MORNING UPDATE

Important News and Impacts

August 12, 2026

Economy

Pakistan says US and Iran close to 'some sort' of deal – Positive

Pakistan said on Tuesday the United States and Iran were close to "some sort" of deal, and fellow mediator Qatar said talks on managing the Strait of Hormuz were at an advanced stage, despite reports of new attacks on shipping in regional waters. The comments offered some hope that Iran and the US can end a stalemate that has in effect blocked the vital waterway, through which a fifth of global oil and liquefied natural gas flowed before the war. Prospects for a deal had appeared to dim on Monday after the sides' latest remarks and demands.

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President approves key economic bills, summaries – Positive

President Asif Ali Zardari has approved a series of key bills and summaries, including legislation aimed at strengthening Pakistan's export financing, tax administration, and the recovery of financial assets. According to an official statement issued on Tuesday, the President approved the Export-Import Bank of Pakistan (Amendment) Bill, 2026, the Financial Institutions (Recovery of Finances) (Amendment) Bill, 2026, and the Federal Board of Revenue (Amendment) Bill, 2026.

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Govt debt stock rises by Rs5.7trn in FY26 – Negative

Pakistan's central government debt stock rose by Rs5.7 trillion during the last fiscal year (FY26), driven by substantial borrowing from domestic and external sources. The State Bank of Pakistan (SBP) reported on Tuesday that the country's total debt stock, comprising domestic and external liabilities, increased by 7.4 percent, or Rs5.754 trillion, during FY26. The rise pushed the central government's total debt stocks to Rs83.642 trillion level by the end of June 2026, compared with Rs77.888 trillion at the beginning of the fiscal year on July 1, 2025.

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Global food inflation risks for Pakistan – Negative

The State Bank of Pakistan (SBP) has said food prices could rise more than expected, potentially becoming a global issue. In its biannual monetary policy report issued on Monday, the central bank reviewed the situation. It noted that the regional war had a more serious impact on food prices in countries such as Pakistan.

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Sector

Dubai crude surges 10pc, putting Pakistan's fuel prices to test – Negative

Dubai crude, a key benchmark for Asian markets including Pakistan, jumped an extraordinary $8.2 per barrel, or 10.2 per cent, to $88.99 per barrel on Tuesday, according to market data available with The News. The sharp rise has heightened concerns for Pakistan because the pressure is coming from multiple directions.

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Petroleum dealers issue 72-hour ultimatum – Negative

Pakistan Petroleum Dealers Association (PPDA) has issued a 72-hour ultimatum to the government over its failure to fulfil promises made by the petroleum minister to resolve their issues, especially the increase in margin to eight per cent on the retail sale price of petrol. The association warned that if the government failed to meet its demands within 72 hours, petrol pumps across the country would shut down indefinitely from 6am on Saturday (August 15) and would not reopen until those demands were met.

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Auto sales hit 18,818 units in July – Neutral

Sales of cars, pickups, vans and jeeps surged by 79 per cent year-on-year in July to 18,818 units, but fell 13pc month-on-month. The annual rise was driven by new market entrants, new product launches and a surge in auto financing. The month-on-month decline was primarily due to uncertainty surrounding the new auto policy, Myesha Sohail of Topline Securities said.

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MARKET STATISTICS

Market	11/Aug/26	10/Aug/26	Difference	D%
KSE-100	179,847	181,310	(1,463.60)	-0.8%
KSE-30	53,571	54,006	(434.78)	-0.8%
All Share	108,847	109,402	(555.67)	-0.5%
Vol (mn)	842.70	910.03	(67.33)	-7.4%
Val (mn)	38,654	44,672	(6,018)	-13.5%
Mkt Cap (US$bn)	72.49	72.91	(0.42)	-0.6%

ECONOMIC STATS.

Monet Mkt	DoD	1-M	CY	FY
6-M KIBOR	11.61	11.59	10.65	11.56
12-M-T-Bills	11.95	11.99	10.49	11.84
10-Yr-PIBs	12.10	12.00	11.47	12.19

Interest Rates	11/Aug/26	10/Aug/26	DoD	Δ%
1YR	11.91	11.89	0.02	0.2%
3YR	11.71	11.66	0.05	0.4%
5YR	11.76	11.7	0.06	0.5%
10YR	12.1	12.08	0.02	0.2%

Fx Mkt	Latest	Privies	DoDD
US$	277.67	277.70	0.0%
Pound	375.14	374.92	0.1%
Euro	320.22	320.81	-0.2%
Yen	1.74	1.75	-0.6%

MAJOR INT'L INDICES

Int. Markets	Current	Last Close	DoD%
Hong Kong	25,342	25,653	-1.2%
Japan	67,270	66,970	0.4%
Singapore	5,732	5,754	-0.4%
China	3,947	3,934	0.3%
India	78,023	78,154	-0.2%
Dow Jones	53,792	53,976	-0.3%
S&P 500	7,728	7,753	-0.3%
NASDAQ	26,445	26,605	-0.6%
London	10,844	10,863	-0.2%

COMMODITIES

Commodities	Current	last	DoD%
WTI ($/bbl)	84.17	83.72	0.5%
Brent ($/bbl)	89.89	89.28	0.7%
Coal ($/ton)	122.10	122.00	0.1%
Silver ($/oz)	65.61	65.27	0.5%
Cotton (c/lb)	84.38	84.25	0.2%
Gold ($/oz)	4,463	4,439	0.5%

Source: Bloomberg, Oil Prices, Investing, BarChart, LME

This report prepared by Darson Sec. Ltd

Important News and Impacts

FBR hints at withdrawing super tax – Positive

The Federal Board of Revenue (FBR) on Tuesday hinted at further tax relief for businesses, including possible complete withdrawal of super tax and reduction in sales tax rate, amid growing concerns over high input costs, elevated interest rates and alleged harassment by tax authorities, forcing several multinational companies to leave the country. The development came during a meeting of the Sub-Committee of the Senate Standing Committee on Finance, where representatives of the business community raised serious concerns over the increasingly difficult operating environment and its impact on investment and industrial activity.

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AIIAP, JIAP outsourcing, sell-off of two Discos approved – Positive

The Privatization Commission (PC) Board accorded approvals relating to the outsourcing of Allama Iqbal International Airport, Lahore (AIIAP), and Jinnah International Airport, Karachi (JIAP), as well as the privatization of Lahore Electric Supply Company (LESCO) and Multan Electric Power Company (MEPCO). The board met here on Tuesday under the chairmanship of Muhammad Ali, Adviser to the Prime Minister on Privatization and Chairman of the Privatization Commission.

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Govt decides to revive PSM, not to liquidate it – Neutral

The government has decided to move towards revival of Pakistan Steel Mills (PSM), effectively reversing its earlier decision to liquidate the state-owned enterprise, as some international parties have shown keen interest in reviving the dormant steel giant, well-informed sources told Business Recorder. The development comes after the government initiated consultations with Russian company Industrial Engineering LLC for revival, modernization and restructuring of PSM. According to sources, two protocols have already been signed between Industrial Engineering LLC of Russia and PSM under the Ministry of Industries and Production.

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CCP clears CVC-backed acquisition of DSM-Firmenich animal health business – Positive

The Competition Commission of Pakistan (CCP) has approved the acquisition of controlling equity interests in DSM-Firmenich's Animal Nutrition and Health Business by four investment vehicles indirectly owned and financed by CVC Fund IX. The transaction was cleared after a Phase-I competition assessment conducted under Section 11 of the Competition Act, 2010, the CCP said on Tuesday. The business operates in Pakistan through DSM-Firmenich Pakistan (Private) Limited. Under the transaction, DSM B.V., a Netherlands-based wholly owned subsidiary of Switzerland-based DSM-Firmenich AG, will reorganize the business into two entities, SpecialtyCo Business and EssentialCo Business.

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International

Oil Gains Before US CPI, Asian Tech Stocks Rise

Asian stocks rose, buoyed by technology shares, as strong earnings from technology companies lured investors back into the artificial intelligence trade. The Kospi Index — a bellwether for AI investments — rallied 5%, with Samsung Electronics Co. and SK Hynix Inc. both jumping more than 8% amid optimism over their shareholder return policy. MSCI's Asia Pacific equities gauge climbed 0.7%, powered by gains in semiconductor and other technology stocks.

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Oil rises as doubts over US-Iran deal heighten supply concerns

Oil prices rose on Wednesday morning as doubts about a U.S.-Iran peace deal and attacks on two ships fuelled concerns about Middle East supply disruptions, even as industry data showed U.S. crude inventories expanded. Brent futures gained 72 cents, or 0.81%, to $89.63 a barrel by 0053 GMT, while U.S. West Texas Intermediate (WTI) crude climbed 71 cents, or 0.85%, to $83.91.

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Rating System:
If;

- **Expected return >15%** - Buy Call
- **Expected Return is in between 0% to 15%** - Neutral/Hold Call
- **Expected Return <0%** - Sell Call

Valuation Methodology
To arrive at our period end target prices, DSL uses different valuation methodologies including:

- Discounted cash flow (DCF, DDM)
- Justified price to book (JPB)
- Relative Valuation (P/E, P/B, P/S etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)

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