Day Break

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Economy

Oct-26: C/a Reports Surplus of US$ 39mn Led by Lower Trade Deficit and Higher Remittances

- For the month of Oct-26, C/a balance registered a surplus of US$ 39mn compared to a deficit of US$ 371mn recorded during the month of Sep-26. C/a recorded a surplus of US$ 39mn in Oct-26 compared to a deficit of US$ 307mn in Oct-25. On a monthly basis, C/a turned in to surplus in Oct-26 mainly due to higher remittances and lower trade deficit. This brings total C/a deficit for 4MFY27 to US$ 850mn compared to US$ 1,062mn deficit in 4MFY26, down by 20%y/y.
- Pakistan's export receipts were recorded at US$ 2.90bn compared to last month's US$ 3.01bn, declining by 4%m/m while on yearly basis exports are up by +10%y/y. Country's import bill was recorded at US$ 5.87bn compared to US$ 6.16bn in Sep-26, dropping by 5%m/m and up by +9%y/y.
- C/a surplus for Oct-26 was mainly due to higher remittances and lower imports, which was partially offset by decline in exports. Going forward, C/a is likely to remain in deficit led by higher imports while remittances are likely to contain overall current account deficit between SBP's target of 0-1% of GDP in FY27.

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

Monthly current account printed US$ 39mn deficit

For the month of Oct-26, C/a balance registered a surplus of US$ 39mn compared to a deficit of US$ 371mn recorded during the month of Sep-26. C/a recorded a surplus of US$ 39mn in Oct-26 compared to a deficit of US$ 307mn in Oct-25. On a monthly basis, C/a turned in to surplus in Oct-26 mainly due to higher remittances and lower trade deficit. This brings total C/a deficit for 4MFY27 to US$ 850mn compared to US$ 1,062mn deficit in 4MFY26, down by 20%y/y.

Exhibit: Export and Remittances coverage

Export and Remittance coverage of total import comes positively despite decline in exports

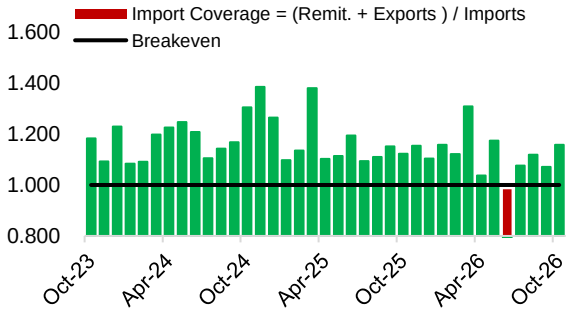
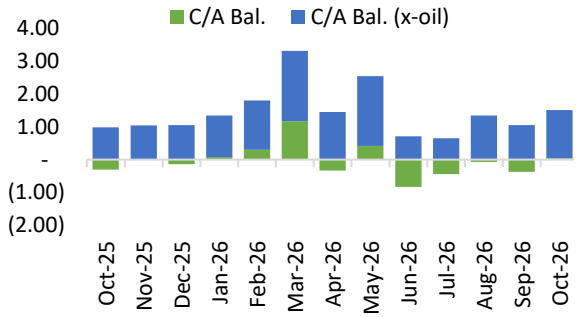


Exhibit: C/a trend (in US$ bn)

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



Source: SBP, IGI Research

Exhibit: Monthly Current Account Balance								
US$ mn	Oct-26	Sep-26	m/m	Oct-25	y/y	4MFY27	4MFY26	y/y
Exports (G)	2,902	3,013	-4%	2,649	10%	11,354	10,502	8%
Imports (G)	5,869	6,161	-5%	5,404	9%	23,642	20,962	13%
Trade Bal.	(2,967)	(3,148)	-6%	(2,755)	8%	(12,288)	(10,460)	17%
Services Bal.	(245)	(275)	-11%	(196)	25%	(1,070)	(1,036)	3%
Remittances	3,892	3,588	8%	3,420	14%	14,767	12,956	14%
Income Bal.	3,251	3,052	7%	2,644	23%	12,508	10,434	20%
C/a Bal.	**39**	**(371)**	**-111%**	**(307)**	**-113%**	**(850)**	**(1,062)**	**-20%**
C/a Bal. (x-oil)	**1,473**	**1,052**	**40%**	**986**	**49%**	**4,518**	**3,838**	**18%**

Source: SBP, IGI Research

Exports down on a monthly basis during Oct-26

For the month, the country's export receipts were recorded at US$ 2.90bn compared to last month's US$ 3.01bn, declining by 4%m/m while on yearly basis exports are up by +10%y/y. Oct-26 monthly export number was higher compared to its last 12-month average export number of US$ 2.62bn. During the month lower numbers were largely due to drop in Textile, Food and Other Manufacturing Exports while Petroleum Exports were up by US$ 29mn.

Exhibit: Monthly Trade Break-up Commodity wise								
US$ mn	Oct-26	Sep-26	m/m	Oct-25	y/y	4MFY27	4MFY26	y/y
Exports (G)	**2,902**	**3,013**	**-4%**	**2,632**	**10%**	**11,354**	**10,517**	**8%**
Food Exports	493	496	-1%	375	32%	1,826	1,510	21%
Textile Exports	1,595	1,620	-2%	1,622	-2%	6,281	6,188	2%
Other Exports	814	897	-9%	635	28%	3,247	2,819	15%
Imports (G)	**5,869**	**6,161**	**-5%**	**5,404**	**9%**	**23,642**	**20,962**	**13%**
Food Imports	698	753	-7%	729	-4%	2,870	2,583	11%
Machinery Imports	777	800	-3%	747	4%	3,497	3,208	9%
Transport Imports	369	405	-9%	272	35%	1,521	1,180	29%
Petroleum Imports	1,434	1,423	1%	1,293	11%	5,368	4,900	10%
Other Imports	2,592	2,780	-7%	2,363	10%	10,386	9,091	14%

Source: SBP, IGI Research

Imports down on monthly basis during Oct-26

During the month of Oct-26, the country's import bill was recorded at US$ 5.87bn compared to US$ 6.16bn in Sep-26, dropping by 5%m/m and up by +9%y/y. During the month, Transport, Metal, Machinery and Food imports declined which was partially offset by increase in Textile,

Petroleum and Agriculture imports. Petroleum imports increased marginally by US$ 11mn led by higher POL and LPG imports which was partially offset by decline in LNG and Crude imports. Lower Electrical Machinery & Apparatus under Machinery imports and Aircrafts, Ships and Boats under Transport imports led to overall decline in imports.

Remittances up by +8%m/m

During the month of Oct-26, remittances were recorded at US$ 3.89bn compared to the previous month of US$ 3.59bn; up by +8%m/m and up by +14%y/y. Remittances increased overall from all countries including major growth to inflows came from UK, USA, UAE and Saudi Arabia during the month.

Exhibit: Monthly Remittances Break-up Country wise

US$ mn	Oct-26	Sep-26	m/m	Oct-25	y/y	4MFY27	4MFY26	y/y
USA	329	306	8%	301	9%	1,260	1,107	14%
U.K.	592	515	15%	499	19%	2,227	1,867	19%
Saudi Arabia	982	899	9%	838	17%	3,668	3,149	16%
UAE	816	749	9%	703	16%	3,052	2,689	14%
Other GCC	370	342	8%	346	7%	1,374	1,245	10%
EU	461	448	3%	422	9%	1,866	1,702	10%
Other	343	329	4%	310	11%	1,321	1,197	10%
Total	**3,892**	**3,588**	**8%**	**3,420**	**14%**	**14,767**	**12,956**	**14%**

Source: SBP, IGI Research

Outlook

C/a surplus for Oct-26 was mainly due to higher remittances and lower imports, which was partially offset by decline in exports. Going forward, C/a is likely to remain in deficit led by higher imports while remittances are likely to contain overall current account deficit between SBP's target of 0-1% of GDP in FY27.

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