

Analyst

Abdullah Farhan
abdullah.farhan@igi.com.pk

Economy

Jan-26: C/a Reports Surplus of US\$ 121mn as Trade and Services Deficit Narrows

- For the month of Jan-26, C/a balance registered a surplus of US\$ 121mn compared to a deficit of US\$ 265mn recorded during the month of Dec-25. C/a recorded a surplus of US\$ 121mn in Jan-26 compared to a deficit of US\$ 393mn in Jan-25. On a monthly basis, C/a turned in to surplus in Jan-26 mainly due to lower trade and services deficit despite lower remittances. This brings total C/a deficit for 7MFY26 to US\$ 1.07bn compared to surplus of US\$ 0.56bn in the same period last year.
- Pakistan's export receipts were recorded at US\$ 2.75bn compared to last month's US\$ 2.76bn, inching down by 0.4%*m/m* while on yearly basis down by 9%*y/y*. country's import bill was recorded at US\$ 5.34bn compared to US\$ 5.74bn, down by 7%*m/m* and 3%*y/y*.
- C/a surplus for Jan-26 was mainly led by lower trade and services deficit as decline in imports outpaced exports on a monthly basis despite drop in remittances. Going forward, C/a is likely to report a moderate deficit in FY26 on the back of higher trade deficit as improved economic activity is likely to fuel import growth while exports are expected to remain subdued.

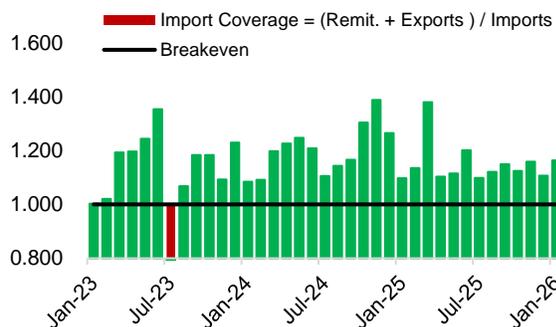
We review current account balance numbers published for the month of Jan-26 by the State Bank of Pakistan (SBP).

Monthly current account printed US\$ 121mn surplus

For the month of Jan-26, C/a balance registered a surplus of US\$ 121mn compared to a deficit of US\$ 265mn recorded during the month of Dec-25. C/a recorded a surplus of US\$ 121mn in Jan-26 compared to a deficit of US\$ 393mn in Jan-25. On a monthly basis, C/a turned in to surplus in Jan-26 mainly due to lower trade and services deficit despite lower remittances. This brings total C/a deficit for 7MFY26 to US\$ 1.07bn compared to surplus of US\$ 0.56bn in the same period last year.

Exhibit: Export and Remittances coverage

Export and Remittance coverage of total import comes positively as imports dropped



Source: SBP, IGI Research

Exhibit: C/a trend (in US\$ bn)

Current account trend with and without oil imports since Jan-25

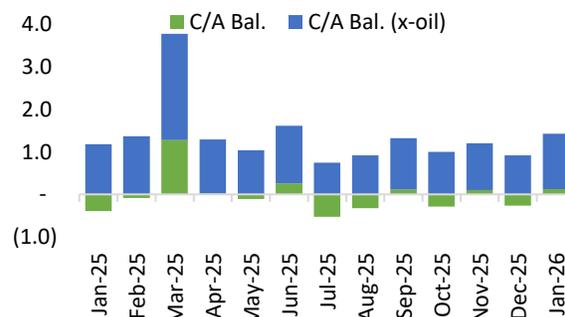


Exhibit: Monthly Current Account Balance								
US\$ mn	Jan-26	Dec-25	m/m	Jan-25	y/y	7MFY26	7MFY25	y/y
Exports (G)	2,746	2,758	0%	3,008	-9%	18,260	19,327	-6%
Imports (G)	5,337	5,737	-7%	5,481	-3%	36,662	33,383	10%
Trade Bal.	(2,591)	(2,979)	-13%	(2,473)	5%	(18,402)	(14,056)	31%
Services Bal.	(302)	(401)	-25%	(291)	4%	(2,071)	(1,821)	14%
Remittances	3,465	3,592	-4%	3,003	15%	23,201	20,850	11%
Income Bal.	3,014	3,115	-3%	2,371	27%	19,399	16,441	18%
C/a Bal.	121	(265)	n/m	(393)	n/m	(1,074)	564	n/m
C/a Bal. (x-oil)	1,307	918	42%	1,178	11%	7,203	9,419	-24%

Source: SBP, IGI Research

Exports remained flat on a monthly basis during Jan-26

For the month, the country's export receipts were recorded at US\$ 2.75bn compared to last month's US\$ 2.76bn, inching down by 0.4% m/m while on yearly basis down by 9% y/y. Jan-26 monthly export number was above its FY25 monthly average export number of US\$ 2.68bn. During the month lower numbers were largely due to decline in Textile exports led by Knitwear, Bedwear and other textile material exports. Moreover, Food and Other Manufacturing exports were also down where Rice, Chemical and Pharmaceutical exports were main drivers. However, higher other exports offset the decline in all export segments leading to a flat monthly reading.

Exhibit: Monthly Trade Break-up Commodity wise								
US\$ mn	Jan-26	Dec-25	m/m	Jan-25	y/y	7MFY26	7MFY25	y/y
Exports (G)	2,746	2,758	0%	2,992	-8%	18,294	19,305	-5%
Food Exports	387	433	-11%	562	-31%	2,695	4,130	-35%
Textile Exports	1,458	1,593	-8%	1,575	-7%	10,554	10,220	3%
Other Exports	901	732	23%	855	5%	5,046	4,955	2%
Imports (G)	5,337	5,737	-7%	5,481	-3%	36,662	33,383	10%
Food Imports	816	804	1%	748	9%	4,927	4,176	18%
Machinery Imports	739	815	-9%	730	1%	5,373	4,747	13%
Transport Imports	301	293	3%	160	88%	2,009	977	106%
Petroleum Imports	1,186	1,183	0%	1,571	-24%	8,277	8,855	-7%
Other Imports	2,295	2,642	-13%	2,272	1%	16,077	14,629	10%

Source: SBP, IGI Research

Imports down by 7% m/m during Jan-26

During the month of Jan-26, the country's import bill was recorded at US\$ 5.34bn compared to US\$ 5.74bn, down by 7% m/m and 3% y/y. During the

month, Petroleum, Metal, Agriculture, Food, Transport and Textile imports increased while Machinery and other imports declined. Drop in Machinery imports was mainly led by lower Telecom, Other Apparatus and Machinery imports.

Remittances down by 4%m/m

During the month of Jan-26, remittances were recorded at US\$ 3.47bn compared to the previous month of US\$ 3.59bn; down by 4%m/m and up by +15%/y/y. Major contribution to outflows came from Saudi Arabia, UAE, EU, Other GCC and USA during the month.

Exhibit: Monthly Remittances Break-up Country wise								
US\$ mn	Jan-26	Dec-25	m/m	Jan-25	y/y	7MFY26	7MFY25	y/y
USA	295	302	-2%	299	-1%	1,981	2,093	-5%
U.K.	572	560	2%	444	29%	3,480	3,064	14%
Saudi Arabia	740	813	-9%	728	2%	5,455	5,152	6%
UAE	694	726	-4%	622	12%	4,784	4,206	14%
Other GCC	329	333	-1%	295	11%	2,207	2,090	6%
EU	480	503	-5%	354	36%	3,101	2,489	25%
Other	355	356	0%	262	36%	2,195	1,757	25%
Total	3,465	3,592	-4%	3,003	15%	23,202	20,850	11%

Source: SBP, IGI Research

Outlook

C/a surplus for Jan-26 was mainly led by lower trade and services deficit as decline in imports outpaced exports on a monthly basis despite drop in remittances. Going forward, C/a is likely to report a moderate deficit in FY26 on the back of higher trade deficit as improved economic activity is likely to fuel import growth while exports are expected to remain subdued. Nevertheless, higher remittances are likely to contain overall deficit.

Important Disclaimer and Disclosures

Research Analyst(s) Certification: The Research Analyst(s) hereby certify that the views about the company/companies and the security/ securities discussed in this report accurately reflect his or her or their personal views and that he/she has not received and will not receive direct or indirect compensation in exchange for expressing specific recommendations or views in this report. The analyst(s) is principally responsible for the preparation of this research report and that he/she or his/her close family/relative does not own 1% or more of a class of common equity securities of the following company/companies covered in this report.

Disclaimer: The information and opinions contained herein are prepared by IGI Finex Securities Limited and is for information purposes only. Whilst every effort has been made to ensure that all the information (including any recommendations or opinions expressed) contained in this document (the information) is not misleading or unreliable, IGI Finex Securities Limited makes no representation as to the accuracy or completeness of the information. Neither, IGI Finex Securities Limited nor any director, officer or employee of IGI Finex Securities Limited shall in any manner be liable or responsible for any loss that may be occasioned as consequence of a party relying on the information. This document takes no account of the investment objectives, financial situation and particular needs of investors, who shall seek further professional advice before making any investment decision. The subject Company (ies) is a client of the IGI Finex Securities Limited and IGI Finex Securities offers brokerage services to Subject Company (ies) on a regular basis, in line with industry practice. This document and the information may not be reproduced, distributed or published by any recipient for any purpose. This report is not directed or intended for distribution to, or use by any person or entity not a client of IGI Finex Securities Limited, else directed for distribution. All Research Analysts are receiving fixed pay and reporting directly to Head of Research who reports to CEO.

Rating system: IGI Finex Securities employs three tier ratings system, depending upon expected total return (return is defined as capital gain exclusive of tax) of the security in stated time period, as follows:

Recommendation Rating System

Buy if target price on aforementioned security (ies) is more than 10%, from its last closing price(s)

Hold if target price on aforementioned security (ies) is in between -10% and 10%, from its last closing price(s)

Sell if target price on aforementioned security (ies) is less than -10%, from its last closing price(s)

Valuation Methodology: To arrive at Target Prices, IGI Finex Securities uses different valuation methodologies including

- Discounted Cash Flow (DCF)
- Reserve Based DCF
- Dividend Discount Model (DDM)
- Justified Price to Book
- Residual Income (RI)
- Relative Valuation (Price to Earning, Price to Sales, Price to Book)

Risk: Investment in securities are subject to economic risk, market risk, interest rate risks, currency risks, and credit risks, political and geopolitical risks. The performance of company (ies) covered herein might unfavorably be affected by multiple factors including, business, economic, and political conditions. Hence, there is no assurance or guarantee that estimates, recommendation, opinion, etc. given about the security (ies)/company (ies) in the report will be achieved.

Basic Definitions and Terminologies used: **Target Price:** A price target is the projected price level of a financial security stated by an investment analyst or advisor. It represents a security's price that, if achieved, results in a trader recognizing the best possible outcome for his investment, **Last Closing:** Latest closing price, **Market Cap.:** Market capitalization is calculated by multiplying a company's shares outstanding by current trading price. **EPS:** Earnings per Share. **DPS:** Dividend per Share. **ROE:** Return on equity is the amount of net income returned as a percentage of shareholders' equity. **P/E:** Price to Earnings ratio of a company's share price to its per-share earnings. **P/B:** Price to Book ratio used to compare a stock's market value to its book value. **DY:** The dividend yield is dividend per share, divided by the price per share.

IGI Finex Securities Limited

Research Analyst(s)

Research Identity Number: BRP009

© Copyright 2026 IGI Finex Securities Limited

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
Syed Muzammil Hasan Rizvi	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 569	muzammil.rizvi@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

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

© Copyright 2026 IGI Finex Securities Limited