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KSE-100 V

176,467

▼ 0.29% Tue · -509
pts

S&P 500 V

▼ **0.71%**

Nasdaq -1.03% ·
Dow -0.79%

US 10Y / 2Y V

4.81 / 4.40

hike odds ~68% ·
10Y nearing 5%

BRENT / WTI V

\$91.3 / \$90.8

WTI +5.9% · war
hits Kuwait,
Bahrain

GOLD V

\$4,375

-1.6% · silver
\$64.76

USD/PKR V

277.68

interbank · steady
since Aug 19

01 Five Things You Need To Know To Start Your Day

KSE-100 SHEDS 509 POINTS TO 176,467 AS BANKS, CEMENT WEIGH

The benchmark closed Tuesday at **176,466.99**, down 508.69 points (0.29%) from Monday's 176,975.68, after swinging between an intraday high of 177,800.28 and a low of 176,375.01 as renewed Middle East hostilities kept investors cautious. Ready-market volume was 784.4 million shares worth Rs37.4bn across 498 companies traded, with breadth negative at 174 advancers vs 292 decliners (32 unchanged). Commercial banks and cement were the main negative contributors — Meezan Bank, MCB Bank, Bank Alfalah and Lucky Cement led the drag — while selective buying in Systems Ltd, Engro Holdings, Engro Fertiliser and OGDC provided support. Cnergyico PK topped volumes with 191.8 million shares traded, easing Rs0.46 to Rs15.00. Sources: [Business Recorder](#), [Express Tribune](#). Sentiment: **risk-off, breadth deteriorating**.

IRAN WIDENS WAR TO KUWAIT AND BAHRAIN; TRUMP THREATENS KHARG ISLAND

Iran fired drones and missiles at Kuwait, Bahrain and Jordan on Tuesday after a fresh round of US strikes on Iranian rocket launchers on Larak Island in the Strait of Hormuz, marking a sharp widening of the six-month conflict beyond the US-Iran axis. Kuwaiti authorities said one attack started a fire at a power and water plant, while Bahrain said it thwarted a drone-and-missile attack targeting the Sheikh Isa Air Base and Jordan shot down several incoming missiles; a supertanker also caught fire in the Strait after hitting naval mines. President Trump separately extended military threats to Iran's Kharg Island oil export hub, and Iran's IRGC vowed it would "no longer exercise restraint" toward Kuwait and Bahrain. Sources: [Al Jazeera](#), [Times of Israel](#). Sentiment: **escalating, Gulf-wide risk**.

WALL STREET SLIDES AS TREASURY YIELDS CLOSE IN ON 5%, FED HIKE ODDS HIT 68%

The **S&P 500** fell 0.71% to 7,631.47, the **Dow** dropped 419 points (0.79%) to 52,766.88 and the **Nasdaq** lost 271 points (1.03%) to 26,099.77 as renewed US-Iran strikes pushed oil sharply higher and a global bond selloff drove the 10-year Treasury yield to **4.81%** — within a stone's throw of 5% — with the 2-year near 4.40%. CME-tracked odds of a September 15–16 FOMC rate hike climbed to roughly **68%**, up from about 57.5% a day earlier and 35% before Fed Chair Kevin Warsh's Jackson Hole remarks. Energy majors bucked the selloff, with Chevron and ExxonMobil up 2.1% and 2.7% respectively as crude prices spiked. Sources: [The Motley Fool](#), [Yahoo Finance](#). Sentiment: **hawkish, yields surging**.

GOLD, SILVER SLIDE DESPITE WAR RISK AS RATE-HIKE BETS DOMINATE

Spot gold settled around **\$4,374.54/oz**, down \$71.13 (1.6%) on the day, as traders judged that rising Fed hike odds — not the widening Gulf conflict — would dominate near-term positioning. Silver fell harder, down 2.69% (\$1.79) to **\$64.76/oz**, extending Monday's pullback from the mid-\$60s as industrial-demand and haven crosscurrents both took a back seat to rates. Sources: [Yahoo Finance](#), [USAGOLD](#). Sentiment: **soft on rates, war risk secondary**.

GCC: OPEC+ FINALIZES SEPTEMBER OUTPUT HIKE; UAE NON-OIL PMI REBOUNDS TO 52.7

OPEC+'s seven active members (Saudi Arabia, Russia, Iraq, Kuwait, Kazakhstan, Algeria, Oman) approved a final **188,000 bpd output increase for September** at their 2 August meeting, completing the rollback of roughly 1.65 million bpd of 2023's voluntary cuts, with quotas expected to hold broadly steady into year-end amid persistent Middle East supply risk. Non-oil momentum stayed resilient even as the war widened: Saudi Arabia's Riyadh Bank PMI eased marginally to **53.1 in July** (from 53.3 in June, a fourth straight expansionary month), while the UAE's non-oil PMI climbed to a four-month high of **52.7 in July** (from 50.8 in June) on stronger demand and a return to employment growth — though Tuesday's drone strikes on Kuwait and Bahrain underscore the risk to that momentum heading into August prints. Sources: [AGBI](#), [Arab News](#). Sentiment: resilient non-oil momentum, war overhang rising.

02 Regional Market & Economic Matrix

A. Local Market — Pakistan Focus

The KSE-100 shed 508.69 points (0.29%) to close at **176,466.99** on Tuesday, its second straight decline, on ready-market volume of 784.4 million shares worth Rs37.4bn with breadth negative (174 advancers vs 292 decliners of 498 traded). Commercial banks and cement led the drag — Meezan Bank, MCB Bank, Bank Alfalah and Lucky Cement — while Systems Ltd, Engro Holdings, Engro Fertiliser and OGDC found selective buying. Pakistan's **CPI inflation accelerated to 11.1% y/y in August** (from 9.2% in July), driven by a 13.89% jump in food prices, 20.17% in transport and 13.6% in communication costs, with core inflation rising to 8.7% from 8.4%; the SBP has held its policy rate at **11.5%** for a second straight meeting, with the next MPC due 14 September. Six-month **KIBOR** stood near 11.80% as of 27 August, and USD/PKR interbank held steady around **277.68**, largely unchanged since 19 August. Pakistan and the IMF are set to open the **4th EFF and 3rd RSF reviews in September**, with the mission expected to scrutinise the Sovereign Wealth Fund (Amendment) Bill 2026 — still before the Senate Standing Committee on Finance — alongside the government's 15-point Economic Governance Reform Plan. Sources: [Business Recorder](#), [ProPakistani](#).

B. GCC & Middle East

Brent rose to roughly **\$91.3/bbl** (+0.87%) and WTI jumped to ~\$90.8/bbl (+5.9%) as Iran widened its response beyond the US-Iran axis, striking Kuwait (starting a fire at a power and water plant), Bahrain's Sheikh Isa Air Base and Jordan on Tuesday, while a supertanker caught fire in the Strait of Hormuz after hitting naval mines and President Trump threatened Iran's Kharg Island oil-export hub. OPEC+'s seven active members finalized a **188,000 bpd September output increase** on 2 August, completing the unwind of 2023's voluntary cuts, with quotas seen holding into year-end. Non-oil momentum held up through July: **Saudi Arabia's PMI eased to 53.1** (a fourth straight expansionary month) while the UAE's climbed to a four-month high of 52.7 from 50.8 in June — though Tuesday's strikes on Kuwaiti and Bahraini soil put that resilience to a fresh test heading into August data.

C. Global Intelligence

Wall Street fell Tuesday as renewed US-Iran strikes pushed oil sharply higher and a global bond selloff drove the 10-year Treasury yield to **4.81%** — within reach of 5% — with the 2-year near 4.40%: the S&P 500 dropped 0.71% to 7,631.47, the Dow lost 419 points (0.79%) to 52,766.88 and the Nasdaq fell 271 points (1.03%) to 26,099.77. CME-tracked odds of a hike at the 15–16 September FOMC meeting rose to roughly **68%**, up from about 57.5% the prior session and just 35% before Fed Chair Kevin Warsh's hawkish Jackson Hole remarks. Energy majors Chevron (+2.1%) and ExxonMobil (+2.7%) bucked the broader selloff, while gold slipped 1.6% to \$4,374.54/oz and silver fell 2.69% to \$64.76/oz as rate-hike positioning outweighed the usual haven bid. Sources: [The Motley Fool](#), [Trading Economics](#).

03 Legislative & Regulatory Tracker — Who Wins, Who Loses

Jurisdiction	Legislation / Policy Change	Affected Sector(s)	Net Impact & Strategic Outlook
Local — Pakistan	Pakistan Sovereign Wealth Fund (Amendment) Bill, 2026 remains before the Senate Standing Committee on Finance and Revenue, tightening SWF governance, disclosure and competitive-procurement rules ahead of September's IMF EFF/RSF review mission.	State-owned enterprises, SWF-held assets, IMF programme compliance	Wins: IMF governance conditionality advanced; investors seeking transparent SOE divestment. Losses: SWF-held entities face slower deal execution and reduced discretion while committee review continues.
Regional — GCC	OPEC+ finalized a 188,000 bpd September output increase on 2 August, even as Iran's drone and missile strikes reached Kuwaiti and Bahraini territory for the first time in this war.	Oil & gas majors, Gulf shipping/insurance, non-oil private sector	Wins: OPEC+ output discipline sustained; Saudi Arabia's diversified non-oil sector stays comparatively insulated. Losses: Kuwait and Bahrain bear direct new conflict exposure; Gulf shipping and insurance costs rise on Hormuz mine and drone risk.
Global	The Fed's 15–16 September FOMC meeting looms with hike odds near 68%, as a global bond selloff pushes the 10-year Treasury yield toward 5% amid oil-driven inflation risk.	Rate-sensitive equities, EM currencies (incl. PKR), energy majors	Wins: US dollar, savers, energy majors (Chevron, ExxonMobil) as crude and yields rise together. Losses: Tech/growth equities, EM currencies and rate-sensitive borrowers face tighter financial conditions into September.

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

SUPPORT EST.

176,000

psychological floor near today's session lows; deeper support at 175,000

PIVOT EST.

176,467

Tuesday's close

RESISTANCE EST.

177,800

Tuesday's intraday high; then 178,050 (Friday's high)

We read Tuesday's 0.29% KSE-100 decline as a continuation of the risk-off drift rather than a break in trend — the index held above 176,000 despite an intraday round-trip from 177,800 to 176,375, and breadth, while negative, did not deteriorate as sharply as Monday's session. The core risk remains imported and geopolitical: Iran's strikes on Kuwait and Bahrain mark a dangerous widening of the six-month conflict, pushing Brent above \$91 and WTI up nearly 6% in a single session, which threatens Pakistan's import bill just as August CPI accelerates to 11.1% y/y and complicates the SBP's hold-steady stance into the 14 September MPC. Globally, a hawkish Fed (September 15–16 hike odds near 68%) and a 10-year yield closing in on 5% argue for a **defensive tilt toward E&P, fertiliser and IMF-programme beneficiaries** while staying alert to further Gulf-wide escalation and its pass-through to local fuel and inflation prints. All levels are indicative desk estimates, not recommendations.

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