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# MARKET UPDATE – PAKISTAN

MAY 2020

# Snapshot of the COVID-19 Situation in Pakistan

## Situation Update

**21,501**
Confirmed cases as at May 5th, 2020

**486**
Deaths attributable to COVID-19 as at May 5th, 2020

## Some COVID-19 Containment Measures

### USD 469.6 million

USD 469.6 million approved for cash disbursement to 6.2 million workers

### USD 939.2 million

USD 939.2 million approved for cash transfers to mapped out low income households

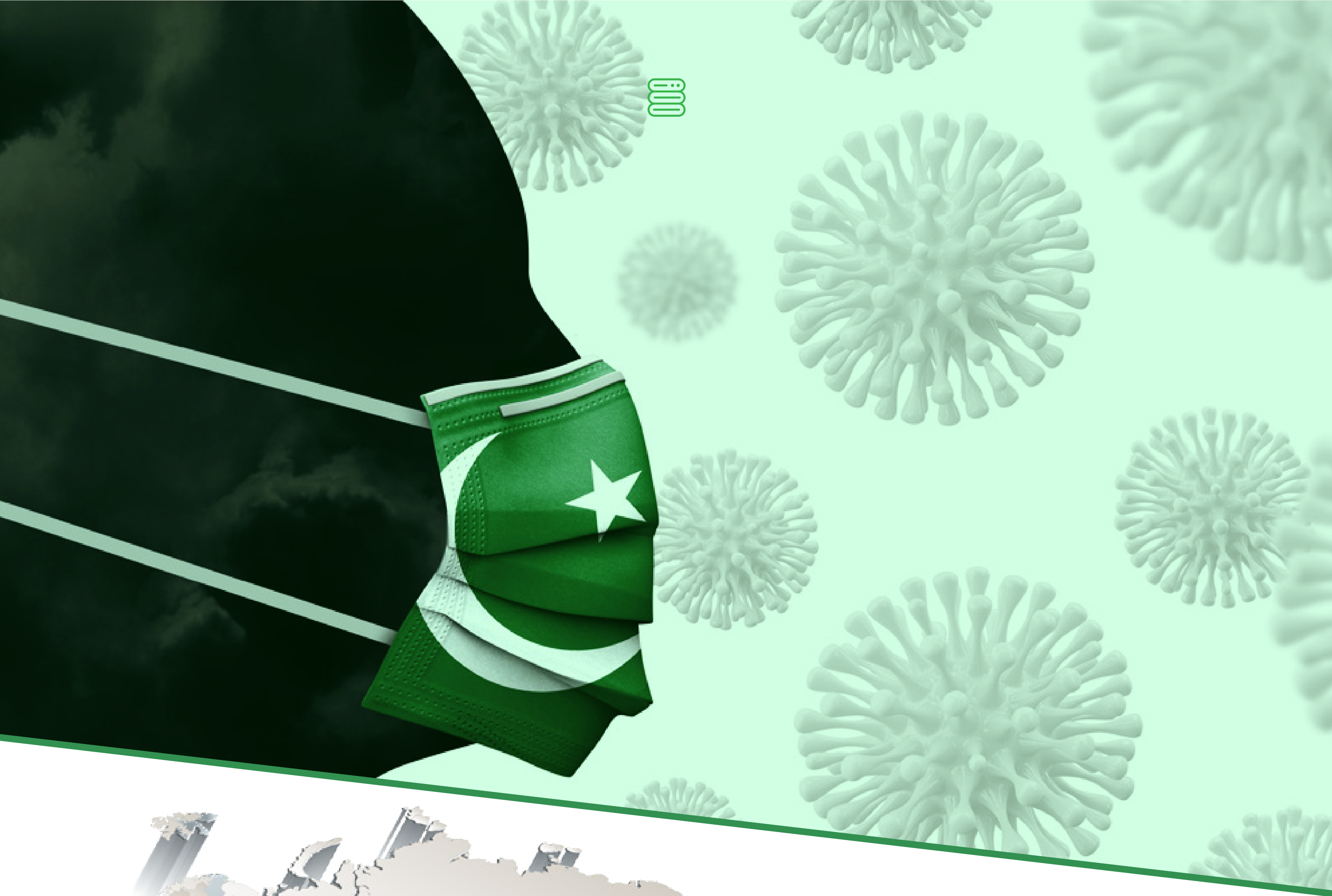
### Fuel Price Relief

USD 438.0 million approved for expenditure in providing fuel price relief for consumers

### Emergency Support

USD 1.4 billion received from the IMF under emergency support

**Source:** International Monetary Fund, World Health Organization



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# PAKISTAN MARKET UPDATE

COVID-19 TO SEND GROWTH IN NEGATIVE TERRITORY

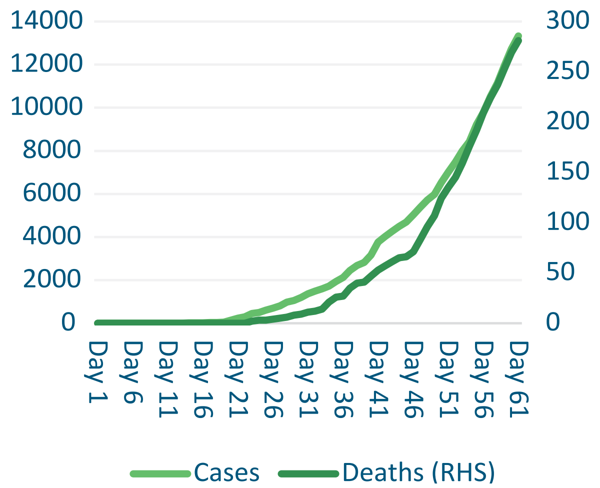
## COVID-19 SITUATIONER

*(These numbers are as of April 27, 2020 and are subject to substantial change by the time the report reaches readers)*

**Coronavirus Firms Grip Across Pakistan**

From 1000 corona positive cases on March 25, the journey to 13000 was swift. Pakistan doubled the positive cases in 11 days leading to 13000, which is amongst the fastest rate of doubling for countries around similar stage of the pandemic.

**Corona Cases Rise Rapidly**




**Source:** Government of Pakistan

Most experts have warned that Pakistan's Covid curve is nowhere close to the peak. The pace at which cases have risen in the last two weeks gives credence to the experts' opinion.

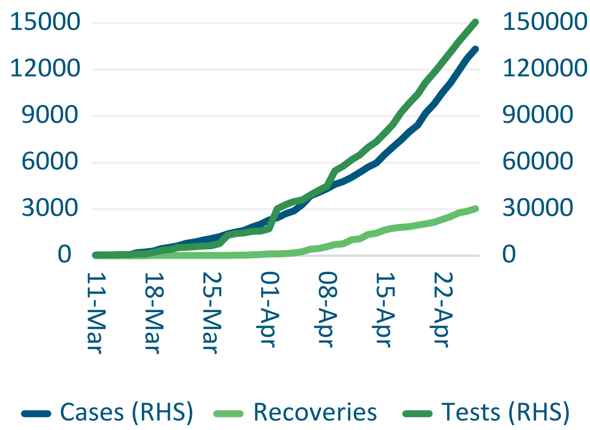
The curve is largely a reflection of Pakistan's testing efforts, which have been ramped up rather swiftly since last month. Pakistan has one of the best tests per million ratio in South Asia, which is increasing by the day.

The authorities have announced plans to more than double the testing capacity to 20000 tests per day from May onwards. China is helping Pakistan increase its laboratory capacity, as Pakistan have procured ample testing kits for the next month.

The ratio of positive cases per test conducted has increased from 7% in March to around 10% in April. It must be noted that Pakistan has not yet opted for mass testing, and asymptomatic testing has been far and few between.

Two of the four provincial authorities have announced pool testing, which should better indicate the prevalence of virus on a mass scale.

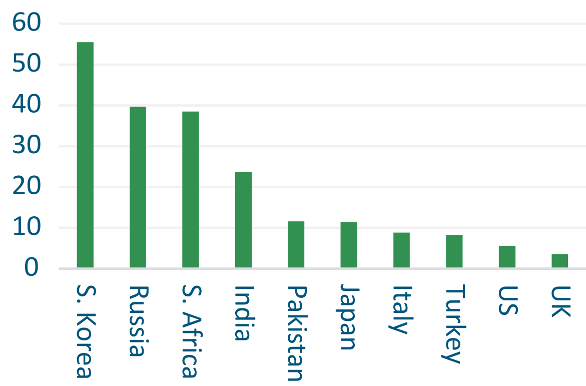
**Pakistan's Testing Rises**




**Source:** Government of Pakistan

In terms of tests per positive cases, Pakistan is closer to the worst hit countries, and the ratio is deteriorating by the day. Some countries have observed the positive case to test ratio decline with increased testing, while others have gone the other direction. Pakistan's direction would only be known once random mass testing picks pace, across the country.

**Tests per Confirmed Case**



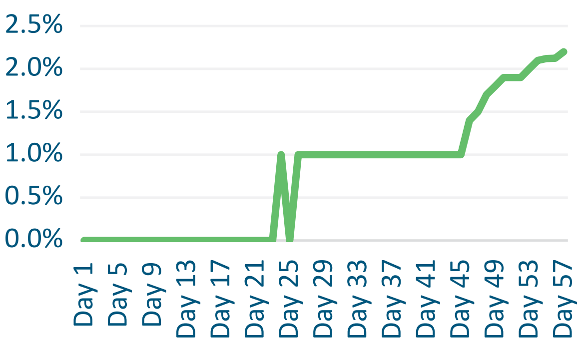

**Source:** Oxford Martin School

Pakistan's demographic buildup is still being singled out by some as a saving grace, in terms of mortality rate.

While Pakistan does boast of one of the youngest populations in the world, the mortality rate is still in early stages, as most countries have been able to gauge the mortality rate around 40-45 days of first thousand cases.

Pakistan's mortality rate has been constantly rising, and could rise exponentially, in two weeks' time, as warned by medical experts. Pakistan has seen its deaths double in 9 days, at a faster rate than doubling of positive cases.

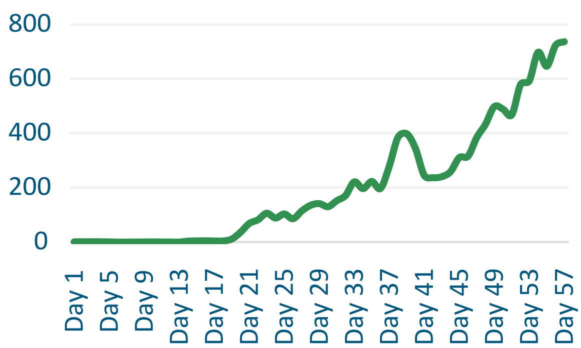
**Mortality Rate Rises**




**Source:** Government of Pakistan

Pakistan's daily graph is more representative of the number of tests, than the actual prevalence of cases. But the trajectory indicates the curve is only going to get north, before any chances of peaking, let alone flattening.

**Daily Covid Cases (3-day rolling average)**



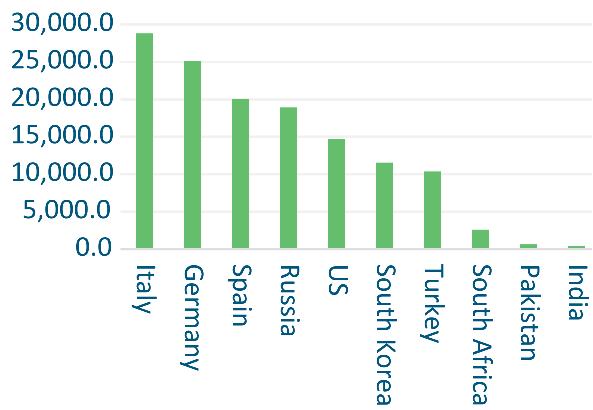

**Source:** Government of Pakistan

When compared to the rest of the world, Pakistan's cases per million maybe a fraction of what is happening in the worst hit countries.

The approach is considered misleading b experts, and the government authorities seem to have fallen in complacency, citing lower number of cases and deaths.

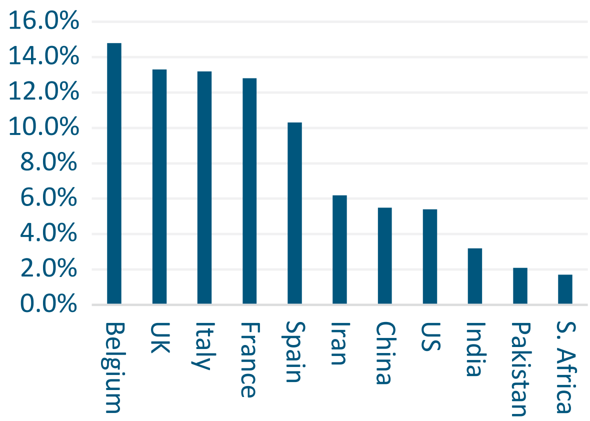
While positive cases will always be a function of testing, death rate may soon rise, as many positive cases are now entering the crucial 35-40 days period of being infected.

**Covid Tests per Million**




**Source:** Oxford Martin School

**Mortality Ratio**




**Source:** John Hopkins University

### Pakistan's Preparedness Extremely Worrying

Pakistan's public healthcare spending is amongst the lowest in the region. There are no marks for guessing that the public healthcare infrastructure stands on weak pillars.

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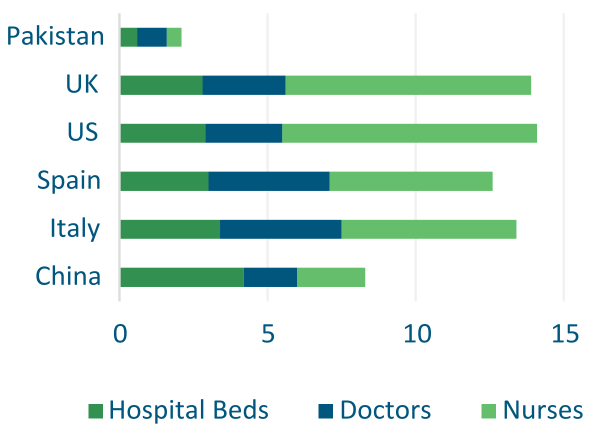
The healthcare system has coped alright so far, as the cases appear far from the peak. But with every passing day, the medical experts and provincial governments are raising alarms on a possible capitulation of the entire healthcare system, given the constraints.

Health is not a federal subject in Pakistan, which has also raised coordination issues in dealing with Covid. Provincial authorities have worked hard to increase the capacity, specially dedicated to Corona patients. But even that may be challenged by the mid of May, as hospitalization rate is feared to increase as Pakistan goes deep into the pandemic.

**Pakistan's Worrying Healthcare (number in per 1000)**




**Source:** World Bank

Pakistan had announced a nationwide lockdown in the last week of March, which went on for two weeks, with reasonable effectiveness. The lockdown continues to date, but the efficacy is questionable, as Pakistan seems to have eased the restrictions sooner than prescribed.

Pakistan was the first to announced opening of the construction industry, on the premise that it has the potential to employ a large number of daily wages earners and has dozens of allied industries associated.

The other area of concern is the issue of religious gatherings. Much politics has surrounded the debate, and there is no consensus on national level, as regards allowing religions congregations, especially in the wake of Ramadan.

Except for one province, the other three provinces have allowed religious gathering for Ramadan. These gatherings are a daily affair in Ramadan, and millions are expected to attend. Although, guidelines have been issued for such gatherings, the implementation is impractical.

Small traders and retail industry have also upped the ante on governments to allow them re-open. Ramadan sales for the retail sector usually make up for one-fourth of the annual sales, and the government may have to give in, with some restrictions. Pakistan is fast going towards an unannounced strategy of herd immunity, which risks putting the healthcare system in jeopardy.

The government's fiscal and policy response has been widely lauded. Businesses, big and small, have been offered sizeable relief in duties, taxes, and debt servicing.

Bankable businesses have been provided with more tax benefits and revised debt servicing plans, in case of retaining employees. Companies have also been offered various payroll financing schemes on exceptionally low rates, which has been hailed and availed by various businesses.

Apart from PKR 100 Bln support package to the construction industry, a relief package for organized retail sector is also in the works, which could help retain employment for a couple of months in case the businesses remain shut.

Direct cash support program of PKR 144 Bln is aimed at three months, the distribution of which is continuing seamlessly. The government has announced an additional PKR 80 Bln to support the nationwide chains of utility stores, to sell grocery items at steep discount.

The retail and domestic sectors have also been granted deferment of rental and utility payments for three months, which should be a breather in terms of liquidity support. But the government's fiscal limit is being tested to the stretch, and it will be difficult maintaining the support measures beyond June or July.

ECONOMIC OUTLOOK

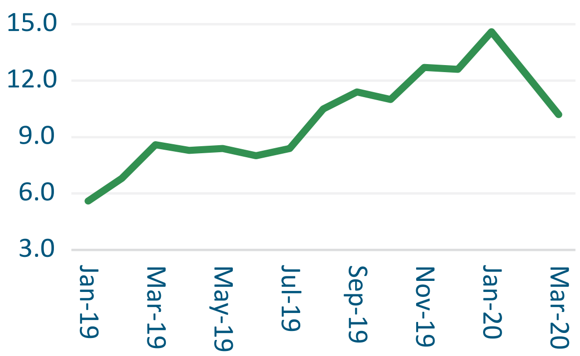
### Food & Energy Prices Bring Inflation Down

Much in line with anticipation, the headline CPI inflation tamed to 10%, from a 10-year high of 14%, just a couple of months ago. The considerable decline is a combination of administrative price control of food items, and delay in energy price increase.

The March 2020 inflation numbers have little to no impact of the coronavirus, as the economy only started to feel the pressure in the last week of March. Much improved vegetable crop and supply coupled with concerted government efforts to curb hoarding and enforcement of strict price control, yielded significantly lower perishable and grain food prices.

The core inflation continued to hover in the single digits. The energy component of inflation also declined substantially during the month, as the impact of falling global crude oil price was partially passed on to the consumers, leading to much reduced petroleum prices.

**CPI Inflation Tames**



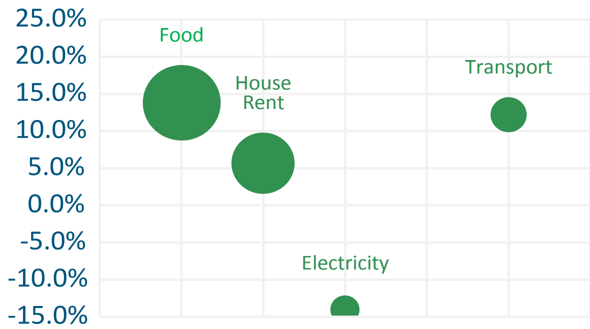

**Source:** Pakistan Bureau of Statistics

The government had also convinced the IMF earlier, to gain waiver on energy pricing related targets. This has helped the government defer the quarterly and monthly fuel price adjustments, which have led to a year-on-year decline in electricity prices across the country.

With the federal government announcing massive relief on account of gas and electricity bills for three months in the wake of Covid-19, we believe, the energy inflation is all set to stay low in the near term.

The crash in the global crude oil market opens an opportunity for Pakistan to further reduce the petroleum prices. But the demand has tanked down by half, leading to no fresh imports, and Pakistan is unlikely to cash in the opportunity.

**CPI break-up**




**Source:** Pakistan Bureau of Statistics

We believe, the recent massive reduction in the policy rate by the central bank, will go down a long way in lowering costs for big businesses. While the demand may not spur in the current scenario, it is likely to keep inflation under pressure, and single digit inflation could well be the new normal for the months to come.

Likely supply disruptions as a result of global trade hiccups, do pose an upside threat to prices. The country is gradually opening, and most goods transportation goes on uninterrupted, which should soothe supply side concerns.

The government has also frozen house rent for the next six months, in addition to 20% reduction in school fees. Together, they account for over 20% weight, and should keep inflation down.

Falling global commodity prices should also reflect soon in local prices. The government's resolve to increase subsidized food budget by ten times in the wake of Covid-19, should also lead to overall lower recorded prices in National CPI, for the next two months.

### Inflation Dents Consumer Confidence

The business confidence had only started to look up slightly in the last wave conducted in February 2020.

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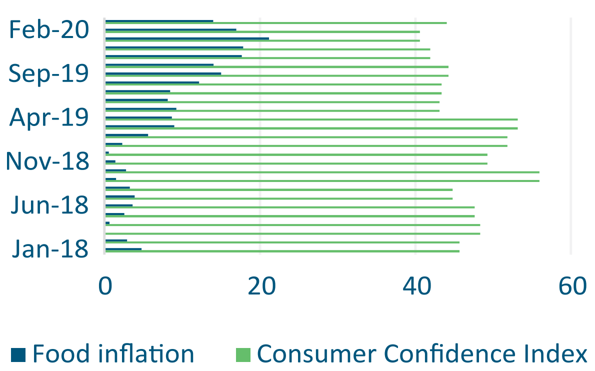
The consumer confidence survey conducted by the central bank shortly after, had mirrored the business confidence, inching slightly up.

Consumer confidence is a measure of the buying consumers' current economic conditions, purchasing intentions and outlook. Of all the factors, food inflation seems to be decisive factor in the overall rating.

**Food Inflation & Consumer Confidence**




**Sources:** Pakistan Bureau of Statistics, State Bank of Pakistan

Even with a slight improvement in February, the overall confidence was in negative territory. With Covid-19 hitting the country hard, as nearly the entire country is still under various degrees of lockdown, the confidence is all set to shatter to record lows, in the next wave, the results of which are due shortly.

Pakistan's patchy labor data and large informal employment makes it difficult to pin a finger on the job losses, but various studies suggest that almost 7o% employment in the informal sector is in the vulnerable category.

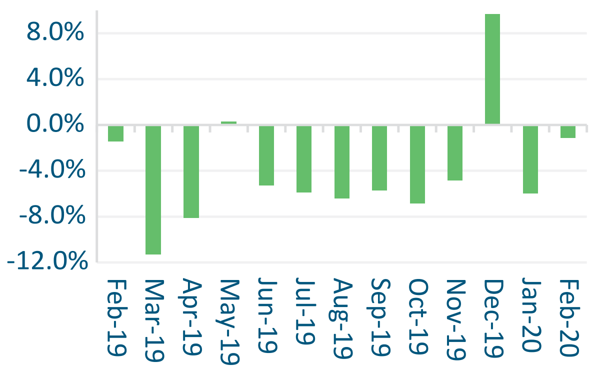
The job losses are going to be north of 20 million, in the informal and SME sectors. Disposable income is all set to decline sharply, and the expected consumer confidence will come down along.

### Industrial Manufacturing Stays Down

February 2020 Large Scale Manufacturing numbers further asserted that the December growth was just an anomaly, built on low base and earlier than usual sugar crushing season.

Normal service has resumed since as the LSM sinks further down. It has now been seven straight quarters and counting that the industrial production has contracted. Basically, Pakistan's industrial economy had entered recession much before Covid-19 had hit.

**Large Scale Manufacuting (YoY Growth)**



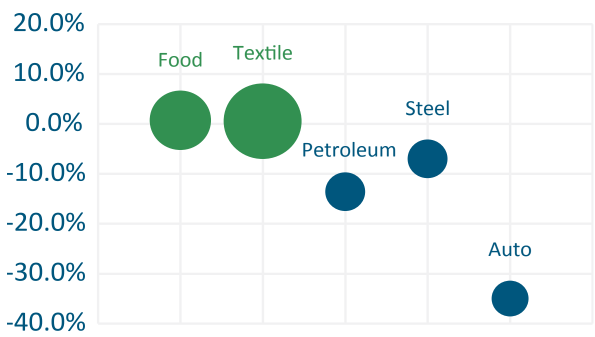

**Source:** Pakistan Bureau of Statistics

Automobiles has been the worst hit sector, as vehicle demand has plummeted to multiyear low. Vehicles in all categories, from passenger to commercial, have witnessed double digit decline, owing to increased prices due to massive currency depreciation, and very high interest rates.

The central bank, in its recent state of the industry report has estimated the GDP to contract for the first time in 70 years, to negative 1.5%.

Industrial production was already going downhill, and Covid-19 is going to hasten the fall. Export oriented industry is going to be hit hard, as demand for most of Pakistan's low value-added textile products is expected to drop sharply. Worse still, Pakistan's major export destinations are the worst hit Covid countries, such as the US, UK, and Spain.

### Manufacuting Downturn Deepens




**Source:** Pakistan Bureau of Statistics

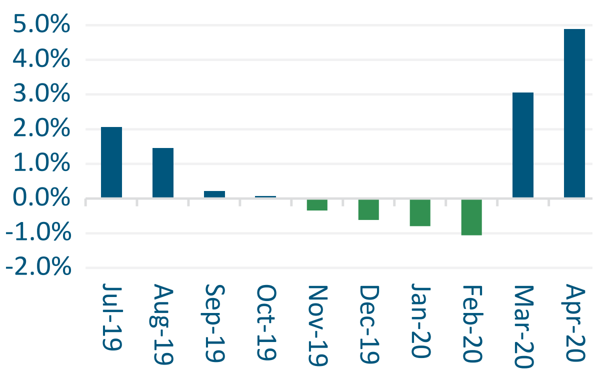
Demand for petroleum products has also nosedived by over 40% in April. The pandemic has not even come close to the peak, by most estimates, which signals, local demand is going to remain subdued for the months to come. We believe, the industrial sector, other than food, pharmaceutical and cement, will be under immense pressure, in the upcoming months.

### Rupee Stumbles, Then Recovers

April was a tale of two halves for the rupee movement. For the first half, the rupee had kept up with the depreciation momentum built late March 2020. Intraday movements became more volatile, as rupee was seen touching 170 in the open market.

The central bank refrained from intervention, as the newly adopted market based flexible exchange rate regime, only calls for intervention in exceptional circumstances. The interest rate decline by 225 basis points in less than a week, fueled negative sentiments as foreign debt investors pulled out – putting immense pressure on the currency.

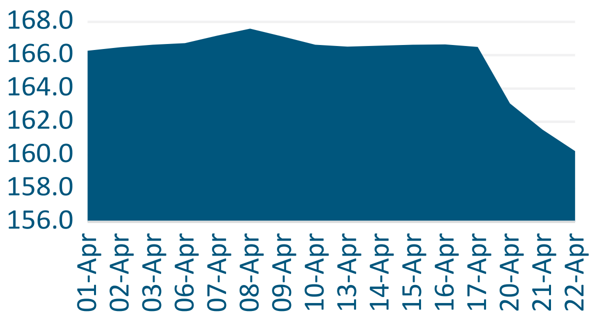
### Rupee vs USD (MoM Growth)




**Source:** State Bank of Pakistan

In the second half of the month, things changed for the better as doubts over Pakistan's balance of payment position cleared gradually. The Prime Minister had lobbied for deferment and waiver of loan repayments for Pakistan and similar economies.

### Rupee Stages Recovery



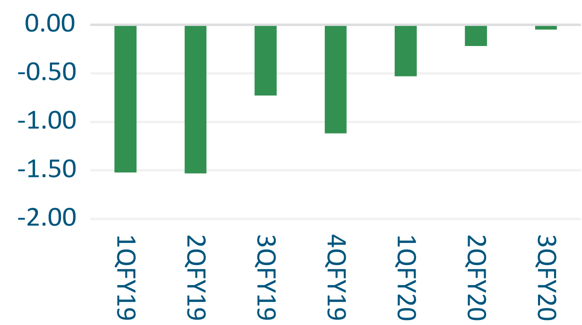

**Source:** State Bank of Pakistan

The G20 response was timely, which was later matched by sizeable emergency funding announced by the IMF, World Bank and the Asian Development Bank. Then came the oil price crash, which further eased the external sector worries. The rupee staged a strong comeback in the last few days, closing in at similar levels as March 2020.

### Current Account Turnaround

From being on the brink of a balance of payment crisis around same time last year, to have nearly wiped off all the current account deficit, has been the key silver lining on Pakistan's economic horizon over the past year and a half.

### Current Account Deficit Shrinks (% of GDP)




**Source:** State Bank of Pakistan

Plenty of factors contributed towards the current account improvement, of which 14% year-on-year decline in imports sits atop. Massive rupee depreciation, soft domestic demand, and government's curbs via duties on non-essential imports, all played a role in keeping imports compressed.

The significantly lower oil prices and much improved energy generation mix led to lower oil imports in both value and quantity terms. Exports growth has been much modest at only 2% year-on-year, despite highest ever export volumes in the key textile sector.

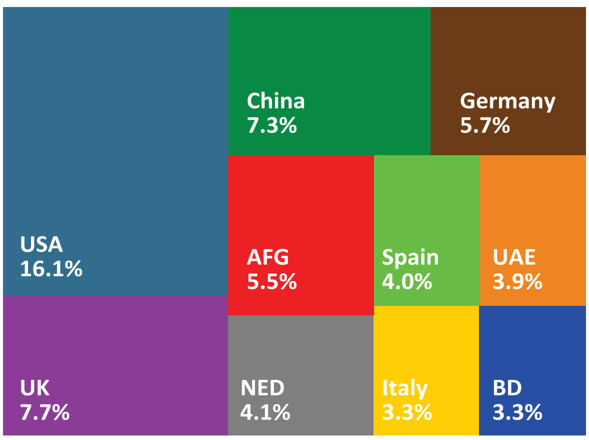
**Covid-19 To Hurt Exports Like Never Before**

March 2020 textile exports showed early signs of what is to come in the aftermath of Covid-19. The textile exports went down by 20% month-on-month, as the sector usually works on pre-orders booked two to three months in advance.

Ever since the outbreak gained pace, big textile players have reported cancellations of orders from the US, UK, and European countries. Most textile companies have shut operations, indicating lack of demand in the foreseeable future.

Pakistan's textile exports are concentrated in the worst hit countries of the world. In such fluid situation, reopening of economies is guesswork at best. We believe, even partial revival of economies, will not be enough to put the textile export industry back on the map, as buying patterns are bound to change, in the post Covid-19 world.

**Paksitan's Top Export Destinations**




**Source:** Pakistan Bureau of Statistics

Another reason why Pakistan's exports may struggle to regain for a longer period, is that nearly half of textile exports constitutes of bedwear and towels. Both are associated with the hospitality industry, which is widely believed to be the last one to reopen.

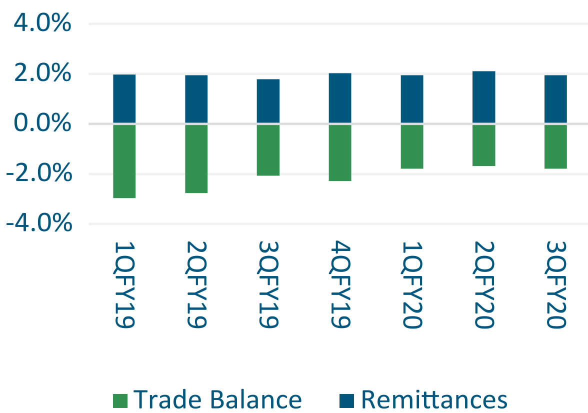
**The Remittance & FDI Headache**

At the one hand, the crashing oil prices are a boon to Pakistan's import bill, on the other, the same could have a devastating impact on remittances sent by the expats to Pakistan.

Remittances have been the lifeline for Pakistan's balance of payment in the last few years. Last year saw the highest number of Pakistani workers settling in the Middle Eastern countries for low-skilled labor.

Home remittances have averaged 2 percent of GDP in the last five years – more than covering up for the trade deficit. The central bank has also predicted the remittances to face unprecedented pressure, due to Covid-19.

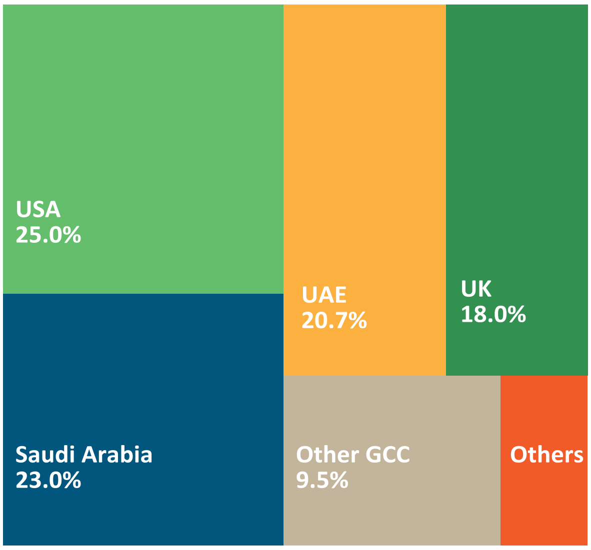
**Remittances Keep Up (% of GDP)**




**Source:** State Bank of Pakistan

Much like Pakistan's export destinations, the remittance origins are a headache in the ongoing Covid and even post-Covid scenario. Over 50% of home remittances originate from Saudi Arabia, UAE and other GCC states. All of these are otherwise rich economies but will have trouble balancing the budgets due to the ongoing oil price war.

**Pakistan Home Remittance Composition**




**Source:** State Bank of Pakistan

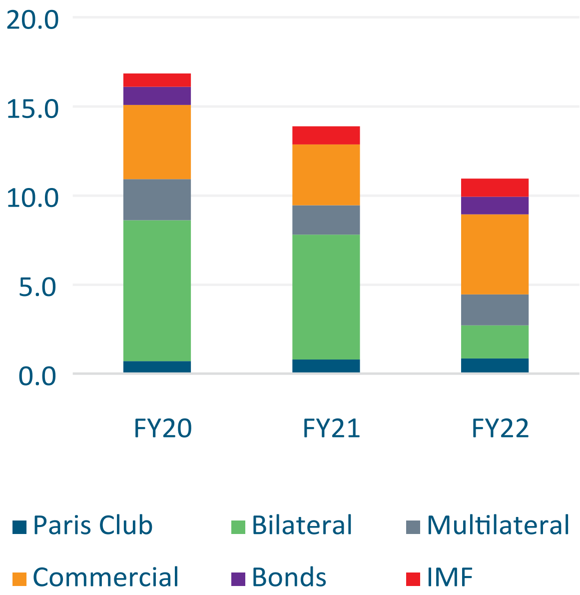
Anecdotal evidence suggests, thousands of migrant workers in these states have already lost respective jobs, waiting to be se sent back home. The story of UK and US may not be much different as the world enters a likely prolonged recessionary period. The FY20 remittances could fall more than 10-15% short from the target – as remittance usually peaks for the festivities of Ramadan and Eid.

### External Debt Relief

Pakistan's debt-to-GDP from 66% in Q1FY19 had soared to 77% by the end of Q2FY20. While the central bank had created ample buffers by building dollar reserves, aided by improved current account balance, the concerns around the country's ability to honor its external debt and liabilities resurfaced with Covid-19.

Covid-19 has exposed Pakistan's vulnerability to debt repayments. According to the IMF's recent note on Pakistan, Pakistan was facing an external net financing gap of USD 2-3 Bln for FY20 and FY21, before the pandemic hit the country hard.

**Exteranl Liabilities' Repayment (PKR in Bln)**




**Source:** IMF, State Bank of Pakistan

With capital flight expected to increase in the days to come, and FDI flows expected to dry, the net financing gap soared by four times.

Realizing the challenge, the government knocked the familiar doors of the IMF once again for rapid financing instrument, to help manage the external balance of payment crisis.

Apart from securing the deal, perhaps the biggest success for Pakistan has been getting the G-20 agree to defer principal and interest payments for FY20 and beyond.

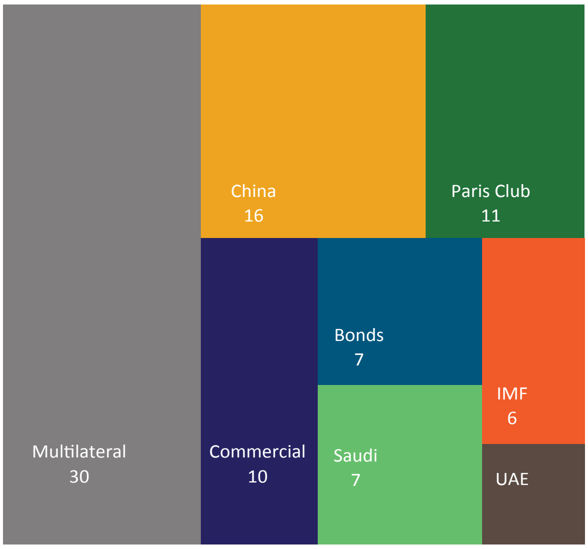
Pakistan's external debt has the highest contribution from the multilateral donors such as the IMF, World Bank and ADB, which are all at various stages of granting waivers and deferments on repayments.

Luckily for Pakistan, the bilateral loan arrangements are with friendly countries. The likes of Saudi Arabia and UAE have in principal already agreed to defer upcoming loan payments.

China, with the biggest share of external debt amongst bilateral donors at is highly likely to grant waivers, given the growing ties and long history of friendship between the two nations.

China is also very heavily invested in Pakistan as part of its Belt and Road Initiative. There is also a sizeable component of commercial external debt, which is often the most difficult to negotiate.

**Pakistan's External Debt (USD Bln)**




**Source:** IMF, State Bank of Pakistan

Pakistan can take heart from the fact that almost the entire foreign commercial debt also originates from China. Since most of the China Pakistan Economic Corridor (EPEC) agreements have been on state-to-state basis, a deferment or at least negotiation on the commercial loan cannot be ruled out.

All in all, Pakistan seems to have averted a potential default on repayments. That said, Pakistan will have to tread with caution to avoid falling in the debt trap again, which may be difficult, given Pakistan's growing fiscal needs in times of economic standstill.

### IMF to The Rescue – Again

Having announced a fiscal stimulus package of PKR 1.2 trillion earlier, Pakistan was gasping for fiscal space. The tax revenues are expected to fall short of the target by over 1% of GDP. Pakistan's debt servicing obligations, even after waivers, demand more buffer.

This is where the IMF came in handy, responding swiftly to Pakistan's request for rapid financing. The financing of USD 1.3 Bln from its Rapid Financing Instrument (RFI) is one of IMF's biggest response size to Covid-19 for developing countries.

The money has been received by Pakistan which has further strengthened the reserves.

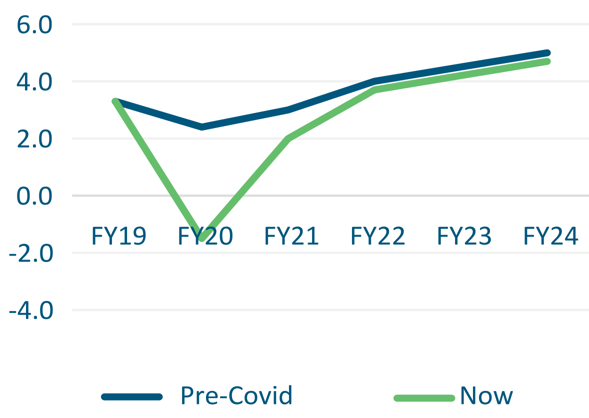
The inflow is also one of the reasons for the currency rebounding strongly in April's latter half. The IMF's USD 6.6 Bln program under the EFF will remain suspended till the RFI is in place, allowing Pakistan to take fiscally independent decisions.

### GDP Forecast Lowered

Just when Pakistan was close to turning around a corner, Covid-19 came and hit it hard. The central bank has lowered the GDP forecast for FY20, with only three months remaining to the year end.

The IMF, which keeps a close eye on Pakistan's economic scene, has also revised the GDP forecast down to negative 1.5%, in line with the State Bank of Pakistan's estimate.

**GDP Projected to Tank**




**Source:** IMF Country Reports

In a follow up note on Covid-19's potential downside on Pakistan's economy, the IMF's local representatives have cautioned that the initial estimate, increasingly look like being on the optimistic side. And there are reasons to believe this may well be right.

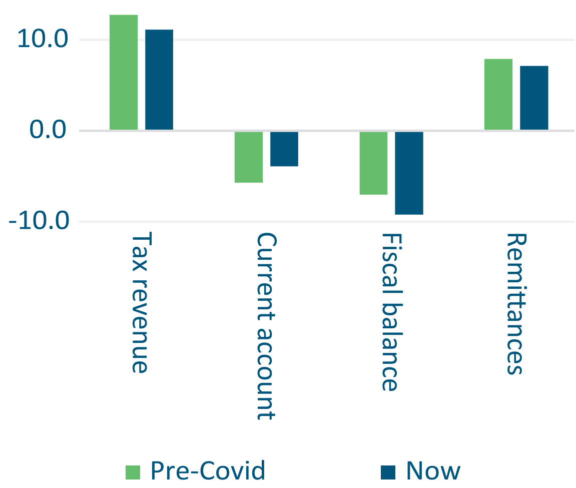
The GDP drop for FY20 may well be within the IMF's target, primarily because the major crop season has been done away with and the calculations are easier. A lot will depend on how soon Pakistan opts to reopen the economy.

We believe the consumption driven Pakistani economy will undergo substantial fundamental shifts, as most estimates put non-essential consumption going down in the post-Covid world, or in a scenario where herd immunity is observed and world learns to live with the virus.

### Fiscal Slippages Grow

Of the two deficits the current government inherited in 2018, fiscal was not essentially out of control. Almost the entire focus went to the external account deficit, and the fiscal house was not put in order.

**IMF Key Projections (% of GDP)**

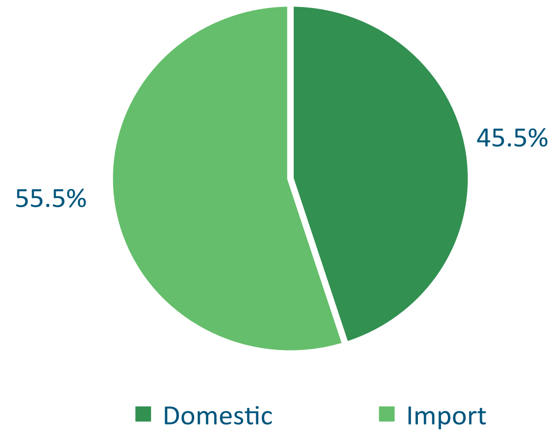



**Source:** IMF Country Report

Fast Forward to Covid-19 scenario, Pakistan is all set to report the highest ever fiscal deficit. Note that the fiscal deficit recorded last year at 8.9% was already a record high.

Some of the fiscal slippages are unavoidable as the government strives to insulate the underprivileged through direct cash payments, and other fiscal measures.

**GST Composition**

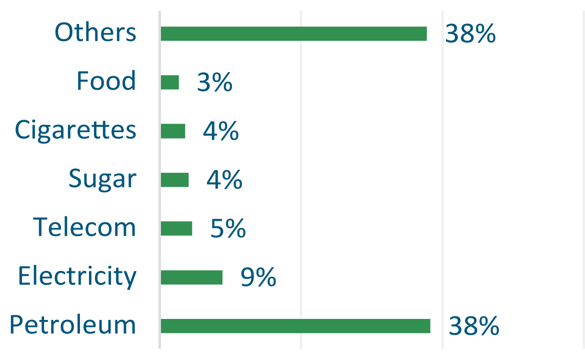



**Source:** Federal Board of Revenue

The tax collection is already slated to be short by a third even from the lower revised estimates of 13% of GDP. Pakistan relies heavily on indirect and regressive taxation, where GST make up to 65% of total taxes.

Import stage GST has the highest chunk, which is all set to go down significantly, as demand for imported items is expected to take exceptionally long to revive. The biggest chunk is GST on petroleum imports, and that is expected to be slashed to less than half.

**Domestic GST Composition**




**Source:** Federal Board of Revenue

Energy related GST makes up for nearly half of domestic stage GST collection. The demand for both petroleum for transportation and energy for industrial purposes, has been adversely hit, and will surely be a big drag on overall tax collection.

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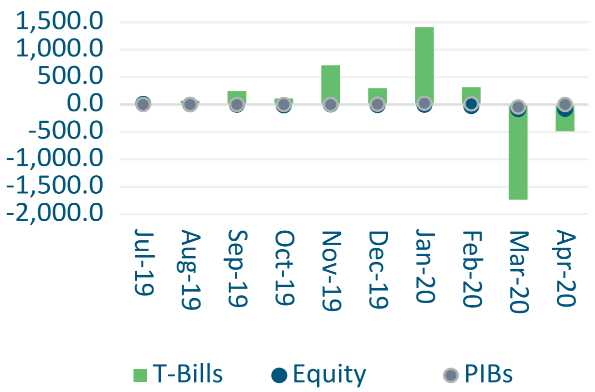
## DEBT MARKET UPDATE

What started last month, continued in April as investors remained net sellers in emerging markets' debt markets. Pakistan was no exception, as foreign debt investors had started to flee as panic struck mid-March.

Recall that Pakistan's interest rates were the highest in the region last month. The other countries were coming down hard on interest rates, easing it to new lows. But the investors needed no second invitation to reduce the exposure in high risk prone developing markets.

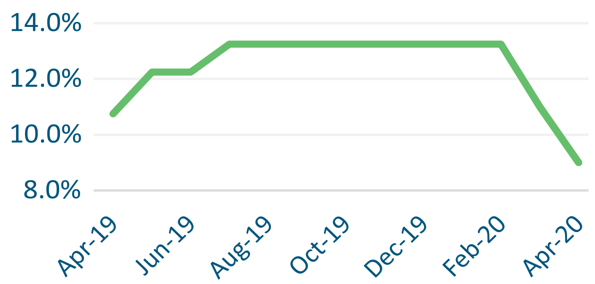
### Hot Money Vapours (USD in Mln)




**Source:** State Bank of Pakistan

April saw the trend continue, and the cumulative foreign portfolio has netted to almost zero, after having touched a high of USD 2.5 Bln last month. The interest rate cut was extremely aggressive in April as the central bank slashed the policy rate by 425 bps in two emergency cuts. This has narrowed the differential with the developed world, and fresh FPI flows are less likely.

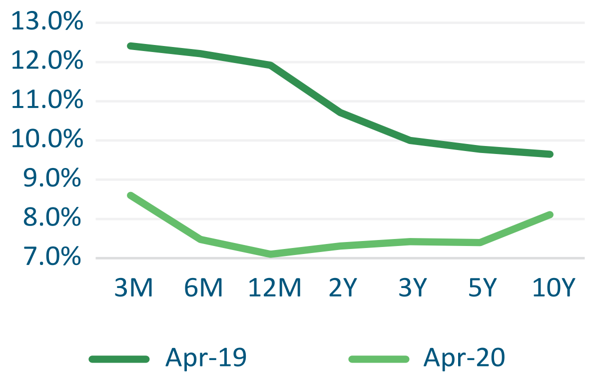
### Interst Rates Slashed




**Source:** State Bank of Pakistan

The central bank, in an unprecedented move, slashed the interest rate by a further 200 bps bringing it down to single digits. This came on top of an earlier emergency cut, taking the market by surprise. The real interest rates are now in negative territory on current basis – which is a big departure from the central bank's earlier stated policy of carrying a positive real interest rate of 200-300 bps.

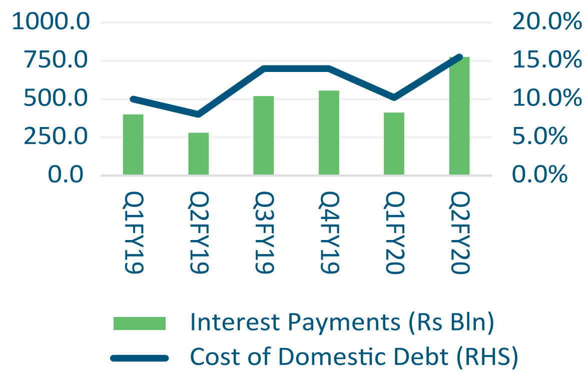
### Yield Curve




**Source:** Pakistan Stock Exchange

The yield curve increasingly depicts the government's intent to build a longer-term yield curve. The yields have come crashing down over previous month, as short-term inflation outlook has been revised downwards.

### Domestic Debt Servicing




**Source:** State Bank of Pakistan

Reduced interest rates could free up to PKR 1000 Bln in domestic debt servicing. This is likely to ease some pressure off the fiscal deficit, especially as the government scales up the fiscal stimulus for the low-income quintiles' segments, hit the hardest by Covid-19.

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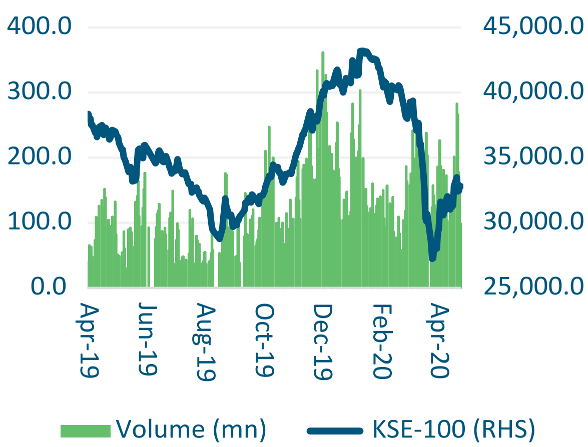
## EQUITY MARKET UPDATE

The benchmark KSE-100 index at the Pakistan Stock Exchange (PSX) staged an unexpected recovery, after a heavy beating last month Recall that the benchmark index had lost near 30% value in March, much in line with emerging market Covid-19 trends.

The local analyst community pins the rebound down to bottoming-out of price-earnings multiples, which had gone down to all-time lows of 5x, on forward basis. Be that as it may, the rebound seems to have been built on rather flimsy grounds, as uncertainty still surrounds the market fundamentals.

**Stocks Stage Small Recovery**




**Source:** Pakistan Stock Exchange

The PSX was struggling to find momentum last year when there was uncertainty on Pakistan's IMF program. The PSX reacted conservatively when there was uncertainty on political grounds. The uncertainty is greater than ever before today, yet the market players are sounding bullish on the index to have bottomed out.

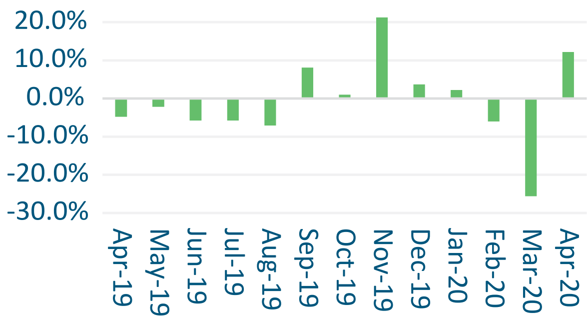
The stock market players seem to have taken heart from some recent positive developments. First and foremost is the drastic cut in interest rates by an unprecedented 425 basis points in less than a month. Second, is the IMF emergency support to the tune of USD 1.4 Bln, offering hope on the balance of payment front.

The oil price crash has also heighted expectations of a swift decline in the import bill, and stronger currency, fueling bullish sentiment in the market. The local oil and gas exploration companies are largely insulated from the adverse oil price movement, as they work on guaranteed return formula.

But all this may come down to nothing if the virus stays beyond May and June 2020. Number of blue-chip companies are already struggling to meet their ends, having suffered massive topline losses, as signaled in quarterly financial reports.

The stock market universe is dominated by banking and energy sector stocks. Pakistani banks are well capitalized and face no immediate threat of going concern, but Covid-19 will almost certainly be a drag on the NPLs, that should erode profitability.

**KSE-100 (monthly returns)**




**Source:** Pakistan Stock Exchange

The ongoing month of Ramadan will ensure low activity in terms of trading, as has been the case since the index has been around. Pakistan's Covid-19 cases are expected to peak or near the peak by mid or end of June, which should panic the market, given its reactionary mode.

The foreign investors have largely been at bay ever since the virus outbreak and were net sellers throughout April. Much of the buying has been done by local mutual funds, who have deeper pockets and a longer-term bet on Pakistan.

## STRATLINK ADVISORY GROUP - WHO WE ARE

StratLink is an emerging markets focused financial advisory company with Capital Raising Advisory, Corporate Advisory and Market Research as our core business lines. We believe in the growth potential of emerging markets and partner with our clients to execute their vision by providing quality services and access to capital. We recognize opportunities in the region and connect the fastest growing middle market companies with leading global investment banks, private equity firms and family offices. We value the importance of making informed decisions and leverage our regional knowledge to the advantage of our clients.

**Our guarantee: Competent team, reliable data**

Our research is anchored in a competent and versatile team traversing the fields of economics and finance with qualifications from globally recognized institutions. The team is backed by subscription to reliable databases such as Business Monitor International, Bloomberg, Thomson One Research, World Economics and The World Today. As such, our guarantee is reliable and up to date data in an increasingly dynamic region. Further, we reach out to relevant bodies in concerned markets including Central Banks, ministries and state departments.

**Where we are based**

StratLink Advisory Group's head office is located in Dubai. The company has its Africa headquarters in Nairobi, Kenya, and its Asia headquarters in Karachi, Pakistan.

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