PSX QUARTERLY NEWSLETTER
(1QFY26)
THE CLIMB CONTINUES

PAKISTAN STOCK EXCHANGE

Macroeconomic Dashboard

GDP Growth

FY25	FY24
3.04%	2.58%

SBP Reserves (US$mn)

Sep, 2025		Sep, 2024
14,400	34%	10,737

Policy Rate

Sep, 2025	Sep, 2024
11.0%	17.5%

Consumer Price Index

1QFY26	1QFY25
4.22%	9.19%

Current Account Deficit (US$mn)

1QFY26		1QFY25
(594)	18%	(502)

Remittances (US$mn)

1QFY26		1QFY25
9,536	8%	8,796

- *Source: SBP, PBS, NAC*

QUARTERLY HIGHLIGHTS

KSE100 Index delivered a return of 31.73% (PKR terms) in the quarter, on the back of stable macroeconomic indicators, tight monetary and fiscal policies and reform implementation.

A key highlight during the quarter was the signing of the Strategic Mutual Defense Agreement (SMDA) between Pakistan and Saudi Arabia during PM Shahbaz Sharif's visit to Riyadh.

Additionally, the Prime Minister's meeting with the U.S. President at the White House bolstered investor confidence, with the latter expressing keen interest in exploring investment opportunities in Pakistan, particularly the mining sector.

The government also finalized a PKR 1.225 trillion circular debt resolution agreement with banks, reducing power sector's circular debt to PKR 436 billion from PKR 1.661 trillion.

GDP growth was recorded at 3.04% in FY25 vs 2.58% in FY24. Agriculture sector growth slowed down to 1.51% (FY24: 6.40%), industrial sector witnessed an exceptional growth of 5.26% (FY24: -1.19%) whereas services sector growth improved by 3.00% (FY24: 2.25%).

Size of the economy stands at US$407.2billion in FY 2025 whereas per capita income stands at US$1,812.

CPI for Jul'25 – Sep'25 quarter averaged 4.22%; however, amid flood-related disruptions, inflation may surge in the remaining part of fiscal year, remaining within the upper bound of SBP's target range of 5 – 7 percent.

SBP maintained a status-quo in its policy rate at 11% throughout the quarter, with future decisions dependent upon flood-related impacts and inflation. Real rate for the quarter is recorded at 6.8%.

Trade deficit was recorded at US$9,430mn in 1QFY26, down from US$7,048 in 1QFY25. Exports decreased by 3.9% to US$7,599mn while imports were up by 13.9% to US$17,029mn.

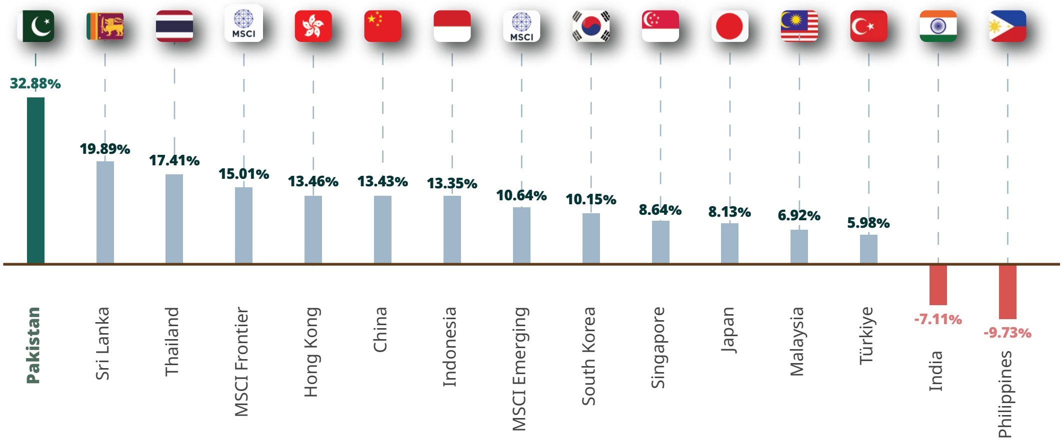
Remittances sustained momentum and increased to US$9,536mn (+8% YoY) with KSA being the largest contributor (US$2,311mn), followed by UAE (US$1,985mn) and UK (US$1,368mn).

Foreign Direct Investment (FDI) declined by 34% YoY to US$568.8mn in 1QFY26, with China being the largest contributor, making up almost one-third of the net FDIs. Major investments were recorded in Power sector (US$244mn) followed by Financial Business sector (US$180mn).

Market cap increased from PKR15.24trillion (US$53.70bn) on June 30, 2025 to PKR 19.26trillion (US$68.48bn) on September 30, 2025. This translates into a market cap to GDP ratio of 17%, compared to 13% on June 30, 2025.

After Fitch, the quarter also witnessed ratings upgrade by S&P Global and Moody's amid macroeconomic stabilization and reforms implementation. S&P Global raised its long-term sovereign credit ratings on Pakistan to 'B-' from 'CCC+', and its short-term ratings to 'B' from 'C'. The outlook on the long-term rating is stable. Moody's also upgraded Pakistan's credit rating to Caa1 from Caa2 with a stable outlook.

Performance of Global Stock Indices in USD during July 2025 - September 2025

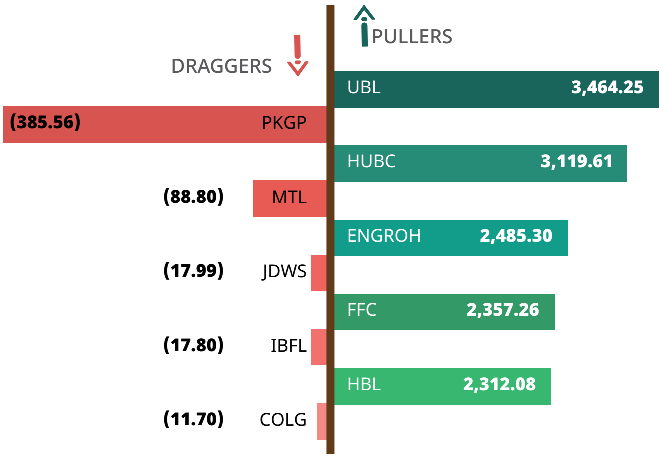


- Source: Refinitiv, MSCI

*The KSE-100 Index is currently trading at a PER of **8.5x** against its 15-year average of **8.59x**, offering a compelling dividend yield of **~5.5%** versus the historical average of **~6.11%***

Source: Arif Habib Limited Weekly Market Update

KSE100 Scrip-wise Pullers and Draggers (1QFY26)



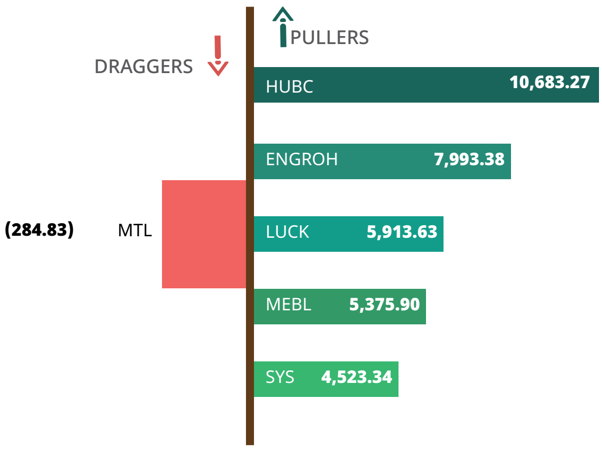
KSE100 Top Performing Sectors (1QFY26)

Sector	Points Contribution	% of Total
Commercial Banks	14,426.27	36.19%
Cement	4,606.29	11.55%
Oil & Gas Exploration Companies	3,821.39	9.59%
Fertilizer	3,510.39	8.81%
Power Generation & Distribution	2,925.07	7.34%

The KSE100 Index witnessed notable contributions from Commercial Banks (36.19%), Cement (11.55%), Oil & Gas Exploration (9.59%), Fertilizer (8.81%) and Power Generation & Distribution (7.34%) .

Top scrips which contributed to the index rally include UBL (+3,464pts), HUBC (+3,120pts), ENGROH (+2,485pts), FFC (+2,357pts) and HBL (+2,312pts), while PKGP (-386pts) and MTL (-89pts) acted as major draggers.

KMI30 Scrip-wise Pullers and Draggers (1QFY26)



KMI30 Top Performing Sectors (1QFY26)

Sector	Points Contribution	% of Total
Cement	11,408.85	18.59%
Power Generation & Distribution	10,683.27	17.40%
Oil & Gas Exploration Companies	10,185.33	16.59%
Inv. Banks / Inv. Cos. / Securities Cos.	7,993.38	13.02%
Commercial Banks	6,323.38	10.30%

The KMI30 Index witnessed notable contributions from Cement (18.59%), Power Generation & Distribution (17.40%), Oil & Gas Exploration (16.59%), Inv. Banks / Inv. Cos. / Securities Cos. (13.02%) and Commercial Banks (10.30%).

Top scrips which contributed to the index rally include HUBC (+10,683pts), ENGROH (+7,993pts), LUCK (+5,914pts), MEBL (+5,376pts) and SYS (+4,523pts), with MTL (-285) acted as the only dragger.

Monthly Trading Statistics (1QFY26)

Month	Average Daily Traded Volume (Mn)		Average Daily Traded Value (PKR Mn)	
	Ready	DFC	Ready	DFC
July	766	183	35,507	10,252
August	737	197	42,221	13,890
September	1,341	295	54,759	16,575

- *KSE100 Index witnessed its third highest ever value traded of PKR 58 billion on September 30, 2025.*
- *Value traded in KSE-All surged to PKR 107 billion, its fourth highest ever on September 26, 2025.*
- *Volume traded in KSE-All surged to 2.45 billion, its second highest ever on September 19, 2025.*
- *September, 2025 records highest ever average monthly traded volume of 1.3bn shares, and third largest average monthly traded value of PKR 55bn.*

Top KSE100 Stocks Based On Total Shareholder Return (1QFY26)

Company Name	Symbol	Return (%)
The Bank of Punjab	BOP	176.38%
HBL Growth Fund	HGFA	89.34%
National Bank of Pakistan	NBP	87.97%
Kohinoor Textile Mills Limited	KTML	76.98%
Askari Bank Limited	AKBL	75.24%
The Hub Power Company Limited	HUBC	73.65%
Habib Bank Limited	HBL	65.86%
Bestway Cement Limited	BWCL	65.32%
Sazgar Engineering Works Limited	SAZEW	60.55%
D.G. Khan Cement Company Limited	DGKC	60.31%

Top 10 Companies by Market Capitalization (PKR Bn)

Symbol	Market Cap. Sep'25	Market Cap. Sep'24	YoY Change
OGDC	1,192	617	93%
UBL	967	357	171%
MARI	890	511	74%
MEBL	785	409	92%
LUCK	697	259	169%
FFC	659	283	133%
PPL	565	291	94%
NBP	435	128	241%
HBL	429	186	130%
MCB	423	285	48%

As of September 30, 2025, PSX lists 17 companies with a market capitalization exceeding US$1billion. This marks a remarkable increase from just 9 companies in Sep'24.

Asset Class Returns (USD) – 1QFY26

Asset Class	Return
KSE100 Index	32.88%
Silver	29.35%
Gold	16.80%
Bitcoin	6.42%
Pakistan Investment Bond (PIB)	2.91%
Treasury Bills	2.61%
Defence Savings Certificate (DSC)	1.96%
PKR/USD	-0.86%

KSE100 delivered the highest return among other asset classes followed by silver and gold. The index continued its upward momentum in FY26, after an impressive return of 57% (USD) in FY25.

Shariah Related Performance (1QFY26)

Average Daily Traded Value (PKR Bn):
31 (70% of total)

Average Daily Traded Volume (Mn):
499 (52% of total)

Market Capitalization (PKR Bn):
11,392 (59% of total)

Number of Shariah-compliant Companies:
280 (52% of total)

GIS Auction Statistics (Jul'25 – Sep'25)

Number of Auctions	3
Amount Raised (PKR Bn)	484
Oversubscription	3.53x

GIS Auction Statistics (Dec'23 – Sep'25)

Number of Auctions	26
Amount Raised (PKR Bn)	3,309
Oversubscription	3.89x

What's Happening at PSX

Equity Listing

During the quarter, PSX hosted the IPO of its fourth Real Estate Investment Trust (REIT), 'Image REIT'. The offering was oversubscribed by 2.21 times in Book Building, witnessing a participation of PKR 1,923 million. Notably, Image REIT is Shariah-compliant.

Debt Listing

- Pakistan Stock Exchange listed Parwaaz Financial Services' Green Action Bond - Rated, Secured, and Privately Placed Term Finance Certificate (TFC) with total issue size of PKR 1 billion. The instrument carries a three-year tenor and offers a floating rate of 3-month KIBOR + 100 bps. This listing marks a key milestone in advancing sustainable finance and reflects growing investor interest in ESG-aligned instruments.
- K-Electric listed its short-term retail Sukuk at PSX on September 15, 2025, which was oversubscribed by 2.2x against its target of PKR 2 billion. The issue size of this instrument was PKR 3 billion. A unique feature of this Sukuk was the option of bill adjustments against monthly profits for KE's residential and commercial consumers.

Revamp of Book Building System

PSX initiated the revamp of its Book Building System with the primary objective of achieving full digital integration and enhancing bidder convenience. The ongoing initiative is focused on eliminating existing operational bottlenecks and establishing a more efficient, transparent, and investor-friendly Book Building process. Currently, PSX is in the process of testing the revamped Book Building System with the market participants providing them with the opportunity to evaluate the system's functionality, compatibility, and overall performance in a real-world setting prior to its official launch.

PSX Launches End-of-Day (EOD) Product in Collaboration with Deutsche Börse AG

PSX has launched its End-of-Day Market Data Product on the Deutsche Börse Data Shop, enhancing global access to Pakistan's financial data. The subscription-based product offers structured insights including closing prices, index data, market statistics and corporate announcements. Beyond its analytical utility, the product introduces a new layer of data integrity and validation, allowing users to cross-reference live market feeds with PSX's official closing values. This initiative strengthens data transparency, supports investor decision-making, and aligns PSX's commercial practices with global standards.

Strengthening Market Oversight: PSX–SECP Collaboration

PSX and SECP have signed an MoU granting SECP direct access to PSX's New Surveillance System. Powered by Shenzhen Stock Exchange technology, this integration enhances regulatory coordination and enables SECP to conduct smarter, faster, and more secure market surveillance.

Pakistan to Transition to T+1 Settlement Cycle

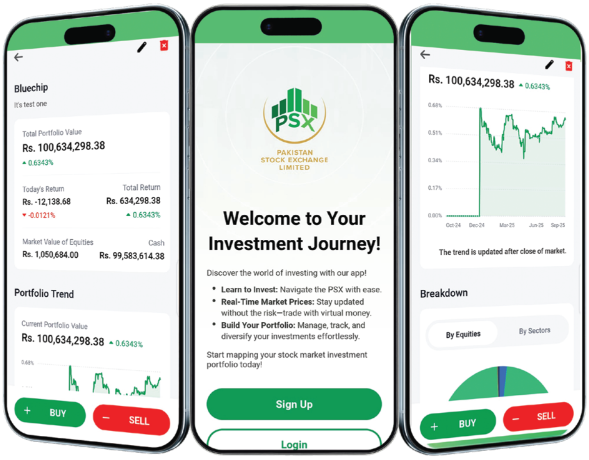
Pakistan's capital market will officially shift from a T+2 to a T+1 settlement cycle on February 9, 2026, as announced by NCCPL in collaboration with PSX, CDC, and SECP. This move aligns Pakistan with global financial markets like the USA, China, and Canada, reflecting the growing maturity and resilience of its capital market. The transition is backed by strong regulatory support and stakeholder collaboration, aiming to enhance market efficiency, transparency, and investor confidence.

IPO Roundtable 2025 in Peshawar

The IPO Roundtable 2025 in Peshawar brought together SECP, PSX, IAP, CTIs, lead managers, and top business leaders to strengthen Pakistan's capital market ecosystem. From strategic insights to real-world success stories from listed companies, the roundtable offered unlisted firms the knowledge and support needed to take the next step toward listing.

In 1QFY26, PSX continued its journey of innovation and outreach through a series of recent developments. From launching interactive digital platforms to representing Pakistan's capital market on strategic forums, these efforts reflect PSX's commitment to accessibility, engagement, and institutional visibility.

Gamification App – Stock Challenge



The Stock Challenge app by PSX is an innovative gamification app designed to make learning about the stock market engaging and interactive.

The app is designed especially for new and aspiring investors, it simulates real-time trading using virtual money, helping users build confidence and skills without taking any monetary risk.

GET IT ON Google Play

Download on the App Store

App Features

- Free and user-friendly app tailored for beginners
- Virtual trading environment to practice stock investing
- Multiple portfolio creation for strategy testing
- Real-time insights into profits, transactions, and portfolio performance
- Ideal for learning market dynamics in a risk-free, engaging way

To download the app, scan the QR code or click/tap the link below.

https://play.google.com/store/apps/details?id=com.psx.MyPortfolio

https://apps.apple.com/us/app/psx-stock-challenge/id6748220454

PSX Enhances Digital Reach with Official WhatsApp Channel

To enhance investor engagement and real-time communication, Pakistan Stock Exchange has launched its official WhatsApp Channel. This platform offers instant access to market updates, product launches, educational content, and event notifications, all in one place.

Whether you're tracking performance or seeking timely alerts, PSX's WhatsApp Channel ensures you stay informed, connected, and empowered.

Key Features of the PSX WhatsApp Channel:

- Market news and official announcements
- Daily market performance highlights and key statistics
- Investor education content
- Notifications for new product launches, events, and initiatives

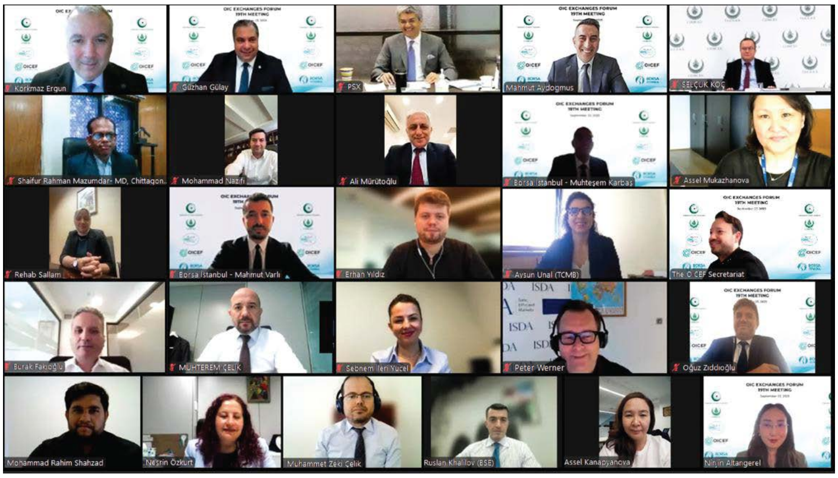
Join the channel now by scanning the QR code below or tapping the link to stay informed, anytime, anywhere.

https://whatsapp.com/channel/0029VbAjbXS4CrfiIptgon0z

PSX Drives Market Outreach at Premier Tech Expo - 26th ITCN Asia Expo 2025

In a strategic initiative to enhance public engagement and promote financial literacy, PSX actively participated in the Pakistan Capital Market Pavilion at ITCN Asia 2025. Held from September 23 to 25 at the Karachi Expo Center, this premier technology and innovation event provided a dynamic platform for PSX to connect with a broad audience. The pavilion, orchestrated by SECP and shared with key market institutions including CDC, NCCPL, and PMEX, was strategically located in Hall 3. PSX's presence featured dedicated counters that facilitated direct interaction with visitors, educating them on capital market opportunities and PSX's digital services. This participation underscores PSX's ongoing commitment to expanding its digital footprint, fostering investor awareness, and strengthening collaborative ties within the nation's financial ecosystem, thereby reinforcing its role as a forward-thinking and accessible national exchange.

PSX CEO Highlights Innovation & Integration at OIC Forum



At the 19th OIC Exchanges Forum, PSX CEO Mr. Farrukh H. Sabzwari joined leaders from Borsa Istanbul, Bursa Malaysia, Baku Stock Exchange, and Casablanca Stock Exchange to represent Pakistan's capital market.

In his address, he highlighted PSX's strong market performance and strategic focus on liquidity, product expansion, and operational excellence. He also emphasized regional collaboration, sustainability, and AI adoption across capital market functions, underscoring PSX's commitment to expanding investor base and inclusive growth.