

Market Strategy

MSCI Aug-25 Preview: MSCI FM Index Weight to Stand at 6.4% with No Additions

- MSCI Quarterly Index Review (QIR) is scheduled to be held on 07-Aug-2025. As per the last reported criteria outlined in May 2025, the minimum requirement for ordinary share market capitalization stood at US\$ 155mn and free float market capitalization at US\$ 78mn for Frontier Markets. Considering these criteria remain unchanged, we do not expect any additions and deletions to Frontier Market (FM) Index.
- Any changes in constituents will likely be effective from close of market on 27-Aug-2025. Considering no additions and deletions from Frontier Market Index, we expect Pakistan's weight to stand at 6.4% in the index.
- To recall, currently there are 26 companies in MSCI Frontier Market Index while a total of 67 constituents are part of FM Small Cap Index. During last review in May-25, 3 new scrips were added to Frontier Market Index, which included DGKC, MLCF and FCCL.

Aug-25: MSCI Index Preview

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MSCI Frontier Market Index Constituents to remain unchanged

To recall, currently there are 26 companies in MSCI Frontier Market Index while a total of 67 constituents are part of FM Small Cap Index. During last review in May-25, 3 new scrips were added to Frontier Market Index, which included DGKC, MLCF and FCCL. For Aug-25 review, we expect no additions or deletions from FM Index. If limits are retained from last review, ILP may not be able to meet Free Float Market Cap threshold, however, we expect ILP to remain part of FM Index considering MSCI's buffer rule.

Analyst

Abdullah Farhan
Abdullah.farhan@igi.com.pk

In our view, CHCC and COLG are not likely to be included based on not meeting minimum Annualized Traded Value Ratio (ATVR) threshold despite meeting both minimum free float and ordinary share market capitalization thresholds. ATRL is one of the scrips that could potentially be included in FM index if it continues to meet the defined thresholds.

Exhibit: MSCI Frontier Market Index Estimation

| # | Company | Status | FIF Mkt Cap (USDmn) | Weight (%) |
|----|---------|-----------|---------------------|------------|
| 1 | FFC | No Change | 1,381 | 0.9% |
| 2 | UBL | No Change | 1,136 | 0.7% |
| 3 | ENGROH | No Change | 721 | 0.5% |
| 4 | LUCK | No Change | 555 | 0.3% |
| 5 | OGDC | No Change | 531 | 0.3% |
| 6 | MARI | No Change | 527 | 0.3% |
| 7 | MCB | No Change | 503 | 0.3% |
| 8 | PPL | No Change | 490 | 0.3% |
| 9 | HUBC | No Change | 471 | 0.3% |
| 10 | SYS | No Change | 462 | 0.3% |
| 11 | HLB | No Change | 460 | 0.3% |
| 12 | BAHL | No Change | 457 | 0.3% |
| 13 | EFERT | No Change | 435 | 0.3% |
| 14 | POL | No Change | 325 | 0.2% |
| 15 | PSO | No Change | 320 | 0.2% |
| 16 | NBP | No Change | 233 | 0.1% |
| 17 | BAFL | No Change | 221 | 0.1% |
| 18 | MTL | No Change | 180 | 0.1% |
| 19 | FCCL | No Change | 138 | 0.1% |
| 20 | MLCF | No Change | 136 | 0.1% |
| 21 | DGKC | No Change | 130 | 0.1% |
| 22 | SNGP | No Change | 119 | 0.1% |
| 23 | SAZEW | No Change | 98 | 0.1% |
| 24 | ABOT | No Change | 94 | 0.1% |
| 25 | SEARL | No Change | 86 | 0.1% |
| 26 | ILP | No Change | 78 | 0.0% |

Source: MSCI, PSX, IGI Research

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IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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Contact Details

Equity Sales

| | | | |
|----------------------|--|------------------------------------|----------------------------|
| Zaeem Haider Khan | Head of Equities | Tel: (+92-42) 35301405 | zaeem.haider@igi.com.pk |
| Syeda Mahrukh Hameed | Regional Head (North) | Tel: (+92-42) 38303564 | mahrukh.hameed@igi.com.pk |
| Muhammad Naveed | Regional Manager (Islamabad & Upper North) | Tel: (+92-51) 2604861-62 | muhammad.naveed@igi.com.pk |
| Faraz Naqvi | Branch Manager (Karachi) | Tel: (+92-21) 111 234 234 Ext: 826 | faraz.naqvi@igi.com.pk |
| Shakeel Ahmad | Branch Manager (Faisalabad) | Tel: (+92-41) 2540843-45 | shakeel.ahmad1@igi.com.pk |
| Asif Saleem | Equity Sales (RY Khan) | Tel: (+92-68) 5871652-56 | asif.saleem@igi.com.pk |
| Mehtab Ali | Equity Sales (Multan) | Tel: (+92-61) 4512003 | mahtab.ali@igi.com.pk |

Research Team

| | | | |
|-----------------|------------------|------------------------------------|----------------------------|
| Abdullah Farhan | Head of Research | Tel: (+92-21) 111-234-234 Ext: 912 | abdullah.farhan@igi.com.pk |
| Sakina Makati | Research Analyst | Tel: (+92-21) 111-234-234 Ext: 810 | sakina.makati@igi.com.pk |
| Sania Bajwa | Research Analyst | Tel: (+92-21) 111-234-234 Ext: 569 | sania.bajwa@igi.com.pk |
| Sufyan Siddiqui | Database Officer | Tel: (+92-21) 111-234-234 Ext: 888 | sufyan.siddiqui@igi.com.pk |

IGI Finex Securities Limited

Trading Rights Entitlement Certificate (TREC) Holder of Pakistan Stock Exchange Limited |

Corporate member of Pakistan Mercantile Exchange Limited

Website: www.igisecurities.com.pk

Head Office

Suite No 701-713, 7th Floor, The Forum, G-20,
Khayaban-e-Jami Block-09, Clifton, Karachi-75600
UAN: (+92-21) 111-444-001 | (+92-21) 111-234-234
Fax: (+92-21) 35309169, 35301780

Lahore Office

Shop # G-009, Ground Floor,
Packages Mall
Tel: (+92-42) 38303560-69
Fax: (+92-42) 38303559

Islamabad Office

3rd Floor, Kamran Centre,
Block- B, Jinnah Avenue, Blue Area
Tel: (+92-51) 2604861-2, 2604864, 2273439
Fax: (+92-51) 2273861

Faisalabad Office

Office No. 2, 5 & 8, Ground Floor, The
Regency International 949, The Mall
Faisalabad
Tel: (+92-41) 2540843-45

Rahim Yar Khan Office

Plot # 12, Basement of Khalid Market,
Model Town, Town Hall Road
Tel: (+92-68) 5871652-3
Fax: (+92-68) 5871651

Multan Office

Mezzanine Floor, Abdali Tower,
Abdali Road
Tel: (92-61) 4512003, 4571183

IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

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