



MONTHLY *Bulletin*



APRIL , 2026



- *Introduction* Pakistan economic overview and key developments outlook of FY2026.
- *FX Reserves* Declined by \$62.9M to \$21.27B; SBP \$15.83B, banks \$5.44B.
- *Debt Repayment* Pakistan repaid \$3.45B to UAE.
- *EU-Pakistan Forum* First business forum held with 600+ B2B engagements.
- *Clean Energy* LFP battery plant launch to support EV and solar demand.
- *Solar Imports* Over \$18B solar panels imported, energy shift and grid pressure.
- *Digital Finance* SECP licenses BNPL service backed by Alibaba ecosystem.
- *Corporate Compliance* SECP mandates UBO disclosure via Form-19.
- *Remittances* \$30.33B in 9MFY26, showing 8.2% growth despite monthly volatility.
- *Petroleum Prices* Significant rise in petrol (+Rs78.69) and diesel (+Rs63.72).
- *Inflation Trend* CPI rises to 7.3% driven by transport and utilities.
- *Monetary Policy* Policy rate increased to 11.5% amid inflationary pressures.
- *Agriculture Growth* Strong output in potato and gram; wheat near target.
- *LSM Performance* Growth at 5.9% led by automobiles and cement sectors.
- *Fiscal Position* Deficit reduced to -0.1% GDP with improved primary surplus.
- *Tax Revenue* Rs9.3T collected with 10.1% growth in FY26 (Jul-Mar).
- *External Sector* Current account near balance with strong remittances support.
- *Trade Deficit* Widened to \$25.7B due to higher imports.
- *FDI Inflows* \$1.4B mainly from China and Hong Kong in power and finance sectors.
- *Stock Market* KSE-100 declines to 148,743 amid geopolitical pressures.
- *Social Support* BISP disbursement reaches Rs330.5B for vulnerable groups.
- *Transit Trade* Gabd-Rimdan corridor operational linking Pakistan to Central Asia.
- *Trade Reforms* Trade Dispute Resolution Rules 2026 introduced.
- *Women Empowerment* SMEDA and PIFD partner to support women entrepreneurs.
- *Port Development* Karachi Port dredging enhances capacity and efficiency.
- *Auto Policy* New policy focuses on localization and EV adoption.
- *Industrial Expansion* 400-acre industrial estate planned at Port Qasim.
- *Vaccine Policy* Approved to boost local production and reduce import reliance.
- *Global Risks* Iran conflict impacting oil prices, inflation, and supply chains.
- *Forex Market* PKR appreciates slightly to 279.20 against USD.
- *Capital Markets* PSX shows recovery trend after early 2026 volatility.
- *Tax Reforms* PTBA proposes digital tax system improvements for FBR.
- *FBR Collection* Rs10.26T collected (Jul-Apr) with Rs683B shortfall.
- *Provincial Revenue* Punjab achieves Rs250B collection with strong growth.



Introduction

This newsletter aims to provide a concise summary of the developments that influence Pakistan's economic landscape.

Economic Events

- As of 24-Apr-2026, the foreign exchange reserves decreased by \$62.9 million from last month Mar'26. The reserves held with SBP are \$15.828 billion and reserves with commercial banks stood at \$5.441 billion.

LIQUID FOREIGN EXCHANGE RESERVES (MILLION US\$)

End Period	NET Reserves with SBP	Net Reserves with Banks	Total Liquid FX Reserves
3-Apr-26	16,400.3	5,494.6	21,894.9
10-Apr-26	15,079.5	5,445.0	20,524.5
17-Apr-26	15,097.6	5,530.9	20,628.5
24-Apr-26	15,827.9	5,441.1	21,269.0

- Pakistan has repaid a total of \$3.45 billion to the UAE, including a final \$1 billion payment to the Abu Dhabi Fund for Development, closing earlier financial support received since 2018 and 2023. Despite pressure from large repayments in April 2026, including Eurobonds, the impact on reserves was managed through fresh inflows such as a \$3 billion deposit from Saudi Arabia and \$750 million raised via Eurobond. This reflects Pakistan's continued efforts to meet its debt obligations while maintaining stable foreign exchange reserves under IMF targets.

- In the last week of April-2026, the European Union, in collaboration with the Government of Pakistan, inaugurated the first High-Level EU–Pakistan Business Forum 2026 in Islamabad, bringing together policymakers, investors, and business leaders to strengthen economic ties. As Pakistan’s largest export destination, the EU aims to convert strong trade relations into increased investment, innovation, and sustainable growth, supported by initiatives like Global Gateway. The forum also launched the EU–Pakistan Business Network and facilitated over 600 B2B meetings, highlighting strong interest in partnerships across key sectors such as agribusiness, fintech, green logistics, and textiles.
- Crown Group is set to boost Pakistan’s clean energy and electric mobility ecosystem by launching an 80% complete lithium iron phosphate (LFP) battery manufacturing plant at Port Qasim, expected to become operational within the next one to two months. The facility will initially produce 5,000–8,000 batteries per month (around 120,000 annually), supporting both EVs and solar energy systems, and creating up to 300 jobs. While battery cells will be imported, local production will focus on value-added components, aligning with rising demand for renewable energy solutions and Pakistan’s broader clean energy targets.
- Pakistan has imported over 50 GW of solar panels worth nearly \$18 billion in the past five years, reflecting a rapid shift toward distributed renewable energy that has strengthened energy resilience but increased cost pressures for grid-dependent consumers, particularly SMEs and lower-income households, amid a significant clean energy financing gap. At the launch of “Mapping Pakistan’s Distributed Energy Finance” at KSBL, Ahtasam Ahmad of Renewables First highlighted that the government and the grid sector have a critical three to five-year window to improve the affordability and competitiveness of grid electricity as solar adoption and storage technologies continue to expand.
- The Securities and Exchange Commission of Pakistan has granted a license to KOKO TECH PAKISTAN (PRIVATE) LIMITED, ultimately owned by Alibaba Group, to operate a Buy Now Pay Later (BNPL) service in Pakistan, marking a key development in the country’s digital financial ecosystem. The entry is expected to introduce AI-driven lending solutions, expanding access to credit for underserved segments such as freelancers, youth, and SMEs while boosting e-commerce activity. Regulators view this as a signal of growing foreign investor confidence and a step toward a more competitive, technology-led financial sector.

- Securities and Exchange Commission of Pakistan has directed all companies to ensure timely submission of Ultimate Beneficial Ownership (UBO) details through Form-19 on its eZfile portal, as required under the Companies Act, 2017. The disclosure aims to enhance corporate transparency and curb money laundering by identifying individuals who ultimately control or benefit from companies. Non-compliance may result in penalties of up to Rs. 10 million on companies and Rs. 1 million on responsible individuals, with strict enforcement for filings due by April 30, 2026.
- In FY2025-26, workers' remittances collected \$3.83 billion in March 2026, showing a 5.67% decrease compared to \$4.06 billion in the same month of the previous fiscal year. Overall, remittances for the 9MFY26 rose by \$2.31 billion, totaling \$30.33 billion, up from \$28.02 billion during the corresponding period last year.

Year	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-26	Mar-26
FY-26	\$ 3.22 B	\$ 3.14 B	\$ 3.18 B	\$ 3.42 B	\$ 3.19 B	\$ 3.59 B	\$ 3.46 B	\$ 3.29 B	\$ 3.83 B
FY-25	\$ 2.99 B	\$ 2.94 B	\$ 2.86 B	\$ 3.05 B	\$ 2.92 B	\$ 3.08 B	\$ 3.00 B	\$ 3.12 B	\$ 4.06 B

Product	Prices as of 1 st Apr (A)	Prices as of 4 th Apr	Prices as of 11 th Apr	Prices as of 18 th Apr	Prices as of 25 th Apr	Prices as of 1 st May (B)	Monthly Increase / Decrease (B-A)
MS (Petrol)	321.17	378.41	366.58	366.58	393.35	399.86	78.69
High-Speed Diesel (HSD)	335.86	520.35	385.54	353.42	380.19	399.86	63.72

Pakistan Monthly Economic Update & Outlook — April 2026

Here is the concise summary of Pakistan Monthly Economic Update & Outlook - April 2026, published by the State Bank of Pakistan (SBP). This summary presents a concise overview of Pakistan's economic performance during April 2026, highlighting macroeconomic trends, sectoral developments, fiscal and external positions, and the near-term outlook.

Overall Macroeconomic Performance

Pakistan completed Q3 FY2026 on a stable footing, supported by macroeconomic stability, improved fiscal discipline, and steady growth momentum. External credibility strengthened through IMF progress, Eurobond repayment, and stable ratings, although Middle East tensions pose risks.

1- Inflation & Monetary Conditions

Inflation slightly increased due to rising global oil prices but remained within the target range, reflecting controlled demand pressures. Monetary conditions stayed supportive, with moderate expansion in money supply and continued credit flow to the private sector.

- Inflation Trend

Indicator	Mar-25	Mar-26	Jul–Mar FY25	Jul–Mar FY26
CPI Inflation	0.70%	7.30%	5.30%	5.70%

Key Drivers:

- Transport: +12.5%
- Housing & Utilities: +11.5%
- Education: +9.0%
- Perishable food declined (-6.9%)

Agriculture remained on track, supported by higher input usage and credit availability

- Monetary Indicators

Indicator	FY25	FY26
Policy Rate	11.00%	11.50%
Money Supply (M2 Growth)	3.80%	5.60%
Private Sector Credit	Rs 665 bn	Rs 864 bn

Monetary expansion reflects increased lending to businesses and improved economic activity.



2- Agriculture Sector Performance

Agriculture remained resilient with strong growth in key crops like potato and gram, while wheat output remained near target levels. Future outlook is supported by higher credit, adequate water supply, and improved input availability.

- Rabi 2025-26 Output

Crop	Production
Wheat	29.31 million tonnes
Potato	12.17 million tonnes (+23.2%)
Gram	0.26 million tonnes (+52.4%)
Onion	2.7 million tonnes
Tomato	0.56 million tonnes

- Kharif 2026 Targets

Crop	Target
Cotton	9.64 million bales
Rice	9.17 million tonnes
Maize	9.77 million tonnes
Sugarcane	80.3 million tonnes

Key Drivers:

- Water availability: 67.45 MAF
- Agriculture credit target: Rs 3,062 bn (+19%)
- Mechanization and seed reforms

3- Large-Scale Manufacturing (LSM)

LSM maintained strong growth momentum, supported by automobiles, food, and petroleum sectors, indicating robust industrial recovery. Despite monthly fluctuations, the overall trend remains positive with broad-based sectoral contributions.

Indicator	Jul–Feb FY25	Jul–Feb FY26
LSM Growth	-1.80%	5.90%



- Sector Highlights

- Trucks & Buses: +78.3%
- Cars: +51.3%
- 2/3 Wheelers: +31.4%
- Jeeps & Pickups: +24.0%
- Cement

Indicator	Value
Total Dispatches	38.5 million tonnes (+9.8%)
Domestic	10.60%
Exports	6.30%

4- Fiscal Position

Fiscal performance improved significantly due to higher revenue collection and controlled expenditure, particularly lower debt servicing costs. The fiscal deficit narrowed sharply, while primary surplus strengthened, reflecting effective fiscal consolidation.

Indicator	FY25 (Jul–Feb)	FY26 (Jul–Feb)
Fiscal Balance	-2.2% GDP	-0.1% GDP
Primary Surplus	3.0% GDP	3.3% GDP
Revenue Growth	—	10.10%
Expenditure	—	-10.90%

- Tax Collection (Jul–Mar FY26)

- Rs 9,305.9 bn (+10.1%)
- Direct taxes: +12.4%
- Indirect taxes: +7.9%

5- External Sector

The external account remained stable, supported by strong remittances despite a widening trade deficit. March recorded a significant current account surplus, improving the overall balance position.



- External Indicators

Indicator	Jul-Mar FY25	Jul-Mar FY26
Current Account	\$1.67 billion	\$0.008 billion
Exports	\$24.7 billion	\$23.3 billion
Imports	\$43.4 billion	\$46.8 billion
Trade Deficit	\$21.0 billion	\$25.7 billion

- Remittances

Period	Amount	Growth
Jul-Mar FY26	\$30.3 Billion	8.20%

- Key Drivers:

- Saudi Arabia (23.4%)
- UAE (20.7%)
- IT exports: +19.8%

- Foreign Reserves & Investment

Indicator	Value
Forex Reserves	\$20.6 billion
SBP Reserves	\$15.1 billion
Net FDI	\$1.4 billion

Main FDI sources: China & Hong Kong

Key sectors: Power & financial services

6- Financial Markets

Stock market showed bearish trends due to geopolitical uncertainty, despite strong macro fundamentals. Investor sentiment weakened amid regional tensions, leading to significant market correction.

The Pakistan Stock Exchange performance:

Indicator	Value
KSE-100 Index	148,743
Change	-19,319 points
Market Cap	Rs 16.53 trillion



7- Social & Employment Indicators

Social protection programs and financial inclusion initiatives continued to support vulnerable populations. Employment abroad declined slightly, while interest-free lending remained active.

- Overseas employment: 50,506 workers
- Interest-free loans: Rs 562 million
- BISP disbursement: Rs 330.5 billion

8- Global Economic Environment

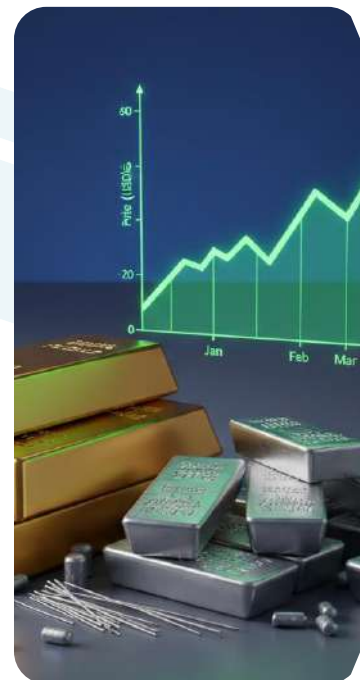
Global growth is slowing due to geopolitical tensions and rising commodity prices, particularly from the Middle East conflict. Inflationary pressures and supply chain disruptions remain key risks to global recovery.

- Key Global Indicators

Indicator	Value
Global Growth (2026)	3.10%
Global Inflation (2026)	4.40%
PMI Index	51

- Key Risks Factors

- Middle East conflict impacting oil prices
- Supply chain disruptions
- Rising global inflation
- Weakening business confidence





Political Front

- Pakistan has operationalised a new transit trade corridor through Iran by activating the Gabd-Rimdan border terminal under the NLC-led TIR system, enhancing regional connectivity and reducing reliance on the Afghanistan route. The first export consignment from Karachi to Tashkent has been successfully dispatched, formally linking South Asia with Central Asia. The modernised terminal enables faster, more cost-efficient movement of containerised and refrigerated cargo through Iran. The initiative is expected to lower logistics costs, reduce transit time, and strengthen Pakistan's role as a regional trade hub.
- Ministry of Commerce has notified the Trade Dispute Resolution Rules, 2026, establishing a structured legal framework to ensure faster and more transparent settlement of commercial and international trade disputes. The rules operationalise the Trade Dispute Resolution Commission (TDRC), promoting arbitration, mediation, and digital filing mechanisms for claims above \$5,000, including support for overseas applicants through trade missions. The reform aims to enhance ease of doing business, reduce litigation costs, and strengthen investor confidence by aligning Pakistan's dispute resolution system with international standards.
- On April 24, 2026, the Small and Medium Enterprises Development Authority and the Pakistan Institute of Fashion and Design have signed a Memorandum of Understanding in Lahore to support women entrepreneurs, microenterprises, home-based workers, and artisans through capacity building and market access initiatives. The partnership aims to strengthen inclusive economic growth by helping small businesses become financially viable and globally competitive. Officials described the agreement as a strategic step toward empowering women-led enterprises and enhancing SME development in Pakistan.

- On April 15, 2026, Federal Minister for Maritime Affairs Muhammad Junaid Anwar Chaudhry reviewed progress on a major dredging project at Karachi Port aimed at enhancing port capacity and efficiency. The project will enable accommodation of larger vessels, increasing vessel length capacity from 305 metres to 350 metres and draft from 13 metres to 15.5 metres, while also raising container handling capacity to 1 million TEUs and doubling bulk cargo capacity to 120,000 tonnes. This initiative is expected to strengthen Pakistan's trade and logistics sector by improving operational efficiency and reducing freight costs.
- The Ministry of Industries and Production has reviewed the draft Auto Policy 2026, set for launch on July 1, which prioritises localisation of auto parts to reduce vehicle prices and strengthen domestic manufacturing. At a meeting chaired by SAPM Haroon Akhtar Khan, stakeholders emphasised shifting toward local production and adopting electric vehicle technologies, with potential incentives under consideration for EV parts manufacturing. The government also plans tax and duty reforms to improve affordability for the middle class, while ensuring protection and growth support for local auto parts manufacturers over the next five years.
- Federal Minister for Commerce Jam Kamal Khan has directed authorities to prepare a proposal to reduce GST on dairy products from 18% to 10%, aiming to provide tax relief and boost the dairy sector. In a meeting with the Pakistan Dairy Association, discussions focused on taxation issues, low productivity, and the need for sector formalization. The minister emphasized improving genetic quality, farmer training, and regulatory reforms to enhance milk production. Additional proposals include better financing access, pasteurization enforcement, and structured programs to modernize the industry.
- Federal Minister for Maritime Affairs announced the development of a 400-acre small industrial estate at Port Qasim under an infrastructure-first model to attract investment and boost industrial activity. The project includes Rs35 billion approved development for the Eastern Zone, along with significant port reforms and up to 60% reduction in port charges to enhance competitiveness. Governance measures have been introduced, including mandatory feasibility requirements, restrictions on speculative land sales, and formation of a facilitation committee for faster issue resolution. The initiative also aims to improve port efficiency through capacity expansion, cargo clearance improvements, and introduction of new shipping facilities.

- The federal cabinet has approved a National Vaccine Production Policy aimed at strengthening Pakistan's domestic vaccine manufacturing capacity, reducing reliance on imports, conserving foreign exchange, and achieving self-sufficiency in immunisation supply. The government currently bears around 51% of vaccine procurement costs, estimated at \$400–500 million annually, while 49% covered by international partners. However, this external support will gradually decline, and by 2030–31 Pakistan will be required to fully finance its vaccine procurement, according to Federal Health Minister Syed Mustafa Kamal.
- The International Federation of Air Traffic Controllers' Associations (IFATCA) has recognised the critical role of Pakistan's air traffic controllers in maintaining safe and efficient operations amid heightened regional airspace disruptions following the Iran conflict. Pakistan's strategic location has led to a surge in diverted and non-scheduled flights, significantly increasing workload while controllers continue to ensure uninterrupted global air traffic flow under sustained operational pressure. IFATCA praised their professionalism and commitment, noting their vital contribution to global aviation safety and continuity during ongoing disruptions in Middle Eastern air routes.
- Pakistan is pursuing its case in Washington following the rollback of reciprocal tariffs by the Trump administration, as the Office of the United States Trade Representative investigates 60 economies, including Pakistan, over forced labour concerns. A public hearing from April 28 to May 14, 2026 is underway, with Pakistan's ambassador and relevant ministries presenting the country's position. The government is aligning its trade policies with global standards, including a proposed ban on imports produced through forced labour. It has also highlighted textile sector reforms such as traceability systems and sustainable cotton initiatives to address concerns and safeguard exports.
- Pakistan and the European Investment Bank (EIB) have signed a €100 million agreement for the Sindh Flood Emergency Housing Reconstruction Project to rebuild homes damaged in the 2022 floods. The initiative targets large-scale reconstruction in rural Sindh, including EIB-supported construction of over 116,000 housing units. The broader €1.9 billion project is co-financed by international development partners and the Government of Sindh. It aims to strengthen climate resilience through sustainable housing and infrastructure rebuilding.
- The Sindh government has accelerated business facilitation through its digital Sindh Business One Stop Shop (S-BOSS), which has registered over 15,000 businesses and issued more than 8,000 licences within nine months of launch. The World Bank-supported platform integrates 16 departments and 19 agencies, enabling over 130 services through a single online system and significantly reducing approval times by eliminating manual processes. It is improving ease of doing business, enhancing transparency, and boosting investor confidence while particularly supporting SMEs, startups, and youth and women entrepreneurs.



Post-Ceasefire Developments in US–Iran Tensions (April 2026)

In April 2026, a ceasefire between the United States and Iran offered temporary relief from rising tensions that had threatened regional stability and global trade routes. Pakistan played a central role in facilitating dialogue, hosting talks, and maintaining communication between both sides.

Ceasefire Agreement (7–8 April 2026)

Key Leaders:

- Pakistan: PM Shehbaz Sharif & Field Marshal Asim Munir
- Iran: Supreme Leader Mojtaba Ali Khamenei, Abbas Araghchi & Foreign Ministry.
- United States: President Donald Trump and JD Vance

A ceasefire was agreed after backchannel diplomacy led by Pakistan. Both sides committed to temporarily stop hostilities and allow space for negotiations.

Why It Matters:

- Prevented immediate escalation
- Reopened the Strait of Hormuz
- Created an opportunity for formal talks

Islamabad Talks (11–12 April 2026)

Key Leaders:

- Pakistan: PM Shehbaz Sharif, Field Marshal Asim Munir, Senior officials
- Iran: Foreign Ministry (Negotiating delegation)
- United States: JD Vance & Government Officials



Pakistan hosted the first round of peace talks in Islamabad.

Main Agenda:

- Iran's nuclear program
- Sanctions relief
- Regional security

Outcome:

- No agreement reached
- Talks ended with major differences unresolved



Post-Talk Escalation (13 April 2026)

Key Leaders:

- United States: President Donald Trump & His team
- Iran: Supreme Leader Mojtaba Ali Khamenei & Foreign Ministry

Soon after talks failed, the U.S. imposed a naval blockade on Iran. Iran responded with strong warnings, particularly regarding the Strait of Hormuz.

Impact:

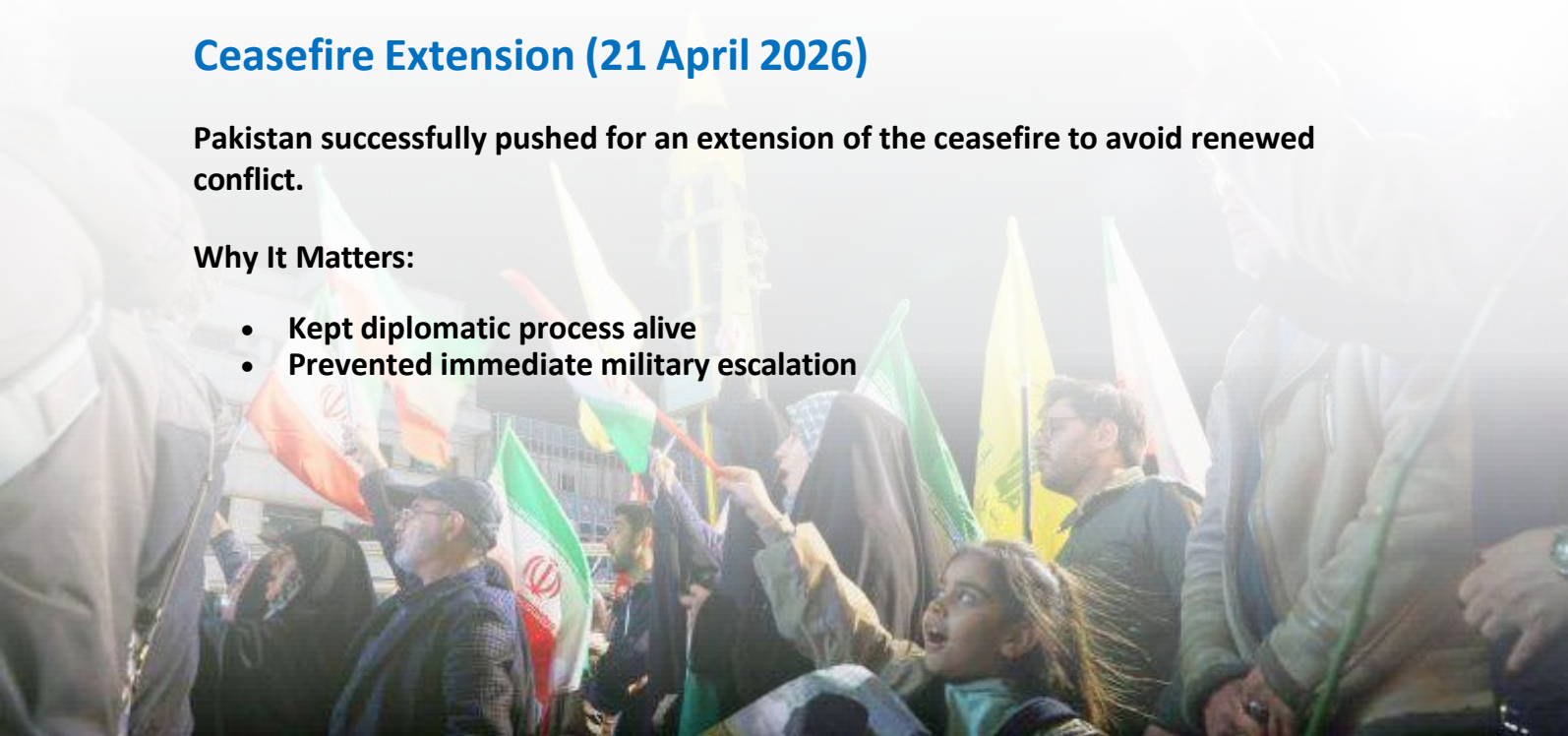
- Increased tensions despite ceasefire
- Raised global economic concerns

Ceasefire Extension (21 April 2026)

Pakistan successfully pushed for an extension of the ceasefire to avoid renewed conflict.

Why It Matters:

- Kept diplomatic process alive
- Prevented immediate military escalation



Pakistan's Military Diplomacy – Tehran Visit (Mid-April 2026)

Key Leaders:

- Pakistan: Field Marshal Asim Munir
- Iran: Senior political and military leadership

Pakistan's Army Chief visited Tehran for high-level discussions.

Main Agenda:

- Sustaining ceasefire
- Restarting negotiations
- Regional security cooperation

Outcome:

- Strengthened trust
- Maintained communication channels



Iranian Foreign Minister Visit to Pakistan (25–26 April 2026)

Key Leaders:

- Iran: Foreign Minister Abbas Araghchi
- Pakistan: PM Shehbaz Sharif, Field Marshal Asim Munir

Iran's Foreign Minister visited Islamabad to revive stalled talks.

Main Agenda:

- Ceasefire continuation
- Diplomatic proposals
- Avoiding escalation

Outcome:

- No direct US–Iran talks resumed
- Discussions remained constructive



Bottom Line

- Pakistan has emerged as a key diplomatic bridge between the United States and Iran.
- Multiple high-level visits and engagements helped:
 - Maintain the ceasefire
 - Keep communication open
- However, core disagreements—especially on Iran's nuclear program—remain unresolved.
- The ceasefire has prevented immediate conflict, but a lasting solution will require continued negotiation, compromise, and trust-building.



World Update

- On April 23, 2026, the United Nations Development Programme warned that the ongoing Iran war could push more than 30 million people back into poverty due to severe disruptions in fuel, fertiliser, and food supply chains, particularly affecting global agricultural productivity. The crisis, exacerbated by restricted shipping through the Strait of Hormuz, is expected to reduce crop yields and drive up food insecurity and prices in the coming months. The UN cautioned that these economic and social impacts will persist even after the conflict ends, disproportionately affecting vulnerable populations worldwide.
- In March 2026, President Donald Trump introduced a 60-day waiver of the Jones Act to allow foreign-flagged vessels to transport fuel and essential goods between US ports, aiming to ease energy costs following the Iran conflict. Amid continued supply disruptions and rising fuel prices, the administration has now extended the waiver by a further 90 days until mid-August. The move is intended to improve the flow of oil, gas, and fertilizers, stabilise supply chains, and mitigate the impact of the Strait of Hormuz disruption on domestic markets.
- US President Donald Trump publicly criticised Italian Prime Minister Giorgia Meloni, expressing surprise over her stance on Iran, energy security, and her refusal to support reopening the Strait of Hormuz, marking a sharp shift in tone between the two leaders. The exchange comes amid rising tensions over the Iran conflict and Europe's energy dependence. In response, Meloni also took a significant policy step by suspending the automatic renewal of Italy's defence agreement with Israel, citing the evolving Middle East situation. Together, these developments highlight growing geopolitical friction within traditional Western alliances amid regional instability.

- **United Kingdom consumer inflation rose to 3.3% in March from 3.0% in February, largely driven by higher fuel costs amid the Middle East conflict. The Bank of England has revised its outlook, expecting inflation to climb toward 3.5% by mid-2026, with risks of peaking higher in the near term. Despite this, policymakers remain cautious on rate hikes due to a weak labor market, with markets divided on whether interest rates will increase later this year.**
- **The United Kingdom and France have signed a new three-year agreement to curb irregular migration across the English Channel under the renewed Sandhurst framework. The deal includes increased French coastal enforcement and a UK funding commitment of up to €766 million, partly conditional on measurable effectiveness in reducing crossings. The agreement aims to strengthen joint border management and address rising concerns over unsafe migrant boat journeys and smuggling networks.**
- **J.P. Morgan has downgraded Indian equities to “neutral” from “overweight,” citing high valuations and earnings pressure from rising energy prices linked to the Iran conflict. The brokerage warned that higher crude prices, a weaker rupee, and inflation risks could weigh on consumption and corporate margins. It has also cut earnings forecasts and lowered its year-end target for the Nifty 50, noting that Indian markets still trade at a premium compared to other emerging economies with stronger exposure to high-growth sectors.**
- **India has approved a \$1.4 billion government-backed maritime insurance pool to safeguard trade flows amid rising geopolitical risks, sanctions, and war-related disruptions that have led global reinsurers to scale back coverage. The 10-year facility, extendable by five years, will provide protection for hull, cargo, and war risks through a domestic underwriting framework to ensure continuity of shipping insurance. In a parallel move, the government has also increased inflation-linked allowances, reflecting broader efforts to stabilise trade infrastructure and support economic resilience.**
- **On April 24, 2026, Chinese Defence Minister Dong Jun met with his Russian counterpart in Moscow, where both sides agreed to deepen defence cooperation and strengthen strategic communication. The two countries committed to expanding practical military collaboration and jointly supporting global stability and international order, while also discussing regional security and broader geopolitical issues.**

- **Meta Platforms is set to begin a new round of layoffs on May 20, 2026, cutting about 10% of its global workforce (around 8,000 employees) in the first phase, with further reductions planned later in the year as part of an AI-driven restructuring strategy focused on efficiency and operational realignment. The move aligns with a broader tech sector trend, where companies including Amazon have recently reduced around 30,000 corporate roles, while fintech firm Block has cut nearly half its workforce, with all citing efficiency gains from artificial intelligence. According to Layoffs.fyi, more than 73,000 tech jobs have already been lost in 2026, underscoring continued restructuring across the global technology industry.**
- **On April 22, 2026, Donald Trump stated that the United States is considering a financial support arrangement, including a potential currency swap, with the United Arab Emirates amid economic uncertainties linked to the ongoing Iran conflict. The proposal, reportedly discussed between UAE officials and US financial authorities, is aimed at strengthening liquidity support and financial stability for the UAE in the event of broader regional spillovers from the war.**
- **The United Arab Emirates announced its decision to exit OPEC and OPEC+ after nearly 60 years, seeking greater flexibility to expand production and respond to rising global energy demand. The move is expected to weaken the cartel's influence on global oil pricing by reducing coordinated supply control and overall capacity. The development is also viewed as politically significant, aligning with long-standing criticism from Donald Trump of OPEC's pricing practices, and is seen as a strategic shift amid already elevated oil prices driven by global supply disruptions.**


















FINANCIAL WORLD

Forex Update

- The Inter Bank rate of PKR appreciated by Rs 0.30 against the Dollar in Apr'26 and closed at 279.20.
- The closing rate of major currencies on 30th Apr 2026;

INTER BANK RATES

Currency	Symbol	Bank Buying TT Clean	Bank Selling TT & OD
 Australian Dollar	<u>AUD</u>	198.52	198.88
 Canadian Dollar	<u>CAD</u>	203.74	204.11
 China Yuan	<u>CNY</u>	40.73	40.8
 Danish Krone	<u>DKK</u>	43.51	43.59
 Euro	<u>EUR</u>	325.09	325.67
 Hong Kong Dollar	<u>HKD</u>	35.57	35.63
 Japanese Yen	<u>JPY</u>	1.74	1.74
 Saudi Riyal	<u>SAR</u>	74.31	74.45
 Singapore Dollar	<u>SGD</u>	217.54	217.93
 Swedish Korona	<u>SEK</u>	29.92	29.97
 Swiss Franc	<u>CHF</u>	352.14	352.77
 Thai Bhat	<u>THB</u>	8.5	8.51
 U.A.E Dirham	<u>AED</u>	75.9	76.03
 UK Pound Sterling	<u>GBP</u>	375.52	376.19
 US Dollar	<u>USD</u>	278.7	279.2

Capital & Money Market

- The State Bank of Pakistan, through its Monetary Policy Committee, increased the policy rate by 100 basis points to 11.50% effective April 28, 2026, citing rising inflationary risks driven by prolonged Middle East tensions and elevated global energy costs. Despite stable macro indicators, inflation is expected to rise above the target range in the near term, prompting a tighter monetary stance to anchor expectations and maintain stability.
- Economic activity showed moderate recovery with GDP growth around 3.8% in H1-FY26 and a small current account surplus supported by remittances, while foreign reserves remained stable amid external financing inflows. However, emerging global uncertainties, fiscal pressures, and supply-side shocks continue to pose risks, reinforcing the need for disciplined policies and structural reforms to sustain economic resilience.
- KIBOR prevailing rate as of Apr 30, 2026

KIBOR		
As on 30-Apr-26		
Tenor	BID	OFFER
1 Month	11.30	11.80
3 Month	11.51	11.76
6 Month	11.71	11.96
12 Month	11.84	12.34

- The benchmark KSE-100 Index at the Pakistan Stock Exchange remained volatile during the first four months of 2026, declining from 176,355.49 points in January to 162,994.17 points by the end of April, after reaching an all-time high of 191,032.73 points during the period. During April 2026, the market showed a modest recovery from 148,743.31 to 162,994.17, reflecting cautious investor optimism supported by improving macroeconomic indicators and continued progress under the IMF program. However, market sentiment remained under pressure due to rising geopolitical uncertainty, particularly the escalating US-Iran tensions and broader Middle East conflict, which triggered periodic corrections and profit-taking. Despite range-bound trading and subdued volumes, selective buying in banking, energy, and IT sectors helped the market maintain a relatively positive bias, indicating gradual restoration of investor confidence.



Important Economic Indicators as of 30th Apr 2026

Currency (PKR to USD) Rs. 279.20

Personal Income Tax Rate 35% Stock

Market (KSE-100 Index) 148,743.31

GDP Annual Growth 3.2% (E)

Unemployment Rate 7.7% (E)

Consumer Confidence 38 (E)

Inflation Rate 10.9%

Brent Crude Oil \$ 114.09/Bbl

Interest Rate 11.5%

WTI Crude Oil \$ 105.39/Bbl

Corporate Tax Rate 29%

Gold per Tola Rs. 474,893

Tax World

- The Pakistan Tax Bar Association (PTBA) has urged the FBR to address structural and operational gaps in its digital tax system to ensure alignment with existing laws and improve taxpayer facilitation. It highlighted issues such as incomplete integration of legal provisions, HS codes, and absence of a formal mechanism for digital corrections and grievance redressal. The PTBA submitted 12 recommendations, including system-wide legal compliance in IRIS, standardized SOPs with PRAL, and a time-bound complaint resolution framework (48–72 hours). It also called for stronger governance, enhanced IT oversight, and greater transparency through periodic disclosure of system performance indicators.
- The Federal Board of Revenue (FBR) has collected Rs 10.26 trillion during the July-April of FY 2025-26 against a target of Rs 10.94 trillion, reflecting a shortfall of Rs 683 billion.
 - In April 2026 alone, the FBR collected Rs 956 billion against a target of Rs 1,029 billion, showing a slight shortfall of Rs 72 billion, while collection increased 13% YoY.
 - During the nine months of FY26, the FBR issued Rs499 billion in refunds and rebates, including the Rs51 billion in April2026.
 - Income tax collection stood at Rs5.08 trillion, falling short of the Rs5.29 trillion target, though it recorded a 13.6% increase YoY. This figure includes around Rs200 billion in super tax, recovered by the FBR following a court ruling.
 - Sales tax totaled Rs3.42 trillion, falling short by Rs382 billion yet rising 11% from the previous year.
 - Customs duty collection stood at Rs1.08 trillion, Rs79 billion below the target but 3.6% higher than last year.
- The Punjab Revenue Authority has reported a record revenue collection of Rs250 billion during the first nine months of FY2025–26, up from Rs181 billion in the same period last year, reflecting a strong year-on-year increase of around Rs70 billion. In March alone, collections rose 33% to over Rs30 billion compared to Rs22.4 billion in March of the previous fiscal year. The growth highlights improved tax compliance and stronger revenue mobilisation performance during the current fiscal year.



MONTHLY

Bulletin

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