Market Performance Jul’26: KSE:100 index down by 4,208 pts | -2.3% MoM

31-Jul-2026

REP-300

AHL Research

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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 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

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Top 25 Companies (‘17-’19)

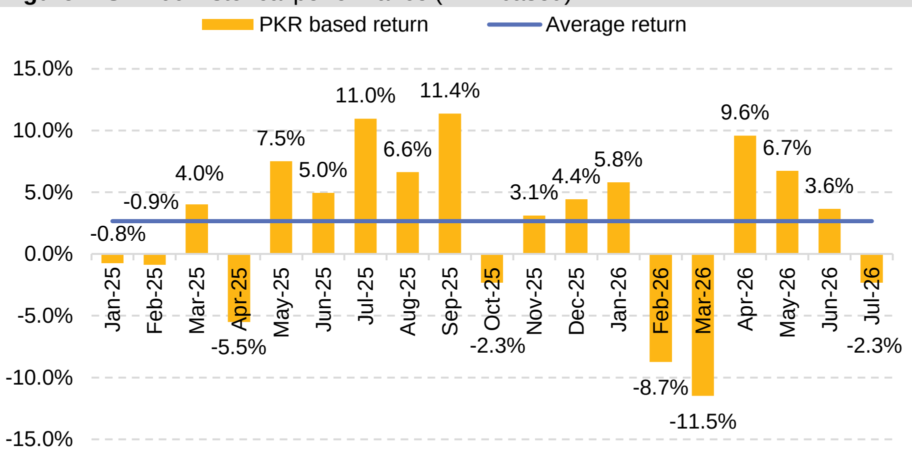
Excellence Award Leading Brokerage House for RDA ’21

PSX Performance – Jul’ 2026

KSE-100 down by 2.3%, closes at 176,094

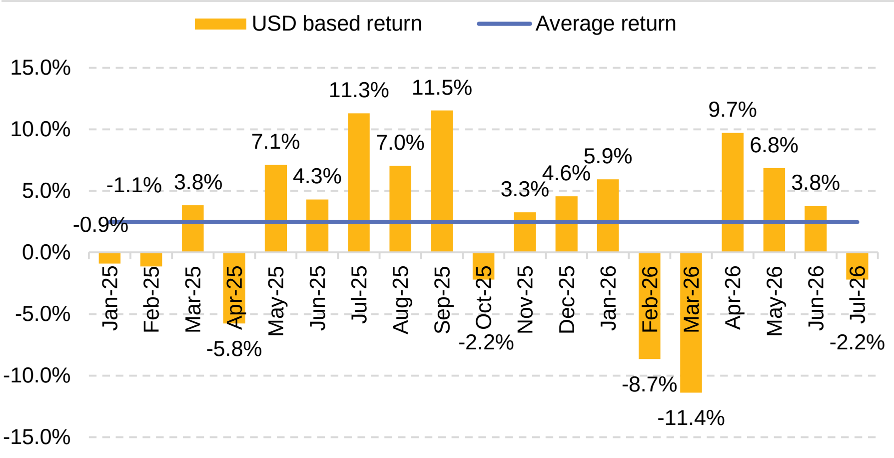
- The KSE-100 Index shed 4,208 points (-2.3%) in Jul'26 to close at 176,094 points, as geopolitical tensions kept investor confidence on edge throughout the month.
- CPI for the month of Jun'26 clocked-in at 11.1% YoY compared to 11.7% in May’26.
- S&P Global Ratings upgraded Pakistan's long-term sovereign credit rating to 'B' from 'B-', with a stable outlook, reflecting stronger institutional capacity, continued implementation of IMF-backed reforms, improved fiscal performance, and a significant buildup in foreign exchange reserves.
- The country recorded a current account deficit of USD 139mn during FY26, compared to a surplus of USD 1,838mn in the same period last year. In Jun'26, the account posted a deficit of USD 649mn versus a deficit of USD 220mn in Jun’25.
- The Monetary Policy Committee (MPC) unanimously decided to keep the policy rate unchanged at 11.5% in its meeting held on 27th Jul’26.
- Pakistan’s RDA gross inflows reached USD 13,365mn as of Jun’26, out of which USD 2,093mn were repatriated and USD 8,435mn were utilized locally.
- Government has approved amendments to the Oil Refining Policy 2023, offering a seven-year incentive package to attract ~USD 6bn in investment and accelerate Euro-V refinery upgrades, a positive for the Energy sector given declining FO demand against refineries' high FO yield.
- LSMI output fell by 1.0% YoY in May’26, and a 1.2% increase on a MoM basis.
- In Jul’26, average trading volumes reached at 845.1mn shares, up by 1% MoM. The average total traded value was USD 134.9mn, with a 5% MoM decrease in USD terms.

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 – Jul’ 2026
Sectoral and Economic developments

Sectoral Development

Refinery upliftment declined 8.1% YoY in Jun’26, primarily due to a significant reduction in HSD and FO offtake. Provisional urea offtake rose 2% YoY to 592k tons in Jun'26, remaining subdued in May-June as dealers front-loaded inventory in Mar-Apr ahead of anticipated price hikes. Banking sector deposits rose 15.2% YoY to PKR 40.9trn in Jun'26 (Jun'25: PKR 35.5trn), while advances increased 13.0% YoY to PKR 15.3trn and investments climbed 16.4% YoY to PKR 42.6trn; consequently, the ADR stood at 37.4% (-74bps YoY;-173bps MoM), whereas the IDR clocked-in at 104.2% in Jun’26S (+113bps YoY;-185bps MoM). Auto sales (Cars, LCVs, and Vans & Jeeps) rose 30% MoM to 22.7K units in Jun'26 (4% YoY); FY26 cumulative sales up 33% YoY to 206K units. Technology exports hit an all-time high in FY26, rising 21% YoY to USD 4.6bn and contributing 46%to overall services exports. Pakistan’s petroleum sales remained under pressure in Jun’26, with volumes clocking in at 1.26mntons, down 20% YoY. Total cement dispatches in Jun’26 increased 18.4% YoY to 4.33mn tons versus 3.66mn tons in Jun’25. Power generation declined 2% YoY to 13,431 GWh in Jun'26, while FY26 generation rose 1.2% YoY to 128,699 GWh.

Economic Development

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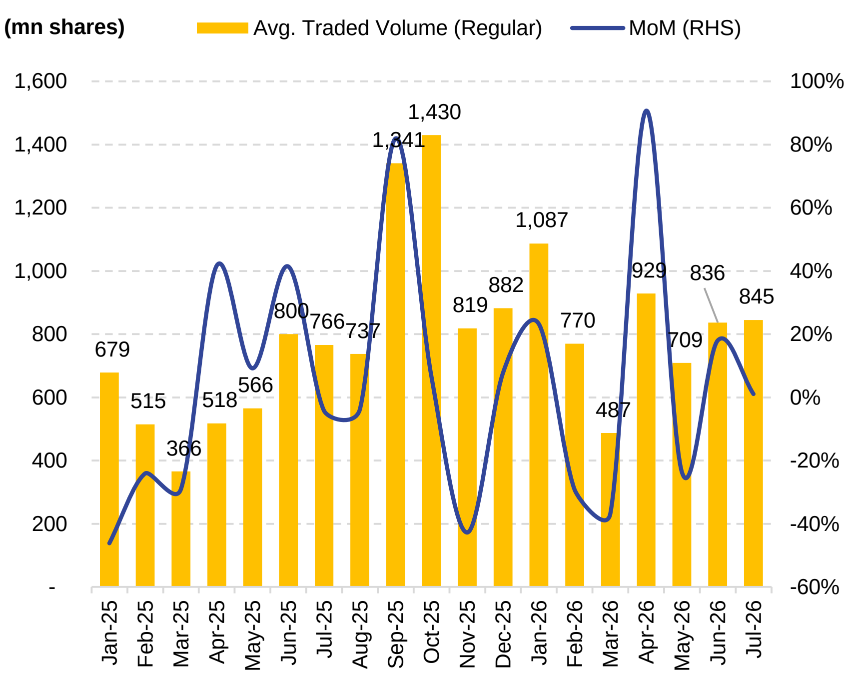
- The country recorded a current account deficit of USD 139mn during FY26, compared to a surplus of USD 1,838mn in the same period last year. In Jun'26, the account posted a deficit of USD 649mn versus a deficit of USD 220mn in Jun’25.
- Pakistan’s RDA gross inflows reached USD 13,365mn as of Jun’26, out of which USD 2,093mn were repatriated and USD 8,435mn were utilized locally.
- During Jun’26, the repatriation of profits and dividends in Pakistan increased by 32.6% YoY | +211% MoM to USD 151.4mn.
- LSMI output fell by 1.0% YoY in May’26, and a 1.2% increase on a MoM basis. On 11MFY26 basis the LSMI jumped by 5.8% YoY.
- Trade deficit widened to USD 4.7bn (+62.4% YoY) in Jun'26, as exports fell 9.1% YoY to USD 2.3bn while imports rose 29.4% YoY to USD 6.9bn; FY26 cumulative deficit up 22.0% YoY to USD 39.6bn.
- Central government debt increased by 7.8% YoY to PKR 81.9trn as of May'26 compared with PKR 76.0trn in May’25.

PSX Performance – Jul’ 2026
Historical volume and value

Increase in traded volume during Jul'26

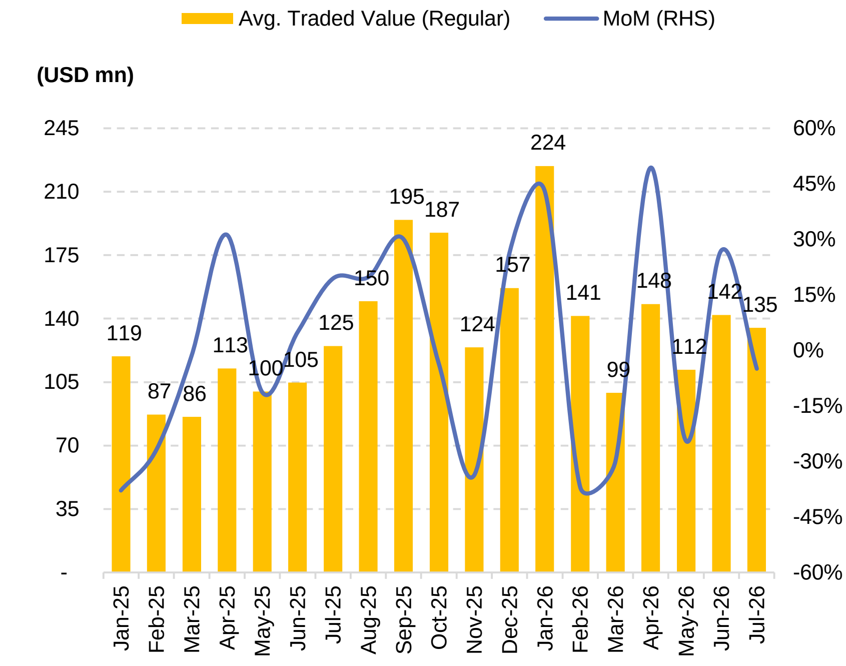
- During Jul'26, the average traded volume inclined by 1.1% to 845mn shares, with the average traded value declined by 4.9% to USD 135mn.

Figure: PSX historic average traded volume



Source (s): PSX, AHL Research

Figure: PSX historic average traded value



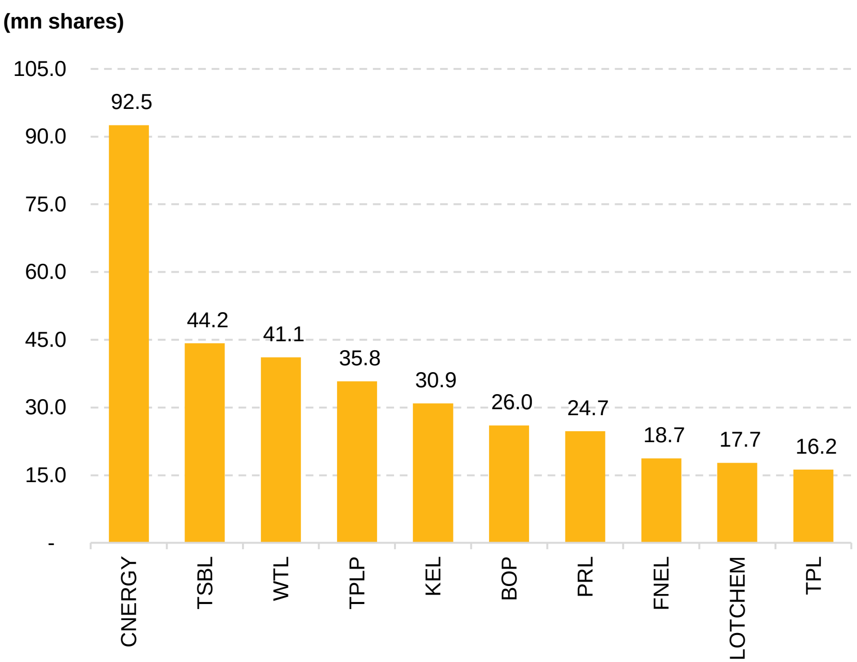
Source (s): PSX, SBP, AHL Research

PSX Performance – Jul’ 2026
Company & sector wise volume leaders

Volume leaders during Jul'26

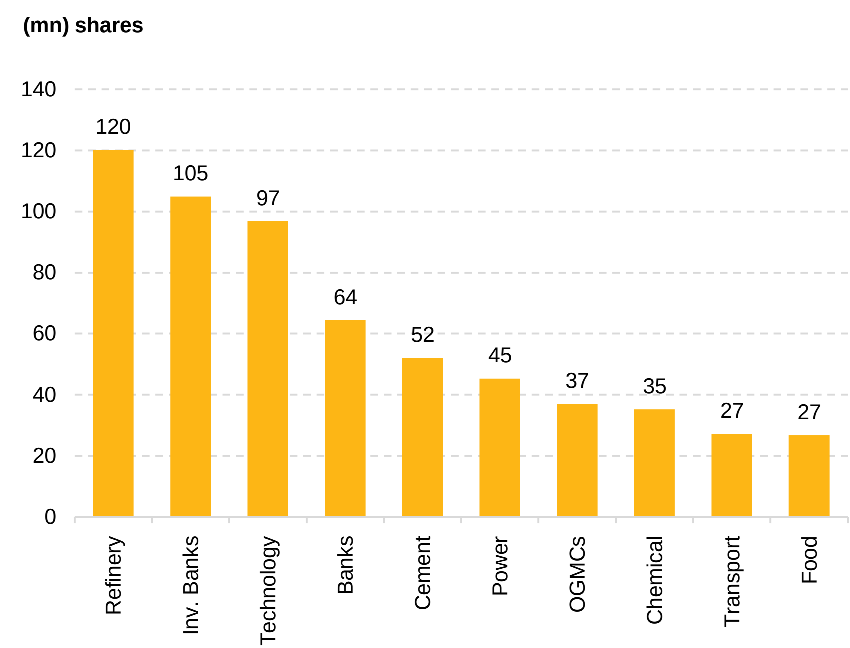
- Sectors that contributed the most activity during the month were Refinery, Inv. Banks, Technology, Banks, Cement and Power, reporting average volumes of 120mn, 105mn, 97mn, 64mn and 52mn respectively.
- Whereas on a scrip-wise basis, volumes were led by CNERGY (92.5mn), TSBL (44.2mn), WTL (41.1mn), TPLP (35.8mn), and KEL (30.9mn).

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



Source (s): PSX, AHL Research

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



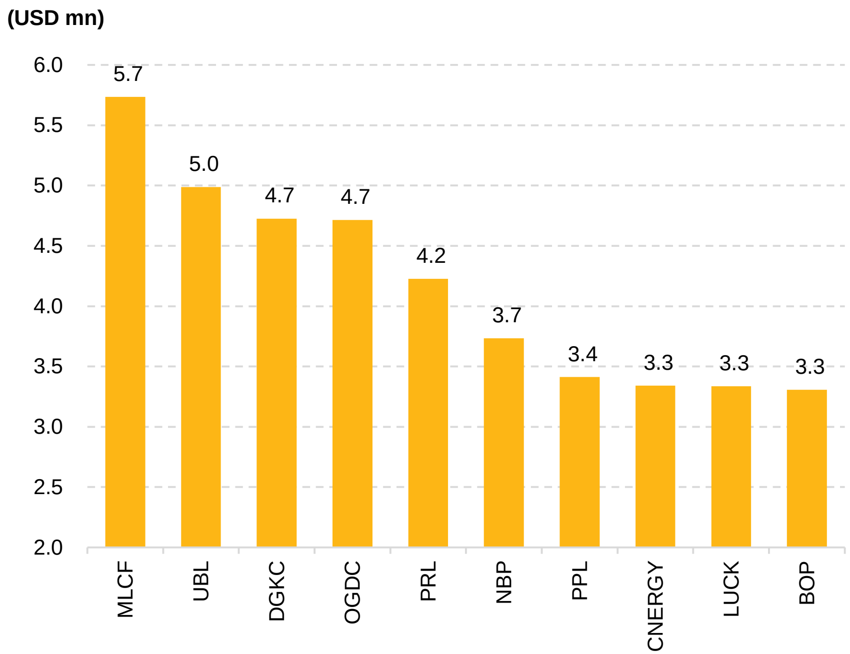
Source (s): PSX, AHL Research

PSX Performance – Jul’ 2026
Company & sector wise value leaders

Value leaders during Jul'26

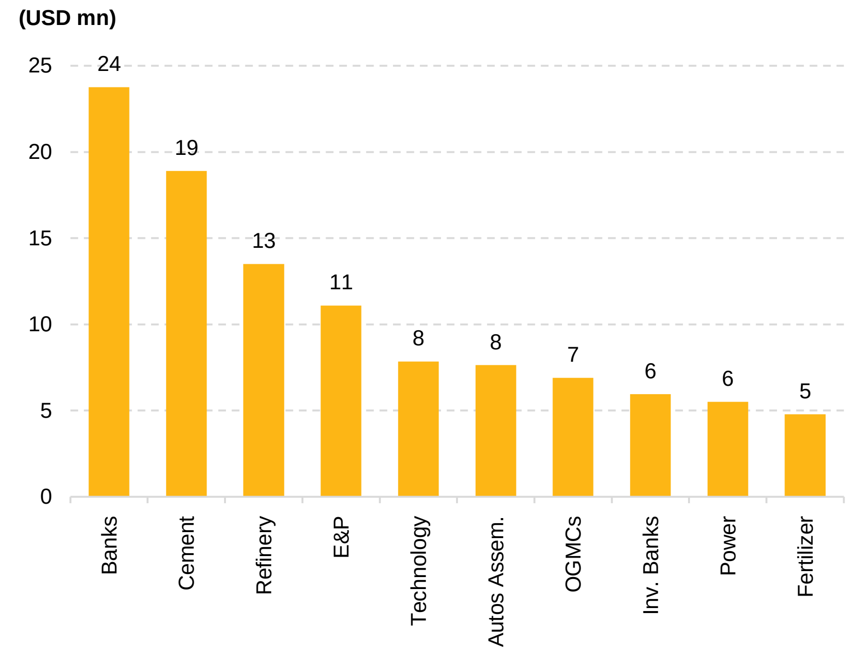
- On a sector-wise basis, the highest activity in terms of value was observed in Banks (USD 24mn), followed by Cement (USD 19mn), Refinery (USD 13mn), E&P (USD 11mn) and Technology (USD 8mn).
- Meanwhile, on a scrip-wise basis, the highest trading values were dominated by MLCF (USD 5.7mn), UBL (USD 5.0mn), DGKC (USD 4.7mn), OGDC (USD 4.7mn) and PRL (USD 4.2mn).

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



Source (s): PSX, SBP, AHL Research

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

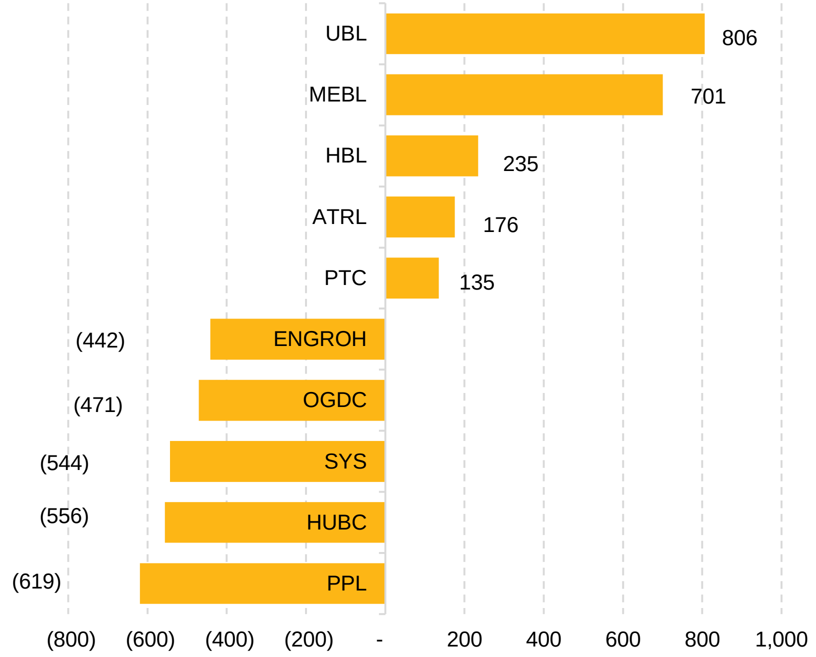


Source (s): PSX, SBP, AHL Research

PSX Performance – Jul' 2026
Index contribution

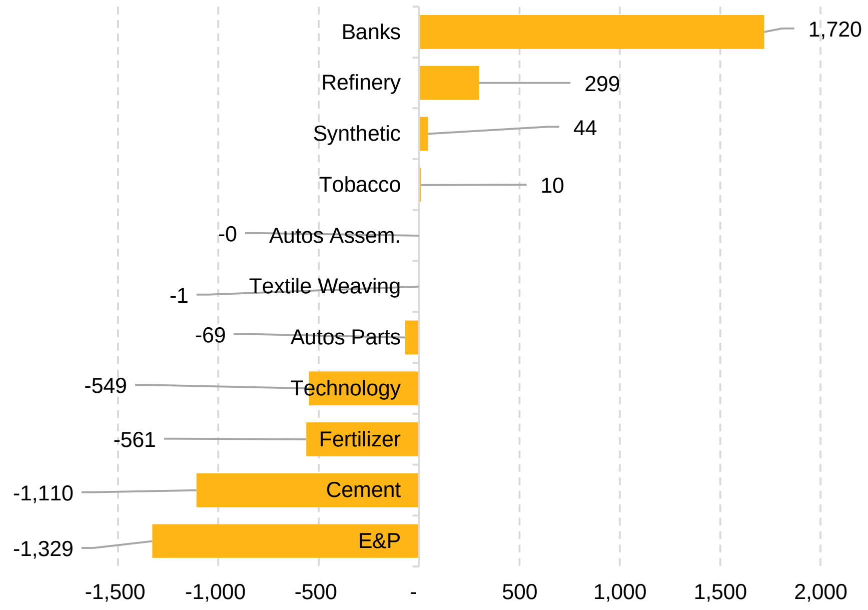
- Sectors contributing positively to the index during Jul'26 include Banks(1,720pts), Refinery (299pts), Synthetic (44pts) and Tobacco (10pts).
- Scrip wise positive contributors during the month were UBL (806pts), MEBL (701pts), HBL (235pts), ATRL (176pts), and PTC (135pts). Scrip-wise negative contributors were PPL (-619pts), HUBC (-556pts), SYS (-544pts), OGDC (-471pts) and ENGROH (-442pts).

Figure: Top Scrip-wise index contributors (Jul-26)



Source (s): PSX, AHL Research

Figure: Top sector-wise index contributors (Jul-26)

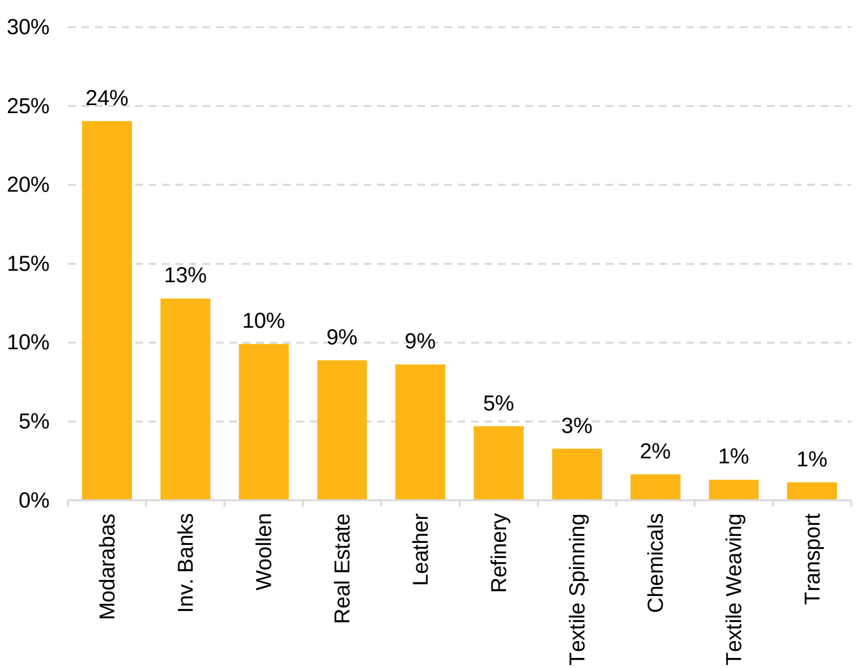


Source (s): PSX, AHL Research

PSX Performance – Jul' 2026
Sector-wise major gainers and losers

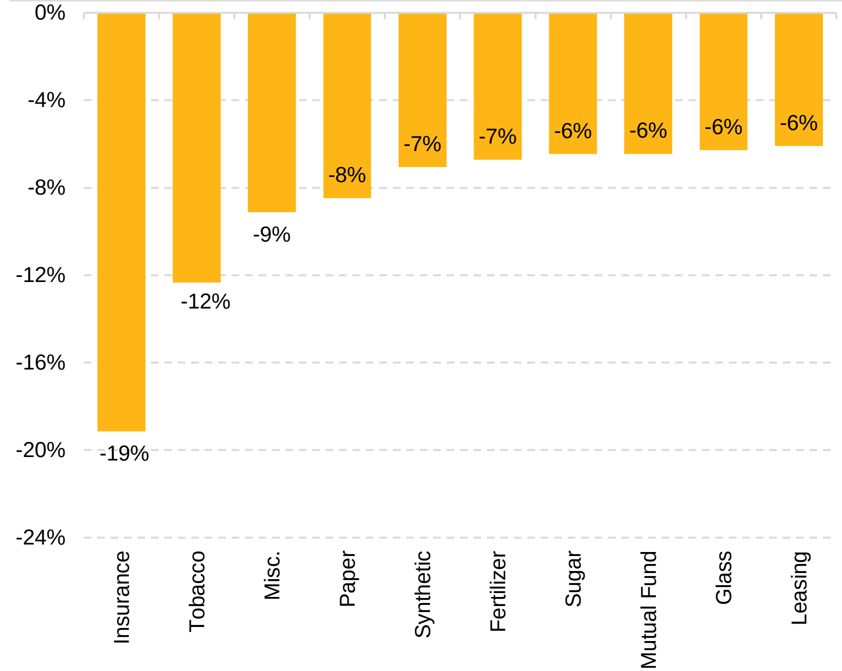
- In terms of sectors, major gainers were Modarabas (24%), Inv. Banks (13%), Woollen (10%), Real Estate (9%) & Leather (9%) during Jul'26.

Figure: Sector wise major gainers (KSE100)



Source (s): PSX, AHL Research

Figure: Sector wise major losers (KSE100)

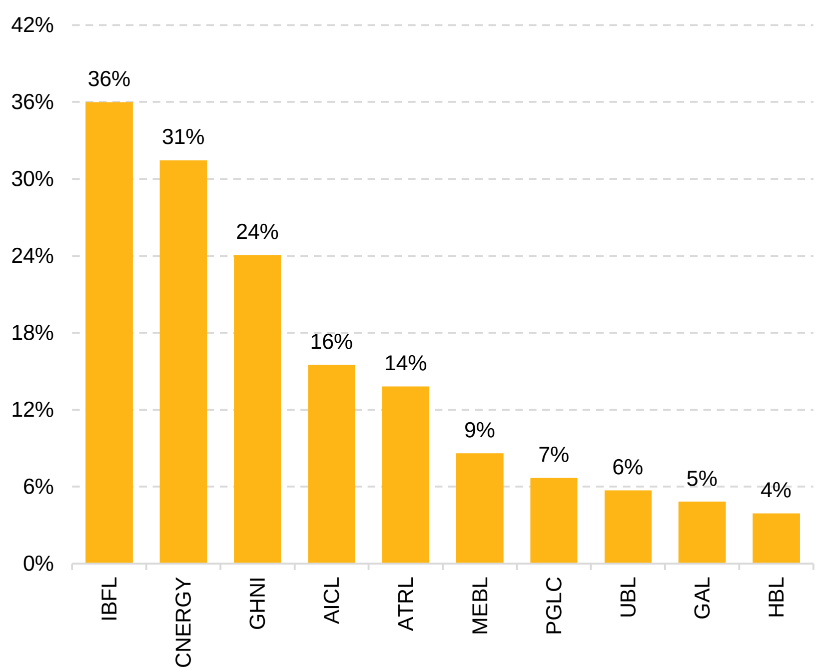


Source (s): PSX, AHL Research

PSX Performance – Jul’ 2026
Scrip-wise major gainers and losers

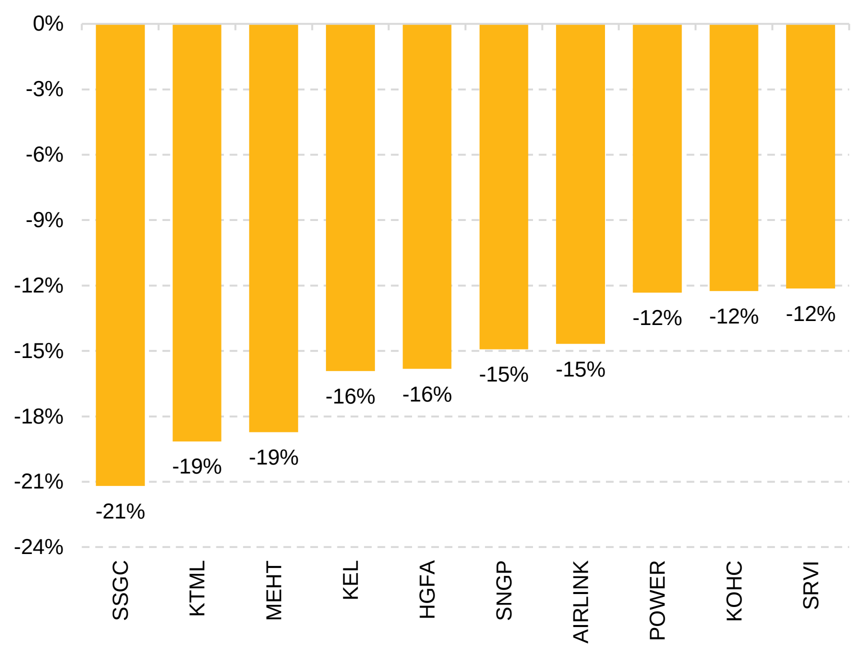
- Scrip-wise major gainers during Jul'26 were IBFL, CNERGY, GHNI, AICL, and ATRL, posting gains of 36%, 31%, 24%, 16%, and 14%, respectively. Meanwhile, major laggards during the month included SSGC (-21%), followed by KTML (-19%), MEHT (-19%), KEL (-16%), HGFA (-16%), and SNGP(-15%).

Figure: Scrip wise major gainers (KSE100)



Source (s): PSX, AHL Research

Figure: Scrip wise major losers (KSE100)

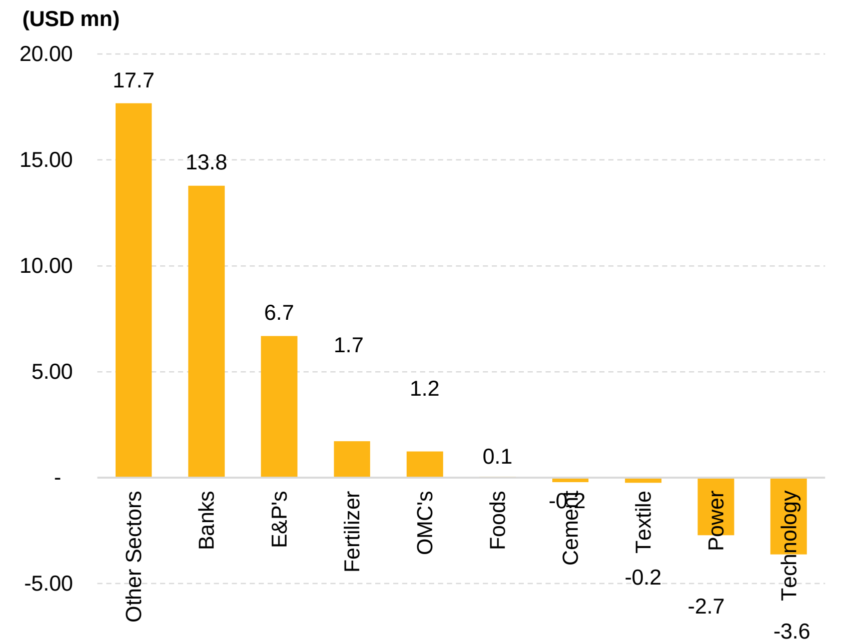


Source (s): PSX, AHL Research

Regional portfolio investment and FIPI

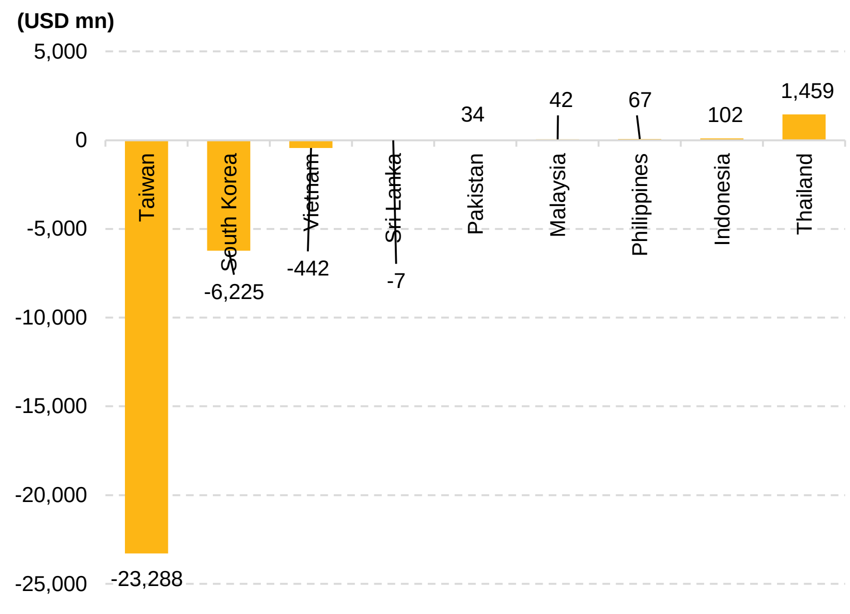
- Foreign buying was witnessed in the Asian region during Jul'26, which was led by Thailand (USD 1,459mn), followed by Indonesia (USD 102mn), Philippines (USD 67mn) Malaysia (USD 42mn) and Pakistan (USD 34mn). On the other hand, foreign selling was also witnessed in the Asian region, which was led by Taiwan (USD 23,288mn), South Korea (USD 6,225mn), Vietnam (USD 442mn) and Sri Lanka (USD 7mn).
- On the domestic stock exchange, foreign buying activity of USD 34.4mn was reported for the month of Jul'26. The outflows were predominantly in Other Sectors (USD 17.7mn), Banks (USD 13.8mn), E&P's (USD 6.7mn), Fertilizer (USD 1.7mn), OMC's (USD 1.2mn) & Foods (USD 0.1mn).

Figure: Sector wise FIPI Jul-26



Source (s): NCCPL, AHL Research

Figure: Regional Portfolio investment during Jul-26

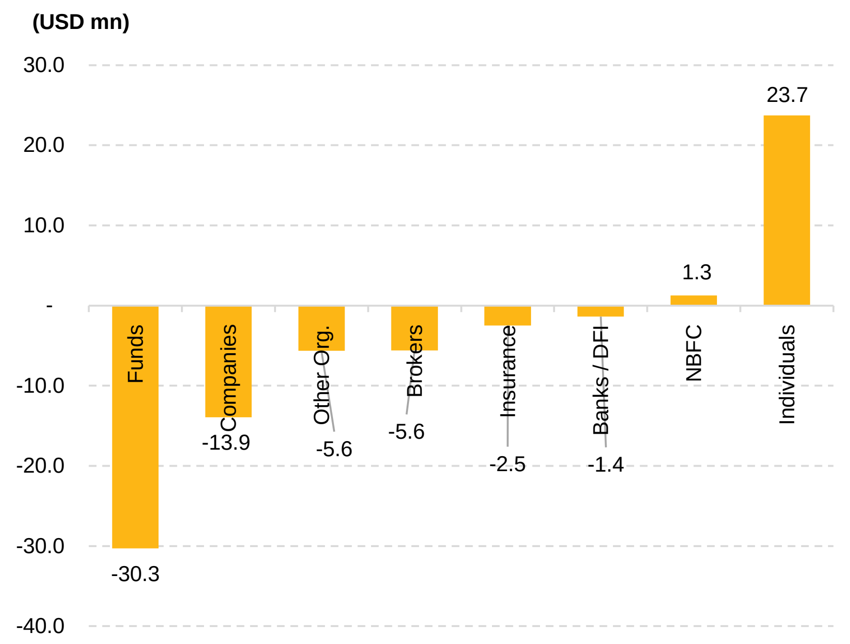


Source (s): NCCPL, Bloomberg, AHL Research

PSX Performance – Jul' 2026
Portfolio investment (LIPI)

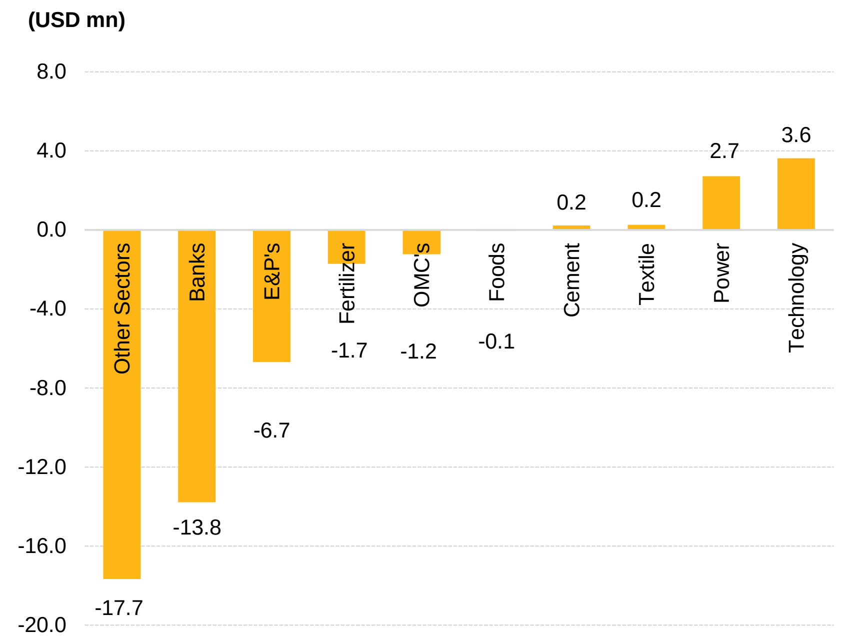
- On the local front, selling was reported by Other Sectors (USD 17.7mn), Banks (USD 13.8mn), E&P's (USD 6.7mn) Fertilizer (USD 1.7mn), OMC's (USD 1.2mn), and Foods (USD 0.1mn). Meanwhile, selling was witnessed by Funds (USD -30.3mn), Companies (USD -13.9mn), Other Organization (USD -5.6mn), Brokers (USD -5.6mn), Insurance (USD -2.5mn) and Banks/ DFI (USD -1.4mn) in Jul'26.

Figure: Local Investors Portfolio Investment (Jul-26)



Source (s): NCCPL, AHL Research

Figure: Sector wise LIPI (Jul-26)



Source (s): NCCPL, AHL Research

Outlook & Recommendation

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- The KSE-100 Index is expected to remain largely driven by geopolitical developments during Aug'26. Any improvement in the regional security environment could support near-term market performance, while any escalation in tensions remains the key downside risk for equities.
- The ongoing corporate results season will remain a key catalyst for the market, with investors closely tracking earnings announcements.
- Investors will also keep an eye on the MSCI Frontier Markets Index Review scheduled for 12th Aug'26, particularly any changes to Pakistan's index constituents or weightings.
- Headline inflation for Jul'26 is expected to settle in the 7.5–8.5% YoY range (vs. 4.06% YoY in Jul'25), while core NFNE inflation is projected at 7.4% YoY (vs. 8.4% in Jun'26; flat YoY). Food inflation is expected to increase on a MoM basis, driven by higher prices of wheat and fresh vegetables. However, the impact is likely to be partly offset by moderation in the transport index, following lower petroleum prices compared to the previous month, and a softer housing index due to lower LPG prices despite the quarterly rent adjustment, keeping overall inflation broadly in check.
- The KSE-100 Index is currently trading at a PER of 8.0x offering a dividend yield of ~6.3%.
- Our top picks include OGDC, PPL, FFC, LUCK, MLCF, NBP, HUBC, PSO, DGKC, SAZEW and ATRL.

PSX Performance – Jul’ 2026
World Indices Performance

Exhibit: World's Major Stock Market Performance (USD based return, Jul-26)

Sr#	Index	Country	Index	Return (%)	Sr#	Index	Country	Index	Return (%)
1	Hong Kong	HSI Index	25,884	13.1	37	Switzerland	SMI Index	14,432	1.5
2	Romania	BET Index	35,963	11.3	38	Iceland	ICEXI Index	2,027	1.4
3	Norway	OBXP Index	817	10.7	39	Chile	IPSA Index	11,030	1.3
4	Singapore	FSSTI Index	5,629	9.7	40	Thailand	SET Index	1,624	1.3
5	Poland	WIG20 Index	3,897	9.0	41	Serbia	BELEX15 Index	1,218	1.2
6	Slovenia	SBITOP Index	3,221	8.0	42	Mexico	MEXBOL Index	67,290	1.2
7	Nigeria	NGSEINDX Index	245,709	7.7	43	Uae	ADSMI Index	9,915	1.1
8	Czech Republic	PX Index	2,713	6.6	44	Luxembourg	LUXXX Index	1,997	1.1
9	Kenya	NSEASI Index	237	5.7	45	India	SENSEX Index	78,095	1.1
10	UK	UKX Index	10,917	5.3	46	Denmark	KFX Index	1,606	1.1
11	Greece	ASE Index	2,566	5.0	47	Tunisia	TUSISE Index	20,038	1.1
12	Brazil	IBOV Index	177,159	5.0	48	Austria	ATX Index	6,490	1.0
13	Australia	AS51 Index	8,977	3.8	49	Portugal	PSI20 Index	9,139	0.7
14	New Zealand	NZSE Index	1,916	3.7	50	South Africa	JALSH Index	112,037	0.5
15	Jordan	JOSMGNFF Index	3,996	3.7	51	Belgium	BEL20 Index	5,726	0.2
16	Malaysia	FBMKLCI Index	1,725	3.6	52	USA	INDU Index	52,208	(0.2)
17	Lithuania	VILSE Index	1,503	3.5	53	Ireland	ISEQ Index	13,674	(0.5)
18	Canada	SPTSX Index	35,506	3.4	54	Croatia	CRO Index	4,416	(0.7)
19	Germany	DAX Index	25,675	3.4	55	USA	SPX Index	7,438	(0.8)
20	Sweden	OMX Index	3,260	3.2	56	Saudi Arabia	SASEIDX Index	10,590	(1.9)
21	Philippines	PCOMP Index	6,236	3.2	57	Lebanon	BLOM Index	1,763	(2.2)
22	Bulgaria	SOFIX Index	1,289	3.1	58	**Pakistan**	**KSE100 Index**	**176,094**	**(2.5)**
23	Hungary	BUX Index	146,545	3.0	59	Dubai	DFMGI Index	5,796	(2.7)
24	Netherland	AEX Index	1,103	2.8	60	Finland	HEX Index	13,194	(2.7)
25	Estonia	TALSE Index	2,147	2.6	61	Oman	MSM30 Index	7,277	(3.1)
26	Mauritius	SEMDEX Index	2,286	2.6	62	Qatar	DSM Index	9,921	(3.1)
27	Spain	IBEX Index	19,854	2.6	63	Bahrain	BHSEASI Index	1,956	(4.2)
28	France	CAC Index	8,550	2.4	64	Sri Lanka	CSEALL Index	21,129	(5.0)
29	Latvia	RIGSE Index	922	2.4	65	Vietnam	VNIndex Index	1,736	(6.6)
30	Bangladesh	DSEX Index	5,896	2.0	66	Japan	NKY Index	64,362	(6.8)
31	Italy	FTSEMIB Index	52,368	2.0	67	USA	NDX Index	28,106	(7.2)
32	Egypt	EGX30 Index	53,442	1.8	68	China	SHSZ300 Index	4,588	(7.4)
33	Kazakhstan	KZKAK Index	7,796	1.8	69	Taiwan	TWSE Index	43,120	(7.8)
34	Mongolia	MSETOP Index	54,126	1.6	70	Turkey	XU100 Index	13,244	(7.9)
35	Ghana	GGSECI Index	15,416	1.5	71	South Korea	KOSPI Index	6,595	(16.4)
36	Europe	SX5E Index	6,383	1.5					

Source (s): Bloomberg, AHL Research

Analyst Certification and Disclaimer

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Analyst Certification: The research analyst(s) is (are) principally responsible for preparation of this report. The views expressed in this research report accurately reflect the personal views of the analyst(s) about the subject security (ies) or sector (or economy), and no part of the compensation of the research analyst(s) was, is, or will be directly or indirectly related to the specific recommendations and views expressed by research analyst(s) in this report. In addition, we currently do not have any interest (financial or otherwise) in the subject security (ies). Furthermore, compensation of the Analyst(s) is not determined nor based on any other service(s) that AHL is offering. Analyst(s) are not subject to the supervision or control of any employee of AHL's non-research departments, and no personal engaged in providing non-research services have any influence or control over the compensatory evaluation of the Analyst(s).

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

Disclosure required under Research Analyst Regulations, 2015:

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

Arif Habib Limited (AHL) has a shareholding in PPL, OGDC, NBP, BOP, LUCK, FCCL, DGKC, MLCF, PSO, HUBC, NCPL, NPL and PAEL.