



Economy | Remittances | Review | Jul'24



Date: 12th Aug'24

REP # 048



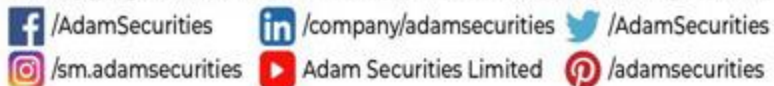
Hafiz Muhammad Saeed Khalid Siddiqui

Email: saeed.khalid@adamsecurities.com.pk

Tel: +92-21-32440519 EXT: 117

Cell: +92-331-1326666

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Room# 806-814, 8th Floor,
Main Pakistan Stock Exchange Building,
Stock Exchange Road, Karachi.



info@adamsecurities.com.pk
adamsecurities145@yahoo.com
sm.adamsecurities@gmail.com



+9221 32444315-16, 32420909,
32413580, 32437380



Economic revival boosting remittances up by c.48%YoY

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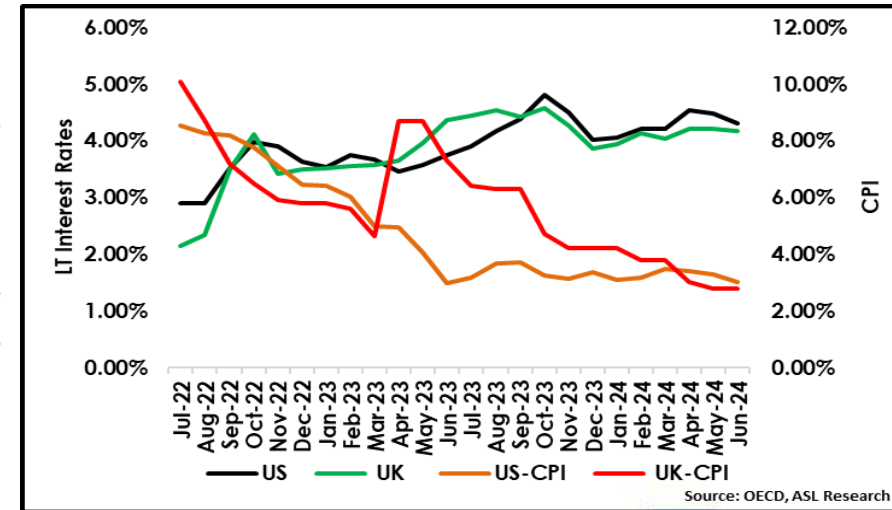
- Workers' Remittances during Jul'24, rising by c.48%YoY to USD2.99bn. The rise in Jul'24 remittances numbers, was mainly the result effect of i) improving macro economic stability, ii) easing off inflationary pressure in the G20 countries, iii) banning of Hawala-Hundi system, supporting the official banking channel on the other hand, and iv) rising demand for jobs in GCC and western countries, inducing salaried class moving for good during past 6-7 months.
- It is to note here that remittances during Jul'24 declined notably by c.5%MoM, even the numbers remained just close to USD3bn when comparing the remittances in the last 2 months of FY24 where average remittance remained above USD3.15bn. The notable improvement in last 2-months' remittances was mainly the resultant effect of Eid related expat inflows that normally tend to improve numbers. It was noticed, that during Jul'24, remittances from all over the world remained negative, while only remittances from EU has remarkably grown by c.6.3%MoM to USD351mn.

Sticky unemployment rate, can cause disinflation

- Considering the Global Unemployment scenario, we believe the inflationary pressures to ease off, which may increase chances of higher rate cuts in US economy, current Real Rates of 1.27%, hinting at higher rate cuts than expected. Further, the FED has already indicated the rate cuts, in order for the economy to revive on stimuli along with the industrial revival, which may revive employment to below historical unemployment rates.

Remittances (USDmn)	Jun-24	Jul-24	MoM	Jul-23	YoY
USA	322	300	-6.8%	241	24.4%
U.K.	487	443	-9.0%	307	44.7%
KSA	809	761	-5.9%	487	56.4%
U.A.E.	654	611	-6.6%	315	93.7%
Dubai	516	471	-8.6%	245	92.8%
Abu Dhabi	134	134	-0.6%	67	99.0%
GCC	301	289	-4.2%	228	26.4%
EU	330	351	6.3%	283	23.8%
Other Countries	75	77	3.2%	41	88.5%
Total	3,158	2,995	-5.2%	2,029	47.6%

Source: SBP, ASL Research



Source: OECD, ASL Research



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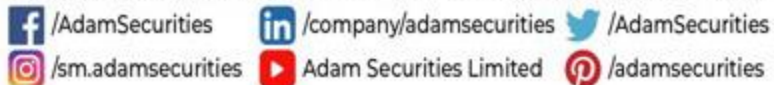
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info@adamsecurities.com.pk
adamsecurities145@yahoo.com
sm.adamsecurities@gmail.com



+9221 32444315-16, 32420909,
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Main Pakistan Stock Exchange Building,
Stock Exchange Road, Karachi.



info@adamsecurities.com.pk
adamsecurities145@yahoo.com
sm.adamsecurities@gmail.com



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