

PAK CHINA INVESTMENT COMPANY LIMITED

Economic Review - October 2023



MPS - Policy rate kept unchanged at 22%

The Monetary Policy Committee (MPC) of the State Bank of Pakistan opted to maintain the policy rate at 22% during its recent 30th October 2023 meeting. Despite concerns about global oil price volatility and increased gas tariffs impacting inflation and the current account, the MPC noted potential offsetting factors such as targeted fiscal consolidation and improved market availability of essential commodities. Encouraging kharif crop estimated, a narrowed current account deficit, and improved fiscal indicators were highlighted, emphasizing the importance of maintaining a tight monetary policy stance to achieve a medium-term inflation target of 5 - 7% by the end of FY25.

The real sector showed signs of moderate growth, especially in kharif crop production, while the external sector displayed a substantial improvement in the current account balance. Fiscal indicators improved, emphasizing the necessity of continued fiscal prudence for sustaining a downward trend in inflation. Money and credit indicators experienced a slowdown in growth, with inflation expected to decline significantly in the coming months, although risk remain due to global oil price volatility and increased gas tariffs. Core inflation persists at elevated levels, but efforts in fiscal policy and enhanced food commodity availability aim to aid in stabilizing inflation.

Advance Calendar of Monetary Policy Meetings

July MPC Meeting; Monday, July 31, 2023
September MPC Meeting; Thursday, September 14, 2023
October MPC Meeting; Monday, October 30, 2023
December MPC Meeting; Tuesday, December 12, 2023

The next MPS is scheduled on 12th December 2023

Policy Rates in Major Economies

| | Policy Rate | W.E.F | Previous Rate |
|--------------------|-------------|-----------|---------------|
| USA | 5.50% | 26-Jul-23 | 5.25% |
| UK | 5.25% | 02-Aug-23 | 5.00% |
| Euro Zone | 4.50% | 14-Sep-23 | 4.25% |
| Japan ¹ | -0.10% | 29-Jan-16 | 0.10% |
| Canada | 5.00% | 13-Jul-23 | 4.75% |
| Australia | 4.10% | 06-Jun-23 | 3.85% |
| China ² | 3.45% | 21-Aug-23 | 3.55% |
| India | 6.50% | 08-Feb-23 | 6.25% |
| Malaysia | 3.00% | 03-May-23 | 2.75% |
| Thailand | 2.50% | 27-Sep-23 | 2.25% |

¹ BOJ previous policy rate was in range of (0 to 0.1) instead of single number

² Loan Prime Rate: The benchmark interest rate in china was last recorded at 3.65% (Source: SBP)

Monetary Policy Announcement History

| MPS Date | Stance | Policy Rate | Voting |
|-----------|------------|-------------|---|
| 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 |

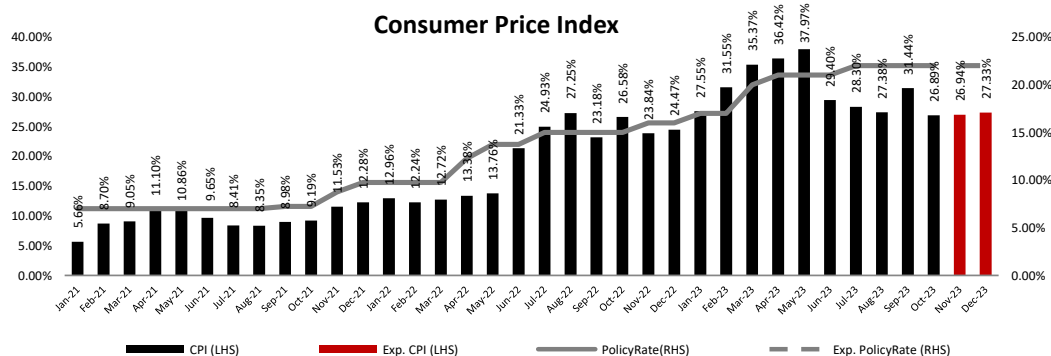
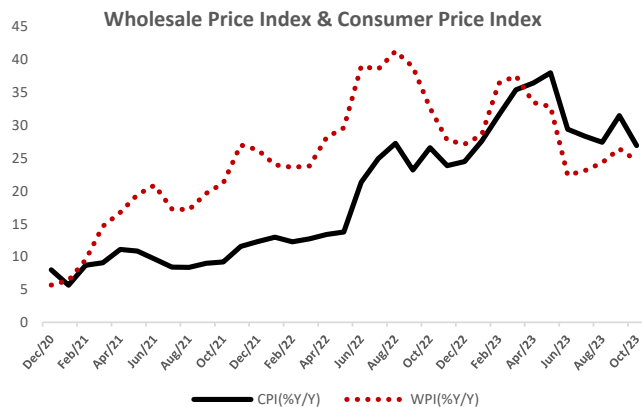
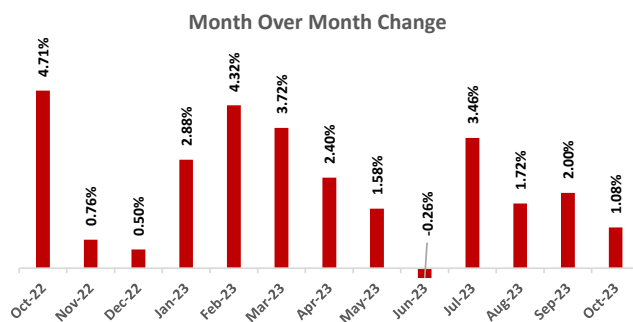
Oct'23 - Inflation clocked in at 26.89%

Inflation for the month of October clocked in at 26.89% compared to 31.44% in the previous month, resulting in a 4MFY24 average inflation of 28.50% compared to 25.49% in the SPLFY.

On a monthly basis, inflation increased by 1.08%, signaling a slowdown compared to the previous months average monthly inflation of 2.39%. This deceleration is primarily attributed to a 1.76% MoM reduction in transport index, driven by lower domestic fuel prices. Conversely, the housing index increased by 3% MoM due to higher electricity charges stemming from fuel cost adjustments and quietly rent adjustments. Additionally, the education and health indexes experienced MoM increase of 2.50% and 2.76% respectively.

Looking ahead, we anticipate inflation to hover around 27% YoY for the remaining months of the calendar year. However, risks persist, particularly concerning external uncertainties such as international oil prices and the new targets established by the IMF in their ongoing review.

| Consumer Price Index | Weight % | Oct-23 | Sep-23 | MoM% | Oct-22 | YoY% |
|--|----------|--------|--------|--------|--------|--------|
| General | 100.00 | 246.69 | 244.05 | 1.08% | 194.42 | 26.89% |
| Food & Non-alcoholic Bev. | 34.58 | 280.27 | 278.48 | 0.64% | 221 | 26.82% |
| Non-perishable Food Items | 29.6 | 282.5 | 285.6 | -1.09% | 212.37 | 33.02% |
| Perishable Food Items | 4.99 | 267 | 236.2 | 13.04% | 272.25 | -1.93% |
| Alcoholic Bev. & Tobacco | 1.02 | 362.24 | 361.16 | 0.30% | 196.21 | 84.62% |
| Clothing & Footwear | 8.6 | 215.31 | 213.05 | 1.06% | 178.48 | 20.64% |
| Housing, Water, Electricity, Gas & Fuel | 23.63 | 200.7 | 194.86 | 3.00% | 166.56 | 20.50% |
| Furnishing & Household Equipment Maintenance | 4.1 | 255.85 | 252.67 | 1.26% | 186.56 | 37.14% |
| Health | 2.79 | 228.44 | 222.31 | 2.76% | 182.47 | 25.19% |
| Transport | 5.91 | 322.33 | 328.11 | -1.76% | 245.44 | 31.33% |
| Communication | 2.21 | 120.07 | 119.66 | 0.34% | 111.84 | 7.36% |
| Recreation & Culture | 1.59 | 255.78 | 254.8 | 0.38% | 163.6 | 56.34% |
| Education | 3.79 | 183.74 | 179.25 | 2.50% | 162.87 | 12.81% |
| Restaurants & Hotels | 6.92 | 256.5 | 252.51 | 1.58% | 192.77 | 33.06% |
| Miscellaneous | 4.87 | 263 | 262.92 | 0.03% | 194.49 | 35.23% |



Money Market

As evident from the yield curve, yields across all tenures shifted downwards with major shift witnessed in longer tenure compared to the shorter. This shift is on the back of improved macro-economic data and the expectation of declining inflation and the real rates to be in positive territory on a forward looking basis as highlighted by the central bank in its monetary policy meeting. In the latest T-bill auction held on 1st Nov, central bank was received bids amounting to PKR 4.1 trillion with majority of the participation approx. 60% witnessed in 12-Month T-bill, followed by 26% in 3-Month and the rest in 6-Month T-bill. This change in participation levels indicates market expectation of rate cut sooner than the previously anticipated. Central bank was able to fetch PKR 1.1 trillion out of which PKR 807 billion accepted in 12-M, followed by PKR 255 billion in 3-Month and PKR 85 billion in 6-Month at the cutoff rates of 21.9494%, 21.9898% and 21.9999% for 3, 6 & 12-Months respectively.

| T-bill Auction Results | | | | |
|------------------------|----------|----------|----------|--|
| Date | 3M | 6M | 12M | |
| 05-Oct | 22.5002% | 22.8500% | 22.8400% | |
| 18-Oct | 22.2000% | 22.3999% | 22.4000% | |
| 01-Nov | 21.9495% | 21.9898% | 21.9999% | |

In the recent long term fixed (PIB) bond auction, central bank was able to raise PKR 252 billion against the total participation of PKR 963 billion and target of PKR 160 billion. Participation was majorly concentrated in 3Y(75%), followed by 10Y(14%) and 5Y(10%). Massive participation compared to the pervious auctions and that too at lower yields indicate market expectation of rate cut. Yields across all the tenors declined with majority of dip witnessed in 3Y by 180bps followed by 5Y 100bps and 10Y by 15bps.

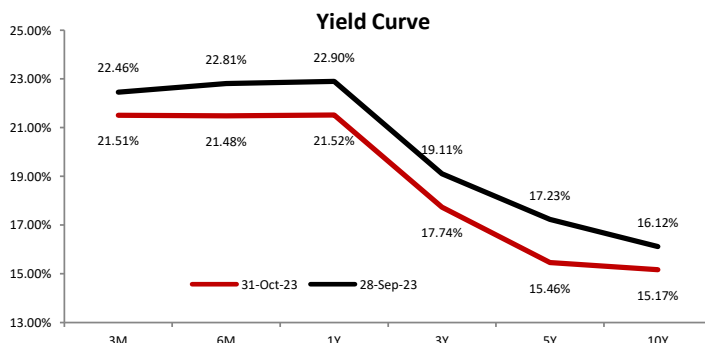
| PIB Auction Results | | | | | |
|---------------------|----------|----------|----------|---------|---------|
| Date | 3Y | 5Y | 10Y | 15Y | 20Y |
| 03-Aug | 19.3499% | 15.9500% | Rejected | No Bids | No Bids |
| 19-Sep | 19.3449% | 16.9500% | 15.2500% | No Bids | No Bids |
| 02-Oct | 19.1900% | 16.9500% | 15.2500% | No Bids | No Bids |
| 08-Nov | 17.3900% | 15.9500% | 15.1000% | 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.

| Open Market Operations (PKR million) | | | | | |
|--------------------------------------|-----------|-------|-----------|-----------|--------|
| Date | Type | Tenor | Offered | Accepted | Cutoff |
| 06-Oct | Injection | 7 | No Bids | - | - |
| 06-Oct | Injection | 77 | 1,213,250 | 1,013,250 | 22.06% |
| 13-Oct | Injection | 7 | 185,400 | 185,400 | 22.07% |
| 13-Oct | Injection | 77 | 154,550 | 76,000 | 22.04% |
| 19-Oct | Injection | 4 | 732,750 | 732,750 | 22.03% |
| 20-Oct | Injection | 7 | 573,700 | 573,700 | 22.05% |
| 20-Oct | Injection | 77 | 321,350 | 321,350 | 22.07% |
| 27-Oct | Injection | 7 | 944,000 | 600,000 | 22.05% |

| Access to overnight Repo/Rev-Repo Facilities | | | | |
|--|---------|------------|---------|------------|
| Date | Ceiling | | Floor | |
| | Amount | Institutes | Amount | Institutes |
| 02-Oct | 120,000 | 1 | 562,000 | 5 |
| 03-Oct | | | 28,600 | 3 |
| 04-Oct | | | 325,600 | 3 |
| 05-Oct | 93,650 | 1 | 179,800 | 4 |
| 06-Oct | 25,000 | 1 | 209,600 | 3 |
| 09-Oct | 142,000 | 1 | 184,600 | 3 |
| 10-Oct | 51,000 | 1 | 56,600 | 2 |
| 11-Oct | 157,440 | 5 | 92,600 | 2 |
| 12-Oct | 372,250 | 5 | 83,600 | 3 |
| 13-Oct | | | 133,600 | 2 |
| 16-Oct | | | 105,600 | 2 |
| 17-Oct | | | 130,600 | 2 |
| 18-Oct | | | 143,600 | 2 |
| 19-Oct | 83,600 | 3 | 191,600 | 3 |
| 20-Oct | 145,550 | 5 | 189,600 | 3 |
| 23-Oct | 176,000 | 1 | 210,600 | 3 |
| 24-Oct | 142,000 | 1 | 203,800 | 4 |
| 25-Oct | 101,000 | 1 | 208,350 | 5 |
| 26-Oct | 146,700 | 2 | 302,600 | 6 |
| 27-Oct | 39,000 | 1 | 270,100 | 4 |
| 30-Oct | | | 394,100 | 6 |
| 31-Oct | | | 487,600 | 5 |

PKR millions



Current Account Balance - Deficit shrank by 98% YoY

The current account deficit for the month of Sep'23 clocked in at USD 8 million, marking a significant MoM and YoY decreased of 95% and 98% respectively. To recall, deficit in the same period last year amounted to USD 360 million.

On monthly basis, imports of goods declined by USD 289 million while exports inched by mere USD 49 million. Additionally, support was provided by workers remittances which increased by 5% to USD 2.2 billion. On yearly basis, trade balance improved by 38% which was majorly supported by deceleration in imports which declined by 19%, this was on the back of decline in food imports by 44% followed by petroleum and textile which declined by 20% and 19% respectively. Remittances although maintaining their USD 2 billion mark declined by 11% on yearly basis. During 1QFY24, remittances are down by 20% YoY due to wide gap between open market and inter bank during most of the quarter, which began to narrow significantly in Sep'23, the impact of this is expected in coming months.

Going forward, we anticipate that the import expenditure will stay constrained due to subdued demand in the face of elevated inflation and discount rate, along with constraints imposed by restrictions and bans on Afghan transit. Nonetheless, a noteworthy risk to this overall outlook is the potential rise in international oil prices.

| | Current Account Balance | | | | | FY23 & FY24 - Jul-Sep | | |
|--------------------------------|-------------------------|----------------|------------|----------------|-------------|-----------------------|----------------|--------------|
| | Sep-23 | Aug-23 | MoM | Sep-22 | YoY | FY24 | FY23 | YoY |
| Exports of Goods FOB | 2,474 | 2,425 | 2% | 2,437 | 2% | 7,019 | 7,386 | -5% |
| Imports of Goods FOB | 3,986 | 4,275 | -7% | 4,894 | -19% | 12,461 | 16,355 | -24% |
| Trade Balance | (1,512) | (1,850) | 18% | (2,457) | 38% | (5,442) | (8,969) | 39% |
| Exports of Services | 571 | 601 | -5% | 565 | 1% | 1,707 | 1,717 | -1% |
| Imports of Services | 787 | 799 | -2% | 688 | 14% | 2,395 | 2,028 | 18% |
| Service Balance | (216) | (198) | -9% | (123) | -76% | (688) | (311) | -121% |
| Balance on Primary Income | (635) | (369) | -72% | (369) | -72% | (1,570) | (1,005) | -56% |
| Balance on Secondary Income | 2,355 | 2,253 | 5% | 2,589 | -9% | 6,753 | 8,027 | -16% |
| Workers' Remittances | 2,206 | 2,095 | 5% | 2,487 | -11% | 6,330 | 7,897 | -20% |
| Current Account Balance | (8) | (164) | 95% | (360) | 98% | (947) | (2,258) | 58% |

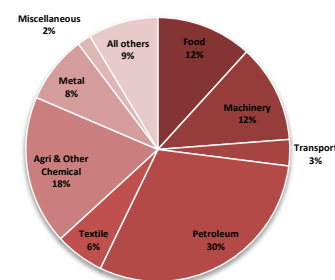
USD million

Source: SBP

| Import of Goods and Commodities | | | | | |
|---------------------------------|------------------|------------------|------------|------------------|-------------|
| | Sep-23 (P) | Aug-23 (R) | MoM | Sep-22 | YoY |
| Total Import | 3,985,956 | 4,275,049 | -7% | 4,905,035 | -19% |
| Food | 459,868 | 604,776 | -24% | 822,328 | -44% |
| Machinery | 471,248 | 513,977 | -8% | 455,035 | 4% |
| Transport | 125,731 | 136,989 | -8% | 141,926 | -11% |
| Petroleum | 1,180,668 | 1,174,602 | 1% | 1,483,880 | -20% |
| Textile | 236,039 | 331,335 | -29% | 292,838 | -19% |
| Agri & Other Chemical | 713,803 | 705,868 | 1% | 781,987 | -9% |
| Metal | 324,912 | 350,017 | -7% | 357,222 | -9% |
| Miscellaneous | 65,944 | 72,246 | -9% | 82,291 | -20% |
| All others | 336,061 | 343,163 | -2% | 351,279 | -4% |

USD Thousands

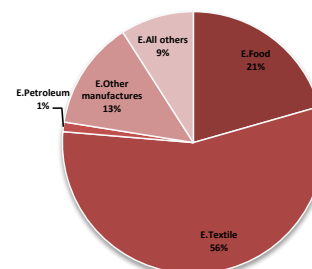
Import Bill Composition



| Export of Goods and Commodities | | | | | |
|---------------------------------|------------------|------------------|-----------|------------------|-----------|
| | Sep-23 (P) | Aug-23 (R) | MoM | Sep-22 (R) | YoY |
| Total Exports | 2,474,012 | 2,424,979 | 2% | 2,436,956 | 2% |
| Food | 491,593 | 392,078 | 25% | 365,688 | 34% |
| Textile | 1,332,807 | 1,415,128 | -6% | 1,607,184 | -17% |
| Petroleum | 28,243 | 29,449 | -4% | 5,693 | 396% |
| Other manufactures | 320,943 | 334,547 | -4% | 390,021 | -18% |
| All others | 216,396 | 217,210 | 0% | 180,853 | 20% |

USD Thousands

Composition of Exports

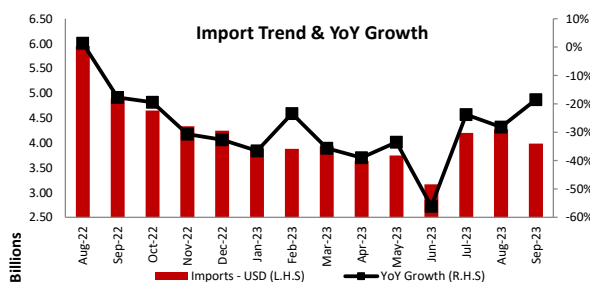


Current Account - Import

| Import of Goods and Commodities (major components within subgroup) | | | | | |
|--|------------------|------------------|-------------|------------------|-------------|
| | Sep-23 (P) | Aug-23 (R) | MoM | Sep-22 (R) | YoY |
| Total Imports | 3,985,956 | 4,275,049 | -7% | 4,893,984 | -19% |
| Food | 459,868 | 604,776 | -24% | 822,328 | -44% |
| Palm Oil | 179,943 | 270,265 | -33% | 347,276 | -48% |
| Pulses | 55,069 | 73,291 | -25% | 60,879 | -10% |
| Tea | 58,119 | 59,277 | -2% | 55,964 | 4% |
| Machinery | 471,248 | 513,977 | -8% | 455,041 | 4% |
| Telecom | 139,053 | 124,354 | 12% | 85,812 | 62% |
| Electrical Apparatus | 135,430 | 155,000 | -13% | 99,016 | 37% |
| Textile Machinery | 26,776 | 29,296 | -9% | 73,003 | -63% |
| Transport | 125,731 | 136,989 | -8% | 141,926 | -11% |
| Completely Knock Down (CKD) | 88,566 | 102,847 | -14% | 106,220 | -17% |
| Completely Built Unit (CBU) | 4,811 | 6,322 | -24% | 8,104 | -41% |
| Petroleum | 1,180,668 | 1,174,602 | 1% | 1,483,880 | -20% |
| Petroleum Crude | 393,068 | 181,075 | 117% | 471,941 | -17% |
| Petroleum Products | 457,823 | 714,876 | -36% | 770,640 | -41% |
| Textile | 236,039 | 331,335 | -29% | 292,838 | -19% |
| Raw Cotton | 62,905 | 122,573 | -49% | 126,902 | -50% |
| Agri & Other Chemical | 713,803 | 705,868 | 1% | 782,407 | -9% |
| Plastic Materials | 194,514 | 226,153 | -14% | 218,246 | -11% |
| Metal | 324,912 | 350,017 | -7% | 357,216 | -9% |
| Iron & Steel | 148,744 | 150,810 | -1% | 161,539 | -8% |
| Iron & Steel Scrap | 123,510 | 145,889 | -15% | 119,614 | 3% |
| Miscellaneous | 65,944 | 72,246 | -9% | 82,291 | -20% |
| All others | 336,061 | 343,163 | -2% | 350,870 | -4% |

USD Thousands

| Import of Goods and Commodities - Based on Volume | | | | | | |
|---|------|---------|---------|------|-----------|------|
| Commodities | Unit | Sep-23 | Aug-23 | MoM | Sep-22 | YoY |
| Food | | | | | | |
| Milk | MT | 1,973 | 4,050 | -51% | 3,911 | -50% |
| Wheat Unmilled | MT | 162,301 | 0 | | 235,001 | -31% |
| Dry Fruits & Nuts | MT | 8,767 | 7,061 | 24% | 3,488 | 151% |
| Tea | MT | 23,928 | 23,553 | 2% | 18,452 | 30% |
| Spices | MT | 7,357 | 9,772 | -25% | 12,148 | -39% |
| Soyabean Oil | MT | 10,000 | 29,250 | -66% | 20,532 | -51% |
| Palm Oil | MT | 221,947 | 294,203 | -25% | 300,970 | -26% |
| Sugar | MT | 186 | 292 | -36% | 374 | -50% |
| Pulses | MT | 115,967 | 127,689 | -9% | 116,498 | 0% |
| PETROLEUM | | | | | | |
| Petro. Products | MT | 796,204 | 993,051 | -20% | 1,319,390 | -40% |
| Petro. Crude | MT | 768,178 | 687,592 | 12% | 635,371 | 21% |
| TEXTILE | | | | | | |
| Raw Cotton | MT | 11,144 | 21,604 | -48% | 46,616 | -76% |
| Synthetic Fiber | MT | 20,274 | 26,106 | -22% | 14,739 | 38% |
| Synthetic & Artificial Si | MT | 25,631 | 30,888 | -17% | 11,414 | 125% |
| Worn Clothing | MT | 76,078 | 83,067 | -8% | 57,376 | 33% |
| AGRICULTURAL & CHEMICALS | | | | | | |
| Fertilizer Manufactures | MT | 66,485 | 19,644 | 238% | 152,253 | -56% |
| Insecticides | MT | 2,650 | 3,633 | -27% | 3,625 | -27% |
| Plastic Materials | MT | 136,223 | 193,859 | -30% | 135,390 | 1% |
| Medicinal Products | MT | 2,550 | 2,305 | 11% | 3,642 | -30% |
| METAL GROUP | | | | | | |
| Gold | KG | 52 | 52 | 0% | 52 | 0% |
| Iron & Steel Scrap | MT | 200,189 | 210,525 | -5% | 208,325 | -4% |
| Iron & Steel | MT | 201,935 | 231,750 | -13% | 197,373 | 2% |
| MISCELLANEOUS GROUP | | | | | | |
| Rubber Crude | MT | 34,019 | 51,775 | -34% | 33,303 | 2% |
| Rubber Tyres & Tubes | No | 166,395 | 213,618 | -22% | 312,276 | -47% |
| Jute | MT | 1,912 | 3,768 | -49% | 4,246 | -55% |
| Paper & Paper Board | MT | 1,912 | 3,768 | -49% | 4,246 | -55% |



| Top 10 Importing Countries | | | |
|----------------------------|----------------|--------------|--------|
| Rank | Country Name | Sep-23 (P) | % |
| 1 | China | 881 | 22.10% |
| 2 | Saudi Arabia | 415 | 10.42% |
| 3 | U. A. E. Dubai | 395 | 9.91% |
| 4 | Qatar | 292 | 7.33% |
| 5 | Singapore | 178 | 4.48% |
| 6 | Indonesia | 152 | 3.82% |
| 7 | U. S. A. | 121 | 3.03% |
| 8 | Kuwait | 89 | 2.23% |
| 9 | Germany | 84 | 2.10% |
| 10 | South Korea | 71 | 1.79% |

USD Million

Current Account - Exports

| Export of Goods and Commodities (major components) | | | | | |
|--|------------------|------------------|------------|------------------|-------------|
| | Sep-23 (P) | Aug-23 (R) | MoM | Sep-22 (R) | YoY |
| Total Exports | 2,474,012 | 2,424,979 | 2% | 2,436,956 | 2% |
| Food | 491,593 | 392,078 | 25% | 365,688 | 34% |
| Rice | 160,932 | 125,239 | 29% | 148,518 | 8% |
| Fish | 30,419 | 24,825 | 23% | 32,338 | -6% |
| Textile | 1,332,807 | 1,415,128 | -6% | 1,607,184 | -17% |
| Knitwear | 344,504 | 375,639 | -8% | 439,602 | -22% |
| Readymade Garments | 261,712 | 291,086 | -10% | 303,194 | -14% |
| Bed Wear | 232,330 | 233,671 | -1% | 270,550 | -14% |
| Petroleum | 28,243 | 29,449 | -4% | 5,693 | 396% |
| Solid Fuel | 8 | - | | 32 | -75% |
| Petroleum Crude | - | - | | - | |
| Petroleum products | 28,235 | 29,449 | -4% | 5,661 | 399% |
| Other manufactures | 320,943 | 334,547 | -4% | 390,021 | -18% |
| Chemical & Pharma | 115,274 | 121,748 | -5% | 143,223 | -20% |
| Engineering Goods | 21,609 | 26,668 | -19% | 24,835 | -13% |
| Leather | 48,462 | 52,902 | -8% | 61,604 | -21% |
| All others | 216,396 | 217,210 | 0% | 180,853 | 20% |

USD Thousands

| Export of Goods and Commodities - Based on Volume | | | | | | |
|---|----------|---------|---------|-------|---------|-------|
| Commodities | Unit | Sep-23 | Aug-23 | MoM | Sep-22 | YoY |
| Food | | | | | | |
| Rice | M.T | 255,320 | 168,193 | 52% | 216,938 | 18% |
| Fish | M.T | 17,264 | 10,254 | 68% | 14,794 | 17% |
| Fruits | M.T | 56,922 | 51,784 | 10% | 35,503 | 60% |
| Vegetables | M.T | 66,665 | 77,176 | -14% | 54,713 | 22% |
| Tobacco | M.T | 1,999 | 1,669 | 20% | 1,098 | 82% |
| Wheat | M.T | 0 | 0 | | 0 | |
| Spices | M.T | 4,006 | 2,591 | 55% | 1,656 | 142% |
| Oil Seeds, Nuts etc | M.T | 90,768 | 15,602 | 482% | 21,617 | 320% |
| Sugar | M.T | 0 | 27,560 | -100% | 0 | |
| Meat | M.T | 9,891 | 9,646 | 3% | 6,641 | 49% |
| Textile | | | | | | |
| Raw Cotton | M.T | 2,156 | 1,639 | 32% | 315 | 584% |
| Cotton Yarn | M.T | 41,563 | 38,686 | 7% | 22,545 | 84% |
| Cotton Cloth | M.T | 33,296 | 31,858 | 5% | 32,593 | 2% |
| Yarn | M.T | 1,096 | 1,165 | -6% | 1,306 | -16% |
| Knitwear | TH.DOZ | 18,970 | 22,056 | -14% | 15,063 | 26% |
| Bed Wear | M.T | 38,900 | 42,189 | -8% | 39,345 | -1% |
| Towels | M.T | 18,401 | 18,713 | -2% | 16,223 | 13% |
| Tents, Canvas etc | M.T | 2,945 | 2,609 | 13% | 2,888 | 2% |
| Readymade Garments | TH.DOZ | 7,415 | 8,254 | -10% | 8,812 | -16% |
| Art, Silk & Synthetics | M.T | 6,435 | 6,699 | -4% | 6,555 | -2% |
| Petroleum | | | | | | |
| Crude | M.T | 0 | 0 | | 0 | |
| Petroleum Products | M.T | 8 | 6,977 | -100% | 6,600 | -100% |
| Naphta | M.T | 10,563 | 0 | | 0 | |
| Solid Fuel (Coal) | M.T | 0 | 0 | | 0 | |
| Other Manufactures | | | | | | |
| Carpets, Rugs & Mats | TH.SQM | 179 | 250 | -28% | 249 | -28% |
| Footballs | TH.DOZ | 429 | 463 | -7% | 436 | -2% |
| Gloves | TH.DOZ | 230 | 260 | -12% | 196 | 17% |
| Leather Tanned | M.T | 1,066 | 863 | 24% | 827 | 29% |
| Leather Garments | TH.DOZ | 182 | 185 | -2% | 149 | 22% |
| Leather Gloves | TH.DOZ | 1,036 | 950 | 9% | 843 | 23% |
| Footwear | TH.Pairs | 1,876 | 2,203 | -15% | 1,990 | -6% |
| Onyx Manufactured | M.T | 115 | 240 | -52% | 144 | -20% |
| Fertilizer | M.T | 0 | 0 | | 0 | |
| Pharma Products | M.T | 6,625 | 5,000 | 33% | 6,344 | 4% |
| Electric Fans | TH.NOS | 110 | 103 | 7% | 73 | 51% |
| Molasses | M.T | 109 | 24,226 | -100% | 132 | -17% |
| Cement | M.T | 693,023 | 569,376 | 22% | 612,372 | 13% |



| Top 10 Exporting Countries | | | |
|----------------------------|-----------------------|--------------|--------|
| Rank | Country Name | Sep-23 (P) | % |
| 1 | U. S. A. | 441 | 17.84% |
| 2 | China | 283 | 11.44% |
| 3 | U. K. | 168 | 6.78% |
| 4 | U. A. E. Dubai | 134 | 5.41% |
| 5 | Spain | 125 | 5.04% |
| 6 | Germany | 111 | 4.50% |
| 7 | Netherlands (Holland) | 105 | 4.25% |
| 8 | Italy | 104 | 4.19% |
| 9 | Saudi Arabia | 54 | 2.19% |
| 10 | Bangladesh | 46 | 1.86% |

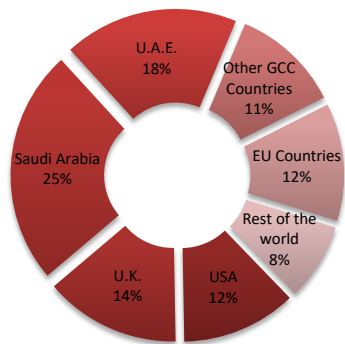
USD Million

Workers remittance

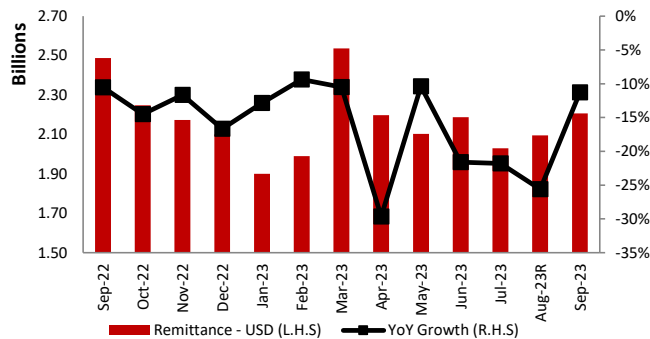
| Major Countries/Region wise Remittances | | | | | |
|---|-----------------|-----------------|-----------|-----------------|-------------|
| | Sep-23 | Aug-23R | MoM | Sep-22R | YoY |
| Cumulative | 2,206.28 | 2,094.51 | 5% | 2,487.23 | -11% |
| USA | 263.42 | 262.66 | 0% | 281.47 | -6% |
| U.K. | 311.06 | 329.78 | -6% | 308.36 | 1% |
| Saudi Arabia | 538.16 | 491.11 | 10% | 632.71 | -15% |
| U.A.E. | 399.77 | 308.40 | 30% | 474.80 | -16% |
| Other GCC Countries | 248.11 | 244.68 | 1% | 296.74 | -16% |
| EU Countries | 269.25 | 290.83 | -7% | 259.49 | 4% |
| Malaysia | 9.54 | 6.27 | 52% | 11.74 | -19% |
| Norway | 7.61 | 8.02 | -5% | 8.52 | -11% |
| Switzerland | 3.88 | 3.50 | 11% | 3.44 | 13% |
| Australia | 43.62 | 45.19 | -3% | 51.20 | -15% |
| Canada | 36.15 | 34.93 | 4% | 49.47 | -27% |
| Japan | 3.92 | 3.82 | 3% | 6.67 | -41% |
| South Africa | 13.69 | 11.70 | 17% | 22.05 | -38% |
| South Korea | 7.31 | 7.77 | -6% | 7.61 | -4% |
| Other Countries | 50.79 | 45.85 | 11% | 72.98 | -30% |

USD million

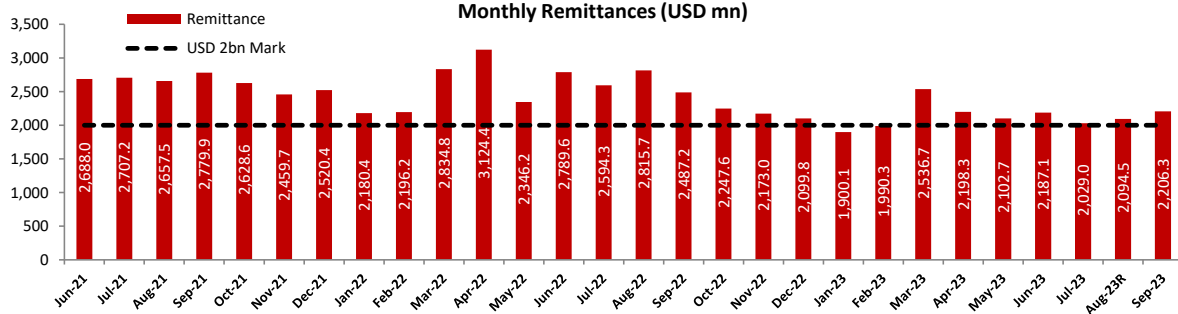
Country wise remittance



Remittance Trend & YoY Growth



Monthly Remittances (USD mn)



PSX - KSE-100 index gained 12.30% in Oct'23

The KSE-100 index surged by 5,687 points, closing at 51,920 index points, marking month-over-month increase of 12.30%. These levels were previously observed in early 2017. Consequently, the YTD return stands at 28.45% and the FYTD at 25.25%. This significant upsurge was primarily driven by expected decline in inflation and peak in interest rates, in addition to the expected completion of targets set by IMF.

Looking ahead, the ongoing IMF review will retain its significance for market participants and positive outcome from this review will further elevate investors confidence. Moreover, the upcoming visit of Saudi crown prince on Nov 21st will focus on discussions related to investments. These, combined with positive development on macro-economic level bodes well for the market in general. Nonetheless, risk persists, especially concerning fluctuations in int. energy prices and the potential depreciation of Rupee against USD

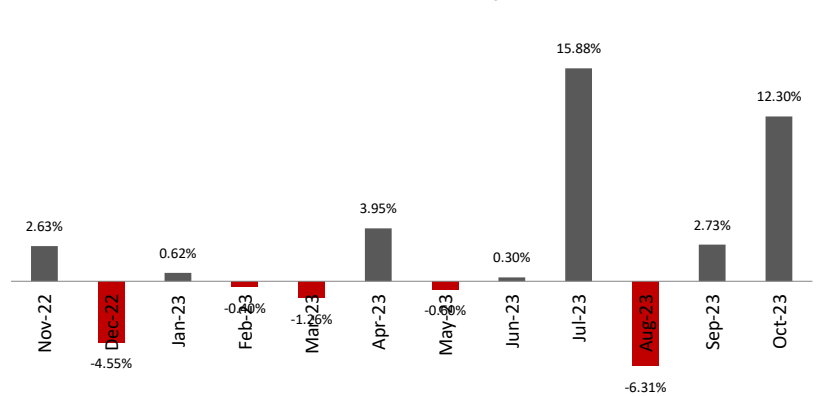
PSX Performance Stats

| Stats | KSE-100 | KSE-30 | KMI-30 | All-Shares |
|---------|-----------|-----------|-----------|------------|
| Index | 51,920.27 | 17,782.11 | 88,224.74 | 34,558.22 |
| Change | 5,687.68 | 1,792.90 | 10,555.38 | 3,399.52 |
| %Change | 12.30% | 11.21% | 13.59% | 10.91% |

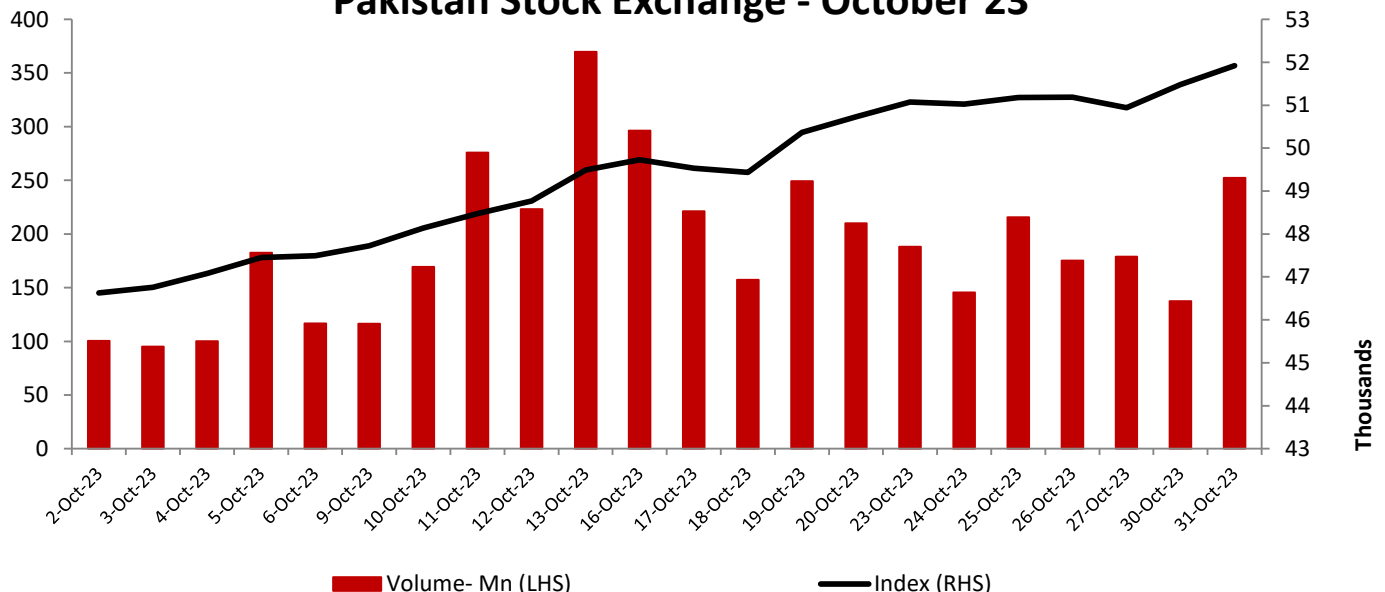
KSE-100 Index Top 5 Performers

| Company | Name | Return |
|--------------------------|------|--------|
| K-Electric Ltd | KEL | 70% |
| HBL Growth Fund | HGFA | 54% |
| Bank Al Habib Ltd | BAHL | 52% |
| Pak Elektron Ltd | PAEL | 35% |
| International Steels Ltd | ISL | 34% |

KSE-100 Index Monthly Returns



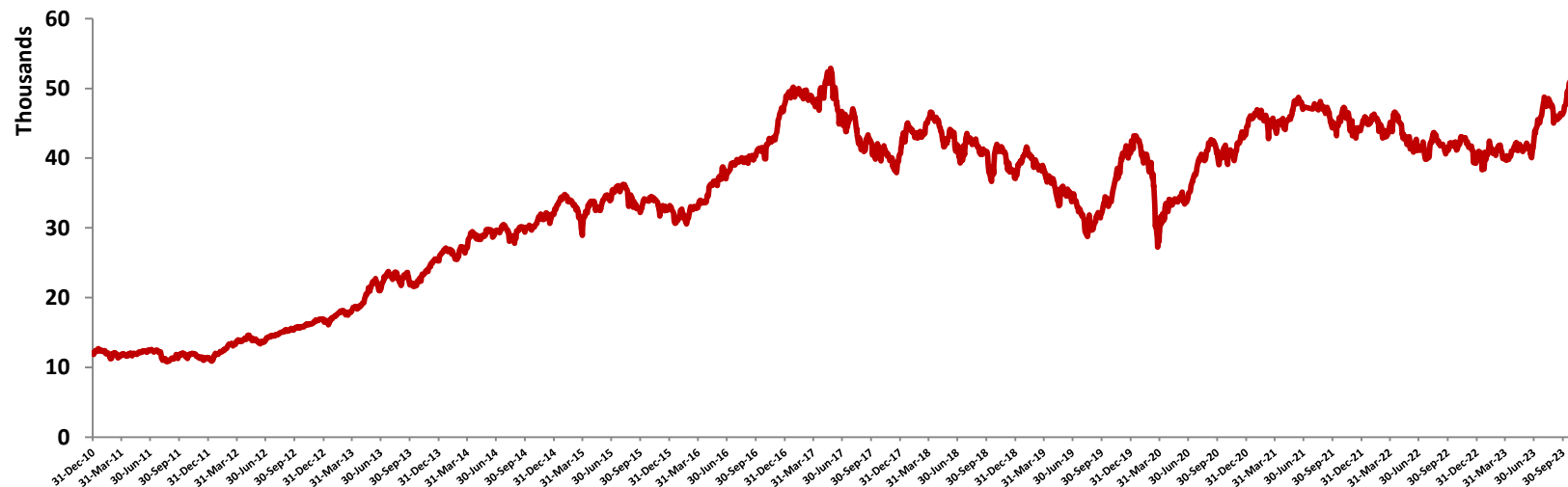
Pakistan Stock Exchange - October'23



KSE 100 Index Historical Returns

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Year - CYTD |
|------|--------|--------|---------|--------|--------|--------|--------|---------|--------|--------|--------|--------|-------------|
| 2023 | 0.62% | -0.40% | -1.26% | 3.95% | -0.60% | 0.30% | 15.88% | -6.31% | 2.73% | 12.30% | | | 28.45% |
| 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).