

Pakistan remittances continue to post high levels

Remittance growth plateaued in September 2021

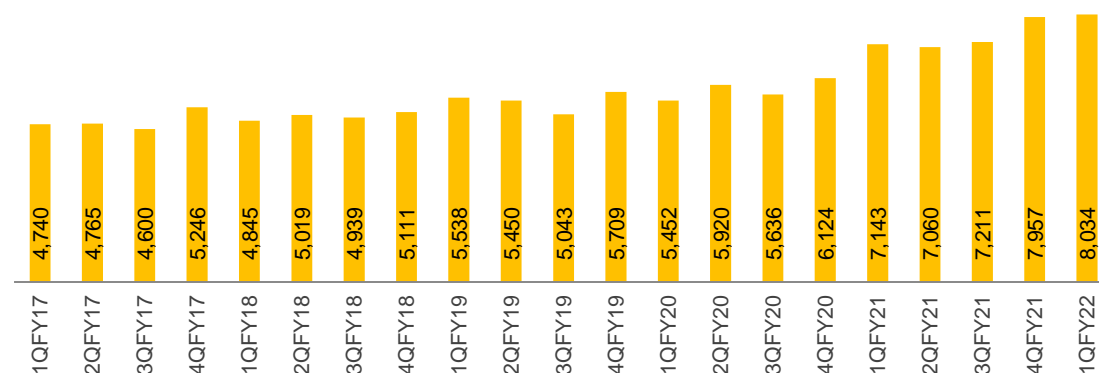
- Pakistan's monthly remittance flows for Sep-2021 registered at US\$2.67bn similar to the levels seen in Aug-2021. This takes 1QFY22 remittances to US\$8.03bn, merely 1% higher from the previous quarter but depicts 12% jump from last year.
- Remittances have posted stellar levels since pandemic halted underground banking channels and SBP incentivized flows through proper streams in the country.
- During Sep-2021, major leading countries and regions contributed higher than the previous month, except for USA and UAE which posted a decline of 12% and 2%, respectively.
- A look at quarterly flows shows a noteworthy contribution from the EU region whose composition and size has continued to grow. On the other hand, UK has recovered more than its historical levels while flows from USA have not been able to cross pre-pandemic levels.
- We remain firm on our stance that remittance growth is expected to plateau during FY22 and it may likely witness mild blips in different regions owing to high base effect. Authorities continue to deliberate on the efficacy of incentives on remittances in a post-pandemic era and it will be a key change if it is discontinued, going forward.

Remittances by country

US\$ mn	Sep-21	Aug-21	MoMAΔ	Sep-20	YoYΔ	1QFY22	1QFY21	YoYΔ
USA	245	279	-12%	180	36%	836	633	32%
UK	370	353	5%	289	28%	1,116	985	13%
KSA	691	694	0%	666	4%	2,026	2,080	-3%
UAE	502	512	-2%	473	6%	1,545	1,421	9%
Other GCC	298	289	3%	261	14%	881	784	12%
EU Countries	299	292	2%	207	44%	889	601	48%
Malaysia	12	11	9%	17	-31%	33	56	-41%
Australia	72	58	24%	47	54%	182	141	29%
Total	2,670	2,657	0%	2,284	17%	8,034	7,143	12%

Source: SBP, JS Research

Quarterly remittance flows continue to remain high (US\$m)

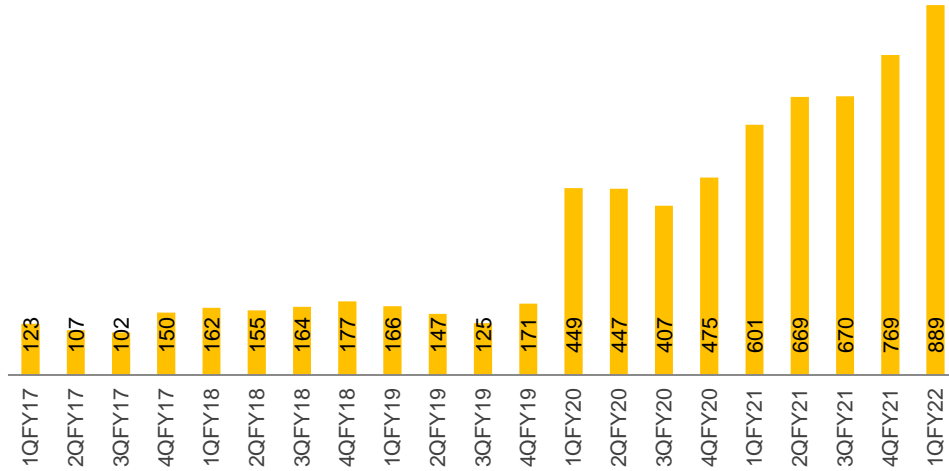


Source: SBP, JS Research

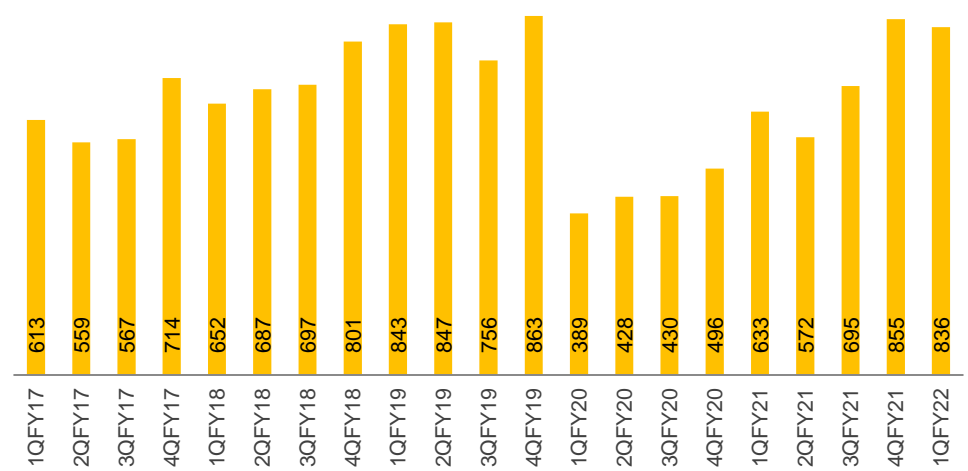
Wajid Rizvi wajid.rizvi@js.com +92-21-111-574-111 Ext: 3118

Pakistan remittances continue to post high levels

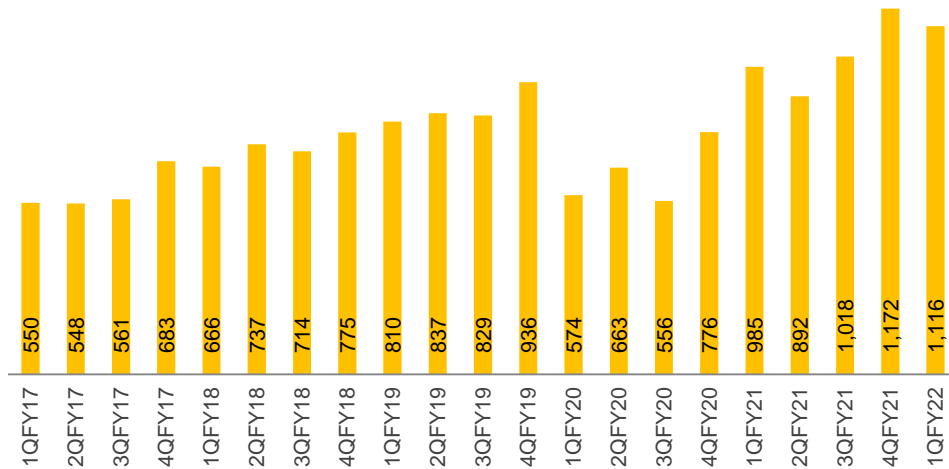
Remittances from EU Countries continue to grow



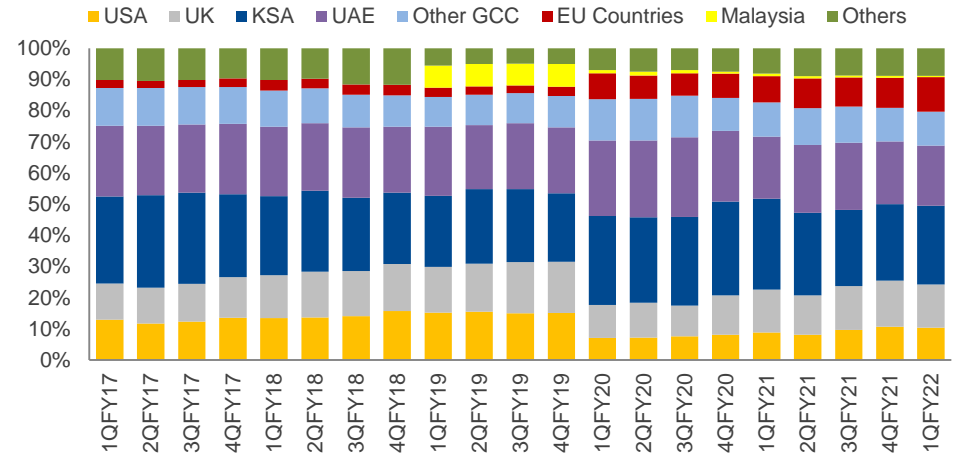
Flows from USA have not crossed pre-pandemic era



Strong remittance growth from UK



Composition of EU continues to rise



Source: SBP, JS Research, Amounts in US\$mn

DISCLOSURES

JS Global hereby discloses that all its Research Analysts meet with the qualification criteria as given in the Research Analysts Regulations 2015 ('Regulations'). Each Analyst reports to the Head of Research and the Head of Research reports directly to the CEO of JS Global only. No person engaged in any non-research department has any influence over the research reports issued by JS Global and/or no person engaged in any non-research department (other than the CEO) has any influence on the performance of the Research Analysts or on their remuneration/compensation matters.

The Research Analyst(s), author of this report hereby certify that all of the views expressed in this research report accurately reflect their personal, unbiased and independent views about any and all of the subject issuer(s) or securities, and such views are based on analysis of various information compiled from multiple sources, including (but not limited to) annual reports, newspapers, public disclosures, financial models etc. The given sources appear to be and consequently are deemed to be reliable for forming an opinion and preparation of this report. Such information may not have been independently verified or checked by JS Global or the Research Analyst, and therefore, all such information as given in this report may or may not prove to be correct. It is hereby certified that no part of the compensation of JS Global or the Research Analyst was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

Rating System

JS Global Capital Limited uses a 3-tier rating system i.e. Buy, Hold and Sell, based on the level of expected return. Time horizon is usually the annual financial reporting period of the company.

'Buy': Stock will outperform the average total return of stocks in our universe

'Hold': Stock will perform in line with the average total return of stocks in our universe

'Sell': Stock will underperform the average total return of stocks in our universe

Target price risk

Company may not achieve its target price for various reasons including company specific risks, competition risks, sector related risks, change in laws, rules and regulations pertaining to the business of the Company as well as a change in any governmental policy. The results of operations may also be materially affected by global and country-specific economic conditions, including but not limited to commodity prices, prices of similar products internationally and locally, changes in the overall market dynamics, liquidity and financial position of the Company and change in macro-economic indicators. The company is exposed to market risks, such as changes in interest rates, foreign exchange rates and input prices. From time to time, the company may enter into transactions, including transactions in derivative instruments, to manage certain of these exposures.

Research Dissemination Policy

JS Global Capital Limited endeavours to make all reasonable efforts to disseminate research to all clients (without any preference, prejudice or biasness) in a timely manner through either physical or electronic distribution such as mail, fax and/or email.

Disclosure Pertaining To Shareholding/Conflict of Interest

The Research Analyst has not directly or indirectly received any compensation from the Subject Company for preparation of this report or for the views expressed herein, and the Subject Company is not associated with the Research Analyst in any way whatsoever.

No other material information (other than the one specifically disclosed in this report) exists (for JS Global as well as the Research Analyst) which could be a cause of conflict of interest in issuing this report.

Disclaimer of Liability

No guaranty, representation or warranty, expressed or implied, is made as to the accuracy, completeness, reasonableness, correctness, usability, suitability or purposefulness of the information contained in this report or of the sources used to compile the information contained in this report.

All information as given in this report may or may not prove to be correct, and is subject to change without notice due to market forces and/or other factors not in the knowledge of or beyond the control of JS Global or the Research Analyst(s), and neither JS Global nor any of its analysts, traders, employees, executives, directors, sponsors, officers or advisors accept any responsibility for updating this report and therefore, it should not be assumed that the information contained herein is necessarily complete, accurate, reliable or up-to-date at any given time.

The client is solely responsible for making his/her own independent investigation, appraisal, usability, suitability or purposefulness of the information contained in this report. In particular, the report takes no account of the investment objectives, financial situation and particular needs of investors who should seek further professional advice or rely upon their own judgment and acumen before making any investment. This report should also not be considered as a reflection on the concerned company's management and its performances or ability, or appreciation or criticism, as to the affairs or operations of such company or institution

Consequently, JS Global and its officers, directors, sponsors, employees, executives, consultants, advisors and analysts accept no responsibility or liability towards the Client, and assume no obligation to do (or not to do) anything with respect to the information contained in this report. Research Analyst(s) and JS Global shall also not be liable in any way and under any circumstances whatsoever for any loss, penalty, expense, charge or claim that may be suffered/incurred by the client as a result of receiving, using, or having complied and distributing this report.

Warning: This report may not be reproduced, distributed or published by any person for any purpose whatsoever. Action will be taken for unauthorized reproduction, distribution or publication.