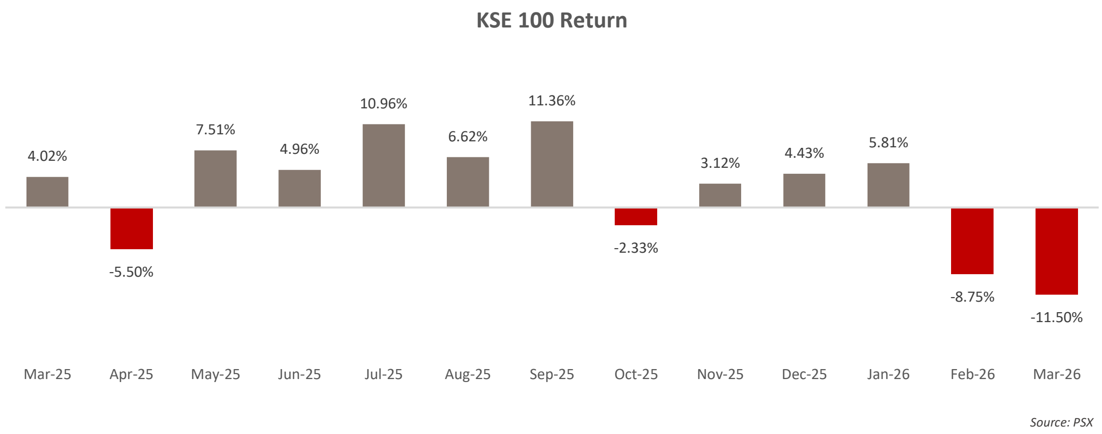
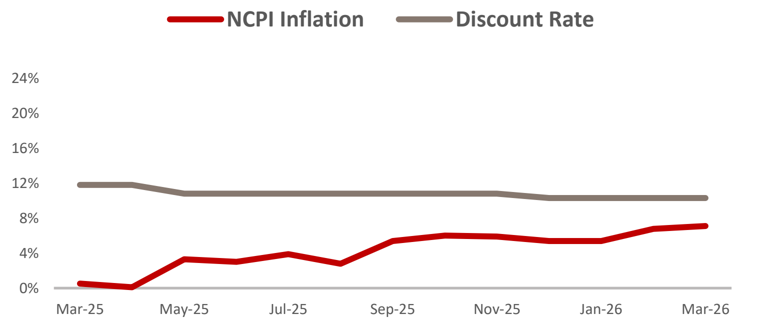
ACPL DIGEST (March 26)

Remittances			Exports			Imports			Current Account	
8MFY26	8MFY25	Change	8MFY26	8MFY25	Change	8MFY26	8MFY25	Change	8MFY26	8MFY25
$26.50 bn	$24.00 bn	▲ 10.42%	$20.46 bn	$22.07 bn	▼ -7.3%	$45.50 bn	$42.11 bn	▲ 8.1%	-$1.070 bn	$0.560 bn

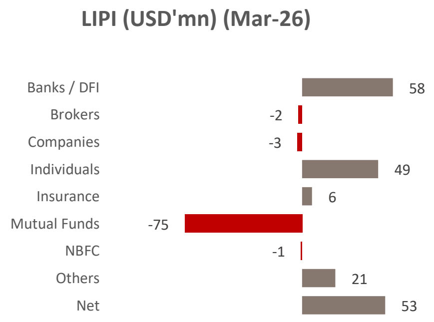
Pakistan's equity market experienced a sharp correction in Marc h 2026, concluding a weak Q1 2026 performance, as the KSE-100 Index declined by 19,319 points (-11.5% MoM) to close at 148,743 points, bringing cumulative quarterly losses to around 15% amid persistent geopolitical tensions, rising global oil prices, and cautious trading during Ramadan. The month saw extreme volatility, with intra-month highs of 161,475 points and lows of 144,119 points, driven by escalating US-Iran conflict, disruption of the Strait of Hormuz, and attacks on regional energy infrastructure, which pushed crude prices above USD 100/bbl, increased domestic fuel costs by PKR 55/liter, and elevated inflationary pressures to 7% YoY in February, projected at 7.05% in March. Despite macroeconomic indicators such as a current

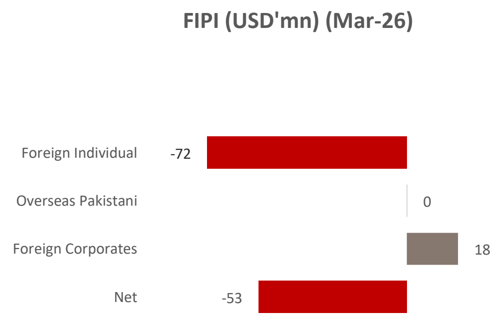


Source: PSX



Source: PBS, SBP





Source: NCCPL

account surplus of USD 427 million, improved forex reserves of USD 21.74 billion, and steady policy rate at 10.5%, risk aversion dominated, resulting in broad based sectoral declines, particularly in banks, cement, fertilizers, E&P, and investment banks, while local buying by banks, individuals, and insurance companies partially offset foreign outflows of USD 53 million. The market's downward momentum was heightened by subdued trading volumes (487 million shares, -37% MoM), declining average traded value (USD 99 million, -30% MoM), delayed project developments such as Reko Diq, and ongoing domestic political and fiscal uncertainties. Industrial activity remained resilient, with LSM output up 10.5% YoY, cement dispatches rising 12.5%, and modest growth in oil marketing, though the automobile and tractor sectors saw sharp declines. External account stability was reinforced by a 10% YoY increase in remittances to USD 26.5 billion, while FDI fell 33% YoY to USD 1.195 billion. Looking ahead to April 2026, the performance of the KSE 100 Index is expected to remain closely tied to geopolitical developments, with any improvement potentially driving a near term recovery. Investor focus is likely to shift toward corporate fundamentals during the upcoming results season, while approval of the recently agreed IMF tranche of USD 1.2 billion by the Executive Board would provide additional support to market sentiment. The KSE-100 Index is currently trading at a PER of 7.3x, offering a dividend yield of 6.9%.

Recommended stocks: GLAXO, HALEON, PSO, OGDC, EFERT, MEBL, MARI, SAZEW, LUCK, UBL.

(USD' mn) (Mar-26)

LIPI Portfolio		Cement	Banks	Fertilizer	Food	E&P	OMC	Power	Tech	Textile	Others	Gross
	Banks / DFI	10.35	18.79	8.43	-1.62	2.68	-0.73	2.83	3.07	-2.04	16.52	58.28
	Broker Proprietary Trading	1.47	-2.69	0.32	0.21	-0.36	1.04	-0.52	0.31	-0.24	-1.91	-2.36
	Companies	6.37	-3.17	-3.98	-3.37	0.95	0.88	0.53	-0.34	2.10	-2.94	-2.97
	Individuals	11.22	13.29	5.04	2.25	5.47	3.31	5.76	-2.90	1.04	4.37	48.86
	Insurance Companies	-1.19	3.81	-1.28	-0.68	2.64	5.15	-0.88	-3.23	-0.23	2.23	6.36
	Mutual Funds	-0.46	-11.93	-6.13	-2.61	-18.18	-10.17	-7.16	-0.84	-1.20	-16.78	-75.44
	NBFC	0.01	0.12	-0.02	-0.01	0.00	-0.01	-0.02	-0.03	0.00	-0.77	-0.73
	Other Organization	2.41	12.28	0.51	-0.08	3.37	0.72	0.57	-0.04	-0.11	1.69	21.32
	LIPI Total	**30.18**	**30.50**	**2.91**	**-5.90**	**-3.43**	**0.18**	**1.12**	**-3.99**	**-0.67**	**2.42**	**53.32**

FIPI Portfolio		Cement	Banks	Fertilizer	Food	E&P	OMC	Power	Tech	Textile	Others	Gross
	Foreign Corporates	-0.01	0.05	-0.01	0.00	0.00	-0.04	0.00	0.04	0.00	-8.66	-8.65
	Foreign Individual	1.63	4.65	1.73	0.31	3.00	0.03	0.27	-0.17	0.73	0.03	12.21
	Overseas Pakistani	-31.80	-35.20	-4.62	5.59	0.44	-0.18	-1.38	4.12	-0.06	6.23	-56.87
	Total	**-30.18**	**-30.50**	**-2.91**	**5.90**	**3.43**	**-0.18**	**0.89**	**3.99**	**0.67**	**-2.40**	**-53.30**

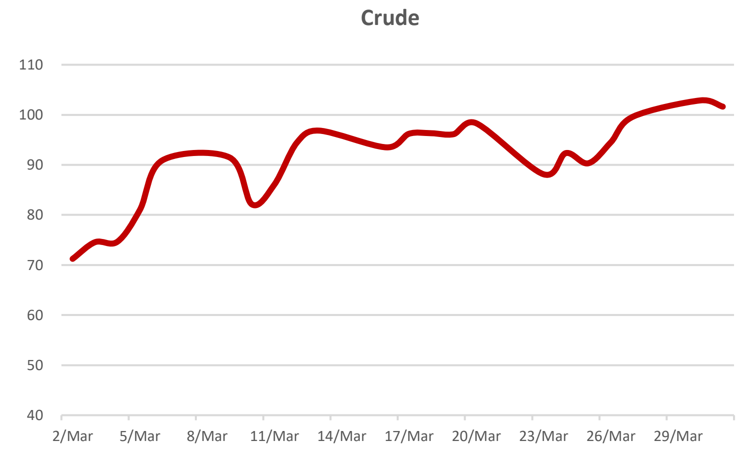
Source: NCCPL

COMMODITIES OVERVIEW

Crude Oil

Crude oil exhibited exceptional volatility and a strong upward trajectory during March, reflecting a combination of geopolitical risk and tightening market fundamentals. Prices opened the month near $69 per barrel and surged to an intramonth high of approximately $120, marking a peak gain of nearly 74%. By month-end, crude settled around $100, representing a net increase of about 45% over the period. This sharp appreciation was primarily driven by escalating tensions surrounding the Iran–U.S. conflict, which heightened fears of supply disruptions through the Strait of Hormuz—a vital artery for global oil shipments. Meanwhile, intermittent optimism around peace talks, including diplomatic efforts in Islamabad, introduced periods of price correction, ultimately leading to a partial pullback from peak levels.

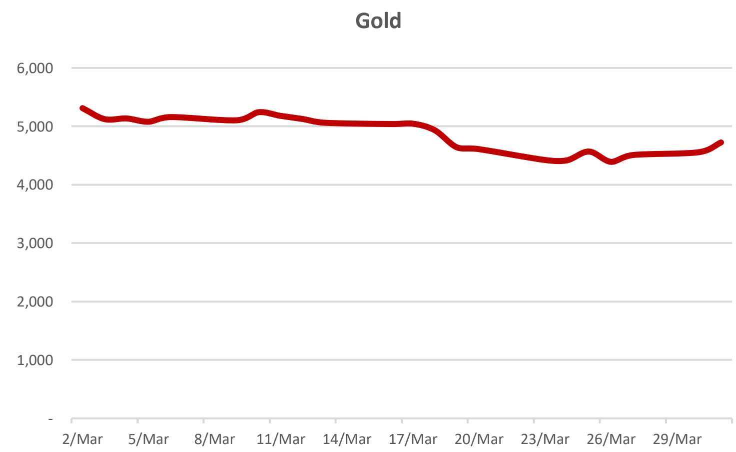
Looking ahead, crude oil markets are expected to remain highly sensitive to geopolitical developments, particularly the trajectory of the Iran–U.S. conflict and any progress in diplomatic negotiations. The status of the Strait of Hormuz will continue to be a key determinant of supply stability and price direction.. Crude oil inventories will be closely monitored for signals of market balance or further tightening.



Gold

Gold futures witnessed a sharp correction during March, reflecting a divergence from traditional safe-haven behavior amid shifting macroeconomic conditions. Prices opened the month near 5,388 and declined significantly to an intramonth low of 4,133, marking a drop of approximately 23%, before settling around 4,600, representing a net decline of about 15% for the month. Rather than boosting gold, the war strengthened the U.S. dollar and pushed bond yields higher, as markets scaled back expectations of Federal Reserve rate cuts and anticipated a “higher-for-longer” interest rate environment.

Looking ahead, gold futures are expected to trade within a defined range, with key resistance seen near 5,000 and strong support around 4,200. Technically, the 4,728 level stands out as a critical pivot, aligning with lower highs on both the H1 and M30 timeframes. A sustained move above this level could signal short-term bullish momentum toward resistance.



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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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