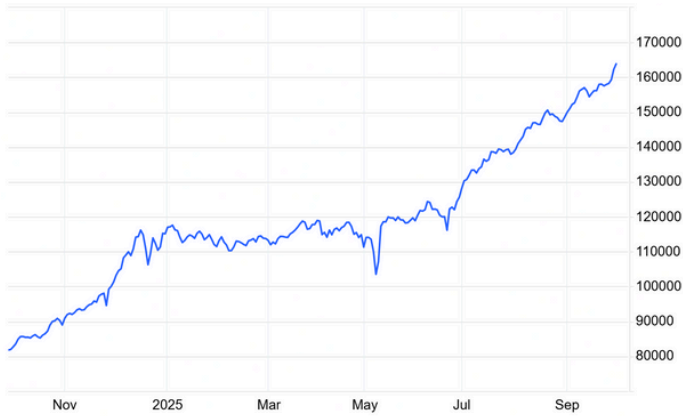


**KSE 100 Index**



**KSE 100 Index Statistics**

Open	162,920.48
High	163,903.63
Low	162,058.64
Closed	163,847.69
Change	0.98%
Volume	483.73M

**Economic Snapshot**

Reserves	\$19,659.50
Inflation CPI (Aug, 2025)	3.00%
Policy Rate	11%
Exports	PKR 683518 Million
Imports	PKR 1494050 Million
Current Account (July, 2025)	\$268 Million
Remittance	\$3100 Million

**Snapshot: News Impacting PSX**

- Mixed SBP Keeps Rate at 11% Amid Flood Fallout [READ MORE](#)
- Negative Rupee Slips vs USD in Late September [READ MORE](#)
- Mixed Brent Dips, Then Rallies on Risk [READ MORE](#)
- Positive OGDC, Peers Post Record FY25 Profits [READ MORE](#)
- Positive SECP Proposes Key Share Reforms [READ MORE](#)
- Negative Trade Gap Widens 30% YoY in Aug [READ MORE](#)
- Negative Portfolio Flows Sink Early FY26 [READ MORE](#)
- Negative Flood-Driven Crop Shortage Pushes Sep CPI Up 2.1% MoM [READ MORE](#)
- positive Shell, Power, Logistics Deals Pick Up [READ MORE](#)
- Negative TTP Raids Spark Rising Tensions [READ MORE](#)

## Exchange Rates

Crosses	Price	Day	%
USDPKR	283.441	-0.059	-0.02%
EURPKR	329.94	-0.0957	-0.03%
GBPPKR	377.88	-0.1182	-0.03%

## Portfolio Investments FIPI LIPI

<b>Grand Total FIPI, net</b>	<b>\$(4,305,519)</b>
Banks/DFI	\$(918,389)
Broker Proprietary Trading	\$(1,206,966)
Companies	\$(2,953,933)
Individuals	\$7,721,101
Insurance Companies	\$(6,627,972)
Mutual Funds	\$7,439,948
NBFC	\$(34,947)
Other Organization	\$886,679
<b>Grand Total LIPI, net</b>	<b>\$4,305,521</b>

## Government Ijarah Sukuk (GIS)

GIS FRR (Cut-off / Price) 3Y	100.2842
GIS FRR (Cut-off / Price) 5Y	100.0022
GIS VRR (Cut-off / Price) 3Y	99.0800
GIS VRR (Cut-off / Price) 5Y	98.7600

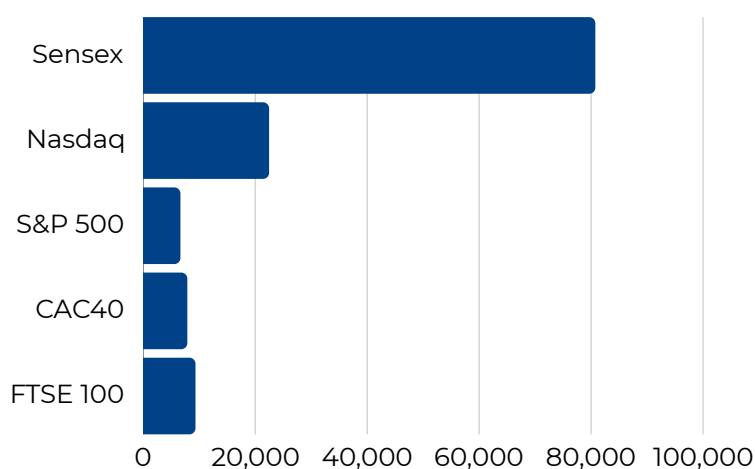
## Commodities

Item	Value (PKR)
Gold 10 Grams PKR	340,370
Petrol/Litre	264.61
Diesel/Litre	272.77
Karachi Cotton PKR/37.32 KG	15,780

## Debt Instruments Yields

T-Bills 3M	10.8502%
T-Bills 6M	10.8376%
T-Bills 1Y	10.9999%
PIB 3Y	11.1400%
PIB 5Y	11.4395%
PIB 10Y	12.0400%

## World Index Volumes



## Recent News Affecting PSX

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### 1. STATE BANK OF PAKISTAN HOLDS POLICY RATE AT 11% AMID POST-FLOOD ECONOMIC UNCERTAINTY

ON SEPTEMBER 15, 2025, THE MONETARY POLICY COMMITTEE OF THE STATE BANK OF PAKISTAN (SBP) KEPT THE POLICY RATE UNCHANGED AT 11%. THE DECISION AIMED TO MAINTAIN MONETARY STABILITY AMID MODERATE INFLATION (3% IN AUGUST), A FLOOD-AFFECTED RECOVERY, AND RISKS OF AGRICULTURAL SUPPLY SHOCKS. FLOOD DAMAGE TO CROPS AND SUPPLY CHAINS IS EXPECTED TO PRESSURE FOOD INFLATION AND THE CURRENT ACCOUNT. STILL, SBP'S RESERVES HELD STEADY AT \$14.3 BILLION IN EARLY SEPTEMBER. WITH THE RATE UNCHANGED SINCE JUNE 2025, STABILIZATION HOPES PERSIST, THOUGH SCOPE FOR EASING REMAINS CONSTRAINED BY WEATHER DISRUPTIONS AND FISCAL RISKS.

THE SBP'S DECISION TO HOLD RATES SIGNALS POLICY CONTINUITY, REASSURING INVESTORS AND SUPPORTING BANKING STOCKS THROUGH STABLE CREDIT CONDITIONS. YET, FLOOD-DRIVEN SUPPLY SHOCKS AND INFLATION RISKS KEEP THE STANCE CAUTIOUS. RATE-SENSITIVE SECTORS LIKE CONSTRUCTION AND CONSUMER FINANCE MAY SEE STEADY BUT MUTED ACTIVITY, WHILE AGRICULTURAL LOSSES WEIGH ON SENTIMENT. OVERALL, MARKETS ARE LIKELY TO VIEW THE MOVE AS STABILIZING, THOUGH UPSIDE REMAINS CAPPED BY NEAR-TERM UNCERTAINTIES.

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### 2. PAKISTANI RUPEE WEAKENS AGAINST THE US DOLLAR IN LATE SEPTEMBER 2025

BY SEPTEMBER 30, 2025, THE PAKISTANI RUPEE (PKR) HAD EASED FURTHER AGAINST THE US DOLLAR, CLOSING INTERBANK TRADE AT OR NEAR Rs282.80 PER USD—A MILD BUT PERSISTENT DEPRECIATION COMPARED TO EARLIER IN THE MONTH. THE AVERAGE EXCHANGE RATE FOR SEPTEMBER HOVERED AROUND Rs282.80, WITH LOWS OF Rs281.40 AND HIGHS APPROACHING Rs284 BY THE THIRD WEEK OF THE MONTH. DRIVERS INCLUDE PAKISTAN'S EXPANDING TRADE DEFICIT, INCREASED IMPORTATION FOLLOWING FLOOD-DAMAGED CROPS, AND A GLOBAL STRENGTHENING OF THE DOLLAR AMID PERSISTENT US RATE CUT AMBIGUITY.

A WEAKENING RUPEE IMPOSES STRONGER INFLATIONARY PRESSURES BY RAISING THE DOMESTIC PRICE OF IMPORTED INPUTS, ENERGY, AND CAPITAL GOODS. THIS PARTICULARLY IMPACTS SECTORS HEAVILY RELIANT ON IMPORTS—SUCH AS MANUFACTURING, AUTOMOBILES, PHARMACEUTICALS, AND ENERGY—BY RAISING COSTS AND SQUEEZING PROFIT MARGINS. IT ALSO INCREASES THE COST OF SERVICING FOREIGN DEBT FOR BOTH THE GOVERNMENT AND THE PRIVATE SECTOR. INVESTOR SENTIMENT MAY TURN RISK-AVERSE, FEARING FURTHER DEVALUATION AND CAPITAL OUTFLOW, POTENTIALLY TRIGGERING DECLINES IN EQUITY PRICES, ESPECIALLY IN IMPORT-DEPENDENT INDUSTRIES. EXPORTERS MIGHT SEE A MARGINAL BENEFIT BUT NOT ENOUGH TO OFFSET OVERALL MARKET NEGATIVITY. THE PERSISTENT DEPRECIATION CAN ALSO DETER FOREIGN PORTFOLIO INVESTORS DUE TO HEIGHTENED CURRENCY RISK.

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### 3. INTERNATIONAL OIL PRICE FLUCTUATIONS: BRENT CRUDE DIPS BELOW \$70 AMID KURDISH EXPORTS, RALLIES ON GEOPOLITICAL RISK

SEPTEMBER 2025 WITNESSED CONSIDERABLE VOLATILITY IN GLOBAL OIL MARKETS, WITH BRENT CRUDE OSCILLATING AROUND THE \$69-\$71 PER BARREL RANGE. EARLY IN THE WEEK, BRENT DIPPED BELOW \$70 AFTER THE PARTIAL RESUMPTION OF OIL EXPORTS FROM IRAQ'S KURDISTAN REGION (TARGETING 230,000 BPD), INCREASING GLOBAL SUPPLY AND MOMENTARILY PRESSURING PRICES. HOWEVER, BY SEPTEMBER 26, BRENT SETTLED ABOVE \$70 PER BARREL, BUOYED BY RENEWED GEOPOLITICAL TENSIONS FROM UKRAINE-RUSSIA CONFLICT SPILLOVER, INCLUDING RUSSIA CURTAILING DIESEL AND GASOLINE EXPORTS, AND OPEC+ CONTINUING TIGHT CONTROLS ON OUTPUT. ONGOING MIDDLE EAST TENSIONS HAVE ALSO KEPT A RISK PREMIUM PRICED INTO CRUDE OIL.

FOR PAKISTAN, HIGHER GLOBAL OIL PRICES POSITIVELY IMPACT UPSTREAM OIL & GAS COMPANIES LISTED ON PSX, SUCH AS OIL & GAS DEVELOPMENT COMPANY LTD (OGDC), PAKISTAN PETROLEUM LTD (PPL), AND MARI PETROLEUM, THROUGH STRONGER REVENUES, HIGHER PROFIT MARGINS, AND ROBUST DIVIDEND PAYOUTS. CONVERSELY, INCREASED GLOBAL OIL PRICES RAISE ENERGY IMPORT BILLS, AGGRAVATE THE CURRENT ACCOUNT DEFICIT, AND MAY CONTRIBUTE TO DOMESTIC INFLATION, THEREBY WEIGHING ON DOWNSTREAM AND ENERGY-CONSUMING SECTORS LIKE TRANSPORT, CEMENT, AND MANUFACTURING. THE ANTICIPATED IMPACT IS THAT INVESTORS WILL BID UP E&P STOCK VALUATIONS, WHILE BROADER ECONOMIC CONCERNS STEMMING FROM ENERGY IMPORT INFLATION COULD TEMPER GAINS IN OTHER SECTORS.

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### 4. MAJOR CORPORATE EARNINGS: OGDC AND OTHER BLUE-CHIP FIRMS ANNOUNCE STRONG FY2025 RESULTS

AS OF SEPTEMBER 30, SEVERAL OF PAKISTAN'S LARGEST AND MOST INFLUENTIAL COMPANIES REPORTED ROBUST FULL-YEAR EARNINGS. OIL & GAS DEVELOPMENT COMPANY LIMITED (OGDC) LED WITH A RECORD NET PROFIT OF RS169.9 BILLION AND ITS HIGHEST-EVER ANNUAL DIVIDEND (150.5% OF FACE VALUE). PAKISTAN PETROLEUM LIMITED SAW AN AFTER-TAX PROFIT OF OVER RS92 BILLION, ALSO DECLARING A HEALTHY FINAL DIVIDEND. IN THE FINANCIAL SECTOR, ARIF HABIB CORPORATION AND OTHER MAJOR INVESTMENT COMPANIES DECLARED STRONG RESULTS AND SUBSTANTIAL DIVIDENDS; IN CONSUMER GOODS, MURREE BREWERY POSTED A PROFIT OF RS3.26 BILLION WITH A RECORD 145% DIVIDEND. IN THE PHARMACEUTICAL SPACE, FEROZSONS LABORATORIES AND SITARA CHEMICALS SIMILARLY REPORTED POSITIVE EARNINGS AND DIVIDENDS.

STRONG EARNINGS AND ATTRACTIVE DIVIDEND DECLARATIONS BOLSTER INVESTOR CONFIDENCE, PARTICULARLY IN THE OIL & GAS, FINANCIAL SERVICES, CHEMICALS, AND CONSUMER STAPLES SECTORS. THESE RESULTS TYPICALLY SPUR FRESH BUYING AMONG INSTITUTIONAL AND RETAIL INVESTORS, SUPPORT INDEX GAINS, AND MAY TRIGGER SECTOR-WIDE RALLIES AS BULLISH SENTIMENT SPREADS. THE OIL & GAS SECTOR, BEING HEAVILY REPRESENTED IN THE KSE-100 INDEX, OFTEN LEADS ANY SUCH UPWARD MOVEMENT, MAGNIFYING THE OVERALL INDEX EFFECT. PERSISTENT PROFITABILITY AND HIGH PAYOUT RATIOS COULD ALSO ATTRACT RENEWED FOREIGN INTEREST IN THESE SEGMENTS, OFFSETTING BROADER ECONOMIC UNCERTAINTY.

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### 5. SECP PROPOSES MAJOR AMENDMENTS TO SHARE REGULATIONS TO PROTECT MINORITY INVESTORS AND ENFORCE GOVERNANCE

ON SEPTEMBER 22, 2025, THE SECURITIES AND EXCHANGE COMMISSION OF PAKISTAN (SECP) ISSUED DRAFT AMENDMENTS TO THE COMPANIES (FURTHER ISSUE OF SHARES) REGULATIONS, 2020. THE PLANNED REFORMS—AND AN ONGOING PUBLIC CONSULTATION—AIM TO STREAMLINE THE ISSUANCE OF NEW SHARES, INCLUDING THOSE WITH DIFFERENT RIGHTS AND PRIVILEGES, WITH AN EMPHASIS ON SAFEGUARDING MINORITY SHAREHOLDER INTERESTS AND ENFORCING CORPORATE GOVERNANCE. KEY PROPOSALS ENSURE THAT VOTING RIGHTS RETAIN PRIMACY, LIMIT PREFERENTIAL VOTING STRUCTURES, AND IMPROVE DIVIDEND ALIGNMENT WITH VOTING POWER. SECP IS ALSO WORKING ON UPGRADING MARKET MISCONDUCT RULES, RISK MANAGEMENT FRAMEWORKS, IPO AND TRADING SYSTEM REGULATIONS, AND PROMOTING DIGITALIZATION OF CAPITAL MARKET PROCESSES.

ENHANCED REGULATORY CLARITY AND SHAREHOLDER PROTECTION MEASURES IMPROVE INVESTOR CONFIDENCE, ATTRACT BOTH LOCAL AND INTERNATIONAL CAPITAL, AND MAY STIMULATE GREATER MARKET PARTICIPATION. BY REDUCING CONFLICTS OF INTEREST AND IMPROVING TRANSPARENCY, THESE REFORMS MAKE PAKISTAN'S EQUITY MARKET MORE ATTRACTIVE TO INSTITUTIONAL, RETAIL, AND FOREIGN INVESTORS. IMPROVED GOVERNANCE, STRICTER RISK MANAGEMENT, AND DIGITIZED PUBLIC OFFERINGS ARE ALSO EXPECTED TO REDUCE SYSTEMIC RISKS AND SUPPORT SMOOTHER, MORE EFFICIENT FUNDRAISING FOR LISTED COMPANIES. THE LONG-TERM IMPACT SHOULD BE AN INCREASE IN TRADING VOLUMES, MARKET LIQUIDITY, AND STEEPER GROWTH IN MARKET CAPITALIZATION, ESPECIALLY IF THE REFORMS DRIVE NEW IPOS AND BROADER INVESTOR INCLUSION.

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### 6. PERSISTENT TRADE DEFICIT: AUGUST DATA SHOWS 30% YOY WIDENING, WORSENERD BY FLOOD-DRIVEN IMPORTS

TRADE FIGURES RELEASED IN LATE SEPTEMBER REVEAL PAKISTAN'S TRADE DEFICIT WIDENED SHARPLY TO \$2.9 BILLION IN AUGUST 2025, UP MORE THAN 30% YEAR-ON-YEAR. EXPORTS FELL BY 12.5% TO \$2.42 BILLION (FROM \$2.76 BILLION IN AUGUST 2024), WHILE IMPORTS INCREASED BY OVER 6% TO \$5.29 BILLION, MAINLY DUE TO INCREASED PURCHASING OF FOOD, FUEL, AND OTHER ESSENTIALS FOLLOWING MONSOON FLOOD DISRUPTIONS. FOR THE FIRST TWO MONTHS OF FY2025-26, THE CUMULATIVE TRADE DEFICIT INCREASED BY 29% TO \$6.01 BILLION, MARKING A WORRYING TREND FOR CURRENCY STABILITY AND EXTERNAL ACCOUNTS.

A PERSISTENT AND WIDENING TRADE DEFICIT UNDERMINES THE RUPEE, STOKES INFLATIONARY PRESSURES BY MAKING IMPORTS COSTLIER, AND SUGGESTS BROADER MACROECONOMIC STRUCTURAL WEAKNESSES. THIS SCENARIO TYPICALLY WEIGHS DOWN THE STOCK MARKET, AS INVESTORS ANTICIPATE FURTHER CURRENCY DEPRECIATION, RISING INPUT COSTS, AND REDUCED PROFITABILITY FOR FIRMS, PARTICULARLY IN MANUFACTURING, CONSUMER GOODS, AND ENERGY-INTENSIVE SECTORS. CONCERNS ABOUT PAKISTAN'S ABILITY TO MANAGE REPAYMENTS AND EXTERNAL BALANCES DISCOURAGE FOREIGN PORTFOLIO INVESTMENT AND OFTEN RESULT IN SELLING PRESSURE ON PSX. ADDITIONALLY, THE NEED FOR POLICY INTERVENTIONS (TARIFF INCREASES, IMPORT CONTROLS, OR FURTHER MONETARY TIGHTENING) RAISES BUSINESS UNCERTAINTY AND RISK PREMIUMS.

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### 7. FOREIGN PORTFOLIO INVESTMENT FLOWS SHOW SHARP DROP IN EARLY FY2026

STATE BANK OF PAKISTAN AND OTHER SOURCES CONFIRM THAT NET FOREIGN PORTFOLIO INVESTMENT (FPI) FLOWS IN THE FIRST TWO MONTHS OF FY2026 DROPPED SHARPLY, WITH NET INFLOWS AT ONLY \$86.7 MILLION—DOWN FROM \$200.9 MILLION IN THE SAME PERIOD THE PRIOR YEAR. WHILE COUNTRIES LIKE CHINA, SAUDI ARABIA, AND THE US CONTINUED TO INVEST MEANINGFUL SUMS, OVERALL FOREIGN CAPITAL INFLOWS SLOWED, POSSIBLY REFLECTING HEIGHTENED GLOBAL MACRO RISK, LOWER PAKISTANI POLICY RATES, AND RUPEE VOLATILITY. FOREIGN OUTFLOWS FROM PKR GOVERNMENT SECURITIES (SUCH AS T-BILLS) EXCEEDED INFLOWS, AS FOREIGN INVESTORS REDUCED EXPOSURE IN A LOWER-RATE, HIGHER-RISK DOMESTIC LANDSCAPE.

FALLING FPI FLOWS—ESPECIALLY IN EQUITIES AND GOVERNMENT SECURITIES—SIGNAL REDUCED INTERNATIONAL INVESTOR APPETITE AND CONFIDENCE IN PAKISTAN'S MARKET AND CURRENCY. THIS NOT ONLY REDUCES LIQUIDITY IN LISTED EQUITIES BUT ALSO ADDS DOWNWARD PRESSURE TO STOCK VALUATIONS AND THE RUPEE. LOWER FPI ALSO MEANS FEWER FUNDS AVAILABLE FOR GOVERNMENT DEBT ROLLOVER AND CORPORATES SEEKING SECONDARY OFFERINGS. THE FINANCIAL SECTOR COULD EXPERIENCE INCREASED VOLATILITY, AND THE MARKET MAY UNDERPERFORM REGIONAL PEERS. IF OUTFLOWS CONTINUE, AUTHORITIES MAY BE FORCED TO FURTHER TIGHTEN POLICY OR CONSIDER CAPITAL CONTROLS, BOTH OF WHICH COULD DEPRESS VALUATIONS FURTHER.

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### 8. FLOOD-INDUCED CROP SHORTAGES DRIVE FOOD INFLATION IN SEPTEMBER; HEADLINE CPI RISES 2.1% MOM

**INFLATION DATA FOR SEPTEMBER 2025 IS PROJECTED TO SHOW A 5.6% YEAR-ON-YEAR INCREASE (DOWN FROM 6.9% A YEAR EARLIER), BUT A NOTABLE 2.1% MONTH-ON-MONTH RISE, DRIVEN MAINLY BY FLOOD-INDUCED SHORTAGES OF ESSENTIAL FOOD ITEMS SUCH AS WHEAT, TOMATOES, AND ONIONS. BROKERAGE HOUSES AND THE SBP CITED THE DISRUPTION OF RURAL LOGISTICS AND THE DESTRUCTION OF STANDING CROPS AS PRINCIPAL CAUSES OF THE SUPPLY SHOCK IN FOOD CATEGORIES, THOUGH STABLE ENERGY PRICES PROVIDE SOME OFFSET. URBAN AND RURAL CORE INFLATION REMAINS HIGH, REFLECTING INFRASTRUCTURE DAMAGE. OVERALL, THE INFLATION OUTLOOK HAS WORSENERD FOR THE NEAR TERM, WITH MONETARY POLICY EXPECTED TO REMAIN TIGHT TO CONTAIN SECOND-ROUND EFFECTS.**

ELEVATED INFLATION, ESPECIALLY WHEN ARISING FROM STAPLE FOOD SHORTAGES, SQUEEZES HOUSEHOLD DISPOSABLE INCOMES AND CORPORATE PROFIT MARGINS (PARTICULARLY IN FMCG, FOOD, AND RETAIL SECTORS). PERSISTENTLY HIGH CORE INFLATION CONSTRAINS CONSUMPTION-DRIVEN MARKET SEGMENTS, DAMPENING AGGREGATE DEMAND AND INVESTMENT SENTIMENT. THE RISE IN CPI PRESSURES THE CENTRAL BANK TO MAINTAIN OR TIGHTEN ITS HAWKISH STANCE, RAISING THE RISK OF FURTHER POLICY RATE INCREASES THAT DEPRESS LEVERAGE-DEPENDENT SECTORS. INVESTORS MAY ROTATE TOWARD DEFENSIVE STOCKS AND EXPORTERS (IF PASS-THROUGH TO INPUT PRICES IS CONTAINED) BUT OVERALL MARKET TONE IS LIKELY TO REMAIN CAUTIOUS OR NEGATIVE AS INFLATIONARY RISK REMAINS TOP-OF-MIND.

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### 9. MAJOR MERGERS & ACQUISITIONS AND ASSOCIATED FDI: ENERGY, LOGISTICS, AND FINANCE SECTORS IN FOCUS

**DURING FISCAL YEAR 2024-25, THE COMPETITION COMMISSION OF PAKISTAN (CCP) APPROVED 69 MERGERS AND ACQUISITIONS, DELIVERING ABOUT \$50 MILLION IN FOREIGN DIRECT INVESTMENT (FDI) ACROSS SECTORS SUCH AS ENERGY, LOGISTICS, FOOD, AND FINANCE. KEY TRANSACTIONS INCLUDED A UAE-BASED GROUP'S MAJORITY TAKEOVER OF SHELL PAKISTAN, JOINT ACQUISITIONS IN THE POWER SECTOR, AND SEVERAL CONGLOMERATE-DRIVEN ACQUISITIONS IN LOGISTICS AND TECHNOLOGY. THE TREND DEMONSTRATES SUBSTANTIAL CORPORATE RESTRUCTURING, FOREIGN INVESTMENT APPETITE IN SELECTED SECTORS, AND CCP'S PROACTIVE ROLE IN ENABLING COMPETITIVE MARKET CONSOLIDATION. OF SPECIAL NOTE IN LATE SEPTEMBER, REGULATORY APPROVALS FOR DEALS IN THE POWER, LOGISTICS, AND MANUFACTURING SECTORS COULD UNLOCK NEW INVESTMENT FLOWS AND BOOST MARKET CAPITALIZATION ON THE PSX.**

MAJOR M&A ACTIVITY AND ASSOCIATED FDI INFLOWS SIGNAL INTERNATIONAL INVESTOR CONFIDENCE AND THE STRATEGIC VALUE OF DOMESTIC FRANCHISES IN KEY SECTORS. SHARE PRICES IN DIRECTLY AFFECTED COMPANIES OFTEN EXPERIENCE RE-RATING, AND SECTOR-WIDE MULTIPLES (ENERGY, LOGISTICS, FINANCE) CAN BE BUOYED BY EXPECTATIONS OF CONSOLIDATION, EFFICIENCY GAINS, AND RENEWED GROWTH. M&A ANNOUNCEMENTS TYPICALLY BOOST MARKET SENTIMENT, STIMULATE TRADING VOLUMES, AND ATTRACT SHORT-TERM SPECULATIVE INTEREST. THEY ALSO PAVE THE WAY FOR OPERATIONAL SYNERGIES AND IMPROVED COMPETITIVENESS IN THE MARKET, EVENTUALLY LEADING TO ENHANCED SHAREHOLDER VALUE IN PARTICIPANT FIRMS AND SECTORS.

## Recent News Affecting PSX

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### 10. SECURITY EVENT: FRESH TALIBAN ATTACKS AND BORDER TENSIONS ESCALATE REGIONAL RISK

SEPTEMBER 2025 SAW RECURRING SECURITY INCIDENTS ALONG WESTERN PAKISTAN'S BORDERS, INCLUDING RENEWED TALIBAN ATTACKS AND THE AFTERMATH OF RECENTLY EXPELLED AFGHAN REFUGEES. ON SEPTEMBER 26, AT LEAST 17 TALIBAN FIGHTERS WERE KILLED BY PAKISTANI SECURITY FORCES IN A KHYBER PAKHTUNKHWA RAID, PART OF BROADER COUNTER-INSURGENCY OPERATIONS. IN PARALLEL, PERSISTENT CLASHES WITH CROSS-BORDER MILITANTS AND THE CLOSURE OF AFGHAN REFUGEE CAMPS (ORDERED IN LATE SEPTEMBER) HAVE RAISED TENSIONS WITH AFGHANISTAN AND CREATED FRESH HUMANITARIAN PRESSURES. THE POLITICO-SECURITY CLIMATE REMAINS FRAGILE, WITH FEARS OF SPILLOVER VIOLENCE INTO PAKISTAN'S ECONOMIC HEARTLANDS AND IMPLICATIONS FOR THE CHINA-PAKISTAN ECONOMIC CORRIDOR AND OTHER MAJOR INFRASTRUCTURE PROJECTS.

SECURITY FLARE-UPS—ESPECIALLY WHEN LINKED TO CROSS-BORDER INFILTRATION, TERRORISM, OR POLITICAL/MILITARY STANDOFFS—UNDERMINE FOREIGN INVESTOR CONFIDENCE AND CAN TRIGGER MARKET SELL-OFFS, ESPECIALLY IN RISK-SENSITIVE AND PROJECT-DRIVEN SECTORS SUCH AS INFRASTRUCTURE, BANKING, MINING, AND ENERGY. HEIGHTENED REGIONAL RISK PERCEPTIONS PROMPT CAPITAL FLIGHT, RAISE SOVEREIGN RISK PREMIUMS, AND DETER PORTFOLIO AND FDI INFLOWS. IF SUCH EVENTS PERSIST OR ESCALATE, INSURANCE COSTS FOR BUSINESS RISE, BUSINESS DISRUPTION EVENTS MULTIPLY, AND HIGH-PROFILE CPEC-LINKED STOCKS COULD FACE INVESTOR ABANDONMENT. EVEN WHEN ISOLATED TO BORDER AREAS, THE NATIONAL IMPACT CAN BE SUBSTANTIAL, GIVEN PAKISTAN'S INTEGRATED MARKET PSYCHE AND THE IMPORTANCE OF PERCEPTION IN SHAPING FOREIGN AND DOMESTIC INVESTMENT BEHAVIOR.

## Market Impact Overview

News Headline	Impact	Affected Sector(s)	Anticipated Change
SBP Holds Policy Rate at 11% Amid Post-Flood Economic Uncertainty	Neutral	Banks, Finance	Supports stability but caps upside pending flood recovery
Pakistani Rupee Weakens Against USD in Late September	Negative	Manufact., Energy, Imports	Higher input costs, margin pressure, bearish equities
Intl. Oil Price Fluctuations: Brent Dips, Rallies on Risk	Mixed	Energy, E&P, Oil Importers	Upstream gains, downstream margin squeeze, index volatility
OGDC and Peers Announce Record FY2025 Earnings	Positive	Energy, Financials, Consumers	Stock price gain, sector-led index outperformance
SECP Proposes Major Amendments to Share/Market Regulations	Positive	Capital Markets, All Sectors	Investor confidence boost, higher volumes, IP~ participation
Persistent Trade Deficit Widened 30% YoY in August (Flood-Driven)	Negative	Imports, Currency, Economy	Rupee pressure, higher inflation, sell-off in key sectors
Foreign Portfolio Investment Flows Show Sharp Decline Early FY26	Negative	Equities, Banks, All Sectors	Lower liquidity, stock underperformance, risk-off sentiment
Flood-Driven Crop Shortage Pushes Sep CPI Up 2.1% MoM	Negative	FMCG, Food, Retail, Agriculture	Demand squeeze, margin compression, inflation hedge rotation
Major M&A and FDI: Shell, Power, Logistics Deals Gaining Traction	Positive	Energy, Finance, Logistics	Price re-rating, sector optimism, new capital inflow
Security Events: Taliban Attacks, Border Tension Escalation	Negative	Infrastructure, CPEC, Banks	Investor flight, risk premium, wider market decline

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## Stock Ratings

WE Financial Services Ltd. uses three rating categories, depending upon return from current market price, with Target period as December 2018 for Target Price. In addition, return excludes all type of taxes. For more details kindly refer the following table:

Potential to target price	
Buy Upside	More than +10% from last closing price
Hold	In between -10% and +10% from last closing price
Sell	Less than -10% from last closing price

## Equity Valuation Methodology

WE Research uses the following valuation technique(s) to arrive at the period end target prices:

- Discounted Cash Flow (DCF)
- Dividend Discount Model (DDM)
- Relative valuation (P/E, P/B, P/S)
- Equity & Asset return based (EVA, Residual income)

## Risks

The following risks may potentially impact our valuations of subject security(ies):

- Market Risk
- Interest Rate Risk
- Exchange rate risk

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