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MONTHLY BULLETIN

March 2026

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TOP STORIES

MARCH - 2026 BULLETIN

Introduction:

Pakistan economic overview and key developments outlook of FY2026.

Eid-ul-Fitr 2026:

Celebration, emphasizing gratitude and community solidarity.

FX Reserves:

Increased to \$21.7B; SBP \$16.376B, banks \$5.36B, highest in four years.

Gateway to Asia:

Gwadar and Karachi ports leveraged to capture shifting regional trade flows.

FDI Surge:

79 new investors with Rs40.7B in energy, tech, logistics, agriculture, and EV.

Raqami Digital Bank:

Kuwait-backed \$100M Shariah-compliant digital bank

Fertilizer Security:

FFC, Engro, Fatima partner with Mari Energies to secure urea supply.

Sahulat Accounts:

Investment limit raised to Rs3M to simplify market participation

Mobile Imports:

FY25-26 July–Feb imports \$1.295B; strong telecom growth.

LPG Prices:

34.66% hike; cylinder price rises to Rs3,588 amid global energy volatility.

Remittances:

cumulative \$26.5B over 8 months, up 10.5% YoY.

Petrol & Diesel Prices:

Increased by Rs55/litre to stabilize domestic supply.

Monthly Economic Outlook:

SBP Monthly Update (Mar-2026)

Energy Security:

20 additional vessels via Strait of Hormuz

Port Service:

Feeder service launched from Karachi to UAE ports.

Real Estate Relief:

Proposed tax reductions and incentives to attract overseas investment.

5G Spectrum:

PTA auction raises PKR141B; Jazz, Ufone, Zong secure bands for 2026 rollout.

Retirement Products:

SECP approves conventional and Shariah-compliant annuity schemes.



TOP STORIES

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Tax Rationalisation:

Faisalabad committee formed to streamline taxation

Diplomacy & Mediation:

Pakistan mediates US–Iran tensions; FM Ishaq Dar visits Beijing

Israel-Palestine Law:

Condemn Knesset’s new execution law for Palestinian prisoners.

US-Russia Oil Waiver:

30-day exemption amid global energy uncertainty.

Russia Gasoline Ban:

Temporary export ban (April–July) to stabilize domestic supply.

EU–Australia Free Trade:

Finalized after eight years, boosting exports

US–China Paris Talks:

Focused on tariffs, high-tech controls, and rare-earth exports.

US–Iran Conflict:

Began Feb 28; over 13,000 targets hit, global oil surged above \$126/bbl.

Middle East Impact on India:

Fuel and LPG prices rose; rupee fell; inflation

Pakistan Forex:

PKR closed at 279.50 vs USD, gaining Rs0.35 amid global volatility.

SBP Monetary Policy:

Policy rate unchanged at 10.5%; inflation 7%;

PSX Market:

Index fell to 148,743 amid geopolitical tensions and foreign outflows.

Commodities:

Gold, silver, Brent, WTI

IMF Tax Target:

Rs15.6T for FY26-27; new measures to increase tax-to-GDP to 11.3%.

FBR Digital Cargo:

e-Bilty system launched to curb smuggling and improve logistics.

Super Tax Recovery:

Rs100B surcharges to be recovered; interest linked to KIBOR up to 25%.

POS Expansion:

35,761 retail branches now connected to FBR’s digital system.

FBR Oversight & Revenue:

Chairman may face arrest; Rs9,307B collected vs Rs9,917B target.





Introduction

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

Eid-ul-Fitr — Significance and Spirit of Celebration

Eid-ul-Fitr marks the completion of the holy month of Ramadan, a period of fasting, spiritual reflection, and self-discipline observed by Muslims worldwide. Celebrated on the first day of Shawwal, it symbolizes gratitude to Allah for granting the strength to fulfill the obligation of fasting and for the spiritual growth achieved during Ramadan. The day begins with congregational Eid prayers that promote unity and equality, while the mandatory charity of Zakat-ul-Fitr ensures that underprivileged members of society can also share in the celebration, reflecting Islam's emphasis on compassion and social responsibility.

Beyond its religious importance, Eid-ul-Fitr reinforces values of generosity, forgiveness, and community harmony. Families and communities come together to strengthen relationships, share blessings, and carry forward the lessons of patience, humility, and empathy learned during Ramadan. The occasion represents a transition from discipline to gratitude, reminding individuals to sustain ethical conduct and social care beyond the holy month, making Eid not only a celebration but a renewal of faith, responsibility, and collective well-being.



Economic Events

- As of 19-Mar-2026, the foreign exchange reserves increased by \$543.2 million from last month Feb'26. The reserves held with SBP are \$16.376 billion and reserves with commercial banks stood at \$5.360 billion.

Liquid Foreign Exchange Reserves

Week-ending	SBP Reserves	Banks Reserves	Total Reserves
6-Mar-26	16,341.1	5,257.2	21,598.3
13-Mar-26	16,353.7	5,350.5	21,704.2
19-Mar-26	16,375.8	5,360.2	21,736.0

- Pakistan is strengthening its role as a gateway to Asia's trade corridors, leveraging ports like Gwadar and Karachi along with enhanced connectivity to capture shifting global trade flows. Improved infrastructure and transport networks position the country as a strategic transit hub, attracting investment and facilitating regional commerce.
- Pakistan is witnessing a surge in foreign investor interest across sectors like energy, technology, logistics, agriculture, mining, and EVs, with 79 new entrants and Rs 40.7 billion invested over three years. Strategic deals, joint ventures, and CPEC Phase II agreements totaling over \$8.5 billion highlight a deeper, long-term FDI footprint, signaling global confidence in Pakistan's growth potential despite macro challenges.
- Raqami Islamic Digital Bank, backed by the Kuwait Investment Authority with a \$100 million commitment, is set to launch Pakistan's first fully Shariah-compliant digital bank. Focusing on SMEs and the unbanked, it aims to enhance financial inclusion through digital-only, ethically compliant services, signaling growing Gulf investment and confidence in Pakistan's fintech sector.

- Fauji Fertiliser Company (FFC), along with Engro and Fatima Fertilisers, has signed agreements with Mari Energies to develop Pressure Enhancement Facilities (PEF) at the Mari gas field in Daharki, Sindh, securing long-term domestic gas for urea production. The project will upgrade pipelines and install advanced compression systems to maintain reservoir pressure, ensuring uninterrupted gas supply to fertilizer plants. This initiative is expected to sustain domestic urea output, reduce import reliance, and support national food security.
- The SECP on 14 March 2026 raised the investment limit for Sahulat Accounts from Rs1 million to Rs3 million to make stock market participation easier for small retail investors. Individuals can now open Sahulat Accounts with multiple brokers, though only one account per broker is allowed. The simplified account setup requires just a CNIC, reducing documentation and encouraging low-risk and first-time investors to join the market. This reform aligns Pakistan's brokerage framework with banking and mutual fund practices and enhances accessibility nationwide.
- Pakistan's foreign exchange reserves have risen for 33 consecutive weeks, reaching approximately \$21.7 billion, marking the highest level in four years. This sustained increase reflects stronger external buffers, driven by improved inflows from exports, remittances, and debt repayments, along with measures to stabilize the rupee and manage external accounts. Analysts view this as a positive signal for macroeconomic stability, providing Pakistan with greater capacity to manage imports, service debt, and cushion against global shocks.
- In July–February FY2025-26, Pakistan imported mobile phones worth \$1.295 billion, up nearly 30% YoY, though February 2026 saw a 13% month-on-month decline, to \$155.5 million from \$179.3 million in January. Local assembly remains strong, with 1.69 million handsets produced in January 2026 and 30.21 million in 2025, mainly smartphones (71%) and 2G phones (29%). This highlights rising domestic production alongside growing imports, supporting the local telecom industry.
- The Oil and Gas Regulatory Authority (OGRA) has increased LPG prices for April 2026 by Rs78.28 per kg (34.66%), raising the price of an 11.8 kg cylinder to Rs3,588 from Rs2,664. The hike follows a sharp 44% rise in Saudi Aramco's Contract Price despite minor exchange rate adjustments. The increase is expected to significantly impact households and businesses reliant on LPG, reflecting continued sensitivity to global energy market trends.
- In FY2025-26, workers' remittances reached \$3.29 billion in February 2026, showing a 5.45% increase compared to \$3.12 billion in the same month of the previous fiscal year. Overall, remittances for the 8MFY26 rose by \$2.54 billion, totaling \$26.50 billion, up from \$23.96 billion during the corresponding period last year.

Year	Jul-25	Aug-25	Sep-25	Oct-25	Nov-25	Dec-25	Jan-26	Feb-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
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

Product	Prices as of 1st Mar (A)	Prices as of 7th Mar (B)	Prices as of 1st Apr (C)	Monthly Increase / Decrease (C-A)
MS (Petrol)	266.17	321.17	321.17	55
High-Speed Diesel (HSD)	280.86	335.86	335.86	55

Pakistan Monthly Economic Update & Outlook — March 2026

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

Overall Macroeconomic Performance

Pakistan's economy showed encouraging progress during the first eight months of FY2026, supported by strong external inflows and industrial recovery.

Key Macroeconomic Indicators

- Current account posted largest monthly surplus (Feb 2026)
- Foreign exchange reserves reached 4-year high (\$21.7 bn)
- Strong growth in IT exports
- Double-digit LSM growth in January
- Improved crisis preparedness amid geopolitical tensions

Trend Snapshot:

Macroeconomic Stability  (Strong)



1 Agriculture Sector Performance

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

Key Indicators:

- Wheat production target: 29.7 million tonnes (vs 28.4 last year)
- Agricultural credit: Rs. 1,649 bn (+11.1%)
- Machinery imports: \$90.8 mn (+17.1%)

Fertilizer Offtake (Rabi 2025–26):

- Urea: 2,994k tonnes (+7.1%)
- DAP: 685k tonnes

Drivers:

- Government support & better sowing conditions
- Mechanization and input availability

Outlook: Positive, though dependent on weather conditions.



2- Large-Scale Manufacturing (LSM)

LSM recorded a strong recovery, indicating improved industrial momentum.

LSM & Industrial Output

Sector Highlight	YoY Growth
LSM (Jul-Jan)	5.80% (v/s 1.7% Last Year)
LSM (Jan 2026)	YoY: +10.5% MoM: +12.1% Index level: 144 (highest since March 2022)
Automobile Sector (Jul–Feb)	Trucks & Buses: +78.4% Cars: +52.3% 2/3 Wheelers: +31.2% Jeeps/Pickups: +24.0%
Cement Dispatches	Dispatch: 34.8 million tonnes (+10.9%) Domestic: +11.9% Exports: +6.3%.70%



3- Inflation Developments

Inflation picked up slightly but remains moderate

Overall Key Indicators:

- CPI (Feb 2026 YoY): 7.0% (vs 5.8% last month; 1.5% last year)
- Jul–Feb average: 5.5% (vs 5.9% last year)

Major Drivers:

- Housing & utilities: +9.7%
- Education: +9.6%
- Health: +7.2%

Declines:

- Perishable food: -2.6%
- Recreation: -4.6%

Overall, inflation expected in March 2026: 7.5–8.5%

4- Fiscal Sector Performance

Fiscal position improved significantly due to prudent management and expenditure control.

Key Indicators (Jul–Jan FY2026):

- Fiscal deficit: Rs. 64.7 bn (vs Rs. 2,070.9 bn last year)
- Primary surplus: 3.2% of GDP (Rs. 4,151.6 bn)

Revenue:

- Total federal revenue: Rs. 11,218.8 bn (+9.3%)
- Tax revenue: +10.5%
- Non-tax revenue: +7.4%

FBR Collection (Jul–Feb):

- Rs. 8,122.2 bn (+10.6%)

Expenditure:

- Total: -10.7%
- Current expenditure: -11.4% (markup ↓24.6%)
- Development spending: +13.0%

Conclusion: Strong fiscal discipline and improved resource management.



5- External Sector Developments

External account remained manageable despite rising imports.

Key Indicators (Jul–Feb FY2026):

- Current account: -\$700 mn deficit
- February surplus: +\$427 mn

Trade:

- Exports: \$20.7 bn (-5.4%)
- Imports: \$41.8 bn (+8.8%)
- Trade deficit: \$23.2 bn

Remittances:

- \$26.5 bn (+10.5%)
- Major sources: Saudi Arabia (23.3%), UAE (20.6%)

Other Indicators:

- IT exports: \$3.0 bn (+19.7%)
- FDI: \$1.2 bn (-33.4%)
- FX reserves: \$21.7 bn (SBP: \$16.4 bn)
- Exchange rate: PKR 279.2/USD (stable)

Conclusion: Strong remittances and reserves offset trade pressures.



6 Capital Markets & Business Confidence

Monetary conditions remained supportive, though financial markets faced pressure.

Key Indicators:

- Policy rate: 10.5% (unchanged)
- Money supply (M2): +3.5%
- Private sector credit: Rs. 928.7 bn (↑)
- Govt borrowing: Increased to Rs. 377.3 bn

Stock Market:

- KSE-100: 168,062 (↓16,112 points in Feb)
- Market cap: Rs. 18.93 trillion (decline)

Conclusion: Monetary environment stable; equity market affected by geopolitical risks.



7- Social & Employment Indicators

Social protection programs expanded, supporting livelihoods.

Key Highlights:

- Overseas employment: 61,433 workers (+22.8%)
- Interest-free loans (Feb): Rs. 543 mn
- Total loans since 2019: Rs. 124 bn

Social Spending:

BISP (Jul–Jan): Rs. 329.8 bn (+36.9%)



8- Global Context & Risks

Global economy showed short-term improvement but rising uncertainty.

Key Trends:

- Strong global PMI growth (fastest since mid-2024)
- Manufacturing and services both expanding
- Growth led by Asia; U.S. slowing

Commodity Prices:

- Food prices: +2.1%
- Fertilizers: +6.5%
- Metals: -1.7%
- Energy volatility due to Middle East conflict

Oil Market:

- Brent crude: \$104–106/barrel
- Supply disruptions and geopolitical tensions driving volatility





Political Front

- Following the US–Iran tensions in early 2026, Pakistan implemented broad austerity measures at both federal and provincial levels. Government fuel allocations were cut by 50–60 %, a four-day workweek was introduced, and school operations were reduced to save energy. Additionally, cabinet ministers and government employees agreed to temporary salary deductions to support public relief. Provinces like Sindh mirrored these steps, while funds saved are being directed toward low-income groups and essential services amid rising economic pressures.
- The government has spent over Rs 125 billion on fuel subsidies to keep petrol and diesel prices stable amid rising global oil costs. To manage the budget, the government has cut development funds and ministry allocations, redirecting resources toward subsidies. Plans are also underway for targeted fuel support for low-income and transport-dependent groups.
- In Last week of March 2026, Pakistan’s government secured expanded shipping access through the Strait of Hormuz, allowing 20 additional Pakistani-flagged vessels to transit the strategic waterway. Under the arrangement, two ships can pass each day, ensuring continued imports and exports amid regional tensions. This move strengthens Pakistan’s energy security and helps maintain essential maritime trade despite restrictions on Gulf shipping caused by the ongoing conflict.
- On March 11, 2026, Pakistan launched a new feeder shipping service from Karachi Port to UAE ports Fujairah and Khor Fakkan, enhancing maritime connectivity for importers and exporters. The service, operated through Karachi Gateway Terminal (KGTL), provides reliable access to regional and global shipping networks, supporting trade continuity and supply chain resilience.

- The government plans to introduce a real estate relief package aimed at reducing property taxes and attracting overseas Pakistani investment, particularly from regions affected by Middle East conflicts, to revive the struggling construction sector. Proposed measures include lowering withholding taxes on property transactions, easing housing finance, and introducing investor-friendly policies subject to IMF approval. The initiative seeks to stimulate economic activity, boost housing development, and generate employment through increased investment in the property market.
- Pakistan conducted its first 5G spectrum auction in March 2026, led by the Pakistan Telecommunication Authority (PTA), offering a total of 597 MHz across six frequency bands. Operators acquired 480 MHz, raising over PKR 141 billion (US\$507 million) for the government. Jazz, Ufone, and Zong were the main winners, with Jazz securing the largest share including the low 700 MHz band for wide coverage. Mid bands like 2600 MHz and 3500 MHz saw the highest demand, while some bands remained unsold. The auction paves the way for commercial 5G rollout across major Pakistani cities in 2026.
- The SECP has approved new annuity products, including life-contingent, deferred, guaranteed, and hybrid structures, to provide retirees with regular and predictable post-retirement income. These products address gaps in Pakistan's retirement framework by enabling savings to be converted into stable income, reducing financial uncertainty amid rising life expectancy and inflation. Available through both conventional and Shariah-compliant insurers, the initiative supports the government's shift toward defined-contribution pension schemes.
- The Faisalabad Divisional Administration has formed a Tax Rationalisation Committee to streamline taxation and enhance government-business coordination. Chaired by the Commissioner Faisalabad, the committee includes key officials and business leaders from provincial tax authorities and industry associations.





World Updates

- **Amnesty International, the UN, and the OIC strongly condemned Israel’s new law allowing the execution of Palestinian prisoners, calling it “cruel, discriminatory, and in violation of international law.” The OIC described the legislation as a license for political killings, highlighting torture and human rights abuses faced by Palestinian detainees. Amnesty warned the law undermines fair-trial rights, while the UN criticized it as particularly harsh. The law, passed by the Knesset with Prime Minister Netanyahu’s support, has sparked widespread international and domestic outrage.**
- **On March 13, 2026, the US issued a 30-day waiver allowing countries to buy sanctioned Russian oil stranded at sea, aiming to stabilize global energy markets amid the Iran war. The move drew criticism from Germany and other European allies but was welcomed by Moscow, which said it helps prevent a global energy crisis. Analysts noted the waiver mainly allows Russian shipments already in transit to reach buyers, with limited impact on new demand, while US officials cited domestic economic concerns ahead of elections.**
- **Russia has announced a temporary gasoline export ban from April 1 to July 31, aiming to stabilize domestic fuel supplies amid global market turmoil and Middle East tensions. Despite high foreign demand, the government cited local shortages and price fluctuations as reasons for the move.**

- On March 24, 2026, the European Union and Australia finalized a long-awaited free-trade agreement after eight years of negotiations, resolving key issues on geographical names, beef exports, and luxury EV taxes. The deal also strengthens defence cooperation and secures access to critical rare-earth minerals amid global trade uncertainties. EU chief Ursula von der Leyen highlighted the partnership as a strategic step to reduce dependence on China and boost mutual economic and security interests. Exports from the EU to Australia are expected to grow by one- third over the next decade.
- On March 15, 2026, top U.S. and Chinese economic officials concluded the first day of Paris talks aimed at advancing the October 2025 trade truce ahead of President Trump’s planned Beijing visit. Discussions led by Treasury Secretary Scott Bessent and Vice Premier He Lifeng focused on U.S. tariffs, Chinese rare-earth exports, high- tech controls, and agricultural purchases. While progress on rare-earth access and soybean commitments is ongoing, analysts see the meetings primarily as a step to maintain stability in U.S.-China trade relations amid global uncertainties, including the Iran conflict and rising oil prices.
- The US–Iran tension has put pressure on India’s economy, driving up fuel and LPG prices, disrupting supply chains, and creating volatility in financial markets. Rising energy costs have contributed to inflation and wider economic risks, including a potential slowdown in growth.
- Prime Minister Modi’s visit to Israel amid the crisis sparked domestic political protests, with opposition and left-leaning parties criticizing the government’s foreign policy and highlighting the economic strain on ordinary citizens.
- In March 2026, the Indian rupee weakened sharply against the US dollar due to rising oil prices and Middle East tensions, causing forex market volatility. The RBI intervened by capping banks’ net open forex positions and managing currency flows to stabilize the market. India’s foreign exchange reserves, which stood at around \$725 billion in February, declined to about \$698 billion by March.





Iran–U.S. War-2026 – Conflict & Impact

1. Outbreak and Military Developments

The US–Iran conflict began on 28 February 2026 with coordinated US–Israel airstrikes on Iranian military and strategic installations, triggering missile and drone retaliations by Iran against Israel and US forces in the Middle East. The conflict quickly expanded into a regional confrontation, with proxy groups joining indirect attacks, while US naval assets were deployed to secure Gulf shipping routes. So far, over 13,000 military and strategic targets have been impacted, including bases, logistics hubs, and energy facilities.

2. Human and Economic Impact

The conflict has caused more than 1,500 casualties and damage to 80,000+ civilian and infrastructure sites. Key disruptions include closed airspace, halted shipping through the Strait of Hormuz, and damage to energy and logistics networks. Global markets reacted sharply, with Brent crude oil surging above \$100 per barrel, peaking near \$126, and shipping and freight costs spiking due to regional insecurity. The energy crisis has added an estimated 0.8% to global inflation, affecting transport, manufacturing, and food costs worldwide.

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3. International Response and Partners

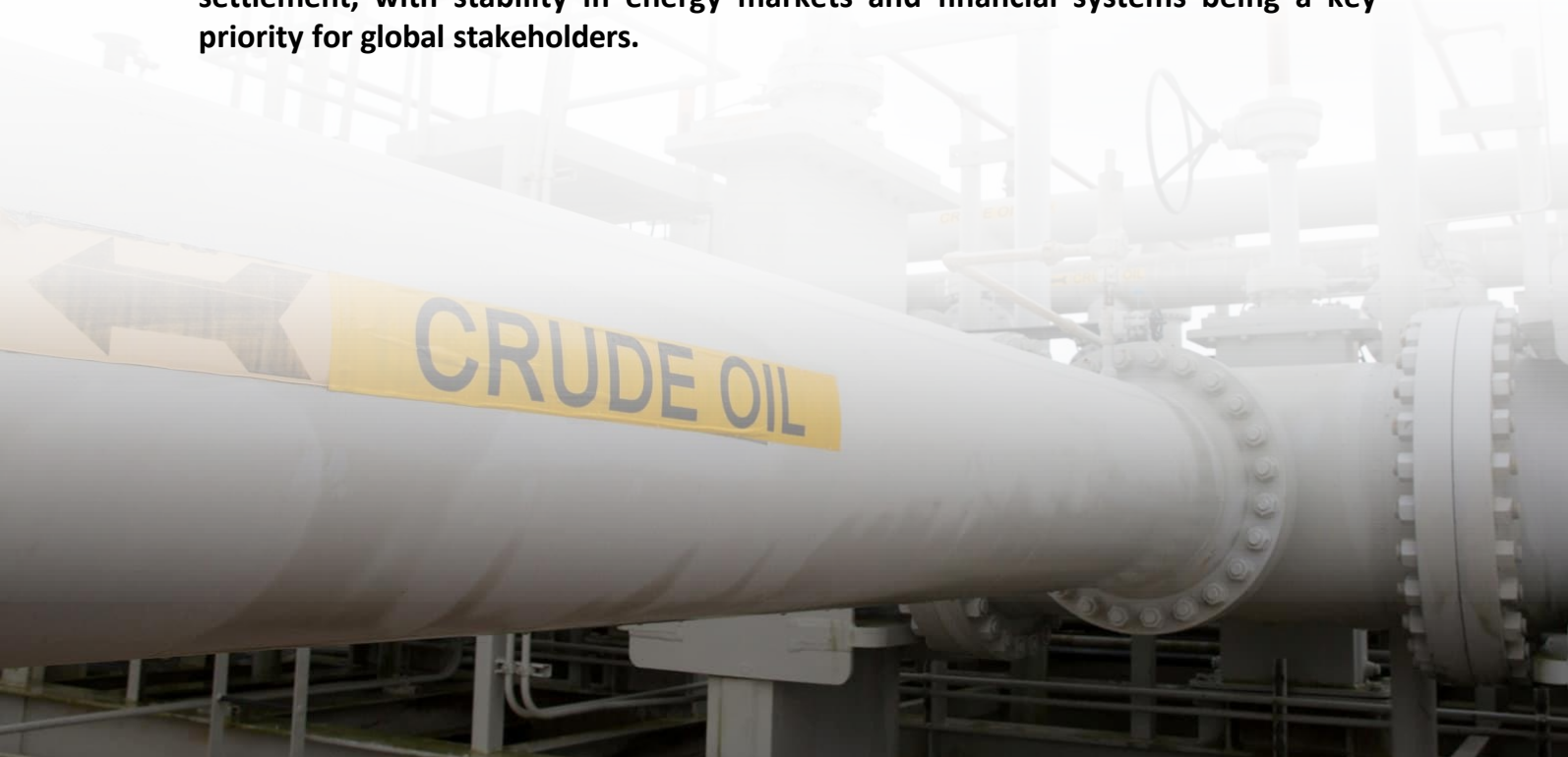
While the US and Iran are directly engaged, most US allies have avoided active combat, providing diplomatic or logistical support only. European and Asian countries, along with Gulf states, have prioritized energy security and economic stability, seeking to avoid escalation. Major powers are advocating for negotiation and regional containment, aiming to prevent a wider global conflict while mitigating oil market shocks and financial instability.

4. Prospects for Resolution

Analysts expect the conflict to be resolved primarily through diplomacy and negotiated de-escalation rather than decisive military outcomes. Likely measures include:

- Ceasefire arrangements
- Reopening of energy shipping routes
- Renewal of nuclear negotiations with monitoring
- Phased sanctions adjustments

Economic pressures and international mediation are anticipated to drive the settlement, with stability in energy markets and financial systems being a key priority for global stakeholders.





FINANCIAL WORLD

Forex Update

- The Inter Bank rate of PKR appreciated by Rs 0.35 against the Dollar in Mar'26 and closed at 279.50.
- The closing rate of major currencies on 31st Mar 2026;

INTER BANK RATES

Currency	Symbol	Bank Buying TT Clean	Bank Selling TT & OD
Australian Dollar	<u>AUD</u>	191.18	191.53
Canadian Dollar	<u>CAD</u>	200.36	200.72
China Yuan	<u>CNY</u>	40.36	40.43
Danish Krone	<u>DKK</u>	42.85	42.93
Euro	<u>EUR</u>	321.38	321.96
Hong Kong Dollar	<u>HKD</u>	35.64	35.71
Japanese Yen	<u>JPY</u>	1.75	1.75
Saudi Riyal	<u>SAR</u>	74.36	74.5
Singapore Dollar	<u>SGD</u>	216.14	216.53
Swedish Korona	<u>SEK</u>	29.89	29.94
Swiss Franc	<u>CHF</u>	350.92	351.55
Thai Bhat	<u>THB</u>	8.5	8.51
U.A.E Dirham	<u>AED</u>	76	76.13
UK Pound Sterling	<u>GBP</u>	368.4	369.06
US Dollar	<u>USD</u>	279	279.5



Capital & Money Market

- The Monetary Policy Committee (MPC) of the State Bank of Pakistan kept the policy rate unchanged at 10.5% in March 2026, citing largely consistent macroeconomic data but increased uncertainty due to the Middle East conflict. Inflation rose to 7% in February, while the current account recorded a surplus and FX reserves reached \$16.3 billion, supported by SBP purchases. Real GDP growth is expected to remain 3.75–4.75%, aided by strong manufacturing and agriculture performance, though external risks persist. Fiscal consolidation continues despite below-target tax collection, while broad money growth slowed, allowing increased private sector credit, and inflationary pressures are likely to remain above 7% in the near term.
- KIBOR prevailing rate as of Mar 31, 2026

KIBOR

As on 31-Mar-26		
Tenor	BID	OFFER
1 Month	10.65	11.15
3 Month	11.24	11.49
6 Month	11.34	11.59
12 Month	11.52	12.02

- The Securities and Exchange Commission of Pakistan (SECP) has mandated all investment advisors and mutual and pension fund distributors to obtain membership of the Mutual Funds Association of Pakistan (MUFAP) to strengthen regulatory oversight and investor protection. The initiative aims to enforce a unified Code of Conduct, standardize industry practices, and enhance transparency across market intermediaries.
- The Pakistan Stock Exchange (PSX) declined from 168,062.16 to 148,743.31 during March- 2026 mainly due to heightened global and regional uncertainty that weakened investor sentiment. Escalating Middle East geopolitical tensions triggered panic selling and foreign outflows, while sharp fluctuations in international oil prices increased economic risk perceptions for an oil-importing country like Pakistan. Additionally, profit-taking after record highs, cautious investor behavior, and overall global market volatility added sustained selling pressure throughout the month, leading to a significant correction in the KSE-100 Index.



Important Economic Indicators as of 31st Mar 2026

Currency (PKR to USD) Rs. 279.50

Stock Market (KSE-100 Index) 148,743.31

Unemployment Rate 7.1% (E)

Inflation Rate 7.5% (E)

Interest Rate 10.5%

Corporate Tax Rate 29%

Personal Income Tax Rate 35%

GDP Annual Growth 3.2% (E)

Consumer Confidence 39.6 (E)

Brent Crude Oil \$ 105.15/Bbl

WTI Crude Oil \$ 102.29/Bbl

Gold per Tola Rs. 476,986

Commodity Market Overview – March 2026

March brought a highly eventful month for commodity markets, shaped by geopolitical tensions and shifting investor sentiment. Gold, after climbing to multi-year highs earlier in the year, pulled back to the \$4,450–\$4,650/oz range. The retreat reflected a stronger U.S. dollar and expectations of tighter monetary policy, although periodic risk-off flows provided brief support. Silver moved in step with gold, trading mostly between \$65–\$75/oz, as it balanced its role as both a safe haven and an industrial metal amid volatile headlines.

Crude oil painted a contrasting picture. Heightened supply risks stemming from Middle East conflicts pushed Brent above \$100/bbl, at times nearing \$110–\$115, while WTI similarly gained, reflecting global risk pricing. Market attention remained on strategic chokepoints like the Strait of Hormuz, with intermittent ceasefire optimism later in the month moderating sharp price advances.

Overall, March highlighted a divergent commodity landscape, precious metals corrected on macroeconomic pressures and dollar strength, whereas crude oil rallied on geopolitical uncertainty. For investors, the month underscored the importance of real-time risk assessment and monitoring the interplay between global macro trends, geopolitical developments, and commodity price dynamics.





Tax World

- The International Monetary Fund (IMF) has proposed the Rs 15.6 trillion tax target for Pakistan for FY2026-27, requiring around Rs400 billion in new revenue measures and an increase in the tax-to-GDP ratio to 11.3%. Proposed measures include reducing tax exemptions on fuel and housing, expanding taxation to solar panel users, and introducing asset-based taxation for SMEs, though Pakistani authorities have not yet agreed.
- The Federal Board of Revenue (FBR) has launched the design phase of a Digital Cargo Tracking System (CTS) and e-Bilty mechanism to modernize goods transport documentation. Developed with a South Korean partner, the system will replace paper waybills with digitally verifiable transport documents, enabling real-time cargo tracking. Compliant vehicles will enjoy smoother “green channel” transit, while non-compliant shipments face inspections, aiming to reduce smuggling, curb tax fraud, and improve efficiency for traders and logistics operators.
- The Federal Board of Revenue (FBR) has enforced a 72-hour limit for any amendment, cancellation, or deletion of electronic sales tax invoices under Sales Tax General Order No. 01 of 2026 to strengthen compliance and prevent post-reporting manipulation. Changes beyond this period will require approval from the Commissioner Inland Revenue, reinforcing audit controls and real-time reporting.

- Pakistan has informed the IMF of its plan to recover over Rs100 billion in late payment surcharges from companies challenging the super tax in courts, with interest rates linked to KIBOR potentially pushing surcharges up to 25% per annum. The decision follows the Supreme Court and Federal Constitutional Court rulings upholding the super tax's constitutionality, impacting sectors like banking, cement, and energy.
- The FBR is facilitating phased payments, while the government seeks IMF approval to abolish the super tax to ease the burden on high-earning individuals and corporations. Overall, super tax collections, including surcharges, are expected to contribute significantly toward Pakistan's Rs14.13 trillion fiscal year tax target.
- As of March 10, 2026, the FBR has integrated 12,861 retailers, including Tier-I stores, textile and leather outlets, and restaurants, into its POS system, bringing the total connected branches to 35,761. This includes 11,301 Tier-I retailers, 1,000 restaurants, and 560 textile and leather outlets with their respective branches linked. The registrations have increased from 11,141 large retailers in February 2026, reflecting ongoing expansion of the system.
- The Senate Standing Committee has directed the possible arrest of FBR Chairman Rashid Mahmood Langrial after he failed to appear before the panel regarding the Rs 250 million smuggled cigarette theft case. The committee stated that his non-compliance hindered their investigation, emphasizing that officials must cooperate fully with oversight inquiries to ensure accountability.
- The Federal Board of Revenue (FBR) has collected Rs 9,307 billion during the (July- March) of FY 2025-26 against a target of Rs 9,917 billion, reflecting a shortfall of Rs 610 billion. In March 2026 alone, the FBR collected Rs 1,185 billion against a target of Rs 1,367 billion, showing a slight shortfall of Rs 182 billion.



MONTHLY BULLETIN

March 2026

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