

Analyst

Abdullah Farhan

abdullah.farhan@igi.com.pk

Economy

Apr-25: C/a Records Surplus of US\$ 12mn

- For the month of Apr-25, C/a balance registered a surplus of US\$ 12mn compared to a surplus of US\$ 1.20bn recorded during the month of Mar-25. C/a recorded a surplus of US\$ 12mn in Apr-25 compared to a surplus of US\$ 315mn in Apr-24. This brings total C/a surplus for 10MFY25 to US\$ 1.88bn, compared to deficit of US\$ 1.34bn in the same period last year.
- Pakistan's export receipts were recorded at US\$ 2.61bn compared to last month's US\$ 2.77bn, decreasing by 6%m/m and on a yearly basis down by 1%/y. Country's import bill was recorded at US\$ 5.24bn, up by +6%m/m and up by +18%/y.
- C/a surplus dropped on the back of lower remittances due to Eid season last month, which along with higher trade deficit restricted the overall surplus. Going forward, C/a is likely to report surplus in FY25; however, debt repayments amid lack of financial inflows are likely to keep C/a balance under pressure during FY26.

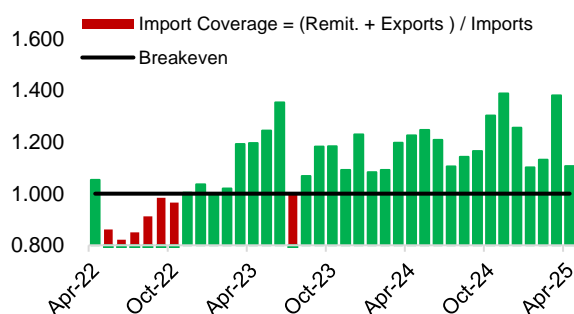
We review current account balance numbers published for the month of Apr-25 by the State Bank of Pakistan (SBP).

Monthly current account printed US\$ 12mn surplus

For the month of Apr-25, C/a balance registered a surplus of US\$ 12mn compared to a surplus of US\$ 1.20bn recorded during the month of Mar-25. C/a recorded a surplus of US\$ 12mn in Apr-25 compared to a surplus of US\$ 315mn in Apr-24. On a monthly basis surplus declined in Apr-25 mainly due to higher trade deficit and lower remittances. This brings total C/a surplus for 10MFY25 to US\$ 1.88bn, compared to deficit of US\$ 1.34bn 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 Apr-24

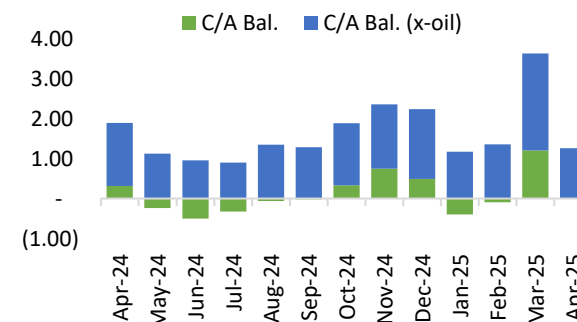


Exhibit: Monthly Current Account Balance

US\$ mn	Apr-25	Mar-25	m/m	Apr-24	y/y	10MFY25	10MFY24	y/y
Exports (G)	2,611	2,773	-6%	2,638	-1%	27,276	25,530	7%
Imports (G)	5,237	4,943	6%	4,448	18%	48,619	43,505	12%
Trade Bal.	(2,626)	(2,170)	21%	(1,810)	45%	(21,343)	(17,975)	19%
Services Bal.	(188)	(217)	-13%	(220)	-15%	(2,497)	(2,402)	4%
Remittances	3,182	4,054	-22%	2,813	13%	31,210	23,851	31%
Income Bal.	2,826	3,591	-21%	2,345	21%	25,720	19,040	35%
C/a Bal.	12	1,204	-99%	315	-96%	1,880	(1,337)	-241%
C/a Bal. (x-oil)	1,248	2,426	-49%	1,576	-21%	14,641	10,504	39%

Source: SBP, IGI Research

Exports declined by 6%m/m during Apr-25

For the month, the country's export receipts were recorded at US\$ 2.61bn compared to last month's US\$ 2.77bn, decreasing by 6%m/m and on a yearly basis down by 1%/y. Apr-25 monthly export number was still higher compared to its FY24 monthly average export number of US\$ 2.59bn. During the month lower numbers were largely due to decline in food and other manufacturing exports while Petroleum, Textile and all other exports increased. Petroleum exports were higher likely due to higher FO exports.

Exhibit: Monthly Trade Break-up Commodity wise

US\$ mn	Apr-25	Mar-25	m/m	Apr-24	y/y	10MFY25	10MFY24	y/y
Exports (G)	2,611	2,773	-6%	2,634	-1%	27,292	25,689	6%
Food Exports	452	499	-9%	607	-26%	5,510	5,963	-8%
Textile Exports	1,444	1,443	0%	1,298	11%	14,478	13,551	7%
Other Exports	715	830	-14%	728	-2%	7,304	6,175	18%
Imports (G)	5,237	4,943	6%	4,448	18%	48,619	43,505	12%
Food Imports	650	731	-11%	494	32%	6,288	6,176	2%
Machinery Imports	792	706	12%	760	4%	6,916	5,936	17%
Transport Imports	245	196	25%	117	109%	1,597	1,265	26%
Petroleum Imports	1,236	1,222	1%	1,261	-2%	12,761	11,841	8%
Other Imports	2,315	2,088	11%	1,816	27%	21,057	18,287	15%

Source: SBP, IGI Research

Imports increased by +6%m/m during Apr-25

During the month of Apr-25, the country's import bill was recorded at US\$ 5.24bn, up by +6%m/m and up by +18%/y. During the month, Food and

Textile imports declined while Machinery, Transport, Metal and Agriculture imports increased.

Remittances down by 22% m/m

During the month of Apr-25, remittances were recorded at US\$ 3.18bn compared to the previous month of US\$ 4.05bn; down by 22% m/m. Major decline in inflows came from Saudi Arabia, UAE, UK, USA, Other GCC and EU. The decline in remittances was in mainly due to higher remittances recorded in Mar-25 due to Eid Season.

Exhibit: Monthly Remittances Break-up Country wise								
US\$ mn	Apr-25	Mar-25	m/m	Apr-24	y/y	10MFY25	10MFY24	y/y
USA	302	420	-28%	330	-8%	3,125	2,850	10%
U.K.	535	684	-22%	403	33%	4,779	3,561	34%
Saudi Arabia	725	986	-26%	712	2%	7,608	5,797	31%
UAE	658	842	-22%	542	21%	6,362	4,212	51%
Other GCC	290	359	-19%	288	1%	3,046	2,565	19%
EU	412	433	-5%	298	38%	3,679	2,861	29%
Other	259	330	-22%	239	8%	2,611	2,005	30%
Total	3,182	4,054	-22%	2,813	13%	31,210	23,850	31%

Source: SBP, IGI Research

Outlook

C/a surplus dropped on the back of lower remittances due to Eid season last month, which along with higher trade deficit restricted the overall surplus. Going forward, C/a is likely to report surplus in FY25; 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