

Market Performance

Jul'25: KSE:100 index gains 13,763pts | 11% MoM

31-Jul-2025

REP-300

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PAKISTAN
STOCK EXCHANGE
LIMITED

Top 25 Companies
('17-'19)


CENTRAL
DEPOSITORY
COMPANY

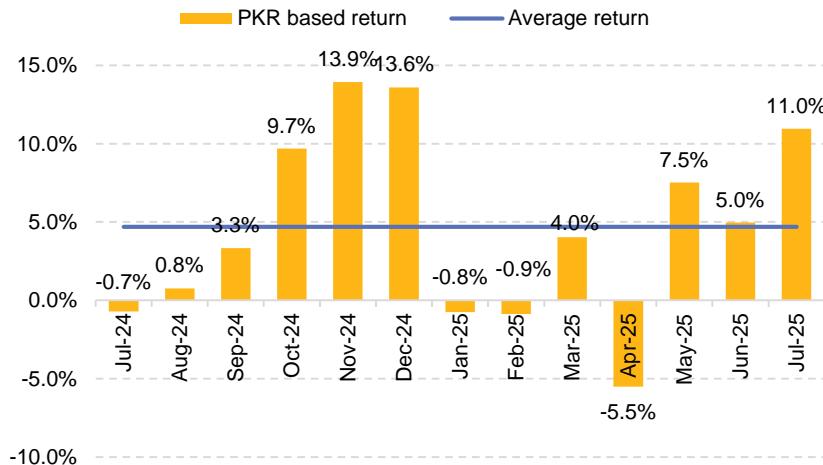
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PSX Performance - July 2025

KSE-100 up 13,763 points, closes at 139,390

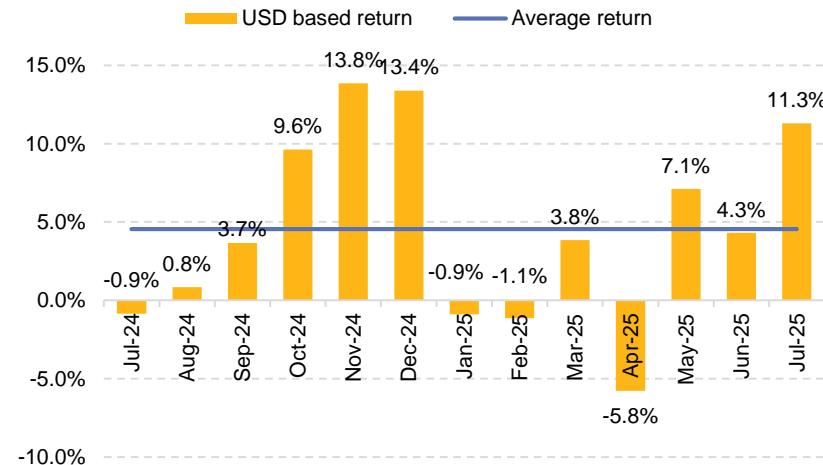
- The KSE-100 Index extended its upward trajectory in Jul'25, (reached at an all-time high 139,419pts level during the month, on closing basis) and closing at 139,390points, posting a MoM gain of 13,763 points. The rally was fueled by improved macro indicators, strong external sector performance, and renewed optimism around international cooperation.
- Market sentiment received a boost after U.S. President Donald Trump announced that the United States and Pakistan had reached an agreement to explore Pakistan's untapped oil reserves, while also indicating that both countries were working towards finalizing a trade deal.
- The SBP, however, held its policy rate steady at 11% this week, citing concerns about the inflation outlook and the widening trade deficit.
- S&P Global upgraded Pakistan's credit rating to 'B-' with a Stable outlook, citing macroeconomic stabilization and reform progress.
- CA surplus reached USD 2,106mn in FY25, an improvement from the deficit of USD 2,072mn during the same period last year.
- Inflation continued to ease, with Jun'25 CPI clocking in at 3.2% YoY versus 3.46% in May'25.

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 - July 2025

Major News and Economic developments

Major News

Auto-financing increased by 20% YoY to PKR 277bn in Jun'25, up from PKR 231bn in Jun'24. FY25 automobile sales clocked in at 148K units, up 43% YoY. Cement dispatches in Jun'25 declined by 2.5% YoY to 3.5mn tons, down from 3.6mn tons in Jun'24. In Jun'25, power generation rose by 2.1% YoY, reaching 13,744 GWh (19,089 MW), compared to 13,459 GWh (18,693 MW) in Jun'24. Pakistan's petroleum sales in Jun'25 ascended by 2% MoM to 1.57mn tons. NEPRA revised the electricity tariff downward to PKR 31.59/kWh, compared to PKR 32.73/kWh previously, an average cut of PKR 1.14/kWh. OGDCL reported a production boost at the Rajian-05 well following ESP installation. The government also unveiled the National Tariff Policy 2025–30, aimed at rationalizing tariffs and enhancing export competitiveness, signaling a strategic shift toward long-term, sustainable growth.

Economic Development

- In Jun'25, a current account surplus of USD 328mn was recorded, compared to a deficit of USD 500mn in Jun'24 and a deficit of USD 84mn in May'25. For the FY25, the country posted a current account surplus of USD 2,106mn, an improvement from the deficit of USD 2,072mn during the same period last year.
- The trade deficit narrowed in Jun'25, decreasing to USD 2.5bn compared to USD 2.7bn in SPLY. ▪ The overall trade balance posted a deficit of USD 29.4bn in FY25, up from SPLY USD 25.3bn.
- Workers' remittances grew by 8% YoY, reaching USD 3.4bn in Jun'25, compared to USD 3.2bn in Jun'24. On a MoM basis, remittances decreased by 8%, down from USD 3.7bn in May'25. In FY25, remittances increased by 27% YoY to USD 38.3bn. Key contributors to this growth included Saudi Arabia, with a 26% YoY rise to USD 9,345mn, the UAE, which saw a 41% increase to USD 7,829mn, and the UK, which experienced a 31% YoY growth to USD 5,905mn.
- FY25 average headline inflation clocked in at 4.49%, sharply down from 23.41% in FY24, the lowest since FY16 (2.9%).* The decline is driven by a high base, falling food prices, and lower transport costs due to reduced petroleum prices.
- Large-scale manufacturing output rose 2.3% YoY in May 2025 and 7.9% MoM, although it declined 1.2% YoY over the first 11 months of FY25.

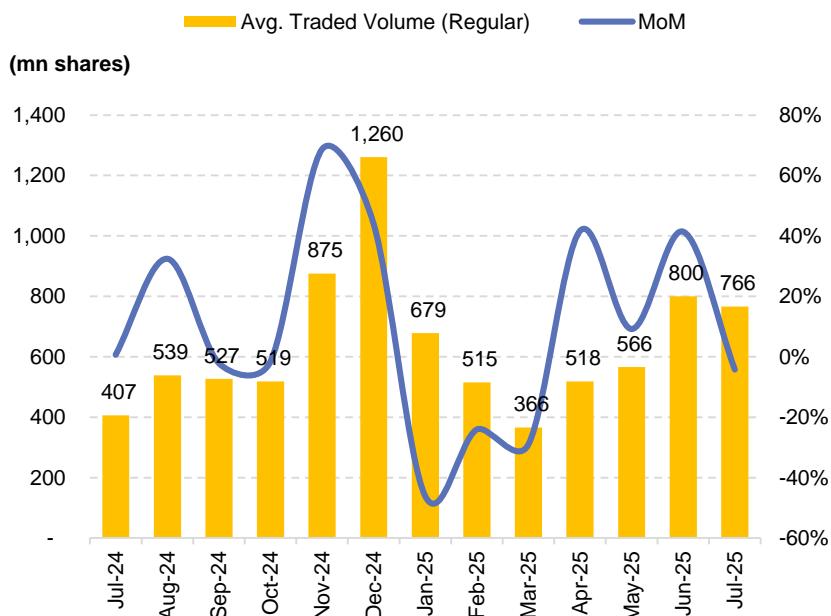
PSX Performance – July 2025

Historical volume and value

Increase in traded volume during July'25

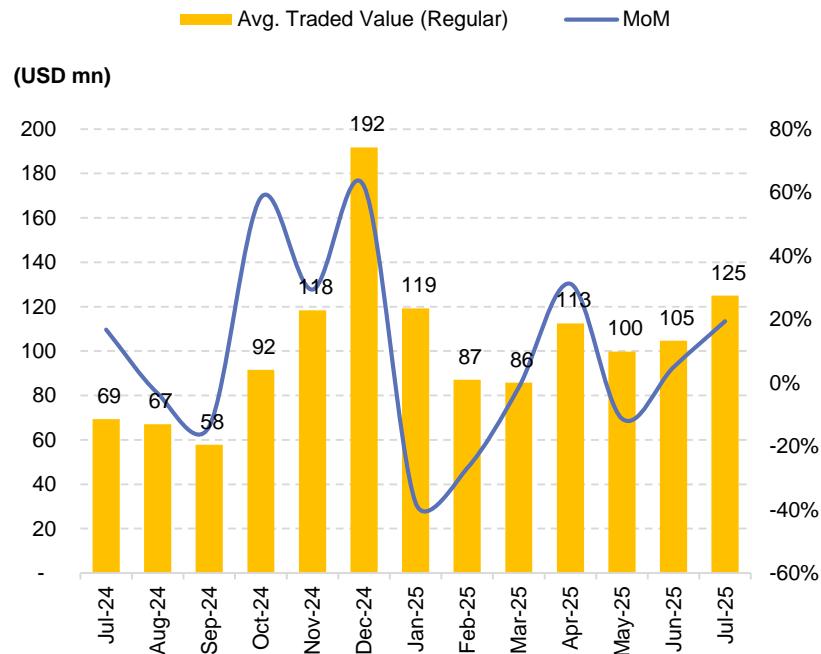
- During Jul'25, the average traded volume decreased by 4% to 766mn shares, while the average traded value increased by 19% to USD 125mn.

Figure: PSX historic average traded volume



Source (s): PSX, AHL Research

Figure: PSX historic average traded value



Source (s): PSX, SBP, AHL Research

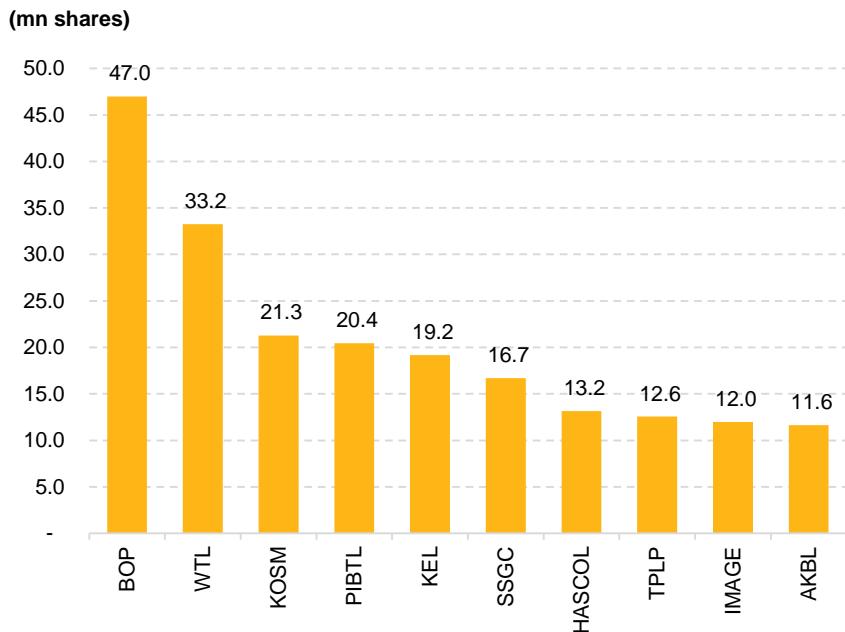
PSX Performance - July 2025

Company & sector wise volume leaders

Volume leaders during Jul'25

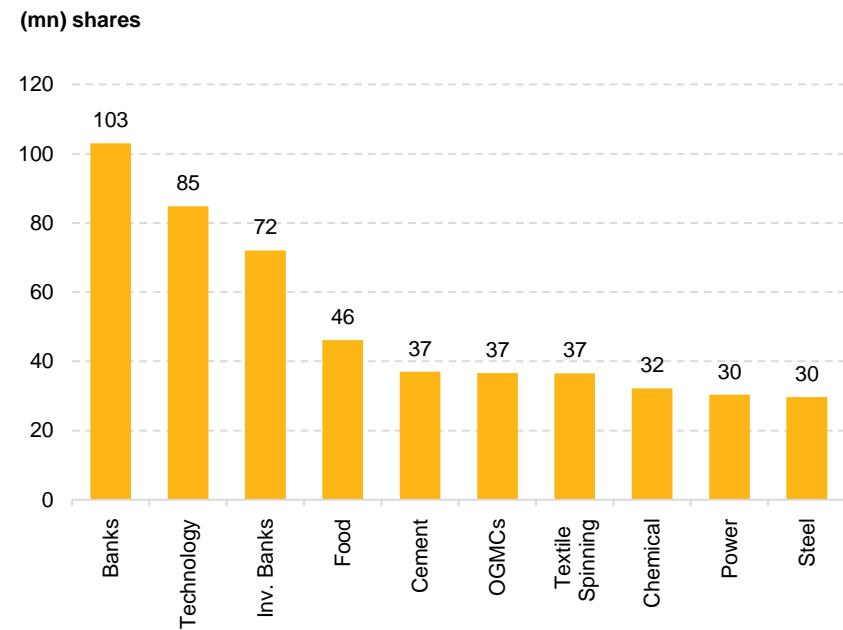
- Sectors that garnered the most activity during the month were Banks, Technology, Inv. Banks, Food, and Cement, reporting average volumes of 103mn, 85mn, 72mn, 46mn and 37mn respectively.
- Whereas on a scrip-wise basis, volumes were led by BOP (47.0mn), WTL (33.2mn), KOSM (21.3mn), PIBTL (20.4mn) and KEL (19.2mn).

Figure: Top Scrip-wise volume leaders (Jul-25)



Source (s): PSX, AHL Research

Figure: Top sector-wise volume leaders (Jul-25)



Source (s): PSX, AHL Research

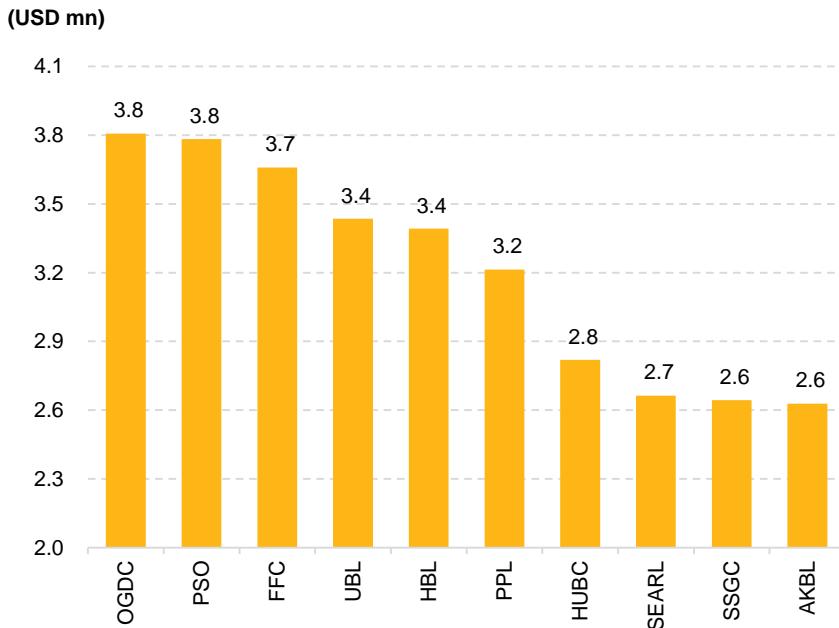
PSX Performance - July 2025

Company & sector wise value leaders

Value leaders during Jul'25

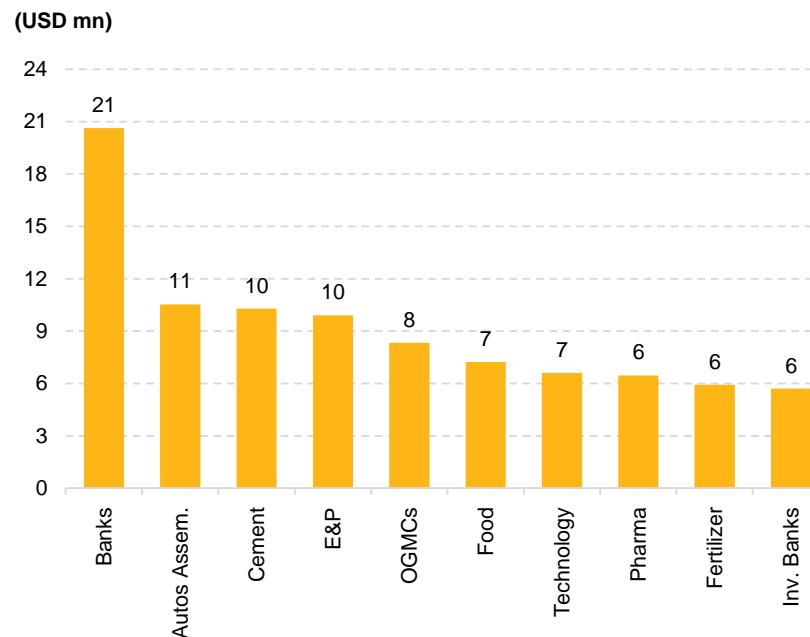
- On a sector-wise basis, the most activity during the period was witnessed in Banks, Auto Assemblers, Cement, E&P, and OGMCs, posting a trade value of USD 21mn, USD 11mn, USD 10mn, USD 10mn, and USD 8mn, respectively.
- Meanwhile, on a scrip-wise basis, the highest trading values were dominated by OGDC (USD 3.8mn), PSO (USD 3.8mn), FFC (USD 3.7mn), UBL (USD 3.4mn), and HBL (USD 3.4mn).

Figure: Top scrip-wise value leaders (Jul-25)



Source (s): PSX, SBP, AHL Research

Figure: Top sector-wise value leaders (Jul-25)



Source (s): PSX, SBP, AHL Research

PSX Performance - July 2025

Index contribution

- Sectors contributing positively to the index during Jul'25 include Banks (6,521pts), Fertilizer (2,380pts), Inv. Banks (965 pts), Technology (858pts), and E&P (468pts). However, the sectors contributing negatively comprised of Glass (-69pts) followed by Refinery (-53pts), Leather (-15pts), Synthetics (-4 points), Textile Weaving (-2pts).
- Scrip wise positive contributors during the month were UBL (2,894pts), FFC (1,861pts), SYS (956pts), ENGROH (935pts) and HBL (839pts). Scrip-wise negative contributors were PKGP (-96pts), AIRLINK (-54pts), MLCF (-46pts), PTC (-46pts) and MARI (-45pts).

Figure: Top Scrip-wise index contributors (Jul-25)

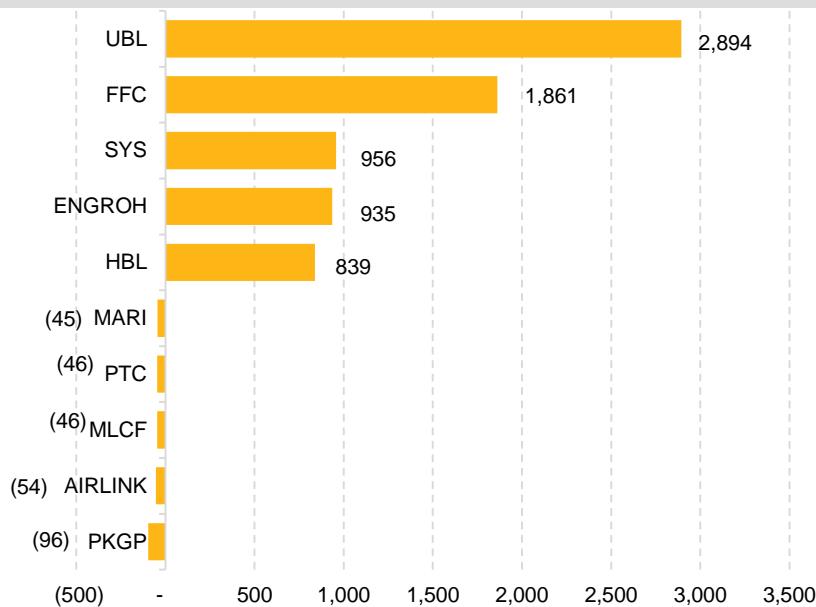
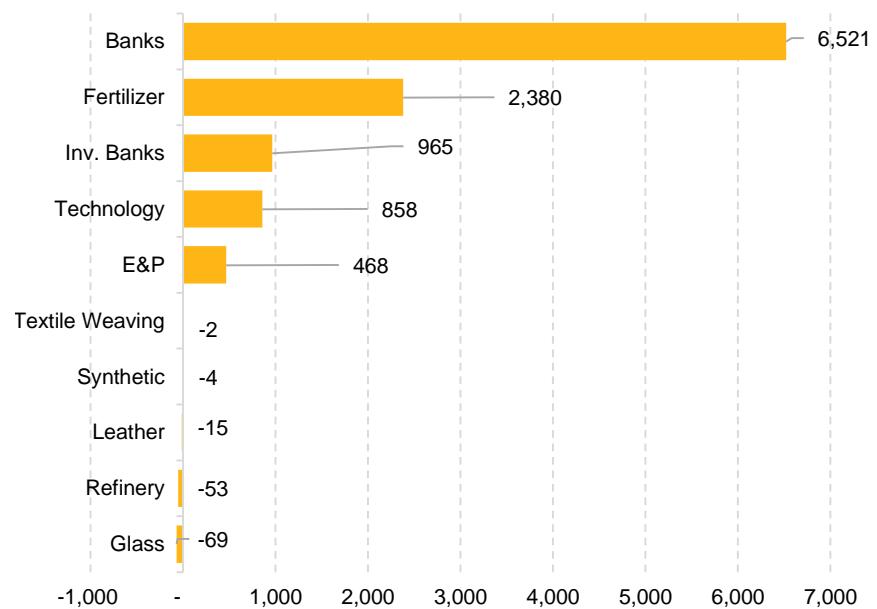


Figure: Top sector-wise index contributors (Jul-25)



Sector-wise major gainers and losers

- In terms of sectors, major gainers were Mutual Funds (37%), Banks (19%), Automobile Parts (18%), Textile Comp. (17%), Misc. (16%) and Inv. Banks (15%) during Jul'25. However, major losers were Textile Weaving (-15%), Woollen (-12%), Glass (-6%) & Refinery (-5%)

Figure: Sector wise major gainers (KSE100)

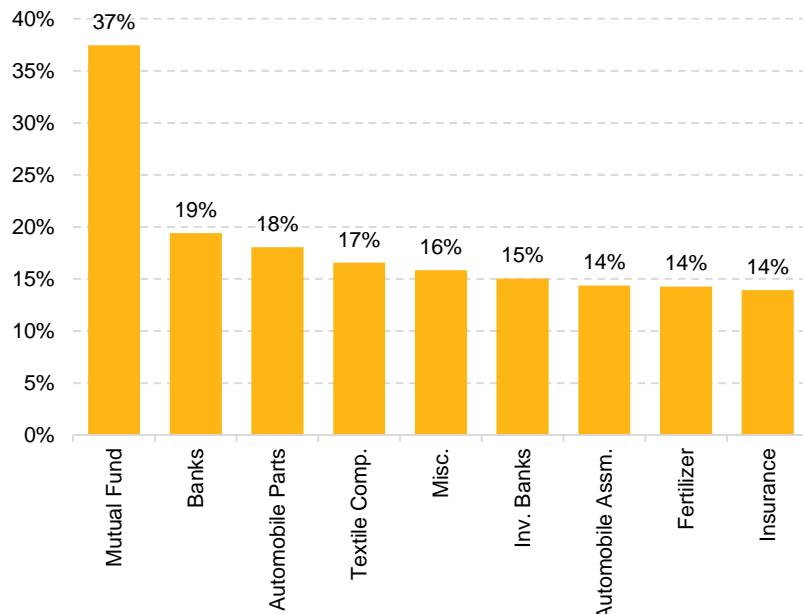
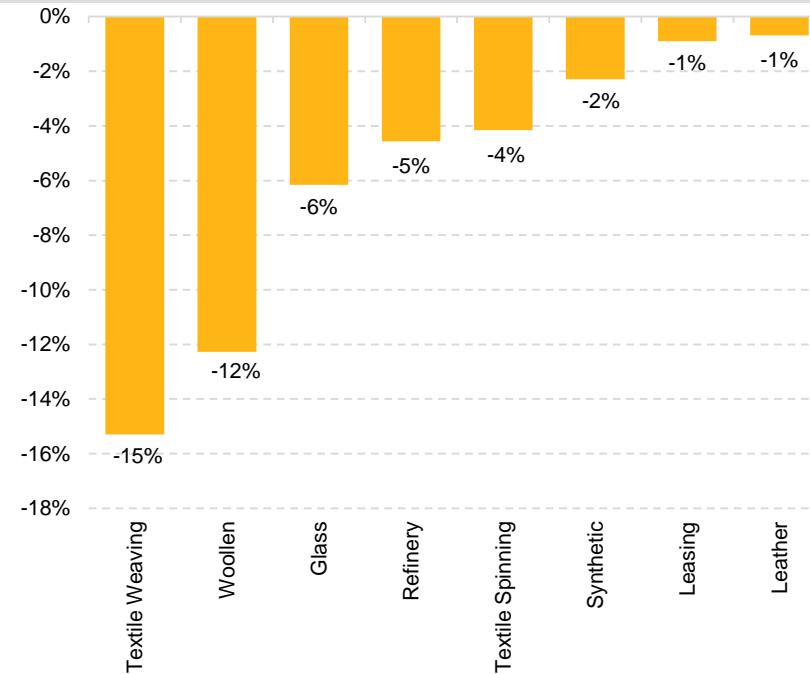


Figure: Sector wise major losers (KSE100)

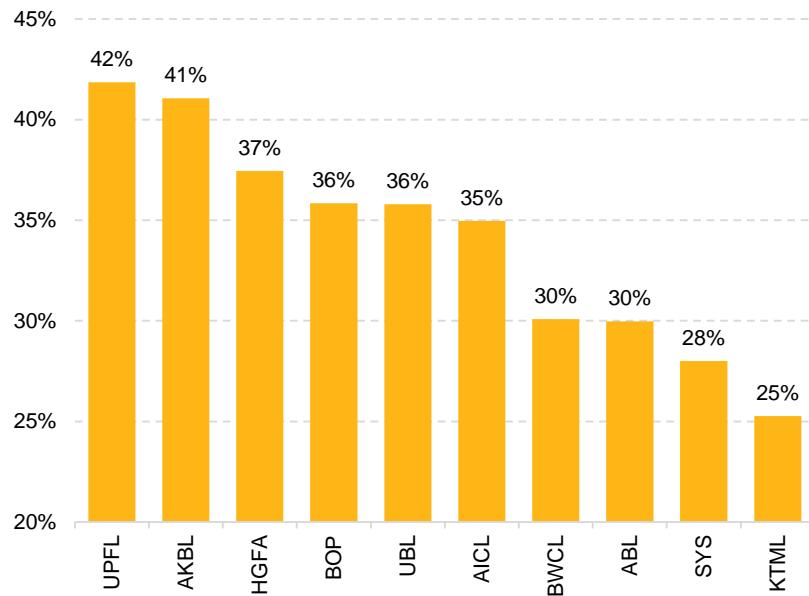


PSX Performance - July 2025

Scrip-wise major gainers and losers

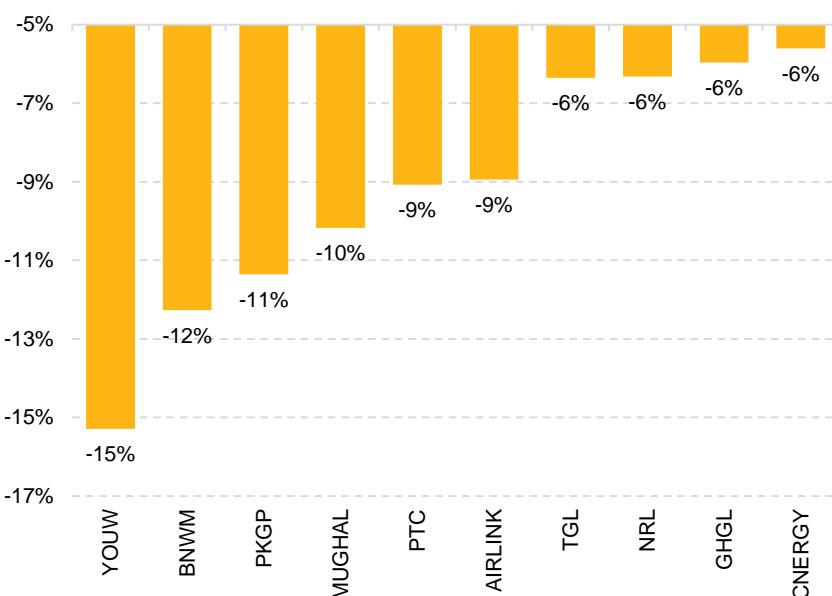
- Scrip-wise major gainers during Jul'25 were UPFL, AKBL, HGFA, BOP, and UBL, posting returns of 42%, 41%, 37%, 36%, and 36%, respectively. Meanwhile, negative returns during the month came from YOUW, BNWM, PKGP, MUGHAL, and PTC, each posting returns of -15%, -12%, -11%, -10%, and -9%, respectively.

Figure: Scrip wise major gainers (KSE100)



Source (s): PSX, AHL Research

Figure: Scrip wise major losers (KSE100)

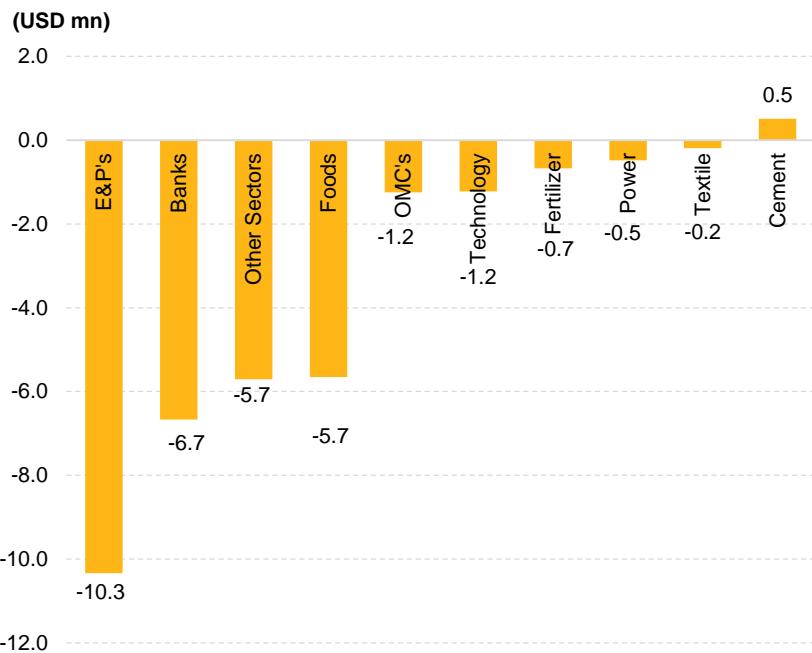


Source (s): PSX, AHL Research

Regional portfolio investment and FIPI

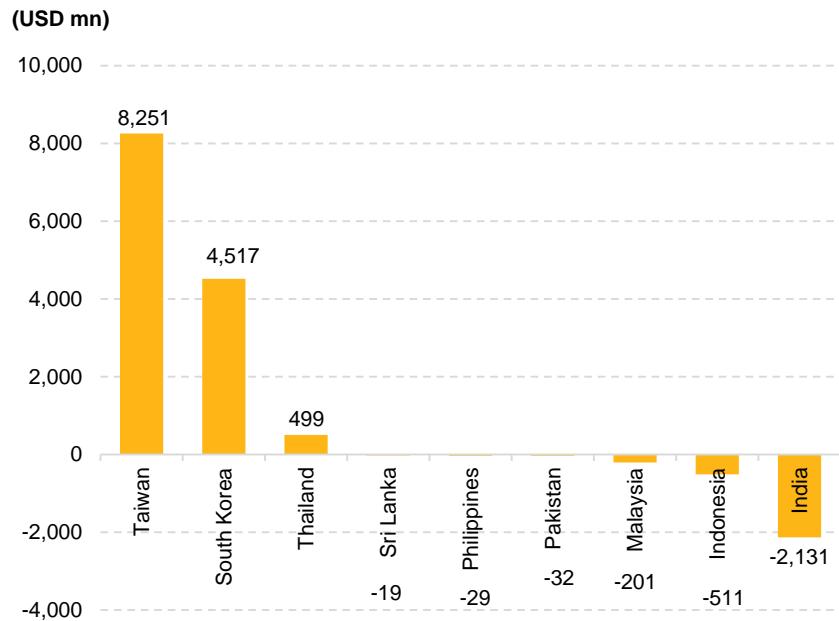
- Foreign buying was witnessed in the Asia-pacific region during Jul'25, which was led by Taiwan (USD 8.3bn), followed South Korea (USD 4.5bn), and Thailand (USD 0.5bn).
- On the domestic stock exchange, foreign selling activity of USD 32mn was reported for the month of Jul'25. The outflows were predominantly in E&Ps (-USD 10.3mn), Banks (-USD 6.7mn) & Other Sectors (-USD 5.7mn). Whereas, net buying was observed in Cement's (USD 0.5mn).

Figure: Sector wise FIPI Jul-25



Source (s): NCCPL, AHL Research

Figure: Regional Portfolio investment during Jul-25



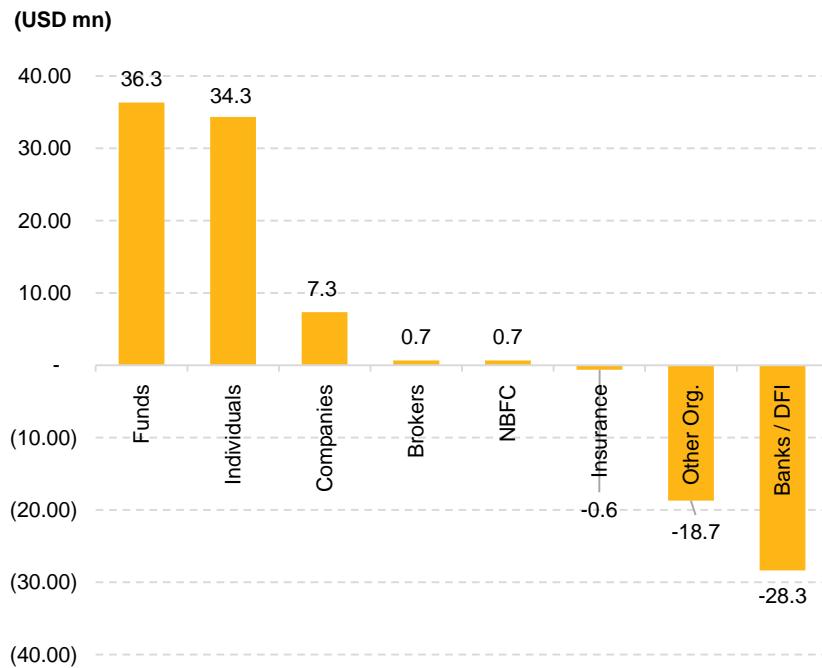
Source (s): NCCPL, Bloomberg, AHL Research

PSX Performance – July 2025

Portfolio investment (LIPI)

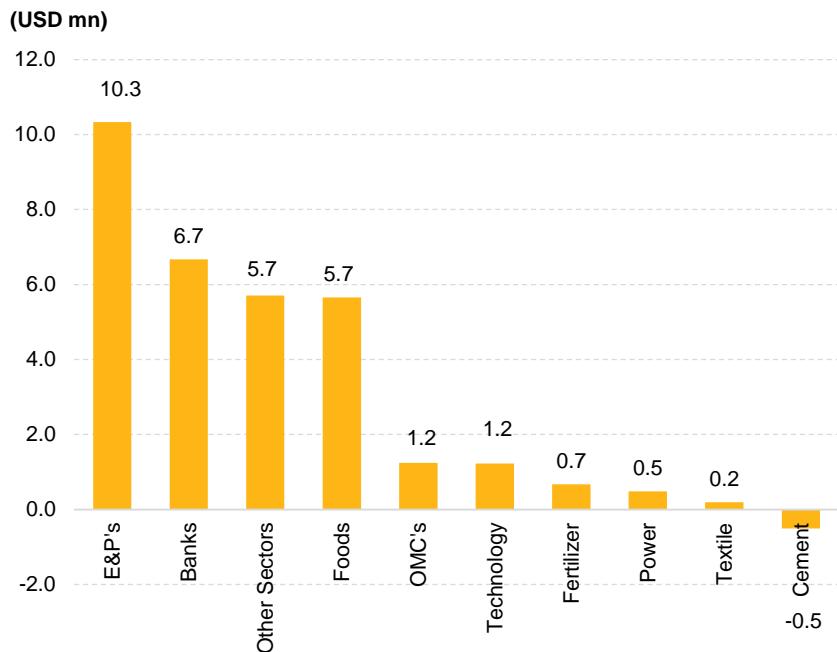
- On the local front, buying was reported by Funds (USD 36.3mn), Individuals (USD 34.3mn), Companies (USD 7.3mn) and Broker (USD 0.7mn). Meanwhile, selling was witnessed by Banks/DFI (-USD 28.3mn), Other Organization (-USD 18.7m) and Insurance (-USD 0.6m) during Jul'25.

Figure: Local Investors Portfolio Investment (Jul-25)



Source (s): NCCPL, AHL Research

Figure: Sector wise LIPI (Jul-25)



Source (s): NCCPL, AHL Research

PSX Performance – July 2025 Outlook & Recommendation

The upcoming month promises to be eventful, with several key developments on the horizon. These include the anticipated announcement of a tariff agreement between Pakistan and the United States. Additionally, the upcoming quarterly MSCI review is scheduled, and any increase in Pakistan's index weight is expected to be favourable for the country. Meanwhile, the ongoing corporate earnings season will play a pivotal role in shaping market sentiment.

We expect headline inflation to register at 3.14% in Jul'25, marking a slight decrease from 3.23% in Jun'25. Core inflation remains elevated, with a projected YoY increase of 8.1% in Jul'25. However, inflationary momentum on a monthly basis is expected to persist, with a projected MoM rise of 2.0%, primarily driven by upticks in housing, transport, and key food items including chicken, onions, and potatoes.

The KSE-100 is currently trading at a PER of 7.6x (2025) compared to its 10-year average of 8.0x offering a dividend yield of ~7.3% compared to its 10-year average of ~6.5%. Our preferred stocks are OGDC, PPL, MEBL, NBP, MCB, FFC, LUCK, FCCL, KOHC, PSO, HUBC, NML, AIRLINK, SYS and ATRL.

PSX Performance – July 2025

World Indices Performance

Exhibit: World's Major Stock Market Performance (USD based return, Jul-25)

Sr#	Index	Country	Index	Return (%)	Sr#	Index	Country	Index	Return (%)
1	Nigeria	NGSEINDX Index	139,298	16.2	36	USA	INDU Index	44,461	0.8
2	Thailand	SET Index	1,242	13.4	37	Tunisia	TUSISE Index	11,835	0.8
3	Bangladesh	DSEX Index	5,443	12.2	38	Lebanon	BLOM Index	2,020	0.7
4	Pakistan	KSE100 Index	113,390	11.3	39	Bahrain	BHSEASI Index	1,956	0.7
5	Ghana	GGSECI Index	6,990	10.3	40	Spain	IBEX Index	14,467	0.6
6	Vietnam	VNIndex Index	1,503	8.8	41	Canada	SPTSX Index	27,370	0.6
7	Sri Lanka	CSEALL Index	19,642	8.2	42	Hungary	BUX Index	101,020	0.5
8	Dubai	DFMGI Index	6,159	7.9	43	Australia	AS51 Index	8,743	0.4
9	Kenya	NSEASI Index	164	6.8	44	South Africa	JALSH Index	98,663	0.3
10	Argentina	MERVAL Index	2,306,756	6.5	45	Iceland	ICEXI Index	2,127	0.2
11	Oman	MSM30 Index	4,781	6.2	46	Austria	ATX Index	4,561	0.2
12	Egypt	EGX30 Index	34,198	6.1	47	Poland	WIG20 Index	2,948	0.2
13	Indonesia	JCI Index	7,484	5.8	48	Mexico	MEXBOL Index	57,396	(0.0)
14	Romania	BET Index	20,296	5.4	49	Serbia	BELEX15 Index	1,221	(0.1)
15	Turkey	XU100 Index	10,675	5.3	50	Mongolia	MSETOP Index	49,270	(0.1)
16	Jordan	JOSMGNFF Index	2,915	4.9	51	France	CAC Index	7,832	(0.6)
17	Qatar	DSM Index	11,262	4.8	52	Latvia	RIGSE Index	909	(0.9)
18	Slovenia	SBITOP Index	2,445	4.5	53	Finland	HEX Index	10,698	(1.3)
19	Uae	ADSMI Index	10,371	4.1	54	New Zealand	NZSE Index	1,849	(1.3)
20	Greece	ASE Index	1,988	3.5	55	Germany	DAX Index	24,220	(1.4)
21	Taiwan	TWSE Index	23,543	3.5	56	Europe	SX5E Index	5,363	(1.6)
22	Singapore	FSSTI Index	4,174	3.3	57	Bulgaria	SOFIX Index	1,036	(1.6)
23	China	SHSZ300 Index	4,076	3.1	58	Norway	OBXP Index	672	(2.1)
24	USA	NDX Index	23,345	2.9	59	Ireland	ISEQ Index	11,488	(2.1)
25	Hong Kong	HSI Index	24,773	2.9	60	Switzerland	SMI Index	11,931	(2.1)
26	South Korea	KOSPI Index	3,245	2.6	61	Saudi Arabia	SASEIDX Index	10,907.8	(2.3)
27	USA	SPX Index	6,363	2.5	62	Japan	NKY Index	41,070	(2.4)
28	Kazakhstan	KZKAK Index	6,410	2.4	63	Lithuania	VILSE Index	1,203	(2.5)
29	Czech Republic	PX Index	2,249	2.0	64	Malaysia	FBMKLCI Index	1,513	(2.6)
30	Belgium	BEL20 Index	4,668	1.5	65	Netherland	AEX Index	908	(3.3)
31	Mauritius	SEMDEX Index	2,428	1.5	66	Estonia	TALSE Index	2,035	(4.3)
32	Croatia	CRO Index	3,750	1.3	67	India	SENSEX Index	81,186	(5.0)
33	Sweden	OMX Index	2,594	1.2	68	Philippines	PCOMP Index	6,253	(5.1)
34	Portugal	PSI20 Index	7,746	1.1	69	Ukraine	PFTS Index	464	(5.7)
35	UK	UKX Index	9,172	1.1	70	Chile	IPSA Index	8,121	(6.1)
36	Italy	FTSEMIB Index	41,317	1.0					

Source (s): Bloomberg, AHL Research

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Arif Habib Limited (AHL) uses three rating categories, depending upon return from current market price, with Target period as Jun 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 +15% from last closing of market price(s)
HOLD	Upside* of subject security(ies) is between 0% and +15% from last closing of market price(s)
SELL	Upside* of subject security(ies) is less than 0% 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

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Arif Habib Limited (AHL) has a shareholding in PPL, OGDC, AKBL, BOP, FFC, LUCK, PSO, HUBC and NML.