

Day Break

Friday, April 18, 2025



SERVING YOU SINCE 1994

Analyst

Abdullah Farhan
abdullah.farhan@igi.com.pk

Economy

Mar-25: C/a Records Highest Surplus of US\$ 1.2bn Led by Higher Remittances

- For the month of Mar-25, C/a balance registered a surplus of US\$ 1.2bn compared to a deficit of US\$ 0.1bn recorded during the month of Feb-25. On a monthly basis surplus was recorded in Mar-25 mainly due to lower trade deficit and higher remittances. This brings total C/a surplus for 9MFY25 to US\$ 1.86bn, compared to deficit of US\$ 1.65bn in the same period last year.
- Pakistan's export receipts were recorded at US\$ 2.77bn compared to last month's US\$ 2.60bn, increasing by +6%m/m and on a yearly basis up by +10%/y. Country's import bill was recorded at US\$ 4.95bn, down by 2%m/m and up by +8%/y.
- C/a recorded highest surplus on the back of higher remittances due to Eid, which along with lower trade deficit supported the surplus. Going forward, C/a is likely to report surplus in FY25 supported by lower oil prices; however, debt repayments amid lack of financial inflows are likely to keep C/a balance under pressure during FY26.

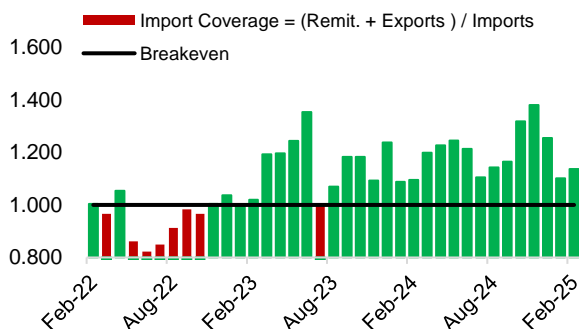
We review current account balance numbers published for the month of Mar-25 by the State Bank of Pakistan (SBP).

Monthly current account printed US\$ 1.2bn surplus

For the month of Mar-25, C/a balance registered a surplus of US\$ 1.2bn compared to a deficit of US\$ 0.1bn recorded during the month of Feb-25. C/a recorded a surplus of US\$ 1.2bn in Mar-25 compared to a surplus of US\$ 0.36bn in Mar-24. On a monthly basis surplus was recorded in Mar-25 mainly due to lower trade deficit and higher remittances. This brings total C/a surplus for 9MFY25 to US\$ 1.86bn, compared to deficit of US\$ 1.65bn 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 Feb-24

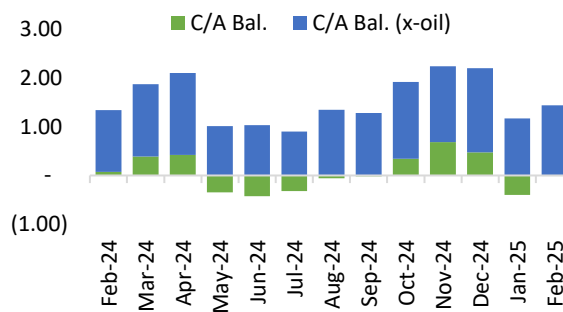


Exhibit: Monthly Current Account Balance								
US\$ mn	Mar-25	Feb-25	m/m	Mar-24	y/y	9MFY25	9MFY24	y/y
Exports (G)	2,768	2,603	6%	2,523	10%	24,660	22,892	8%
Imports (G)	4,949	5,063	-2%	4,573	8%	43,388	39,057	11%
Trade Bal.	(2,181)	(2,460)	-11%	(2,050)	6%	(18,728)	(16,165)	16%
Services Bal.	(226)	(260)	-13%	(199)	14%	(2,318)	(2,182)	6%
Remittances	4,055	3,124	30%	2,954	37%	28,029	21,038	33%
Income Bal.	3,602	2,623	37%	2,612	38%	22,905	16,695	37%
C/a Bal.	1,195	(97)	-1332%	363	229%	1,859	(1,652)	-213%
C/a Bal. (x-oil)	2,417	1,353	79%	1,462	65%	13,385	8,927	50%

Source: SBP, IGI Research

Exports increased by +6%m/m during Mar-25

For the month, the country's export receipts were recorded at US\$ 2.77bn compared to last month's US\$ 2.60bn, increasing by +6%m/m and on a yearly basis up by +10%/y/y. Feb-25 monthly export number was still higher compared to its FY24 monthly average export number of US\$ 2.59bn. During the month higher numbers were largely due to increase in textile, food and other manufacturing exports while Petroleum and all other exports declined marginally. Textile exports were higher mainly due to rise in knitwear, towels and cotton cloth exports.

Exhibit: Monthly Trade Break-up Commodity wise								
US\$ mn	Mar-25	Feb-25	m/m	Mar-24	y/y	9MFY25	9MFY24	y/y
Exports (G)	2,768	2,603	6%	2,528	9%	24,676	23,055	7%
Food Exports	499	429	16%	611	-18%	5,058	5,356	-6%
Textile Exports	1,443	1,370	5%	1,361	6%	13,034	12,252	6%
Other Exports	825	804	3%	556	49%	6,584	5,447	21%
Imports (G)	4,949	5,063	-2%	4,573	8%	43,388	39,057	11%
Food Imports	731	732	0%	752	-3%	5,638	5,683	-1%
Machinery Imports	706	671	5%	732	-3%	6,124	5,176	18%
Transport Imports	196	179	10%	125	57%	1,352	1,148	18%
Petroleum Imports	1,222	1,450	-16%	1,099	11%	11,526	10,579	9%
Other Imports	2,094	2,031	3%	1,865	12%	18,748	16,471	14%

Source: SBP, IGI Research

Imports dropped by 2%m/m during Mar-25

During the month of Mar-25, the country's import bill was recorded at US\$ 4.95bn, down by 2%m/m and up by +8%/y/y. During the month, Petroleum imports witnessed a substantial decline of US\$ 228mn whereas

Machinery, Transport, Metal, Agriculture and Textile imports declined. Decline in petroleum imports was mainly led by lower Petroleum products and LNG imports.

Remittances up by +30%*m/m*

During the month of Mar-25, remittances were recorded at US\$ 4.06bn compared to the previous month of US\$ 3.12bn; up by +30%*m/m*. Major increase in inflows came from Saudi Arabia, UK, UAE, USA, EU and Other GCC to the tune of US\$ 0.99bn, US\$ 0.68bn, US\$ 0.84bn, US\$ 0.42bn, US\$ 0.43bn and US\$ 0.36bn.

Exhibit: Monthly Remittances Break-up Country wise								
US\$ mn	Mar-25	Feb-25	<i>m/m</i>	Mar-24	<i>y/y</i>	9MFY25	9MFY24	<i>y/y</i>
USA	419	310	35%	373	13%	2,822	2,520	12%
U.K.	684	496	38%	462	48%	4,244	3,158	34%
Saudi Arabia	987	744	33%	703	40%	6,884	5,084	35%
UAE	842	657	28%	548	54%	5,705	3,669	55%
Other GCC	360	307	17%	303	19%	2,757	2,277	21%
EU	433	345	26%	315	38%	3,267	2,563	27%
Other	330	265	24%	251	31%	2,352	1,765	33%
Total	4,055	3,124	30%	2,954	37%	28,030	21,037	33%

Source: SBP, IGI Research

Outlook

C/a recorded highest surplus on the back of higher remittances due to Eid, which along with lower trade deficit supported the surplus. Going forward, C/a is likely to report surplus in FY25 supported by lower oil prices; however, debt repayments amid lack of financial inflows are likely to keep C/a balance under pressure during FY26.

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.

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 2024 IGI Finex Securities Limited

Contact Details

Equity Sales

Zaeem Haider Khan	Head of Equities	Tel: (+92-42) 35301405	zaeem.haider@igi.com.pk
Muhammad Naveed	Regional Manager (Islamabad & Upper North)	Tel: (+92-51) 2604861-62	muhammad.naveed@igi.com.pk
Syeda Mahrukh Hameed	Branch Manager (Lahore)	Tel: (+92-42) 38303564	mahrukh.hameed@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
Laraib Nisar	Research Analyst	Tel: (+92-21) 111-234-234 Ext: 974	laraib.nisar@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 | (+92-21) 111-234-234
 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 2024 IGI Finex Securities Limited