SRCA

SALMAN & RAHEEL CHARTERED ACCOUNTANTS

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MONTHLY BULLETIN

OCTOBER 2026



Pakistan economy • Foreign exchange map • Business insight

SALMAN & RAHEEL CHARTERED ACCOUNTANTS

FROM SRCA

October economic and business review

The economy entered the second quarter of FY2027 with stronger external buffers, better crop output and firm remittances, while energy prices and inflation required a measured policy response.

In this edition

- October economy, markets and business news
- Top five foreign exchange inflow categories
- Top five foreign exchange outflow categories
- Odoo multi-currency accounting
- Internal audit of foreign exchange risk

Evidence standard

- Publication cut-off: 30 October 2026
- Official data used for rankings and totals
- Business Recorder used for current market context
- Actuals, forecasts and point-in-time data kept separate

The correct foreign exchange period

The requested window is 1 January to 30 October 2026. Complete October transaction data is not yet available. The exact rankings therefore cover 1 January to 30 September 2026, the latest complete calendar-year period in SBP data. October reserves, exchange rates and policy developments are shown separately as point-in-time information.



SOURCE NOTE SBP calendar-year balance of payments updated 16 October 2026. Q1 and Q2 are revised; Q3 is provisional.

TOP STORIES

Six developments worth knowing

The strongest October signal.s combine better external financing and agriculture with a firmer response to inflation risk.

POLICY RATE

12.0%

SBP increased the rate by 50 basis points, effective 27 October.

SBP RESERVES

US$21.52bn

Official reserves on 23 October; total liquid reserves were US$26.75bn.

REMITTANCES

US$10.88bn

Jul-Sep FY2027 inflows, 14.0% higher year on year.

FOREIGN INVESTMENT

US$3.65bn

Jul-Sep total, supported by the September Eurobond.

TAX COLLECTION

Rs3.09tn

Jul-Sep FBR receipts, 7.0% higher and Rs33.2bn above target.

NEW COMPANIES

15,440

Jul-Sep incorporations, 37.3% higher year on year.

Our reading

Pakistan entered October with stronger foreign exchange availability and fiscal surpluses. The 50-basis-point policy increase reflects the cost of higher energy prices and the need to anchor expectations while preserving the recovery.



SOURCE NOTE Finance Division, Monthly Economic Update and Outlook, October 2026; SBP data through 29 October 2026.

ECONOMIC DASHBOARD

October at a glance

Latest official indicators available by 29 October 2026.

GDP GROWTH
3.65%
Revised real growth for FY2026.

SEPTEMBER CPI
10.26%
Year-on-year headline inflation.

CURRENT ACCOUNT
US$874m
Jul-Sep FY2027 deficit.

GOODS EXPORTS
US$8.45bn
Jul-Sep FY2027; 7.7% higher year on year.

GOODS IMPORTS
US$17.78bn
Jul-Sep FY2027; 14.3% higher year on year.

NET FDI
US$719.7m
Jul-Sep FY2027; 19.9% higher year on year.

USD PKR
276.7618
SBP mark-to-market rate on 29 October.

KSE 100
165,736
Finance Division observation on 28 October.

Reading the dashboard

Exports, services and remittances grew, but imports rose faster. The result is a wider first-quarter current-account deficit alongside stronger reserves and investment inflows.



SOURCE NOTE Finance Division October update; SBP; PBS.

REAL ECONOMY

Crops and domestic demand support activity

Agriculture and selected manufacturing indicators were positive, although large-scale manufacturing expanded unevenly.

MAIZE

9.98m tonnes

Provisional Kharif output, 12.1% above last year.

SUGARCANE

97.3m tonnes

Provisional output, 8.8% above last year.

RICE

10.2m tonnes

Provisional output, 1.8% above last year.

AGRICULTURE CREDIT

Rs540.5bn

Jul-Aug disbursement, 32.7% higher.

Balanced reading

LSM grew 1.85% in Jul-Aug and 0.67% year on year in August. Automobiles and domestic cement were supportive, while food, chemicals and pharmaceuticals weighed on the monthly result.



SOURCE NOTE Finance Division October update; PBS, PAMA and APCMA indicators reproduced therein.

PUBLIC FINANCE

Fiscal surpluses and revenue above target

The first two months of FY2027 recorded overall and primary surpluses, while first-quarter tax collection exceeded the target.

OVERALL SURPLUS

Rs1.20tn

Jul-Aug FY2027 consolidated fiscal balance.

SHARE OF GDP

0.8%

Overall fiscal surplus.

PRIMARY SURPLUS

Rs2.31tn

Jul-Aug balance before markup.

FEDERAL SURPLUS

0.5% of GDP

Net federal revenue exceeded expenditure.

FBR COLLECTION

Rs3.09tn

Jul-Sep receipts.

ABOVE TARGET

Rs33.2bn

First-quarter excess over collection target.

What improved

- Development spending rose 69.5%.
- Non-interest expenditure declined 8.1%.
- Subsidies declined sharply.
- Government reliance on bank borrowing reduced.

What remains important

- Markup payments rose 36.6%.
- Revenue performance must remain broad-based.
- Development spending needs project discipline.
- Energy and SOE reform remain central.



SOURCE NOTE Finance Division, Monthly Economic Update and Outlook, October 2026.

EXTERNAL ACCOUNT

Higher inflows cushion a wider trade gap

Remittances, services exports and investment strengthened, while higher goods imports widened the first-quarter current-account deficit.

CURRENT ACCOUNT

US$356m

September deficit; August was revised to US$73m.

QUARTER DEFICIT

US$874m

Jul-Sep FY2027 versus US$755m a year earlier.

SERVICES EXPORTS

US$2.72bn

Jul-Sep receipts calculated from SBP BOP credits.

OVERALL BOP

US$3.12bn

Jul-Sep surplus, supported by financial inflows.

Business implication

Exporters should protect collection speed and margins. Importers should model energy, freight and currency scenarios. Treasury teams should distinguish recurring non-debt receipts from financing flows when assessing resilience.



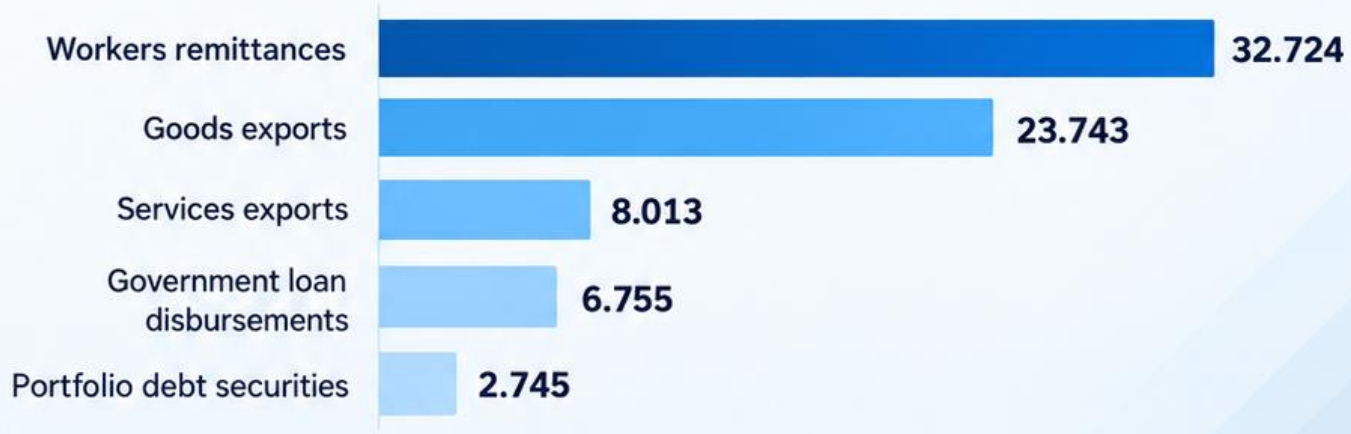
SOURCE NOTE SBP September 2026 balance of payments; Finance Division October update; Business Recorder, 16 October 2026.

FOREIGN EXCHANGE MAP

Top five sources of foreign exchange

Exact calendar-year flows from 1 January to 30 September 2026, in descending order.

FOREIGN EXCHANGE FLOWS | US$ BILLION



RANK	CATEGORY	US$ BN	WHAT THE LINE CAPTURES
01	Workers remittances	32.724	Personal transfers received through formal channels.
02	Goods exports	23.743	FOB export credits recorded in the balance of payments.
03	Services exports	8.013	IT, business, transport and other service receipts.
04	Government loan disbursements	6.755	Gross external loan receipts of general government.
05	Portfolio debt securities	2.745	Net foreign investment in Pakistan debt securities; includes the September sovereign issue.

Important distinction

The first three categories are recurring external earnings or transfers. Government disbursements and portfolio debt are financing inflows that create repayment or return obligations. Net FDI of US$1.710bn was the next-largest inward capital category.

SOURCE NOTE SBP Summary Balance of Payments on Calendar Year Basis, updated 16 October 2026. US$ million source values divided by 1,000.

FOREIGN EXCHANGE MAP

Top five uses of foreign exchange

Exact calendar-year flows from 1 January to 30 September 2026, in descending order.

FOREIGN EXCHANGE FLOWS | US$ BILLION



RANK	CATEGORY	US$ BN	WHAT THE LINE CAPTURES
01	**Goods imports**	**50.849**	FOB payments for imported goods, including energy, machinery, metals, transport and food.
02	**Services imports**	**9.316**	Transport, travel, business and other services purchased from abroad.
03	**Primary income payments**	**6.984**	Interest, profits, dividends and other investment-income debits.
04	**Government loan amortization**	**6.443**	Gross principal repayments on general-government external loans.
05	**Other-sector amortization**	**1.134**	Gross principal repayments by private and other non-government sectors.

What the ranking shows

Goods imports are by far the largest use of foreign exchange. The next three material uses are services, investment income and government debt principal. Energy efficiency, export productivity and disciplined external borrowing therefore matter together.

SOURCE NOTE SBP Summary Balance of Payments on Calendar Year Basis, updated 16 October 2026. US$ million source values divided by 1,000.

FOREIGN EXCHANGE ANALYSIS

How to interpret the ranking correctly

The ranking combines current-account receipts and payments with selected financial-account flows because the question concerns where foreign exchange comes from and where it is used.

CALENDAR CURRENT ACCOUNT

-US$83m

Net balance for Jan-Sep 2026.

OVERALL BOP SURPLUS

US$4.39bn

Jan-Sep 2026, reflected in reserve accumulation.

FDI IN PAKISTAN

US$1.71bn

Net inward direct investment during Jan-Sep.

RESERVE ASSETS

US$5.33bn

Increase recorded in the BOP during Jan-Sep.

What is included

- Gross current-account credits and debits
- Gross government loan disbursement and amortization
- Net portfolio debt inflow
- Amounts recorded under BPM6

What is not implied

- The five lines do not equal every FX transaction.
- Portfolio debt is net, not gross issuance.
- Reserve stocks are not transaction flows.
- October flows are not estimated.

October snapshot

By 23 October, SBP reserves were US$21.522bn and total liquid reserves were US$26.754bn. On 29 October, the SBP mark-to-market exchange rate was PKR276.7618 per US dollar.



SOURCE NOTE SBP calendar-year BOP and key economic indicators through 29 October 2026.

BUSINESS RECORDER WATCH

October and today in six briefs

A selective digest of developments relevant to business leaders, cross-checked with official releases where available.

MONETARY POLICY
26 OCT
SBP raised the policy rate to 12% on energy and inflation risks.

CURRENT ACCOUNT
16 OCT
September recorded a US$356m deficit.

RESERVES
29 OCT
SBP reserves rose to US$21.52bn.

SMECONNECT
30 OCT
Central portal launched for SME finance applications from 1 November.

CHINA TRADE
30 OCT
Pakistan and China agreed to operationalise a green channel at Sost-Khunjerab.

EXPORT SUPPORT
30 OCT
Government considering wider export-credit and risk-sharing access for SMEs.

At publication cut-off

Business Recorder also reported the Finance Division's October inflation projection of 9.5-10.5%, a Karachi cement capacity expansion and continued corporate earnings announcements. Market and corporate reports remain subject to later updates.



SOURCE NOTE Business Recorder reports dated 16, 26, 29 and 30 October 2026.

FINANCIAL WORLD

Reserves remain near three months of imports

External liquidity remained materially stronger than a year earlier, while the rupee was stable in late October.

SBP RESERVES

US$21.522bn

Position on 23 October 2026.

BANK RESERVES

US$5.233bn

Commercial-bank foreign exchange reserves.

TOTAL RESERVES

US$26.754bn

Combined liquid foreign exchange reserves.

IMPORT COVER

≈3 months

SBP assessment at the October policy briefing.

USD PKR

276.7618

Mark-to-market rate on 29 October.

FY27 REMITTANCE OUTLOOK

US$45bn

SBP revised projection reported after the policy meeting.

Treasury priorities

- Maintain a rolling cash and currency forecast.
- Match foreign-currency receipts and payments.
- Set bank and counterparty limits.
- Document hedge decisions and approvals.

Board questions

- What causes the largest FX cash mismatch?
- How much debt matures within 18 months?
- Which customers create collection concentration?
- Are exchange gains and losses explained monthly?



SOURCE NOTE SBP economic indicators as of 23-29 October 2026; Business Recorder, 27 and 29 October 2026.

CAPITAL AND MONEY MARKETS

Interest rates adjust to higher risk

The October policy increase moved money-market pricing higher, while equities remained sensitive to energy and geopolitical developments.

POLICY RATE

12.0%

Effective 27 October.

THREE-MONTH KIBOR

12.19 / 12.44%

Bid / offer on 29 October.

SIX-MONTH KIBOR

12.39 / 12.64%

Bid / offer on 29 October.

ONE-YEAR KIBOR

12.54 / 13.04%

Bid / offer on 29 October.

KSE 100

165,736

Finance Division snapshot on 28 October.

MARKET CAPITALISATION

Rs18.33tn

Finance Division snapshot on 28 October.

Financing implication

Investment cases should use the actual borrowing spread, fees, taxes and working-capital requirement. The policy rate is a reference point, not the company's final cost of funds.

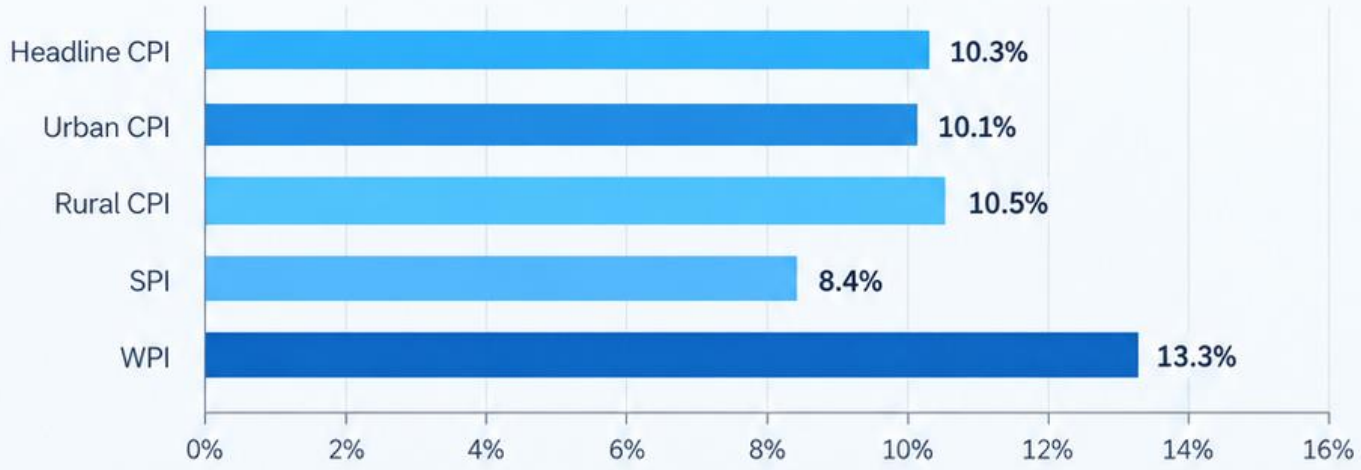
SOURCE NOTE SBP monetary policy and key economic indicators; Finance Division October update.

INFLATION AND ENERGY

Headline inflation eased but energy risk increased

September CPI slowed from August, while higher oil prices raised transport and production costs and prompted a policy response.

Price indicators eased unevenly



MONTHLY CPI

+1.27%

September over August.

QUARTER AVERAGE

10.20%

Jul-Sep FY2027 headline inflation.

TRANSPORT INFLATION

27.4%

September year on year.

OCTOBER FORECAST

9.5-10.5%

Finance Division range; not an actual.

Management response

Refresh energy, freight and currency assumptions. Separate price, volume, mix and efficiency variances. Protect productive capability while targeting avoidable cost and working-capital leakage.

SOURCE NOTE PBS September CPI release; Finance Division October outlook; SBP policy statement.

ENTERPRISE AND FINANCE

Formalisation grows and SME access becomes digital

Company incorporation remained strong, and SBP introduced one portal for SME financing applications from 1 November 2026.

NEW COMPANIES

15,440

Jul-Sep FY2027.

GROWTH

+37.3%

Increase over the comparable period.

SMECONNECT

1 NOV

Centralised financing application platform.

APPLICATION ROUTE

DIGITAL

Applications forwarded to banks and DFIs after verification.

INSURANCE CAPITAL

CONSULT

SECP proposed higher minimum paid-up capital requirements.

WOMEN INVESTORS

28 OCT

SECP and Iqra University launched a Shariah-compliant investment competition.

For SMEs

- Prepare reliable accounts and cash forecasts.
- Keep tax and registration records current.
- Explain the financing purpose and repayment source.
- Monitor application data for consistency.

For lenders and advisers

- Make eligibility and status transparent.
- Reduce repeated document requests.
- Use verified data with appropriate consent.
- Track turnaround time and decline reasons.

SOURCE NOTE Finance Division October update; SBP SH&SFD Circular No. 08 of 2026; SECP October press releases.

AUTOMATION FOCUS

Odoo multi currency accounting

For businesses that import, export or hold foreign-currency accounts, Odoo can record the transaction currency and the company-currency value together.

1 SET CURRENCIES
2 MAINTAIN RATES
3 POST INVOICE
4 RECORD PAYMENT
5 RECONCILE
6 REVIEW FX DIFFERENCE

What the system can support

- Foreign-currency invoices and bills
- Payments in a different currency
- Foreign-currency bank accounts
- Automatic realised exchange differences

Controls to configure first

- Approved rate source and update frequency
- Dedicated gain, loss and journal accounts
- Bank reconciliation ownership
- Period-end review of unrealised differences

Implementation note

Odoo records exchange-difference entries on dedicated accounts and supports unrealised gain or loss adjustment for foreign-currency accounts. Configuration and accounting treatment should be reviewed before go-live.



SOURCE NOTE Odoo 19 documentation: Multi-currency system and foreign-currency bank accounts.

INTERNAL AUDIT FOCUS

Audit foreign exchange risk before volatility finds the gap

Internal audit can test whether exposure is visible, approved, measured and reported across procurement, sales, treasury and financial reporting.

EXPOSURE MAP 01

Receivables, payables, debt, deposits and firm commitments.

FORECASTING 02

Currency cash flows, timing assumptions and forecast accuracy.

LIMITS 03

Open positions, bank limits, hedge authority and escalation.

RATES 04

Approved sources, overrides and cut-off controls.

ACCOUNTING 05

Realised and unrealised gains, losses and disclosures.

STRESS TESTING 06

Impact on cash, margin and covenants under adverse rates.

Evidence to inspect

- Board-approved treasury policy
- Bank confirmations and deal tickets
- Exposure and maturity reports
- Reconciliations and journal support

Questions to answer

- Who can commit the company to FX risk?
- Are natural hedges identified first?
- Are exceptions approved before execution?
- Do reports explain cash and accounting impact?

The outcome to seek

A complete exposure view, clear authority, reliable measurement and early escalation. Internal audit should assess the control process without taking ownership of treasury decisions.

SOURCE NOTE The Institute of Internal Auditors: Managing Currency Risk in Internal Audit; Global Internal Audit Standards; Auditing Market Risk guidance.

TAX WORLD

Tax Year 2026 filing deadline moves to 31 October

FBR extended the deadline for taxpayers whose original 30 September deadline had already moved to 15 October.

REVISED DEADLINE

31 OCT 2026

Circular No. 04 of 2026-27.

RETURNS FILED

6.9m

Business Recorder reported filings received by 15 October.

FBR COLLECTION

Rs3.09tn

Jul-Sep FY2027.

QUARTER GROWTH

+7.0%

Year-on-year increase in collection.

DIRECT TAXES

+5.5%

Jul-Sep growth.

INDIRECT TAXES

+8.3%

Jul-Sep growth.

Before submission

- Reconcile turnover, bank flows and withholding.
- Complete wealth and asset schedules.
- Retain evidence for credits and deductions.
- Resolve profile and portal issues early.

After submission

- Save the return and payment evidence.
- Update the compliance calendar.
- Track notices to closure.
- Keep tax and accounting records aligned.

Important

The extension applies to the category covered by the FBR circular. Entity-specific obligations and later notifications should be checked before action.

SOURCE NOTE FBR Circular No. 04 of 2026-27; Business Recorder, 15-16 October 2026; Finance Division October update.

PAKISTAN POSITIVE

Livelihoods, enterprise and a continued case for dialogue

Positive economic news matters most when it supports households and when Pakistan uses its relationships to encourage regional stability.

OVERSEAS EMPLOYMENT

43,062

Pakistanis registered for work abroad in September.

INTEREST-FREE LOANS

5,782

PPAF loans disbursed in September.

LOAN VALUE

Rs430m

September PPAF disbursement.

CUMULATIVE SUPPORT

Rs127.48bn

PPAF interest-free financing since 2019.

A humble note on peace diplomacy

Pakistan continued to urge dialogue, restraint and de-escalation in the US-Iran conflict. On 23 October, Pakistan joined Egypt, Saudi Arabia, Türkiye, France, Germany, Italy and the United Kingdom in calling for dialogue and diplomacy. This is continuing facilitation in a difficult conflict, not a claim that peace has been secured.

What deserves encouragement

- Higher formal remittances
- Growth in company incorporation
- Better crop output
- Digital access to SME finance

What deserves continued work

- Export productivity and energy efficiency
- Affordable finance and essentials
- Institutional consistency
- Regional peace and trade continuity

SOURCE NOTE Finance Division October update; Pakistan Ministry of Foreign Affairs releases dated 1, 20 and 23 October 2026.

BUSINESS ACTION AGENDA

Five management priorities after October

The month's data point to practical actions for finance, operations and boards.

FOREIGN EXCHANGE

MAP

Map exposures by currency, amount and maturity; separate operating and financing flows.

PRICING

MODEL

Refresh energy, freight, rate and margin assumptions using scenarios.

WORKING CAPITAL

CASH

Protect collections, inventory turns and supplier visibility.

FINANCING

FUND

Use actual spreads and repayment capacity in capital decisions.

CONTROLS

CONTROL

Review authority, reconciliations, master data and exception reporting.

GROWTH

EXECUTE

Prioritise exports, services and productivity projects with measurable cash outcomes.

For boards

- Review FX and energy stress tests.
- Confirm refinancing and liquidity headroom.
- Track strategy through cash-based indicators.
- Challenge unresolved control exceptions.

For finance leaders

- Reconcile BOP-sensitive assumptions.
- Explain realised and unrealised FX monthly.
- Measure forecast accuracy.
- Connect ERP data to decisions.

The central message

Pakistan's external buffers are stronger, but the composition of inflows matters. Expanding recurring foreign earnings and using imported energy, capital goods and external financing productively will determine whether resilience becomes durable growth.

SOURCE NOTE SRCA interpretation of the official data and sources cited throughout this bulletin.

METHOD AND SOURCES

Evidence behind the bulletin

Official sources were prioritised. Business Recorder was used for current market and business context. Forecasts, stocks and transaction flows are labelled separately.

Source list

- Finance Division - Monthly Economic Update and Outlook, October 2026
- SBP - Balance of Payments on Calendar Year Basis
- SBP - September 2026 Balance of Payments Summary
- SBP - Monetary Policy, 26 October 2026
- SBP - Key economic indicators and reserves
- SBP - SMEConnect Circular, 29 October 2026
- PBS - September 2026 CPI Press Release
- PBS - September 2026 External Trade Release
- SECP - October 2026 press releases
- FBR - official updates
- Business Recorder - September current account
- Business Recorder - October monetary policy
- Business Recorder - remittance and reserve outlook
- Business Recorder - tax deadline extension
- Business Recorder - latest news, 30 October 2026
- MoFA - R4 meeting with European counterparts, 23 October
- Odoo 19 - Multi-currency system
- Odoo 19 - Foreign-currency bank account
- The IIA - Managing Currency Risk in Internal Audit
- The IIA - Global Internal Audit Standards

Foreign exchange methodology

Rankings cover 1 January to 30 September 2026. Values are the sum of Q1, Q2 and Q3 in the SBP calendar-year BOP table. Q1 and Q2 are revised; Q3 is provisional. Current-account lines are gross credits or debits. Government loans use gross disbursement or amortization. Portfolio debt is a net liability flow. October point-in-time indicators are not added to transaction totals.

ABOUT SRCA

Insight with integrity

Professional services designed to strengthen reporting, control, compliance and decision-making.

AUDIT AND ASSURANCE

ASSURE

Independent work focused on quality, clarity and trust.

TAX AND COMPLIANCE

COMPLY

Practical support grounded in the applicable framework.

ADVISORY

IMPROVE

Finance, controls, process and management insight.

AUTOMATION

ENABLE

Thoughtful use of systems to simplify and strengthen work.

A humble QCR note

SRCA remains grateful for the confidence of its clients and committed to continuous improvement under the profession's Quality Control Review framework. We regard quality recognition as a responsibility, not a finish line.

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