REP-110

HABIBMETRO
Financial Services

WEEKLY REPORT

MUTED RECOVERY

SCRIP IN FOCUS:

Zarea Limited
(ZAL)

DATE:

Friday, October 31, 2025

Table Of Content

Upcoming Week: Scrip in Focus - ZAL

Zarea Limited (ZAL) is a listed digital technology firm operating in Pakistan's commodity trading market, offering a digital B2B procurement platform that enhances price discovery, market visibility, and transaction efficiency. The platform integrates value-added services, including logistics, warehousing, credit facilitation, and data analytics, positioning Zarea as a key driver of digital transformation within the commodity ecosystem. Zarea became Pakistan's first listed B2B e-commerce company following an IPO oversubscribed 1.9x, raising PKR 1.03bn. Since its listing on February 28, 2025, the stock has increased from PKR 16.50 to PKR 51.24 (as of October 31, 2025), delivering a 210.55% return in eight months.

Zarea Limited	
Symbol	ZAL
Bloomberg Code	ZAL PA
Mkt Cap (PKR Mn)	13,451.00
Mkt Cap (USD Mn)	47.92
No Of Shares (In Mn)	262.50
52 Weeks High	54.32
52 Weeks Low	13.27
Avg Volume (52 Weeks)	1,720,057.96
Avg Value	40,522,402.69

Source: PSX, HMFS Research

We expect ZAL to post an EPS of PKR ~8.5 for FY26, accompanied by a DPS of PKR 1.5, DY 2.93%. The stock currently trades at a modest 6x P/E, significantly below the sector average of 15x, reflecting strong re-rating potential. We maintain our Buy stance on ZAL, supported by its robust growth outlook, expanding commodities and service portfolio, strategic partnerships, and improving demand dynamics. These factors collectively make ZAL an attractive investment opportunity at current levels.

Strong Earnings Momentum in 1QFY26

Zarea Limited reported a robust 1QFY26 revenue of PKR 783mn, reflecting a 308% y/y increase, driven by strong growth across its business segments. Gross profit surged 92% y/y to PKR 231mn, while a significant boost came from other income, recorded at PKR 402mn, leading to a net profit of PKR 558mn—up 418% y/y—and an EPS of PKR 2.13. The Company maintained a healthy ROE of 19.71% with a debt-to-equity ratio of 1.35%, indicating efficient leverage utilization and improving profitability metrics.

ZAL Revenue Radar

Zarea's revenue is primarily derived from Platform Usage Fees (PUF) on transactions executed through its e-commerce platform and from trade in agricultural commodities. For FY25, the Company earned PKR 387mn from PUF and PKR 956mn from agri-commodity sales, with the latter forming the major portion of total revenue. The continued strength in agri-commodity transactions remains a key revenue driver, reinforcing Zarea's position as a leading digital B2B marketplace in Pakistan's commodity ecosystem.

Diversified Portfolio and Strategic Alliances

- **Product Portfolio:**

Zarea's product portfolio spans across key industrial categories including cement, agri biomass, fertilizers, coal, steel, building and finishing materials, agri perishables, grains and pulses, sugar, chemicals, cotton, and yarn.

Upcoming Week: Scrip in Focus - ZAL

- **Industries Served:**

Zarea caters to a wide range of industries such as feed mills, paper manufacturers, dairy farms, cattle farms, rice mills, flour mills, corn mills, textile mills, builders, contractors, and retail shops. The platform enables these businesses to efficiently source raw materials, reduce procurement costs, and streamline operations.

- **Partnerships:**

Zarea partners with some of Pakistan's leading companies including Interloop, Sapphire Textiles, Packages Group, Matco Foods Limited, Kohinoor Mills, Nishat Group, and Rafhan Maize Products, strengthening its position as a trusted supply chain partner across industries.

Zarea Expands Global Agri-Tech Capabilities via SAWiE Partnership

On October 15, 2025, ZAL entered a Memorandum of Understanding (MoU) with SAWiE (Sustainable Agriculture Water & Intelligent Ecosystem), a UK-based agri-intelligence platform leveraging satellite imaging, climate data, and AI-driven analytics. The collaboration aims to enhance agricultural productivity, traceability, and sustainability through data integration and AI-powered advisory tools. The initiative further strengthens Zarea's competitive edge and supports its expanding role in digitizing commodity markets.

Zarea Partners with Telenor to Drive AgriTech Transformation

Zarea Limited, has also signed an MoU with Telenor Pakistan recently, to advance digital transformation in agriculture. The partnership focuses on promoting sustainable farming, enhancing market transparency, and improving farmers' income potential through digital solutions. This collaboration aligns with Zarea's goal of building a connected and data-driven agri-commodity ecosystem, strengthening its position in Pakistan's evolving agri-tech landscape.

Zarea Embarks on Global Expansion with UAE Subsidiary Launch

Zarea Limited has achieved another significant milestone with the incorporation of its wholly owned subsidiary, Zarea Commerce FZCO, in Dubai, UAE. Establishing a regional headquarters in Dubai marks a pivotal step in Zarea's global expansion strategy, strengthening its presence in international markets and advancing its technology-driven B2B trade platform. This strategic move underscores the Company's commitment to expanding its global footprint, accelerating export-led growth, and positioning Pakistan's agri-commodities on the world stage. The launch of its first export consignment to the UAE further reflects Zarea's dedication to diversifying revenue streams, unlocking new markets, and contributing to the country's foreign exchange earnings.

Zarea's Edge: Tax-Free for a Decade

Zarea holds a 10-year tax exemption (2023–2033) under the Special Technology Zone Authority License, granting it a significant advantage over peers. This status eliminates all tax liabilities, enhancing profitability and financial flexibility.

Upcoming Week: Scrip in Focus - ZAL

Risks to Valuations

- Macroeconomic and Policy Uncertainty
- Commodity Price Volatility
- B2B Platform Performance Risk
- Competitive Market Pressure
- Foreign Exchange Exposure
- Execution Risk in Expansion

Financial Performance			
Amount in PKR 'Mn'	**1QFY26**	**1QFY25**	**% Change**
Revenue	783,589	191,844	308%
Cost of Sales	(552,059)	(71,401)	673%
Gross profit	**231,530**	**120,444**	**92%**
Administrative and General Expenses	(29,359)	(9,709)	202%
Selling and Distribution Expenses	(43,984)	(10,356)	325%
Other Income	401,601	7,491	5261%
Finance Costs	(1,611)	(23)	6905%
Profit before taxation	**558,177**	**107,847**	**418%**
Taxation	-	-	-
Net profit after taxation	**558,177**	**107,847**	**418%**
EPS	**2.13**	**0.54**	

Source: Company Financials, HMFS Research

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:

Recalibrating the Path to Recovery: Economic Reforms, Fiscal Gains, and Structural Challenges

Pakistan's economic outlook continues to evolve amid reform momentum, fiscal discipline, and efforts to stabilize growth through domestic and international initiatives. The country posted a rare fiscal surplus of PKR 1.5tr in 1QFY26 — a departure from chronic deficits — driven primarily by higher non-tax revenues, including strong State Bank profits and dividends. The surplus reinforces Pakistan's compliance with IMF benchmarks, paving the way for the anticipated USD 1.2bn tranche approval by December 2025. To safeguard fiscal stability, authorities have committed to PKR 200bn in contingent tax measures, including potential increases in sales tax on solar panels, telecom services and cash withdrawals, alongside expanding excise duties to additional sectors. To revive slowing exports and industrial performance, the Prime Minister has constituted eight specialized working groups comprising industry leaders, policymakers, and SIFC members, following limited outcomes from existing IMF, World Bank, and Uraan Pakistan frameworks. Simultaneously, Google's decision to establish a local office marks a transformative moment for Pakistan's digital economy, signalling renewed investor confidence and opportunities in IT-led growth. Despite these advancements, structural headwinds persist. FDI fell by 55.5% y/y in September 2026, reflecting weak external inflows, while floods caused PKR 430bn in agricultural losses, constraining growth — which the World Bank now projects at 3% for FY26. Nevertheless, resilience is emerging through stronger remittances (up 11.3% y/y) and a diversification of energy trade, underscored by Pakistan's first-ever import of U.S. crude oil, expected to improve the trade balance by USD 200mn and strengthen bilateral ties.

Strengthening Global Alliances: Multi-Front Diplomacy to Accelerate Economic Growth

Pakistan's strategic outreach gained momentum as a wave of bilateral engagements and investment commitments highlighted the country's evolving role in regional and global trade dynamics. In a major boost, Qatar pledged USD 3bn in investments through the Qatar Investment Authority (QIA), coordinated via the Special Investment Facilitation Council (SIFC) to streamline inflows and attract long-term capital. Both nations also agreed to cooperate in public transport modernization and green mobility, with a focus on electric and hydrogen-fueled systems. Simultaneously, Saudi Arabia and Pakistan launched an Economic Cooperation Framework (ECF) to expand collaboration in energy, trade, and investment, while Canada reaffirmed interest in partnerships across LNG, minerals, and renewable energy, supporting Pakistan's shift toward climate resilience. The UAE expressed intent to double bilateral trade to USD 20bn within three years, emphasizing opportunities in agriculture, AI, and data analytics. In the technology domain, Meta's regional team explored initiatives in AI and e-commerce, recognizing Pakistan's growing digital economy. Meanwhile, renewed engagement with the European Union under the GSP+ framework will preserve duty-free access for key exports, bolstering textile and agri-food sectors. Adding momentum to infrastructure expansion, the Asian Development Bank (ADB) approved USD 2bn for the Karachi–Rohri ML-1 railway segment, set to improve logistics and support projects like Reko Diq. Collectively, these alliances reflect a deliberate pivot toward diversified partnerships, enhanced FDI inflows, and greater fiscal stability—laying the groundwork for sustainable economic growth.

Major Events

K-Electric Dispute and Energy Sector Realignments

Pakistan's power sector came under the spotlight this week after Saudi and Kuwaiti shareholders of K-Electric issued a USD 2bn legal notice to the Government of Pakistan, alleging violations of investment rights under the OIC Investment Agreement. The notice follows NEPRA's recent tariff determination, which cut K-Electric's supply tariff by PKR 7.60 per kWh—from PKR 39.97 to PKR 32.37 per unit—imposing an estimated annual financial impact of PKR 150bn on the company. The federal government is formulating a coordinated legal and diplomatic response as the case carries potential implications for Pakistan's international investment credibility. In a related policy move, the Power Division has proposed revising the net-metering buyback rate from PKR 22 to PKR 11.30 per unit, citing the mounting financial burden on the national grid. NEPRA's data highlights that the rapid expansion of rooftop solar systems has led to a 3.2bn-unit drop in grid electricity sales in FY24, costing PKR 101bn in revenue losses. Projections indicate that, without reform, this could rise to PKR 545bn by FY2034, potentially driving further tariff hikes for consumers. On the other hand, the Oil and Gas Regulatory Authority (OGRA) is set to hold a public hearing on November 6 to retrospectively actualize RLNG prices from April 2015 onward. The revision, expected to carry a financial impact of around PKR 150bn, stems from the recalculation of import, exchange rate, and financing costs that were previously understated over the past decade. Further, On the petroleum front, petrol and diesel prices are expected to rise by PKR 1.5 per litre in early November, reflecting minor fluctuations in international oil benchmarks. While these developments underscore ongoing regulatory and pricing pressures, they also reinforce the urgency of comprehensive energy sector reform—a prerequisite for fiscal stability, sustainable pricing, and renewed confidence in Pakistan's growing economy.

Other News

Weekly inflation rises 5pc on costlier food: Short-term inflation, measured by the Sensitive Price Index (SPI), increased 5.03 per cent year-on-year in the week ending on Oct 23, owing to an increase in the retail price of food products in the domestic market.

PD to spend billions, arbitration costs to be passed on to consumers: Power Division is to spend billions of rupees to contest a Notice of Arbitration served by Halmore Power Generation Company Limited (HPCL) which will later be recovered from the consumers.

OGDC receives another Rs7.73bn instalment: Oil and Gas Development Company Limited (OGDCL), Pakistan's largest exploration and production firm, said it has received another interest payment of Rs7.73 billion from Power Holding (Private) Limited (PHL) under the government's circular debt settlement plan.

Businessmen call new 'Bijli Package' ineffective: The Pakistan Business Forum (PBF) has expressed disappointment over the recently announced Roshan Maeeshat Bijli Package, saying it will not effectively reduce the cost of doing business or make local industries competitive.

Crop losses fuelling inflation, ECC told: The Economic Coordination Committee (ECC) of the Cabinet was cautioned over a renewed inflationary surge, fueled by flood-hit crops, disrupted supply chains, and possible cartelization in the edible oil and ghee sectors, raising fears of another spike in food prices nationwide.

Wheat output target set at 29.68m tonnes for 2025-26 Rabi season: Pakistan on Friday set an ambitious wheat production target of 29.68 million tonnes for the 2025-26 Rabi season, even as sugarcane and rice yields rose modestly during the outgoing Kharif season—falling short of the pace of expansion in cultivated areas, the Federal Committee on Agriculture (FCA) said.

SBP holds interest rate at 11pc: Central bank kept its key interest rate unchanged at 11 percent on Monday, it said on its website, a fourth straight hold, as recent floods had a milder-than-expected impact on crops and inflation while growth and reserves continued to improve.

Inflation may go up further: World Bank: The Bank said that recent floods have complicated the outlook, imposing significant human costs and economic losses, dampening growth prospects, and posing additional challenges to macroeconomic stability amid constrained fiscal space, high external financing needs, and major regional and global uncertainties.

Bank deposits increase to over Rs35tr in September: The total deposits held by scheduled banks increased by 2.2% MoM to Rs35.21 trillion by the end of September 2025, up from Rs34.46tr in August, according to the latest data released by the State Bank of Pakistan (SBP).

Sindh delays 45% agri-income tax: The Sindh government has deferred the implementation of up to 45% agriculture income tax for one year and restored the old low rate of 15% on the ground that new rates cannot be enforced with effect from January this year.

China eyes investing in PR under BOT model: The Chinese delegation appreciated Pakistan Railways' reform agenda, modernisation efforts, and private sector engagement model. They expressed strong interest in investing under the Build-

Other News

-Operate-Transfer (BOT) framework in railway and freight corridor projects.

Curbs on import of 3-year-old used vehicles likely: Hundi/hawala transactions to be on radar: The government is set to impose restrictions on the import of three-year-old used vehicles by Overseas Pakistanis in a bid to prevent misuse of the facility and curb hundi and hawala transactions reportedly being used by importers, well-informed sources told Business Recorder.

Rice exports fall 28pc in first quarter of 2025-26: Pakistan's rice exports fell 28 per cent in the first quarter of FY26, raising concerns within the sector about policy and regulatory barriers that continue to undermine competitiveness.

Telenor Group reports first approval from CCP: Telenor Group said the first approval from Competition Commission of Pakistan (CCP) was received in conjunction with the ongoing exit process in Pakistan, however, the expected closing of the transaction may slip into 2026.

OGDC announces highest Q1 dividend in its history: The Board of Directors (BoD) of the Oil & Gas Development Company Limited (OGDC) announced the financial results for the quarter ended September 30, 2025, and declared a first interim cash dividend of Rs 3.50 per share (35 percent) — the highest first-quarter dividend in the company's history.

PM orders PRAL's forensic audit after tax fraud unearthed: Prime Minister Shehbaz Sharif on Thursday ordered a forensic audit of the Pakistan Revenue Automation Ltd (PRAL) system to identify institutions, companies and individuals involved in sales tax fraud.

Mills ink deals to import 2m cotton bales: Textile mills have stepped up cotton import agreements following quality concerns over the domestic crop affected by rains, floods, and reports of adulteration by some ginners in Sindh. Industry sources said mills were securing imported cotton to ensure timely delivery of export orders.

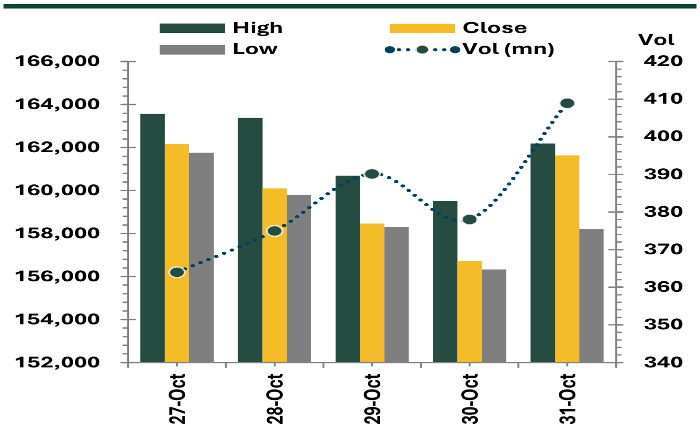
PIA privatisation to be completed by Dec, Senate panel told: The Senate Standing Committee on Privatisation, chaired by Senator Afnanullah, was briefed on the ongoing privatisation process of the national flag carrier during its meeting in Islamabad.

Equity Market Review

Summary

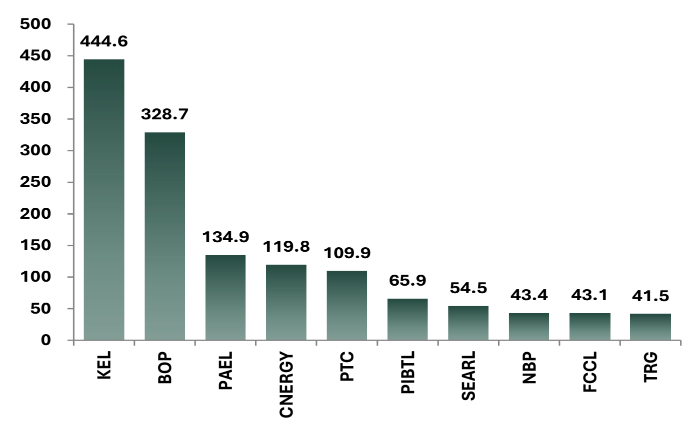
The equity market experienced a volatile week, initially weighed down by heightened geopolitical tensions that spurred a broad-based sell-off as investors shifted to a risk-averse stance. Sentiment, however, improved mid-week once the regional situation stabilized, allowing the market to recoup part of its earlier losses. Despite the recovery in the latter sessions, the overall momentum remained cautious. By week's close, the KSE-100 Index settled at 161,631.73 points, reflecting a w/w decline of 1,672.40 points (-1.02%). Trading volumes stayed healthy, with KSE-100 recording 383.21mn shares on average, and the broader All-Share index witnessing an average of 954.14mn shares traded, respectively, underscoring active repositioning ahead of the rollover period amid an improving risk tone.

Daily Market Performance



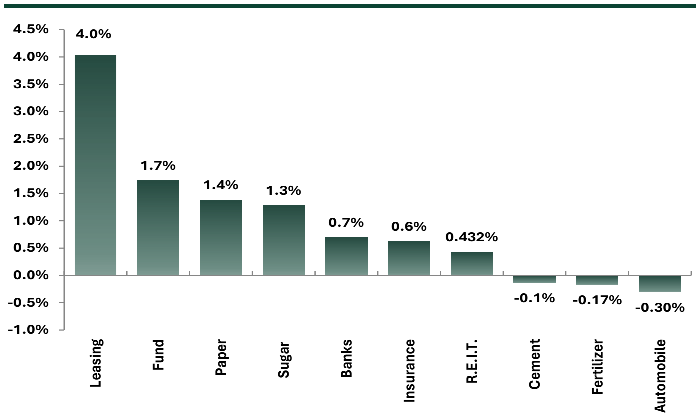
Source: PSX & HMFS Research

Top 10 Volume leaders (volumes in mn)



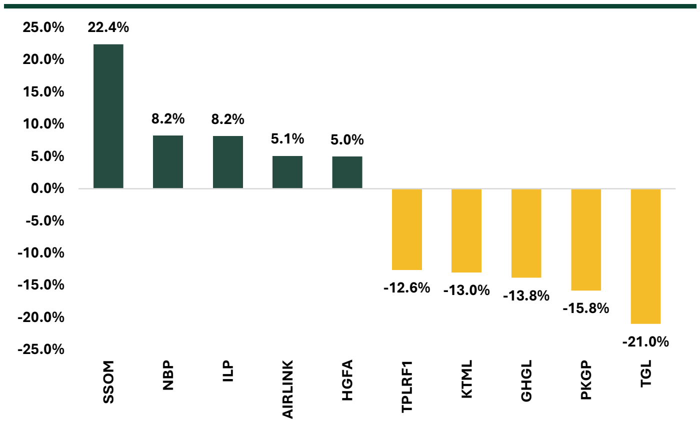
Source: PSX & HMFS Research

Sector Performance



Source: PSX & HMFS Research

Gainers & Losers (KSE-100 Index)



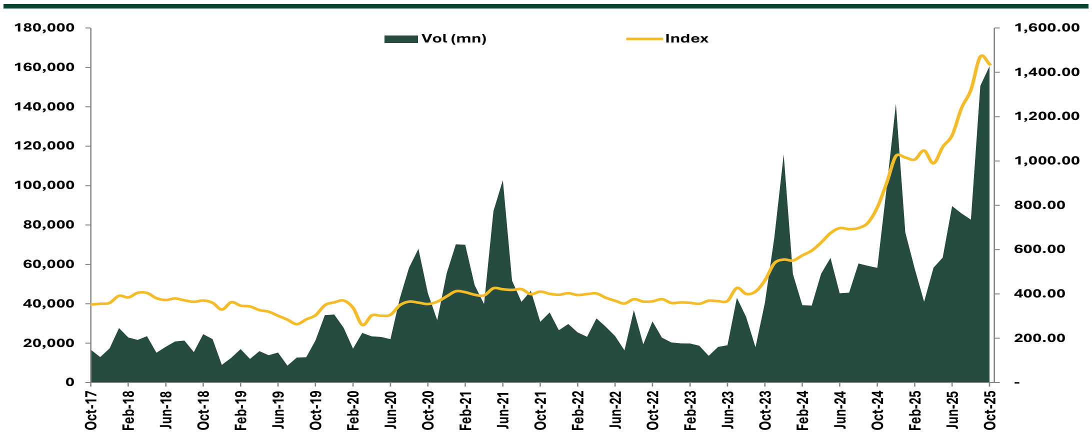
Source: PSX & HMFS Research

Equity Market Review

Outlook

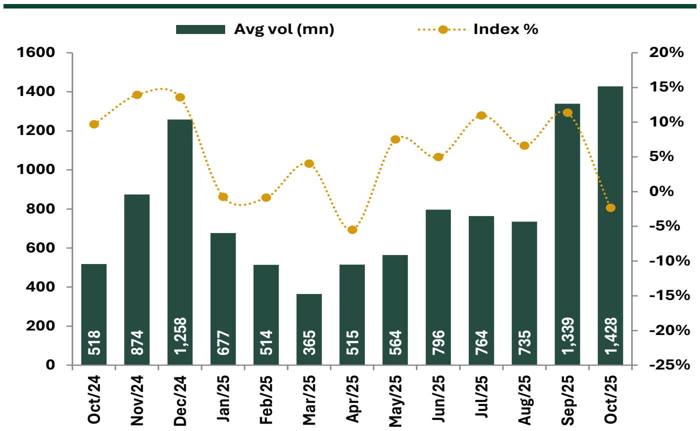
Following a volatile week marked by geopolitical jitters and rollover-related selling, the equity market is expected to remain range-bound in the near term, with sentiment guided by liquidity flows and macro stability. While residual profit-taking may keep upside in check, the easing of regional tensions and expectations of inflows under the IMF's Extended Fund Facility (EFF) could help restore investor confidence. Overall, the KSE-100 is likely to consolidate within a stable band, with medium-term direction hinging on the pace of foreign inflows, and upcoming economic data. Investors are advised to maintain a balanced stance, focusing on fundamentally strong, high-dividend-yielding stocks while capitalizing on short-term price dislocations.

Index Performance



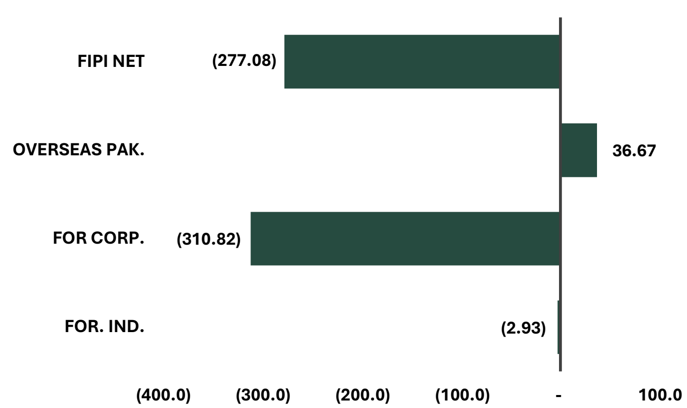
Source: PSX & HMFS Research

MoM Index gain vs Average Volume



Source: PSX & HMFS Research

FIPI (CYTD in USD mn)



Source: NCCPL & HMFS Research

Technical Analysis

KSE-100 Index

Source: HMFS Sales

Volatility Persists, But Friday's Rally Offers Tactical Entry for Selective Investors

The KSE-100 Index traded under pressure for most of the week, reflecting persistent selling momentum and investor caution. On Thursday, the index breached a critical support level at 157,678.01, raising concerns of a deeper correction. However, Friday's session saw a sharp reversal, mirroring the recovery pattern observed on 13th October 2025, as the market surged by +4,898.86 points (+3.13%), closing at 161,631.73.

This rebound from below support suggests aggressive short-covering and renewed buying interest near oversold territory. The price action indicates that the index may be attempting to re-establish its footing above the 160,000 psychological level, though confirmation will depend on follow-through in the coming sessions.

Investor Outlook

We advise investors to maintain a cautious stance while selectively accumulating fundamentally strong stocks. Monitoring volume trends and resistance near 163,806 to 167,358 will be key. A sustained close above these levels could revalidate bullish momentum, while failure to hold above 156,158 may expose the index to further downside risk.

KSE-100 Support Level	
S1	160,160
S2	158,996
S3	156,158

Source: HMFS Sales

KSE-100 Resistance Level	
R1	162,200
R2	163,118
R3	165,400

Source: HMFS Sales

Money Market Review

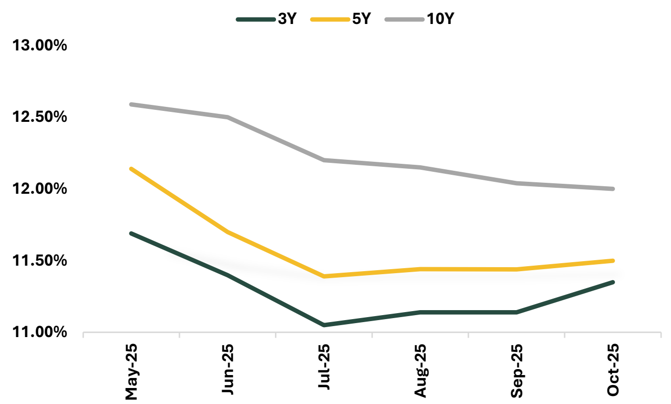
Summary

During the week, the State Bank of Pakistan (SBP) conducted an auction for Market Treasury Bills (MTBs), through which the government successfully mobilized PKR 881.9bn. The cut-off yields were set at 11.00% (-0.11%), 11.05% (no change), 11.05% (+0.004%), and 11.35% (+0.10%) for the 1-month, 3-month, 6-month, and 12-month tenors, respectively. In parallel, the SBP carried out a reverse repo-based Open Market Operation (OMO) on October 31, injecting PKR 11.5tn into the banking system to maintain liquidity conditions. Looking ahead, the next PIB (Pakistan Investment Bond) auction is scheduled for November 5, followed by the subsequent MTB auction on November 13.

Outlook

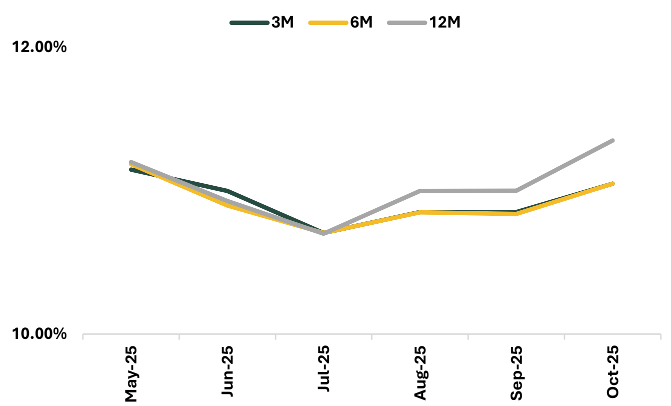
With the policy rate held steady at 11% in the latest MPC (Monetary Policy Committee) meeting, market sentiment this week remained anchored by liquidity conditions. The SBP's sizable reverse repo injection signalled continued support for interbank liquidity and helped stabilize short-term rates. Going forward, focus will shift to the upcoming PIB auction on November 5 and MTB auction on November 13, which will offer insights into the government's near-term borrowing strategy and the yield curve's evolving trajectory post-MPC.

PIB Yields



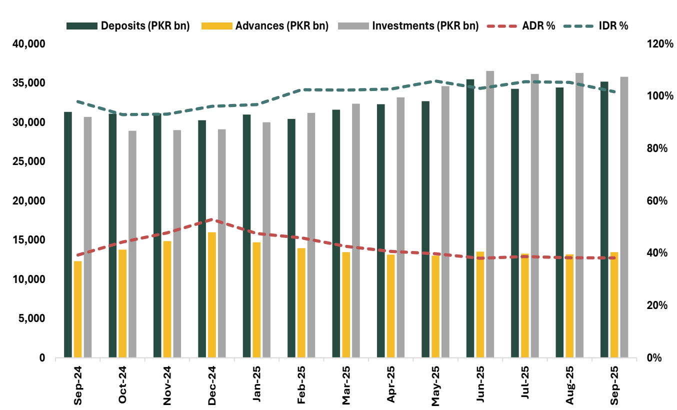
Source: SBP & HMFS Research

T-Bill Yields



Source: SBP & HMFS Research

Bank's ADR & IDR



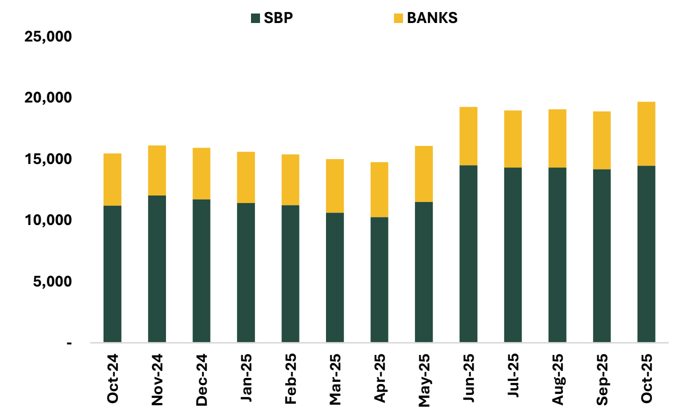
Source: SBP & HMFS Research

Forex Market Review

Summary

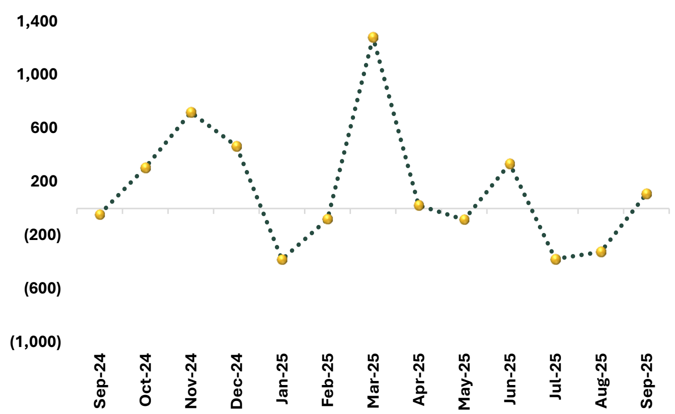
Pakistan's foreign exchange reserves recorded a decline of USD 166mn during the week, bringing total reserves down to USD 19.69bn. The SBP reserves fell by USD 16mn w/w to USD 14.47bn, while commercial bank reserves declined by USD 182mn w/w to USD 5.22bn. The movement reflects a slight drawdown in official reserves, likely due to external debt repayments. Meanwhile, the PKR appreciated against the USD, closing the week around PKR 280.91/USD, as market liquidity and inflow dynamics remained balanced.

Foreign Exchange Reserves (USD bn)



Source: SBP & HMFS Research

Current Account Balance (USD mn)

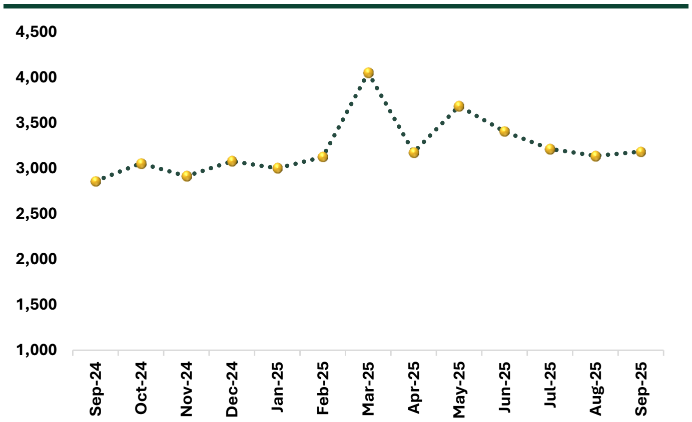


Source: SBP & HMFS Research

Outlook

In the near term, potential disbursements under the IMF's EFF could alleviate external pressure and pave the way for renewed multi- and bilateral lending. This would bolster confidence in the external account and help stabilize the FX buffer. Meanwhile, as the year-end approaches, robust remittance inflows are expected to provide an additional stabilization cushion for the PKR, acting as a safety valve against external volatility. That said, the external space still faces strain — Pakistan is slated to service substantial external debt this fiscal year (in the ballpark of USD 23bn in repayments). Any delays or rollover issues could exert pressure on reserve buffers.

Remittances (USD mn)



Source: SBP & HMFS Research

Key Economic Indicators

Item	Units	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	%M/M	CY24	CY23	%Y/Y
Banking Indicators											
Return on Outstanding Loans	%	11.21%	11.33%	11.48%	11.81%	12.12%	12.31%	-0.15%	17.07%	17.48%	-0.41%
Return on Deposits	%	5.20%	5.31%	5.23%	5.34%	5.70%	5.83%	0.08%	10.74%	10.30%	0.44%
Interest rate Spread	%	6.01%	6.02%	6.25%	6.47%	6.42%	6.48%	-0.23%	6.33%	7.18%	-0.85%
Deposits	(PKR bn)	35,211	34,463	34,280	35,498	32,715	32,316	0.53%	30,283	27,841	8.77%
Advances	(PKR bn)	13,456	13,193	13,273	13,522	13,025	13,139	-0.60%	16,009	12,352	29.61%
Investments	(PKR bn)	35,816	36,303	36,191	36,571	34,626	33,204	0.31%	29,129	25,280	15.23%
ADR	%	38.22%	38.28%	38.72%	38.09%	39.81%	40.66%	-0.44%	52.87%	44.37%	8.50%
IDR	%	101.72%	105.34%	105.57%	103.03%	105.84%	102.75%	-0.24%	96.19%	90.80%	5.39%
Kibor (Ask Side)											
3-Month	%	11.05%	11.05%	11.02%	11.16%	11.44%	12.11%	-0.01%	18.81%	21.48%	-2.67%
6-Month	%	11.05%	11.05%	10.98%	11.16%	11.46%	12.10%	0.00%	18.58%	21.58%	-3.00%
9-Month	%	11.27%	11.25%	11.19%	11.38%	11.70%	12.30%	0.02%	18.50%	21.84%	-3.34%
1-Year	%	11.28%	11.26%	11.16%	11.39%	11.69%	12.29%	0.03%	18.21%	21.86%	-3.65%
Avg. Exchange Rates											
USD		281.53	282.19	284.20	283.09	281.73	280.74	-0.23%	278.53	280.44	-0.68%
Euro		330.31	328.15	332.05	326.32	317.78	316.55	0.66%	301.36	303.36	-0.66%
JPY		1.90	1.91	1.93	1.96	1.95	1.95	-0.37%	1.8410	1.9983	-7.87%
GBP		380.11	379.09	383.70	383.76	376.42	369.93	0.27%	355.94	348.95	2.00%
CNY		39.51	39.33	39.62	39.42	39.05	38.44	0.47%	38.70	39.59	-2.25%

Item	Units	Sep-25	Aug-25	Jul-25	Jun-25	May-25	Apr-25	%M/M	FY25	FY24	%Y/Y
Inflation											
Avg. CPI	%	4.22%	3.53%	4.07%	4.49%	4.61%	4.73%	0.69%	4.49%	23.41%	-18.92%
Avg. NFNE	%	7.00%	6.90%	7.00%	6.90%	7.30%	7.40%	0.10%	6.90%	12.20%	-5.30%
Commodities											
Arab Light (Avg.)	USD/bbl	71.31	71.59	70.81	69.93	64.60	68.75	-0.39%	74.89	86.22	-13.14%
External Sector (FY USD mn)											
Total Imports	(USD Mn)	5,904	5,288	5,830	4,849	5,237	5,596	10.53%	58,387	54,937	6.28%
Total Exports	(USD Mn)	2,500	2,416	2,685	2,477	2,671	2,174	3.64%	32,039	30,684	4.42%
Trade Balance	(USD Mn)	(3,404)	(2,872)	(3,145)	(2,372)	(2,566)	(3,422)	-16.33%	(26,348)	(24,253)	-8.64%
Current Account Balance	(USD Mn)	110	(325)	(379)	335	(84)	24	35.36%	328	(313)	204.79%
Remittances	(USD Mn)	3,184	3,138	3,215	3,406	3,686	3,177	1.45%	38,300	30,251	26.61%
Oil Import Bill	(USD Mn)	1,092.95	1,238.98	1,275.20	1,095.97	1,146.17	1,235.59	-2.84%	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	2024 A	2025 E	2026 F	2024 A	2025 E	2026 F	2025 E	2026 F	2025 E	2026 F	2025 E	2026 F	2025 E	2026 F	CY-25/ FY-25
							Trn	PKR	PKR	PKR	PKR	PKR	PKR	%	%	x	x	x	x	%	%	%
1	**FFC**	Dec	**HOLD**	488.9	495.0	1%	695.7	45.5	57.8	61.2	36.5	43.4	49.0	9%	10%	8.5	8.0	4.6	4.1	54%	51%	10%
2	**EFERT**	Dec	**BUY**	207.5	220.0	6%	277.0	21.2	24.7	28.5	21.5	22.0	26.7	11%	13%	8.4	7.3	5.4	5.2	60%	65%	17%
3	**INDU**	Jun	**HOLD**	2079.2	2050.0	-1%	163.4	191.8	292.7	347.0	114.7	176.0	208.0	8%	10%	7.1	6.0	2.5	2.1	14%	27%	9%
4	**HCAR**	Mar	**HOLD**	287.3	298.0	4%	41.0	16.3	19.0	27.3	6.5	8.0	11.5	3%	4%	15.1	10.5	1.7	1.6	8%	6%	8%
5	**HBL**	Dec	**Sell**	303.8	240.0	-21%	445.7	39.9	44.6	43.2	16.3	17.0	18.0	6%	6%	6.8	7.0	0.9	0.8	16%	13%	-15%
6	**MCB**	Dec	**HOLD**	363.7	375.0	3%	431.0	48.6	45.5	44.5	36.0	36.0	36.0	10%	10%	8.0	8.2	1.7	1.7	37%	22%	13%
7	**UBL**	Dec	**BUY**	384.9	405.0	5%	963.8	61.1	64.0	60.5	44.0	45.0	44.0	12%	11%	6.0	6.4	1.3	1.2	29%	21%	17%
8	**BAHL**	Dec	**HOLD**	194.8	169.0	-13%	216.5	37.7	34.9	35.5	17.0	16.0	15.0	8%	8%	5.6	5.5	1.3	1.1	35%	23%	-5%
9	**ABL**	Dec	**HOLD**	184.9	175.0	-5%	211.7	38.8	47.5	45.4	16.0	14.0	17.5	8%	9%	3.9	4.1	0.9	0.8	30%	24%	2%
10	**MEBL**	Dec	**HOLD**	454.5	452.0	-1%	818.3	57.3	45.7	45.2	28.0	28.0	27.0	6%	6%	9.9	10.1	2.9	2.6	41%	29%	6%
11	**MUGHAL**	Jun	**BUY**	88.7	106.0	20%	29.8	6.0	2.8	2.8	0.0	0.0	0.0	0%	0%	31.3	31.7	1.1	1.1	15%	4%	20%
12	**ISL**	Jun	**HOLD**	100.6	98.0	-3%	43.8	8.4	3.3	4.7	5.5	1.5	1.0	1%	1%	30.5	21.4	2.0	1.9	6%	20%	-2%
13	**OGDC**	Jun	**HOLD**	256.7	260.0	1%	1,103.9	48.6	39.5	48.0	10.1	15.1	18.0	6%	7%	6.5	5.3	0.8	0.7	18%	15%	8%
14	**PPL**	Jun	**BUY**	187.6	230.0	23%	510.5	42.0	33.8	43.5	6.0	7.5	8.0	4%	4%	5.5	4.3	0.7	0.6	20%	13%	27%
15	**POL**	Jun	**BUY**	595.0	688.0	16%	168.9	137.9	85.2	105.0	95.0	75.0	90.0	13%	15%	7.0	5.7	1.9	1.9	47%	28%	31%
16	**LUCK ***	Jun	**Sell**	459.9	278.0	-40%	673.7	44.1	52.5	69.3	3.0	4.0	12.0	1%	3%	8.8	6.6	0.8	0.7	19%	12%	-37%
17	**FCCL**	Jun	**BUY**	52.9	59.0	12%	129.7	3.4	5.4	7.9	1.0	1.0	2.0	2%	4%	9.7	6.7	1.6	1.4	12%	17%	15%
18	**MLCF**	Jun	**BUY**	95.9	120.0	25%	100.5	5.0	11.0	16.9	0.0	0.0	0.0	0%	0%	8.7	5.7	1.9	1.4	11%	12%	25%
19	**NML**	Jun	**BUY**	143.4	175.0	22%	50.4	18.1	17.1	35.0	3.0	2.0	4.5	1%	3%	8.4	4.1	0.4	0.3	6%	6%	25%
20	**ILP**	Jun	**HOLD**	82.7	84.0	2%	115.9	8.4	3.8	6.0	5.5	1.0	2.0	1%	2%	21.5	13.8	1.5	1.4	40%	11%	4%
21	**GATM**	Jun	**BUY**	27.4	49.0	79%	20.3	6.4	5.4	7.0	0.0	0.0	0.0	0%	0%	5.1	3.9	0.4	0.4	11%	8%	79%
HMFS Universe						**6%**	**7,211.3**							**5%**	**6%**	**10.7**	**8.7**	**1.6**	**1.4**	**25%**	**20%**	**12%**

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

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