TAURUS SECURITIES LIMITED
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Insight—Economy—Oct'26 Balance of Payments (BOP)

Oct'26 CAB posts a surplus of USD 39Mn

- Pakistan's Current Account posted its first monthly surplus of the ongoing fiscal year in Oct'26, clocking-in at USD 39Mn, as compared to a deficit of USD 307Mn in the SPLY and a deficit of USD 371Mn posted last month in Sep'26. Cumulative 4MFY27 Current Account stands in a deficit of USD 850Mn, down 20% as against the corresponding period last year.
- Overall, on a sequential basis the turnaround can be attributed to a 6%MoM decline in the balance on goods & services coupled with 8%MoM increase in workers' remittances. Goods Imports were down 5%MoM in Oct'26 led by the decline in non-merchandize imports as well as dip in food, machinery & transport segment imports. Petroleum imports were up 1%MoM.
- Goods Exports declined 4%MoM also led by lower non-merchandize exports, along with the drop in Textile & Food exports as well for the month. Hence, Trade Deficit arrived at ~USD 3Bn, down 6%MoM/up 8%YoY. 4MFY27 Trade Deficit was recorded at USD 12.3Bn, up 17% over the SPLY.
- Elsewhere, Services Deficit fell 11% on a sequential basis supported by robust growth in IT Exports which stood at USD 453Mn in October up 4%MoM, with cumulative 4MFY27 IT Exports amounting to ~USD 1.7Bn, up 18% over the SPLY.
- Additionally, Workers' Remittances for the month were recorded at ~USD 3.9Bn, up 8%MoM; taking the 4MFY27 remittances to USD 14.8Bn, up 14% over the corresponding period last year. To note average monthly inflow of remittances has been growing at a CAGR of 15% over the last three years. Accordingly, the SBP expects Workers' Remittances for FY27 to cross USD 45Bn mark, anticipating continuing strong monthly flows along with the seasonal impact of two Eid festivals falling due during FY27.
- Going forward, we expect FY27 CA deficit to arrive within the range of 0-1% of the GDP—in manageable territory, boding well for the overall balance of payments situation for Pakistan. With energy prices correcting sharply over the last few weeks and likely to decline further in the months ahead (specially 2HFY27) due to surplus supply situation and negative premiums, Pakistan's CA may find more respite due to normalizing energy imports. Also, opening of trade routes i.e. Strait of Hormuz, may benefit flow of trade, reducing freight and streamlining supply chains.

Oct'26 CAB posts a surplus of ~USD 39Mn

USD Mn	Oct'26	Oct'25
Goods Exports	2,902	2,649
Goods Imports	(5,869)	(5,404)
Balance on trade	**(2,967)**	**(2,755)**
Balance on services	(245)	(196)
Bal. on Goods & Services	**(3,212)**	**(2,951)**
Primary Income - net	**(821)**	**(908)**
Secondary Income - net	**4,072**	**3,552**
Remittances	3,892	3,420
Others	180	132
Current Account Bal.	**39**	**(307)**

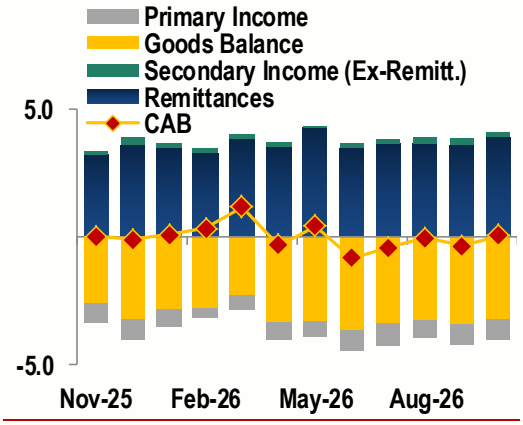
Source: SBP & TSL Research; Surplus / (Deficit)

4MFY27 CA posts a deficit of ~USD 850Mn

USD Mn	4MFY27	4MFY26
Goods Exports	11,354	10,502
Goods Imports	(23,642)	(20,962)
Balance on trade	**(12,288)**	**(10,460)**
Balance on services	(1,070)	(1,036)
Bal. on Goods & Services	**(13,358)**	**(11,496)**
Primary Income - net	**(3,141)**	**(3,180)**
Secondary Income - net	**15,649**	**13,614**
Remittances	14,767	12,956
Others	882	658
Current Account Bal.	**(850)**	**(1,062)**

Source: SBP & TSL Research; Surplus / (Deficit)

Oct'26 CAB posts a surplus of ~USD 39Mn



Source: State Bank of Pakistan and TSL Research

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- Justified price to book (JPB)
- Relative Valuation (P/E, P/B, P/S, EV/EBITDA, EV/Revenue etc.)
- Equity & Asset return based methodologies (EVA, Residual Income etc.)

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Frequently Used Acronyms

TP	Target Price	**DCF**	Discounted Cash Flows	**FCF**	Free Cash Flows
FCFE	Free Cash Flows to Equity	**FCFF**	Free Cash Flows to Firm	**DDM**	Dividend Discount Model
SOTP	Sum of the Parts	**P/E**	Price to Earnings ratio	**P/BVPS**	Price to Book ratio
P/S	Price to Sales	**EVA**	Economic Valued Added	**BVPS**	Book Value per Share
EPS	Earnings per Share	**DPS**	Dividend per Share	**DY**	Dividend Yield
ROE	Return on Equity	**ROA**	Return on Assets	**JPB**	Justified Price to Book

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