



**WEEKLY REPORT**  
**BLOCKADE BATTERS EQUITIES**

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**DATE:**

Thursday, April 30, 2026

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## Major Events

During the week, the stock market was impacted by a combination of news and events that had a considerable effect on its direction. Key events that shaped the market's trend included:

### Oil Surge Bites, While Circular Debt Climbs

The Middle East conflict continued to reverberate through Pakistan's energy landscape with intensifying force this week. Diplomatic paralysis deepened as Trump cancelled his envoys' trip to Islamabad, while Iran's parliament speaker dismissed the US blockade — warning oil could reach USD 140/bbl. The UAE's departure from OPEC and OPEC+, a historic rupture in the organization's architecture, added further disarray to an already fragile supply outlook. The World Bank's latest Commodity Markets Outlook reinforced the alarm, projecting a 24% surge in global energy prices — the sharpest since Russia's invasion of Ukraine — with Strait of Hormuz disruptions reducing global oil supply by approximately 10 million barrels per day. For Pakistan, the pass-through has been swift and steep: petrol and diesel prices rose PKR 26.77/litre, and the weekly oil import bill surged to an estimated ~ USD 800mn— nearly 167% above pre-conflict levels of ~ USD 300mn. Against this backdrop, Pakistan's power sector circular debt climbed to PKR 1.84tn in February, up PKR 225bn on a FYTD basis — a sharper accumulation than the PKR 138bn recorded in the same period last year. DISCO underperformance remained the primary driver, contributing ~ PKR 141bn to the buildup. Encouragingly, under-recoveries showed measurable improvement, similarly IPP stock payments rose to PKR 228bn against PKR 28bn in the prior period — though structural leakages continue to offset these gains.

### Financing Holds — But the Pressure Is Real

Despite a week dominated by external shocks, Pakistan's financing position held — though with caveats that warrant attention. The State Bank confirmed repayment of USD 3.45bn to the UAE, a significant external obligation discharged with reserves remaining broadly stable at USD 15–16bn. Governor SBP reiterated confidence in reaching USD 18bn by June 2026, noting that of USD 25.4bn in total FY26 debt obligations, USD 21.2bn has been settled or rolled over, leaving a net repayment burden of approximately USD 1.5bn for the remaining quarter. The IMF Executive Board formally scheduled its May 8 meeting to deliberate on the USD 1.21bn tranche under the EFF and RSF, with Finance Minister Aurangzeb confirming that most programme conditions have been met. In a structurally significant move, the IMF also revised the captive power plant levy formula — shifting calculation to an average of peak and non-peak hours — reducing the levy by ~61% from PKR 1,303/MMBtu to approximately PKR 500/MMBtu, providing material cost relief to export-oriented industries. On the multilateral front, the European Investment Bank formalized a EUR 160mn package for climate-resilient housing and water infrastructure, while the EU-Pakistan Business Network was formally launched. These inflows are

## Major Events

meaningful, but they arrive as Pakistan's external account simultaneously absorbs an oil shock of historic proportions — the resilience of the financing pipeline, while real, must be read in that context.

### Pivots and Pinch Points

Pakistan's structural agenda advanced on several fronts this week, though the picture carries its share of complications. In a milestone for the privatisation programme, the Arif Habib consortium acquired the remaining 25% stake in PIA, bringing private ownership to 100% — with fleet expansion to 50 aircraft targeted by September 2026. On trade, Pakistan formalized six land transit routes for Iran-bound cargo under a 2008 bilateral agreement, addressing a growing backlog of approximately 3,000 containers stranded at Karachi/ Port Qasim — a pragmatic response to Strait of Hormuz disruptions, though one expressly ring-fenced from broader bilateral trade given persistent sanctions constraints. In parallel, the first export to Kyrgyzstan via the TIR (Transports Internationaux Routiers) regime was launched from Karachi's EPZ (Export Processing Zone), opening a land corridor to Central Asia through Sost Dry Port. The government is also exploring a Pakistan-Iran-Oman trade bloc anchored at Gwadar. On the regulatory front, NEPRA abolished licensing requirements for solar systems up to 25kW, and the SBP streamlined affordable housing credit approvals to a two-week turnaround. Against these forward-looking moves, reports of Etisalat conducting a preliminary review of its PTCL exposure — driven by geopolitical risk and evolving capital allocation priorities — serve as a reminder that FDI sentiment remains susceptible to the same regional dynamics Pakistan is actively trying to navigate around. The transition is underway, but not without friction.

## Other News

**Oil rises on reports US will extend Iran blockade, prolonging Mideast supply disruptions:** Oil prices rose on Wednesday, extending a multi-day rally, on reports the US will extend its blockade of Iranian ports, likely prolonging supply disruptions from the key Middle East producing region.

**EU-Pakistan Business Network launched:** Pakistan and the European Union (EU) on Tuesday formally launched the EU-Pakistan Business Network, a new platform designed to shift bilateral economic engagement from dialogue to deal-making by connecting European investors with Pakistan's policy and regulatory framework.

**Up to 25 kW: NEPRA removes licence requirement for small solar users:** The National Electric Power Regulatory Authority (NEPRA) abolished on Tuesday the licensing requirement for solar consumers with systems of up to 25 kilowatts, offering relief to households and small businesses looking to adopt renewable energy.

**Power generation projects:** Nepra introduces 'Concurrence Regulations': National Electric Power Regulatory Authority (NEPRA) has introduced new "Concurrence Regulations 2026" for power generation projects. According to the SRO 692 (I)/2026 – NEPRA Concurrence Regulations 2026, aimed at tightening oversight of new power generation projects and standardising the approval process for setting up generation facilities in Pakistan.

**ECC sees price stability:** The Economic Coordination Committee (ECC) of the Cabinet on Monday noted that inflationary pressures, while still present, are gradually easing, with emerging trends indicating improved price stability and a more balanced economic outlook.

**Putin assures Iranian FM Moscow will do 'everything' to help secure ME peace:** Trump reviews new Iran proposal as Araghchi says US has not achieved any war goals: US President Donald Trump discussed a new Iranian proposal on resolving the war with Tehran with his top national security aides on Monday.

**Pakistan BCI falls to 47.4 in April 2026:** The overall Business Confidence Index (BCI) declined by 0.3 points, falling to 47.4 in April 2026, the latest results of the Business Confidence Survey (BCS), conducted by the State Bank of Pakistan (SBP) in collaboration with the Institute of Business Administration (IBA), revealed.

**KPT terminals: minister announces 25-50pc storage charge waivers:** Federal Minister for Maritime Affairs Muhammad Junaid Anwar Chaudhry on Sunday announced storage charge waivers ranging from 25 to 50 percent at Karachi Port Trust (KPT) terminals to facilitate exporters affected by recent disruptions in Gulf-bound shipments.

**Exports to major European markets slow down despite GSP+ status:** Pakistan's exports to major western and northern European markets have recorded negative growth in the first nine months of the current fiscal year compared with a year ago, despite the continuation of the Generalised Scheme of Preferences (GSP+) status, raising concerns about weakening demand for the country's goods.

**Seapeak Magellan to bring LNG cargo on April 30:** TotalEnergies, after winning a contract for one LNG cargo at \$18.4 per mmbtu, will dispatch the vessel Seapeak Magellan, which is expected to berth at the PGPC terminal at Port Qasim, Pakistan, on April 30, 2026, carrying around 140,000 cubic metres, or approximately 3 billion cubic feet (bcf), of LNG.

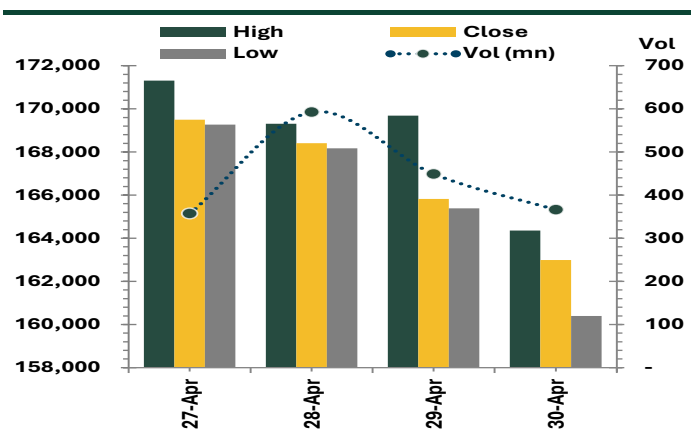
**FMPAC warns Punjab Fertilizer Act enforcement may hurt compliant firms:** Fertilizer Manufacturers of Pakistan Advisory Council (FMPAC) has raised serious concerns over the enforcement approach under the Punjab Fertilizer Control Act, 2025, cautioning that the current guidelines may expose compliant manufacturers to undue legal and reputational risks while failing to effectively target actual offenders.

# Equity Market Review

## Summary

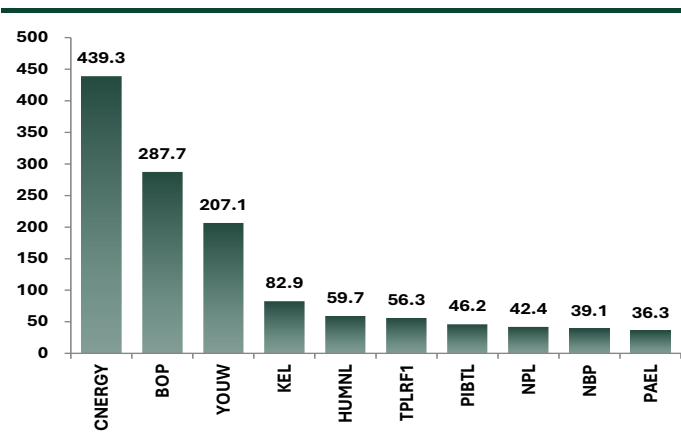
The Pakistan Stock Exchange (PSX) witnessed a highly volatile and broadly bearish week, as the benchmark KSE-100 Index remained under sustained pressure amid escalating geopolitical tensions, sharp swings in global oil prices, and a tighter domestic monetary environment. Overall sentiment stayed fragile throughout the week, with repeated bouts of aggressive selling dominating trading activity and only limited, short-lived recovery attempts. The key external driver was heightened volatility in crude oil, with Brent at one point surging above the USD 120/bbl on concerns over Middle East supply disruptions, significantly heightening fears over Pakistan’s external account position due to rising oil import costs. Domestically, sentiment was further dampened by the State Bank of Pakistan’s 100bps policy rate hike, which reinforced concerns over earnings pressure in leveraged sectors and curtailed risk appetite. Additional pressure from rollover week dynamics, elevated inflation expectations, and cautious positioning contributed to broad-based weakness across the board. The benchmark KSE-100 Index closed the week at 162,994.17 level, down ~7,677.87 points w/w. Market participation remained uneven, with subdued volumes and defensive investor behavior, while intermittent rebounds lacked conviction and were largely technical in nature amid a persistently risk-off tone.

### Daily Market Performance



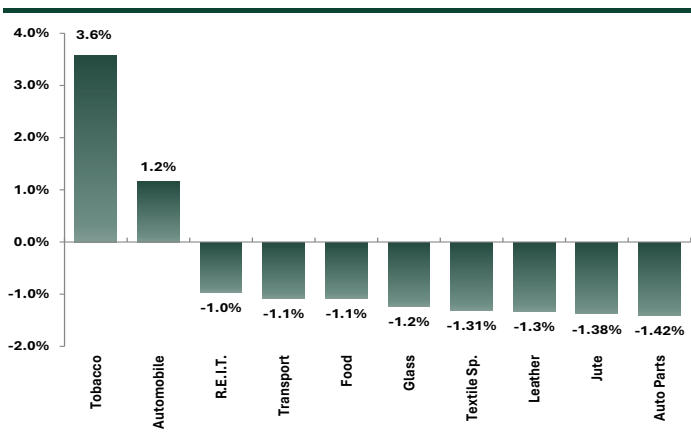
Source: PSX & HMFS Research

### Top 10 Volume leaders (volumes in mn)



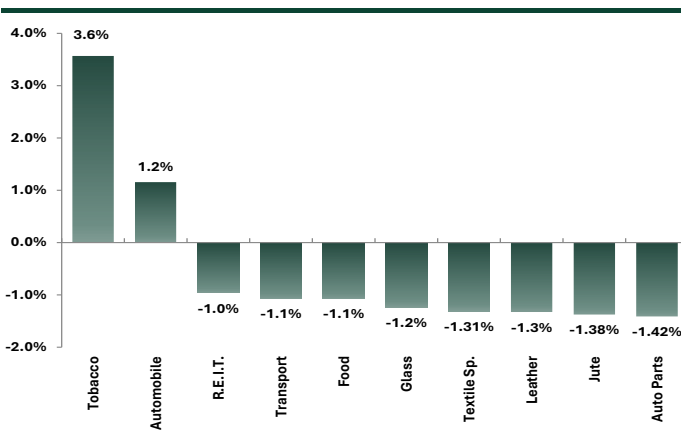
Source: PSX & HMFS Research

### Sector Performance



Source: PSX & HMFS Research

### Gainers & Losers (KSE-100 Index)



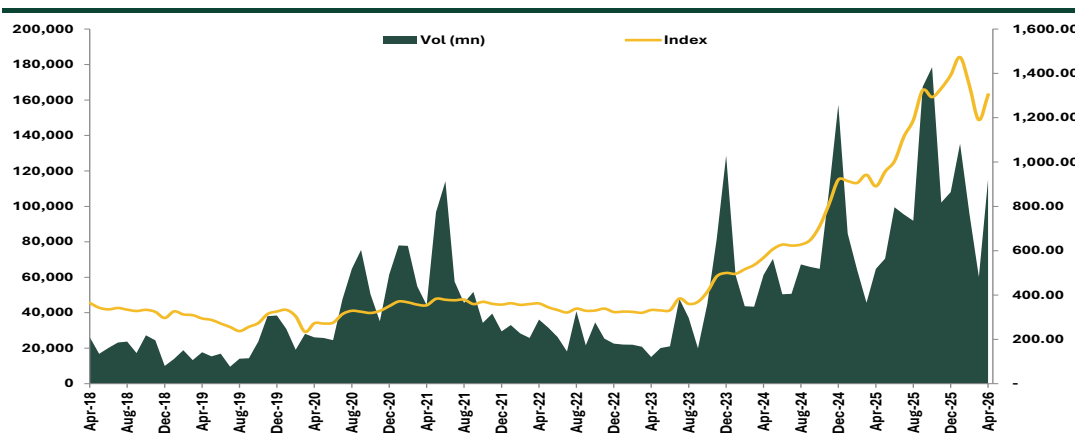
Source: PSX & HMFS Research

# Equity Market Review

## Outlook

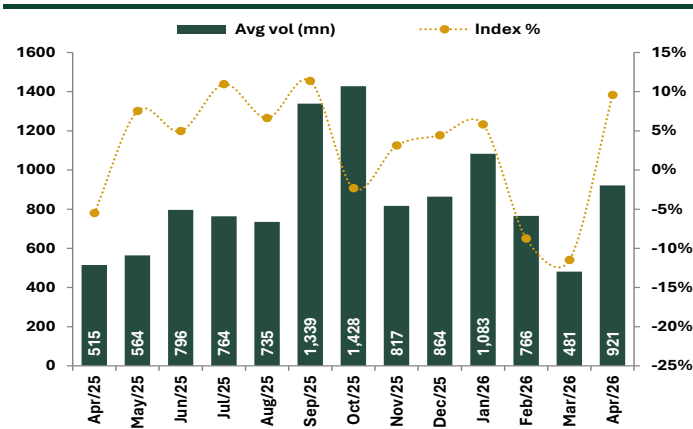
Looking ahead, market direction is expected to remain highly sensitive to developments in global oil prices and geopolitical headlines, which continue to dictate near-term sentiment. Any further escalation in external geopolitical tensions could prolong volatility and keep investors risk-averse, while sustaining pressure on risk assets. Conversely, signs of diplomatic de-escalation or stabilization in crude oil markets may provide relief and support a technical recovery in the benchmark index. Meanwhile, focus will also remain on upcoming domestic and external policy developments, particularly the IMF Executive Board meeting on May 08, 2026, regarding the USD 1.21bn tranche, which could serve as a key stabilizing trigger for sentiment in the coming sessions. In the interim, a cautious and selective investment approach remains warranted amid elevated volatility, with market participants likely to remain focused on risk management and stock-specific opportunities rather than broad-based positioning.

### Index Performance



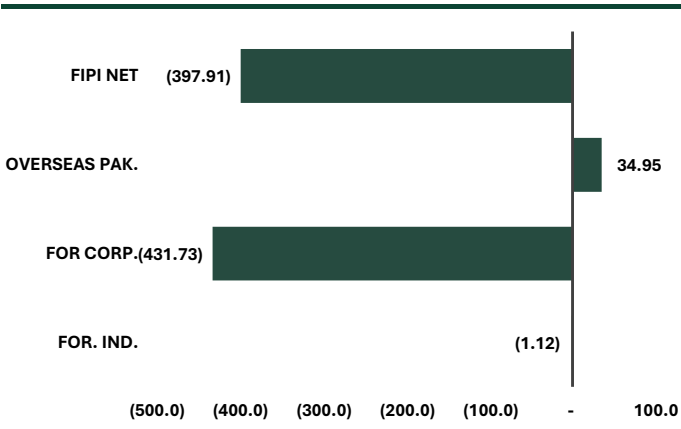
Source: PSX & HMFS Research

### MoM Index gain vs Average Volume



Source: PSX & HMFS Research

### FIPI (CYTD in USD mn)



Source: NCCPL & HMFS Research

# Money Market Review

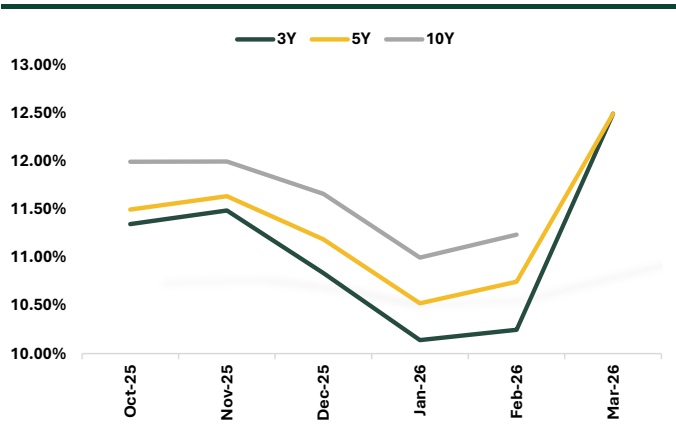
## Summary

During the week, the State Bank of Pakistan (SBP) conducted a T-Bills auction, raising PKR 1.339tn, with cut-off yields increasing across all tenors. The 1-month yield rose by 78bps to 11.48%, the 3-month by 40bps to 11.84%, the 6-month by 83bps to 11.98%, and the 12-month by 21bps to 12.10%, reflecting a broad-based upward shift in short-term rates. A Pakistan Investment Bonds (PIBs) auction was also conducted; however, no funds were raised.

## Outlook

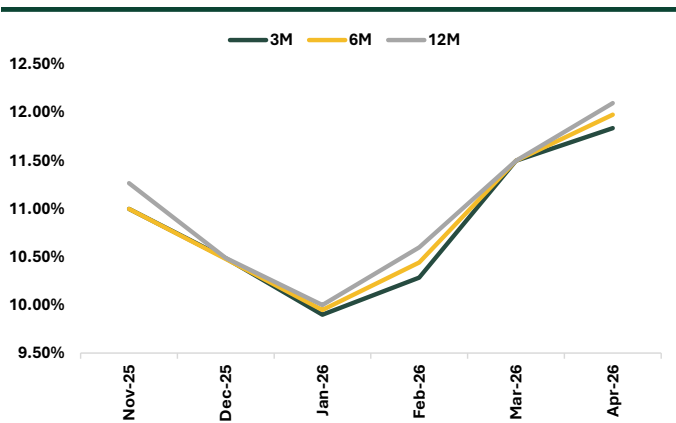
The Monetary Policy Committee (MPC) raised the policy rate by 100bps to 11.5% during the week, marking a shift from the earlier easing cycle amid rising inflationary pressures. Escalating geopolitical tensions in the Middle East have driven up global commodity prices, with the government projecting a potential return to double-digit inflation if conditions persist. In this context, the recent increase in cut-off yields indicates a tightening bias in the interest rate environment. Going forward, money market dynamics are likely to remain sensitive to inflation trends and external developments, with a possibility of further upward adjustments in rates if inflationary pressures intensify.

### PIB Yields



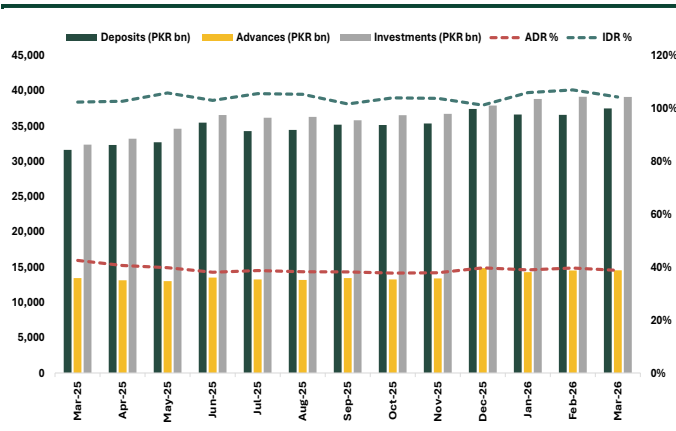
Source: SBP & HMFS Research

### T-Bill Yields



Source: SBP & HMFS Research

### Bank's ADR & IDR



Source: SBP & HMFS Research

# Forex Market Review

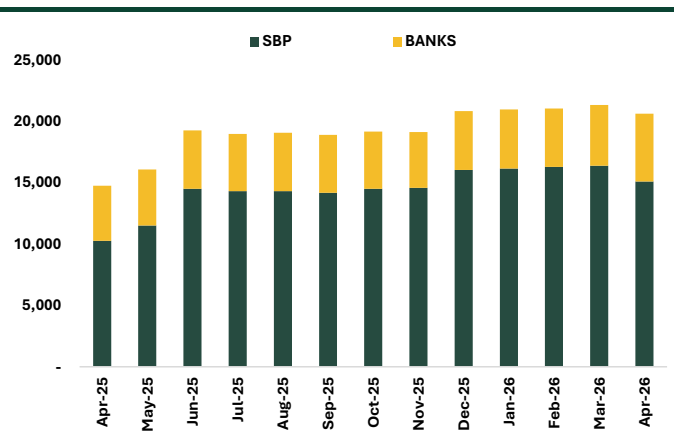
## Summary

During the week ended April 17, 2026, Pakistan’s external position strengthened as total liquid foreign exchange reserves rose by USD 104mn w/w to USD 20.63bn. Reserves held by the SBP increased by USD 18.1mn, reaching USD 15.1bn, reflecting continued support to the country’s reserve buffer. Meanwhile, commercial banks’ reserves posted a stronger uptick, rising by USD 85.9mn (up 1.58% w/w) to USD 5.53bn. On the currency front, the PKR remained broadly stable in the interbank market, closing at PKR 278.77/USD on April 30, 2026.

## Outlook

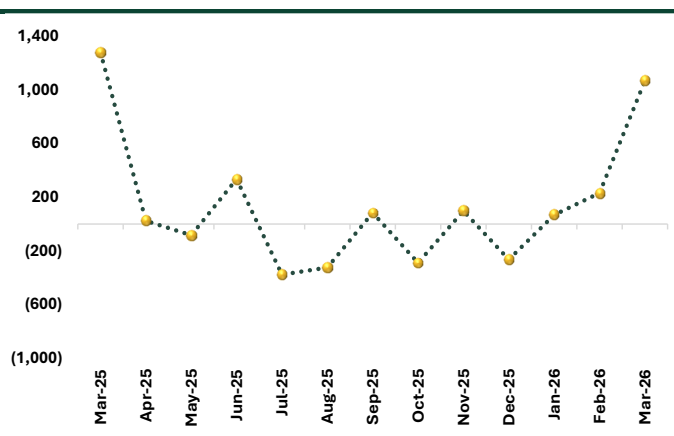
The forex outlook remains cautious, driven by a sharp escalation in the petroleum import bill, which surged by 167% to USD 800mn amid ongoing geopolitical tensions. With global oil prices rising above USD 120/bbl for Brent and USD 100/bbl for WTI, the domestic import bill is expected to remain elevated, placing additional strain on the current account. Moreover, the closure of the Strait of Hormuz poses risks to trade flows, potentially disrupting exports and further weakening external balances. While the pending USD 1.2bn IMF disbursement could provide some support to reserves, the magnitude of import-driven pressures is likely to offset these inflows. In this environment, the forex market is expected to remain under pressure, with the PKR likely to trade cautiously against the USD.

Foreign Exchange Reserves (USD bn)



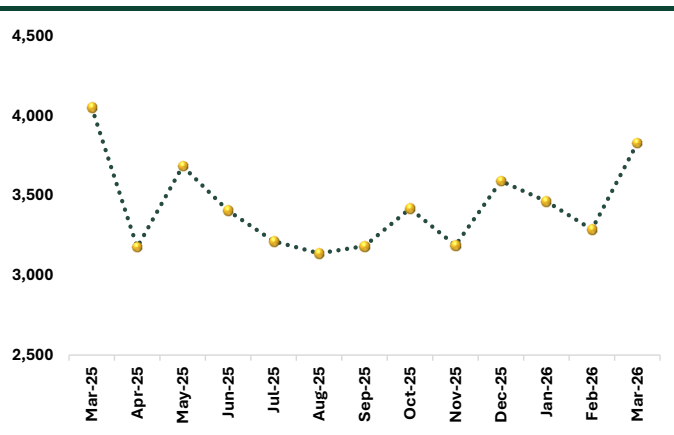
Source: SBP & HMFS Research

Current Account Balance (USD mn)



Source: SBP & HMFS Research

Remittances (USD mn)



Source: SBP & HMFS Research

## Key Economic Indicators

Item	Units	Mar-26	Feb-26	Jan-26	Dec-25	Nov-25	Oct-25	%M/M	CY25	CY24	%Y/Y
<b>Banking Indicators</b>											
Return on Outstanding Loans	%	10.48%	10.59%	10.63%	10.91%	11.15%	11.25%	-0.11%	11.74%	17.03%	-5.30%
Return on Deposits	%	4.94%	4.97%	5.01%	5.35%	5.23%	5.23%	-0.03%	5.54%	10.77%	-5.23%
<b>Interest rate Spread</b>	%	5.54%	5.62%	5.62%	5.56%	5.92%	6.02%	-0.08%	6.20%	6.26%	-0.06%
Deposits	(PKR bn)	37,505	36,586	36,642	37,431	35,380	35,149	2.51%	37,431	30,283	23.60%
Advances	(PKR bn)	14,555	14,534	14,291	14,880	13,421	13,279	0.15%	14,880	16,009	-7.05%
Investments	(PKR bn)	39,127	39,156	38,839	37,910	36,732	36,547	-0.08%	37,910	29,129	30.14%
<b>ADR</b>	%	38.81%	39.73%	39.00%	39.75%	37.93%	37.78%	-0.92%	39.75%	52.87%	-13.11%
<b>IDR</b>	%	104.32%	107.02%	105.99%	101.28%	103.82%	103.98%	-2.70%	101.28%	96.19%	5.09%
<b>Kibor (Ask Side)</b>											
3-Month	%	11.03%	10.53%	10.39%	10.85%	11.16%	11.16%	0.50%	11.40%	18.81%	-7.41%
6-Month	%	11.12%	10.55%	10.39%	10.89%	11.19%	11.18%	0.58%	11.39%	18.58%	-7.19%
9-Month	%	11.50%	10.79%	10.62%	11.15%	11.44%	11.39%	0.71%	11.61%	18.50%	-6.89%
1-Year	%	11.57%	10.80%	10.61%	11.16%	11.47%	11.40%	0.76%	11.61%	18.21%	-6.60%
<b>Avg. Exchange Rates</b>											
USD		279.30	279.62	279.95	280.29	280.71	281.11	-0.11%	281.15	278.53	0.94%
Euro		322.83	330.91	328.56	328.43	324.52	327.24	-2.44%	317.82	301.36	5.46%
JPY		1.76	1.80	1.79	1.80	1.81	1.86	-2.41%	1.8811	1.8410	2.18%
GBP		372.54	380.06	378.54	375.40	368.67	375.43	-1.98%	370.72	355.94	4.15%
CNY		40.51	40.49	40.17	39.81	39.49	39.48	0.06%	39.11	38.70	1.07%
<b>Inflation</b>											
Avg. CPI	%	5.67%	5.46%	5.24%	5.10%	5.01%	4.73%	0.21%	4.49%	23.41%	-18.92%
Avg. NFNE	%	7.40%	7.10%	7.20%	6.90%	6.60%	7.50%	0.30%	6.90%	12.20%	-5.30%
<b>Commodities</b>											
Arab Light (Avg.)	USD/bbl	102.99	67.67	62.88	62.82	65.62	66.82	52.18%	74.89	86.22	-13.14%
<b>External Sector (FY USD mn)</b>											
Total Imports	(USD Mn)	4,995	5,290	5,805	6,081	5,306	6,087	-5.58%	58,387	54,937	6.28%
Total Exports	(USD Mn)	2,264	2,276	3,055	2,268	2,420	2,848	-0.53%	32,039	30,684	4.42%
Trade Balance	(USD Mn)	(2,731)	(3,014)	(2,750)	(3,813)	(2,886)	(3,239)	9.39%	(26,348)	(24,253)	-8.64%
Current Account Balance	(USD Mn)	1,070	231	68	(265)	98	(291)	363.20%	328	(313)	204.79%
Remittances	(USD Mn)	3,831	3,288	3,464	3,592	3,188	3,420	16.53%	38,300	30,251	26.61%
Oil Import Bill	(USD Mn)	983.01	1,199.40	1,186.10	1,183.09	1,007.78	1,293.23	-18.04%	15,003.59	15,161.83	-1.04%

Source: SBP, PBS, Oilprice.com, HMFS Research

Note: % change is of last available month

\*N/M: Not Meaningful

## Valuation Guide

	Symbol	Period End	Stance	Current Price	Fair Value	FV Return	M. Cap	EPS			DPS			DY		P/E		P/B		ROE		Total Yield		
							PKR	2025 A	2026 E	2027 F	2025 A	2026 E	2027 F	2026 E	2027 F	2026 E	2027 F	2026 E	2027 F	2026 E	2027 F	2026 E	2027 F	CY-26/ FY-26
							Trn	PKR	PKR	PKR	PKR	PKR	PKR	%	%	x	x	x	x	%	%	%		
1	FFC	Dec	BUY	504.3	735.0	46%	725.7	51.7	50.3	53.8	37.0	43.0	46.0	9%	9%	10.0	9.4	4.4	4.1	44%	44%	54%		
2	EFERT	Dec	BUY	198.8	255.0	28%	265.5	17.0	28.5	31.0	15.0	26.7	27.0	13%	14%	7.0	6.4	5.1	4.6	73%	72%	42%		
3	INDU	Jun	BUY	2142.5	3267.0	52%	168.4	292.7	400.1	414.7	176.0	242.0	253.0	11%	12%	5.4	5.2	1.8	1.6	34%	31%	64%		
4	HCAR	Mar	HOLD	228.9	232.0	1%	32.7	19.0	20.5	23.0	8.0	8.5	9.5	4%	4%	11.2	10.0	1.3	1.2	12%	12%	5%		
5	HBL	Dec	BUY	282.9	372.0	32%	414.9	45.5	43.2	48.5	20.0	18.0	18.0	6%	6%	6.5	5.8	0.8	0.7	12%	13%	38%		
6	MCB	Dec	BUY	394.3	476.0	21%	467.3	49.3	44.5	53.1	36.0	36.0	36.0	9%	9%	8.9	7.4	1.8	1.6	20%	22%	30%		
7	UBL	Dec	BUY	381.2	514.0	35%	954.7	64.0	60.5	55.2	45.0	44.0	44.0	12%	12%	6.3	6.9	1.2	1.2	19%	17%	46%		
8	BAHL	Dec	BUY	170.2	228.0	34%	189.1	29.2	31.0	31.0	15.0	15.0	15.0	9%	9%	5.5	5.5	1.0	1.0	19%	17%	43%		
9	ABL	Dec	BUY	180.7	254.0	41%	206.9	31.7	45.4	33.4	16.0	17.5	18.0	10%	10%	4.0	5.4	0.9	0.8	22%	15%	50%		
10	MEBL	Dec	BUY	492.3	565.0	15%	886.5	50.2	52.5	54.2	28.0	27.0	28.0	5%	6%	9.4	9.1	2.6	2.3	28%	26%	20%		
11	MUGHAL*	Jun	BUY	70.0	106.0	51%	23.5	2.8	2.8		0.0	0.0		0%		25.0		0.8		3%		51%		
12	ISL	Jun	BUY	72.8	148.0	103%	31.7	3.6	7.2	9.5	2.5	4.0	8.0	5%	11%	10.1	7.7	1.5	1.4	14%	18%	109%		
13	OGDC	Jun	BUY	303.2	427.0	41%	1,303.9	39.5	34.9	37.9	15.1	18.0	20.0	6%	7%	8.7	8.0	0.9	0.8	10%	11%	47%		
14	PPL	Jun	BUY	206.6	350.0	69%	562.3	33.8	29.7	34.9	7.5	8.0	10.0	4%	5%	7.0	5.9	0.7	0.7	10%	11%	73%		
15	POL	Jun	BUY	664.7	897.0	35%	188.7	85.2	82.4	88.0	75.0	90.0	92.0	14%	14%	8.1	7.6	2.2	2.3	28%	30%	48%		
16	LUCK	Jun	BUY	408.0	568.0	39%	597.7	52.5	62.8	79.0	4.0	6.5	15.0	2%	4%	6.5	5.2	0.7	0.6	10%	12%	41%		
17	FCCL	Jun	BUY	47.5	72.0	52%	116.4	5.4	6.5	7.7	1.3	1.5	2.5	3%	5%	7.3	6.2	1.3	1.1	18%	18%	55%		
18	MLCF	Jun	BUY	79.6	147.0	85%	83.4	16.3	13.0	23.0	0.0	0.0	0.0	0%	0%	6.1	3.5	1.3	0.9	21%	27%	85%		
19	NML	Jun	BUY	138.8	175.0	26%	48.8	17.1	17.1	19.8	2.0	3.0	3.0	2%	2%	8.1	7.0	0.4	0.3	4%	5%	28%		
20	ILP	Jun	BUY	81.6	128.0	57%	114.4	3.8	9.2	9.0	1.0	4.0	6.0	5%	7%	8.8	9.1	1.3	1.3	15%	14%	62%		
21	GATM*	Jun	BUY	21.9	49.0	124%	16.2	5.4	7.0	5.2	0.0	0.0	0.0	0%	0%	3.1	4.2	0.3	0.3	10%	7%	124%		
HMFS Universe						47%	7,398.6						6%	7%	8.1	6.6	1.4	1.3	19%	21%	53%			

(\* ) Under Review (A) Actual (E) Estimated (F) Forecasted

Valuations may be revised following changes in monetary policy, fluctuations in relevant commodity prices, and the announcement of financial results, as well as other material macroeconomic or company-specific developments.

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BUY	More than 15% Upside
HOLD	Between 15% Upside & 15% Downside
SELL	More than 15% Downside

Note: All fair value estimates are for a twelve month time horizon unless specified otherwise in the report  
Upside/Downside represents the difference between the stated "Fair Value" & the prevailing "Market Price"  
Total Return is based on both the Capital Gains return & the Dividend Yield & is exclusive of all applicable taxes