



MONTHLY BULLETIN

● ● ● — January 2024

INTRODUCTION

This newsletter's efforts are meant to update the reader with a concise summary of the developments that influence the economic landscape of Pakistan.

Rajab

Rajab is the seventh month of the Islamic Calendar with great significance and importance.

This month drives the Muslims to ask for forgiveness and increase their devotion towards the Almighty.



ECONOMIC EVENTS

- As of 26-Jan-2024, the foreign exchange reserves with SBP increased by \$588. million from last month Dec'23. The reserves hold with SBP are \$8.22 billion and reserves with commercial banks are stood at \$5.05 billion.

LIQUID FOREIGN EXCHANGE RESERVES (MILLION US\$)

END PERIOD	NET RESERVES WITH SBP	NET RESERVES WITH BANKS	TOTAL LIQUID FX RESERVES
5-Jan-24	8,154.8	5,101.8	13,256.6
12-Jan-24	8,027.4	5,117.7	13,145.1
19-Jan-24	8,270.5	5,070.9	13,341.4
26-Jan-24	8,216.5	5,046.0	13,262.5

- SBP Governor said, the inflation projection for the fiscal year 2023-24 has been revised upwards from 20-22% to 23-25% keeping in view the latest round of energy tariff hikes.
- In addition, Jameel Ahmed said, "We are confident to achieve an economic growth of 2-3% in the current fiscal year."
- Pakistani Company, National Foods got the manufacturing licence in Sharjah, UAE. The company will be involved in the manufacturing and sales of food products in the UAE and Middle East.
- The SBP has imposed penalties of Rs 465.081 million on 10 banks(Listed) due to breaching the standards of Know Your Customer (KYC), Anti-Money Laundering (AML), asset quality, foreign exchange, and general banking operations.

Bank	Amount in Million (Rs.)	Bank	Amount in Million (Rs.)
United Bank Ltd	114.193	JS Bank Limited	27.0009
Habib Bank Ltd	113.367	MCB Bank Ltd	23.55
Standard Chartered Bank Ltd	58.375	Dubai Islamic Bank Limited	22.1
Meezan Bank Limited	44.705	Mobilink Microfinance Bank Limited	14.643
Askari Bank Limited	36.4054	Bank Alfalah Limited	10.73

- Pakistan's trade deficit shrank to 38.8% in 7MFY'24 due to a significant reduction in imports, a direct result of administratively controlled measures.
- The trade balance was recorded at a deficit of \$12.244 billion in the 7MFY'24 as compared to \$20.005 billion in the same period of the previous year.
- During 7MFY24, Pakistan's exports increased by 12.22% to \$17.77 billion and imports fell by 16.26% to \$30.01 billion as compared to the previous year.
- The Price for petroleum products decreased once in mid of Jan'24, where only the price of Petrol was reduced by Rs 8/- litres.
- The prices of petroleum products are increased for the 15 days of Feb'24 by Rs 13.55 on petrol and Rs 2.75 on diesel.

Products	Existing Prices w.e.f. 16-01-2024	New Prices w.e.f 01-02-2024	Increase/ Decrease
MS (Petrol)	259.34	272.89	+13.55
High Speed Diesel (HSD)	276.21	278.96	+2.75

POLITICAL FRONT

- SIFC committee ordered FBR to conduct the tax audit of urea & fertilizer companies. The caretaker Minister for Power and Petroleum, Muhammad Ali, due to stagnancy in gas prices, fertiliser companies make huge profits. The government is currently providing subsidies to 2/3rd of the fertilizer manufacturers.
- The government would increase Rs. 1.2 billion Rupees paid-up capital of State Life Insurance Company, the largest life insurance company in Pakistan to fulfil the regulatory condition of the United Arab Emirates government.
- The Sindh High Court instructed the concerned authorities to provide the internet services continuously till 08 Feb.
- The General Election will be held on 08th Feb 2024, the Pakistan Army and security agencies are on-boarded to control law and order.



WORLD UPDATES

- As per IMF, Container shipment through the Red Sea declined by 30% due to attacks by Yemen's Houthi. From Nov'23, 30 attacks were recorded on commercial shipping and naval vessels.
- From October, Israel has killed more than 26,422 Palestinians, where most of them are civilians.
- The head of the US Central Intelligence Agency along with officials from Egypt, Qatar and Israel were in Paris, to build a consensus on the ceasefire in Gaza.
- The negotiators were closer to an agreement where Israel would suspend the war for two months and Gaza would release more than 100 hostages.

FINANCIAL WORLD

FOREX UPDATE

- SBP shows its intent to change the current currency notes with new notes with more safety features. SBP also initiated the Art Competition for designing new notes for local artists, Designers and Academic Students.
- The Inter Bank rate of PKR appreciated by Rs 2.36 in Jan'24 and it was closed at 279.50.

Rupee's performance against US dollar since July 2022



The *closing rate* of major *currencies* on *31st Jan 2024* were;

INTER BANK RATES

Currency	Symbol	Bank Buying TT Clean	Bank Selling TT & OD
 Australian Dollar	<u>AUD</u>	183.22	183.72
 Canadian Dollar	<u>CAD</u>	207.8	208.3
 China Yuan	<u>CNY</u>	38.82	38.92
 Danish Krone	<u>DKK</u>	40.46	40.56
 Euro	<u>EUR</u>	301.74	302.34
 Hong Kong Dollar	<u>HKD</u>	35.65	35.75
 Japanese Yen	<u>JPY</u>	1.87	1.9
 Saudi Riyal	<u>SAR</u>	74.38	74.53
 Singapore Dollar	<u>SGD</u>	208	208.5
 Swedish Korona	<u>SEK</u>	26.73	26.83
 Swiss Franc	<u>CHF</u>	323.15	323.65
 Thai Bhat	<u>THB</u>	7.84	7.88
 U.A.E Dirham	<u>AED</u>	75.94	76.09
 UK Pound Sterling	<u>GBP</u>	353.62	354.27
 US Dollar	<u>USD</u>	279	279.5

CAPITAL MARKET

- The monetary policy committee on Jan 29th, 2024, announced to maintain the Policy rate at 22%.
- The KSE-100 index closed at 61,979.18 points after the decrease of 471.86 points, the index closed at 62,451.04 points last month. From Sept'23, the PSX was continuously closed upward every month. After 04 months, the index decreased month-on-month basis.
- Highest foreign selling of shares in the last 12 months, was recorded in Jan'24 amounting to \$35 million.



Important *Economic* Indicators as of *31st Jan 2024*

Currency (PKR To USD) Rs. 279.5

Personal Income Tax Rate 35%

Stock Market (KSE-100 Index) 61,979.18

GDP annual growth 2.2% (E)

Unemployment Rate 6.9% (E)

Consumer Confidence 33.1

Inflation Rate 28.3 %

Brent Crude oil \$ 81.71/Bbl

Interest Rate 22%

WTI Crude Oil \$ 75.85/Bbl

Corporate Tax Rate 29%

Gold Per Tola Rs. 213,300

Consumer Confidence Indicator

The consumer confidence indicator shows a decreasing trend from the last 2 months. In Nov'23, the indicator shows a score of 36.11, whereas 33.9 in Dec'23 & 33.1 in Jan'24.

TAX WORLD

- The Cabinet approved the reorganization and digitization of the FBR on the recommendation of the Revenue Division.
- The FBR has collected Rs 681 billion in Jan'24, against the target of Rs 690 billion.
- Total collection by FBR in 7MFY24 recorded at Rs5.51 trillion, showing an increase of Rs 35 billion w.r.t to set targets of 5.115 trillion.
- The Management of FBR is hopeful to achieve the annual target of Rs 9.415 trillion targets at the end of FY'24.

QUOTE

- Don't limit yourself, you can go as far as your mind lets you. What you believe, remember, you can achieve.
- The future belongs to those who learn more skills and combine them in creative ways.

Key *Advantages* for *Opt External Professional Services*

- Compliance Assurance
- Efficiency & Accuracy
- Cost-Effective
- Risk Management
- Technology Integration
- Timely Reporting
- Reduce Administration Cost
- Crystal Decision Making



 021-34916144

 0309-5551161

 info@srca.com.pk

 www.srca.com.pk