

PAKISTAN WEEKLY

29 June – 5 July 2026

POLITICS · ECONOMY · FOREIGN AFFAIRS · INTERNAL SECURITY · DEFENCE · HEALTH · EDUCATION · SOCIETY

By Sakshi Singh



WEEKLY OVERVIEW | POLITICS · ECONOMY · FOREIGN AFFAIRS · INTERNAL SECURITY

POLITICS

- Budget passed: National Assembly approves FY2026-27 federal budget on Tue (30 Jun) amid opposition walkout; Speaker Ayaz Sadiq bars anti-state remarks
- PM Shehbaz credits Pakistan's mediatory role in the US-Iran de-escalation, alongside Qatar, in NA budget debate
- Fallout continues from Mahrang Baloch's 22 June life sentence; opposition cites the case alongside AJK unrest as evidence of a 'hard state' approach
- NA passes Pakistan Telecom (Re-organization) Amendment Bill 2026 to modernise Right of Way regime for digital infrastructure

ECONOMY

- KSE-100 sets fresh records: index gains 1,887 pts (+1.06%) on 30 Jun to close FY26 at 180,302, then extends rally past 185,372 by 3 Jul
- FY26 wrap: KSE-100 delivered ~44% return in rupee terms (46% in USD) for the year, outperforming gold, T-bills and PIBs
- USD/PKR holds broadly stable in the 277–279 band through the week, supported by remittances and a return to international bond markets
- Lower international oil prices help ease import-bill and inflation concerns, seen as a key driver of the equity rally

FOREIGN AFFAIRS

- Pakistan strikes militant hideouts in Paktia, Paktika and Kunar (29 Jun) after a Karachi Rangers HQ attack; Kabul says 36 civilians killed, Islamabad says 29 fighters
- Afghan Taliban fires drones into Balochistan (1 Jul); Pakistan's ISPR says all four were shot down over Pishin
- DPM/FM Ishaq Dar hosts UN Special Envoy to Combat Islamophobia Miguel Angel Moratinos (29 Jun)
- Pakistan takes seat as permanent member of the International Olive Council for the first time (30 Jun, Lisbon)

INTERNAL SECURITY

- Operation Ghazb Lil Haq intensifies: security forces kill senior Khwarji commander and 3 Jamaat-ul-Ahrar militants in Bajaur (28 Jun)
- Karachi Rangers HQ attack (27 Jun) claimed by Jamaat-ul-Ahrar kills 3 personnel, triggers cross-border strikes
- Legal fallout from Mahrang Baloch verdict continues; lawyers challenge trial's fairness before Balochistan High Court; province-wide trader strikes reported
- PIPS data cited in reporting: 699 'terrorist' attacks recorded across Pakistan in 2025, a 34% rise year-on-year



WEEKLY OVERVIEW | DEFENCE · HEALTH · EDUCATION · SOCIETY

DEFENCE

- ISPR reports 29 militants killed in calibrated cross-border ground and air operation (29 Jun) targeting TTP/Jamaat-ul-Ahrar safe havens after Karachi attack
- Pakistan Air Force and ISPR shoot down four Afghan Taliban drones over Balochistan's Pishin sector (1 Jul); Kabul claims separate strikes on 'ISIL centres'
- Bajaur ground operation (28 Jun) kills Khwarji commander 'Khan Farosh alias Zabal' and three affiliates
- Analysts (Al Jazeera) warn military pressure alone cannot contain militancy that has reached Pakistan's cities amid a tit-for-tat cycle with Kabul since Oct 2025

HEALTH

- Monsoon 2026 arrives: NDMA reports 17 deaths and 41 injuries nationwide since 26 June from rain-related incidents, including house collapses in Balochistan
- PMD warns of widespread rain, windstorms and urban flooding across Punjab, KP, AJK and GB from 6–9 July as a westerly wave enters upper Pakistan
- 88 houses damaged and 163 livestock lost since 26 June; flash floods also hit roads and homes in Gilgit-Baltistan
- NDMA had projected a 22–26% wetter 2026 monsoon than last year, raising concern after 2025's flood season killed over 1,000 people nationwide

EDUCATION

- Civil Services Academy review finds 25.1–26 million school-age children remain out of school more than two years after Pakistan's 'National Education Emergency'
- Report flags sharp provincial disparities: Punjab ~9.6-10.4m OOSC, Sindh ~7.4m (44% of school-age population), KP ~4.9m
- Review cites weak governance, fragmented administration and low financing as the core barriers, not lack of policy under NEAP 2026
- HEC continues National Digital University and paperless e-attestation rollout even as OOSC crisis dominates policy debate

SOCIETY

- Balochistan tensions deepen: BYC calls province-wide shutdown strikes over Mahrang Baloch's life sentence; trader strikes reported into early July
- Rights bodies (Amnesty, HRCP, Front Line Defenders) continue pressing for release of Mahrang Baloch and Sibghatullah Shahji, calling the trial procedurally unfair
- AJK/Kashmir rights advocacy continues among overseas diaspora groups amid lingering scrutiny of the earlier internet blackout and JAAC ban
- Government approves PKR 1bn (\$3.6m) allocation for the Global Accelerator on Jobs and Social Protection, aligned with FY27 fiscal strategy targeting 2 million new jobs



NEWS HEADLINES | 29 JUNE – 5 JULY 2026 (1/2)

No.	Date	Sector	News Headline	Source
1	27 Jun	Internal Security	<u>Gunmen storm Sindh Rangers HQ in Karachi; 3 paramilitary personnel killed, Jamaat-ul-Ahrar claims responsibility</u>	Al Jazeera
2	28 Jun	Defence	<u>Intelligence-based operation in Bajaur kills Khwarji commander Khan Farosh alias Zabal and three Jamaat-ul-Ahrar militants</u>	MOFA Pakistan
3	29 Jun	Foreign Affairs / Defence	<u>Pakistan conducts ground operation and air strikes in Paktia, Paktika and Kunar, killing 29 fighters; Kabul says 36 civilians died</u>	PBS News / AP
4	29 Jun	Society / Economy	<u>Government approves PKR 1bn (\$3.6m) allocation for the Global Accelerator on Jobs and Social Protection with ILO support</u>	UN Pakistan
5	30 Jun	Politics	<u>National Assembly approves Federal Budget 2026-27 amid opposition walkout; Speaker Ayaz Sadiq warns against anti-state remarks</u>	Pakistan Observer
6	30 Jun	Economy	<u>KSE-100 jumps 1,887 points (+1.06%) to close FY26 at a record 180,302, delivering ~44% annual return in rupee terms</u>	The News
7	30 Jun	Foreign Affairs	<u>Pakistan formally takes seat as permanent member of the International Olive Council at its 123rd session in Lisbon</u>	MOFA Pakistan
8	1 Jul	Defence / Foreign Affairs	<u>Afghan Taliban fires drones into Balochistan; Pakistan's ISPR says all four shot down over Pishin district</u>	Al Jazeera
9	2 Jul	Internal Security	<u>FO spokesperson briefing details Operation Ghazb Lil Haq operations and denies civilian-casualty allegations from Kabul and UN</u>	Globalsecurity.org (MOFA transcript)
10	3 Jul	Economy	<u>KSE-100 extends record run, closing at 185,372 (+851 pts) as lower international oil prices lift investor sentiment</u>	Profit / Pakistan Today



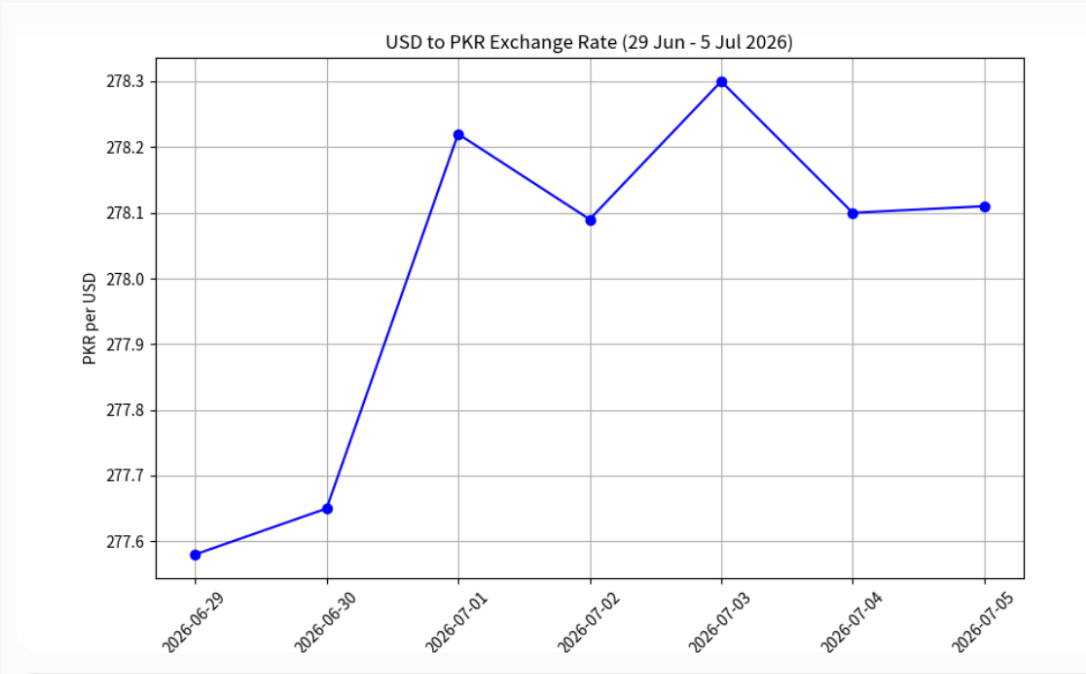
NEWS HEADLINES | 29 JUNE – 5 JULY 2026 (2/2)

No.	Date	Sector	News Headline	Source
11	3-6 Jul	Health	PMD/NDMA warn of first major monsoon spell of the season: 17 dead, 41 injured nationwide since 26 June from rain incidents	Arab News
12	4-9 Jul	Health	PMD flood forecasting division warns of rising river flows across Indus, Kabul, Chenab systems from 6-9 July amid fresh westerly wave	Business Recorder
13	1 Jul	Society / Internal Security	Lawyers and Balochistan Bar Council challenge legal basis of Mahrang Baloch's life sentence, citing fair-trial concerns	Voicepk.net
14	ongoing	Education	Civil Services Academy review finds 25.1-26 million children remain out of school despite National Education Emergency declared in 2024	Pakistan Today
15	ongoing	Education	Report flags Punjab (9.6-10.4m), Sindh (7.4m, 44% of school-age pop.) and KP (4.9m) as worst-hit by out-of-school crisis	Pakistan Today
16	30 Jun	Foreign Affairs	DPM/FM Ishaq Dar meets UN Special Envoy to Combat Islamophobia Miguel Angel Moratinos, pledges support for UN Action Plan	MOFA Pakistan
17	30 Jun	Politics	NA passes Pakistan Telecommunication (Re-organization) Amendment Bill 2026 to modernise Right of Way regime for digital rollout	TechJuice
18	ongoing	Internal Security	Balochistan trader strikes and civil-society protests continue over the Mahrang Baloch verdict; rights groups seek her release	Amnesty International
19	ongoing	Journalism / Society	Press freedom groups report continued arrests, PECA probes and financial strain across Pakistan's media sector through June-July	Journalism Pakistan
20	1 Jul	Economy	Topline/AKD strategy notes project KSE-100 could reach 203,000-263,800 by December 2026 on policy continuity and rate-cut hopes	Profit by Pakistan Today

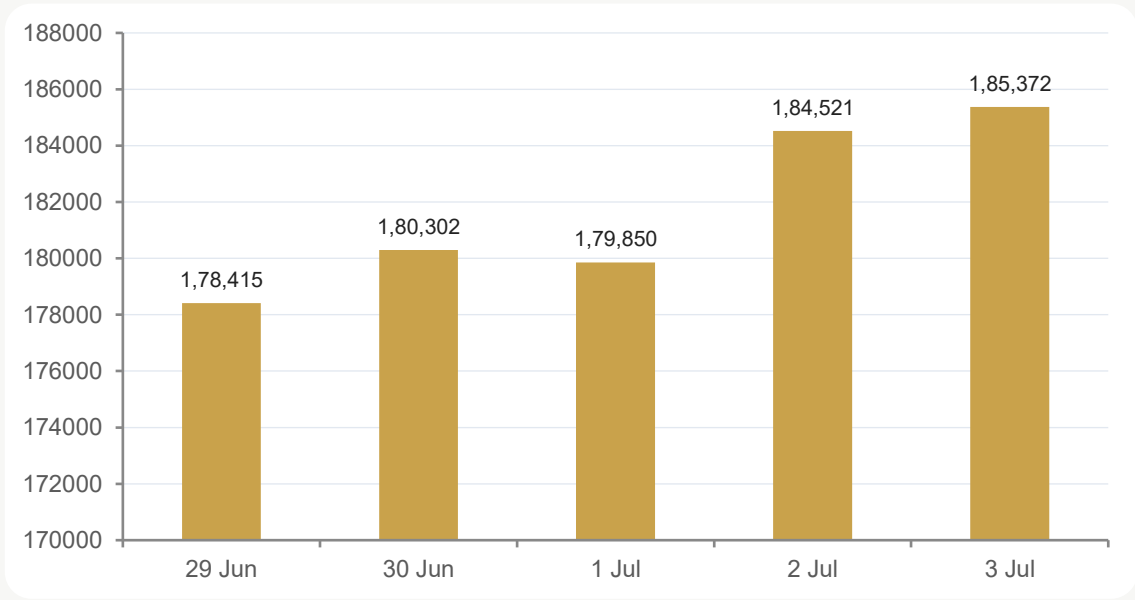


ECONOMIC INDICATORS | USD/PKR · KSE-100

USD / PKR Exchange Rate (Jun 29 – Jul 5, 2026)

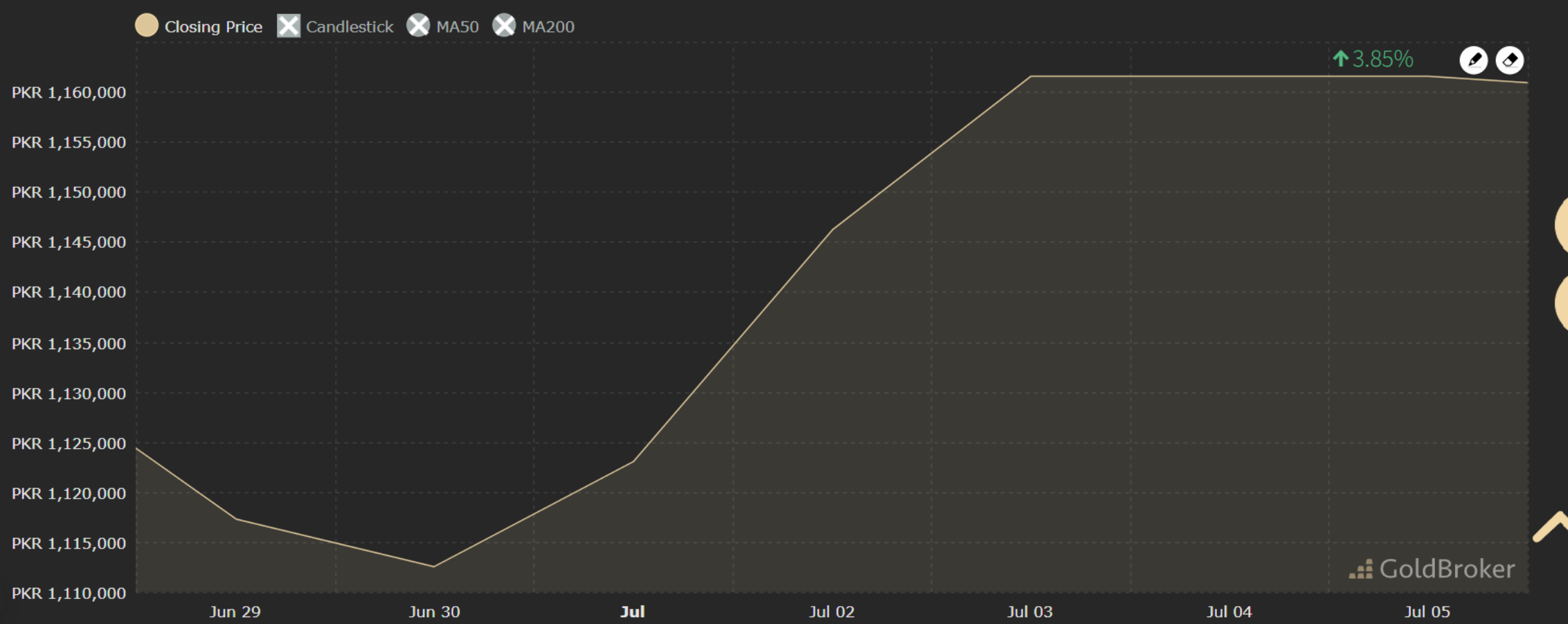


KSE-100 Index (Jun 29 – Jul 5, 2026)





ECONOMIC INDICATORS |



Gold Price in PKR

Silver Price in PKR

