

PAK CHINA INVESTMENT COMPANY LIMITED

Economic Review - May 2021

ΕΚΟΝΟΜΙΚΗ ΚΕΚΑΙΓΜΑ - ΜΑΪ 2021



MPS - Policy rate maintained to support recovery

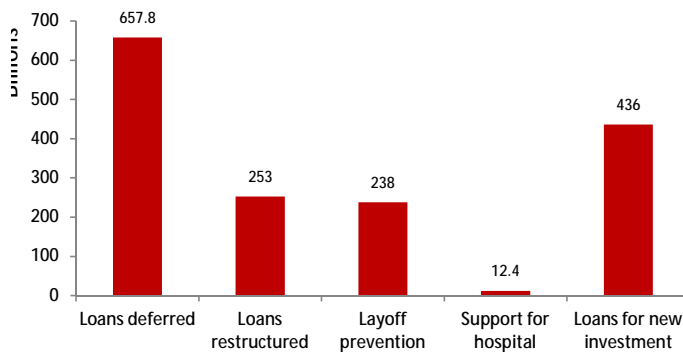
At its recent meeting on 28th May, the monetary policy committee decided to keep the policy rate unchanged at 7%. With the upward revision in GDP forecast and expected decline in inflation the committee believes the current interest rate is appropriate to support recovery.

The committee noted that supply shocks to food and energy still dominates, with a small number of energy and food items in inflation basket accounting for about 75% of the rise in inflation since Jan'21. As supply shocks dissipate thereafter, inflation is expected to gradually fall towards the 5% - 7% target range over the medium term. The committee was of the view that the current significantly accommodative stance of monetary policy remains appropriate to ensure self sustaining recovery especially during covid related uncertainties and that the cost of withdrawing monetary stimulus too soon would exceed that of withdrawing too late.

The committee believes the current growth spell is different than what the country has witnessed in the past as it has been encouraged without compromising the external account. The central bank is confident on the existing market based exchange rate regime which has survived the pandemic test as the currency is back to pre-covid levels.

It was noted that current account remained in surplus through the first ten months of FY21, a feat not observed in the past 17 years. Furthermore, the country witnessed record high remittances crossing USD 24bn (29% YoY) mark in the fiscal year so far. In addition, deposit mobilization through RDA (roshan digital account) have reached USD 1.2 bn reflecting immense potential ahead.

Monetary stimulus provided by the central bank



Policy Rates in Major Economies

| | Policy Rate | W.E.F | Previous Rate |
|--------------------|-------------|-----------|---------------|
| USA | 0.25% | 16-Mar-20 | 1.25% |
| UK | 0.10% | 19-Mar-20 | 0.25% |
| Euro Zone | 0.00% | 10-Mar-16 | 0.05% |
| Japan ¹ | -0.10% | 29-Jan-16 | 0.10% |
| Canada | 0.25% | 27-Mar-20 | 0.75% |
| Australia | 0.10% | 03-Nov-20 | 0.25% |
| China ² | 3.85% | 20-Apr-20 | 4.05% |
| India | 4.00% | 22-May-20 | 4.40% |
| Sri Lanka | 5.50% | 09-Jul-20 | 6.50% |
| Malaysia | 1.75% | 07-Jul-20 | 2.00% |
| Thailand | 0.50% | 20-May-20 | 0.75% |

¹ BOJ previous policy rate was in range of (0 to 0.1) instead of single number

² Loan Prime Rate: The benchmark interest rate in china was last recorded at 3.85% (Source: SBP)

Monetary Policy Announcement History

| MPS Date | Stance | Policy Rate | Voting |
|-----------|------------|-------------|--|
| 16-Jul-19 | +100 bps | 13.25% | 5 voted for 100bps, 2 for 75bps & 1 for 150 bps |
| 16-Sep-19 | Status quo | 13.25% | 8 voted for Status Quo, 1 voted for -25bps |
| 22-Nov-19 | Status quo | 13.25% | 8 voted for Status Quo, 2 voted for -25bps |
| 28-Jan-20 | Status quo | 13.25% | 7 voted for Status Quo, 2 voted for -25bps |
| 17-Mar-20 | -75 bps | 12.50% | 6 voted for 75bps cut, 2 voted for less 75bps cut & 2 for more than 75 bps cut |
| 24-Mar-20 | -150 bps | 11.00% | Unanimously decided to decrease rate by 150 bps |
| 16-Apr-20 | -200 bps | 9.00% | 6 voted for 200bps cut, 3 voted for 100 to 150bps cut |
| 15-May-20 | -100 bps | 8.00% | 5 voted for 100bps cut, 3 voted for 150bps cut & 1 voted for 50bps cut |
| 25-Jun-20 | -100 bps | 7.00% | 8 voted for 100bps cut & 1 voted for 50bps cut |
| 21-Sep-20 | Status quo | 7.00% | Unanimously decided to keep the policy rate unchanged |
| 23-Nov-20 | Status quo | 7.00% | 8 voted for status quo & 1 voted for 25bps increase |
| 22-Jan-21 | Status quo | 7.00% | Unanimously decided to keep the policy rate unchanged |
| 19-Mar-21 | Status quo | 7.00% | Unanimously decided to keep the policy rate unchanged |
| 28-May-21 | Status quo | 7.00% | |

Money Market

In line with the expectations central bank opted for status quo in its recent monetary policy statement, keeping policy rate unchanged at 7% citing current accommodative stance appropriate to support economic recovery. Yields in the secondary market remained relatively stable as majority of the participants expected status quo; however longer tenure yield fell as much as 10 - 15 bps as evident from the below mentioned graph as well. As the expectations of nation wide lockdown waned cutoff's of both T-bills and PIBs decreased where 5Y cutoff decreased as much as 65bps compared to the previous auction

Central bank conducted T-bill auction twice during the month with majority of participation skewed towards 6M followed by 3M and 12M. Approx 50% of the total participation was witnessed in 6M in both the auctions followed by 3M and negligible to low participation in 12M T-bill.

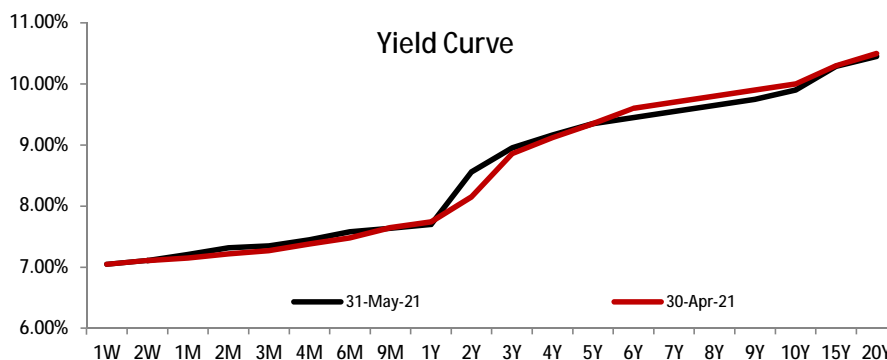
| T-bill Auction Results | | | |
|------------------------|---------|---------|---------|
| Date | 3M | 6M | 12M |
| 05-May | 7.3497% | 7.5501% | 7.6900% |
| 19-May | 7.3492% | 7.6000% | 7.6898% |

In its regular cycle fixed rate bond auctions, central bank received bids worth PKR 563 billion against the target of PKR 125 billion. Central bank received bids worth PKR 251 billion, PKR 182 billion, PKR 71 billion, PKR 15 billion and PKR 10 billion in 3, 5, 10, 15 & 20 years respectively. Central bank raised PKR 85 billion in 3Y, PKR 76 billion in 5Y, PKR 18 billion in 10Y, followed by PKR 15 billion in 15Y and PKR 10 billion in 20Y at the cutoff rate of 8.70%, 9.20%, 9.8390%, 10.40% and 10.56% respectively.

| PIB Auction Results | | | | | |
|---------------------|---------|---------|----------|----------|----------|
| Date | 3Y | 5Y | 10Y | 15Y | 20Y |
| 03-Mar | 9.4100% | 9.9000% | 10.2890% | Rejected | Rejected |
| 14-Apr | 9.2700% | 9.8500% | 10.2499% | 10.4744% | 10.6074% |
| 07-May | 8.7000% | 9.2000% | 9.8390% | 10.4000% | 10.5600% |

Frequent mop-ups and liquidity injections were conducted by the central bank in order to keep the overnight market relatively stable (close to policy rate)

| Open Market Operations (PKR million) | | | | | |
|--------------------------------------|-----------|-------|-----------|-----------|--------|
| Date | Type | Tenor | Offered | Accepted | Cutoff |
| 04-May | Injection | 3 | 148,000 | 148,000 | 7.06% |
| 06-May | Injection | 11 | 564,550 | 564,550 | 7.05% |
| 07-May | Injection | 10 | 2,106,000 | 2,106,000 | 7.05% |
| 17-May | Injection | 4 | 2,585,400 | 2,585,400 | 7.05% |
| 20-May | Injection | 8 | 393,500 | 265,500 | 7.06% |
| 21-May | Injection | 7 | 2,444,150 | 2,444,150 | 7.05% |
| 25-May | Mop-up | 3 | 113,000 | 113,000 | 6.97% |
| 26-May | Mop-up | 2 | 61,000 | 61,000 | 6.96% |
| 27-May | Mop-up | 1 | 77,050 | 77,050 | 6.96% |
| 28-May | Injection | 7 | 2,331,800 | 2,331,800 | 7.05% |



May'21 - Inflation clocked in at 10.86% YoY

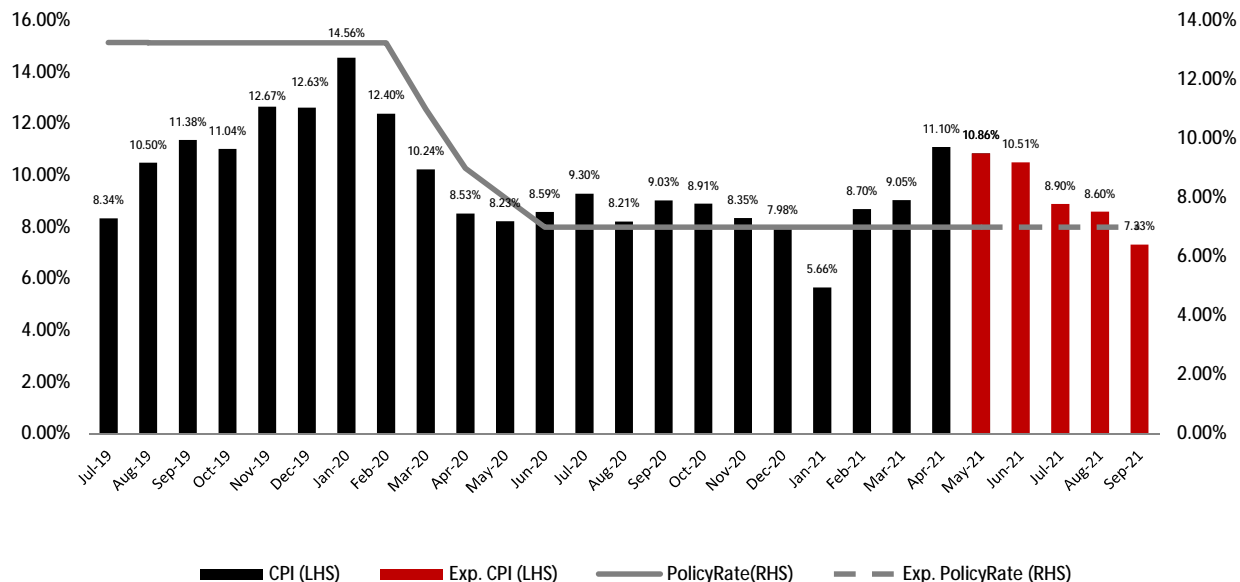
Headline inflation for the month of May'21 clocked in at 10.86% YoY compared to 11.10% in April'21.

Inflation for the month of May'21 remained almost flattish due to decline in housing sector inflation coupled with decline in prices of perishable food items. Core inflation remained range bound clocking in at 7.12% compared to 7.30% in the preceding month.

Average inflation for 11MFY21 clocked in at 8.83% compared to 10.96% in the SPLFY. Going forward, we expect inflation to remain in double digit for the last month of FY21; bringing the overall FY21 inflation at the lower bound of 9% in-line with the central bank estimates. Rising international oil prices coupled with surge in global food prices remains the key risk in our forecast.

| Consumer Price Index | Weight % | May-21 | Apr-21 | MoM% | May-20 | YoY% |
|--|----------|--------|--------|--------|--------|--------|
| General | 100.00 | 145.24 | 145.09 | 0.10% | 131.01 | 10.86% |
| Food & Non-alcoholic Bev. | 34.58 | 151.72 | 150.7 | 0.68% | 132.13 | 14.83% |
| Non-perishable Food Items | 29.6 | 154.9 | 151.63 | 2.16% | 131.11 | 18.15% |
| Perishable Food Items | 4.99 | 132.81 | 145.16 | -8.51% | 138.16 | -3.87% |
| Alcoholic Bev. & Tobacco | 1.02 | 144.5 | 144.28 | 0.15% | 137.65 | 4.98% |
| Clothing & Footwear | 8.6 | 148.91 | 148.48 | 0.29% | 134.58 | 10.65% |
| Housing, Water, Electricity, Gas & Fuel | 23.63 | 139.49 | 141.2 | -1.21% | 128.63 | 8.44% |
| Furnishing & Household Equipment Maintenance | 4.1 | 141.13 | 140.39 | 0.53% | 128.74 | 9.62% |
| Health | 2.79 | 153.03 | 152.61 | 0.28% | 140.36 | 9.03% |
| Transport | 5.91 | 141.62 | 141.52 | 0.07% | 124.27 | 13.96% |
| Communication | 2.21 | 108.61 | 108.61 | 0.00% | 106.96 | 1.54% |
| Recreation & Culture | 1.59 | 125.67 | 125.17 | 0.40% | 119.85 | 4.86% |
| Education | 3.79 | 144.61 | 144.61 | 0.00% | 142.4 | 1.55% |
| Restaurants & Hotels | 6.92 | 142.37 | 141.55 | 0.58% | 131.12 | 8.58% |
| Miscellaneous | 4.87 | 151.85 | 150.83 | 0.68% | 137.16 | 10.71% |

Consumer Price Index

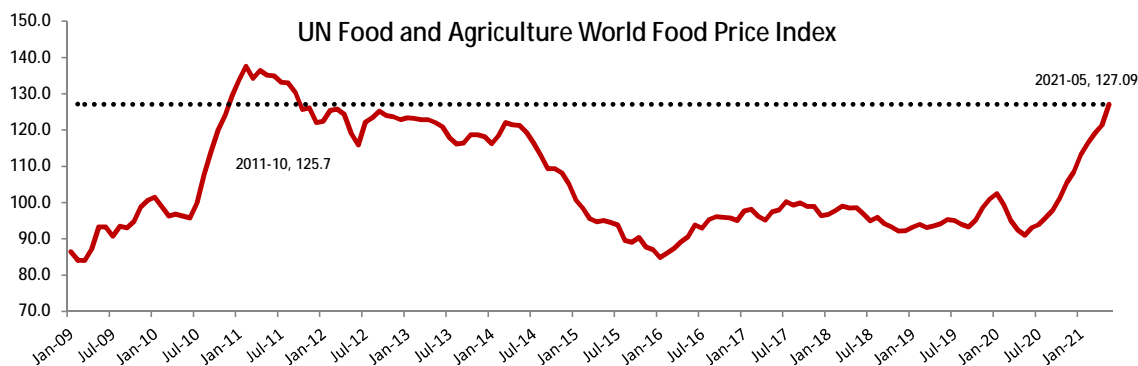


Inflation - Global Food Prices

Global food prices as measured by UN Food Price Index surge to their highest level in a decade.

The UN's food price (FFPI)* index clocked in at 4.8% MoM compared to 1.86% in April'12 and as much as 39.6% above the same period last year. The May'21 increase represented the biggest month-on-month gain since October 2010. It also marked the twelfth consecutive monthly rise in the index value of FFPI. The sharp increase in May reflected a surge in prices for oil, sugar and cereals along with meat and dairy prices.

Main drivers of FFPI for the month of May'21 were a) International maize price which average 90% above their year earlier value b) Palm oil prices rose due to slow production growth in southeast Asian countries while prospects of robust global demand, especially from the biodiesel sector drove soy oil price higher c) Sugar price index increased by 7% from April due to harvest delays and concerns over reduced crop yield in Brazil which is the world's largest sugar exporter d) faster import purchases from China and rising internal demand from meat producing regions led the price of meat index increased by 2.2% in May e) Demand of skim and whole milk powders resulted in surge in index level 2% in May



| Across the board all food categories tracked by FAO climbed in the past 12 months | | |
|---|--------|---------|
| | ▲ MoM% | ▲ YoY% |
| Overall Food Index | 4.76% | 39.69% |
| Cereals | 6.02% | 36.60% |
| Vegetable Oil | 7.81% | 124.50% |
| Dairy | 1.45% | 27.96% |
| Meat | 2.21% | 10.04% |
| Sugar | 6.76% | 57.34% |

Source: UN's FAO

| Pakistan's Major Policy Developments (Agri Sector) | | | |
|--|-----------|-------------------|---|
| Date | Commodity | Policy Instrument | Description |
| Nov-19 | Wheat | Stocks Release | Released 900K tones of wheat from stocks as part of efforts to cap domestic market prices. |
| Nov-19 | Wheat | Procurement Price | Raised min. support price of wheat from PKR 1350 to PKR 1365 per 40Kg bag |
| Jan-20 | Wheat | Import Duty | Approved duty free import of 300K tones of wheat |
| Feb-20 | Wheat | Import Duty | Suspended 60% wheat import duty for 36 days, until 31st March |
| Mar-20 | Wheat | Procurement Price | Fixed min. support price at PKR 1400 per 40Kg, 2.6% above the level announced in Nov'20 |
| Apr-20 | | Import Policy | Suspended until 30 June the additional customs duty of 2 percent for imports of soy, rape, palm and sunflower oil in a bid to reduce cost for consumers during Covid-19 crisis. |

Source: UN's FAO

* The FAO Food Price Index (FFPI) is a measure of the monthly change in international prices of a basket of food commodities. It consists of the average of five commodity group price indices weighted by the average export shares of each of the groups over 2014-2016

Current Account - Deficit of USD 200mn in April'21

According to the data released by the central bank, current account deficit for the month of April'21 clocked in at USD 200 million compared to mere USD 33 million in the preceding month. This brings the overall 10MFY21 surplus to USD 773 million compared to the deficit of USD 4.6 billion in the same period last fiscal year.

The deficit was higher during the month on account of 12% MoM drop in exports which translated to 3% drop in overall trade balance.

Cumulatively, during 10MFY21 current account remains in positive zone by USD 773 million (0.31% of GDP) for the first time in 17 years. Imports have once again picked up pace in tandem with increase in economic activity, however this is being largely off-set by record remittance which rose to all time high in April on both monthly and yearly basis.

| Balance of Payment | | | | | | | | |
|-----------------------------|---------|---------|------|---------|------|----------|----------|------|
| | Apr-21 | Mar-21 | MoM | Apr-20 | YoY | 10MFY21 | 10MFY20 | YoY |
| Export of Goods | 2,295 | 2,610 | -12% | 1,423 | 61% | 20,993 | 19,704 | 7% |
| Import of Goods | 4,969 | 5,205 | -5% | 3,144 | 58% | 42,309 | 37,280 | 13% |
| Trade Balance | (2,674) | (2,595) | 3% | (1,721) | 55% | (21,316) | (17,576) | 21% |
| Export of Services | 525 | 563 | -7% | 354 | 48% | 4,896 | 4,699 | 4% |
| Import of Services | 582 | 628 | -7% | 516 | 13% | 6,316 | 7,722 | -18% |
| Service Balance | (57) | (65) | -12% | (162) | -65% | (1,420) | (3,023) | -53% |
| Balance on Primary Income | (431) | (400) | 8% | (506) | -15% | (4,025) | (4,641) | -13% |
| Balance on Secondary Income | 2,962 | 3,027 | -2% | 1,879 | 58% | 27,534 | 20,583 | 34% |
| Remittance | 2,778 | 2,725 | 2% | 1,785 | 56% | 24,246 | 18,793 | 29% |
| Current Account Balance | (200) | (33) | 506% | (510) | | 773 | (4,657) | |
| Current Account % of GDP | -0.80% | -0.10% | | -2.40% | | 0.31% | -2.12% | |

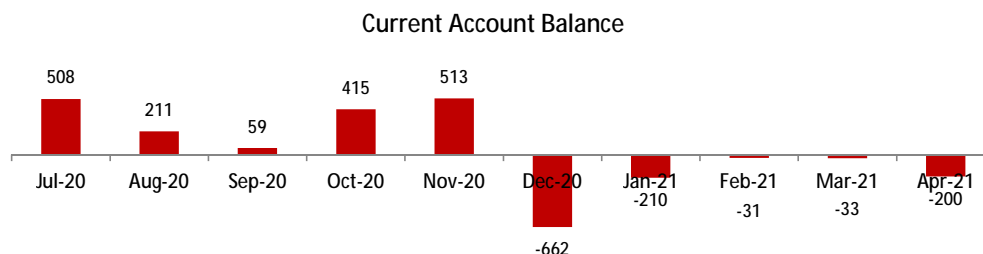
USD million

| Import of Goods and Commodities | | | |
|---------------------------------|-----------|-----------|------|
| | Apr-21 | Mar-21 | MoM |
| Total Imports | 4,969,003 | 5,204,996 | -5% |
| Food | 607,687 | 668,130 | -9% |
| Machinery | 754,387 | 747,196 | 1% |
| Transport | 335,115 | 365,531 | -8% |
| Petroleum | 918,275 | 947,381 | -3% |
| Textile | 445,540 | 503,833 | -12% |
| Agri & Other Ch | 818,664 | 820,604 | 0% |
| Metal | 429,961 | 450,852 | -5% |
| Miscellaneous | 100,230 | 108,238 | -7% |
| All others | 446,941 | 512,962 | -13% |

USD Thousands

| Export of Goods and Commodities | | | |
|---------------------------------|-----------|-----------|------|
| | Apr-21 | Mar-21 | MoM |
| Total Exports | 2,294,996 | 2,610,005 | -12% |
| Food | 438,582 | 500,749 | -12% |
| Textile | 1,277,521 | 1,416,347 | -10% |
| Petroleum | 34,954 | 16,379 | 113% |
| Other manufactures | 387,564 | 366,300 | 6% |
| All others | 181,820 | 216,358 | -16% |

USD Thousands



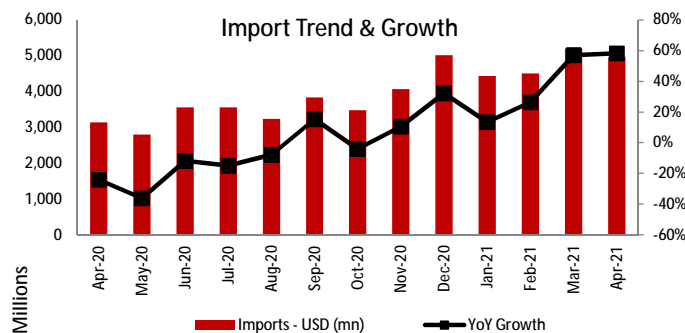
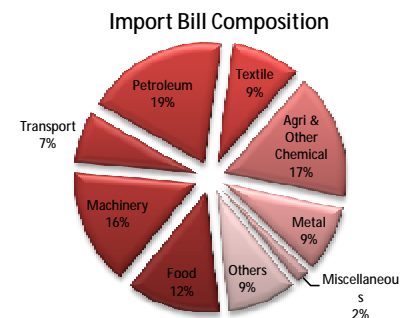
Current Account - Import

As per the latest data available released by the central bank, import of goods and commodities decreased by 5% MoM to close at USD 4.9 billion compared to USD 5.2 billion in the previous month. Overall import bill decreased by USD 235.9 million out which major savings of USD 58 million was witnessed in Textile segment which is down by 12% MoM. On yearly basis, Machinery and Transport segment witnessed a massive jump which increased by 123% and 155% respectively which indicated healthy pickup in economic activity. Imports from China for the month of April'21 clocked in at USD 1.2 billion contributing 25% of the total import bill followed by Dubai and Saudi Arabia. Cumulatively in 10MFY21 imports from South Korea increased by 70% followed by Saudi Arabia and Japan which increased by 62% and 36% respectively, whereas imports from Qatar dropped by 28% compared to SPLFY.

| Import of Goods and Commodities | | | | | |
|---------------------------------|-----------|-----------|------|-----------|------|
| | Apr-21 | Mar-21 | MoM | Apr-20 | YoY |
| Total Imports | 4,969,003 | 5,204,996 | -5% | 3,139,972 | 58% |
| Food | 607,687 | 668,130 | -9% | 421,951 | 44% |
| Palm Oil | 226,045 | 232,023 | -3% | 160,665 | 41% |
| Pulses | 82,009 | 58,743 | 40% | 50,807 | 61% |
| Tea | 42,034 | 44,657 | -6% | 50,239 | -16% |
| Machinery | 754,387 | 747,196 | 1% | 339,009 | 123% |
| Telecom | 204,270 | 241,971 | -16% | 93,979 | 117% |
| Electrical Apparatus | 148,657 | 137,814 | 8% | 66,071 | 125% |
| Textile Machinery | 82,723 | 86,695 | -5% | 41,657 | 99% |
| Transport | 335,115 | 365,531 | -8% | 131,489 | 155% |
| Completely Knock Down (CKD) | 178,074 | 189,282 | -6% | 69,892 | 155% |
| Completely Built Unit (CBU) | 52,794 | 77,702 | -32% | 35,552 | 48% |
| Petroleum | 918,275 | 947,381 | -3% | 721,852 | 27% |
| Petroleum Crude | 372,312 | 309,343 | 20% | 344,414 | 8% |
| Petroleum Products | 350,330 | 400,050 | -12% | 178,815 | 96% |
| Textile | 445,540 | 503,833 | -12% | 283,197 | 57% |
| Raw Cotton | 183,617 | 22,113 | 730% | 156,281 | 17% |
| Agri & Other Chemical | 818,664 | 820,604 | 0% | 539,015 | 52% |
| Plastic Materials | 259,909 | 257,007 | 1% | 162,792 | 60% |
| Metal | 429,961 | 450,852 | -5% | 299,122 | 44% |
| Iron & Steel | 228,387 | 223,162 | 2% | 159,446 | 43% |
| Iron & Steel Scrap | 115,458 | 152,270 | -24% | 91,047 | 27% |
| Miscellaneous | 100,230 | 108,238 | -7% | 61,417 | 63% |
| All others | 446,941 | 512,962 | -13% | 277,905 | 61% |

USD Thousands

| Import Payment From Top 10 Countries | | | | | |
|--------------------------------------|-------------------|--------|---------------------|---------|------|
| Country | % of Total Import | | FY Imports (Mn USD) | | |
| | Apr-21 | Mar-21 | 10MFY21 | 10MFY20 | YoY |
| China | 24.89% | 23.29% | 10,312 | 7,638 | 35% |
| Dubai | 9.60% | 8.96% | 4,302 | 4,043 | 6% |
| Saudi Arabia | 6.50% | 4.04% | 1,924 | 1,188 | 62% |
| Singapore | 5.82% | 5.97% | 2,492 | 1,991 | 25% |
| U.S.A | 4.31% | 5.44% | 1,991 | 1,878 | 6% |
| Japan | 3.69% | 4.44% | 1,256 | 925 | 36% |
| Qatar | 2.99% | 3.90% | 1,035 | 1,445 | -28% |
| South Korea | 2.85% | 2.50% | 1,059 | 624 | 70% |
| Indonesia | 2.47% | 2.33% | 969 | 897 | 8% |
| South Africa | 2.26% | 1.77% | 697 | 736 | -5% |



Current Account - Exports

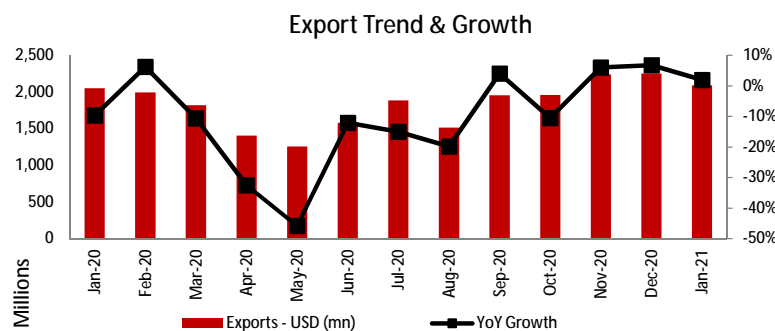
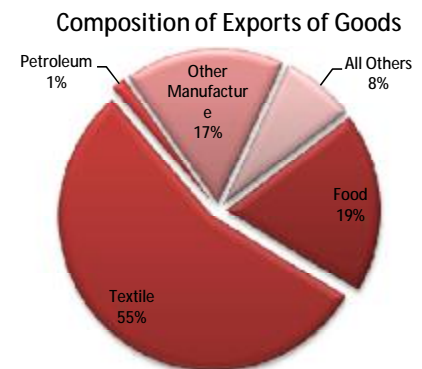
As per the latest data released by the central bank, exports failed to provide any support in current account balance and resulted in decline by 12% on monthly basis, however on yearly basis all segments posted a double digit growth especially petroleum which grew by 84%.

USA and China remained the preferred countries for exporters; these two countries combined resulted in 30% of total export receipts. On 10MFY21 exports to U.K grew by 22%, followed by USA and China which grew by 19.36% and 16.30% respectively.

| Export of Goods and Commodities | | | | | |
|---------------------------------|-----------|-----------|------|-----------|--------|
| | Apr-21 | Mar-21 | MoM | Mar-20 | YoY |
| Total Exports | 2,294,996 | 2,610,005 | -12% | 1,820,046 | 26% |
| Food | 438,582 | 500,749 | -12% | 391,285 | 12% |
| <i>Rice</i> | 211,188 | 238,966 | -12% | 204,892 | 3% |
| <i>Fish</i> | 53,388 | 42,245 | 26% | 30,092 | 77% |
| Textile | 1,277,521 | 1,416,347 | -10% | 1,097,696 | 16% |
| <i>Knitwear</i> | 291,717 | 327,769 | -11% | 167,096 | 75% |
| <i>Readymade Garments</i> | 265,043 | 280,754 | -6% | 174,226 | 52% |
| <i>Bed Wear</i> | 223,727 | 263,451 | -15% | 155,362 | 44% |
| Petroleum | 34,954 | 16,379 | 113% | 18,996 | 84% |
| <i>Solid Fuel</i> | 18,020 | 6,236 | 189% | 167 | 10690% |
| <i>Petroleum Crude</i> | 12,500 | 6,711 | 86% | 16,215 | -23% |
| Other manufactures | 387,564 | 366,300 | 6% | 319,722 | 21% |
| <i>Chemical & Pharma</i> | 116,909 | 116,267 | 1% | 101,847 | 15% |
| <i>Engineering Goods</i> | 70,863 | 33,621 | 111% | 10,721 | 561% |
| <i>Leather</i> | 43,070 | 50,402 | -15% | 28,805 | 50% |
| All others | 181,820 | 216,358 | -16% | 115,795 | 57% |

USD Thousands

| Export Receipt From Top 10 Countries | | | | | |
|--------------------------------------|-------------------|--------|----------------------|---------|---------|
| Country | % of Total Export | | FY Exports ('Mn USD) | | YoY |
| | Apr-21 | Mar-21 | 10MFY21 | 10MFY20 | |
| U.S.A | 19.87% | 18.56% | 4,020 | 3,368 | 19.36% |
| China | 10.25% | 9.18% | 1,641 | 1,411 | 16.30% |
| U.K | 8.02% | 7.61% | 1,691 | 1,387 | 21.92% |
| Germany | 4.88% | 5.49% | 1,245 | 1,116 | 11.56% |
| Dubai | 4.35% | 4.31% | 932 | 1,095 | -14.89% |
| Holland | 4.02% | 4.41% | 923 | 850 | 8.59% |
| Afghanistan | 3.59% | 4.47% | 829 | 810 | 2.35% |
| Spain | 3.20% | 3.17% | 669 | 752 | -11.04% |
| Italy | 3.11% | 2.87% | 630 | 643 | -2.02% |
| Bangladesh | 2.57% | 2.41% | 497 | 600 | -17.17% |



Workers remittance reached record high in April'21

Workers remittance rose to record high during April'21 to clock in at USD 2.77 billion compared to USD 2.72 billion in the preceding month growth of 56% YoY.

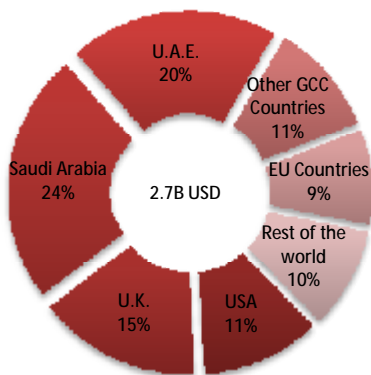
Since the start of fiscal year remittance have maintained their USD 2b mark. Reasons of massive increase in remittances as highlighted by central bank are a) initiatives to encourage use of formal channels for transfers b) less frequent cross-border travel c) relative stable currency d) Eid inflows

On yearly basis, significantly higher inflows were recorded from all the destination where U.K took the lead which increased by massive 68% followed by USA and EU Countries which increased by 58% and 54% respectively. Cumulatively 10MFY21 balance stood at USD 24.2 billion compared to USD 18.7 billion in the SPLFY growth of 29%.

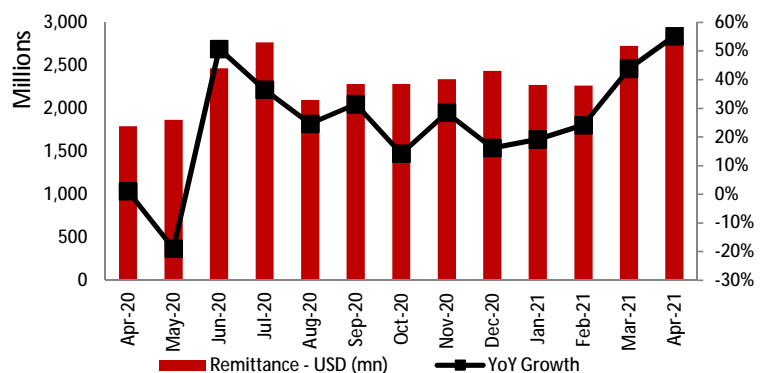
| Major Countries/Region wise Remittances | | | | | | | | |
|---|----------|----------|-----|----------|------|---------|---------|-----|
| | Apr-21 | Mar-21 | MoM | Apr-20 | YoY | 10MFY21 | 10MFY20 | YoY |
| Cumulative | 2,778.24 | 2,724.95 | 2% | 1,785.10 | 56% | 24,246 | 18,794 | 29% |
| USA | 314.88 | 283.31 | 11% | 153.04 | 106% | 2,217 | 1,400 | 58% |
| U.K. | 431.07 | 371.21 | 16% | 187.40 | 130% | 3,332 | 1,981 | 68% |
| Saudi Arabia | 664.50 | 690.40 | -4% | 548.42 | 21% | 6,396 | 5,324 | 20% |
| U.A.E. | 549.32 | 589.69 | -7% | 463.16 | 19% | 5,076 | 4,682 | 8% |
| Other GCC Countries | 297.28 | 313.91 | -5% | 183.76 | 62% | 2,755.8 | 2,448.1 | 13% |
| EU Countries | 251.28 | 234.60 | 7% | 116.70 | 115% | 2,192.9 | 1,420.2 | 54% |

USD million

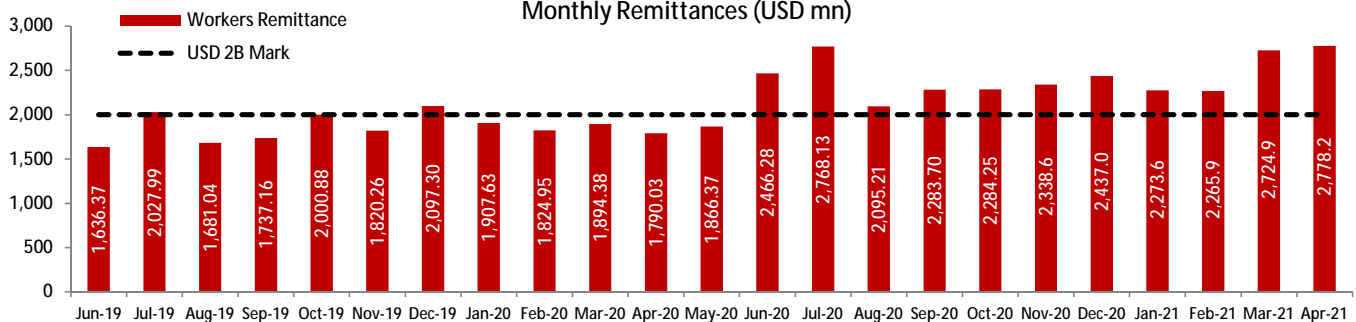
Country wise remittance



Remittance Trend & Growth



Monthly Remittances (USD mn)



PSX - KSE 100 index gained 3,634 points in May'21

During the period under review, Pakistan stock exchange as measured by KSE-100 index increased by 3,634 points to close at 47,896 points. This brings the FYTD and CYTD return to 39.14% and 9.46% respectively.

After a period of nearly 4-years index marched past 47,000 psychological barrier to close at 47,896 points. Investor sentiments were propelled by the appointment of newly appointed Finance Minister whose main focus is on achieving growth and structural reforms via pro-growth measures.

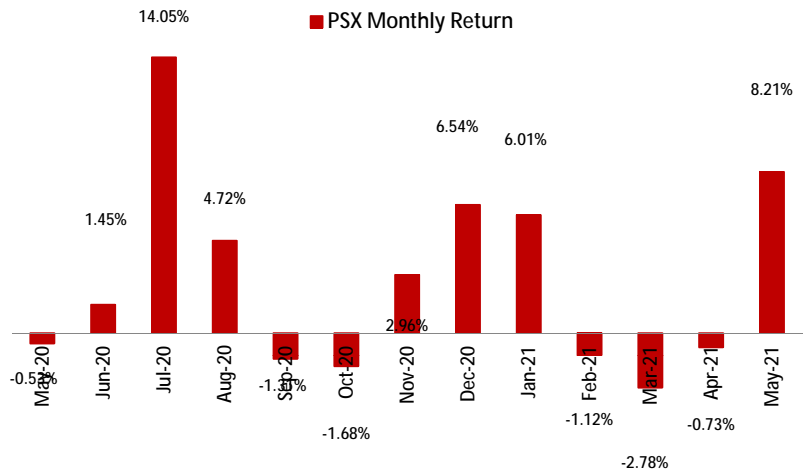
Among others, key developments during the month were a) Declining trend in Covid cases b) Status quo in MPS c) Current Account surplus in 10MFY21 despite month-on-month deficit d) Historical high remittance e) Higher tax collection g) Development of local Covid

PSX Performance Stats

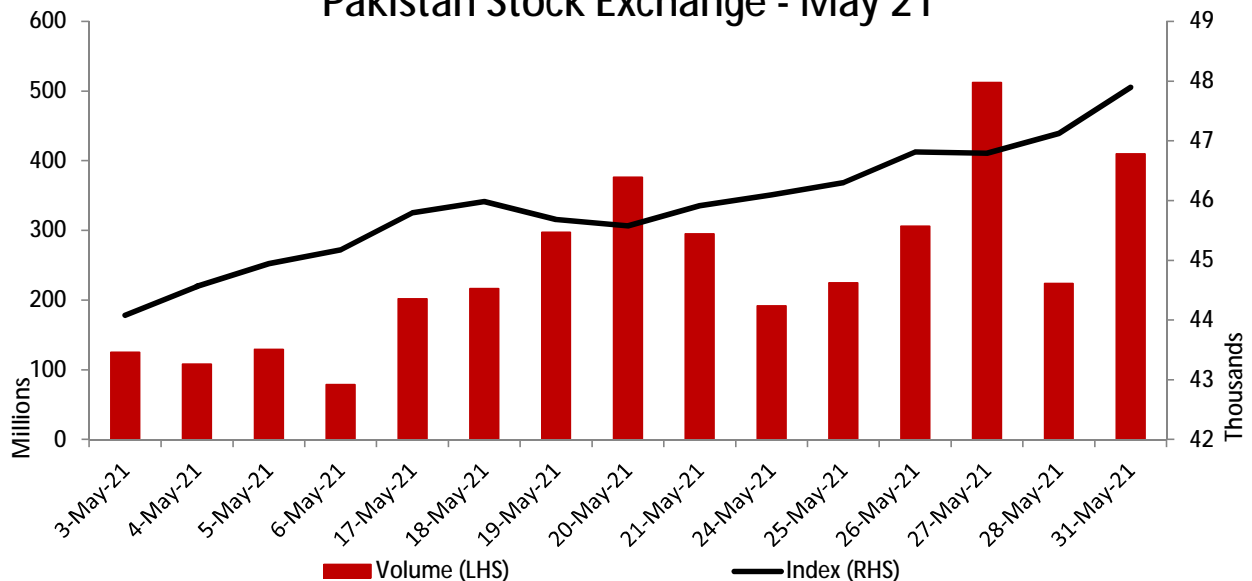
| Stats | KSE-100 | KSE-30 | KMI-30 | All-Shares |
|---------|-----------|-----------|-----------|------------|
| Index | 47,896.34 | 19,602.38 | 78,749.58 | 32,238.69 |
| Change | 3,633.99 | 1,501.74 | 7,272.59 | 2,220.71 |
| %Change | 8.21% | 8.30% | 10.17% | 7.40% |

Top 5 Performers

| Company | Name | Return |
|---------------------------------|-------|--------|
| Unity Foods Limited | UNITY | 48% |
| Yousaf Weaving Mills Ltd | YOUW | 39% |
| Punjab Oil Mills Ltd | POML | 38% |
| Sui Northern Gas Pipelines Ltd | SNGP | 25% |
| Pakistan Stock Exchange Limited | PSX | 24% |



Pakistan Stock Exchange - May'21



KSE 100 Index Historical Returns

| | Jan | Feb | Mar | Apr | May | Jun | Jul | Aug | Sep | Oct | Nov | Dec | Year - CYTD |
|------|--------|--------|---------|--------|--------|--------|--------|---------|--------|--------|--------|--------|-------------|
| 2021 | 6.01% | -1.12 | -2.78 | -0.73 | 8.92% | | | | | | | | 9.46% |
| 2020 | 2.20% | -8.76% | -23.04% | 16.69% | -0.53% | 1.45% | 14.05% | 4.72% | -1.31% | -1.68% | 2.96% | 6.54% | 7.41% |
| 2019 | 10.07% | -4.28% | -1.04% | -4.83% | -2.20% | -5.76% | -5.79% | -7.10% | 8.11% | 6.62% | 14.86% | 3.68% | 9.90% |
| 2018 | 8.84% | -1.84% | 5.37% | -0.16% | -5.81% | -2.18% | 1.91% | -2.27% | -1.78% | 1.59% | -2.77% | -8.47% | -8.41% |
| 2017 | 1.99% | -0.46% | -0.78% | 2.38% | 2.62% | -7.96% | -1.19% | -10.44% | 2.92% | -6.58% | 0.99% | 1.15% | -15.34% |
| 2016 | -4.62% | 0.23% | 5.64% | 4.77% | 3.87% | 4.78% | 4.62% | 0.71% | 1.84% | -1.60% | 6.84% | 12.16% | 45.68% |
| 2015 | 7.20% | -2.36% | -10.10% | 11.56% | -2.00% | 4.06% | 3.90% | -2.84% | -7.02% | 6.11% | -5.86% | 1.74% | 2.13% |
| 2014 | 6.03% | -3.74% | 5.34% | 6.45% | 2.85% | -0.29% | 2.23% | -5.76% | 4.06% | 2.19% | 2.70% | 2.99% | 27.20% |
| 2013 | 2.00% | 5.40% | -0.72% | 5.20% | 14.96% | -3.75% | 10.98% | -4.94% | -1.48% | 4.32% | 6.70% | 3.95% | 49.43% |
| 2012 | 4.65% | 8.45% | 6.86% | 1.66% | -1.46% | 0.11% | 5.62% | 5.59% | 0.35% | 3.01% | 4.17% | 2.00% | 48.98% |
| 2011 | 2.80% | -8.66% | 4.61% | 2.10% | 0.54% | 3.08% | -2.45% | -9.19% | 6.25% | 0.91% | -2.83% | -1.61% | -5.61% |

KSE-100 Index Historical Performance



Disclaimer

This report is for information purpose only. The material is based on information we believe to be reliable but we do not guarantee its accuracy. While every effort has been made to ensure the accuracy and completeness of the information, no guarantee is given nor responsibility taken for errors or omission in the database. PCICL Treasury Department will not be responsible for the consequence of reliance upon any option or statement herein or for any omission.

Difference in different data sources (SBP vs. PBS)

The trade figures reported by SBP in the balance of payments do not match with the information provided by the Pakistan Bureau of Statistics. This is because the trade statistics compiled by SBP are based on exchange record data, which depends on the actual receipt and payment of foreign exchange, whereas the PBS records data on the physical movement of goods (custom records). Furthermore, SBP reports both exports and imports as free on board (fob), while PBS records exports as free on board (fob) and imports include the cost of freight and insurance (cif).