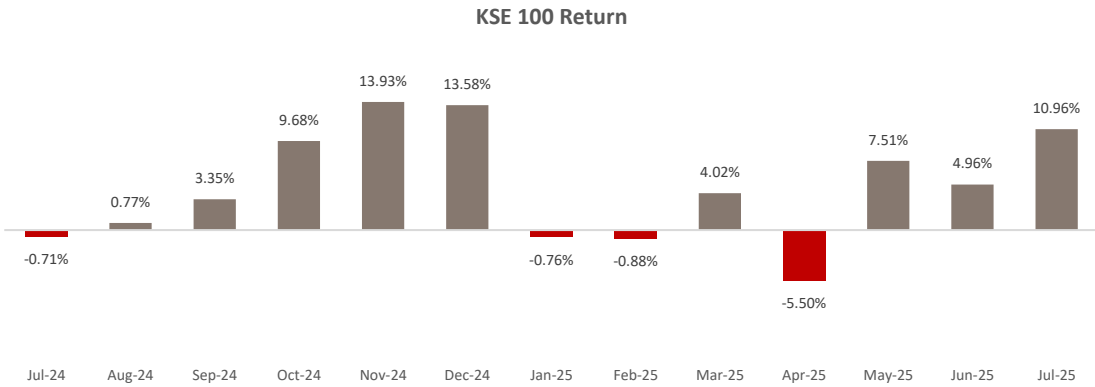


ACPL DIGEST (Jul-25)

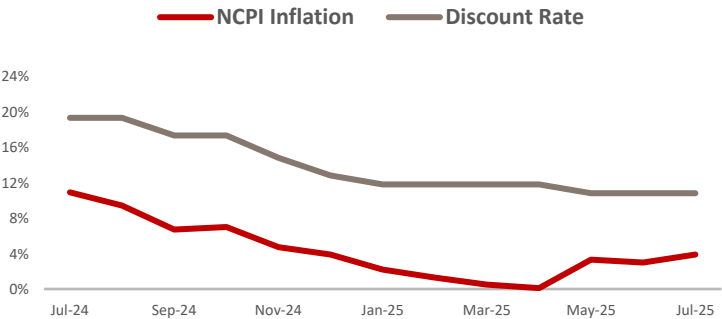


Remittances			Exports			Imports			Current Account	
FY25	FY24	Change	FY25	FY24	Change	FY25	FY24	Change	FY25	FY24
\$38.30 bn	\$30.25 bn	▲ 26.61%	\$32.11 bn	\$30.68 bn	▲ 4.7%	\$58.38 bn	\$54.78 bn	▲ 6.6%	\$2.100 bn	-\$2.070 bn

In July 2025, the KSE-100 Index posted a strong performance, rising 11% MoM to close at 139,390 points, driven by improved macroeconomic indicators, robust external sector dynamics, and renewed investor confidence. A major catalyst during the month was the historic U.S.-Pakistan agreement to explore untapped oil reserves, which sparked a sharp rally in oil-related stocks. Investor sentiment was further supported by the U.S. decision to reduce tariffs on Pakistani exports from 29% to 19%, effective August 2025. Additionally, S&P Global upgraded Pakistan’s sovereign credit rating to ‘B-’ with a Stable outlook, reflecting progress on economic reform and stabilization. While the State Bank of Pakistan maintained the policy rate at 11%, contrary to market expectations of a cut.

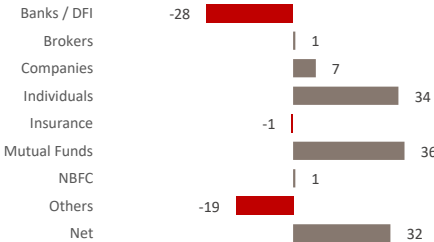


Source: PSX

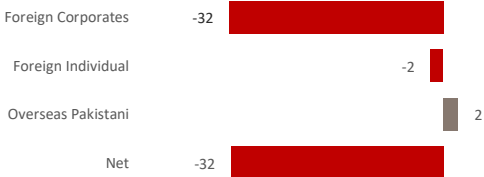


Source: PBS, SBP

LIPI (USD'mn) (Jul-25)



FIPI (USD'mn) (Jul-25)



Source: NCCPL

PORTFOLIO INVESTMENTS (SECTOR WISE)

Headline CPI rose to 4.1% in July due to a fading base effect; however, FY25 average inflation fell sharply to 4.49% from 23.41% in FY24—the lowest in nearly a decade. On the external front, the current account posted a surplus of USD 2.1 billion in FY25, the highest in 22 years, while workers' remittances hit a record USD 38.3 billion, up 27% YoY. These positive macroeconomic and fiscal developments sustained the PSX's upward momentum throughout the month.

Looking ahead, market focus will shift to the upcoming MSCI quarterly review and corporate earnings season. Any upward revision in Pakistan's MSCI index weight could attract additional foreign inflows, while earnings announcements are expected to play a pivotal role in shaping investor sentiment and market direction.

Our recommended stocks for Dividend yield include PAKRI, FABL, ORM, OLPL, FFC & for Capital Gain are SSGC, PPL, SYS, ILP, SEARL & CHCC.

(USD' mn) (Jul-25)												
	Cement	Banks	Fertilizer	Food	E&P	OMC	Power	Tech	Textile	Others	Gross	
LIPI Portfolio	Banks / DFI	-0.37	-25.23	-1.09	0.80	3.36	5.78	-0.43	0.77	-1.21	-10.71	-28.33
	Broker Proprietary Trading	-1.91	2.68	1.57	0.97	-1.23	0.33	-0.94	-0.54	0.07	-0.31	0.69
	Companies	7.45	18.54	-7.24	2.18	-4.38	3.78	-0.34	-4.32	0.14	-8.46	7.34
	Individuals	-1.86	10.65	-2.64	0.83	3.61	-5.89	0.14	6.46	0.09	22.95	34.34
	Insurance Companies	-0.33	-5.48	-2.29	0.77	2.11	0.31	-0.64	0.17	-1.00	5.77	-0.60
	Mutual Funds	-0.26	12.39	13.21	0.49	9.08	0.05	3.01	-1.15	2.30	-2.77	36.34
	NBFC	0.06	0.28	0.33	0.01	-0.06	-0.05	0.01	-0.01	0.01	0.10	0.68
	Other Organization	-3.29	-7.16	-1.17	-0.40	-2.16	-3.07	-0.33	-0.16	-0.19	-0.77	-18.71
LIPI Total	-0.51	6.67	0.67	5.65	10.33	1.24	0.48	1.23	0.19	5.78	31.75	

	Cement	Banks	Fertilizer	Food	E&P	OMC	Power	Tech	Textile	Others	Gross	
FIPI Portfolio	Foreign Corporates	-0.19	-6.96	-0.30	-3.16	-11.79	-1.37	0.12	-0.96	0.69	-8.09	-32.01
	Foreign Individual	0.02	-2.03	0.00	0.10	0.00	-0.10	0.00	0.04	0.00	0.03	-1.94
	Overseas Pakistani	0.68	2.32	-0.37	-2.58	1.45	0.23	-0.60	-0.31	-0.89	2.35	2.28
	Total	0.51	-6.67	-0.67	-5.65	-10.33	-1.24	0.39	-1.23	-0.19	-5.71	-31.67

Source: NCCPL

COMMODITIES OVERVIEW

Crude

In July 2025, crude oil prices exhibited upward momentum, rising by 6.7% compared to June, primarily driven by heightened geopolitical tensions and seasonal demand. The escalation of the Israel-Iran conflict—particularly Israel's airstrikes on Iran's nuclear and military installations on June 13—added a risk premium to the market, lifting energy prices. Global oil supply increased to 105.6 million barrels per day (bpd), supported by higher output from Saudi Arabia and rising non-OPEC+ production from the U.S., Brazil, and Canada. Furthermore, OPEC+ announced on July 5 a production hike of 550,000 bpd for August, effectively reversing most of its earlier voluntary cuts. This move signaled a well-supplied market, which helped moderate prices toward the end of the month. These developments collectively shaped a volatile yet upward-trending crude oil market in July.

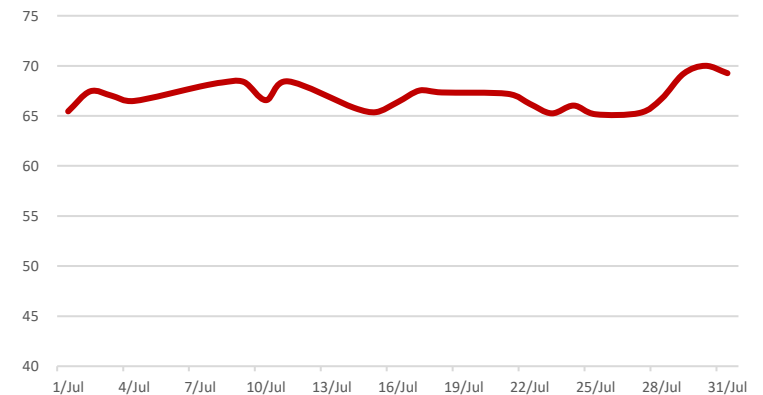
Looking ahead, market volatility is expected to persist, with price direction influenced by geopolitical developments, continued supply growth, and weak demand from China, where recent manufacturing data has disappointed. Additionally, ongoing uncertainties surrounding Russian oil supply may further contribute to price fluctuations in the coming weeks.

Gold

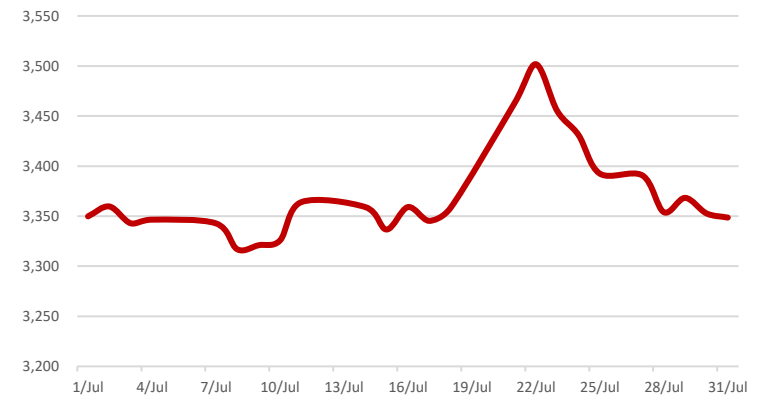
In July 2025, gold prices edged up by 0.7%, amid heightened volatility rather than strong bullish momentum. Geopolitical tensions, especially in the Middle East, and uncertainty over global trade talks weighed on sentiment. Market instability was further fueled by public disagreements between former U.S. President Donald Trump and the Fed Governor over rate cuts. While the Fed held rates steady, weaker-than-expected U.S. Non-Farm Payroll data at month-end shifted sentiment in gold's favor. This revived its upward structure, suggesting a potential return to bullish momentum ahead.

We expect gold to continue its upward trajectory and possibly make new highs.

Brent



Gold



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DEFINITION OF TERMS

TP	Target Price	DDM	Dividend Discount Model	FCF	Free Cash Flows
FCFE	Free Cash Flows to Equity	FCFF	Free Cash Flows to Firm	DCF	Discounted Cash Flows
PE	Price to Earnings Ratio	PB	Price to Book Ratio	BVPS	Book Value Per Share
EPS	Earnings Per Share	DPS	Dividend Per Share	ROE	Return of Equity
ROA	Return on Assets	SOTP	Sum of the Parts	JPB	Justified Price to Book

Ratings are updated to account for any development impacting the economy/sector/company, changes in analysts' assumptions or a combination of these factors.

VALUATION METHODOLOGY

To arrive at our Target Price, Abbasi & Company (Private) Limited uses different valuation methods which include:

- I. Discounted Cash Flow Model
- II. Dividend Discount Model
- III. Relative Valuation Model
- IV. Sum of Parts Valuation

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