

WEEKLY MARKET UPDATE



Jan 16, 2026

REP-300

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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: '25
Best Equity Capital
Market House: '25

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

Pakistan Weekly Update

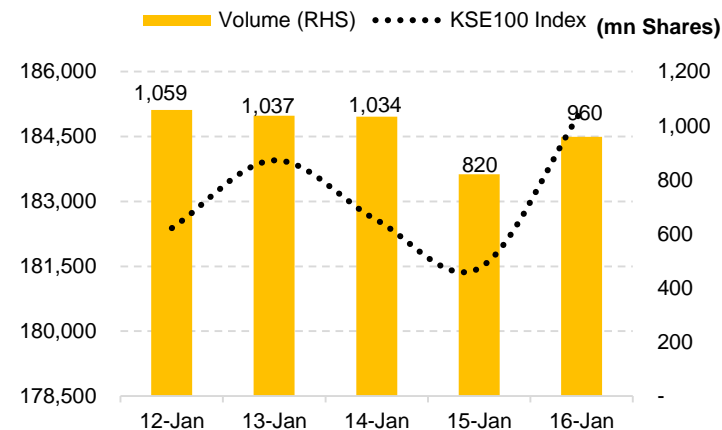
Ending the week on high note

- The KSE-100 Index remained largely range-bound over the week, closing slightly up at 185,099, registering a gain of 689 points (+0.4% WoW). Market sentiment stayed subdued for most of the week as escalating geopolitical uncertainty kept investors cautious. However, the market staged a late rally on Friday, driven by fresh liquidity, easing geopolitical tensions and strengthened expectations of a potential policy rate cut in the upcoming MPS.
- Government through PIB auction raised PKR 488bn against the target of PKR 450bn. Cut-off yields declined by 59-70bps across all tenors.
- Auto sales (Cars, LCVs and Vans & Jeeps) declined by 14% MoM to 13.3K units during Dec'25. While on YoY basis, it increased by 35%. Cumulatively, in 1HFY26, the auto sales increased by 46% YoY to 88K units.
- Oil production increased 1.1% WoW to 65,444 bopd, led by higher northern fields output amid reduced curtailment. Gas production rose to 3,012 mmcf, highest since mid-Mar'25, driven by increased supply to fertilizer and power sectors and reduced northern curtailment.
- The prices of MS and HSD remained steady at PKR 253.17/ltr and PKR 257.08/ltr respectively.
- SBP-held reserves rose by USD 16.1mn to USD 16.1bn during the week.
- The Pakistani rupee appreciated slightly against the US dollar, strengthening 0.03% WoW to close at PKR 279.95/USD.

Outlook and Recommendation

- We expect the KSE-100 Index to remain positive in the coming week, supported by the approaching monetary policy decision and expectations of a rate cut. Moreover, the upcoming result season may provide additional upside, particularly in the event of positive earnings surprises.
- The KSE-100 Index is currently trading at a PER of 9.2x offering a dividend yield of ~5.4%.
- 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	185,099	0.4	6.3
KSEAll	111,509	1.0	6.6
KSE30	56,738	0.3	6.4
KMI30	260,873	0.6	5.0
BKTi	53,692	(0.2)	11.0
OGTi	38,672	7.3	10.8

Source (s): PSX, AHL Research

Sector Wise Contribution

The sectors that contributed positively were i) E&Ps (1,242pts), ii) Banks (163pts), iii) Property (75pts), iv) Paper & Board (53pts), and v) Automobile Parts (53pts). Meanwhile, sector wise negative contributions came from i) Fertilizer (204pts), ii) Technology (130pts), iii) Pharma (129pts), iv) Cement (124pts), v) Insurance (110pts)

Scrip wise Contribution

Scrip wise positive contributions came from OGDC (789pts), PPL (558pts), NBP (213pts), AKBL (210pts) and ATLH (144pts). Whereas, scrip-wise negative contributors were SYS (209pts), FFC (184pts), UBL (180pts), MCB (164pts) and SAZEW (145pts).

Volume & Value

Average volumes arrived at 982mn shares (decreased by 24.3% WoW), while the average value traded settled at USD 208.8mn (down by 25.8% WoW).

Exhibit: PSX Volume Leaders

	Avg. Vol. (mn)	Closing
BOP	39.6	41.2
WTL	39.1	1.7
MDTL	38.6	8.3
KEL	37.7	6.4
HASCOL	35.7	22.7

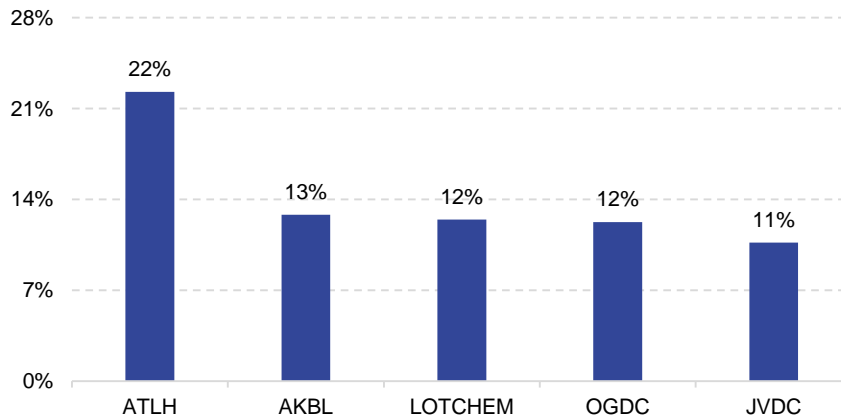
Source (s): PSX, AHL Research

Exhibit: KSEAll Market Capitalization

	Current	WoW (%)	CY26TD (%)
PKR bn	20,975	1.0	9.1
USD bn	75	1.0	9.2

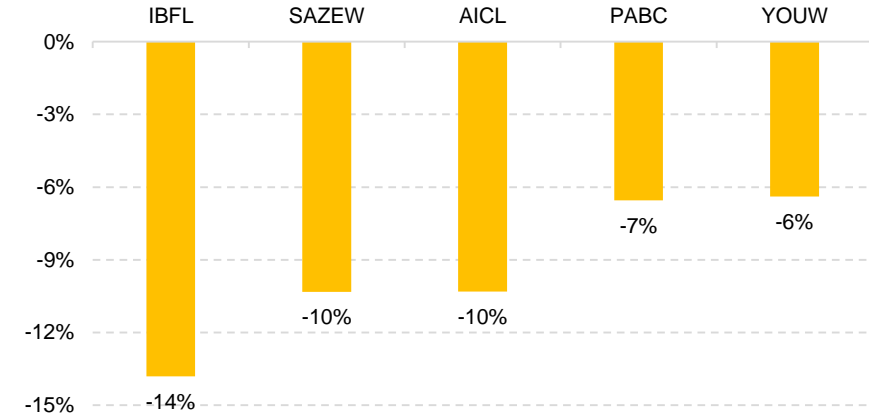
Source (s): PSX, AHL Research

Figure: Major Gainers (KSE100 Index)



Source (s): PSX, AHL Research

Figure: Major Losers (KSE100 Index)

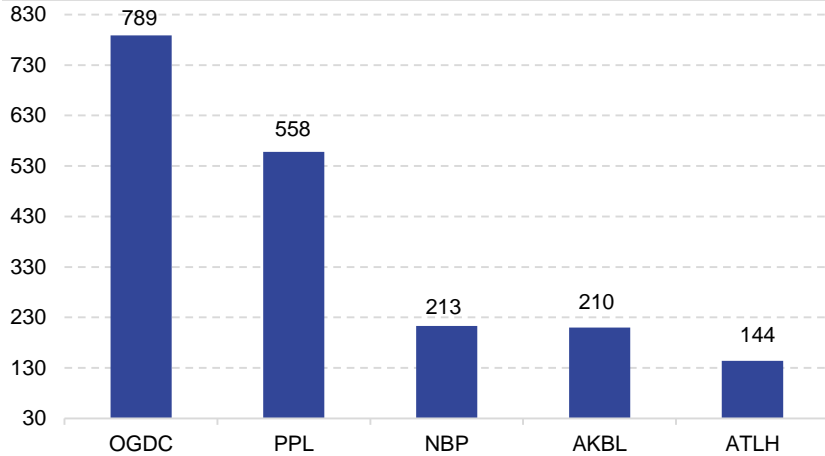


Source (s): PSX, AHL Research

Pakistan Weekly Update

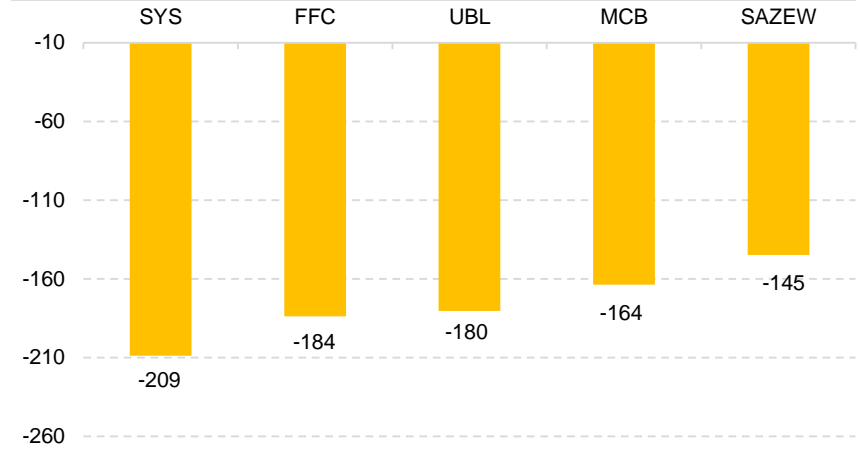
KSE-100 Top Index Contributors

Figure: Bullish Companies (Points Contributed)



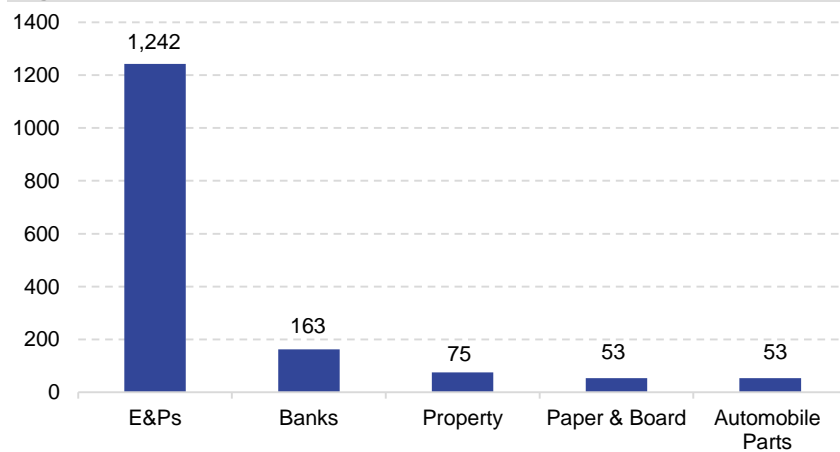
Source (s): PSX, AHL Research

Figure: Bearish Companies (Points Contributed)



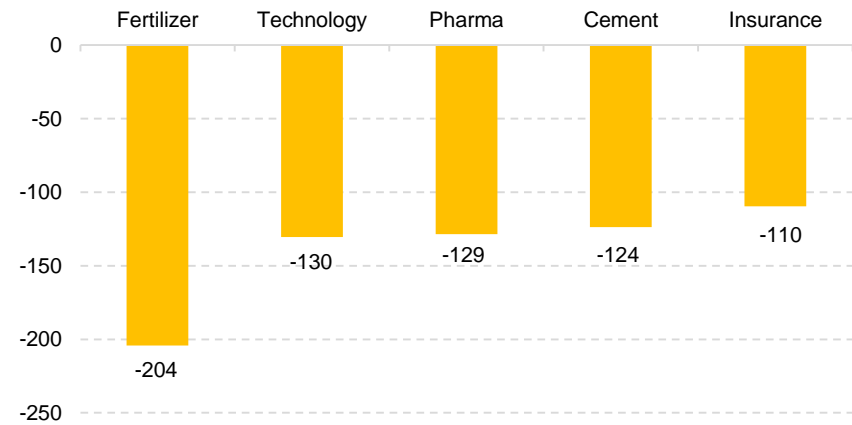
Source (s): PSX, AHL Research

Figure: Bullish Sectors (Points Contributed)



Source (s): PSX, AHL Research

Figure: Bearish Sectors (Points Contributed)

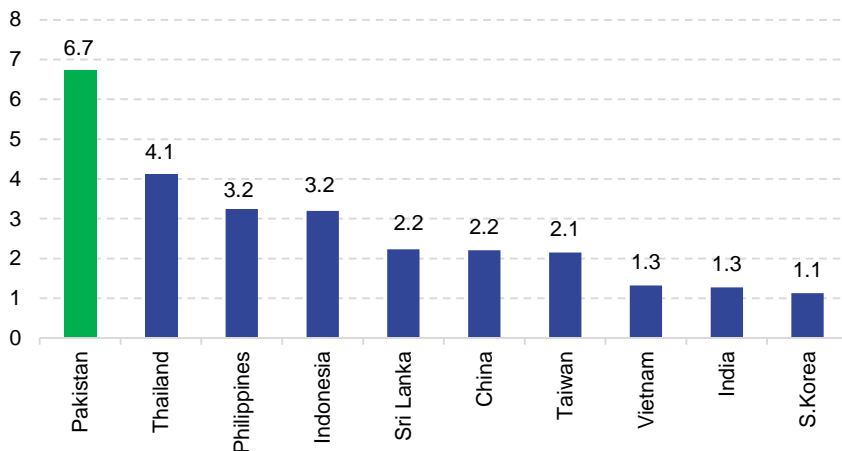


Source (s): PSX, AHL Research

Pakistan Weekly Update

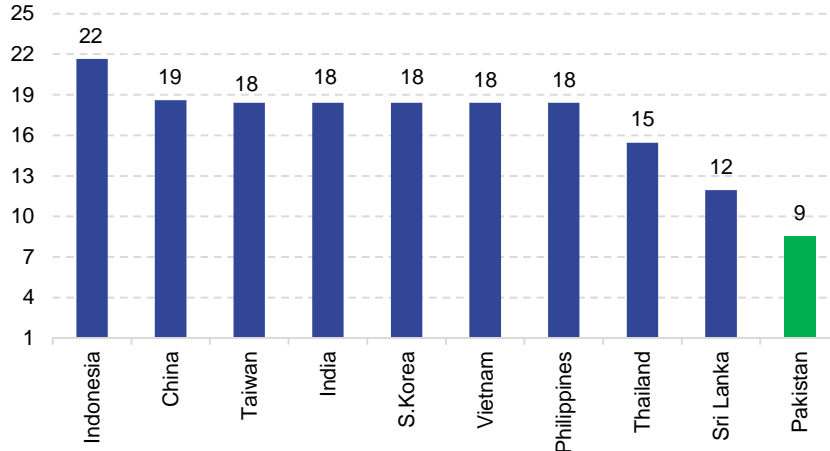
Regional Comparison

Figure: Regional Dividend Yield (%)



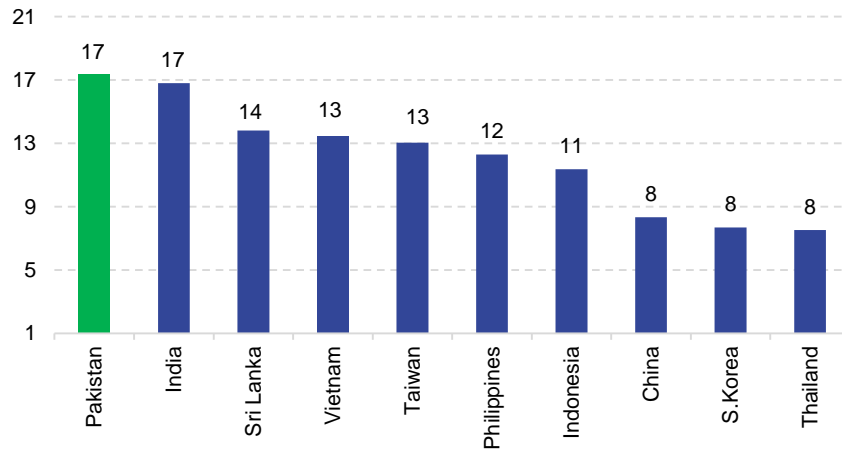
Source (s): Bloomberg, AHL Research

Figure: Regional Price to Earning (x)



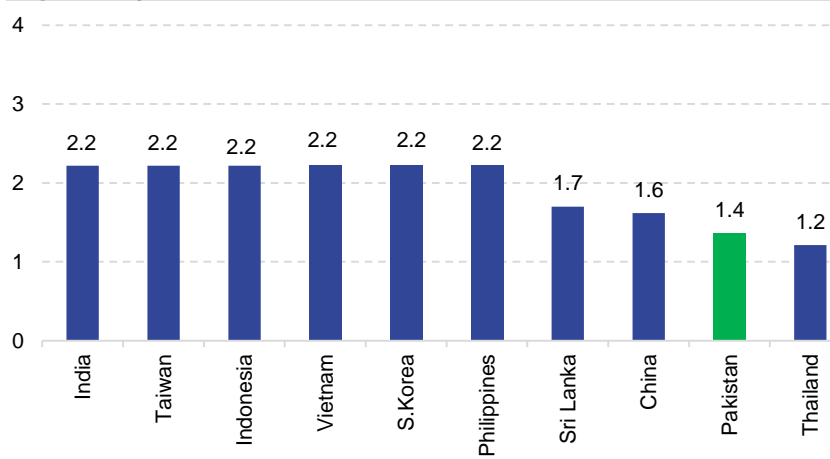
Source (s): Bloomberg, AHL Research

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					FIPI Normal				
Current Week					Last Week				
Category	Gross Buy	Gross Sell	Net	Net	Category	Gross Buy	Gross Sell	Net	Net
Foreign Individuals	0.00	0.01	SELL	(0.01)	Foreign Individuals	0.00	1.05	SELL	(1.05)
Foreign Corporates	6.11	20.31	SELL	(14.20)	Foreign Corporates	14.96	42.92	SELL	(27.95)
Overseas Pakistani	81.21	77.56	BUY	3.65	Overseas Pakistani	103.92	117.44	SELL	(13.52)
Total	87.31	97.88	SELL	(10.56)	Total	118.89	161.41	SELL	(42.52)

FIPI Sector Wise					FIPI Sector Wise				
Current Week					Last Week				
Sector	Gross Buy	Gross Sell	Net	Net	Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	14.39	21.31	SELL	(6.92)	Commercial Banks	23.75	32.45	SELL	(8.70)
Fertilizer	3.24	4.13	SELL	(0.89)	Fertilizer	5.04	3.76	BUY	1.28
Cement	6.65	9.29	SELL	(2.64)	Cement	11.79	12.62	SELL	(0.83)
Power Generation & Distribution	7.53	7.01	BUY	0.52	Power Generation & Distribution	7.18	8.79	SELL	(1.60)
Exploration & Production	11.61	11.47	BUY	0.14	Exploration & Production	11.63	10.12	BUY	1.50
Oil & Gas Marketing Companies	5.41	4.73	BUY	0.69	Oil & Gas Marketing Companies	6.92	6.92	BUY	0.00
Food and Personal Care Products	4.78	4.09	BUY	0.69	Food and Personal Care Products	4.99	29.04	SELL	(24.06)
Textile Composite	2.65	3.05	SELL	(0.40)	Textile Composite	1.29	1.25	BUY	0.04
Technology and Communication	7.77	10.81	SELL	(3.04)	Technology and Communication	13.45	13.21	BUY	0.24
All other Sectors	23.05	21.97	BUY	1.07	All other Sectors	32.85	43.25	SELL	(10.40)
Total (Ex Debt)	87.10	97.88	SELL	(10.78)	Total (Ex Debt)	118.88	161.41	SELL	(42.53)
Debt	0.21	-	BUY	0.21	Debt	0.01	-	BUY	0.01
Total	87.31	97.88	SELL	(10.56)	Total	118.89	161.41	SELL	(42.52)

Source (s): NCCPL, AHL Research

Pakistan Weekly Update

Local Investors Portfolio Investment (USD mn)

LIPI Normal				
Current Week				
Category	Gross Buy	Gross Sell	Net	Net
Individuals	891.63	875.55	BUY	16.08
Companies	50.85	44.26	BUY	6.59
Banks / DFIs	48.65	108.90	SELL	(60.25)
NBFC	0.14	0.11	BUY	0.03
Mutual Funds	101.48	67.58	BUY	33.90
Other Organizations	14.21	4.64	BUY	9.56
Broker Proprietary Trading	181.28	176.00	BUY	5.28
Insurance Companies	33.71	34.34	SELL	(0.63)
Total	1,321.94	1,311.38	BUY	10.56

LIPI Normal				
Last Week				
Category	Gross Buy	Gross Sell	Net	Net
Individuals	1,131.48	1,136.08	SELL	(4.60)
Companies	83.95	48.49	BUY	35.46
Banks / DFIs	69.48	136.16	SELL	(66.68)
NBFC	0.64	0.70	SELL	(0.06)
Mutual Funds	205.60	108.42	BUY	97.18
Other Organizations	7.90	5.59	BUY	2.32
Broker Proprietary Trading	207.29	206.03	BUY	1.26
Insurance Companies	21.16	43.52	SELL	(22.36)
Total	1,727.51	1,684.99	BUY	42.52

LIPI Sector Wise				
Current Week				
Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	227.26	220.34	BUY	6.92
Fertilizer	44.24	43.35	BUY	0.89
Cement	108.54	105.90	BUY	2.64
Power Generation & Distribution	138.04	138.56	SELL	(0.52)
Exploration & Production	179.25	179.40	SELL	(0.14)
Oil & Gas Marketing Companies	64.31	65.00	SELL	(0.69)
Food and Personal Care Products	49.22	49.90	SELL	(0.69)
Textile Composite	47.44	47.04	BUY	0.40
Technology and Communication	106.16	103.12	BUY	3.04
All other Sectors	282.02	283.10	SELL	(1.07)
Total (Ex Debt)	1,246.48	1,235.70	BUY	10.78
Debt	75.47	75.68	SELL	(0.21)
Total	1,321.94	1,311.38	BUY	10.56

LIPI Sector Wise				
Last Week				
Sector	Gross Buy	Gross Sell	Net	Net
Commercial Banks	327.17	318.47	BUY	8.70
Fertilizer	92.29	93.57	SELL	(1.28)
Cement	130.55	129.72	BUY	0.83
Power Generation & Distribution	122.10	120.50	BUY	1.60
Exploration & Production	162.70	164.21	SELL	(1.50)
Oil & Gas Marketing Companies	85.74	85.74	SELL	(0.00)
Food and Personal Care Products	89.43	65.38	BUY	24.06
Textile Composite	29.37	29.41	SELL	(0.04)
Technology and Communication	163.61	163.85	SELL	(0.24)
All other Sectors	471.26	460.86	BUY	10.40
Total (Ex Debt)	1,674.22	1,631.70	BUY	42.53
Debt	53.29	53.29	SELL	(0.01)
Total	1,727.51	1,684.99	BUY	42.52

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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Arif Habib Limited (AHL) has a shareholding in MARI, AKBL, BOP, FFC, NCPL, NPL and PAEL.