

Market Performance

Jan'26: KSE:100 index increases 10,120pts | +5.8% MoM



30-Jan-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



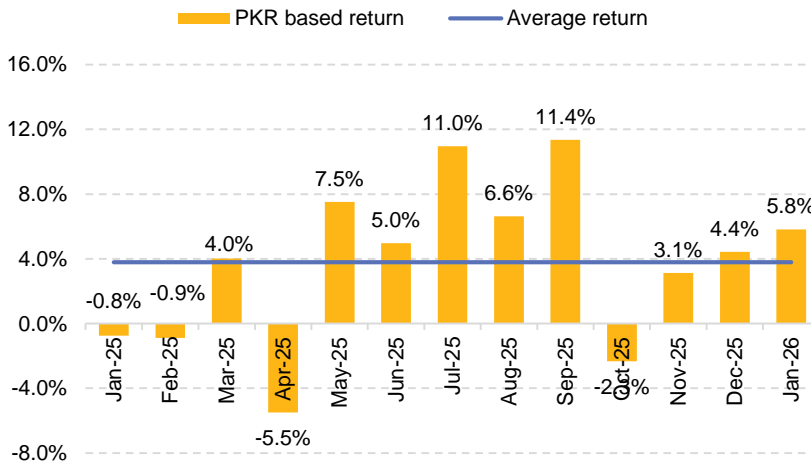
Excellence Award Leading
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PSX Performance – Jan 2026

KSE-100 up 10,120 points, closes at 184,174

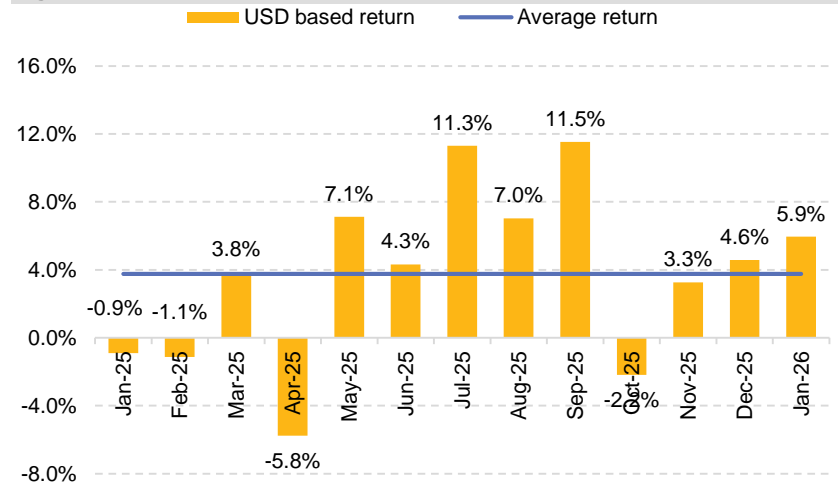
- The KSE-100 Index delivered a strong performance in Jan'26, gaining 10,120 points MoM. Market sentiment remained constructive, supported by improving liquidity conditions and ongoing result announcements. This positive momentum persisted despite intermittent geopolitical and earnings-related concerns, as well as the absence of a much-anticipated policy rate cut. Consequently, the index closed the month above the 184,174 level.
- In Jan'26, KSE-100 index depicted a return of +5.8% and +5.9% in PKR and USD terms MoM, respectively.
- CPI for the month of Dec'25 clocked-in at 5.6% YoY compared to 6.1% in Nov'25. CPI inflation averaged 3.5% in CY25 (lowest in a decade) driven by favorable base effects, easing food prices, and lower petroleum costs, keeping headline inflation at multi-year lows.
- Pakistan posted a USD 244mn current account deficit in Dec'25, reversing recent surpluses, while the 1HFY26 balance swung to a USD 1.17bn deficit from a USD 957mn surplus last year.
- LSMI output grew by 10.4% YoY in Nov'25, marking 0.2% uptick on a MoM basis.
- Worker remittances rose to USD 3.6bn in Dec'25, up 17% YoY, while 1HFY26 inflows reached USD 19.7bn, reflecting an 11% YoY increase.
- Banking deposits increased by 23.6% YoY to PKR 37.4trn as of Dec'25 (PKR 30.3trn as of Dec'24), whereas investments jumped by 30.1% YoY to PKR 37.9trn.

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

Major News and Economic developments

Major News

In Dec'25, cement dispatches rose 1.47% YoY to 4.34mn ton. Urea sales rose 2.3% YoY to 6.7mn tons in CY25. DAP sales fell 22.7% YoY to 0.54mn tons in 4QCY25, despite a 59.7% QoQ rebound. Full-year DAP offtake declined 18.1% YoY to 1.4mn tons well below the 10-year average reflecting weak farm economics and high prices, with inventories at 0.21mn tons. OMC sales rose 6% YoY to 1.35 mn tons in Dec'25, driven by an 11% YoY increase in MS to 0.63mn tons on higher auto sales. FO sales surged 40% YoY, while HSD declined 4% YoY. Power generation increased 8.8% YoY to 8,487 GWh in Dec'25, the second-highest on record while 1HFY26 output rose 1.1% YoY to 67,356 GWh. Auto sales fell 14% MoM to 13.3k units in Dec 2025 but rose 35% YoY. Cumulatively, 1HFY26 sales increased 46% YoY to 88k units.

Economic Development

- Pakistan recorded a USD 244mn current account deficit in Dec'25, reversing recent surpluses, while the 1HFY26 balance swung to a USD 1.17bn deficit from a USD 957mn surplus last year.
- CPI inflation slowed to 5.6% YoY in Dec'25 from 6.1% in Nov'25. For CY25, it averaged 3.5%, the lowest in a decade, aided by favorable base effects, easing food prices, and lower petroleum costs.
- Worker remittances rose 17% YoY to USD 3.6 bn in Dec'25, with 1HFY26 inflows up 11% YoY at USD 19.7bn.
- LSMI output rose 10.4% YoY in Nov'25, with a modest 0.2% MoM increase.
- REER fell to 103.73 in Dec 2025 from 104.76 in Nov, a 0.98% MoM decline, while rising 5.81% in FY26TD and 0.06% in CY25.
- Central government debt reached PKR 77.5trn in Nov'25, up 10.2% YoY from PKR 70.4trn, and rose 0.7% MoM.

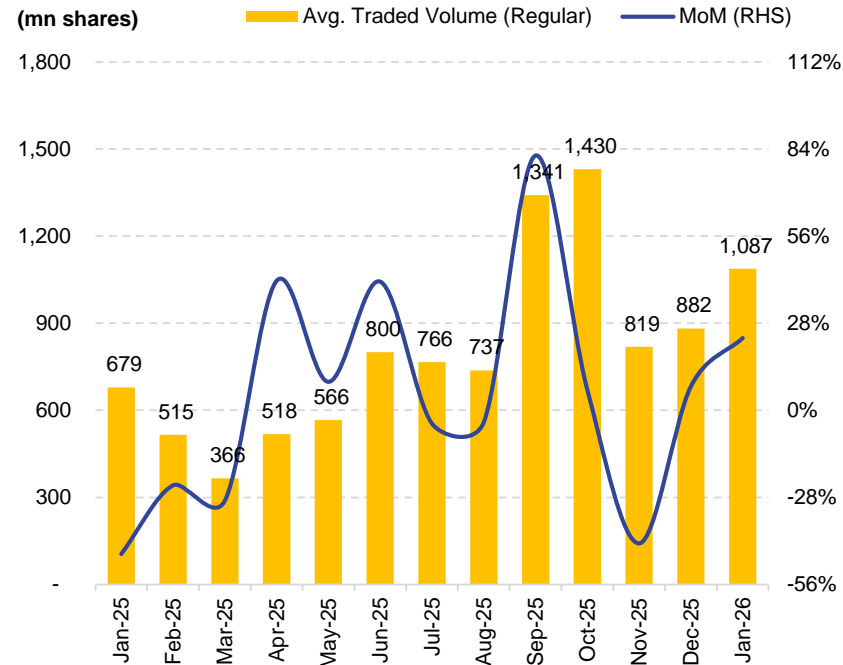
PSX Performance – Jan 2026

Historical volume and value

Increase in traded volume during Jan'26

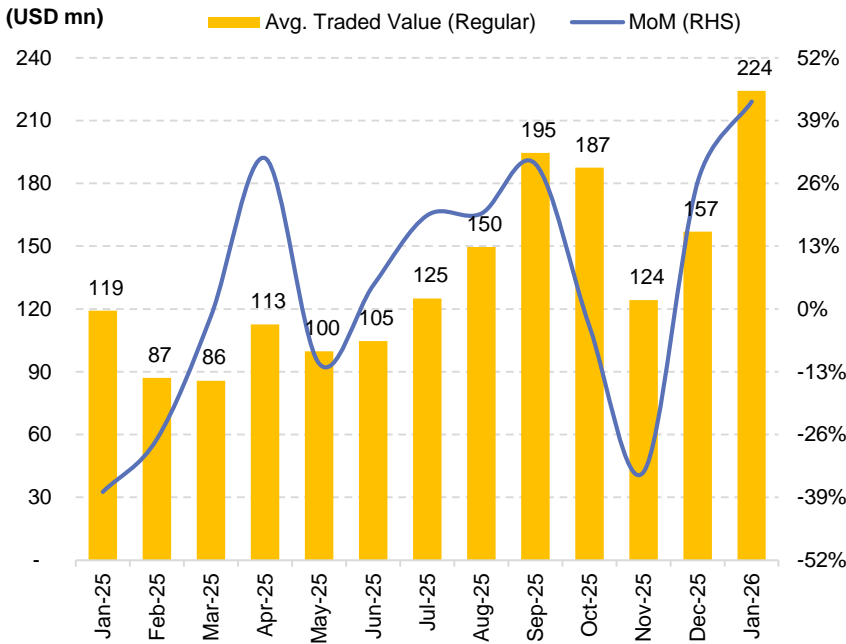
- During Jan'26, the average traded volume increased by 23% to 1,087mn shares, with the average traded value increased by 43% to USD 224mn.

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 – Jan 2026

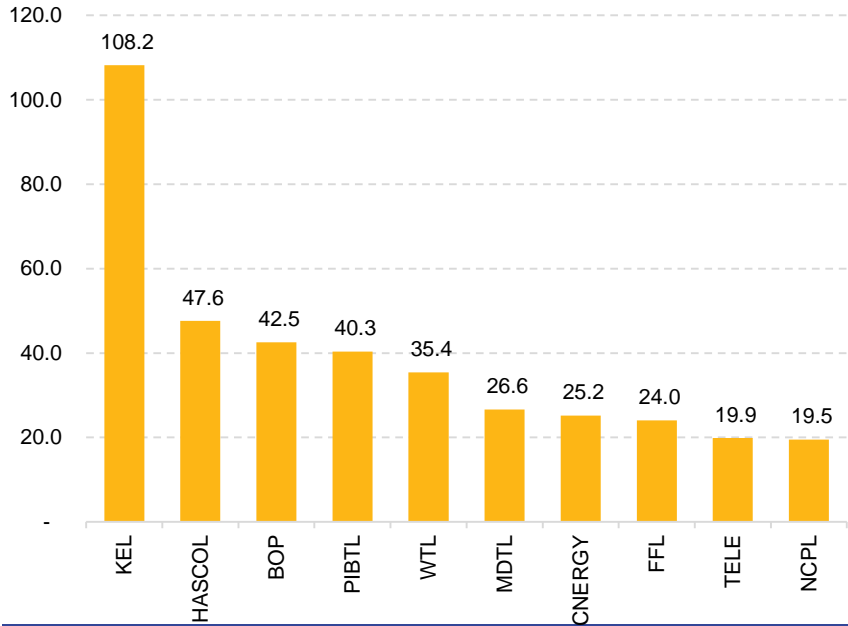
Company & sector wise volume leaders

Volume leaders during Jan'26

- Sectors that garnered the most activity during the month were Power, Technology, Banks, Foods and Inv. banks, reporting average volumes of 160mn, 148mn, 113mn, 72mn and 69mn respectively.
- Whereas on a scrip-wise basis, volumes were led by KEL (108.2mn), HASCOL (47.6mn), BOP (42.5mn), PIBTL (40.3mn), and WTL(35.4mn).

Figure: Top Scrip-wise volume leaders (Jan-26)

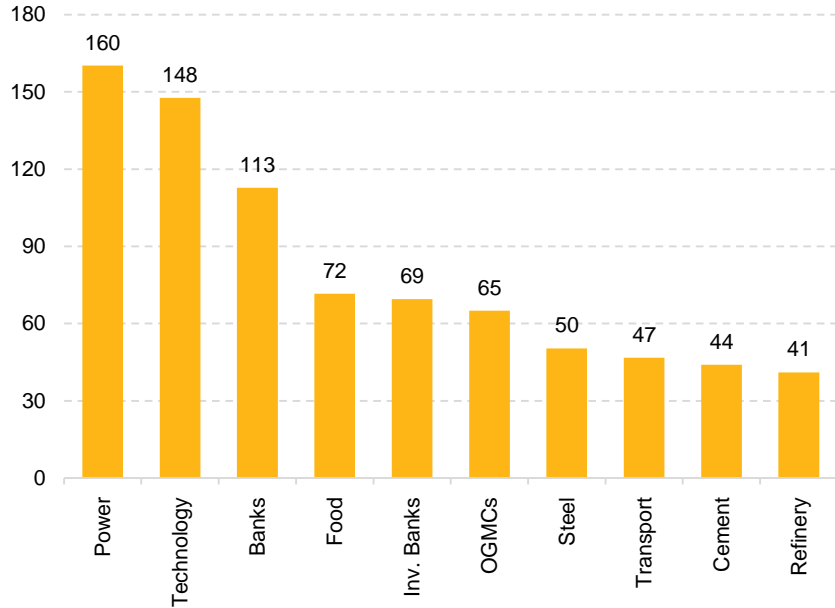
(mn shares)



Source (s): PSX, AHL Research

Figure: Top sector-wise volume leaders (Jan-26)

(mn shares)



Source (s): PSX, AHL Research

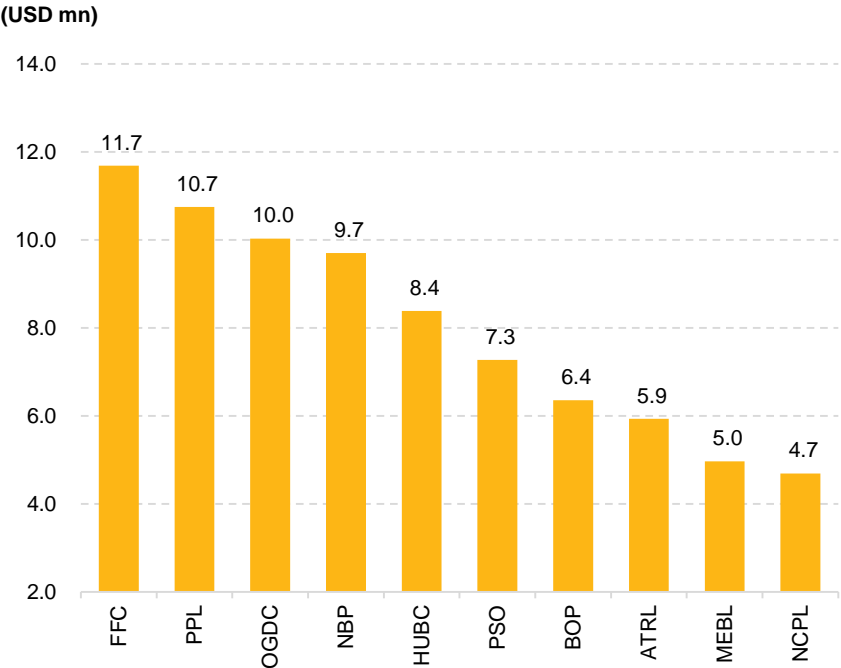
PSX Performance – Jan 2026

Company & sector wise value leaders

Value leaders during Jan'26

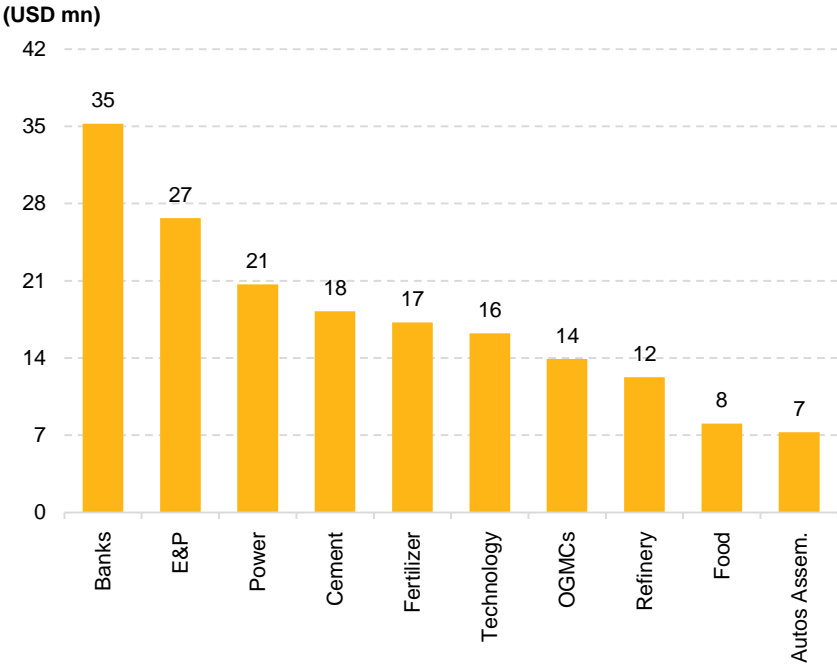
- On a sector-wise basis, the most activity during the period was witnessed in Banks, E&P, Power, Cement and Fertilizer posting a trade value of USD 35mn, USD 27mn, USD 21mn, USD 18mn, and USD 17mn, respectively.
- Meanwhile, on a scrip-wise basis, the highest trading values were dominated by FFC (USD 11.7mn), PPL (USD 10.7mn), OGDC (USD 10.0mn), NBP (USD 9.7mn), and HUBC(USD 8.4mn).

Figure: Top scrip-wise value leaders (Jan-26)



Source (s): PSX, SBP, AHL Research

Figure: Top sector-wise value leaders (Jan-26)

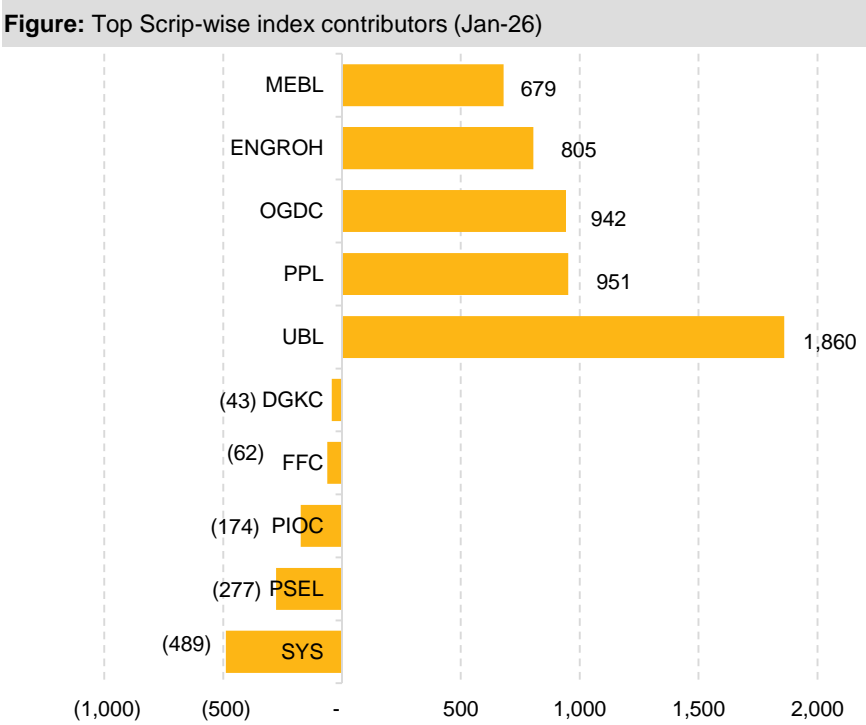


Source (s): PSX, SBP, AHL Research

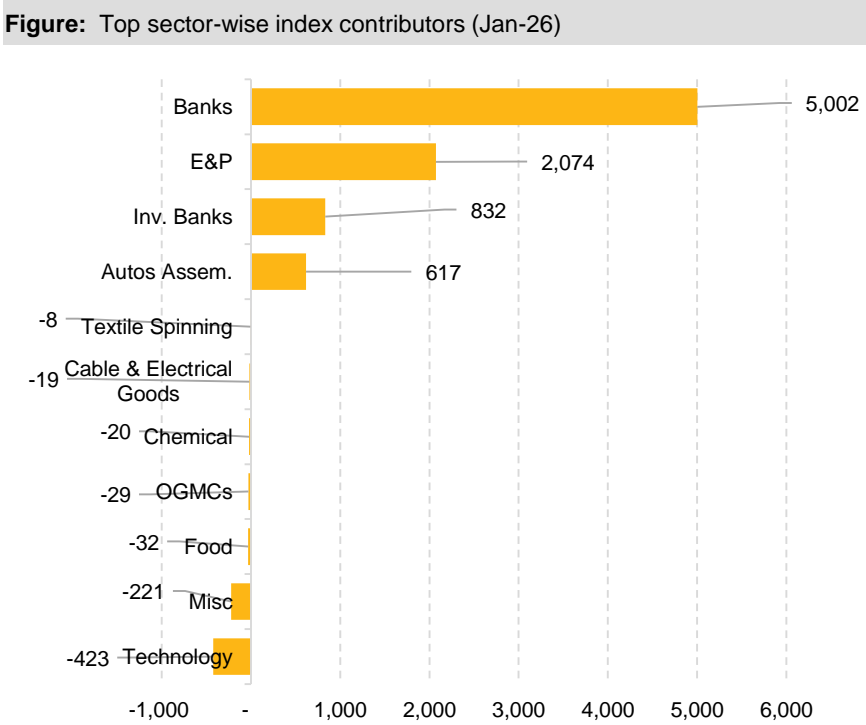
PSX Performance – Jan 2026

Index contribution

- Sectors contributing positively to the index during Jan'26 include Banks (5,002pts), E&P (2,074pts), Inv. Banks (832pts) and Autos Assembler (617pts). However, the sectors contributing negatively comprised of Tech (-423pts) followed by Misc (-221pts) and Food (-32pts).
- Scrip wise positive contributors during the month were UBL (1,860pts), PPL (951pts), OGDC (942pts), ENGROH (805pts), and MEBL (679pts). Scrip-wise negative contributors were SYS (-489pts), PSEL (-277pts), PIOC (-174pts), FFC (-62pts) and DGKC (-43pts).



Source (s): PSX, AHL Research



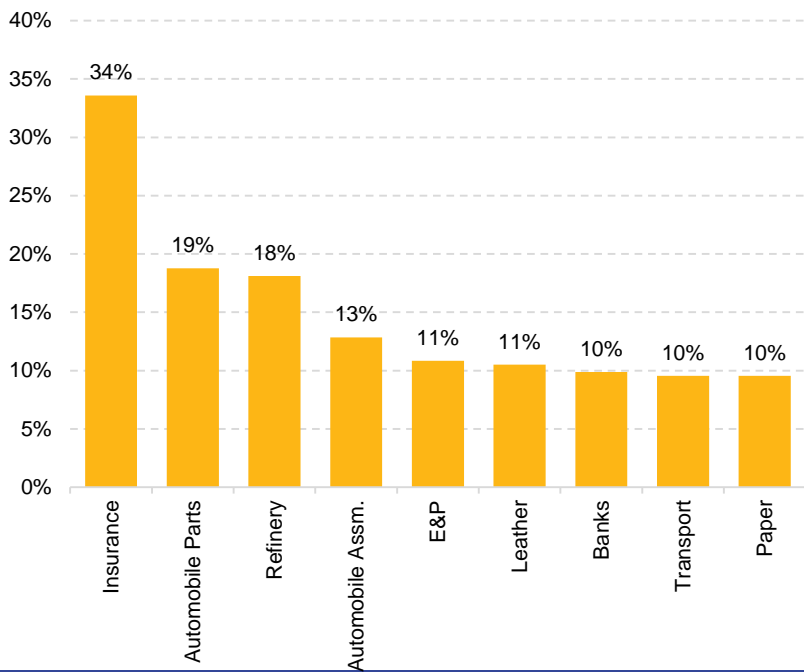
Source (s): PSX, AHL Research

PSX Performance – Jan 2026

Sector-wise major gainers and losers

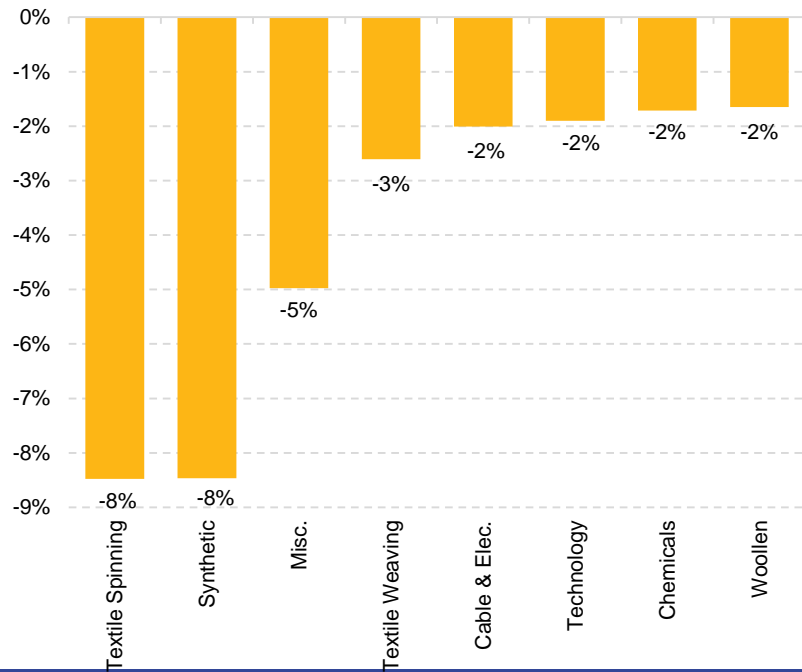
- In terms of sectors, major gainers were Insurance (34%), Auto Parts (19%), Refinery (18%), Auto Assembler (13%), and E&Ps (11%) during Jan'26. However, major losers were Textile Spinning (-8%), Synthetic (-8%), Misc (-5%) & Textile Weaving (-3%).

Figure: Sector wise major gainers (KSE100)



Source (s): PSX, AHL Research

Figure: Sector wise major losers (KSE100)



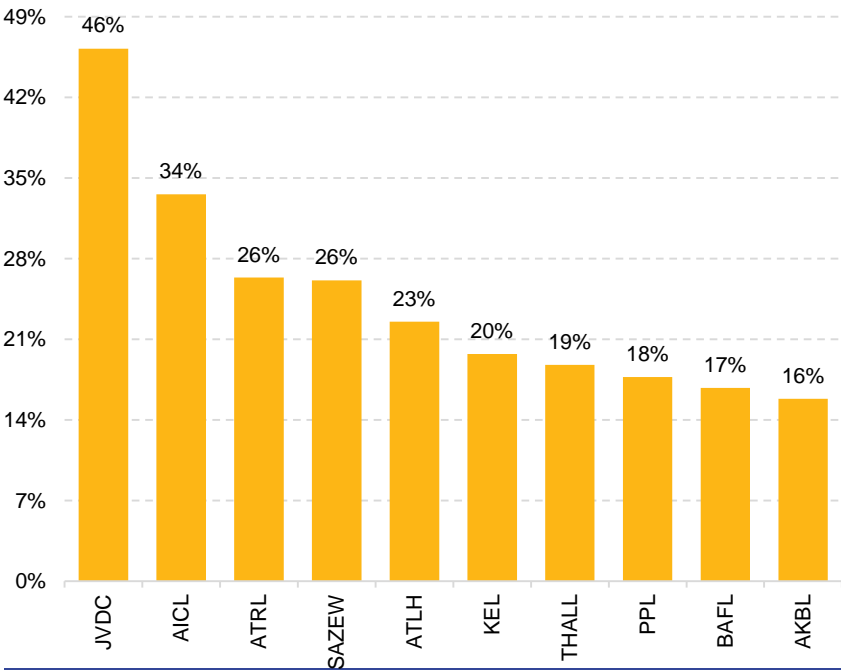
Source (s): PSX, AHL Research

PSX Performance – Jan 2026

Scrip-wise major gainers and losers

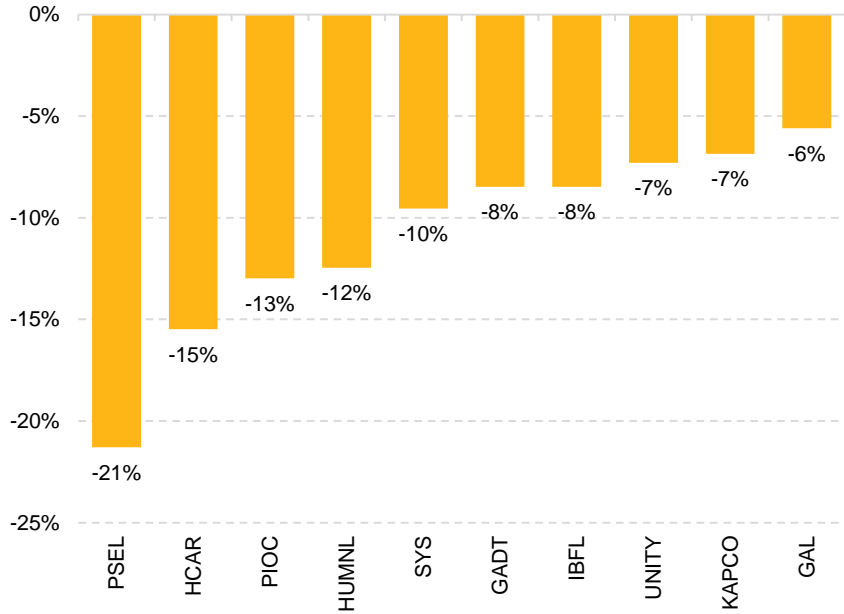
- Scrip-wise major gainers during Jan'26 were JVDC, AICL, ATRL, SAZEW, and ATLH, posting returns of 46%, 34%, 26%, 26%, and 23%, respectively. Meanwhile, negative returns during the month came from PSEL, HCAR, PIOC, HUMNL, and SYS, each posting returns of -21%, -15%, -15%, -13%, and -12%, respectively.

Figure: Scrip wise major gainers (KSE100)



Source (s): PSX, AHL Research

Figure: Scrip wise major losers (KSE100)



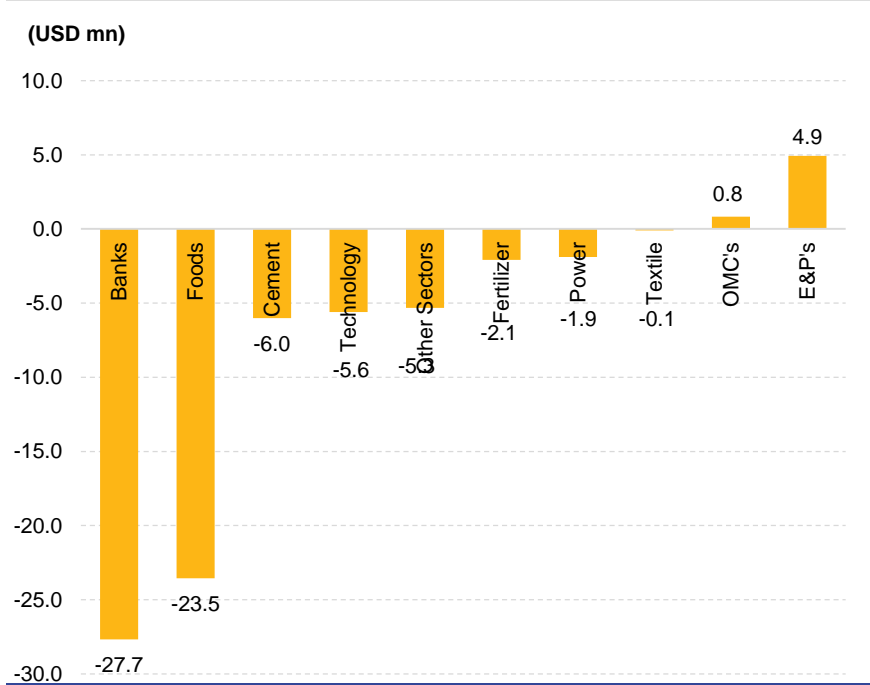
Source (s): PSX, AHL Research

PSX Performance – Jan 2026

Regional portfolio investment and FIPI

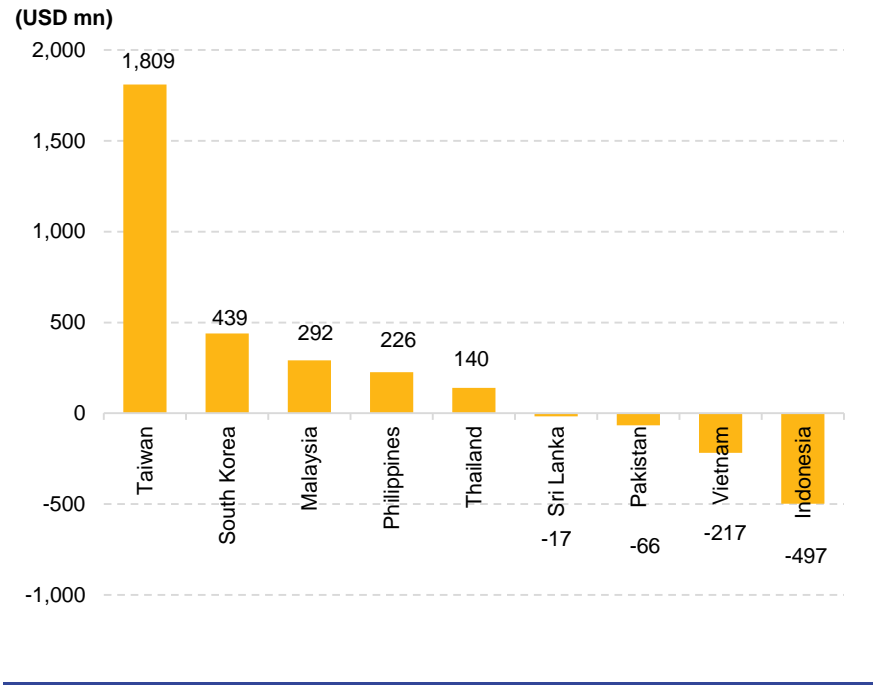
- Foreign buying was witnessed in the Asia-pacific region during Jan'26, which was led by Taiwan (USD 1,809mn), followed South Korea (USD 439mn), and Malaysia (USD 292mn).
- On the domestic stock exchange, foreign selling activity of USD 66.5mn was reported for the month of Jan'26. The outflows were predominantly in Banks (-USD 27.7mn), Foods (-USD 23.5mn) & Cement (-USD 6.0mn). Whereas, net buying was observed in E&Ps (USD 4.9mn).

Figure: Sector wise FIPI Jan-26



Source (s): NCCPL, AHL Research

Figure: Regional Portfolio investment during Jan-26



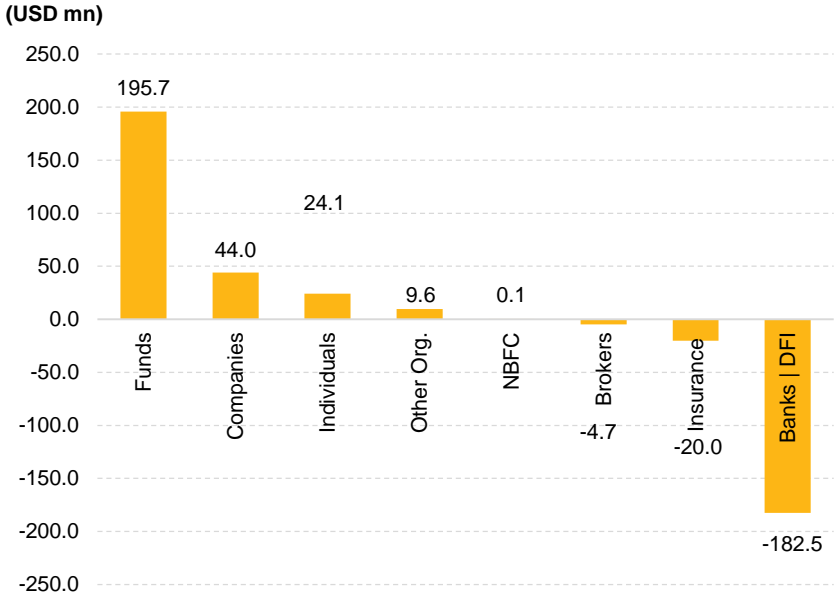
Source (s): NCCPL, Bloomberg, AHL Research

PSX Performance – Jan 2026

Portfolio investment (LIPI)

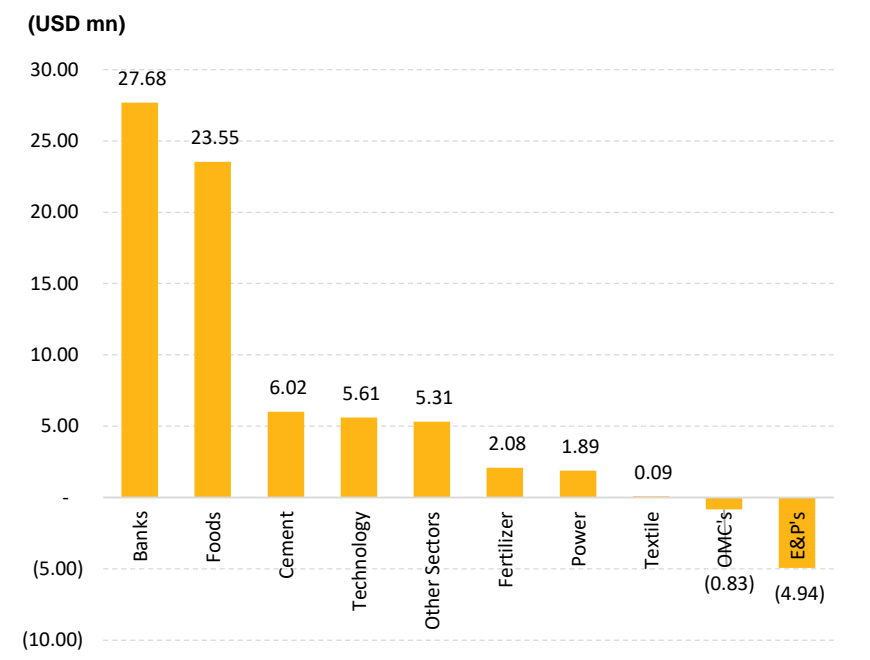
On the local front, buying was reported by Funds (USD 195.7mn), companies (USD 44.0mn), Individuals (USD 24.1mn), and Other Org. (USD 9.6mn). Meanwhile, selling was witnessed by Banks/DFIs (USD -182.5mn) and Insurance (USD -20.0mn) in Jan'26.

Figure: Local Investors Portfolio Investment (Jan-26)



Source (s): NCCPL, AHL Research

Figure: Sector wise LIPI (Jan-26)



Source (s): NCCPL, AHL Research

PSX Performance – Jan 2026

Outlook & Recommendation

Looking ahead to next month, we expect the market's positive momentum to continue, primarily driven by the ongoing results season, which should sustain earnings-led investor interest. The MSCI review scheduled for Feb'26 may also provide some marginal support to sentiment. While Ramadan could lead to a temporary moderation in trading volumes, this seasonal effect is expected to be short-lived and unlikely to disrupt the broader upward trend.

Headline inflation for Jan'26 is expected to come in at 5.8% YoY, marginally higher than 5.6% YoY in Dec'25, while remaining well above 2.4% YoY recorded in Jan'25. For 7MFY26, average headline inflation is projected to settle around 5.2%, compared to 6.6% in SPLY. Core inflation (NFNE) for Jan'26 is projected at 7.3% YoY, showing a considerable moderation from 9.0% YoY in Jan'25.

The KSE-100 Index is currently trading at a PER of 9.3x offering a dividend yield of 5.3%. Our top picks include MEBL, NBP, FFC, OGDC, PPL, FCCL, KOHC, NPL, NCPL, SYS, AIRLINK, PSO, SAZEW, INDU and PAEL.

PSX Performance – Jan 2026

World Indices Performance

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

Sr#	Index	Country	Index	Return (%)	Sr#	Index	Country	Index	Return (%)
1	KOSPI Index	South Korea	5,224	24.1	38	DSEX Index	Bangladesh	5,154	5.9
2	SOFIX Index	Bulgaria	1,376	20.9	39	SPTSX Index	Canada	33,016	5.7
3	XU100 Index	Turkey	13,711	20.2	40	SET Index	Thailand	1,326	5.5
4	IBOV Index	Brazil	183,134	19.7	41	UKX Index	UK	10,212	5.3
5	BUX Index	Hungary	128,941	19.6	42	CSEALL Index	Sri Lanka	23,812	5.3
6	EGX30 Index	Egypt	47,786	16.4	43	IBEX Index	Spain	17,868	5.1
7	IPSA Index	Chile	11,523	15.0	44	DSM Index	Qatar	11,310	5.1
8	BET Index	Romania	27,531	14.3	45	CRO Index	Croatia	3,976	4.8
9	SBITOP Index	Slovenia	2,785	13.0	46	NZSE Index	New Zealand	1,909	4.7
10	MEXBOL Index	Mexico	69,492	12.9	47	SX5E Index	Europe	5,951	4.6
11	ASE Index	Greece	2,328	11.8	48	NSEASI Index	Kenya	195	4.6
12	OBXP Index	Norway	722	11.1	49	PCOMP Index	Philippines	6,329	4.5
13	TWSE Index	Taiwan	32,064	10.5	50	PX Index	Czech Republic	2,764	4.1
14	NGSEINDX Index	Nigeria	165,576	10.3	51	VNINDEX Index	Vietnam	1,829	3.9
15	LUXXX Index	Luxembourg	1,944	10.3	52	TALSE Index	Estonia	2,092	3.6
16	KZKAK Index	Kazakhstan	7,683	10.1	53	HEX Index	Finland	12,569	3.5
17	OMX Index	Sweden	3,035	9.9	54	FTSEMIB Index	Italy	45,507	2.9
18	KFX Index	Denmark	1,739	9.9	55	ADSMI Index	UAE	10,282	2.9
19	JALSH Index	South Africa	121,655	9.5	56	RIGSE Index	Latvia	936	2.8
20	TUSISE Index	Tunisia	14,366	9.2	57	SMI Index	Switzerland	13,200	2.7
21	ICEXI Index	Iceland	2,294	8.8	58	NDX Index	USA	25,884	2.5
22	WIG20 Index	Poland	3,396	8.8	59	SHSZ300 Index	China	4,706	2.2
23	SASEIDX Index	Saudi Arabia	11,382	8.5	60	ISEQ Index	Ireland	13,148	2.2
24	BEL20 Index	Belgium	5,395	8.2	61	INDU Index	USA	49,072	2.1
25	VILSE Index	Lithuania	1,422	8.0	62	DAX Index	Germany	24,536	1.8
26	MSM30 Index	Oman	6,330	7.9	63	SPX Index	USA	6,969	1.8
27	NKY Index	Japan	53,323	7.6	64	CAC Index	France	8,130	1.6
28	FSSTI Index	Singapore	4,905	7.3	65	BELEX15 Index	Serbia	1,275	1.3
29	AEX Index	Netherland	1,002	7.3	66	SEMDEX Index	Mauritius	2,349	0.2
30	AS51 Index	Australia	8,869	7.2	67	BHSEASI Index	Bahrain	2,044	(1.1)
31	ATX Index	Austria	5,613	7.1	68	PFTS Index	Ukraine	461.2	(1.5)
32	PSI20 Index	Portugal	8,691	7.1	69	GGSECI Index	Ghana	9,008	(1.9)
33	FBMKLCI Index	Malaysia	1,741	6.5	70	JOSMGNFF Index	Jordan	3,531	(2.3)
34	HSI Index	Hong Kong	27,387	6.5	71	JCI Index	Indonesia	8,330	(4.1)
35	DFMGI Index	Dubai	6,435	6.4	72	SENSEX Index	India	82,270	(5.5)
36	KSE100 Index	Pakistan	184,174	5.9	73	BLOM Index	Lebanon	1,724	(12.3)
37	MERVAL Index	Argentina	3,211,242	5.9					

Source (s): Bloomberg, AHL Research

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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 HBL, NBP, AKBL, BOP, FFC, FCCL, NCPL, NPL and PAEL.