
Source (s): PSX, SBP, AHL Research

Figure: PSX Top15 DoD increase in points



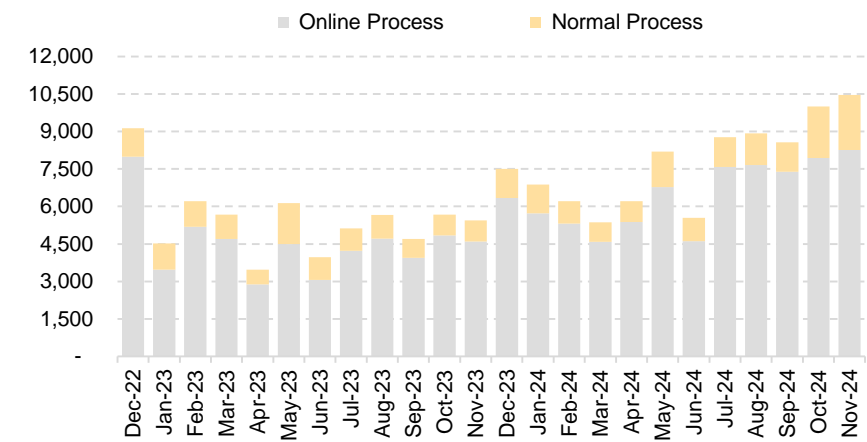
Source (s): PSX, AHL Research

Figure: Highest single day volume trend since CY2000



Source (s): PSX, AHL Research

Figure: New UIN registration increased by 50% YoY in 11MCY24



Source (s): NCCPL, AHL Research

Pakistan Economy

Economic developments

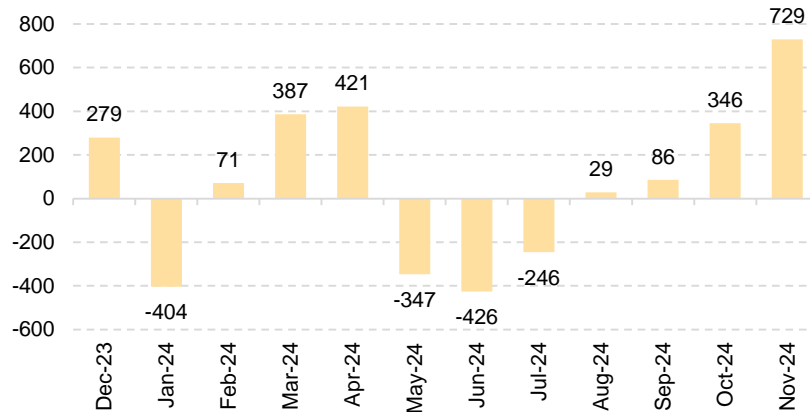
- **GDP:** In 1QFY25, the GDP growth arrived at 0.92%, which is contributed by growth in agriculture and service sector of 1.15% and 1.43%, respectively during 1QFY25.
- **Current account:** During 11MCY24, the country's current account depicted a surplus of USD 646mn compared to a deficit of USD 1.1bn during the same period last year. Total imports during 11MCY24 clocked-in at USD 51bn, up 15% YoY. Major imports during 11MCY24: Petroleum (USD 13.8bn), Agriculture (USD 8.4bn), Machinery (USD 7.7bn), Food (USD 6.3bn), and Metal (USD 4.5bn). Total exports during 11MCY24 clocked-in at USD 29bn, up 12% YoY. During 11MCY24, textile exports climbed up to USD 15.3bn (up 6% YoY). During 11MCY24, remittances went up by 32% YoY to USD 31.6bn as compared to 24.0bn in 11MCY23. Moreover, net FDI during 11MCY24 stood at USD 2.4bn against USD 1.8bn reported in same period last year.
- **Fiscal account:** During 9MCY24, Pakistan experienced a fiscal deficit of PKR 2.9trn, indicating a 50% YoY decline over the corresponding period in the previous year. Total revenue clocked-in at PKR 12.2trn while total expenditure rose to PKR 15.1trn. FBR tax collection stood at PKR 9.1trn during 11MCY24 compared to PKR 7.2trn SPLY, showcasing an increase of 26% YoY.
- **Inflation:** The average headline inflation during 11MCY24 reached 13.9%, down from 31.1% in SPLY. It was primarily driven by decline in food prices, PKR appreciation and stable international oil prices.
- **Interest rate:** Due to reduction in inflation, stable prices of commodities, and PKR appreciation, the SBP commenced monetary easing from Jun'24. From 22% (held since Jun'23), the policy rate came down by 900bps to 13% by Dec'24.
- **PKR parity:** The PKR appreciated by 1.2% against the USD in CY24, amid improved inflows leading to higher SBP reserves along with narrowing spread between open and interbank market.

Pakistan Economy

Key Economic indicators in CY24

Exhibit: Current Account Balance

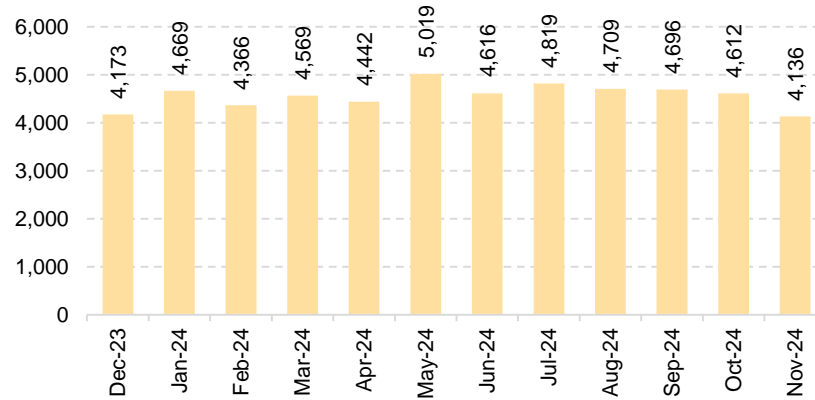
(USD mn)



Source (s): SBP, AHL Research

Exhibit: Historical Trend of Monthly Imports

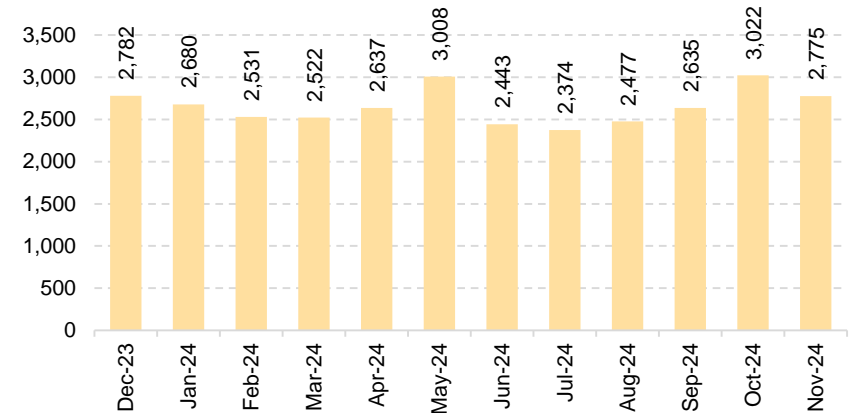
(USD mn)



Source (s): SBP, AHL Research

Exhibit: Historical Trend of Monthly Exports

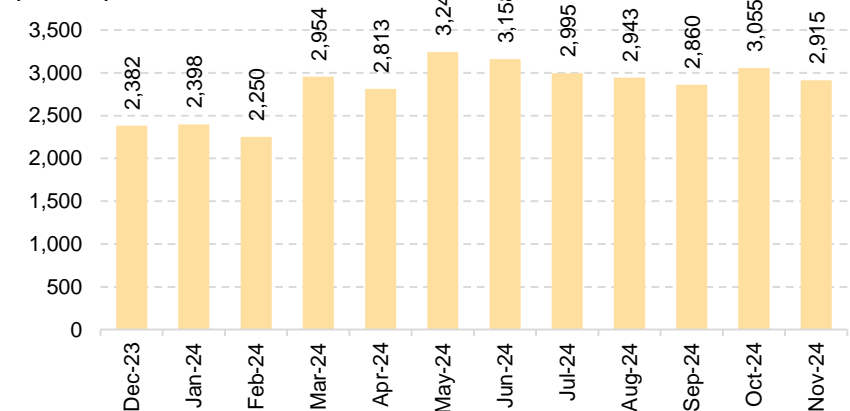
(USD mn)



Source (s): SBP, AHL Research

Exhibit: Historical Trend of Monthly Remittances

(USD mn)

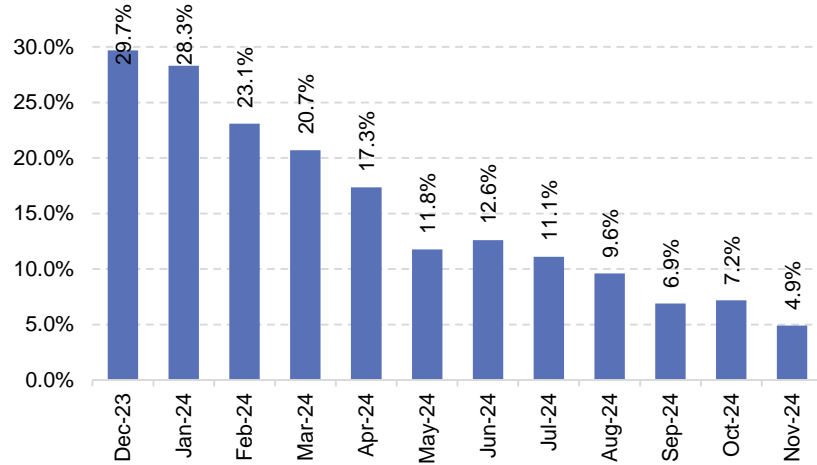


Source (s): SBP, AHL Research

Pakistan Economy

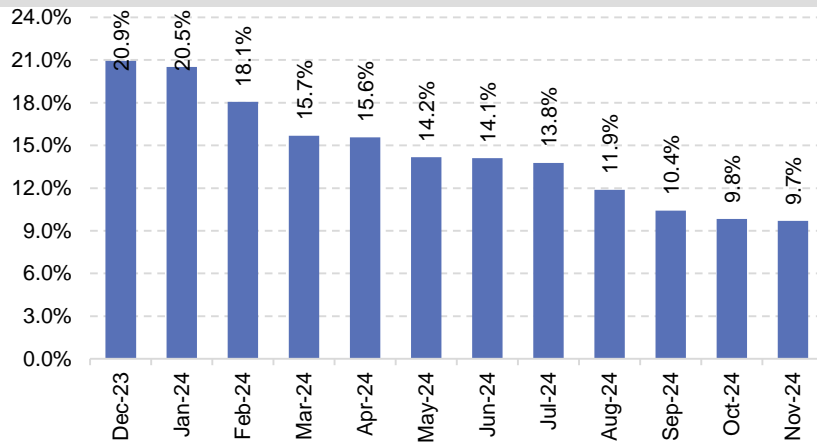
Key Economic indicators in CY24

Exhibit: Inflation Trend



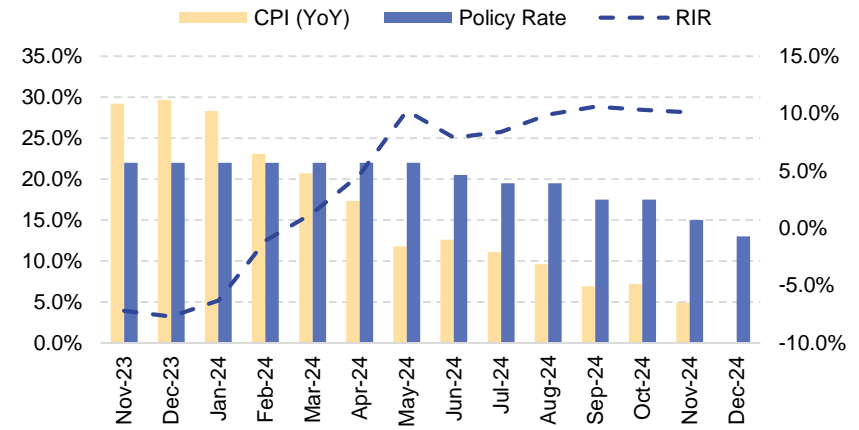
Source (s): PBS, AHL Research

Exhibit: Core Inflation Trend



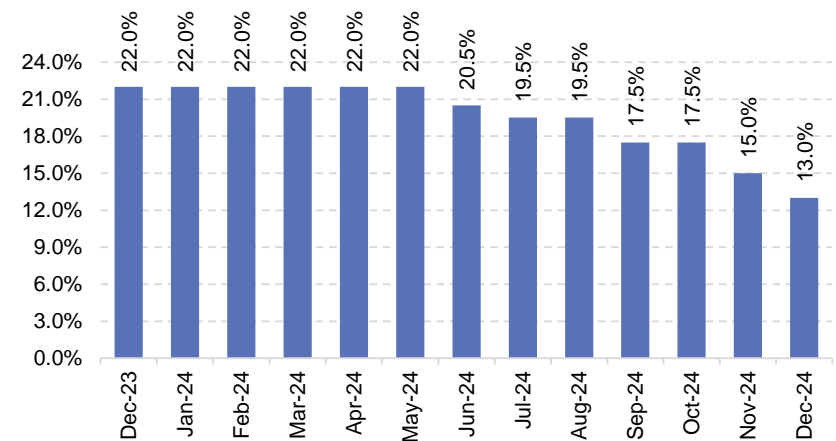
Source (s): PBS, AHL Research

Exhibit: CPI, Policy Rate and RIR



Source (s): PBS, SBP, AHL Research

Exhibit: Policy Rate Trend



Source (s): SBP, AHL Research

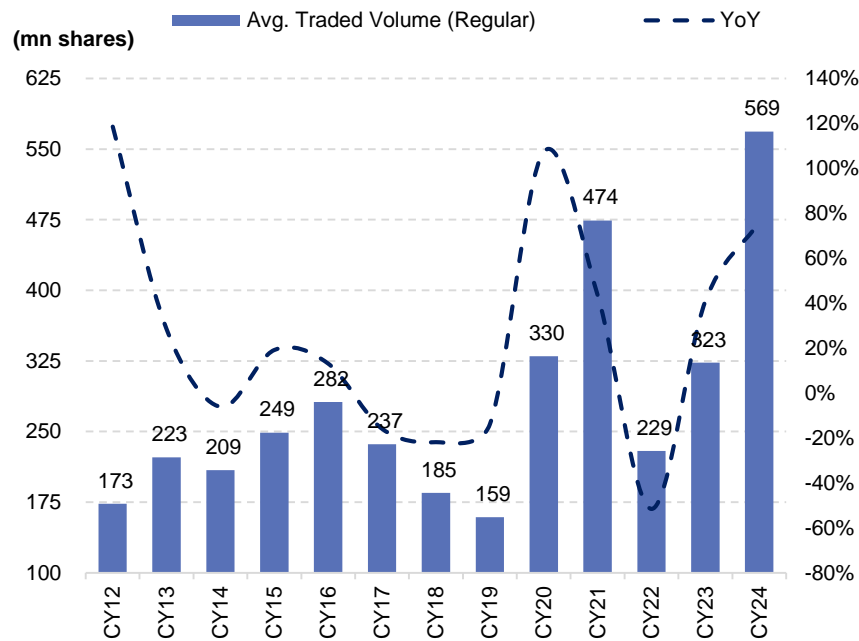
PSX Performance – CY24

Historical volume and value

Highest ever volumes in CY24

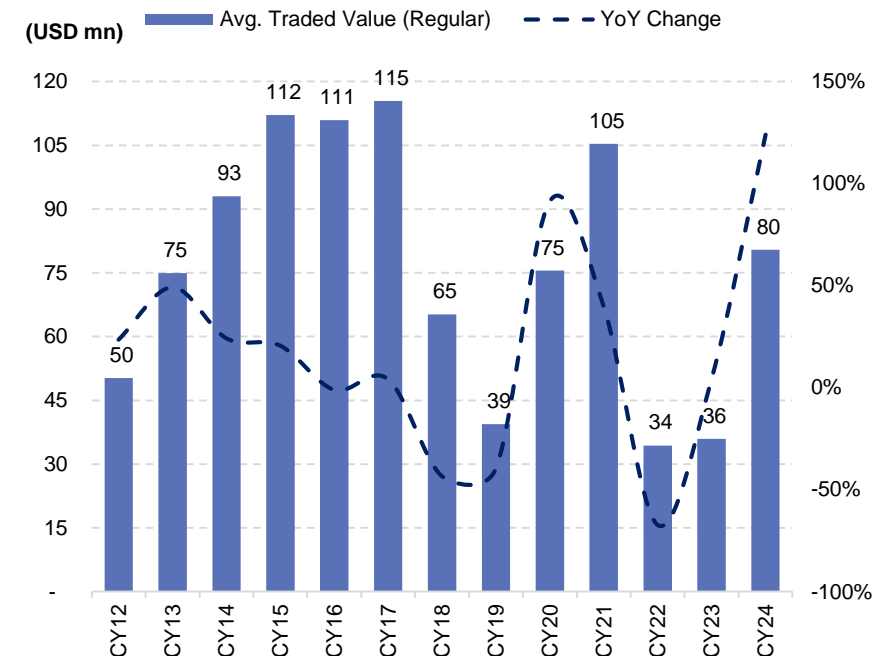
- During CY24, PSX experienced robust activity owing to improvement in economic indicators, posting highest ever average volumes of 569mn shares (up 76% YoY). Meanwhile average value traded also increased by 122% YoY to USD 80mn.

Figure: PSX historic average traded volume



Source (s): PSX, AHL Research

Figure: PSX historic average traded value



Source (s): PSX, AHL Research

PSX Performance – CY24

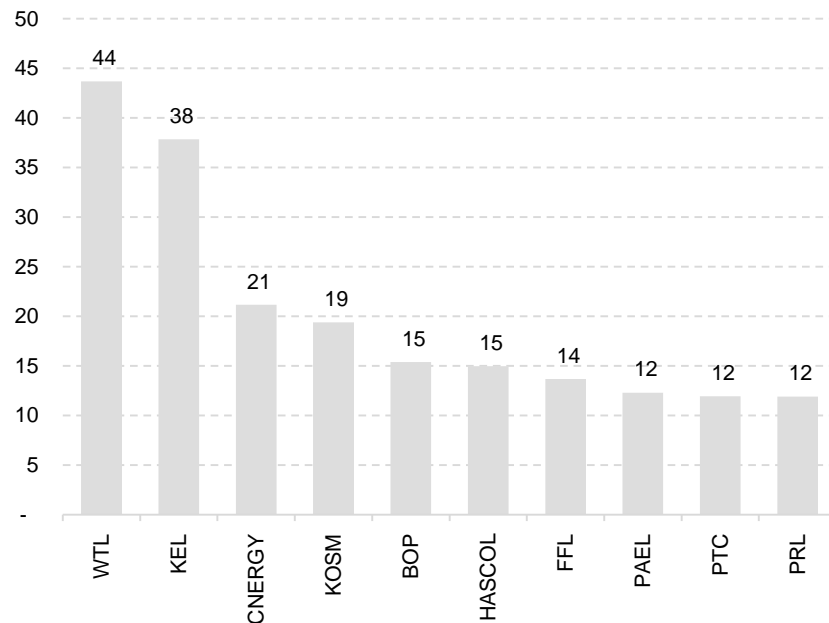
Company & sector wise volume leaders

Volume leaders during CY24

- The sectors that garnered the most activity during the month were Technology, Power, Banks, Cement, and Refinery, reporting average volumes of 101mn, 54mn, 46mn, 39mn and 36mn, respectively.
- Whereas on a scrip-wise basis, volumes were led by WTL (44mn), KEL (38mn), CENERGY (21mn), KOSM (19mn) and BOP (15mn).

Figure: Top Scrip-wise volume leaders (CY24)

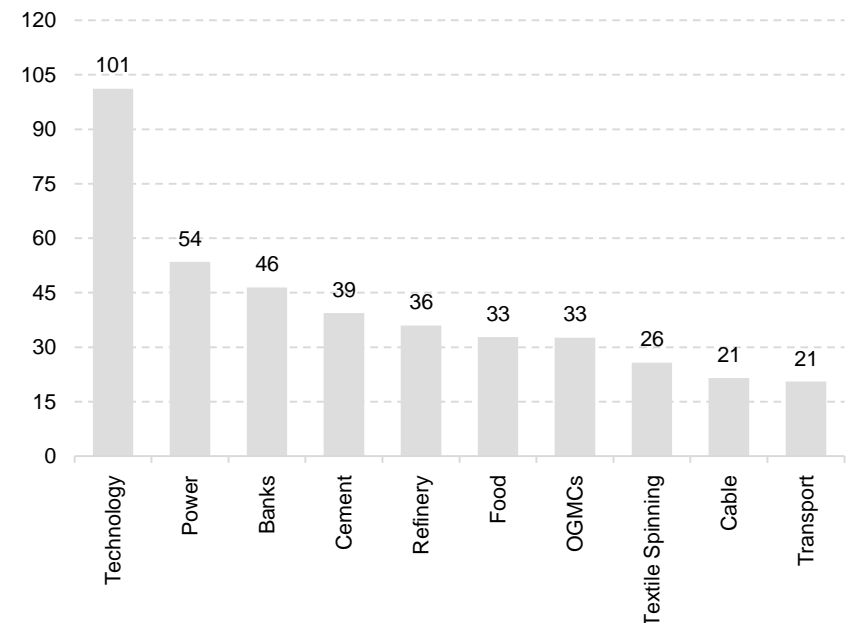
(mn shares)



Source (s): PSX, AHL Research

Figure: Top sector-wise volume leaders (CY24)

(mn shares)



Source (s): PSX, AHL Research

PSX Performance – CY24

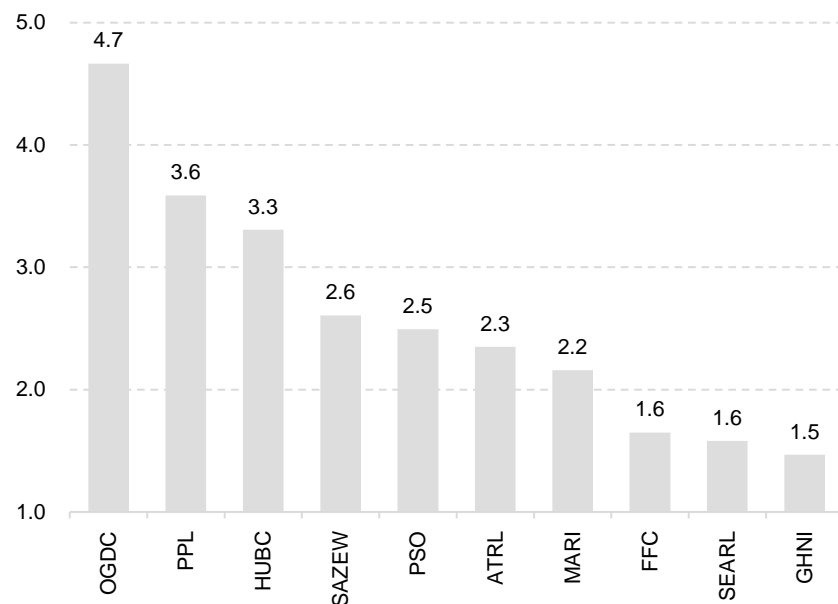
Company & sector wise value leaders

Value leaders during CY24

- On a sector-wise basis, the most activity during the period was witnessed in E&P, Technology, Autos, Banks, and Cement posting a trade value of USD 11.1mn, USD 8.9mn, USD 8.4mn, USD 7.3mn, and USD 6.0mn, respectively.
- Meanwhile, on a scrip-wise basis, the highest trading values were dominated by OGDC (USD 4.7mn), followed by PPL (USD 3.6mn), HUBC (USD 3.3mn), SAZEW (USD 2.6mn), PSO (USD 2.5mn), ATRL (USD 2.3mn), MARI (USD 2.2mn), FFC (USD 1.6mn), SEARL (USD 1.6mn), and GHNI (USD 1.5mn).

Figure: Top scrip-wise value leaders (CY24)

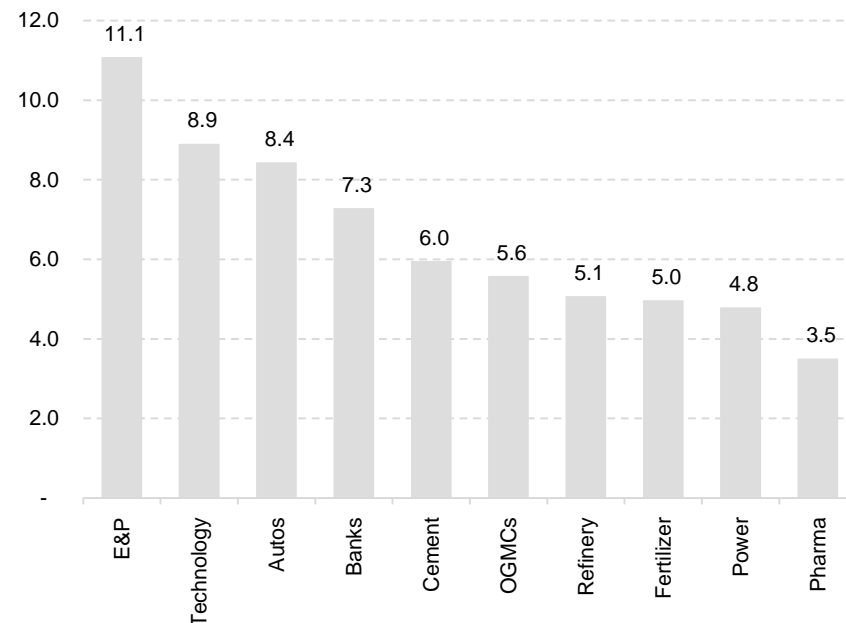
(USD mn)



Source (s): PSX, AHL Research

Figure: Top sector-wise value leaders (CY24)

(USD mn)



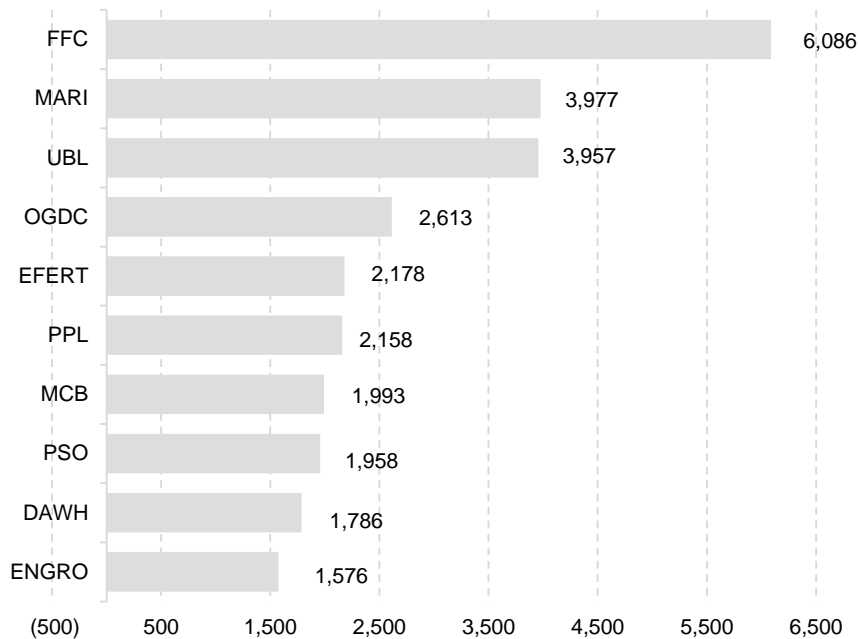
Source (s): PSX, AHL Research

PSX Performance – CY24

Index contribution

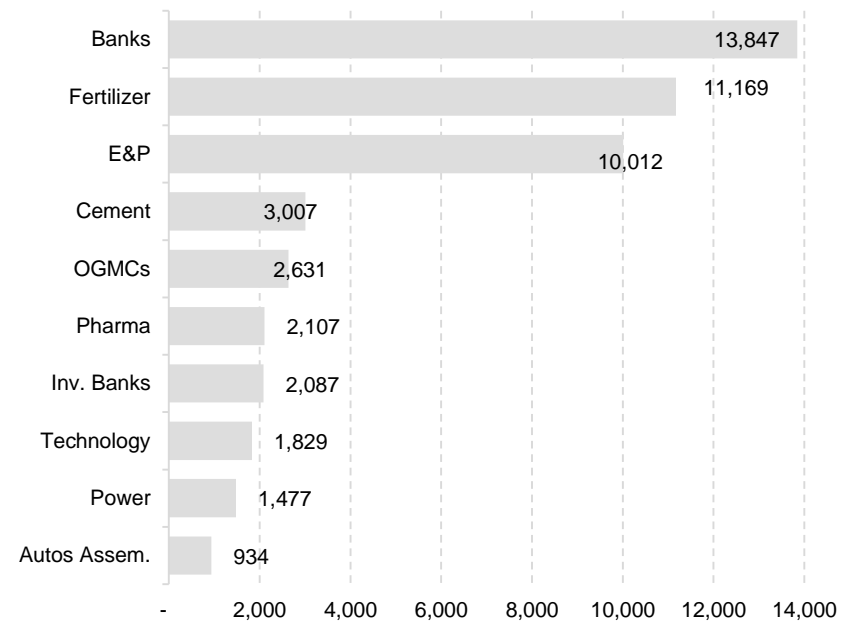
- Sector contributing positively to index include Banks (13,847pts), Fertilizer (11,169pts), E&P (10,012pts), Cement (3,007pts) and OGMC's (2,631pts).
- Meanwhile, scrip wise top contributions to the upside were FFC (6,086pts, 54% of total Fertilizer sector contribution), MARI (3,977pts, 40% of total E&P sector contribution), UBL (3,975pts, 29% of total Bank sector contribution) and OGDC (2,613pts, 26% of total E&P sector). Scrip wise negative contributors were i) PSEL (-19pts), ii) TRG (-10pts) iii) NESTLE (-10pts).

Figure: Top Scrip-wise index contributors (CY24)



Source (s): PSX, AHL Research

Figure: Top sector-wise index contributors (CY24)



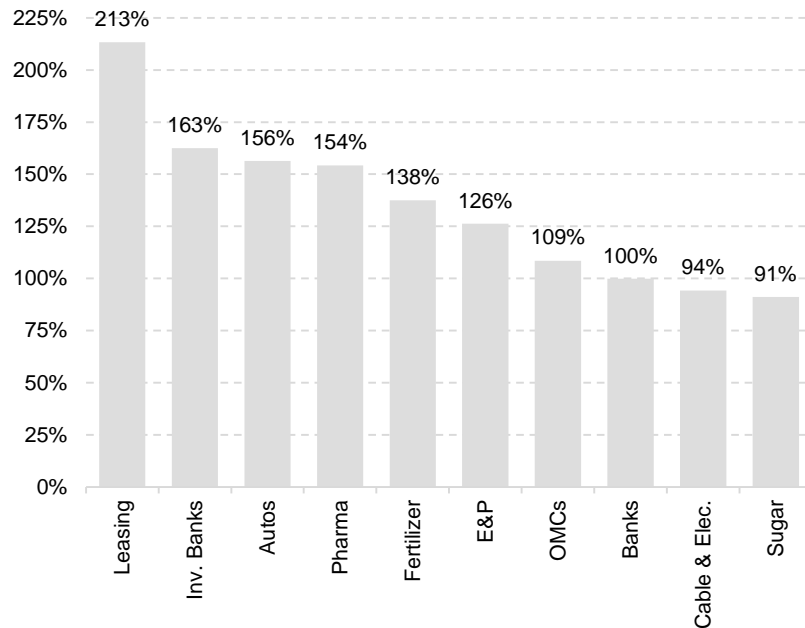
Source (s): PSX, AHL Research

PSX Performance – CY24

Sector-wise major gainers and losers

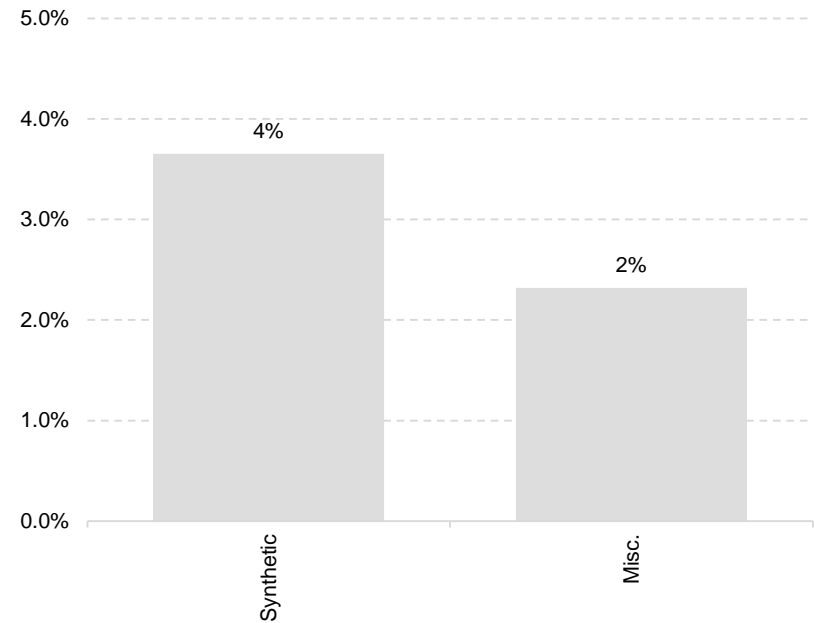
- In terms of sectors, major gainers were Leasing (213%), Inv. Banks (163%), Autos (156%), Pharma (154%), and Fertilizer (138%) during CY24. Whereas, major losers were Synthetic (4%), and Miscellaneous (2%).

Figure: Sector wise major gainers (KSE100)



Source (s): PSX, AHL Research

Figure: Sector wise major losers (KSE100)



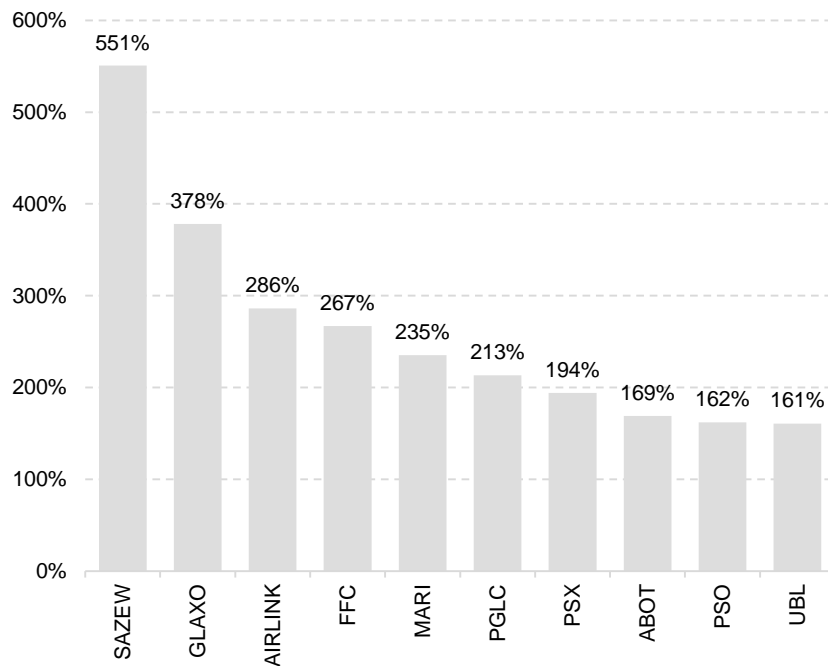
Source (s): PSX, AHL Research

PSX Performance – CY24

Scrip-wise major gainers and losers

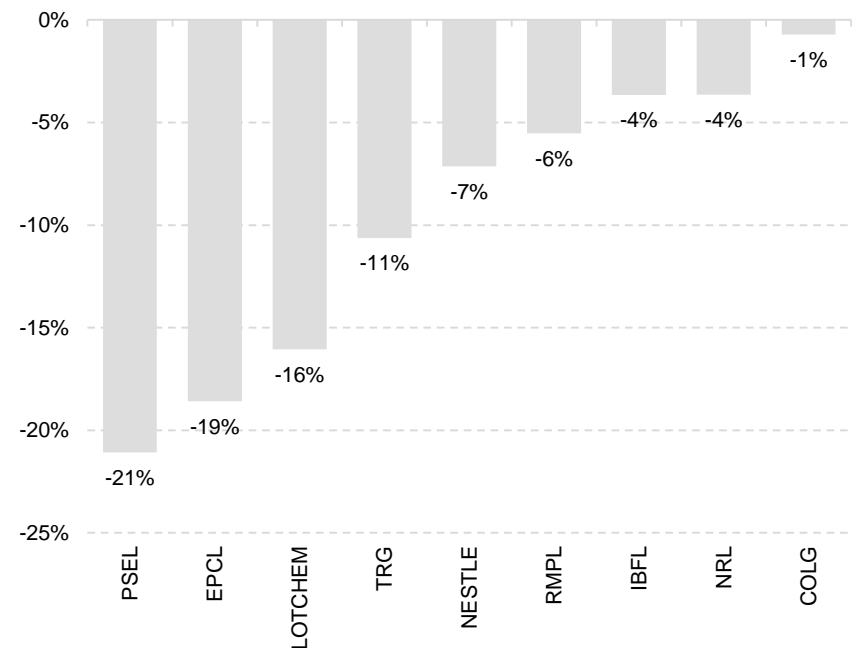
- Scrip-wise major gainers during CY24 were witnessed in SAZEW, GLAXO, AIRLINK, FFC and MARI posting returns of 551%, 378%, 286%, 267%, and 235%, respectively. Meanwhile, negative returns during the month came from PSEL, EPCL, LOTCHEM, TRG, and NESTLE, each posting returns of 21%, 19%, 16%, 11%, and 7%, respectively.

Figure: Scrip wise major gainers (KSE100)



Source (s): PSX, AHL Research

Figure: Scrip wise major losers (KSE100)



Source (s): PSX, AHL Research

PSX Performance – CY24

Portfolio investment

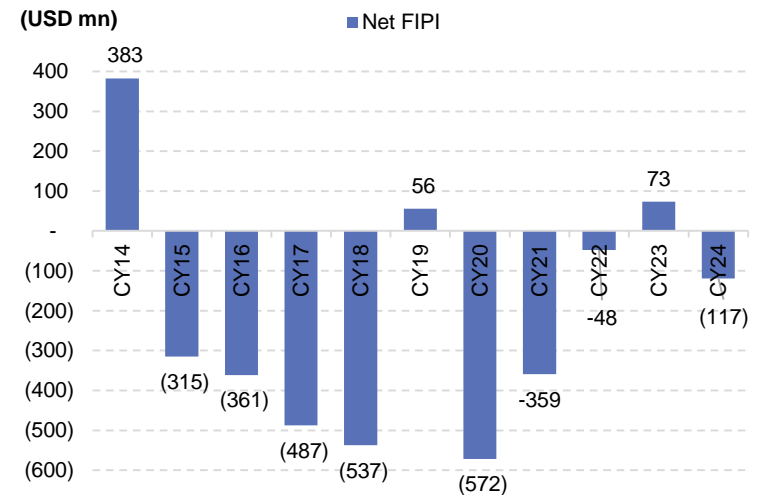
- **Foreign outflow amid FTSE rebalancing:** From Feb'24 to Aug'24, higher foreign inflows (USD 140mn) were witnessed in the local bourse. The events that attracted international investors to the KSE-100 were i) successful negotiation of Pakistani Govt for IMF's new EFF program, ii) stable PKR/USD parity, iii) economic reforms, iv) rapid privatization drive, v) hefty decline in inflation, vi) commencement of monetary easing cycle, and vii) formation of coalition government post-election. However, the foreign outflow commenced from Sep'24, due to FTSE rebalancing. Hence, from Sep'24 till Dec'24, an outflow of USD 221mn has been witnessed. With this, the net outflows to the PSX amounted to USD 118.5mn in CY24 compared to inflow of USD 74mn in CY23.
- **Sector-wise selling:** Major foreign selling was witnessed in i) Fertilizer (USD 45mn), ii) E&P (USD 39mn), iii) Bank (USD 25mn), and iv) Food (USD 21mn).
- **Locals remained buyers:** On the domestic front, buying was witnessed by Mutual Funds (USD 187mn), Insurance Companies (USD 61mn), and Companies (USD 10mn) in CY24. Whereas major sellers were Banks/DFI (USD 70mn) and Other Organization (USD 40mn).

Exhibit: LIPI activity (net, USD mn) during CY24

	Net Buy / Sell (USD mn)
Mutual Funds	187
Insurance Companies	61
Companies	10
NBFC	-1
Broker Proprietary Trading	-5
Individuals	-25
Other Organization	-40
Banks / DFI	-70
Total	117

Source: NCCPL, AHL Research

Figure: Yearly FIPI Trend



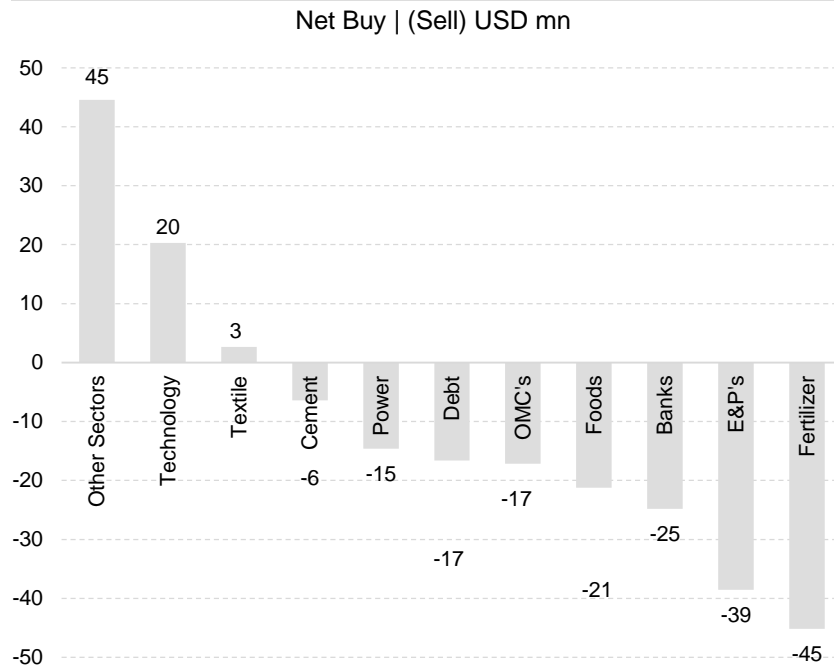
Source (s): NCCPL, AHL Research

PSX Performance – CY24

Portfolio investment

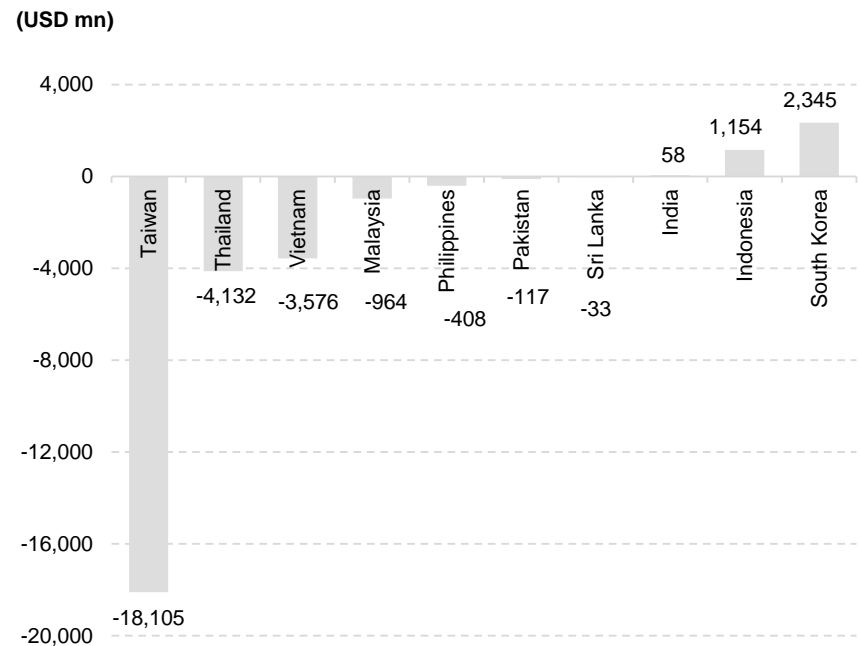
- **Region observe significant outflows during CY24:** Foreign selling in the region settled at a massive USD 23,780mn during 2024. Major selling was witnessed in Taiwan (USD 18,105mn) given US President-elect plans to impose tariff on Chinese imports, Thailand (USD 4,132mn), and Vietnam (USD 3,576mn). However, inflows were observed in South Korea (USD 2,345mn) amid inclination towards AI-related/tech stocks, and Indonesia (USD 1,154mn).

Figure: Sector wise FIPI CY24



Source: NCCPL, AHL Research

Figure: Regional Portfolio investment during CY24



Source: NCCPL, AHL Research

PSX Performance – CY24

KSE-100 index outperforms other asset classes

- The table below showcases the performance of KSE-100 and different assets over the years.
- During CY24, KSE-100 index out performed other asset classes such Gold, Defense Savings Certificate, Bank Deposits, and USD/PKR, with a return of 93% YoY.
- The other asset class such as Gold, T-Bills, Bank Deposits, and Defence Saving Certificates posted returns of 28.43%, 21.44%, 17.68%, and 13.88%, respectively.

Exhibit: Pakistan Equities Versus Other Assets Classes

Year	KSE100*	Gold	T-Bills	Bank Deposits	DSC*	USD PKR
CY24	93.25%	28.43%	21.44%	17.68%	13.88%	-1.17%
5Y CAGR	32.67%	26.61%	13.73%	11.39%	12.02%	12.45%
10Y CAGR	21.50%	20.00%	11.09%	8.62%	10.39%	10.72%
15Y CAGR	25.67%	14.85%	11.03%	8.33%	10.94%	8.29%
20Y CAGR	23.00%	18.21%	10.94%	7.62%	10.90%	8.02%

Source (s): SBP, Bloomberg, PSX, AHL Research, *total return

Exhibit: Pakistan equities versus other assets classes CY24

KSE100 Index*	93.25%
Gold	28.43%
T-Bills	21.44%
Bank Deposits	17.68%
Defence Saving Certificates	13.88%
USD PKR	-1.17%

Source (s): SBP, Bloomberg, PSX, AHL Research, *total return

PSX Performance – CY24

Capital raising through IPO's and right issue

5 IPOs in CY24

- The IPO market in Pakistan has seen a revival in CY24, on the back of by economic growth and an unprecedented performance by the stock market. A total of five (5) IPO transactions in the main board and two (2) in the GEM have been concluded in 2024, as compared to only one (1) transaction in 2023. During the year, main board welcomed new listings such as SLGL, TPLRF1, IPAK, FCL and BFBIO. Whereas, GEMMEL and GEMBCEM has been added on the GEM board. Total demand for IPOs in 2024 amounted to PKR 13.0bn, with PKR 8.4bn raised.

Capital raising through right issue

- A total of ten companies issued right shares in 2024, raising PKR 18.3bn as compared to PKR 6.8bn in 2023, showcasing a consistent demand for capital expansion across various sectors.

Exhibit: Equity Capital Raising (IPO) CY24

Company	Amount (PKR mn)
Main Board	
Secure Logistics Group Ltd.	600
TPL REIT Fund - I (Offer for Sale)	589
International Packaging Films Ltd.	1,767
Fast Cables Ltd.	3,130
BF Biosciences Ltd.	1,925
Subtotal	8,010
GEM Board	
Mughal Energy Ltd.	325
Burj Clean Energy Modaraba	100
Subtotal	425
Total Capital Raising (IPO)	8,435
Source (s): PSX, AHL Research	

Exhibit: Equity Capital Raising (Right Issue) in CY24

Company	Amount (PKR mn)
The Pakistan General Insurance Co. Ltd.	36
Tariq Corporation Ltd.	199
Gatron (Industries) Ltd.	5,600
Mirpurkhas Sugar Mills Ltd.	500
Image Pakistan Ltd.	987
KSB Pumps Company Ltd.	1,947
Allawasaya Tex. & Finishing Mills Ltd	200
Faran Sugar	551
Bawany Air Products	6,000
Stylers International	2,329
Total	18,349
Source (s): PSX, AHL Research	

PSX Performance – CY24

Sector-wise key stats

Exhibit: Sector-wise key stats

Sector-wise key stats	Unit	11MCY24	11MCY23	YoY
Petroleum Products Sales	000 tons			
MS	-----	6,753	6,580	2.6%
HSD	-----	5,993	5,656	6.0%
Total	-----	14,340	14,027	2.2%
Car Sales	No.	114,958	33,638	241.8%
Cement Sales	000 tons	40,193	42,638	-5.7%
Local	-----	32,709	36,678	-10.8%
Exports	-----	7,484	5,960	25.6%
Fertilizer Sales	000 tons			
Urea	-----	5,585	6,015	-7.1%
DAP	-----	1,499	1,402	6.9%
Bank Deposits	PKR bn	31,145	26,798	16.2%
Oil and Gas Production	-----			
Oil Production	barrels	22,602,708	23,302,501	-3.0%
Gas Production	mmcf	1,013,852	1,074,101	-5.6%
Power Generation	GWh	117,023	122,278	-4.3%

Source (s): SBP, OCAC, PAMA, APCMA, NFDC, PPIS, NEPRA, AHL Research

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AHL Research uses the following valuation technique(s) to arrive at the period end target prices;

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- Dividend Discount Model (DDM)
- Sum of the Parts (SoTP)
- Justified Price to Book (JPTB)
- Reserved Base Valuation (RBV)

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