

MONTHLY BULLETIN

MARCH 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.

رمضان كريم

The holy month of Ramadan started on the 12th of Mar-2024. Muslims are spiritually boosted for worship of ALLAH, observe fasting and increase their generosity in the form of Zakat & Sadaqah. Ramadan cultivates the habits of Patience for self, Forgiveness for fellowship, Tolerance by abstaining from needful, Empathy for others and understanding of social responsibility (Charity).

Economic Events

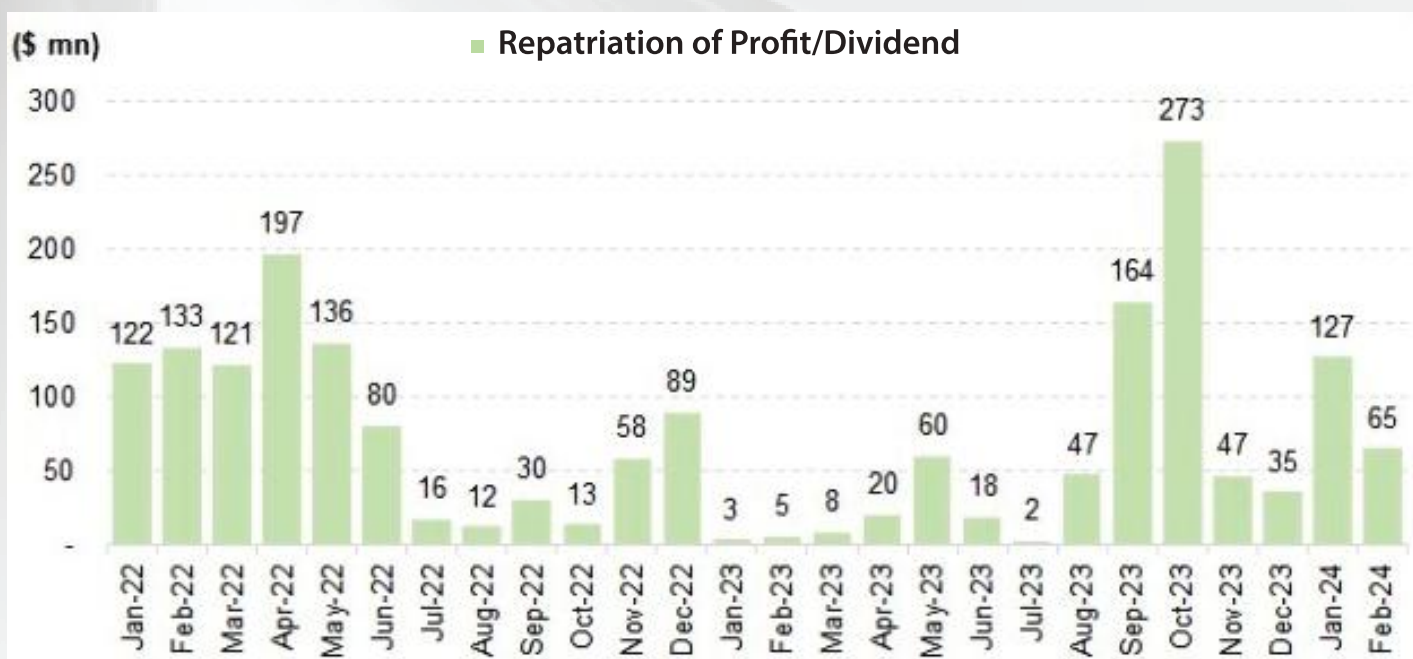
As of 22-Mar-2024, the foreign exchange reserves with SBP increased by \$72.3 million from last month Feb'24. The reserves held with SBP are \$8.022 billion and reserves with commercial banks stood at \$5.406 billion.

LIQUID FOREIGN EXCHANGE RESERVES (MILLION US\$)

END PERIOD	NET RESERVES WITH SBP	NET RESERVES WITH BANKS	TOTAL LIQUID FX RESERVES
1-Mar-24	7,895.7	5,124.3	13,020.0
8-Mar-24	7,912.9	5,238.4	13,151.3
15- Mar-24	8,017.9	5,372.8	13,390.7
22-Mar-24	8,021.9	5,405.7	13,427.6

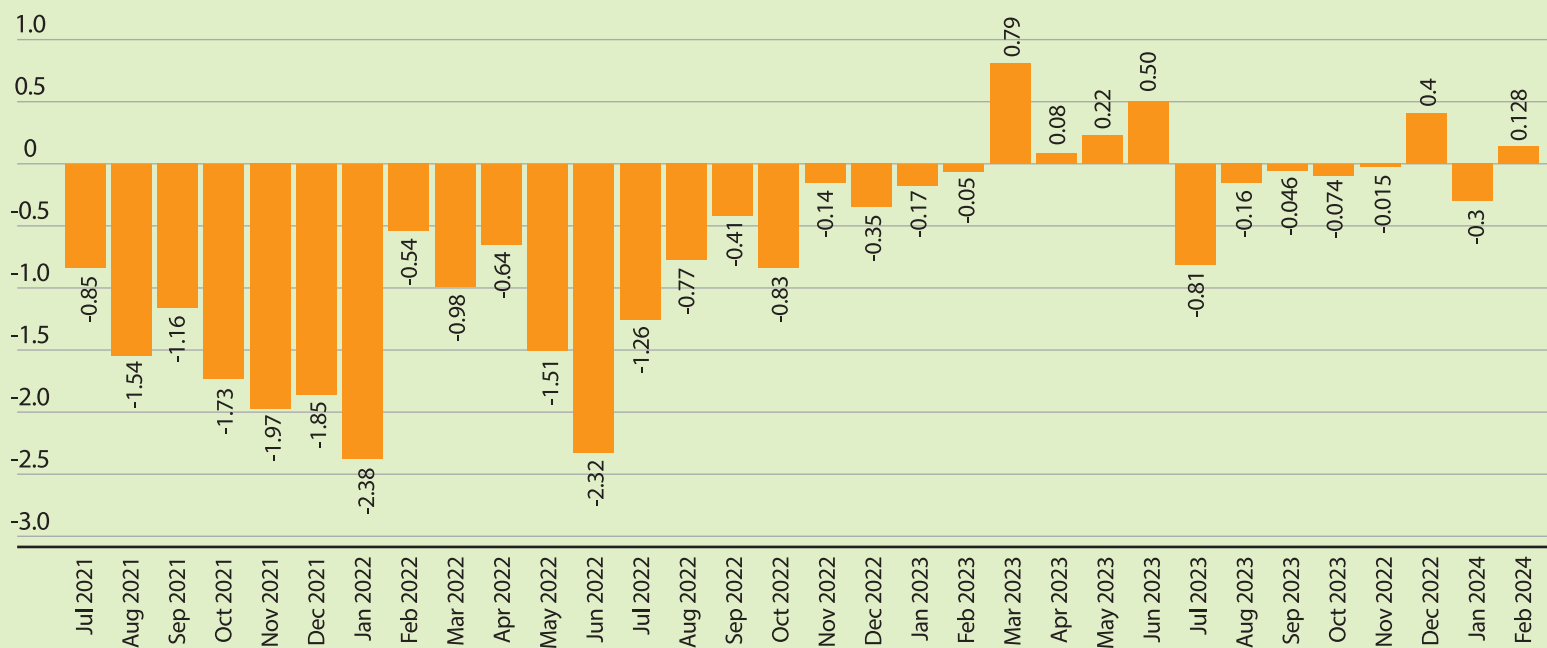
- To make the PIA attractive to foreign investors, the PIA holding company approved the debt-restructuring plan of Rs 268 billion. The Ministry of Finance would negotiate with commercial banks for up to 10 years loan plan with an interest rate of 13%, paid by the taxpayer's money.

- As per SBP, foreign investors repatriated \$64.9 million in Feb'24. In 8MFY24, \$759.2 million was repatriated which included FDI, profits and dividends.



- SIFC approved another project to increase the IT & Digital revenue generation in Pakistan. Through collaboration with private IT companies, the country's largest IT Park in Islamabad with a covering area of 3.3 acres.
- The Park will provide a state-of-the-art research center, a well-stocked library, software houses, conference rooms, dedicated workspaces for freelancers & start-ups and an exhibition area for showcasing IT products.
- As per SBP, Pakistan's current account surplus with \$128 million in February 2024, in contrast to a revised deficit of \$303 million.

Current account balance in billion US dollars

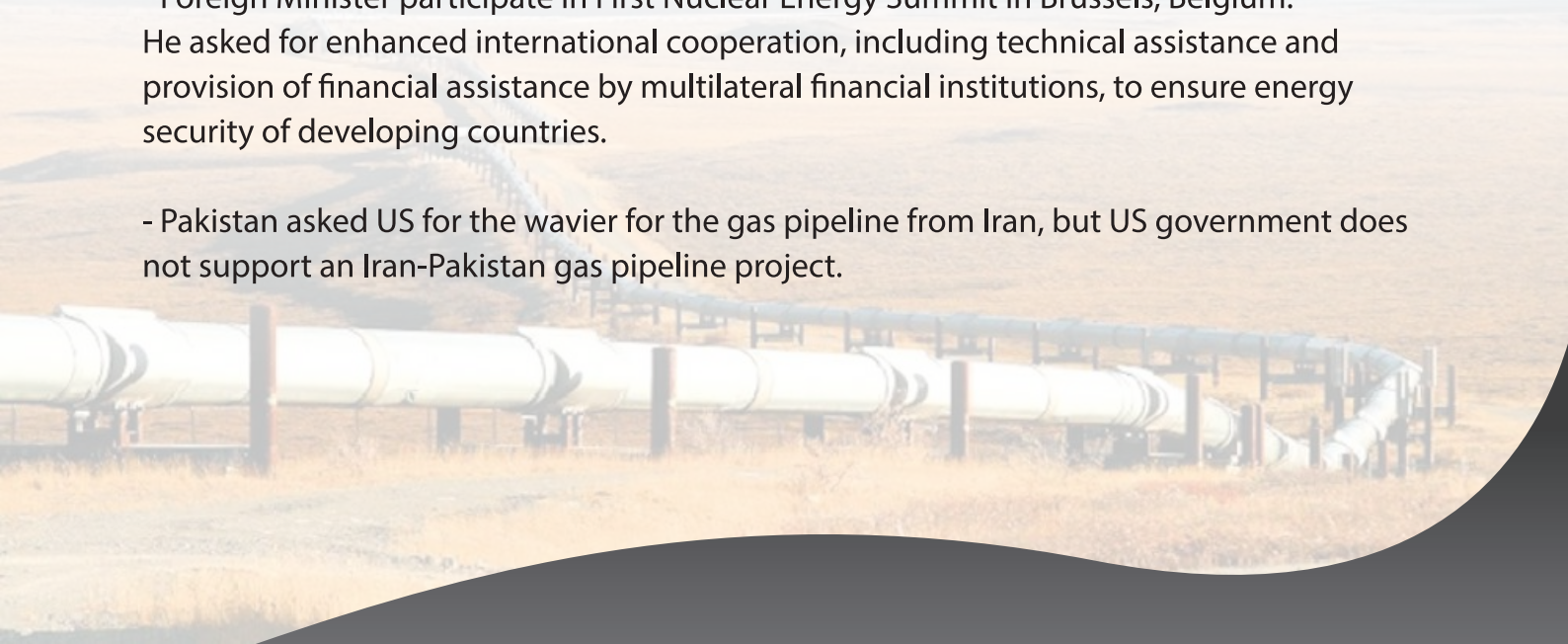


- The price of petrol increased for April'24 by 9.66 and the price of High-Speed Diesel decreased by Rs. 3.32.

Products	Prices as 1st Feb	Prices as 1st Mar	Increase / Decrease
MS (Petrol)	279.75	289.41	9.66
High-Speed Diesel (HSD)	287.33	282.24	-3.32



- PM Shehbaz Sharif recomposed the Council of Common Interests (CCI) and it is the first time when the foreign minister was included as a member rather than the minister of Finance and Revenue.
- Asif Ali Zardari, President and Co-chairperson of PPP Parliamentarians, took the Oath as the 14th President of Pakistan on 10-Mar-2024. He already served as the 11th President of Pakistan from 2008 to 2013.
- Asif Ali Zardari administered the oath of the 19-member cabinet of Shehbaz's government, which included Mr. Muhammad Aurangzeb as Minister for Finance and Revenue.
- Muhammad Aurangzeb resigned from the President & CEO of Habib Bank Ltd, one of the largest banks in Pakistan. The Board of Directors of HBL has appointed Muhammad Nassir Salim, as the new President & CEO of HBL.
- Pakistan and Afghanistan have agreed to streamline bilateral and transit trade during the two-day (25 & 26 Mar'24) talks held in Kabul.
- Foreign Minister participate in First Nuclear Energy Summit in Brussels, Belgium. He asked for enhanced international cooperation, including technical assistance and provision of financial assistance by multilateral financial institutions, to ensure energy security of developing countries.
- Pakistan asked US for the wavier for the gas pipeline from Iran, but US government does not support an Iran-Pakistan gas pipeline project.





- Judges at the International Court of Justice on Thursday unanimously ordered Israel to take all the necessary and effective action to ensure basic food supplies immediately to the Palestinian population in Gaza.
- US pressure on the Dutch government to stop the exports of high-tech chip technology to China over fears of military use.
- Dubai's ruler Sheikh Mohammed bin Rashid al-Maktoum announced the new 20% annual tax on foreign banks. The 20% annual tax imposed on the taxable income of all foreign banks including special development zones and free zones. However, the banks licensed to operate in Dubai's international financial centre are exempt.
- ISIS claimed the responsibility of attack at a popular concert hall complex near Moscow killing at least 60 people and injuring 145.
- A massive fire broke out at an ammunition depot in the capital of Indonesia, Jakarta. Fortunately, no one was killed or injured.
- India is claiming that their GDP growth is 8% in third Quarter of FY'24. India is also optimistic for the estimate annual growth of 7.6% in FY 2023-24.
- Saudi Arabia's government plans to create a fund of about \$40 billion to invest in artificial intelligence. US venture capital firm and Saudi's Public Investment Fund (PIF) discussed multiple plans for future.
- The Francis Scott Key Bridge in Baltimore, Maryland collapsed after the hit of after cargo vessel. Several vehicles and 20 people had fallen into the river. Joe Biden in a public briefing said that it was a "terrible accident" rather than an "intentional act".



Forex Update

- The Inter Bank rate of PKR appreciated by Rs 1.58 in Mar'24 and closed at 277.53.
- The closing rate of major currencies on 31st Mar 2024 were;

INTER BANK RATES			
Currency	Symbol	Bank Buying TT Clean	Bank Selling TT & OD
Australian Dollar	<u>AUD</u>	179.72	180.22
Canadian Dollar	<u>CAD</u>	203.45	203.95
China Yuan	<u>CNY</u>	38.27	38.37
Danish Krone	<u>DKK</u>	40.03	40.13
Euro	<u>EUR</u>	298.8	303.09
Hong Kong Dollar	<u>HKD</u>	35.4	35.5
Japanese Yen	<u>JPY</u>	1.77	1.8
Saudi Riyal	<u>SAR</u>	73.83	73.98
Singapore Dollar	<u>SGD</u>	204.97	205.47
Swedish Korona	<u>SEK</u>	25.84	25.94
Swiss Franc	<u>CHF</u>	305.85	306.35
Thai Bhat	<u>THB</u>	7.53	7.57
U.A.E Dirham	<u>AED</u>	75.41	75.56
UK Pound Sterling	<u>GBP</u>	349.29	349.94
US Dollar	<u>USD</u>	277.03	277.53

Capital Market

- The monetary policy committee on 18th-Mar-2024, announced to maintain the Policy rate at 22%.
- After Dec-2023, the Stock market has reached an all-time highest level and soared to 67,307.63 points.
- The KSE-100 index closed at 67,005.11 points after an increase of 2,426.59 points, the index closed at 64,578.52 points last month.



Important Economic Indicators as of 31st Mar 2024

Currency (PKR to USD) Rs. 277.53

Stock Market (KSE-100 Index) 67,005.11

Unemployment Rate 6.9% (E)

Inflation Rate 22.5%

Interest Rate 22%

Corporate Tax Rate 29%

Personal Income Tax Rate 35%

GDP Annual Growth 2.2% (E)

Consumer Confidence 33.6

Brent Crude Oil \$ 87.50/Bbl

WTI Crude Oil \$ 83.12/Bbl

Gold per Tola Rs. 232,486

Consumer Confidence Index

In Pakistan, the Consumer Confidence Index (CCI) covers households' perceptions relative to the last six months and their expectations for the next semester, including personal financial conditions, overall economy, unemployment and consumption of durable goods.

The consumer confidence indicator in Pakistan rose to 33.6 in March 2024, from February's 5-month low of 31.7.

Month	Jul-23	Aug-23	Sep-23	Oct-23	Nov-23	Dec-23	Jan-24	Feb-24	Mar-24
CCI	35.8	33.4	26.2	32.8	36.1	33.9	33.1	31.7	33.6



- At the end of the third quarter of the current financial year, FBR has collected Rs 6,710 billion against the target of Rs 6,707 billion for the 9MFY24.
- FBR continues to register 30% growth in revenue collection as compared to the 9MFY23.
- In Mar-24, FBR collected the assigned target of Rs. 879 billion, which reflects an increase of 137 billion as compared to Mar'23.
- However, as of the last working day of Mar-24(29-Mar-2024), the FBR collected Rs 835 billion against the target of Rs 879 billion. It means FBR collected the 44 billion in the last 2 days of Mar'24.
- FBR also issued all outstanding refunds of 65 billion due as of 03rd of Mar-2024 to exporters.
- As per FBR, "Refunds issued to exporters will lead to better exports and increase in forex reserves of Pakistan. Trade bodies and export-oriented sectors have welcomed the move by the Honorable Prime Minister and said that the move will lead to economic prosperity and creation of more jobs in the textile industry."

Quote

Empower your financial journey with knowledge, embrace the waves of opportunity, and steer your investments toward the shores of prosperity.

In the symphony of markets, let strategy be your conductor, discipline be your rhythm, and patience be your melody - composing a harmonious journey toward financial success.



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