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KSE-100 V

176,967

▼ 0.11% Mon ·
-200 pts

S&P 500 V

▼ 0.3%

Nasdaq -0.8% ·
Dow +0.3%

US 10Y / 2Y V

4.72 / 4.19

hawkish hold;
Jackson Hole Fri

BRENT / WTI V

\$92.1 / \$84.9

-2.5% · Iran
sanctions

GOLD V

\$4,652

▲ ~1.2% · silver
\$69.0

USD/PKR V

277.55

interbank · steady

01 Five Things You Need To Know To Start Your Day

KSE-100 DIPS 200 POINTS DESPITE MOODY'S B3 UPGRADE

The benchmark closed Monday at **176,966.69**, down 199.84 points (0.11%) after swinging from an intraday high of 178,122.88 to a low of 176,735.57 on profit-taking in ENGROH, MEBL, SRVI, SYS and MCB (-453 points combined), even as OGDC, PPL, MLCF, DGKC and FCCL added 392 points; volume held firm at 930m shares worth Rs44bn, led by CENERGY (266m shares). Breadth stayed slightly negative (222 advancers vs 241 decliners of 498 traded). The session came hours after **Moody's upgraded Pakistan's sovereign rating to B3 from Caa1** (stable outlook), citing FX reserves near \$17bn (from \$14bn a year earlier) and interest payments falling to ~35% of revenue from 49%. Sources: [Express Tribune](#), [Business Recorder](#). Sentiment: **steady, upgrade-cushioned**.

WALL STREET SPLITS AS CHIP STOCKS SLIDE, FED AWAITS JACKSON HOLE

The Dow added 140.15 points (0.3%) to **53,417.16**, while the S&P 500 slipped 0.3% to 7,652.86 and the Nasdaq fell 0.8% to 25,980.19 as chip stocks sank — Micron dropped 5.8%, AMD and Broadcom lost more than 3% and 2% respectively — even as Treasury yields eased, with the 10-year near **4.72%** and the 2-year near 4.19%. The FOMC held its rate at 3.50%-3.75% on 29 July (9-3, three dissents favouring a hike), and markets now await Fed Chair Kevin Warsh's first Jackson Hole address on Friday, 28 August, just weeks ahead of the 16 September decision. Sources: [Washington Post](#), [Tech Times](#). Sentiment: **mixed, rate-decision risk building**.

GOLD NEARS \$4,660, SILVER HOLDS NEAR \$69 ON FED AND PCE POSITIONING

Spot gold traded near **\$4,652–4,657/oz** (+~1.2%), just off the \$4,660 mark, while silver held near \$69/oz (+0.4%), with haven demand framed by this week's PCE inflation print and Chair Warsh's looming Jackson Hole remarks. Sources: [Kitco](#), [Yahoo Finance](#). Sentiment: **firm, haven bid intact**.

OIL SLIDES DESPITE 'TOUGHEST-EVER' US SANCTIONS ON IRAN

Brent fell 2.5% to **\$92.06/bbl** and WTI dropped 2.5% to \$84.89/bbl even as the Trump administration unveiled a sweeping new sanctions regime — dubbed "Operation Economic Outcast" — that Treasury Secretary Scott Bessent called an "economic D-Day" against Iran, with China not exempted; the sell-off suggests traders see limited near-term risk to actual supply despite Iran's warning of possible Hormuz ship seizures. Sources: [CNBC](#), [CNBC](#). Sentiment: **softer, sanctions priced as non-disruptive**.

members kept to their fifth straight monthly increase of 188,000 bpd in August even as Hormuz-linked shipping risk clouds actual barrels moved; Saudi Arabia's non-oil private sector expanded at a slightly softer pace in July (Riyad Bank PMI 53.1, down from 53.3), while PIF continued rolling out its **2026-2030 strategy** — published 12 August with a tilt toward tourism, entertainment and private-sector co-investment — following its completed acquisition of Electronic Arts alongside Silver Lake and Affinity Partners on 4 August. Sources: [AGBI](#), [PIF](#). Sentiment: **resilient, diversification on track**.

02 Regional Market & Economic Matrix

A. Local Market — Pakistan Focus

The KSE-100 slipped 199.84 points (0.11%) to close at **176,966.69** on Monday, swinging between an intraday high of 178,122.88 and a low of 176,735.57 as profit-taking in ENGROH, MEBL, SRVI, SYS and MCB (-453 points combined) offset gains in OGDC, PPL, MLCF, DGKC and FCCL (+392 points); volume was healthy at 930m shares worth Rs44bn, led by CENERGY (266m shares), with breadth modestly negative (222 gainers vs 241 losers of 498 traded). The session followed **Moody's upgrade of Pakistan's sovereign rating to B3 from Caa1** (stable outlook) on governance gains and easing external risk — FX reserves near \$17bn versus \$14bn a year earlier, and interest payments down to ~35% of revenue from 49% — extending the momentum from **S&P's B upgrade on 22 July**. July CPI eased to **9.2% y/y** from 11.1% in June, the SBP held its policy rate at 11.5% for a second straight meeting, and KIBOR sat near 11.39/11.89% as of 20 August; an **IMF mission is expected in September** for the next EFF/RSF review, with roughly \$1.2bn in view.

B. GCC & Middle East

Brent fell 2.5% to **\$92.06/bbl** and WTI dropped to \$84.89/bbl even as Washington unveiled its toughest-ever Iran sanctions package, with Tehran warning of possible **Strait of Hormuz ship seizures** in response. Seven **OPEC+ members continued a fifth straight 188,000 bpd monthly output increase**, while Saudi Arabia's non-oil private sector expanded at a slightly softer pace in July (**Riyad Bank PMI 53.1**, down from 53.3 in June). Separately, **PIF's 2026-2030 strategy**, published 12 August, deepens its tilt toward tourism, entertainment and private-sector co-investment, on the heels of its completed Electronic Arts acquisition with Silver Lake and Affinity Partners on 4 August — the diversification anchor even as Hormuz-linked shipping risk clouds the near-term oil outlook.

C. Global Intelligence

Wall Street was split Monday — the Dow added 0.3% to **53,417.16** while the S&P 500 slipped 0.3% to 7,652.86 and the Nasdaq fell 0.8% to 25,980.19 as chip stocks sold off (Micron -5.8%, AMD and Broadcom down more than 3% and 2%); Treasury yields eased, with the 10-year near 4.72% and the 2-year near 4.19%, ahead of Fed Chair Kevin Warsh's first Jackson Hole address on **Friday, 28 August** — nineteen days before the 16 September FOMC decision, where markets are pricing roughly one-in-three odds of a hike after the 9-3 hold on 29 July. Washington simultaneously rolled out its **toughest-ever sanctions regime against Iran** — "Operation Economic Outcast", per Treasury Secretary Bessent — while **Canada vowed retaliatory tariffs** after President Trump threatened a 50% levy on Canadian autos, parts and steel. Gold held firm near \$4,652-4,657/oz and silver near \$69/oz as havens stayed bid into the policy-heavy week.

03 Legislative & Regulatory Tracker — Who Wins, Who Loses

Jurisdiction	Legislation / Policy Change	Affected Sector(s)	Net Impact & Strategic Outlook
Local — Pakistan	Moody's upgrades Pakistan to B3 from Caa1 (stable outlook) on 24 August, citing stronger governance and external buffers; SBP holds its policy rate at 11.5% for a second straight meeting as July CPI eases to 9.2%, with an IMF mission expected in September for the next EFF/RSF review (~\$1.2bn in view).	Banks, Sovereign bonds, Equities, IMF-linked sovereign risk	Wins: sovereign bondholders and banks holding government paper as the upgrade lowers external financing costs, and exporters/importers if the ~\$1.2bn IMF tranche clears on schedule. Losses: leveraged borrowers and rate-sensitive sectors (autos, cement, construction) still financing at 11.5%, with Pakistan's B3 rating still seven notches below investment grade.
Regional — GCC	Seven OPEC+ members roll over a fifth straight 188,000 bpd monthly output increase even as Iran warns of possible Hormuz ship seizures; PIF's 2026-2030 strategy , published 12 August, deepens its private-sector, tourism-led diversification push.	Energy, Oil exporters, Tourism/PIF portfolio, Shipping/Insurance	Wins: PIF-linked tourism, entertainment and gaming assets (including the newly closed Electronic Arts deal) under the refreshed strategy, and Gulf oil exporters if the Hormuz risk premium reasserts itself. Losses: Saudi Arabia's broader non-oil momentum, which softened slightly in July (PMI 53.1 vs 53.3), and shippers/insurers exposed to the escalating Hormuz standoff.
Global	The US unveils its toughest-ever Iran sanctions regime — "Operation Economic Outcast" — on 24 August, extending pressure to China's trade with Tehran, while Canada vows retaliatory tariffs after Trump threatened 50% duties on Canadian autos, parts and steel.	Energy, Chips/Tech, Autos/Steel, Safe havens	Wins: gold and other havens as sanctions and tariff escalation lift geopolitical risk premia, plus US sanctions-compliance and trade-advisory firms. Losses: chipmakers already under pressure (Micron, AMD, Broadcom fell Monday) and cross-border autos/steel exporters facing the threatened 50% US tariff on Canadian goods.

04 The Day Ahead — KSE-100 Levels & Desk Stance

SUPPORT EST.

175,000

session's key floor per desk technicals; deeper support near 173,500

PIVOT EST.

176,967

Monday's close

RESISTANCE EST.

178,100

Monday's intraday high; a clean break opens 178,700

The desk reads Monday's dip as consolidation, not reversal: Moody's B3 upgrade and the improving reserves/interest-payment trajectory argue for a constructive medium-term PSX view, but near-term price action stays tethered to global cross-currents — a hawkish-leaning Fed heading into Chair Warsh's Jackson Hole address on 28 August, and a fresh US-Iran sanctions escalation that has so far left oil sellers unfazed. We'd fade weakness toward **175,000** support and take a cautious approach above **178,100** resistance pending clarity from Jackson Hole and the September IMF mission. All levels are indicative desk estimates, not recommendations.

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