



TRUST SECURITIES
& BROKERAGE LTD

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CORPORATE BRIEFING 2021

A BROKERAGE FIRM WHERE YOU
CAN TRUST

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**INTRODUCTION
TRUST
SECURITIES &
BROKERAGE LTD.**

COMPANY OVERVIEW

Established in 1993, TSBL - Trust Securities and Brokerage Limited is a fast-growing public limited brokerage firm with a singular focus on providing the robust & cutting-edge brokerage solutions to individuals investors.

Over two decades of operational excellence vis-à-vis client satisfaction & risk management earned us a tremendous respect in the industry.

Our horizon is infinitely broad as imagination is limitless. Cutting-edge technology, teamwork, and a client centric approach have been pivotal to our success. The reason our perspective matters and we continue to be pertinent to our individual and institutional clients is that we have rewired our brains to giving back. This mantra has facilitated us to create tremendous value for our clients and shareholders. We believe everyone is a partner.



COMPANY OVERVIEW



VISION

To create a viable and a diversified brokerage and financial services business dedicated to creating continuous value for our clients, fully compliant with the letter and spirit of the laws, while earning profits for our shareholders and crafting a workplace which attracts the best talent and enables us to train and retain them.



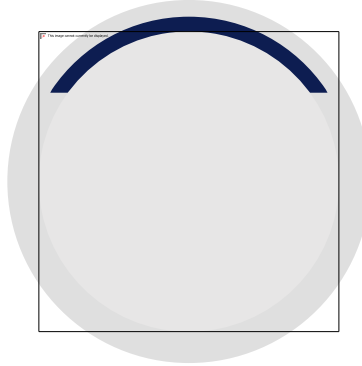
MISSION

To be a top tier brokerage and financial service company in Pakistan, with innovation, discipline and integrity at the heart of our business involved in creating real value, impacting clients and shareholders

COMPANY INFORMATION – BOARD OF DIRECTORS



MRS. ZENOBIA WASIF
CHAIRPERSON/ DIRECTOR
(NON-EXECUTIVE)



MR. ABDUL BASIT
CEO/ DIRECTOR
(EXECUTIVE)



**MR. JUNAID SHEHZAD
AHMED – DIRECTOR**
(NON-EXECUTIVE)



**I.G. POLICE SARDAR
ABDUL MAJEED KHAN**
(RTD) – DIRECTOR
(NON-EXECUTIVE)



**MR. ZULFIQAR ALI
ANJUM – DIRECTOR**
(EXECUTIVE)



**WG CDR. TALAT
MEHMOOD (RTD.)**
DIRECTOR
(NON-EXECUTIVE – INDEPENDENT)



**MR. KHIZER HAYAT
FAROOQ – DIRECTOR**
(NON-EXECUTIVE – INDEPENDENT)

COMPANY INFORMATION – OTHERS

❑ Chief Financial Officer

Muhammad Ahmed

❑ Company Secretary

Syed Maqsood Ahmed

❑ Audit Committee:

Mr. Talat Mahmood – Chairman

Mrs. Zenobia Wasif – Member

Mr. Junaid Shehzad Ahmad – Member

❑ H.R & Remuneration Committee:

Mr. Khizer Hayat Farooq – Chairman

Mr. Junaid Shehzad Ahmad – Member

Mr. Zulfiqar Ali Anjum – Member

❑ Auditors:

Reanda Haroon Zakaria & Company
Chartered Accountants

❑ Internal Auditors:

Muhammad Adnan Siddiqui
Chartered Accountants

❑ Legal Advisors:

Lashari & Co.

❑ Legal Consultant:

Haider Waheed Partners

❑ Share Registrar:

Hameed Majeed Associates (Pvt.) Ltd.
H.M. House, 7-Bank Square, Lahore.
Tel: (92-42) 3723 5081-82, Fax: (92-42)

❑ Bankers:

- Habib Bank Limited
- Bank AL Habib Limited
- J.S. Bank Limited
- Bank Islami Limited
- Habib Metropolitan Bank Limited
- Bank Alfalah Limited
- Meezan Bank Limited
- Bank Al Baraka Limited
- MCB Bank Limited

COMPANY INFORMATION – ADDRESSES

❑ Registered Office:

Suite No. 401, 4th Floor, Business & Finance Centre,
I.I. Chundrigar Road, Karachi (Pakistan)
UAN: (92-21)111-000-875 | Tel: (92-21) 32469044-48,
Fax: (92-21)32467660

❑ Branch Office Karachi:

2nd Floor, 202-203 & 725, PSX Building, Stock Exchange
Road, Karachi, Pakistan
Tel: (92-21) 32460161-7, Fax: (92-21) 32467660

❑ PMEX Branch Office – DHA Karachi:

Mezzanine No. 2, Mezzanine Floor, Plot No. 550-C, 11th
Commercial Street, DHA, Phase-II Ext., Karachi

❑ Branch Office Lahore

2nd Floor, Associated House, Building No. 1&2,7-Kashmir
Road, Lahore
Tel: (92-42) 36310241-44, Fax: (92-42) 36373040

❑ Branch Office LSE Plaza, Lahore:

Room No. 607, 6th Floor, LSE Plaza, 19-Khayaban-e-Aiwan-
e-Iqbal, Lahore
Tel: (92-42) 36300181, 36300554, 36373045, 36374710

PATTERN OF SHAREHOLDING

DETAILED CATEGORIES OF SHAREHOLDERS - AS ON JUNE 30, 2021

S. No.	Name	Shares Held	Percentage
Directors, Chief Executive Officer and their Spouse and Minor Children			
1	Mrs. Zenobia Wasif	500	0.0017
2	Mr. Khizer Hayat Farooq	1,101,500	3.6717
3	Mr. Junaid Shehzad Ahmed	8,080,000	26.9333
4	Mr. Zulfiqar Ali Anjum	500	0.0017
5	Mr. Talat Mahmood	500	0.0017
6	Mr. Abdul Basit	500	0.0017
	Running Total:	9,183,500	30.6117
Associated Companies, Undertakings and Related Parties			
1	Sikander Mahmood	26,250	0.0875
2	Ahmad Kamal	25,000	0.0833
	Running Total:	51,250	0.1708
Banks, Development Financial Institutions, Non-Banking Financial Institutions			
1	Foresight Investments (Pakistan) (Pvt.) Limited	2,765,000	9.2167
2	Fidelity Investment Bank Ltd.	4,400	0.0147
3	Mcb Bank Limited - Treasury	300,000	1.0000
4	Paramount Commodities (Private) Limited	221,000	0.7367
	Running Total:	3,290,400	10.9680
Modarabas and Mutual Funds			
1	Trust Modaraba	30,200	0.1007
	Running Total:	30,200	0.1007
	General Public (Local)		
	Running Total:	12,391,504	41.3050

S. No.	Name	Shares Held	Percentage
Others			
1	NCC - Pre-Settlement Delivery Account	15,500	0.0517
2	Prudential Securities Limited	1,900	0.0063
3	Y.S. Securities & Services (Pvt) Ltd.	500	0.0017
4	Trust Securities & Brokerage Limited - MF	202,500	0.6750
5	Paramount Commodities (Private) Limited	1,975,645	6.5855
6	Sarfraz Mahmood (Private) Ltd	500	0.0017
7	Maple Leaf Capital Limited	1	0.0000
8	S.H. Bukhari Securities (Pvt) Limited	2,500	0.0083
9	S.H. Bukhari Securities (Pvt) Limited	300	0.0010
10	Highlink Capital (Pvt.) Limited	300	0.0010
11	Hamid Adamjee Trust	408,000	1.3600
12	MG Media (Pvt.) Limited	2,444,500	8.1483
13	MRA Securities Limited - MF	1,000	0.0033
	Running Total:	5,053,146	16.8438
	Grand Total:	30,000,000	100.0000
Shareholders Having 5% or More Holding			
14	Junaid Shehzad Ahmed	8,080,000	26.9333
15	Foresight Investments (Pakistan) (Pvt.) Limited	2,765,000	9.2167
16	Mg Media (Pvt.) Limited	2,444,500	8.1483
17	Paramount Commodities (Private) Limited	1,975,645	6.5855
18	Muhammad Khurram Faraz	4,891,000	16.3033
	Running Total:	20,156,145	67.1872

TSBL OFFERS DIVERSIFIED SERVICES

- ★ Financial Consultancy by professional experts to Institutional and Retail Network on Equities, Commodities and Fixed Income.
- ★ Equipped with Financial, Technical, and Fundamental Analysis.
- ★ 24/7 Financial and Technical Assistance.

PMEX DAILY VOLUMES & COMMODITY INDEX

PMEX Daily Volumes

Date: 22 Nov 2021

Metals/Energy and COTS/FX

Vol(Rs.): 13,822,720,486

Vol(lots): 10,682

PMEX Daily Volumes

Date: 22 Nov 2021

Agriculture

Vol(Rs.): 29,057,070

Vol(lots): 28

PMEX Commodity Index

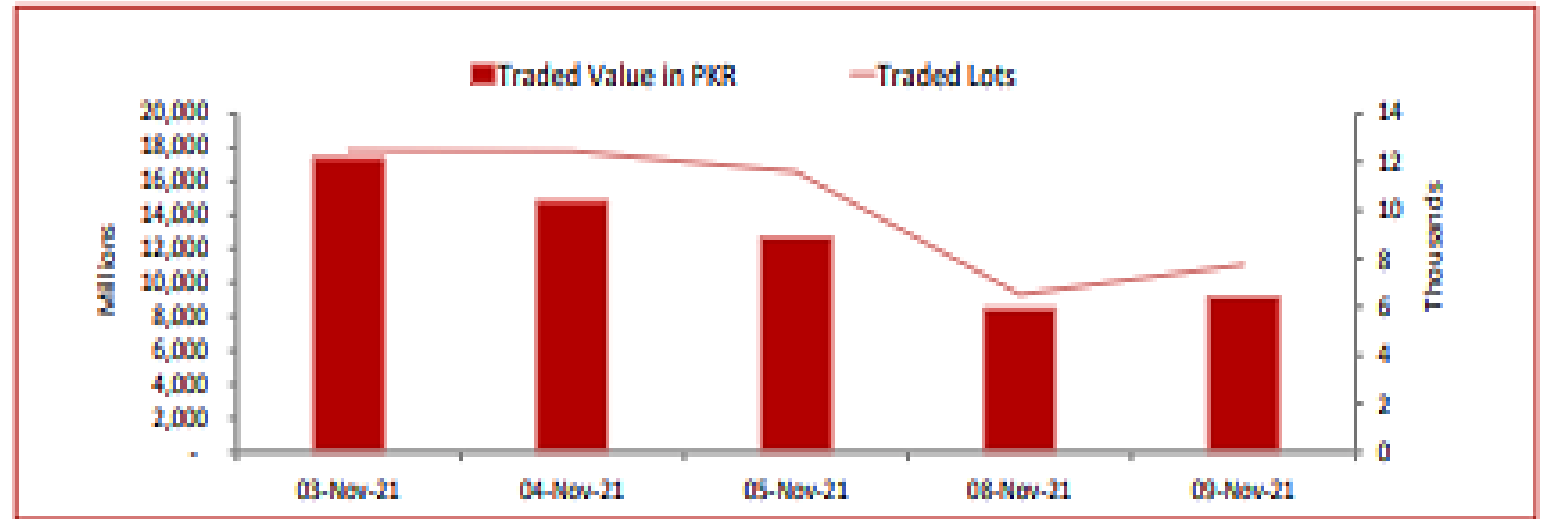
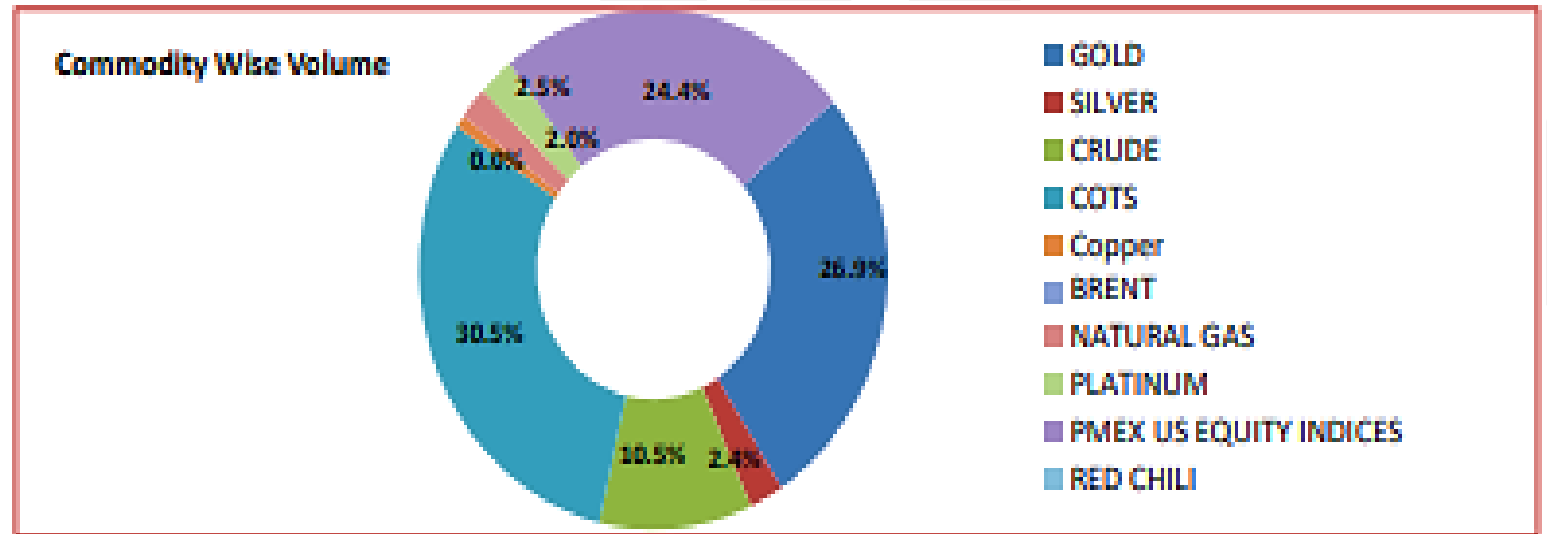
7,374

(Change: 0.41%)

Source: PMEX

PMEX DAILY VOLUMES & COMMODITY INDEX

- At PMEX traded value recorded at Rs. 9.3 billion & number of lots traded at 7,756 as of Nov 10th, 2021.
- Major business was contributed by Currencies stood at Rs. 2.7 billion, followed by Gold Rs. 2.4 billion, NSDQ 100 Rs. 1.7 billion, Crude Oil Rs. 965 million, DJ Rs. 360 million, Platinum Rs. 227 million, Silver Rs. 218 million, Natural Gas Rs. 186 million, Japan Equity Rs. 186 million, SP 500 Rs. 121 million & Copper Rs. 70 million.
- In Agricultural commodities, one lot of Cotton stood at Rs. 1 million was traded.



Source: PMEX

PMEX TOP BROKERS (TRADED VALUE/ CONTRACTS)

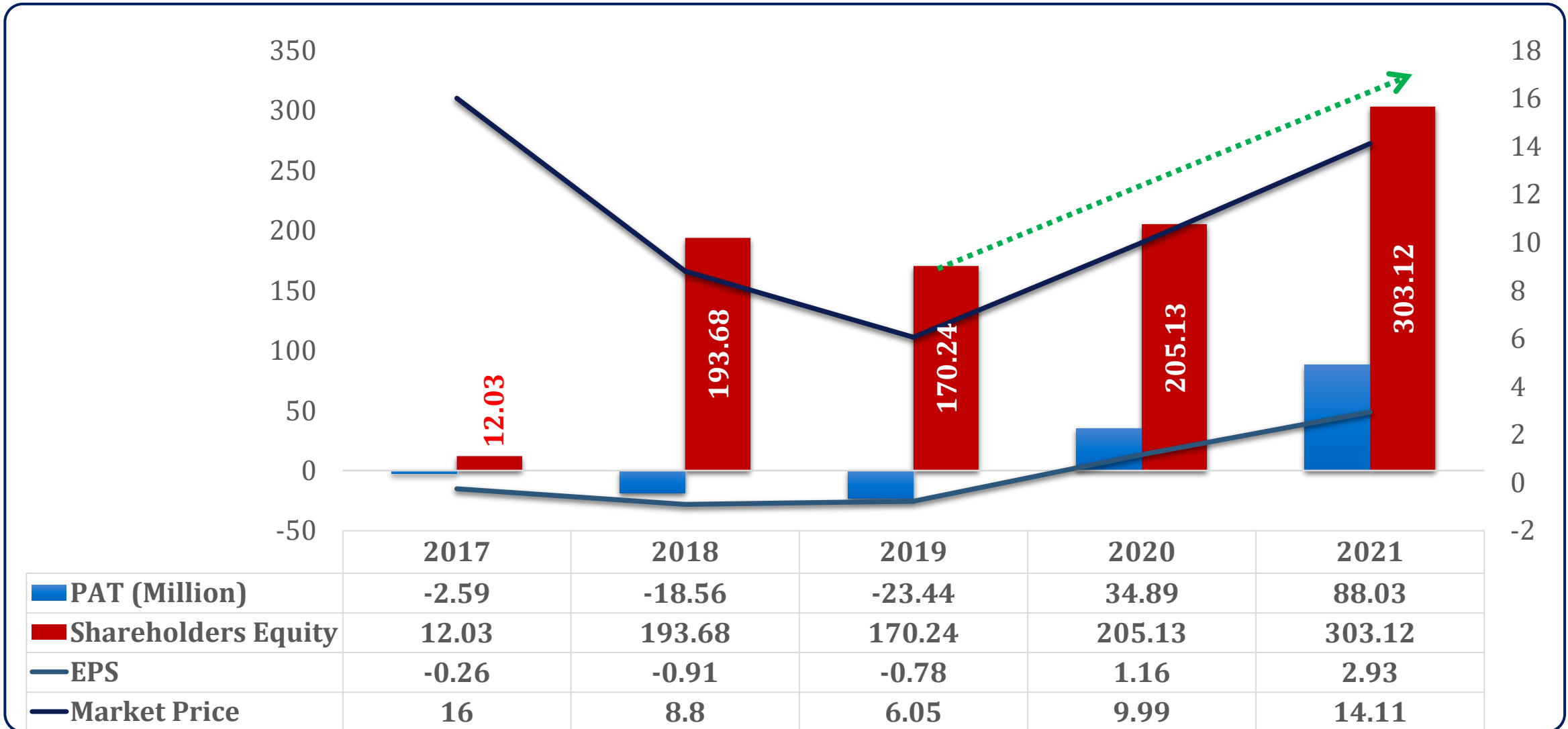
TOP TEN BROKERS OF THE WEEK

Dated: Nov 15 – 19, 2021

Ranking	Based on Traded Contracts	Based on Traded Value
1	H.G Markets (Pvt.) Limited	H.G Markets (Pvt.) Limited
2	Arif Habib Commodities (Pvt.) Limited	Royal Securities (Pvt.) Limited
3	Enrichers (Pvt.) Limited	Trust Securities & Brokerage Limited
4	A.A. Gold Commodities (Pvt.) Limited	A.A. Gold Commodities (Pvt.) Limited
5	Trust Securities & Brokerage Limited	Enrichers (Pvt.) Limited
6	Blink Capital Management (Pvt.) Limited	Zahid Latif Khan Securities (Pvt.) Limited
7	JS Global Capital Limited	Blink Capital Management (Pvt.) Limited
8	Zahid Latif Khan Securities (Pvt.) Limited	Mohammad Munir Mohammad Ahmed Khanani Securities (Pvt.) Limited
9	Value Stock & Commodities (Pvt.) Limited	Arif Habib Commodities (Pvt.) Limited
10	Azam Gold Trading (Pvt.) Limited	JS Global Capital Limited

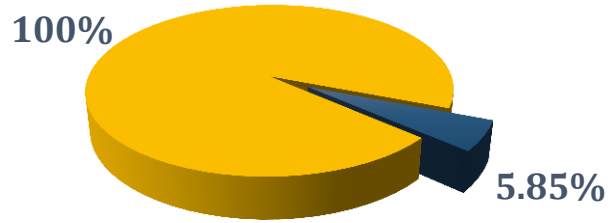
Source: PMEX

TSBL TURNAROUND – A SUCCESS STORY



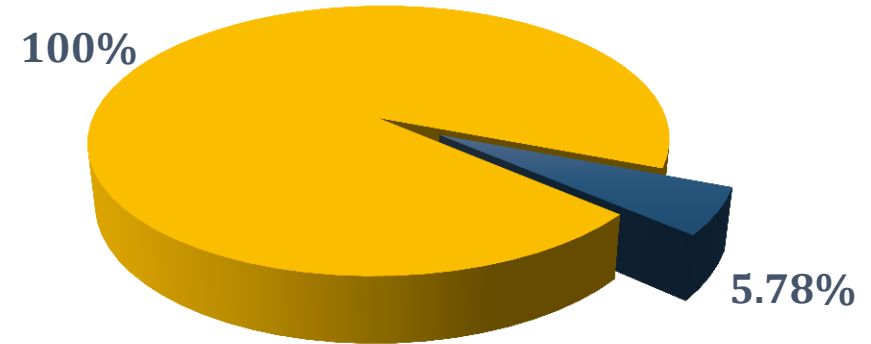
TSBL MARKET SHARE VS. STOCK MARKET

2018-19



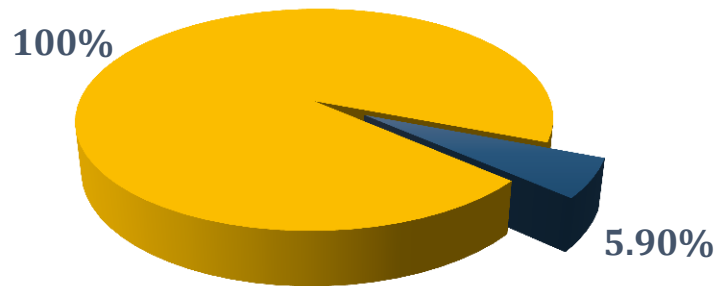
■ TSBL Market Share ■ PSX Avg Daily Volume

2020-21



■ TSBL Market Share ■ PSX Avg Daily Volume

2019-20



■ TSBL Market Share ■ PSX Avg Daily Volume

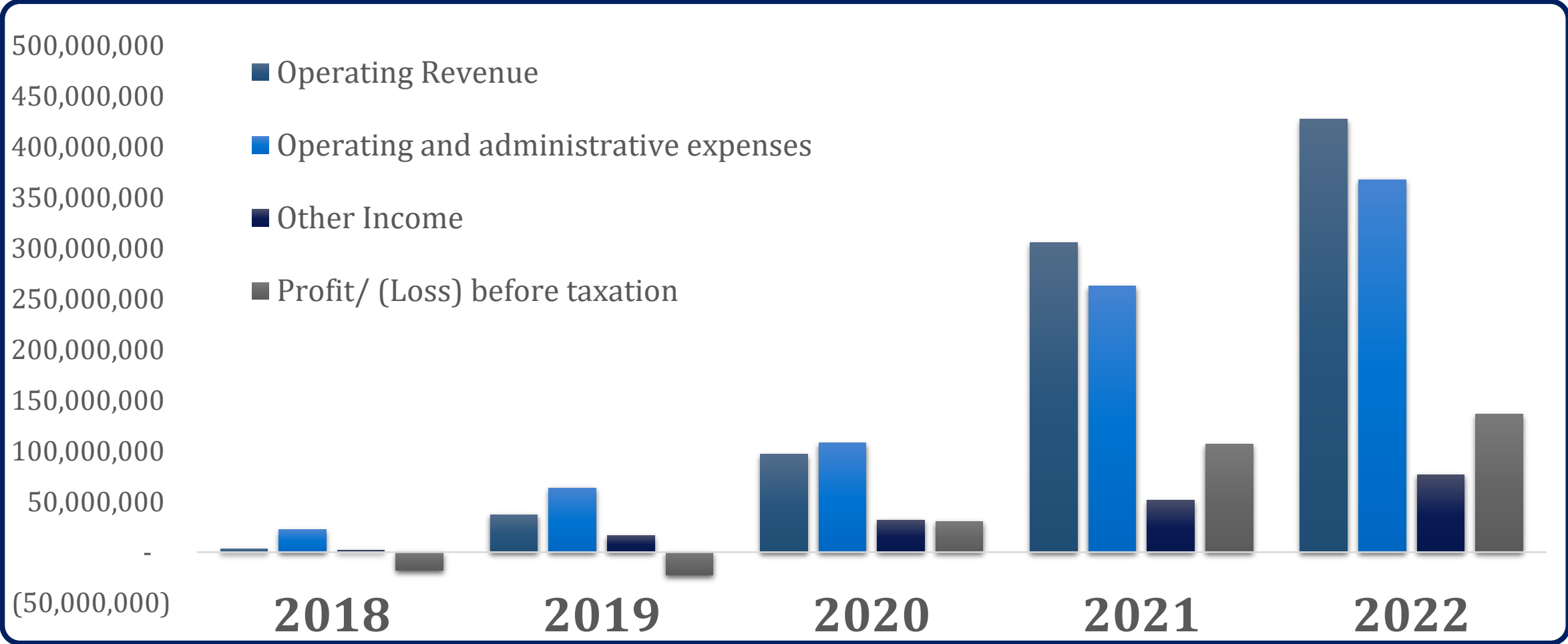
	2018-19	2019-20	2020-21
PSX avg daily volume	164	211	552
Market Share	100%	100%	100%
TSBL avg daily volume	10	12	32
Market Share	5.85%	5.90%	5.78%

FINANCIAL PERFORMANCE | PROJECTED PROFIT & LOSS STATEMENT BASED ON HYPOTHETICAL ASSUMPTIONS

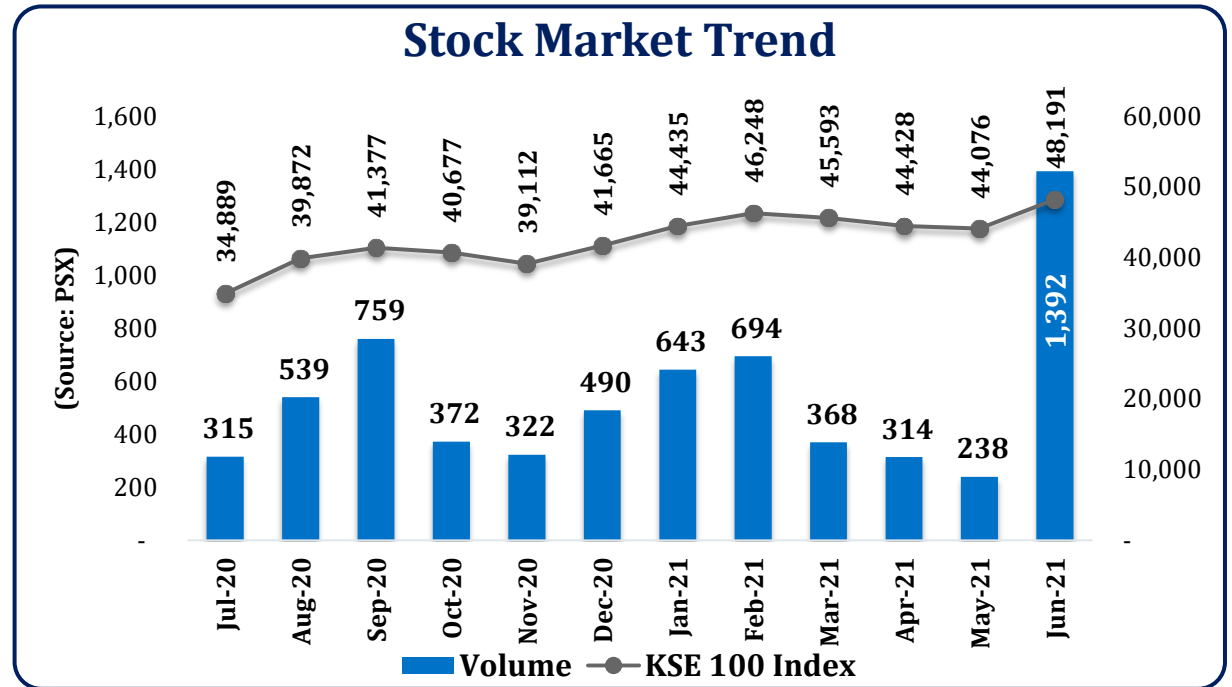
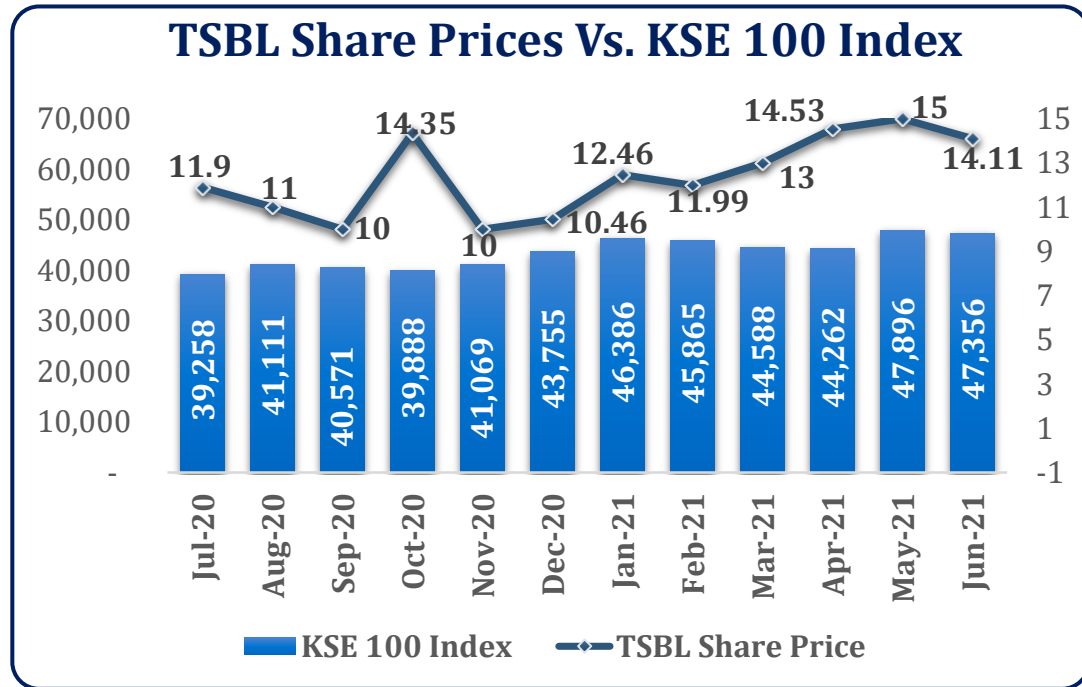
	Actual			Projected	
	2018	2019	2020	2021	2022
Growth Rate of Operating Revenue		1176%	160.45%	216.26%	40%
Operating Revenue	2,905,421	37,074,178	96,561,064	305,382,104	427,534,945
Operating and administrative expenses	22,063,568	63,418,060	107,717,460	262,600,220	367,680,052
Other Income	2,081,988	16,391,442	31,786,412	51,013,830	76,520,745
Profit/ (Loss) before taxation	(18,192,234)	(22,835,336)	30,189,275	106,587,289	136,375,638

NOTE: *The preparation of this projection requires management to make estimates and assumptions that affect the reported amounts of revenues, expenses, and other disclosures considered significant at the date of the Financial Projection. If in the future such estimates and assumptions which are based on management's best judgment at the date of the Interim Financial Statements, deviate from the actual circumstances the original estimates and assumptions will be modified as appropriate In the period in which the circumstances change.*

FINANCIAL PERFORMANCE | PROJECTED PROFIT & LOSS STATEMENT BASED ON HYPOTHETICAL ASSUMPTIONS



STOCK MARKETS | ANNUAL RETURNS 16% IN LAST 10 YEARS



- Overseas investors have sold worth of \$1.81 billion equities since Jan 2017 to 22nd Nov 2021.
- Under Post-Monetary Tightening regime, the Equity Market has been under pressure and adjusting with the changing inflationary and interest rates expectations.
- Market reprising Treasury bill yields/KIBOR rising trends & expecting further monetary tightening

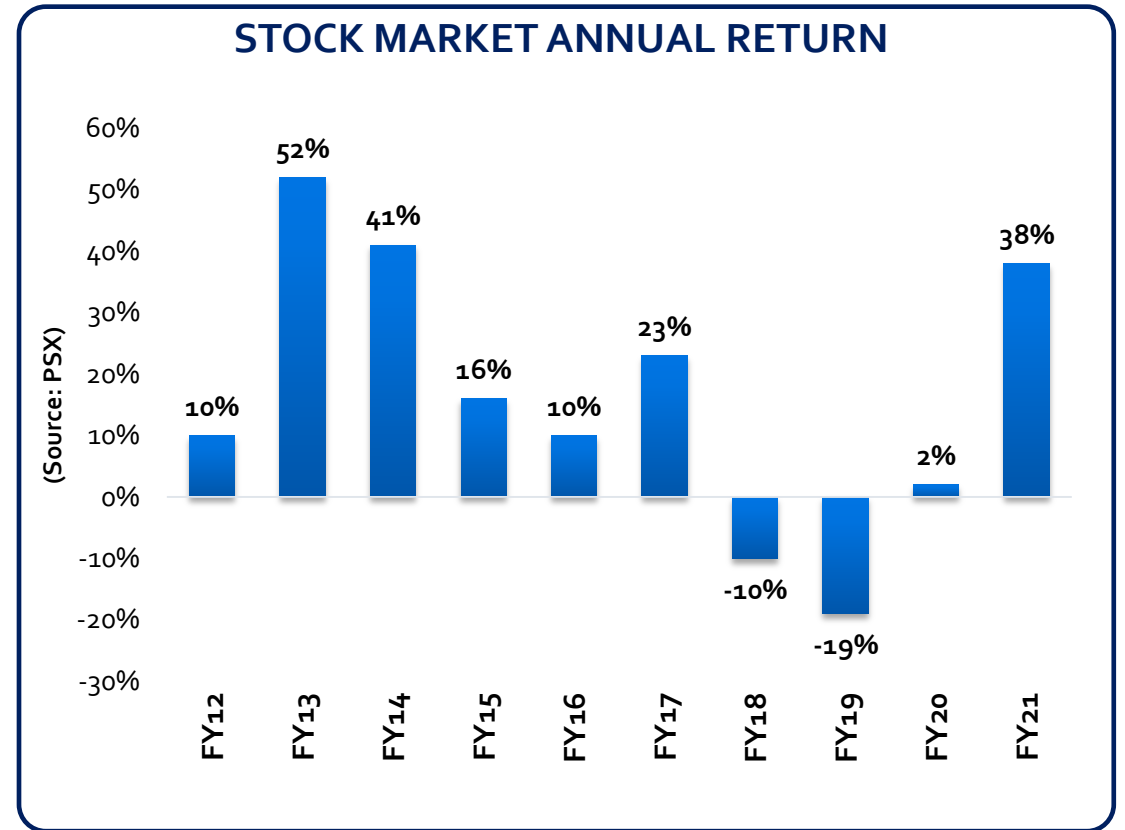
STOCK MARKETS | ANNUAL RETURNS 16% IN LAST 10 YEARS

10 Year Average Returns

Period	Stock Market Annual Return
FY12	10%
FY13	52%
FY14	41%
FY15	16%
FY16	10%
FY17	23%
FY18	-10%
FY19	-19%
FY20	2%
FY21	38%

***Average Return 16%.**

(Source: PSX)



- The reclassification of Pakistan from the MSCI's Emerging Market index to MSCI's Frontier Markets was neither surprising nor a new development for the market players.

SWOT ANALYSIS

❑ Strengths

- Strong Regulatory oversight through SECP and PSX
- Resilient Human Resource
- Stock Market is in Recovery phase,
- Investors confidence is growing
- Online digital account, easy process for encouraging new investors

❑ Weaknesses

- Any kind of uncertainty like political and social or economic can have a negative impact on the Stock Market and its impact on the brokerage firms.
- Some of the regulatory requirements e.g., Minimum capital may be difficult for small brokers to meet.

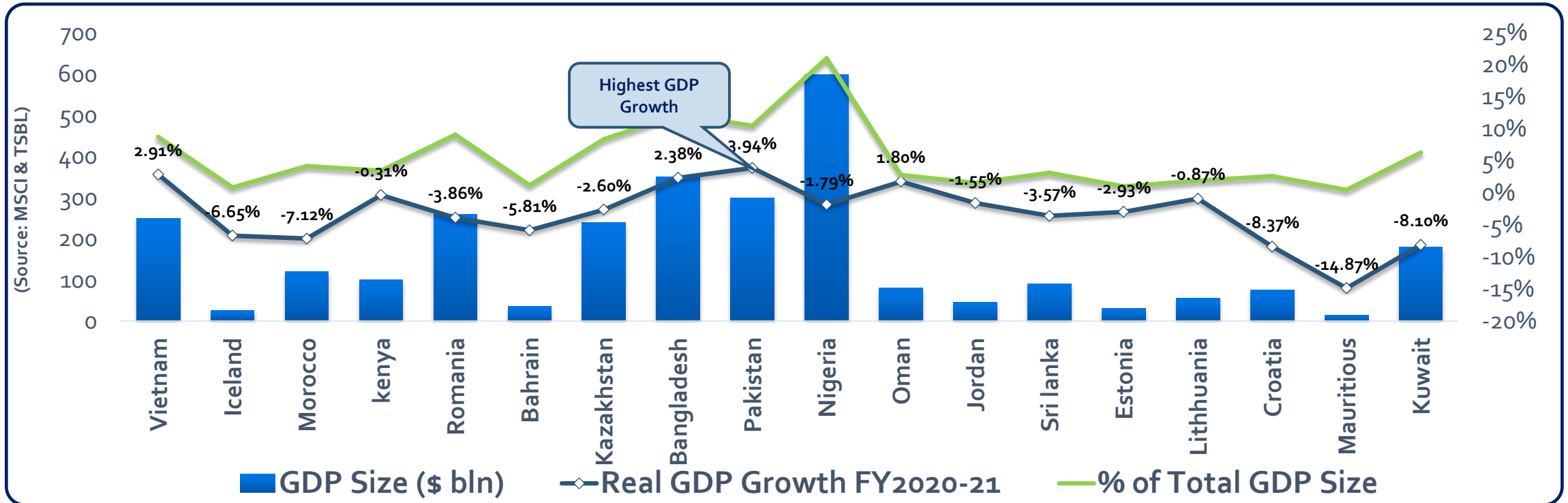
❑ Threats

- Uncertainty in the market and amongst investors due to subsequent waves of pandemic
- Monetary Tightening
- FATF issues
- Pak-US relationship
- Vulnerable external account

❑ Opportunities

- Digitization
- Lower Financial Inclusion
- Targeting Students, Business Chambers, SMEs to spread outreach of business

PAKISTAN STANDS OUT IN FRONTIER MARKETS



Pakistan is cheapest among the Frontier Markets & offers attractive valuations (P/E multiples) and yields to foreign investors & fund managers. On account of the Pakistan's economic fundamentals & relatively better equity valuation, Pakistan's stock market average returns stood at 16%. We believe the long-term prospects of the stock market looks intact & will revive domestic & foreigner's interest.

OUTLOOK & PROSPECTS

Outlook: **Stable to Positive**

- Pakistan managed to maintain balance between the Covid-19 normalcy and keeping economic growth momentum intact.
- Pick up in domestic economic activities which is reflected in Pakistan's Large-scale Manufacturing, having the weightage of 76% in Manufacturing sector & 50% in the industrial sector, bolstering Pakistan's Economic Growth.
- The GDP growth is projected to remain 4.5% in 2020-21.(Provisional figure 3.94%)
- Potential GDP growth of 5-6% in coming years including FY22 & FY23
- The equity market offers attractive valuation of P/E multiples of 7.15. P/BV 1.06
- Forward P/E of 5.61 & dividend yield of 5.47%.
- Therefore, we believe prospects of Stock Markets promising & are in line with the economic growth of the country.

ASSESSING ECONOMIC RISKS – PAKISTAN ECONOMIC OUTLOOK IN 2021-22

NEGATIVE FACTORS

- ✦ Pakistan's inflation rising with domestic recovery, energy tariff & high commodity prices in 2021-22.
- ✦ Pakistan's CAD projected to remain 2.5% in 2022-23 mainly due to high imports & oil prices.
- ✦ Despite fiscal consolidation, Fiscal deficit projected to remain at 7% of GDP in FY22. Fiscal Adjustment of Rs. 800 billion or 1.67% of GDP
- ✦ Pakistan's Public debt to remain high in medium-term.
- ✦ Rupee devaluation is a concern, dropped by 11% so far since June 30,2021 to 24th Nov 2021
- ✦ Market-driven exchange rate counters external risks & is "useful shock absorber" in longer term says Fitch
- ✦ Monetary Tightening to remain in center stage, Focus shifted from growth to controlling Inflation
- ✦ Governance issues

POSITIVE FACTORS

- ✦ Pak-IMF Staff level agreement signed, Resumption of IMF program expected soon
- ✦ Saudi-Bailout package worth \$4.2 billion
- ✦ External financing of \$20 billion intact for FY22.
- ✦ Exchange rate lost ground likely to restore.
- ✦ World Bank projects Pakistan's exports to grow strongly in 2021-22 (after tapering).
- ✦ During Jul-Oct FY22 vs last year, Pakistan's net earning grew by 18% stood at \$21.58 billion vs. \$18.26 bln
 - a) Remittance growth 12%,
 - b) Goods Exports 26%,
 - c) Services exports 23% growth,
 - d) tax revenue growth 36% growth.
- ✦ World Bank projects implementing key reforms to strengthen long-term growth prospects
- ✦ More central bank operational autonomy.

IMF PROJECTS 4% GDP GROWTH IN FY22

S.No	Countries	Real GDP %			Consumer Prices%			Current Account Balance %			Unemployment %		
		2020	Projection		2020	Projection		2020	Projection		2020	Projection	
			2021	2022		2021	2022		2021	2022		2021	2022
1	UK	-9.8	6.8	5	0.9	2.2	2.6	-3.7	-3.4	-3.4	4.5	5	5
2	USA	-3.4	6	5.2	1.2	4.3	3.5	-2.9	-3.5	-3.5	8.1	5.4	3.5
3	India	-7.3	9.5	8.5	6.2	5.6	4.9	0.9	-1	-1.4	-	-	-
4	China	2.3	8	5.6	2.4	1.1	1.8	1.8	1.6	1.5	4.2	3.8	3.7
5	Pakistan	-0.5	3.9	4.0	10.7	8.9	8.5	-1.7	-0.6	-3.1	4.5	5.0	4.8
6	Turkey	1.8	9	3.3	12.3	17	15.4	-5.2	-2.4	-1.6	13.1	12.2	11
7	Japan	-4.6	2.4	3.2	0	-0.2	0.5	3.3	3.5	3.3	2.8	2.8	2.4
8	Saudi Arabia	-4.1	2.8	4.8	3.4	3.2	2.2	-2.8	3.9	3.8	7.4	-	-
9	Bangladesh	3.5	4.6	6.5	5.6	5.6	5.7	-1.5	-1.1	-1.5	-	-	-
10	Germany	-4.6	3.1	4.6	0.4	2.9	1.5	6.9	6.8	6.9	3.8	3.7	3.6

(Source: IMF)

*Global GDP growth revised down by 0.1% to 5.9% in 2021 & unchanged at 4.9% for 2022.

** Unemployment rate is projected to drop to 4.8% in 2022 vs 5% in 2021

- According to the above table, **Pakistan's Real GDP growth is projected to remain 3.9% in 2020-21. This assessment cemented Pakistan's National Accounts Committee (NAC) published real GDP growth figures and has nullified previous speculations over the GDP growth figures.**
- However, this real GDP growth was provisional figure & is likely to remain 4.5% in full year, once the final GDP numbers will be released by NAC during its annual meeting.

IMF PROJECTS 4% GDP GROWTH IN FY22

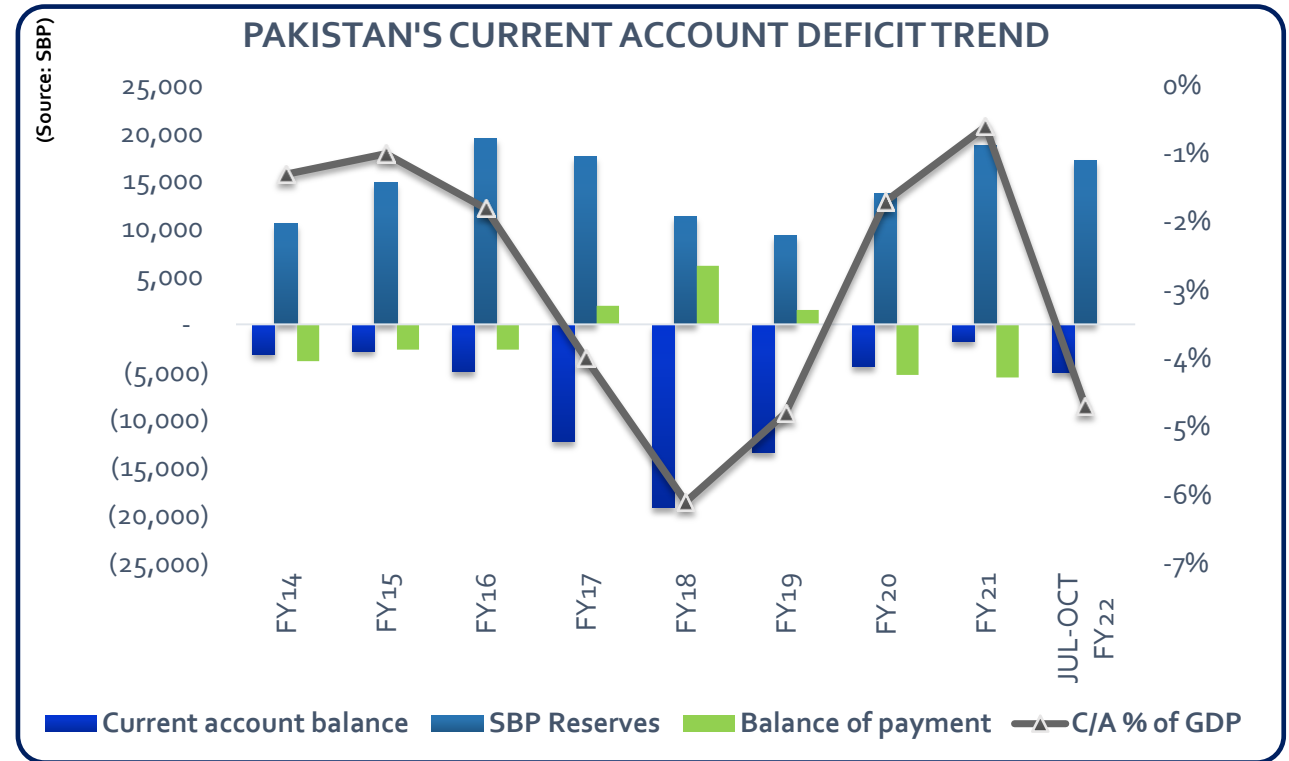
- ***According to IMF estimates, Pakistan's real GDP growth to expand 4% in 2021-22 which is higher than the World Bank estimates.***
- According to World Bank, Pakistan's Real GDP growth is projected to remain 3.4% in 2021-22. However, World Bank expects this growth to strengthen in next fiscal year to 4% in 2022-23 mainly on account of implementation of key structural reforms.



- ***IMF expects that inflation in Pakistan is expected to remain at moderate levels to 8.5% and by end of period 9.2% in this fiscal year compared to 8.9% in 2021 & 10.7% in 2020.***
- The projected current account deficit is 0.7% of GDP in 2021-22. World Bank projects that Pakistan's current account deficit to increase to 1.9% of GDP in 2021-22

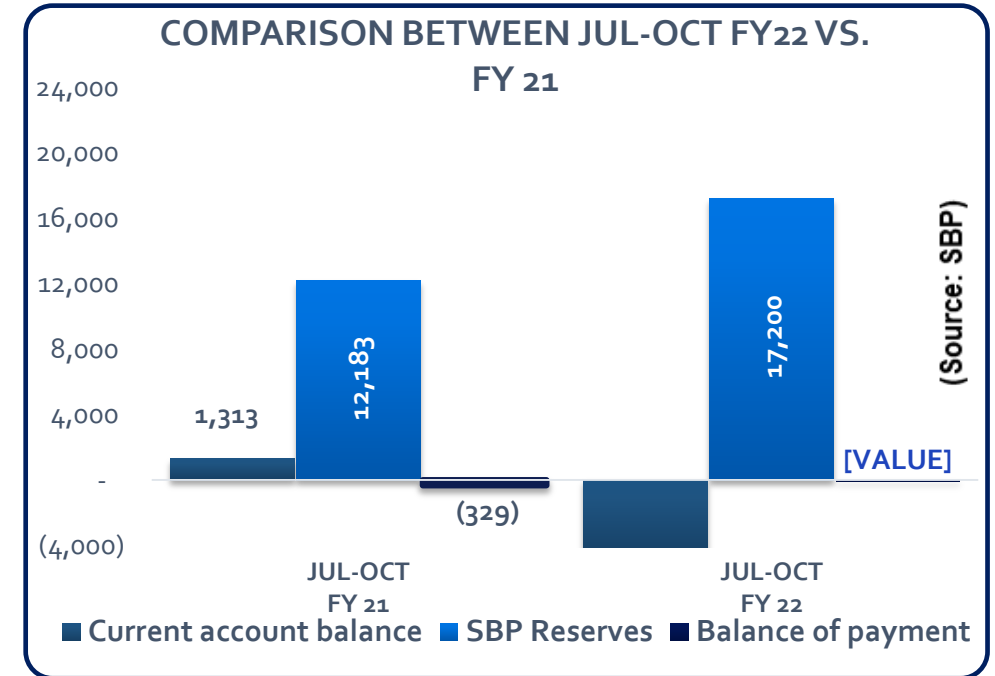
PAKISTAN | RISE IN CURRENT ACCOUNT DEFICIT

- Persistently high international commodity prices & strong domestic activity keeping CAD at elevated levels of \$5 billion during Jul-Oct 2021-22.
- On annualized basis, CAD stood at 4.7% of GDP which is alarming level. As a result, SBP has increased CAD forecasted figure modestly from previous forecast of 2-3% of GDP in FY22.
- According to SBP, market driven exchange rate has been absorbing external shocks.
- Therefore, these pressures are deteriorating exchange rate and affecting competitiveness. We cannot rule rise in import duties, cut down luxuries' imports, and further rise in cash margins to restrict dollar outflows.



PAKISTAN | RISE IN CURRENT ACCOUNT DEFICIT

- Current Account Deficit is ballooning on account of a) Higher imports b) elevated global commodity prices & c) Domestic economic recovery. Consequently, Rupee sheds its value by around 11% or around Rs.17 vs USD since June 2021. (174.77 vs. 157.54)
- We believe this current account deficit would be 4.5 to 5% of GDP if ongoing trend of higher commodities and regional scenario continue to persist. In absolute terms, this current account deficit would be around \$14-\$15 billion in FY22.
- Therefore, it is projected that resumption of IMF-EFF program, will pave the way for the additional funding of \$20Bln in FY22 which will restore lost ground of PKR.

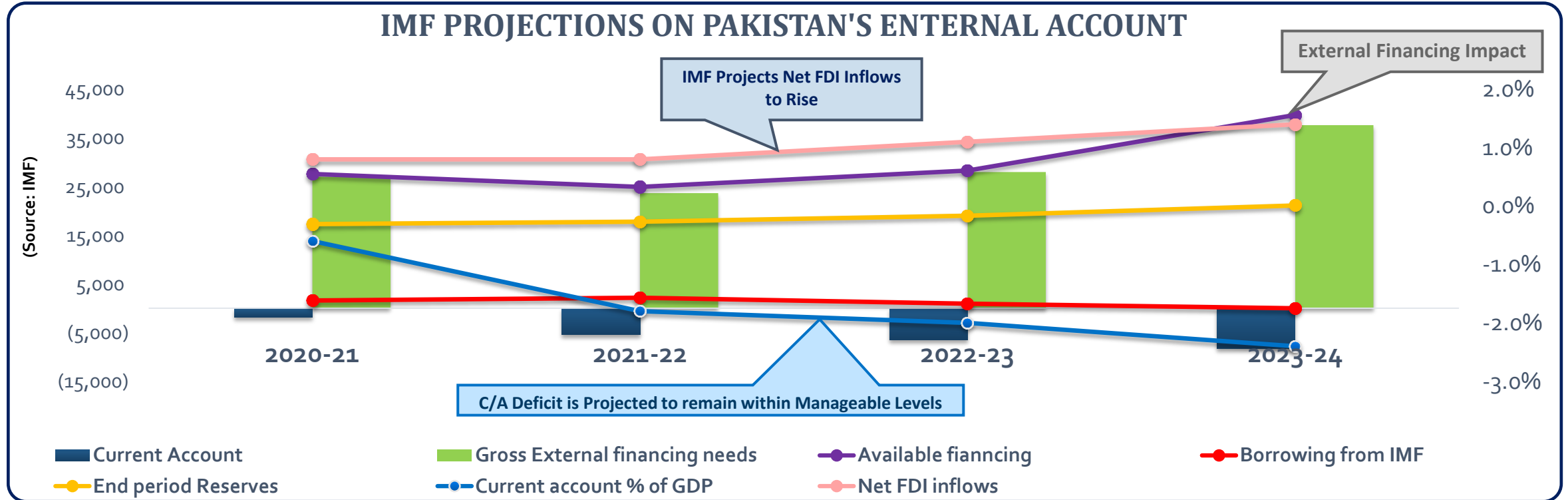


PAKISTAN | RISE IN CURRENT ACCOUNT DEFICIT

Description	Jul-October	July-October	% change
	FY21	FY22 ^P	
Current account balance	1,313	(5,084)	NM
Balance on trade in Goods	(6,796)	(13,803)	103%
Balance on trade in Services	(750)	(1,042)	39%
Balance on trade in Goods & Services	(7,546)	(14,845)	97%
Balance on Primary income	(1,891)	(1,449)	-23%
Balance on goods, services & primary income	(9,437)	(16,294)	72%
Balance on Secondary income	10,750	11,210	4%
Capital account balance	82	72	-12%
Financial account	1,286	(5,545)	NM
SBP Gross Reserves	12,183	17,200	41%

(Source: SBP)

PAKISTAN | RISE IN CURRENT ACCOUNT DEFICIT



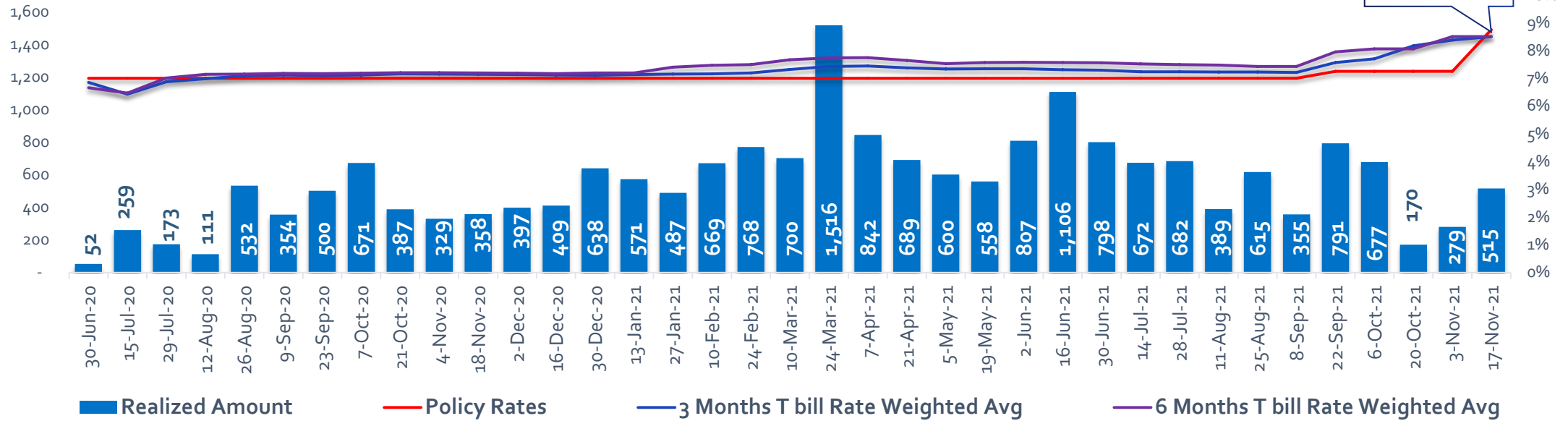
- According to IMF, Pakistan's current account deficit is projected to remain around 1.8% of GDP in 2021-22.
- The available financing is higher than the gross external financing needs & is intact.
- IMF believes market determined exchange rate coupled with accommodative monetary policy, would strengthen Reserve cover to over 3½ months of imports by 2025.

POTENTIAL RISE IN INTEREST RATES

[Source: SBP]

3 & 6 MONTH TRESURY BILL YIELDS VS. POLICY RATE TREND

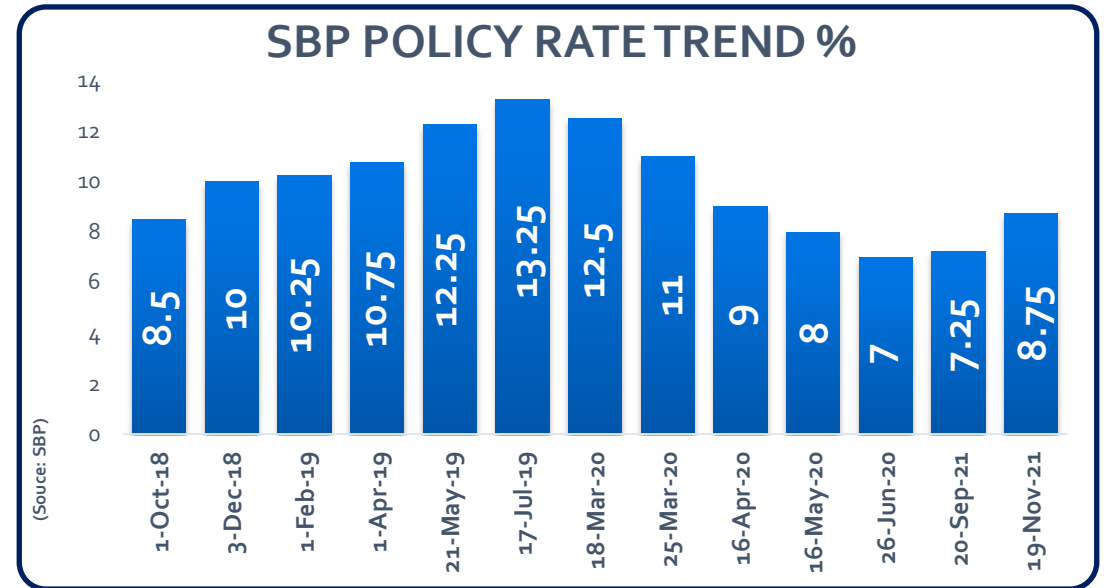
(Since 30 Jun, 2020 to 17 Nov, 2021)



- Policy rate stood at 8.75%. Since last Monetary Policy Announcement on 20th Sep 2021, weighted average 3 months T-bill yield has appreciated by 129 bps from 7.21% to 8.50%. While, weighted average 6 months T-bill yield grew by 107 bps from 7.43% to 8.50%.
- Government reliance on the domestic banking system increased due to budget deficit requirements. In addition to this, rise in energy tariffs & imported inflation has further elevated the inflationary pressures in the economy.
- According to the PBS, Pakistan's Imports growing 2.6 times faster than the Pakistan's Exports. This high pace of import growth & mounting trade deficit level is the real concern despite double digit growth in exports. The growth of exports is 25% as compared to growth of imports 65% during Jul-Oct 2021-22, which is leading to widening Pakistan's Trade-gap & deteriorating balance of Payment Outlook.
- The thrust of the policies is tilted from growth to inflation.
- Looking at long term perspective, economic outlook is intact. Controlling Inflation will remain a gigantic task for the policymakers. However, we believe in response to the potential resumption of IMF program and Saudi package, investor's sentiment to improve going forward.

KEY TAKEAWAYS

- After reaching Staff Level Agreement between Pakistan & IMF and meeting largely all Quantitative performance criteria (PCs) for end-June targets, IMF's Executive Board will resume Pakistan's IMF-EFF program.
- As a result, \$1 billion tranche will be disbursed immediately to Pakistan.
- This will pave the way for keeping Pakistan's \$20 billion external financing intact.
- On account of rebound in Pakistan's economic recovery, the real GDP growth is projected to exceed 4% in FY2022 & 4.5% in FY2023 according to the IMF.
- Due to skyrocketing commodity prices and domestic economic recovery, IMF projects inflation to remain high & should start to decline as the pass-through impact of rupee depreciation is absorbed.



	Previous %	Current %
Policy Rate	7.25	8.75
CPI Inflation	9.20	9.20
Real Interest Rate	(1.95)	(0.45)

KEY TAKEAWAYS

- Government must enforce Fiscal Adjustment of Rs. 800 billion (1.67% of GDP) as agreed with the IMF to keep IMF program afloat, which is aimed to increase;
 - a) Petroleum development levy from Rs4/Ltr to Rs30/Ltr,
 - b) cut in spending by Rs. 200-250 billion,
 - c) withdrawal of tax exemptions of Rs. 300 billion,
 - d) autonomy to SBP, and
 - e) Covid-19 audit.
- This will negatively affect industrial production and fuel inflationary pressure in the country.
- Due to external shocks and structural challenges, Pakistan's has been facing elevated domestic and external risks which is reflected in CAD and exchange rate and fueling dollar outflows.
- Therefore, further monetary tightening will affect private sector's competitiveness and slowdown GDP growth due to;
 - a) Incremental imported cost pressures,
 - b) Rupee devaluation,
 - c) Monetary tightening, and
 - d) Further Fiscal adjustments.

KEY TAKEAWAYS

- Pakistan's CAD is projected to widen further despite export growth.
- Due to external shocks & structural challenges, Pakistan's economic outlook to keep on facing elevated domestic & external risks going forward.
- We cannot rule rise in import duties, cut down luxuries' imports, and further rise in cash margins to restrict dollar outflows.
- On Power Sector Reforms, implementation of the Circular Debt Management Plan is critical for bringing overall improvement in Pakistan's economy for the sustainable & resilient growth.
- On account of underlying external & domestic shocks in economy, reflecting in the balance of payment deterioration in rupee depreciation, SBP to keep on targeting inflation instead of pursuing growth.
- We project interest rates to increase in double digit soon.
- With the incremental imported cost pressures due to high international commodity prices & rupee devaluation, rise in 1.5% interest rates to negatively affect industrial growth.
- Further monetary tightening will affect private sector's competitiveness and GDP growth.



*Thank
You*

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