

WEEKLY MARKET UPDATE



Jan 02, 2026

REP-300

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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



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



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



Best Brokerage House:
2023



Best Broker: '25
Best Equity Capital
Market House: '25



Top 25 Companies
('17-'19)



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



Excellence Award Leading
Brokerage House for RDA '21

Pakistan Weekly Update

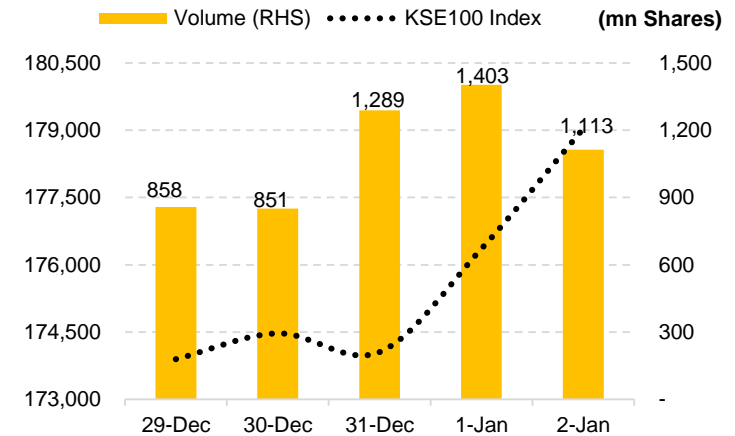
Year-opening buying lifts equities

- The KSE-100 Index climbed from 172,401 last week to 179,035 this week, gaining 6,634 points (+3.9% WoW), supported by year-opening buying interest.
- GDP growth in 1QFY26 clocked in at 3.71%, improving from 1.56% in 1QFY25 but moderating from 6.17% in 4QFY25, driven by strong industrial growth of 9.4%, alongside agriculture and services expansion of 2.9% and 2.4%, respectively.
- During Dec'25, OMC sales rose 6% YoY to 1.35mn tons, although volumes declined 5% MoM. On a cumulative basis, 1HFY26 OMC offtake reached 8.16mn tons, reflecting a 2% YoY increase.
- Overall refinery upliftment edged up 0.9% YoY in Dec'25, supported by stronger MS and FO offtake, which offset weaker HSD demand. HSD upliftment fell 8.6% YoY to 396k tons, likely due to higher OMC imports amid a declining HSD price environment and heightened cross-border tensions. In contrast, FO sales increased 11.1% YoY to 227k tons, primarily driven by higher refinery exports during the month, albeit executed at a loss.
- The price of MS declined by PKR 10.28/liter to PKR 253.17/liter, reflecting a PKR 11.09/liter reduction in the ex-refinery price, alongside a PKR 0.81/liter increase in IFEM.
- The price of HSD fell by PKR 8.57/liter to PKR 257.08/liter, following a PKR 9.59/liter cut in the ex-refinery price and a PKR 1.02/liter increase in IFEM.
- CPI for the month of Dec'25 clocked-in at 5.6% YoY compared to 6.1% in Nov'25.
- SBP-held reserves rose by USD 12.6mn to USD 15.9bn during the week, while commercial bank reserves fell by USD 23mn to USD 5.1bn.
- The Pakistani rupee appreciated slightly against the US dollar, strengthening 0.02% WoW to close at PKR 280.11/USD.

Outlook and Recommendation

- Sentiment is likely to remain largely sustained going forward.
- The KSE-100 Index is currently trading at a PER of 8.67x against its 15-year average of 8.80x, offering a dividend yield of ~5.61% versus the historical average of ~6.18%.
- Our top picks include MEBL, NBP, FFC, OGDC, PPL, FCCL, KOHC, NPL, NCPL, SYS, AIRLINK, PSO, SAZEW, INDU and PAEL.

Figure: KSE100 Index and PSX Volume



Source (s): PSX, AHL Research

Exhibit: PSX Indices Performance

Index	Current	WoW (%)	CY26TD (%)
KSE100	179,035	3.8	2.9
KSEAll	107,393	3.8	2.7
KSE30	55,017	4.3	3.2
KMI30	254,699	3.7	2.5
BKTi	50,802	6.1	5.0
OGTi	36,087	6.6	3.4

Source (s): PSX, AHL Research

Sector Wise Contribution

The sectors that contributed positively were i) Banks (2,965pts), ii) E&Ps (1,180pts), iii) Fertilizer (851pts), iv) Investment Banks (462pts), and v) Pharma (338pts). Meanwhile, sector wise negative contributions came from i) Cement (551pts), ii) Textile Composite (59pts), iii) Real Estate (17pts), iv) Misc. (14pts), and v) Paper & Board (2 pts).

Scrip wise Contribution

Scrip wise positive contributions came from UBL (1,538pts), OGDC (524pts), EFERT (495pts), ENGROH (435pts) and PPL (379pts). Whereas, scrip-wise negative contributors were DGKC (178pts), LUCK (119pts), CHCC (99pts), MLCF (83pts) and KOHC (61pts).

Volume & Value

Average volumes arrived at 1,103mn shares (declined by 47.4% WoW), while the average value traded settled at USD 182.6mn (up by 51.9% WoW).

Exhibit: PSX Volume Leaders

	Avg. Vol. (mn)	Closing
PIBTL	60.0	17.3
BOP	50.4	37.0
KEL	42.1	5.9
TPLP	34.4	12.6
HASCOL	33.4	14.9

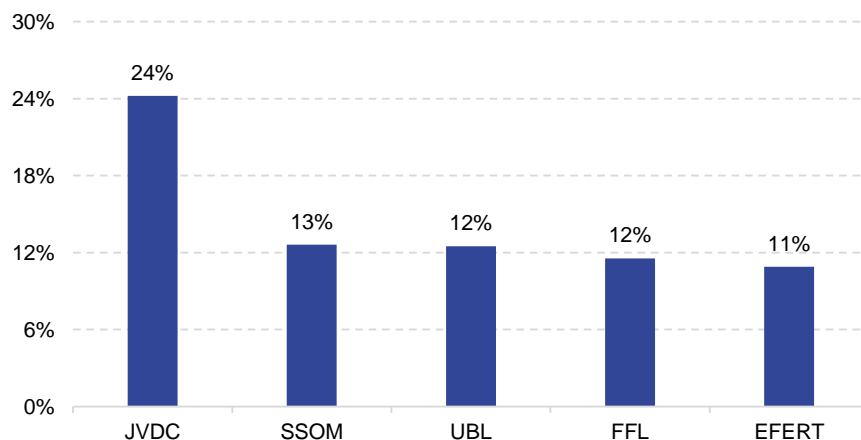
Source (s): PSX, AHL Research

Exhibit: KSEAll Market Capitalization

	Current	WoW (%)	CY26TD (%)
PKR bn	19,457	0.7	34.2
USD bn	69	0.7	33.4

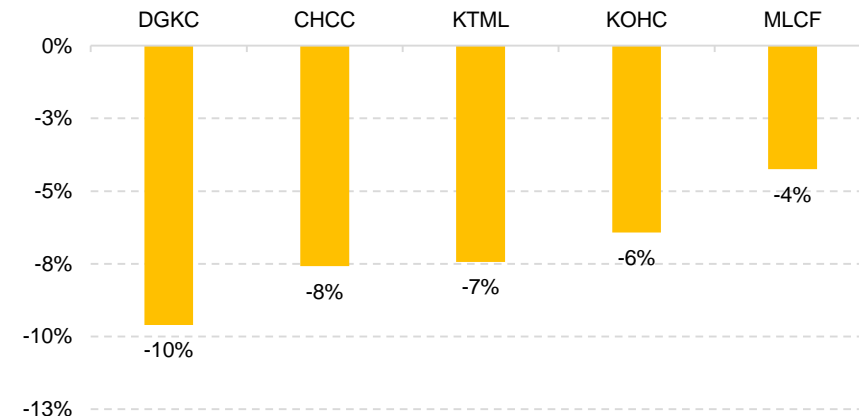
Source (s): PSX, AHL Research

Figure: Major Gainers (KSE100 Index)



Source (s): PSX, AHL Research

Figure: Major Losers (KSE100 Index)

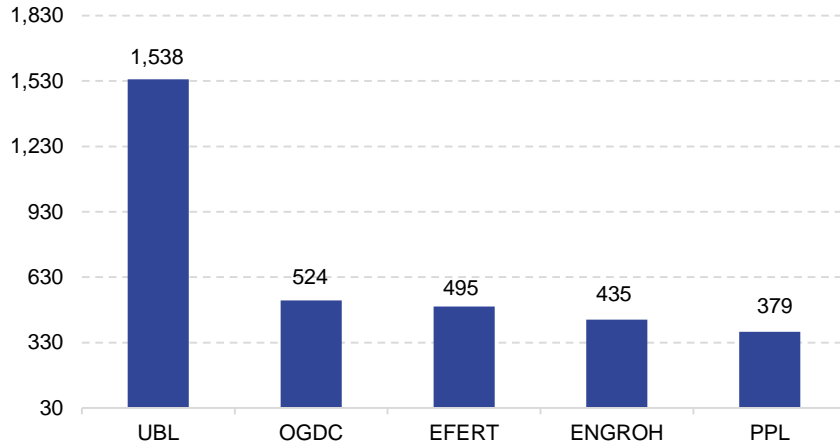


Source (s): PSX, AHL Research

Pakistan Weekly Update

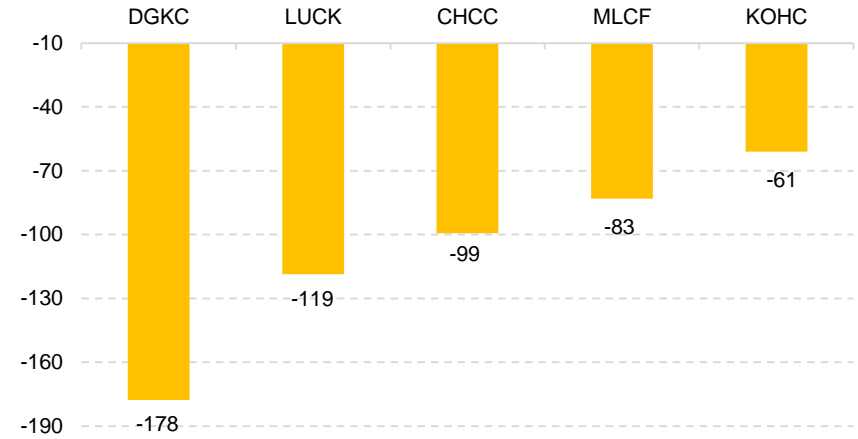
KSE-100 Top Index Contributors

Figure: Bullish Companies (Points Contributed)



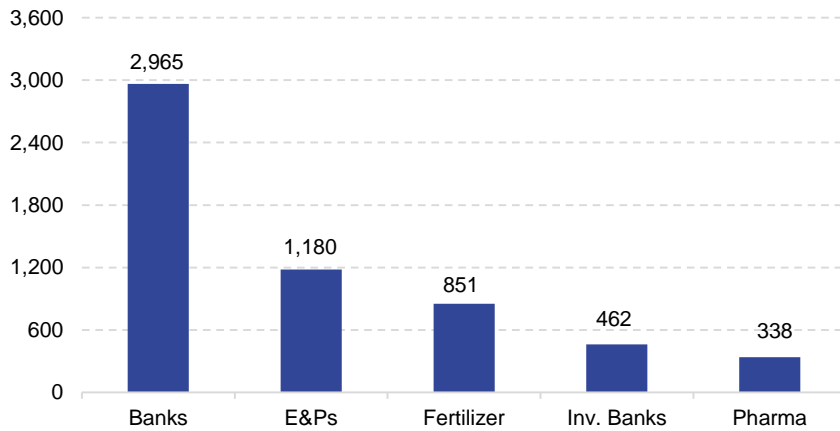
Source (s): PSX, AHL Research

Figure: Bearish Companies (Points Contributed)



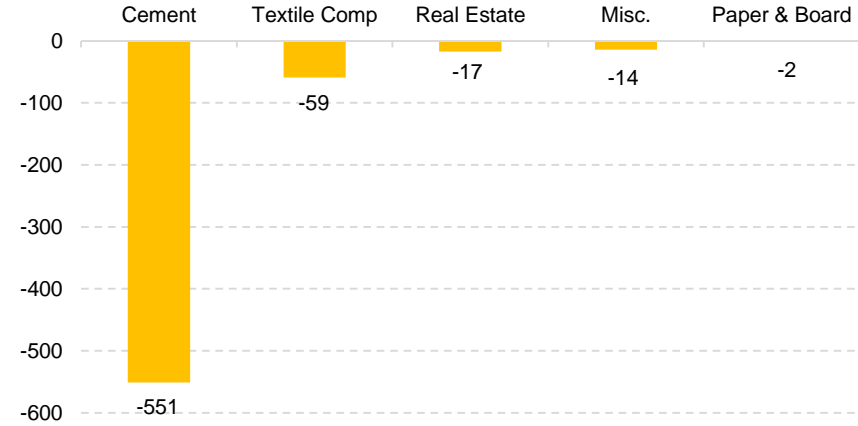
Source (s): PSX, AHL Research

Figure: Bullish Sectors (Points Contributed)



Source (s): PSX, AHL Research

Figure: Bearish Sectors (Points Contributed)

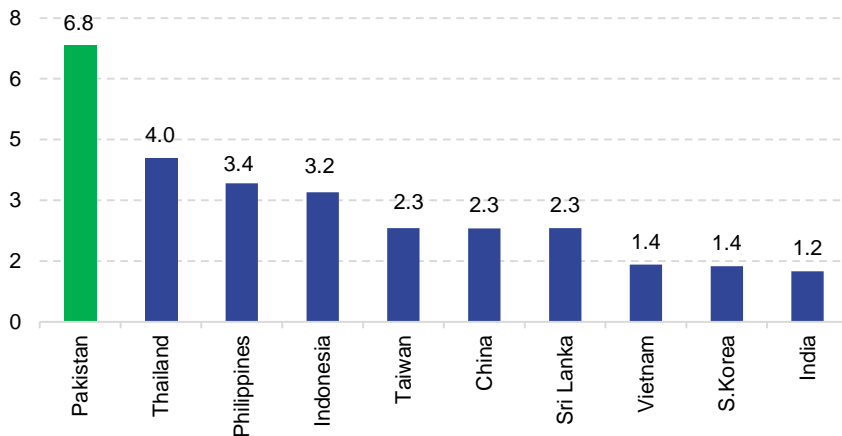


Source (s): PSX, AHL Research

Pakistan Weekly Update

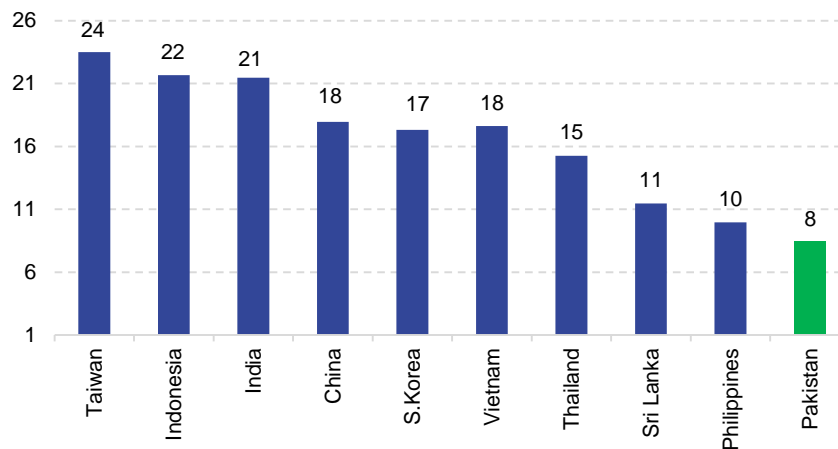
Regional Comparison

Figure: Regional Dividend Yield (%)



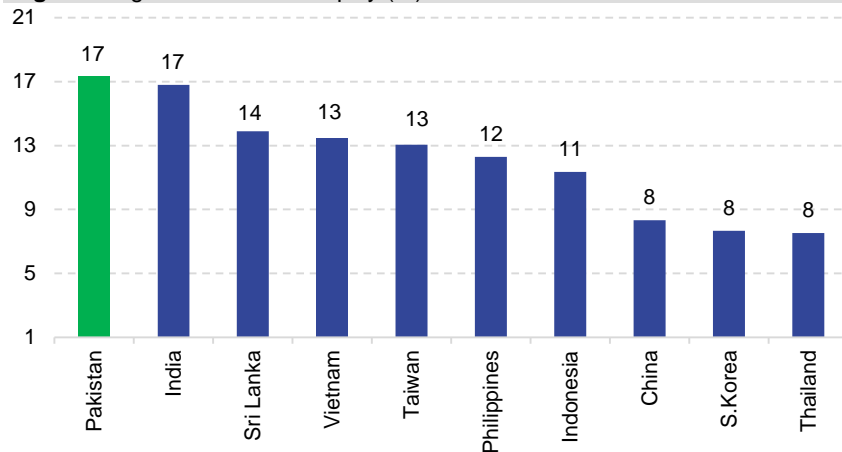
Source (s): Bloomberg, AHL Research

Figure: Regional Price to Earning (x)



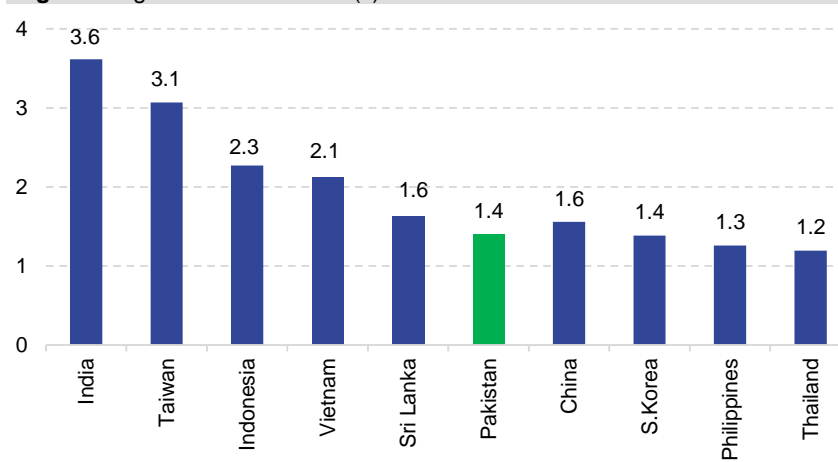
Source (s): Bloomberg, AHL Research

Figure: Regional Return on Equity (%)



Source (s): Bloomberg, AHL Research

Figure: Regional Price to Book (x)



Source (s): Bloomberg, AHL Research

Pakistan Weekly Update

Foreign Investors Portfolio Investment (USD mn)

FIPI Normal				
Current Week				
Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	0.52	0.58	SELL	(0.06)
Foreign Corporates	1.43	15.05	SELL	(13.62)
Overseas Pakistani	66.62	71.77	SELL	(5.15)
Total	68.57	87.40	SELL	(18.83)

FIPI Normal				
Last Week				
Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	2.41	2.38	BUY	0.03
Foreign Corporates	3.61	5.20	SELL	(1.59)
Overseas Pakistani	60.86	59.37	BUY	1.49
Total	66.88	66.95	SELL	(0.07)

FIPI Sector Wise				
Current Week				
Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	11.04	19.89	SELL	(8.85)
Fertilizer	2.51	3.37	SELL	(0.86)
Cement	7.58	9.82	SELL	(2.23)
Power Generation & Distribution	3.57	4.25	SELL	(0.67)
Exploration & Production	6.32	8.68	SELL	(2.36)
Oil & Gas Marketing Companies	4.12	4.69	SELL	(0.56)
Food and Personal Care Products	3.79	3.82	SELL	(0.02)
Textile Composite	0.46	0.63	SELL	(0.17)
Technology and Communication	6.34	7.59	SELL	(1.25)
All other Sectors	22.82	24.68	SELL	(1.85)
Total (Ex Debt)	68.57	87.40	SELL	(18.83)
Debt	-	-	SELL	-
Total	68.57	87.40	SELL	(18.83)

FIPI Sector Wise				
Last Week				
Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	12.45	12.94	SELL	(0.49)
Fertilizer	1.79	1.55	BUY	0.24
Cement	12.71	11.90	BUY	0.81
Power Generation & Distribution	4.59	3.83	BUY	0.76
Exploration & Production	3.83	3.71	BUY	0.12
Oil & Gas Marketing Companies	2.46	2.51	SELL	(0.06)
Food and Personal Care Products	1.34	1.44	SELL	(0.10)
Textile Composite	0.56	0.59	SELL	(0.04)
Technology and Communication	9.36	9.93	SELL	(0.57)
All other Sectors	17.79	18.55	SELL	(0.76)
Total (Ex Debt)	66.88	66.95	SELL	(0.07)
Debt	0.00	-	BUY	0.00
Total	66.88	66.95	SELL	(0.07)

Source (s): NCCPL, AHL Research

Pakistan Weekly Update

Local Investors Portfolio Investment (USD mn)

LIPI Normal					LIPI Normal				
Current Week					Last Week				
Category	Gross Buy	Gross Sell	Net	Net	Category	Gross Buy	Gross Sell	Net	Net
Individuals	760.46	764.70	SELL	(4.24)	Individuals	676.92	678.14	SELL	(1.22)
Companies	60.99	51.57	BUY	9.43	Companies	78.87	77.24	BUY	1.62
Banks / DFIs	124.75	78.23	BUY	46.52	Banks / DFIs	26.82	26.51	BUY	0.31
NBFC	0.46	0.53	SELL	(0.08)	NBFC	0.35	0.27	BUY	0.08
Mutual Funds	107.37	140.73	SELL	(33.36)	Mutual Funds	49.86	45.22	BUY	4.64
Other Organizations	11.34	10.71	BUY	0.63	Other Organizations	7.51	9.70	SELL	(2.19)
Broker Proprietary Trading	111.89	110.20	BUY	1.69	Broker Proprietary Trading	152.16	150.78	BUY	1.38
Insurance Companies	10.43	12.18	SELL	(1.76)	Insurance Companies	3.53	8.08	SELL	(4.55)
Total	1,187.69	1,168.86	BUY	18.83	Total	996.02	995.94	BUY	0.07

LIPI Sector Wise					LIPI Sector Wise				
Current Week					Last Week				
Sector	Gross Buy	Gross Sell	Net	Net	Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	162.12	153.28	BUY	8.85	Commercial Banks	212.91	212.43	BUY	0.49
Fertilizer	55.47	54.61	BUY	0.86	Fertilizer	28.46	28.70	SELL	(0.24)
Cement	111.61	109.38	BUY	2.23	Cement	145.84	146.65	SELL	(0.81)
Power Generation & Distribution	55.69	55.02	BUY	0.67	Power Generation & Distribution	61.96	62.72	SELL	(0.76)
Exploration & Production	137.13	134.77	BUY	2.36	Exploration & Production	92.06	92.18	SELL	(0.12)
Oil & Gas Marketing Companies	69.32	68.75	BUY	0.56	Oil & Gas Marketing Companies	59.01	58.96	BUY	0.06
Food and Personal Care Products	38.77	38.75	BUY	0.02	Food and Personal Care Products	25.80	25.70	BUY	0.10
Textile Composite	9.85	9.68	BUY	0.17	Textile Composite	15.55	15.51	BUY	0.04
Technology and Communication	88.51	87.26	BUY	1.25	Technology and Communication	81.04	80.47	BUY	0.57
All other Sectors	342.28	340.42	BUY	1.85	All other Sectors	258.28	257.52	BUY	0.76
Total (Ex Debt)	1,070.75	1,051.92	BUY	18.83	Total (Ex Debt)	980.91	980.84	BUY	0.07
Debt	116.94	116.94	SELL	(0.00)	Debt	15.10	15.10	SELL	(0.00)
Total	1,187.69	1,168.86	BUY	18.83	Total	996.02	995.94	BUY	0.07

Source (s): NCCPL, AHL Research

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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

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In order to avoid any conflict of interest, we hereby disclosed that;

Arif Habib Limited (AHL) has a shareholding in PPL, MARI, HBL, NBP, AKBL, BOP, FFC, MLCF, NCPL, NPL, NML, ATRL and PAEL.