# Important News and Impacts

August 5, 2026

**Economy**

**Pakistan seeks USD 1.3Bn China Refinancing – Positive**

Pakistan has reportedly requested China to refinance a USD 1.3 billion commercial loan, with the funds expected to be received later this month once the terms and conditions are finalized. According to the sources, discussions with Chinese authorities are underway to expedite the refinancing process. The inflow is expected to provide timely support to Pakistan's foreign exchange reserves. The sources said Pakistan made external debt repayments of USD 2.2 billion in July, including the repayment of a USD 1.3 billion Chinese commercial loan.

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**Pakistan, Iran reaffirm commitment to boost bilateral trade to USD 10bn – Positive**

Pakistan and Iran have reaffirmed their commitment to increasing bilateral trade to $10 billion and expanding cooperation in trade, investment and the private sector, said a communique issued after bilateral talks on Tuesday, according to Geo. The commitment was reiterated during the 10th Pakistan-Iran Joint Trade Committee (JTC) meeting, co-chaired by Commerce Minister Jam Kamal Khan and Iranian Minister of Industry, Mine and Trade, Mohammad Atabak.

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**July exports surge by 10%YoY – Positive**

Pakistan's exports made a strong start in the first month fiscal year 2026-27, with total exports rising 10 percent to USD 2.96 billion in July 2026 from USD 2.69 billion in the same month last year, according to the Pakistan Textile Exporters Association (PTEA). Sharing the figures on X, the PTEA described the performance as "a healthy start and one worth building on," noting that the textile industry remained the key driver of export growth.

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**Govt raises PKR 789bn via PIBs sale – Neutral**

The government raised Rs789 billion from the auction of the fixed-rate Pakistan Investment Bonds (PIBs) on Tuesday, with yields rising almost across all tenors even after inflation slowed in July. The bids were rejected for the two-year PIBs.The cut-off yield on the three-year paper was up 26 basis points (bps) at 11.745 per cent. The five-year PIB rose 17 bps to 11.8000 per cent. The 10-year bond was higher by 16 bps to 12.3000 per cent. The 15-year paper increased 20 bps to 12.4850 per cent.

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**M-12 Project: ECC approves PKR 27.62bn sovereign guarantees issuance – Neutral**

The Economic Coordination Committee of the Cabinet (ECC) has approved the issuance of Sovereign Guarantees amounting to Rs27.62 billion for the construction of the Sialkot (Sambrial) – Kharian Motorway (M-12) Project on a Build-Operate-Transfer (BOT) basis and roll-over of already issued Operational VGF amounting to Rs6.944 billion Federal Minister for Finance and Revenue, Muhammad Aurangzeb, chaired the ECC meeting held at the Finance Division on Tuesday.

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**Unrated large private borrowers: SBP raises financing limit to PKR 10bn – Positive**

In a significant step aimed at improving access to bank financing for the private sector, the State Bank of Pakistan (SBP) on Tuesday increased the aggregate exposure limit for unrated large private sector borrowers by more than 233 percent to Rs10 billion for all banks and Development Finance Institutions (DFIs). Under the current framework, banks and DFIs could collectively extend financing of up to Rs3 billion to an unrated large private sector borrower. With the latest revision, the ceiling has been more than tripled to Rs10 billion, allowing financial institutions to support larger investment projects and working capital requirements.

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**Sector**

**SIFC clears way for $200m Khuzdar mining investment – Positive**

The Special Investment Facilitation Council (SIFC) has cleared the way for a $200 million investment in the Barite-Lead-Zinc (BLZ) Project in Balochistan's Khuzdar district by resolving long-standing lease-related issues, marking a major breakthrough for Pakistan's mining sector and investor confidence. The strategic mining project, which has remained on the SIFC's agenda since December 2023, is being developed by Pakistan Petroleum Limited (PPL) in partnership with Bolan Mining Enterprises. Under the joint venture arrangement, PPL serves as the project operator with a 50 percent working interest.

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**Meeting discusses roadmap for Gas Sector transformation – Neutral**

Federal Minister for Petroleum Ali Pervaiz Malik chaired a meeting with Bolormaa Amgaabazar, the World Bank Country Director for Pakistan, and her team to review the roadmap for Pakistan's gas sector transformation. The roadmap has been developed by the Petroleum Division with the World Bank's technical support, drawing upon international best practices to guide the country's transition towards a more competitive, open and efficient gas market.

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**ST at the rate of PKR 5/unit of electricity: FBR notifies list of 99 iron, steel manufacturers – Neutral**

The Federal Board of Revenue (FBR) has issued a list of 99 iron/steel manufacturers, on which sales tax would be charged at the rate of Rs5 per unit of electricity consumed through the electricity bills, issued by the respective power distribution companies (Discos). According to a notification issued on Tuesday, the FBR notified the names of registered manufacturers in the iron and steel sector (Melters, Re-Rollers and Composite Units) whose imports of scrap under HS codes of 7204.3000, 7204.4100, 7204.4990 and 7204.4940

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**SECMC to raise Thar coal output by 47pc from September – Positive**

Sindh Engro Coal Mining Company (SECMC) is set to increase coal production from its Thar Block-II mine by 47 per cent to 11.2 million tonnes per annum from September 2026, following cumulative investment of $1.4 billion in the project since 2019. Speaking at a media briefing ahead of the company's first Mining Technical Conference 2026, scheduled for later this week, SECMC Chief Executive Officer Amir Iqbal said the company is currently producing 7.6 million tonnes of coal annually and plans further expansion in the coming years.

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**International**

**Asia shares surge on tech mood swing, oil retreats**

Asian stock markets jumped on Wednesday as robust earnings and renewed appetite for tech propelled Wall Street to record highs, while hopes for progress on opening the Strait of Hormuz pushed down on oil prices and bond yields. Japan's Nikkei (.N225), opens new tab climbed 3.0% and South Korea (.KS11), opens new tab added 4.1%, continuing its run of wild swings. MSCI's broadest index of Asia-Pacific shares outside Japan (.MIAPJ0000PUS), opens new tab rose 2.4%, while Chinese blue chips (.CSI300), opens new tab gained 0.7%.

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**Oil prices drop 5pc**

Oil prices fell more than 5 per cent on Tuesday to a three-week low after comments by Qatari and US officials raised hopes for a diplomatic resolution to the Iran war that could improve oil flows through the Strait of Hormuz. Brent crude futures were down $4.44, or 5.3pc, to $79.33 a barrel by 1:17 p.m. ET (1717 GMT). US West Texas Intermediate futures dropped $4.52, or 5.6pc, to $75.82 a barrel.

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## MARKET STATISTICS

| Market | 4/Aug/26 | 3/Aug/26 | Difference | D% |
|---|---|---|---|---|
| KSE-100 | 177,083 | 178,200 | (1,116.80) | -0.6% |
| KSE-30 | 52,836 | 53,251 | (415.07) | -0.8% |
| All Share | 106,985 | 107,585 | (599.74) | -0.6% |
| Vol (mn) | 708.60 | 781.26 | (72.66) | -9.3% |
| Val (mn) | 25,828 | 33,081 | (7,252) | -21.9% |
| Mkt Cap (US$bn) | 71.38 | 71.81 | (0.43) | -0.6% |

## ECONOMIC STATS.

| Monet Mkt | DoD | 1-M | CY | FY |
|---|---|---|---|---|
| 6-M KIBOR | 11.60 | 11.59 | 10.65 | 11.56 |
| 12-M-T-Bills | 11.99 | 11.99 | 10.49 | 11.84 |
| 10-Yr-PIBs | 12.03 | 12.00 | 11.47 | 12.19 |

| Interest Rates | 4/Aug/26 | 3/Aug/26 | DoD | Δ% |
|---|---|---|---|---|
| 1YR | 11.83 | 11.81 | 0.02 | 0.2% |
| 3YR | 11.65 | 11.61 | 0.04 | 0.3% |
| 5YR | 11.72 | 11.7 | 0.02 | 0.2% |
| 10YR | 12.03 | 12 | 0.03 | 0.2% |

| Fx Mkt | Latest | Privies | DoDD |
|---|---|---|---|
| US$ | 277.76 | 277.77 | 0.0% |
| Pound | 373.75 | 372.81 | 0.3% |
| Euro | 320.46 | 319.94 | 0.2% |
| Yen | 1.76 | 1.77 | -0.6% |

## MAJOR INT'L INDICES

| Int. Markets | Current | Last Close | DoD% |
|---|---|---|---|
| Hong Kong | 25,898 | 25,853 | 0.2% |
| Japan | 65,824 | 63,958 | 2.9% |
| Singapore | 5,592 | 5,612 | -0.4% |
| China | 3,874 | 3,822 | 1.3% |
| India | 78,920 | 78,429 | 0.6% |
| Dow Jones | 54,086 | 53,178 | 1.7% |
| S&P 500 | 7,737 | 7,601 | 1.8% |
| NASDAQ | 26,585 | 25,914 | 2.6% |
| London | 10,879 | 10,858 | 0.2% |

## COMMODITIES

| Commodities | Current | last | DoD% |
|---|---|---|---|
| WTI ($/bbl) | 74.64 | 81.83 | -8.8% |
| Brent ($/bbl) | 78.47 | 85.69 | -8.4% |
| Coal ($/ton) | 117.90 | 120.00 | -1.8% |
| Silver ($/oz) | 60.98 | 58.87 | 3.6% |
| Cotton (c/lb) | 82.50 | 82.13 | 0.5% |
| Gold ($/oz) | 4,187 | 4,107 | 1.9% |

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

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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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