

PAK CHINA INVESTMENT COMPANY LIMITED

Economic Review - January 2024



MPS - policy rate held steady at 22%

Central bank in its recent monetary policy meeting held on 29th January decided to maintain the policy rate steady at 22%. This is the fifth consecutive meeting when the monetary policy committee has opted for status quo. This decision takes into account the impact of frequent and sizeable adjustments in energy prices which have slowed down the pace of decline in inflation while on the other hand non-energy inflation continues to moderate and remain in-line with the committee expectation. Overall, the monetary policy committee views that the real interest rates remains significantly positive on a 12-month forward-looking basis, given the anticipation of a continuous downward trajectory of inflation due to base effect.

Key developments since the last meeting were a) Improvement in FX reserves on the back of notable surplus in current account and significant financial inflows including the latest IMF SBA tranche b) Fiscal consolidation remains on track, complementing the monetary policy stance c) Business sentiments as reflected by the surveys continues to improve.

The MPC highlighted the substantial recovery in current account balance in Dec'23 which has helped in bringing down 1HFY24 deficit to USD 831 million. It was noted that the projection of current account deficit for FY24 remains unchanged in the range of 0.5% - 1.5% of GDP, despite modest economic recovery & elevated level of profit and dividend repatriation. The committee also emphasized on reforms to address underlying structural issues, especially those in energy sector, to achieve price stability on a sustainable basis. Incorporating the expected decline in the 2HFY24 the MPC expects average inflation to fall in the range of 23% - 25% and continue to trend downward noticeably in FY25.

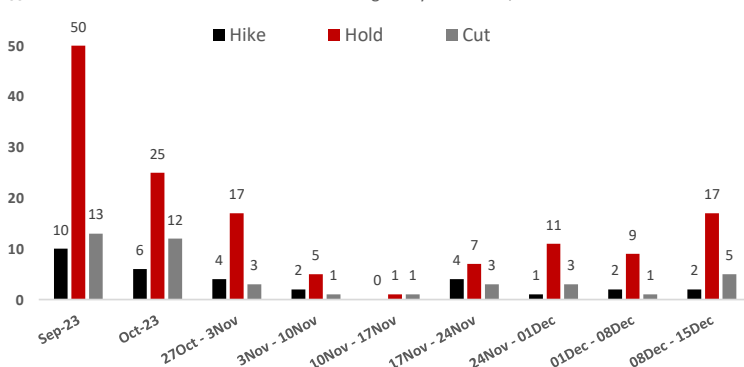
Advance Calendar of Monetary Policy Meetings

January MPC Meeting; Monday, January 29, 2024
 March MPC Meeting; Monday, March 18, 2024
 April MPC Meeting; Monday, April 29, 2024
 June MPC Meeting; Monday, June 10, 2024

To make the process of monetary policy formulation predictable and transparent, the State Bank of Pakistan (SBP) announces a half-yearly schedule of Monetary Policy Committee (MPC) meetings on a rolling basis.

Global Monetary Policy Barometer

Number of Central Banks Announcing Policy Rate Hikes, Hold & Cuts



SBP Staff Calculations

Monetary Policy Decisions

Country	Policy Rate	Decision
Pakistan	22%	No Change
Advance Economies		
Norway	4.50%	+25 bps
Japan	-0.10%	No Change
Eurozone	4.50%	No Change
Hong Kong	5.75%	No Change
Switzerland	1.75%	No Change
United Kingdom	5.50%	No Change
Unites States	5.25%	No Change
Singapore	3.80%	-25 bps
Taiwan	1.88%	No Change
Emerging Economies		
Qatar	6.25%	No Change
Oman	6.00%	No Change
Moldova	4.75%	No Change
Jordan	7.50%	No Change
Uzbekistan	14.00%	No Change
Mexico	11.25%	No Change
Armenia	9.25%	-25 bps
Brazil	11.75%	-50 bps
Ukraine	15.00%	-100 bps
Peru	6.75%	-25 bps
Russia	16.00%	+100 bps
Nicaragua	7.00%	No Change
Philippines	6.50%	No Change
United Arab Emirates	5.40%	No Change

Common Themes in Monetary Policy Statement

Risk to inflation outlook - Interest rates globally have generally reached their peak, but there is a widespread agreement among central banks that these rates will remain restrictive for an extended period. Many central banks anticipate inflation reaching their targets by 2025. While central banks collectively acknowledge a moderation in inflation, the balance of risks is perceived as either neutral or slightly upward-oriented. Some central banks have slightly adjusted their inflation outlook upwards. Notable risks highlighted by central banks include potential pressures from increased transport charges, the persistence of global inflationary pressures, the resilience of services inflation, a partial re-anchoring of inflation expectations, robust growth in unit labor costs, the impact of climate change, and geopolitical risks.

Growth Outlook - Virtually every central bank recognizes the repercussions of tightening monetary policy on their domestic economies. The majority of central banks view it as an unavoidable outcome in their battle against inflation. However, there is a general agreement not to excessively tighten the policy stance, with a preference for a scenario that ensures a gradual and smooth economic slowdown.

Monetary Policy Outlook - The majority of central banks maintained a cautious approach in their monetary policy outlook, basing their future actions on the trajectory of inflation trends.

Monetary Policy Announcement History			
MPS Date	Stance	Policy Rate	Voting
16-Jul-19	+100 bps	13.25%	5 voted for 100bps, 2 for 75bps & 1 for 150 bps
16-Sep-19	Status quo	13.25%	8 voted for Status Quo, 1 voted for -25bps
22-Nov-19	Status quo	13.25%	8 voted for Status Quo, 2 voted for -25bps
28-Jan-20	Status quo	13.25%	7 voted for Status Quo, 2 voted for -25bps
17-Mar-20	-75 bps	12.50%	6 voted for 75bps cut, 2 voted for less 75bps cut & 2 for more than 75 bps cut
24-Mar-20	-150 bps	11.00%	Unanimously decided to decrease rate by 150 bps
16-Apr-20	-200 bps	9.00%	6 voted for 200bps cut, 3 voted for 100 to 150bps cut
15-May-20	-100 bps	8.00%	5 voted for 100bps cut, 3 voted for 150bps cut & 1 voted for 50bps cut
25-Jun-20	-100 bps	7.00%	8 voted for 100bps cut & 1 voted for 50bps cut
21-Sep-20	Status quo	7.00%	Unanimously decided to keep the policy rate unchanged
23-Nov-20	Status quo	7.00%	8 voted for status quo & 1 voted for 25bps increase
22-Jan-21	Status quo	7.00%	Unanimously decided to keep the policy rate unchanged
19-Mar-21	Status quo	7.00%	Unanimously decided to keep the policy rate unchanged
28-May-21	Status quo	7.00%	8 voted for status quo, 1 voted for +100bps
27-Jul-21	Status quo	7.00%	8 voted for status quo, 1 voted for +50bps
20-Sep-21	+25 bps	7.25%	Unanimously decided to increase policy rate by 25 bps
19-Nov-21	+150bps	8.75%	8 voted for 150bps, 1 voted for 175bps
14-Dec-21	+100bps	9.75%	Unanimously decided to increase policy rate by 100 bps
24-Jan-22	Status quo	9.75%	Unanimously decided to keep the policy rate unchanged
08-Mar-22	Status quo	9.75%	7 voted for status quo, 1 voted for +25bps
07-Apr-22	+250bps	12.25%	Unanimously decided to increase policy rate
23-May-22	+150bps	13.75%	Unanimously decided to increase policy rate
07-Jul-22	+125bps	15.00%	5 voted for +125bps, 1 voted for +100bps
22-Aug-22	Status quo	15.00%	Unanimously decided to keep the policy rate unchanged
10-Oct-22	Status quo	15.00%	Unanimously decided to keep the policy rate unchanged
25-Nov-22	+100bps	16.00%	7 voted for +100bps, 1 voted for +50bps, 1 voted for Status quo
23-Jan-23	+100bps	17.00%	6 voted for +100bps, 1 voted for Status quo
02-Mar-23	+300bps	20.00%	7 voted for +300bps, 1 voted for +200bps, 1 voted for +400bps
04-Apr-23	+100bps	21.00%	7 voted for +100bps, 2 voted for Status Quo
12-Jun-23	Status quo	21.00%	8 voted for Status Quo; 1 voted for +100 bps, 1 voted to +25bps
26-Jun-23	+100bps	22.00%	8 voted for +100 bps, 1 voted to Status Quo
31-Jul-23	Status quo	22.00%	7 voted for Status Quo, 2 voted to +100bps
14-Sep-23	Status quo	22.00%	8 voted for Status Quo, 1 voted to +100bps
30-Oct-23	Status quo	22.00%	Unanimously decided to keep the policy rate unchanged
12-Dec-23	Status quo	22.00%	Unanimously decided to keep the policy rate unchanged

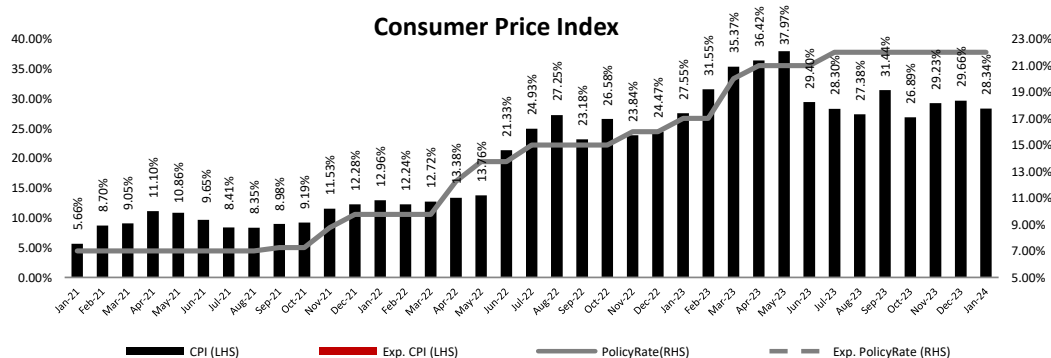
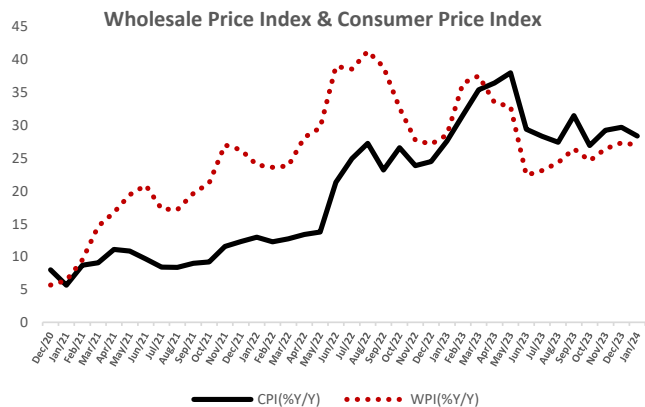
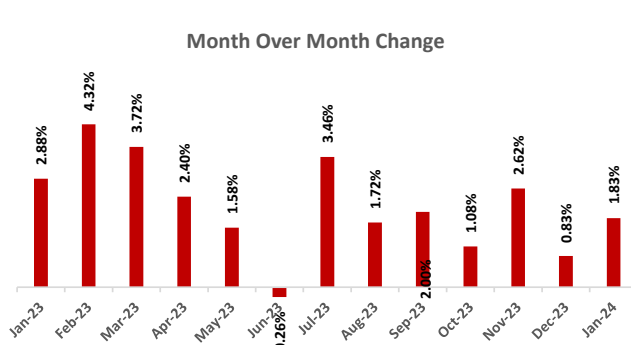
Jan'24 - Inflation clocked in at 28.34%

Inflation for the month of Jan'24 clocked in at 28.34% (1.83% MoM increase) compared to 29.66% in the previous month, resulting in 7MFY24 average inflation of 28.75% compared to 25.40% in the SPLFY.

On monthly basis, inflation inched by 1.83%, on the back of an increase in communication index which increased by 12.09%, followed by food prices which witnessed an uptick in 34 food items out of the total 39 items. Moreover, the HRI index also registered an uptick of 2.52% mainly as a result of higher electricity charges and quarterly house rent adjustment. Core inflation as measured by non-food non-energy witnessed an uptick of 20.51% YoY compared to 20.95% in the previous month.

Looking ahead, we anticipate average FY24 inflation to hover around 25% YoY, with effect of higher base kicking in from April'24 onwards contributing to the downward trend in inflation. Nevertheless, persistent risks include a) heightened geopolitical tensions in the Red Sea region, causing an increase in global freight charges and potential disruptions in the supply chain, and b) significant adjustments in administered energy prices. It's worth noting that just before the release of the January inflation data, the interim government raised petrol and diesel prices by PKR 13.55 and PKR 2.75 till 15th Feb.

Consumer Price Index	Weight %	Jan-24	Dec-23	MoM%	Jan-23	YoY%
General	100.00	259.92	255.24	1.83%	202.53	28.34%
Food & Non-alcoholic Bev.	34.58	289.77	281.55	2.92%	231.89	24.96%
Non-perishable Food Items	29.6	289.69	282.99	2.37%	233.53	24.05%
Perishable Food Items	4.99	290.26	272.99	6.33%	222.14	30.67%
Alcoholic Bev. & Tobacco	1.02	365.13	364.72	0.11%	199.97	82.59%
Clothing & Footwear	8.6	223.28	221.64	0.74%	184.51	21.01%
Housing, Water, Electricity, Gas & Fuel	23.63	236.43	230.62	2.52%	170.53	38.64%
Furnishing & Household Equipment Maintenance	4.1	261.81	260.36	0.56%	199.56	31.19%
Health	2.79	234.6	233.93	0.29%	193.13	21.47%
Transport	5.91	305.48	312.86	-2.36%	242.15	26.15%
Communication	2.21	134.73	120.2	12.09%	112	20.29%
Recreation & Culture	1.59	256.41	256.21	0.08%	193.4	32.58%
Education	3.79	186.15	186.04	0.06%	164.05	13.47%
Restaurants & Hotels	6.92	263.45	260.16	1.26%	205.28	28.34%
Miscellaneous	4.87	272.5	269.77	1.01%	211.48	28.85%



Money Market

As evident from the yield curve, yields across all maturities experienced a downward shift, with a more pronounced movement observed in longer tenures compared to shorter ones. This adjustment is attributed to improved macroeconomic indicators and the anticipation of decreasing inflation, leading to an expected decline in the policy rate. The central bank's latest policy statement emphasized that real rates remain significantly positive on a 12-month forward-looking basis. In the most recent T-bill auction on January 25th, robust participation was observed in the 12-month T-bill, followed by the 3-month and 6-month T-bills. Despite market participants offering a total of PKR 1.1 trillion, the central bank accepted only PKR 102 billion. The substantial market interest, driven by the anticipated policy rate decline, resulted in lower cutoff rates across all tenures, with the 3-month T-bill decreasing by 50 bps, the 6-month by 56 bps, and the 12-month by 61 bps.

T-bill Auction Results

Date	3M	6M	12M
28-Dec	21.4480%	21.3999%	21.4300%
11-Jan	20.9996%	20.9601%	20.8449%
25-Jan	20.4997%	20.4000%	20.2298%

In the recent auction of long-term fixed (PIB) bonds held on January 17th, the central bank successfully raised PKR 162 billion from a total participation of PKR 431 billion. The bulk of the participation was concentrated in the 3-year maturity (42%), followed by the 5-year (29%) and 10-year (27%) maturities. The increased interest in longer tenures, coupled with lower yields, compared to previous auctions suggests market expectations of a potential rate cut. Yields across all tenors experienced a decline, with the most significant drop observed in the 10-year maturity, decreasing by 50 bps, followed by a 40 bps decrease in the 3-year and a 38 bps decrease in the 5-year.

PIB Auction Results

Date	3Y	5Y	10Y	15Y	20Y
02-Oct	19.1900%	16.9500%	15.2500%	No Bids	No Bids
08-Nov	17.3900%	15.9500%	15.1000%	No Bids	No Bids
21-Dec	17.1999%	15.8800%	15.0000%	No Bids	No Bids
17-Jan	16.8000%	15.5000%	14.5000%	No Bids	No Bids

In line with the central bank statement of aligning any miss-match between policy rate and secondary market yields frequent OMO injections were conducted to keep the market close to the policy rate. As evident from access to overnight table below, overnight market remained highly liquid during the outgoing month and traded mostly in between sbp floor & policy rate, with few counters opting for ceiling & floor facility due to line limit issues.

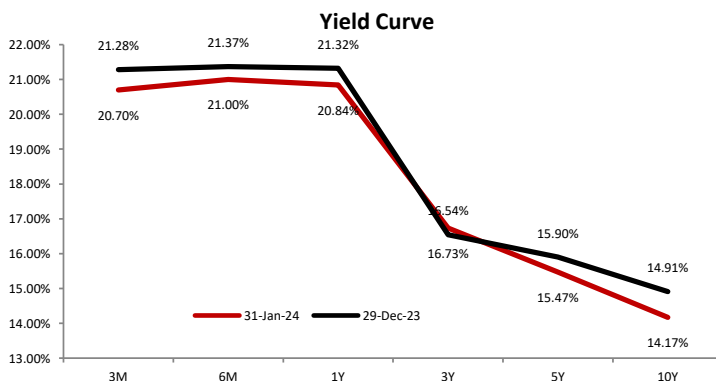
Open Market Operations (PKR million)

Date	Type	Tenor	Offered	Accepted	Cutoff
02-Jan	Injection	3	574,400	574,400	22.04%
05-Jan	Injection	7	101,700	101,700	22.10%
05-Jan	Injection	14	103,650	103,650	22.06%
05-Jan	Injection	28	1,383,300	1,000,000	22.04%
12-Jan	Injection	7	235,000	235,000	22.07%
12-Jan	Injection	14	4,586,450	4,586,450	22.04%
12-Jan	Injection	28	964,550	964,550	22.05%
19-Jan	Injection	7	1,407,200	1,407,200	22.07%
19-Jan	Injection	14	725,450	578,450	22.06%
19-Jan	Injection	28	107,950	104,850	22.06%
26-Jan	Injection	7	7,232,500	6,932,500	22.04%
26-Jan	Injection	14	145,800	145,800	22.06%
26-Jan	Injection	28	12,050	12,050	22.04%

Access to overnight Repo/Rev-Repo Facilities

Date	Ceiling		Floor	
	Amount	Institutes	Amount	Institutes
02-Jan			653,050	4
03-Jan			749,000	6
04-Jan			1,015,190	15
05-Jan	105,000	1	632,200	3
08-Jan	182,000	1	671,200	3
09-Jan	203,900	2	658,200	3
10-Jan	269,200	2	637,200	3
11-Jan	303,150	2	459,200	3
12-Jan			467,000	5
15-Jan			464,500	4
16-Jan			406,400	4
17-Jan			328,200	3
18-Jan	114,300	3	355,450	4
19-Jan	53,800	2	401,200	3
22-Jan			327,200	3
23-Jan			395,200	3
24-Jan			376,200	3
25-Jan	135,000	2	406,200	3
26-Jan	348,000	2	428,200	3
29-Jan	291,000	1	445,200	3
30-Jan	261,500	1	413,200	3
31-Jan	261,000	1	389,150	5

PKR millions



Current Account Balance - 1HFY24 Deficit shrank by 77%

The December 2023 current account balance revealed a surplus of USD 397 million, a significant turnaround from the USD 15 million deficit the previous month and the USD 365 million deficit in the same period last fiscal year (SPLFY), indicating a substantial year-over-year increase of 209%.

On a monthly basis, the trade balance saw a 25% improvement due to reduced imports, whereas on yearly basis exports contributed positively by 21%. Service balance showed a 31% monthly improvement driven by higher exports but experienced a YoY decline due to increased imports and lower exports. During the first half of fiscal year 2024 (1HFY24), the trade balance benefited from a 7% rise in exports and a 15% reduction in imports, resulting in an overall improvement from a USD 15.3 billion deficit to USD 9.9 billion. However, the service balance deteriorated from USD 270 million to USD 1.4 billion due to increased service imports and decreased exports. Remittances declined by 7% from USD 14.4 billion in 1HFY23 to USD 13.4 billion in 1HFY24. Overall the deficit for the 1HFY24 improved 77% from USD 3.6 billion to USD 831 million.

Looking ahead, there is an anticipated deterioration in the import bill due to tensions in the Red Sea affecting the Asia-Europe trade route, introducing supply chain challenges and increasing inflationary pressure, thereby posing risks to global trade and commodity prices.

	Current Account Balance					FY23 & FY24P - Jul-Dec		
	Dec-23	Nov-23	MoM	Dec-22	YoY	FY24P	FY23	YoY
Exports of Goods FOB	2,799	2,724	3%	2,308	21%	15,289	14,223	7%
Imports of Goods FOB	4,092	4,442	-8%	4,247	-4%	25,241	29,589	-15%
Trade Balance	(1,293)	(1,718)	25%	(1,939)	33%	(9,952)	(15,366)	35%
Exports of Services	727	631	15%	781	-7%	3,766	3,870	-3%
Imports of Services	882	857	3%	734	20%	5,196	4,140	26%
Service Balance	(155)	(226)	31%	47	-430%	(1,430)	(270)	-430%
Balance on Primary Income	(753)	(514)	-46%	(680)	-11%	(3,738)	(2,631)	-42%
Balance on Secondary Income	2,598	2,443	6%	2,207	18%	14,289	14,638	-2%
Workers' Remittances	2,381	2,259	5%	2,100	13%	13,435	14,418	-7%
Current Account Balance	397	(15)	2747%	(365)	209%	(831)	(3,629)	77%

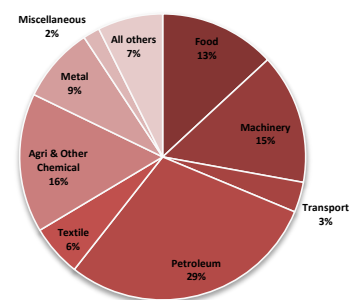
USD million

Source: SBP

Import of Goods and Commodities					
	Dec-23 (P)	Nov-23 (R)	MoM	Dec-22 (R)	YoY
Total Import	4,092,015	4,441,995	-8%	4,264,986	-4%
Food	553,361	656,756	-16%	693,753	-20%
Machinery	621,800	552,264	13%	321,170	94%
Transport	144,303	109,313	32%	99,811	45%
Petroleum	1,236,466	1,326,686	-7%	1,264,646	-2%
Textile	246,619	266,854	-8%	517,354	-52%
Agri & Other Chemical	664,071	862,581	-23%	696,831	-5%
Metal	361,344	431,897	-16%	292,983	23%
Miscellaneous	79,722	78,736	1%	72,248	10%
All others	310,886	269,449	15%	233,229	33%

USD Thousands

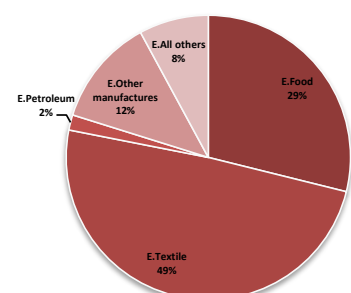
Import Bill Composition



Export of Goods and Commodities					
	Dec-23 (P)	Nov-23 (R)	MoM	Dec-22 (R)	YoY
Total Exports	2,799,024	2,723,973	3%	2,307,951	21%
Food	772,780	704,974	10%	390,492	98%
Textile	1,317,160	1,374,787	-4%	1,357,187	-3%
Petroleum	46,367	85,625	-46%	47,165	-2%
Other manufactures	328,047	338,707	-3%	329,076	0%
All others	211,714	237,674	-11%	191,174	11%

USD Thousands

Composition of Exports

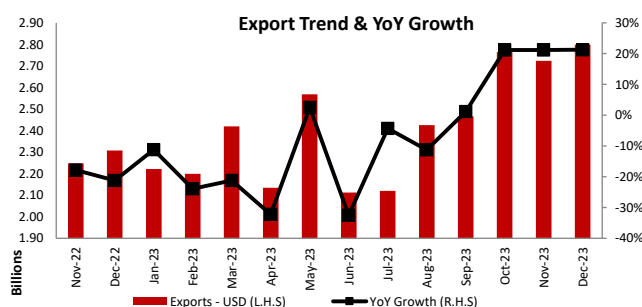


Current Account - Exports

Export of Goods and Commodities (major components)					
	Dec-23 (P)	Nov-23 (R)	MoM	Dec-22 (R)	YoY
Total Exports	2,799,024	2,723,973	3%	2,307,951	21%
Food	772,780	704,974	10%	390,492	98%
Rice	467,750	394,843	18%	200,713	133%
Fish	37,035	35,852	3%	44,356	-17%
Textile	1,317,160	1,374,787	-4%	1,357,187	-3%
Knitwear	332,924	335,651	-1%	364,411	-9%
Readymade Garments	264,661	279,428	-5%	284,625	-7%
Bed Wear	214,870	236,545	-9%	222,095	-3%
Petroleum	46,367	85,625	-46%	47,165	-2%
Solid Fuel	11,407	6,116	87%	5,400	111%
Petroleum Crude	-	-	-	41,765	-100%
Petroleum products	34,960	79,509	-56%	-	-
Other manufactures	328,047	338,707	-3%	329,076	0%
Chemical & Pharma	120,415	123,860	-3%	110,799	9%
Engineering Goods	22,033	22,925	-4%	22,475	-2%
Leather	51,798	48,813	6%	55,306	-6%
All others	211,714	237,674	-11%	191,174	11%

USD Thousands

Export of Goods and Commodities - Based on Volume						
Commodities	Unit	Dec-23	Nov-23	MoM	Dec-22	YoY
Food						
Rice	M.T	850,026	666,018	28%	331,948	156%
Fish	M.T	20,081	18,064	11%	16,694	20%
Fruits	M.T	158,172	72,437	118%	137,817	15%
Vegetables	M.T	92,156	64,285	43%	55,171	67%
Tobacco	M.T	6,704	1,188	464%	1,078	522%
Wheat	M.T	0	0	-	0	-
Spices	M.T	3,640	3,476	5%	2,004	82%
Oil Seeds, Nuts etc	M.T	12,526	29,021	-57%	7,347	70%
Sugar	M.T	0	0	-	0	-
Meat	M.T	10,587	10,490	1%	7,546	40%
Textile						
Raw Cotton	M.T	7,454	8,916	-16%	0	-
Cotton Yarn	M.T	37,364	32,374	15%	17,456	114%
Cotton Cloth	M.T	28,319	27,559	3%	21,773	30%
Yarn	M.T	819	1,281	-36%	760	8%
Knitwear	TH.DOZ	20,452	20,260	1%	13,137	56%
Bed Wear	M.T	37,149	34,635	7%	30,479	22%
Towels	M.T	18,243	16,425	11%	16,264	12%
Tents, Canvas etc	M.T	3,851	4,532	-15%	2,839	36%
Readymade Garments	TH.DOZ	7,450	8,206	-9%	6,169	21%
Art, Silk & Synthetics	M.T	6,990	6,080	15%	4,037	73%
Petroleum						
Crude	M.T	0	0	-	63,350	-100%
Petroleum Products	M.T	93,161	79,976	16%	1,524	6013%
Naphta	M.T	0	10,287	-100%	0	-
Solid Fuel (Coal)	M.T	0	0	-	0	-
Other Manufactures						
Carpets, Rugs & Mats	TH.SQM	209	412	-49%	159	31%
Footballs	TH.DOZ	460	413	11%	358	28%
Gloves	TH.DOZ	160	180	-11%	209	-23%
Leather Tanned	M.T	730	695	5%	616	19%
Leather Garments	TH.DOZ	121	128	-5%	125	-3%
Leather Gloves	TH.DOZ	830	922	-10%	755	10%
Footwear	TH.Pairs	2,254	1,818	24%	1,863	21%
Onyx Manufactured	M.T	125	101	24%	95	32%
Fertilizer	M.T	0	0	-	0	-
Pharma Products	M.T	4,429	5,012	-12%	5,410	-18%
Electric Fans	TH.NOS	106	53	100%	76	39%
Malasses	M.T	338	65	420%	0	-
Cement	M.T	572,568	525,281	9%	165,792	245%



Top 10 Exporting Countries			
Rank	Country Name	Dec-23 (P)	%
1	U. S. A.	449	16.04%
2	China	258	9.22%
3	U. K.	152	5.44%
4	U. A. E. Dubai	148	5.30%
5	Germany	119	4.24%
6	Netherlands (Holland)	110	3.93%
7	Spain	109	3.90%
8	Indonesia	100	3.58%
9	Malaysia	74	2.63%
10	Italy	66	2.36%

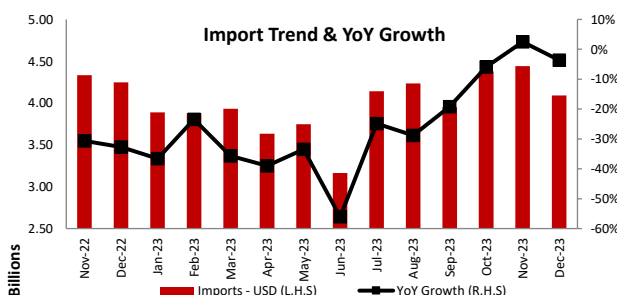
USD Million

Current Account - Import

Import of Goods and Commodities (major componenets within subgroup)					
	Dec-23 (P)	Nov-23 (R)	MoM	Dec-22	YoY
Total Imports	4,092,015	4,441,995	-8%	4,246,982	-4%
Food	553,361	656,756	-16%	693,753	-20%
<i>Palm Oil</i>	189,109	225,700	-16%	305,242	-38%
<i>Pulses</i>	40,119	59,269	-32%	73,503	-45%
<i>Tea</i>	66,024	62,626	5%	61,706	7%
Machinery	621,800	552,264	13%	321,173	94%
<i>Telecom</i>	164,038	170,180	-4%	33,694	387%
<i>Electrical Apparatus</i>	222,160	151,221	47%	68,103	226%
<i>Textile Machinery</i>	41,963	36,490	15%	61,355	-32%
Transport	144,303	109,313	32%	99,811	45%
<i>Completely Knock Down (CKD)</i>	98,478	83,996	17%	48,496	103%
<i>Completely Built Unit (CBU)</i>	11,606	8,814	32%	8,724	33%
Petroleum	1,236,466	1,326,686	-7%	1,264,646	-2%
<i>Petroleum Crude</i>	420,918	547,048	-23%	445,322	-5%
<i>Petroleum Products</i>	498,622	541,441	-8%	513,421	-3%
Textile	246,619	266,854	-8%	517,354	-52%
<i>Raw Cotton</i>	55,217	77,778	-29%	329,372	-83%
Agri & Other Chemical	664,071	862,581	-23%	697,732	-5%
<i>Plastic Materials</i>	185,039	208,224	-11%	179,973	3%
Metal	361,344	431,897	-16%	292,980	23%
<i>Iron & Steel</i>	171,901	204,429	-16%	142,724	20%
<i>Iron & Steel Scrap</i>	130,390	166,947	-22%	92,044	42%
Miscellaneous	79,722	78,736	1%	72,248	10%
All others	310,886	269,449	15%	232,328	34%

USD Thousands

Import of Goods and Commodities - Based on Volume						
Commodities	Unit	Dec-23	Nov-23	MoM	Dec-22	YoY
Food						
<i>Milk</i>	MT	3,886	5,755	-32%	4,457	-13%
<i>Wheat Unmilled</i>	MT	312,399	497,734	-37%	391,423	-20%
<i>Dry Fruits & Nuts</i>	MT	11,966	14,649	-18%	8,091	48%
<i>Tea</i>	MT	23,345	21,631	8%	27,388	-15%
<i>Spices</i>	MT	14,860	12,726	17%	16,202	-8%
<i>Soyabean Oil</i>	MT	8,855	6,410	38%	7,175	23%
<i>Palm Oil</i>	MT	237,488	231,701	2%	342,912	-31%
<i>Sugar</i>	MT	106	429	-75%	388	-73%
<i>Pulses</i>	MT	76,983	123,537	-38%	113,858	-32%
PETROLEUM						
<i>Petro. Products</i>	MT	780,371	736,800	6%	956,410	-18%
<i>Petro. Crude</i>	MT	921,687	978,144	-6%	810,478	14%
TEXTILE						
<i>Raw Cotton</i>	MT	7,016	14,245	-51%	92,458	-92%
<i>Synthetic Fiber</i>	MT	16,977	15,649	8%	15,540	9%
<i>Synthetic & Artificial Sil</i>	MT	31,451	29,342	7%	22,057	43%
<i>Worn Clothing</i>	MT	87,112	90,861	-4%	66,389	31%
AGRICULTURAL & CHEMICALS						
<i>Fertilizer Manufacturec</i>	MT	133,168	127,124	5%	111,987	19%
<i>Insecticides</i>	MT	2,133	2,763	-23%	2,075	3%
<i>Plastic Materials</i>	MT	153,564	137,744	11%	156,486	-2%
<i>Medicinal Products</i>	MT	5,981	8,243	-27%	2,650	126%
METAL GROUP						
<i>Gold</i>	KG	12	60	-80%	48	-75%
<i>Iran & Steel Scrap</i>	MT	240,751	249,408	-3%	175,027	38%
<i>Iron & Steel</i>	MT	206,226	301,064	-32%	212,687	-3%
MISCELLANEOUS GROUP						
<i>Rubber Crude</i>	MT	37,501	35,539	6%	25,558	47%
<i>Rubber Tyres & Tubes</i>	No	445,237	430,680	3%	353,791	26%
<i>Jute</i>	MT	2,682	3,902	-31%	5,342	-50%
<i>Paper & Paper Board</i>	MT	2,682	3,902	-31%	5,342	-50%



Top 10 Importing Countries			
Rank	Country Name	Dec-23 (P)	%
1	China	1041	25.45%
2	U. A. E. Dubai	312	7.63%
3	Saudi Arabia	298	7.27%
4	Singapore	283	6.92%
5	Qatar	243	5.94%
6	Kuwait	182	4.45%
7	Indonesia	168	4.11%
8	U. S. A.	156	3.81%
9	Japan	87	2.13%
10	Russian Federation	77	1.89%

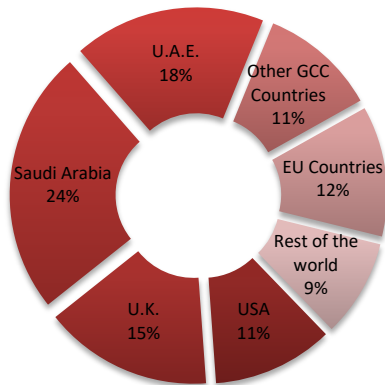
USD Million

Workers remittance

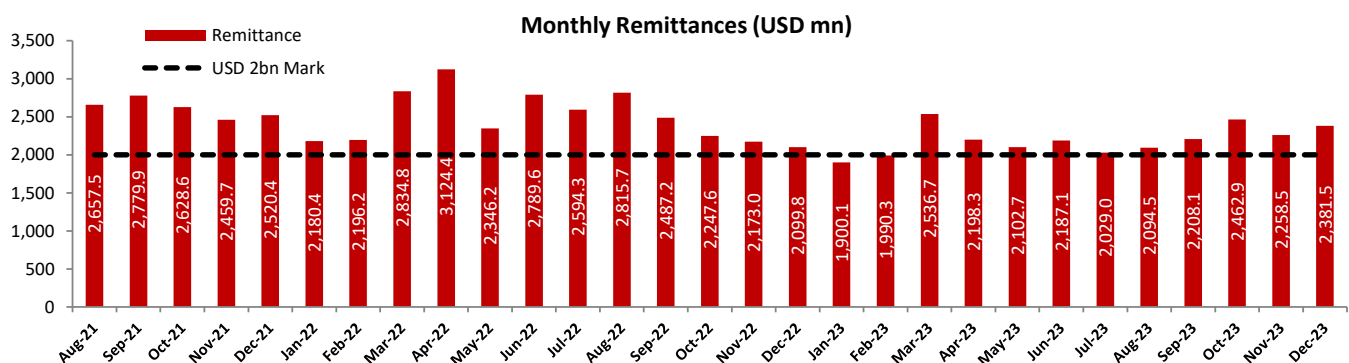
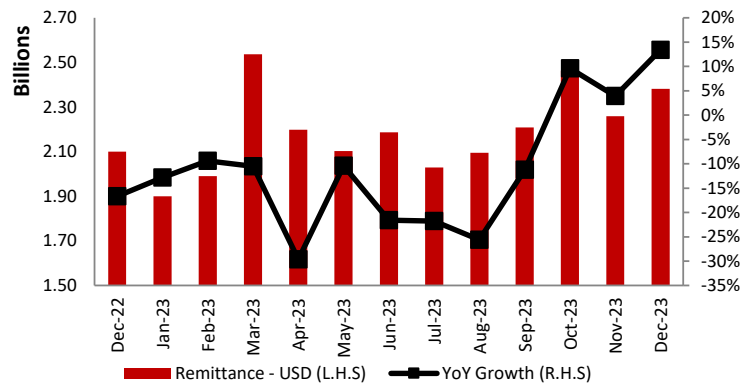
Major Countries/Region wise Remittances					
	Dec-23	Nov-23R	MoM	Dec-22R	YoY
Cumulative	2,381.49	2,258.54	5%	2,099.79	13%
USA	263.87	261.61	1%	243.21	8%
U.K.	368.00	342.18	8%	320.64	15%
Saudi Arabia	577.57	543.59	6%	529.93	9%
U.A.E.	419.15	411.75	2%	331.05	27%
Other GCC Countries	255.18	243.28	5%	240.25	6%
EU Countries	284.95	268.62	6%	239.65	19%
Malaysia	9.54	8.94	7%	7.36	30%
Norway	11.21	7.73	45%	8.08	39%
Switzerland	3.83	3.84	0%	3.74	2%
Australia	61.13	53.25	15%	46.80	31%
Canada	39.92	35.53	12%	36.06	11%
Japan	5.30	4.22	26%	6.71	-21%
South Africa	17.13	14.12	21%	17.04	1%
South Korea	8.39	8.78	-4%	7.94	6%
Other Countries	56.32	51.11	10%	61.32	-8%

USD million

Country wise remittance



Remittance Trend & YoY Growth



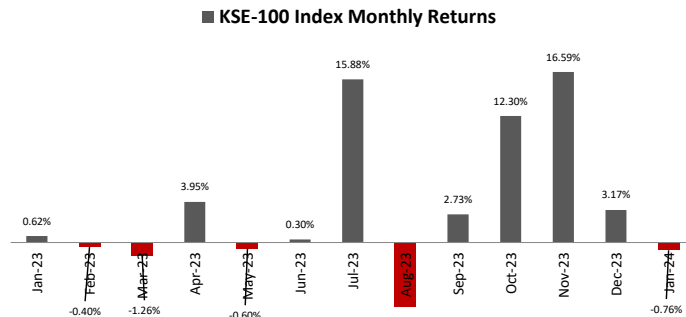
PSX - KSE-100 index down by 0.76%

The KSE-100 index maintained a narrow range, fluctuating around 63-64k points before eventually concluding at 61,979 points. As a result, the fiscal year-to-date (FYTD) return stands at 49.52%, while the month-over-month (MoM) and calendar year-to-date (CYTD) returns show a decline of -0.76%. The initial bullish momentum in the month, attributed to positive macroeconomic indicators such as a USD 2 billion rollover by a friendly country, approval of a USD 700 million tranche under the IMF SBA, and reports of the government releasing PKR 1.25 trillion to the energy sector to address circular debt, was short-lived. Uncertainty surrounding the plan and political instability related to elections, along with tensions on the western border, led to a loss of 471 points, closing the index at 61,979 points (-0.76%).

Notably, the average trading volume for KSE-100 saw a substantial decline from an average of 564 million shares in December 2023 to 294 million shares in January 2024. Foreign investors (FIPI) remained net sellers, with a total of USD 37 million sold, while on the local front (LIPI), companies and insurance firms emerged as the major buyers.

PSX Performance Stats				
Stats	KSE-100	KSE-30	KMI-30	All-Shares
Index	61,979.18	20,954.32	103,712.88	41,892.67
Change	-471.86	177.78	-1,015.89	-23.60
%Change	-0.76%	0.86%	-0.97%	-0.06%

KSE-100 Index Top 5 Performers			
Company	Name	Return	
JDW Sugar Mills Ltd	JDWS	25%	
Indus Motor Company Ltd	INDU	22%	
Oil & Gas Development Company Ltd	OGDC	20%	
Bankislami Pakistan Ltd	BIPL	10%	
National Foods Ltd	NATF	10%	

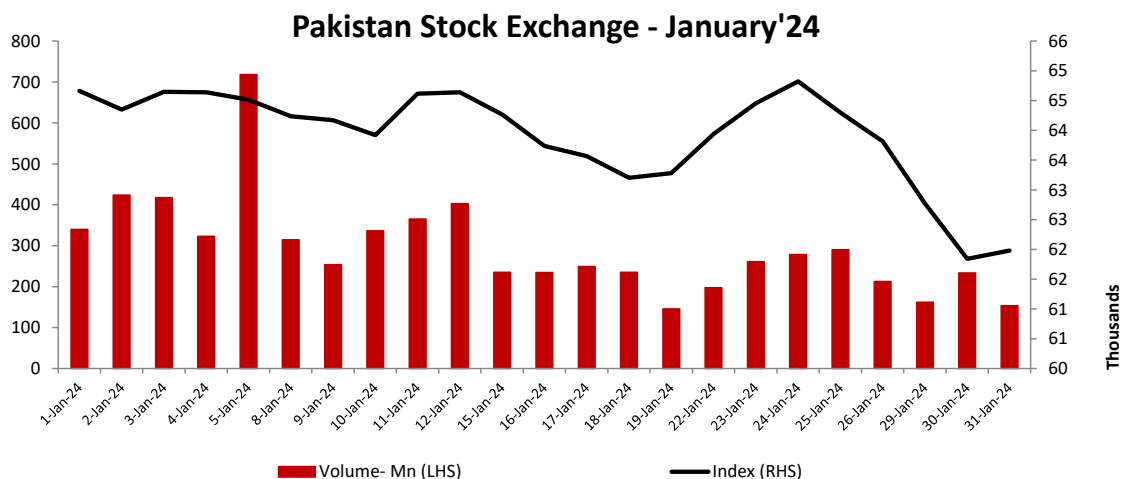


Foreign & Local Investors Portfolio Investment

Investor Type	Gross Buy	Gross Sell	Net Buy/Sell PKR	Net Buy/Sell USD
Foreign Individual	761,895,781	(767,924,188)	(6,028,407)	(22,024)
Overseas Pakistani	33,259,870,368	(33,064,432,909)	195,437,457	701,687
Foreign Corporates	6,078,017,350	(16,645,582,610)	(10,567,565,258)	(37,900,773)
Foreign Investors - FIPI	40,099,783,513	(50,477,939,726)	(10,378,156,210)	(37,221,115)

Investor Type	Gross Buy	Gross Sell	Net Buy/Sell PKR	Net Buy/Sell USD
Individuals	361,675,443,884	(361,928,660,086)	(253,216,199)	(934,040)
Companies	17,925,487,607	(14,674,515,332)	3,250,972,273	11,659,154
Banks / DFI	17,334,182,859	(17,256,874,351)	77,308,509	276,023
NBFC	194,761,606	(184,449,782)	10,311,823	37,740
Mutual Funds	9,894,406,853	(11,091,691,268)	(1,197,284,407)	(4,306,571)
Other Organization	5,127,464,561	(4,778,947,468)	348,517,094	1,264,148
Broker Proprietary Trading	84,161,445,239	(84,084,751,497)	76,693,743	291,232
Insurance Companies	16,140,495,333	(8,075,641,953)	8,064,853,374	28,933,425
Local Investors - LIPI	512,453,688,017	(502,075,531,803)	10,378,156,210	37,221,113

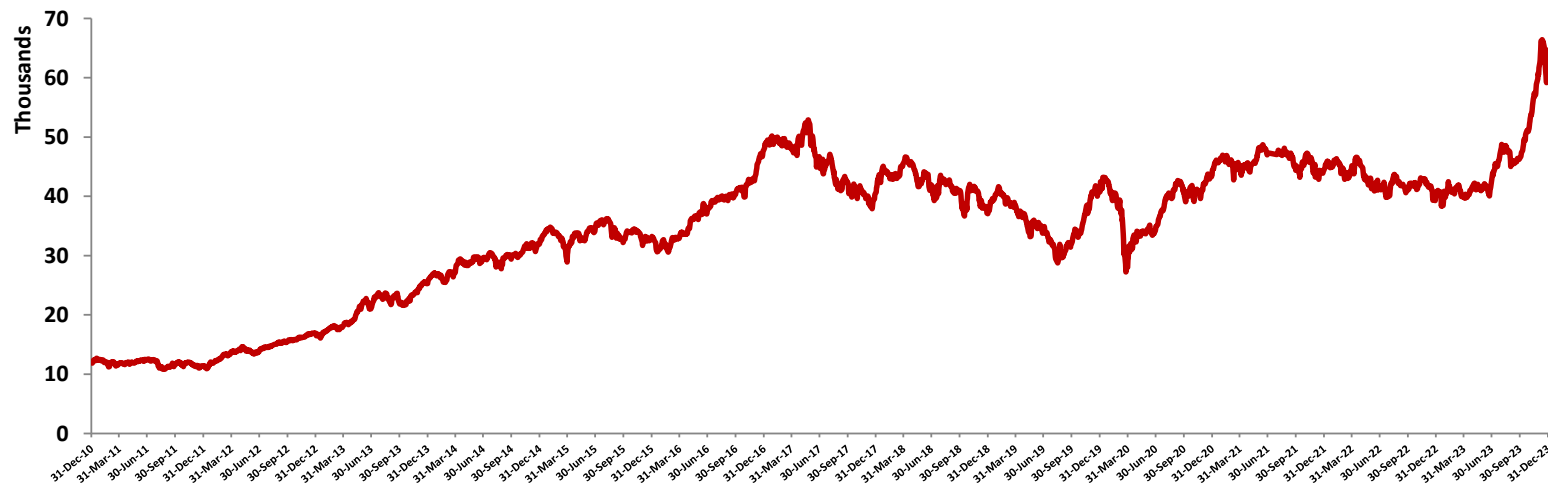
Calculated at USD 278.82



KSE 100 Index Historical Returns

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year - CYTD
2024	-0.76%												-0.76%
2023	0.62%	-0.40%	-1.26%	3.95%	-0.60%	0.30%	15.88%	-6.31%	2.73%	12.30%	16.59%	3.17%	54.50%
2022	1.75%	-2.01%	1.05%	0.71%	-4.80%	-3.57%	-3.35%	5.48%	-2.89%	0.33%	2.63%	-4.55%	-9.36%
2021	6.01%	-1.12%	-2.78%	-0.73%	8.92%	-1.13%	-0.64%	0.77%	-5.31%	2.94%	-2.48%	-1.06%	1.92%
2020	2.20%	-8.76%	-23.04%	16.69%	-0.53%	1.45%	14.05%	4.72%	-1.31%	-1.68%	2.96%	6.54%	7.41%
2019	10.07%	-4.28%	-1.04%	-4.83%	-2.20%	-5.76%	-5.79%	-7.10%	8.11%	6.62%	14.86%	3.68%	9.90%
2018	8.84%	-1.84%	5.37%	-0.16%	-5.81%	-2.18%	1.91%	-2.27%	-1.78%	1.59%	-2.77%	-8.47%	-8.41%
2017	1.99%	-0.46%	-0.78%	2.38%	2.62%	-7.96%	-1.19%	-10.44%	2.92%	-6.58%	0.99%	1.15%	-15.34%
2016	-4.62%	0.23%	5.64%	4.77%	3.87%	4.78%	4.62%	0.71%	1.84%	-1.60%	6.84%	12.16%	45.68%
2015	7.20%	-2.36%	-10.10%	11.56%	-2.00%	4.06%	3.90%	-2.84%	-7.02%	6.11%	-5.86%	1.74%	2.13%
2014	6.03%	-3.74%	5.34%	6.45%	2.85%	-0.29%	2.23%	-5.76%	4.06%	2.19%	2.70%	2.99%	27.20%
2013	2.00%	5.40%	-0.72%	5.20%	14.96%	-3.75%	10.98%	-4.94%	-1.48%	4.32%	6.70%	3.95%	49.43%
2012	4.65%	8.45%	6.86%	1.66%	-1.46%	0.11%	5.62%	5.59%	0.35%	3.01%	4.17%	2.00%	48.98%
2011	2.80%	-8.66%	4.61%	2.10%	0.54%	3.08%	-2.45%	-9.19%	6.25%	0.91%	-2.83%	-1.61%	-5.61%

KSE-100 Index Historical Performance



Disclaimer

This report is for information purpose only. The material is based on information we believe to be reliable but we do not guarantee its accuracy. While every effort has been made to ensure the accuracy and completeness of the information, no guarantee is given nor responsibility taken for errors or omission in the database. PCICL Treasury Department will not be responsible for the consequence of reliance upon any option or statement herein or for any omission.

Difference in different data sources (SBP vs. PBS)

The trade figures reported by SBP in the balance of payments do not match with the information provided by the Pakistan Bureau of Statistics. This is because the trade statistics compiled by SBP are based on exchange record data, which depends on the actual receipt and payment of foreign exchange, whereas the PBS records data on the physical movement of goods (custom records). Furthermore, SBP reports both exports and imports as free on board (fob), while PBS records exports as free on board (fob) and imports include the cost of freight and insurance (cif).