# MORNING UPDATE

## Important News and Impacts

August 18, 2026

**Economy**

**Trump Gaza plan: Kushner's talks with Israel, Hamas end without breakthrough – Negative**

Donald Trump's envoy and son-in-law Jared Kushner left Occupied Jerusalem on Monday without a breakthrough after two days of talks with Israeli and Hamas leaders over a stalled US plan to end the war in Gaza, with both sides standing firm on key demands. Kushner met Prime Minister Benjamin Netanyahu in Israel a day after meeting Hamas' political leader in Egypt in an attempt to revive the plan, which has stalled as Israel has carried out air strikes and seized more territory in Gaza despite an October ceasefire, while Hamas has refused to give up its weapons.

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**Iran threatens to go on offensive in Strait of Hormuz if diplomacy with US fails – Negative**

Iran has decided to shift its policy from defensive to "fully offensive" due to the deadlock in efforts to agree a permanent end to its war with the United States, a senior Iranian official told Reuters on Monday. Progress towards peace talks and a resumption of oil tanker traffic through the strategic Strait of Hormuz has ground to a halt, with no sign that the warring parties are moving towards ending the conflict that the US and Israel launched on February 28.

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**Houthis say they attacked Saudi vessels off Yemen's Mocha – Negative**

Yemen's Houthis attacked what they described as a Saudi military ship and four escort vessels in the Red Sea with missiles, according to the group's military spokesperson Yahya Saree on Telegram on Monday. There was no immediate confirmation from Saudi authorities. Mocha is a Red Sea port near the Bab el-Mandeb Strait, a strategic chokepoint connecting the Red Sea with the Gulf of Aden and an important international shipping route.

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**Sector**

**Govt increases diesel price by Rs6.47, petrol's by Rs5.77 per litre – Negative**

The federal government raised the price of High Speed Diesel (HSD) by Rs6.47 per litre, and the Motor Spirit (petrol) by Rs5.77 per litre for Tuesday, August 18. According to a notification issued by the Ministry of Energy (Petroleum Division), the Oil and Gas Regulatory Authority (OGRA) on Monday revised the ex-depot prices of petroleum products under the government's petroleum pricing mechanism.

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**July 2026 FCA: Power tariff may rise by Rs2.50/unit for Rs34bn recovery – Negative**

The government is likely to increase electricity tariff by around Rs2.50 per unit for July 2026 to recover over Rs34 billion from consumers of Discos and K-Electric under the monthly Fuel Charges Adjustment (FCA) mechanism, sources told Business Recorder. The main reason for the higher positive FCA for July 2026 is higher electricity consumption during the month, coupled with the use of expensive fuels, including LNG purchased from the spot market and furnace oil to meet peak-hour demand.

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**PPL makes gas, condensate discovery in Sirani block – Positive**

Pakistan Petroleum Limited (PPL) on Monday announced a gas and condensate discovery from its operated Dolphin X-1 exploratory well in the Sirani Block in Sujawal district, Sindh, describing it as the first hydrocarbon discovery from the Jurassic-age Chiltan Formation in the Lower Indus Basin. PPL said the discovery establishes a working petroleum system and opens a new exploration play across the onshore marshy area, with potential extensions into shallow offshore areas.

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**Pakistan's refiner expands US crude imports – Positive**

Pakistan's largest refiner Cnergyico is buying more US crude as Islamabad seeks to diversify the country's energy supplies after disruption caused by the Iran war exposed its dependence on Gulf routes. Pakistan also wants to increase imports from the US to help narrow its trade surplus and secure reductions in trade tariffs imposed by President Donald Trump.

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**Ministry pushes EV battery policy – Positive**

The Ministry of Industries has directed the Pakistan Standards and Quality Control Authority (PSQCA) to begin developing standards for lithium-ion vehicle batteries. The ministry was already working with stakeholders to finalize Pakistan's Next Generation Energy Storage Policy (2026-2033). Engineering Development Board (EDB) Chief Executive Hammad Mansoor is expected to present the upgraded version of this policy at a stakeholders' meeting shortly.

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**Completion of Islamabad Technology Park: PM expresses his displeasure over delays – Neutral**

Prime Minister Shehbaz Sharif on Monday took exception to the delay in completing the Islamabad Technology Park, ordering the authorities to finish the long-delayed project at the earliest and make it operational on a priority basis. The prime minister while chairing a review meeting on the ongoing reforms at National Information Technology Board (NITB) and progress on the construction of Islamabad Technology Park, also directed that the technology park be fully outsourced for its operation.

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**FCC allows super tax adjustment against tax credit – Positive**

The Federal Constitutional Court (FCC) has held that income tax in general, and super tax in particular, paid under Section 4C of the Income Tax Ordinance, 2001, is adjustable where a tax credit is available within the meaning of Section 168 of the ITO, 2001. "We find no justification for holding that Super Tax paid under Section 4C of the ITO is incapable of being adjusted where there is tax credit under Section 168 of the ITO," said a two-judge bench in a judgment authored by Justice Aamir Farooq.

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**Rs400bn dues: NA likely to take up GIDC (Amendment) Bill, 2026 – Neutral**

The National Assembly is likely to take up the Gas Infrastructure Development Cess (Amendment) Bill, 2026-a key modification to the Gas Infrastructure Development Cess Act, 2015, which is aimed at resolving over Rs400 billion in stuck-up GIDC dues. In February 2026, the Cabinet Committee on disposal of Legislative Cases (CCLC) had approved amendments in the GIDC Act, 2015.

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**International**

**Asian stocks rise as China, Hong Kong lead gains on tech boost**

Asian stocks mostly rose on Monday, led by gains in China and Hong Kong, as investors extended the recent risk-on move while awaiting a fresh batch of Chinese economic data and monitoring developments around the Strait of Hormuz. The lack of progress toward a peace deal has kept pressure on oil markets, with tanker traffic through the strategic Strait of Hormuz still largely halted. Iran has urged the U.S. to "accept defeat," while President Donald Trump has warned Americans to brace for higher gasoline prices as the conflict continues.

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**Oil climbs as fading US-Iran peace hopes raise supply risks**

Oil prices rose on Tuesday as a deal to end the Middle East war seemed further out of sight with Iran saying it will adopt a more offensive stance and the U.S. ruling out extending a ceasefire agreement, heightening worries about energy supply. Iran will shift to a "fully offensive" military posture because efforts to negotiate a permanent end to the war with the U.S. have stalled, a senior Iranian official told Reuters on Monday, as Washington ruled out extending a temporary ceasefire agreement.

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### MARKET STATISTICS

| Market | 17/Aug/26 | 13/Aug/26 | Difference | D% |
|---|---|---|---|---|
| KSE-100 | 180,502 | 180,105 | 397.83 | 0.2% |
| KSE-30 | 53,761 | 53,604 | 157.61 | 0.3% |
| All Share | 109,207 | 108,838 | 369.08 | 0.3% |
| Vol (mn) | 1,043.36 | 888.10 | 155.26 | 17.5% |
| Val (mn) | 48,262 | 36,639 | 11,622 | 31.7% |
| Mkt Cap (US$bn) | 72.74 | 72.50 | 0.25 | 0.3% |

### ECONOMIC STATS.

| Monet Mkt | DoD | 1-M | CY | FY |
|---|---|---|---|---|
| 6-M KIBOR | 11.59 | 11.59 | 10.65 | 11.56 |
| 12-M-T-Bills | 11.95 | 11.99 | 10.49 | 11.84 |
| 10-Yr-PIBs | 12.11 | 12.00 | 11.47 | 12.19 |

| Interest Rates | 17/Aug/26 | 13/Aug/26 | DoD | Δ% |
|---|---|---|---|---|
| 1YR | 11.95 | 11.95 | 0.00 | 0.0% |
| 3YR | 11.73 | 11.71 | 0.02 | 0.2% |
| 5YR | 11.76 | 11.76 | 0.00 | 0.0% |
| 10YR | 12.11 | 12.1 | 0.01 | 0.1% |

| Fx Mkt | Latest | Privies | DoDD |
|---|---|---|---|
| US$ | 277.62 | 277.65 | 0.0% |
| Pound | 376.20 | 374.76 | 0.4% |
| Euro | 321.67 | 320.96 | 0.2% |
| Yen | 1.74 | 1.74 | 0.0% |

### MAJOR INT'L INDICES

| Int. Markets | Current | Last Close | DoD% |
|---|---|---|---|
| Hong Kong | 25,291 | 25,453 | -0.6% |
| Japan | 68,099 | 69,220 | -1.6% |
| Singapore | 5,701 | 5,768 | -1.2% |
| China | 3,967 | 3,983 | -0.4% |
| India | 77,419 | 77,728 | -0.4% |
| Dow Jones | 53,460 | 53,732 | -0.5% |
| S&P 500 | 7,745 | 7,786 | -0.5% |
| NASDAQ | 26,645 | 26,729 | -0.3% |
| London | 10,720 | 10,750 | -0.3% |

### COMMODITIES

| Commodities | Current | last | DoD% |
|---|---|---|---|
| WTI ($/bbl) | 84.30 | 81.73 | 3.1% |
| Brent ($/bbl) | 91.41 | 88.95 | 2.8% |
| Coal ($/ton) | - | 122.60 | -100.0% |
| Silver ($/oz) | 65.36 | 65.85 | -0.7% |
| Cotton (c/lb) | 85.66 | 85.02 | 0.8% |
| Gold ($/oz) | 4,451 | 4,457 | -0.1% |

**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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