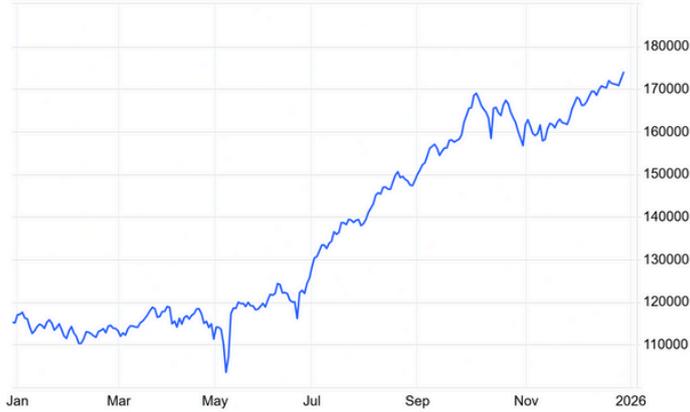


KSE 100 Index



KSE 100 Index Statistics

Current	176,355.49
High	176,658.38
Low	174,437.70
Open	174,054.32
Change	2,301.17 (1.32%)
Volume	799,088,704

Economic Snapshot

Inflation CPI	5.60%
Policy Rate	10.5%

USD Million

Reserves	\$19,137.00
Trade Balance	-\$2,454
Current Account	\$100
Remittance	\$3,189

Latest Observation: Nov-2025

Snapshot: News Impacting PSX

- Positive Inflation at 5.6% [READ MORE](#)
- Positive PSX record high start 2026 [READ MORE](#)
- Positive PTA district internet licenses [READ MORE](#)
- Negative Cotton export approval to SBP [READ MORE](#)
- Positive SBP reserves marginal rise [READ MORE](#)
- Negative FBR scrutiny of top exporters [READ MORE](#)

Exchange Rates

Currency	PKR	Day	%
USD	280.23	0	0.00%
EUR	329.01	0.055	-0.02%
GBP	377.19	0.032	-0.01%
JPY	1.79	0.00315	-0.18%
SAR	74.72	0.012	0.02%
AED	76.31	0.0062	0.01%
MYR	69.11	0.0511	0.07%

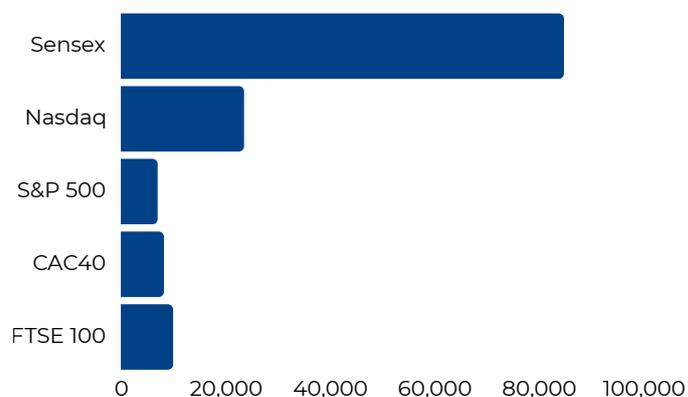
NEER	38.18
REER	104.76

Latest Observation: Nov-2025

Government Ijarah Sukuk (GIS)

GIS FRD (Cut-off / Price) 1Y	10.4801% / 90.5376
GIS FRR (Cut-off / Price) 3Y	10.7355% / 100.0008
GIS FRR (Cut-off / Price) 5Y	11.0300% / 100.3661
GIS FRR (Cut-off / Price) 10Y	11.8499% / 32.6320

World Index



Commodities

Item	Value (PKR)
Gold 1 Tola PKR	463,700
Petrol Rs/Ltr	253.17
Diesel Rs/Ltr	257.08

Debt Instruments Yields

T-Bills 3M	10.9881%
T-Bills 6M	10.9999%
T-Bills 1Y	11.2681%
PIB 3Y	11.4900%
PIB 5Y	11.6390%
PIB 10Y	12.0005%

Portfolio Investments FIPI LIPI (USD)

Grand Total FIPI, net	(2,728,923)
Banks/DFI	1,039,500
Broker Proprietary Trading	159,663
Companies	3,563,277
Individuals	(9,646,759)
Insurance Companies	922,173
Mutual Funds	4,097,282
NBFC	28,237
Other Organization	2,565,546
Grand Total LIPI, net	2,728,919

Recent News Affecting PSX

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1. INFLATION IN PAKISTAN RISES TO 5.6% IN DECEMBER 2025

PAKISTAN'S CONSUMER PRICE INDEX (CPI) INFLATION WAS RECORDED AT 5.6% YEAR-ON-YEAR IN DECEMBER 2025. THIS MARKS A SLIGHT UPTICK COMPARED TO THE PREVIOUS MONTH, DRIVEN MAINLY BY HIGHER FOOD AND ENERGY COSTS. CORE INFLATION ALSO SHOWED PERSISTENCE, REFLECTING UNDERLYING PRICE PRESSURES. THE STATE BANK OF PAKISTAN (SBP) IS EXPECTED TO MONITOR THIS TREND CLOSELY AS IT MAY INFLUENCE FUTURE MONETARY POLICY DECISIONS.

THE DROP IN INFLATION IS POSITIVE FOR THE STOCK MARKET AS IT REDUCES PRESSURE ON THE SBP TO TIGHTEN MONETARY POLICY FURTHER, SUPPORTING LIQUIDITY AND INVESTOR CONFIDENCE. LOWER INFLATION IMPROVES CONSUMER PURCHASING POWER, WHICH BENEFITS DEMAND-DRIVEN SECTORS SUCH AS CONSUMER GOODS, RETAIL, AND BANKING. IT ALSO SIGNALS MACROECONOMIC STABILITY, WHICH CAN ATTRACT FOREIGN PORTFOLIO INFLOWS. OVERALL, THE PSX IS LIKELY TO SEE IMPROVED SENTIMENT, WITH CYCLICAL AND INTEREST-RATE SENSITIVE SECTORS GAINING MOMENTUM.

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2. PSX STARTS 2026 AT RECORD HIGH AS KSE-100 GAINS OVER 2,300 POINTS

THE PAKISTAN STOCK EXCHANGE (PSX) OPENED 2026 ON A STRONG NOTE, WITH THE BENCHMARK KSE-100 INDEX SURGING BY MORE THAN 2,300 POINTS IN THE FIRST TRADING SESSION OF THE YEAR. INVESTOR SENTIMENT WAS BUOYED BY EASING INFLATION, EXPECTATIONS OF STABLE MONETARY POLICY, AND OPTIMISM OVER ECONOMIC REFORMS. THE RALLY PUSHED THE INDEX TO AN ALL-TIME HIGH, REFLECTING BROAD-BASED BUYING ACROSS SECTORS. MARKET PARTICIPANTS VIEWED THIS AS A CONTINUATION OF THE POSITIVE MOMENTUM FROM LATE 2025.

THIS DEVELOPMENT IS POSITIVE FOR THE STOCK MARKET AS IT SIGNALS STRONG INVESTOR CONFIDENCE AND SETS A BULLISH TONE FOR THE NEW YEAR. THE RECORD HIGH ENCOURAGES FURTHER INFLOWS FROM BOTH LOCAL AND FOREIGN INVESTORS, PARTICULARLY INTO BLUE-CHIP STOCKS. BANKING, CEMENT, AND ENERGY SECTORS ARE LIKELY TO BENEFIT FROM THE MOMENTUM, WHILE OVERALL LIQUIDITY IN THE MARKET IMPROVES. THE RALLY ALSO REINFORCES EXPECTATIONS OF SUSTAINED GROWTH, POTENTIALLY ATTRACTING NEW RETAIL PARTICIPATION.

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3. PTA LAUNCHES DISTRICT-LEVEL INTERNET LICENSES TO BOOST CONNECTIVITY

THE PAKISTAN TELECOMMUNICATION AUTHORITY (PTA) HAS INTRODUCED A NEW LICENSING REGIME ALLOWING SMALL AND MEDIUM-SCALE OPERATORS TO PROVIDE INTERNET SERVICES AT THE DISTRICT LEVEL. THE INITIATIVE AIMS TO PROMOTE LOCAL ENTREPRENEURSHIP, STRENGTHEN BROADBAND INFRASTRUCTURE, AND ENHANCE DIGITAL INCLUSION, PARTICULARLY IN UNDERSERVED AND REMOTE AREAS. LICENSES WILL BE VALID FOR TEN YEARS, WITH AN INITIAL FEE OF RS300,000 AND AN ANNUAL FEE STARTING AT RS100,000, SUBJECT TO A 10% YEARLY INCREASE. PTA EMPHASIZED THAT THIS MOVE REFLECTS ITS COMMITMENT TO EXPANDING BROADBAND PENETRATION AND SUPPORTING SUSTAINABLE GROWTH IN THE TELECOM SECTOR.

THIS DEVELOPMENT IS POSITIVE FOR THE STOCK MARKET, PARTICULARLY FOR THE TELECOMMUNICATIONS AND TECHNOLOGY SECTORS. EXPANDED LICENSING WILL ENCOURAGE COMPETITION, IMPROVE LAST-MILE CONNECTIVITY, AND POTENTIALLY INCREASE DEMAND FOR TELECOM INFRASTRUCTURE AND EQUIPMENT. LISTED TELECOM COMPANIES MAY BENEFIT FROM HIGHER DATA USAGE AND BROADER CUSTOMER BASES, WHILE IT SERVICE PROVIDERS COULD SEE NEW OPPORTUNITIES IN DIGITAL INCLUSION PROJECTS. THE INITIATIVE ALSO SIGNALS REGULATORY SUPPORT FOR SECTORAL GROWTH, WHICH STRENGTHENS INVESTOR CONFIDENCE IN TELECOM AND TECH EQUITIES.

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4. GOVERNMENT ASSIGNS COTTON EXPORT APPROVAL AUTHORITY TO SBP

THE GOVERNMENT HAS DECIDED TO DELEGATE THE APPROVAL OF COTTON EXPORTS TO THE STATE BANK OF PAKISTAN (SBP). THIS MOVE IS AIMED AT STREAMLINING THE EXPORT PROCESS, ENSURING BETTER MONITORING OF FOREIGN EXCHANGE INFLOWS, AND MAINTAINING TRANSPARENCY IN TRADE TRANSACTIONS. COTTON EXPORTERS WILL NOW REQUIRE SBP CLEARANCE BEFORE SHIPMENTS, ALIGNING EXPORT APPROVALS WITH MONETARY OVERSIGHT. THE DECISION REFLECTS THE GOVERNMENT'S INTENT TO BALANCE EXPORT GROWTH WITH FOREIGN EXCHANGE MANAGEMENT.

THE IMPACT IS MIXED BUT NET NEGATIVE FOR THE TEXTILE SECTOR. WHILE THE MEASURE MAY IMPROVE FOREIGN EXCHANGE MONITORING AND REDUCE IRREGULARITIES, IT INTRODUCES ADDITIONAL REGULATORY STEPS THAT COULD SLOW DOWN EXPORT APPROVALS. TEXTILE COMPANIES LISTED ON THE PSX MAY FACE DELAYS IN SHIPMENTS, AFFECTING CASH FLOWS AND INVESTOR SENTIMENT. HOWEVER, THE BROADER MARKET MAY VIEW THIS AS A STABILIZING MOVE FOR EXTERNAL ACCOUNTS, LIMITING VOLATILITY IN THE CURRENCY. OVERALL, TEXTILE STOCKS ARE LIKELY TO EXPERIENCE SHORT-TERM PRESSURE.

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5. SBP-HELD FOREIGN EXCHANGE RESERVES REPORT MARGINAL INCREASE

THE STATE BANK OF PAKISTAN (SBP) REPORTED A SLIGHT INCREASE IN ITS FOREIGN EXCHANGE RESERVES DURING THE LATEST WEEKLY UPDATE. RESERVES ROSE marginally, reflecting inflows from remittances and minor external financing. Despite the uptick, overall reserves remain at modest levels compared to external financing needs. The SBP continues to emphasize prudent management of reserves to ensure external stability.

THIS DEVELOPMENT IS POSITIVE FOR THE STOCK MARKET AS EVEN A MARGINAL INCREASE IN RESERVES SIGNALS IMPROVED EXTERNAL ACCOUNT STABILITY. HIGHER RESERVES REDUCE CONCERNS ABOUT PAKISTAN'S ABILITY TO MEET IMPORT AND DEBT OBLIGATIONS, WHICH SUPPORTS INVESTOR CONFIDENCE. BANKING AND CURRENCY-SENSITIVE SECTORS BENEFIT FROM REDUCED VOLATILITY, WHILE OVERALL MARKET SENTIMENT IMPROVES SLIGHTLY. HOWEVER, THE LIMITED SCALE OF THE INCREASE MEANS THE IMPACT WILL BE MODEST RATHER THAN TRANSFORMATIVE.

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6. FBR TO SCRUTINISE TAX RECORDS OF NEARLY 500 TOP EXPORTERS

THE FEDERAL BOARD OF REVENUE (FBR) HAS ANNOUNCED PLANS TO EXAMINE THE TAX RECORDS OF AROUND 500 LEADING EXPORTERS. THE MOVE IS PART OF A BROADER EFFORT TO ENHANCE COMPLIANCE, IDENTIFY IRREGULARITIES, AND ENSURE PROPER DOCUMENTATION OF EXPORT EARNINGS. AUTHORITIES AIM TO STRENGTHEN REVENUE COLLECTION AND CURB TAX EVASION IN THE EXPORT SECTOR. THE SCRUTINY WILL FOCUS ON LARGE TEXTILE, RICE, AND OTHER COMMODITY EXPORTERS.

THIS DEVELOPMENT IS NEGATIVE FOR THE STOCK MARKET, PARTICULARLY FOR EXPORT-ORIENTED SECTORS SUCH AS TEXTILES AND AGRICULTURE. HEIGHTENED SCRUTINY MAY LEAD TO COMPLIANCE COSTS, POTENTIAL PENALTIES, AND DELAYS IN EXPORT OPERATIONS, WHICH COULD WEIGH ON PROFITABILITY. INVESTOR SENTIMENT TOWARD LISTED EXPORTERS MAY WEAKEN AS REGULATORY RISK INCREASES. HOWEVER, IN THE LONGER TERM, IMPROVED DOCUMENTATION COULD SUPPORT TRANSPARENCY AND FISCAL STABILITY, BUT THE IMMEDIATE IMPACT IS ADVERSE.

Market Impact Overview

News Headline	Impact	Affected Sectors	Anticipated Change
Inflation in Pakistan falls to 5.6% in December 2025, the lowest in recent months	Positive	Banking, Consumer Goods, Retail	Improved sentiment; interest-rate sensitive sectors likely to gain momentum
PSX starts 2026 at record high as KSE-100 gains over 2,300 points	Positive	Broad-based (Banking, Cement, Energy)	Bullish momentum; strong inflows into blue-chip stocks
PTA launches district-level internet licenses to boost connectivity	Positive	Telecom, Technology	Increased competition and data usage; telecom and IT equities to benefit
Government assigns cotton export approval authority to SBP	Negative (net)	Textiles	Export delays and compliance risk; textile stocks under short-term pressure
SBP-held foreign exchange reserves report marginal increase	Positive	Banking, Currency-sensitive sectors	Slightly improved external stability; modest boost to investor confidence
FBR to scrutinise tax records of nearly 500 top exporters	Negative	Textiles, Agriculture, Export-oriented firms	Compliance costs and regulatory risk; weaker sentiment toward exporters
Inflation in Pakistan falls to 5.6% in December 2025, the lowest in recent months	Positive	Banking, Consumer Goods, Retail	Improved sentiment; interest-rate sensitive sectors likely to gain momentum
PSX starts 2026 at record high as KSE-100 gains over 2,300 points	Positive	Broad-based (Banking, Cement, Energy)	Bullish momentum; strong inflows into blue-chip stocks

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Potential to target price	
Buy Upside	More than +10% from last closing price
Hold	In between -10% and +10% from last closing price
Sell	Less than -10% from last closing price

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WE Research uses the following valuation technique(s) to arrive at the period end target prices:

- Discounted Cash Flow (DCF)
- Dividend Discount Model (DDM)
- Relative valuation (P/E, P/B, P/S)
- Equity & Asset return based (EVA, Residual income)

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The following risks may potentially impact our valuations of subject security(ies):

- Market Risk
- Interest Rate Risk
- Exchange rate risk

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