

3rd March 2023
DAILY MARKET REVIEW

KEY PAKISTAN STATS & ECONOMIC INDICATORS			
Items	Period	Unit	Figure
Foreign Exchange-FX-Reserves			
FX-Reserves-WoW	24-Feb-23	USD bn	9.267
FE-25 Import Financing	Jan, 2022	USD mn	925.00
SBP Forward/Swap Position	Dec, 2022	USD bn	(5.29)
Net International Reserves-NIR (EST)	24-Feb-23	USD bn	(28.49)
Kerb USD/PKR	3-Mar-23	Bid/Ask	279.00/285.00
Real Effective Exchange Rate-REER	Jan, 2022	Rs	92.75
Roshan Digital Account-RDA	7MFY23	USD bn	5.69
Consumer Price Index-CPI			
Sensitive Price Index-SPI-WoW	23-Feb-23	bps	241.29
CPI (YoY)	Feb, 2023	%	31.50
CPI- (MoM)	Feb, 2023	%	4.30
CPI-Urban-YoY	Feb, 2023	%	28.80
CPI-Rural-YoY	Feb, 2023	%	35.60
PAK CPI-YoY minus US CPI-YoY	31.50%-6.40%	%	25.10
Broad Money Supply-M2 Growth:			
M2 Growth-YoY	1 Jul 22 To 17 Feb 23	%	1.09
Net Govt. Sector Borrowing	1 Jul 22 To 17 Feb 23	Rs bn	1,819.31
GOVT. Borrowing for budgetary support from SBP	1 Jul 22 To 17 Feb 23	Rs bn	1,843.74
Private Sector Credit-PSC	1 Jul 22 To 17 Feb 23	Rs bn	467.04
Govt. Foreign Commercial Banks Borrowing	1HFY-23	USD mn	200.00
Policy Rate			
SBP Policy Rate	FY-23 YTD	%	20.00
SBP O/N REPO & Reserve REPO Rate	Floor & Ceiling	%	19.00-21.00
SBP PR minus USD FED Fund Rate	20.00%-4.75%	%	15.25
1-Year KIBOR minus 1-Year LIBOR	19.96-5.69%	%	14.27
FX-Economic Data			
Foreign Direct Investment-FDI	7MFY-23	USD mn	683.50
Home Remittance	7MFY-23	USD bn	16.006
Trade Bal-S/(D)	7MFY-23	USD bn	(17.32)
CAB-S/(D)	7MFY-23	USD bn	(3.80)
Special Convertible Rupee Account-SCRA			
SCRA-Cumulative inflow/(outflow)	July 22 till date	USD bn	(97.58)
SCRA-MTB+PIB inflow/(outflow)	July 22 till date	USD bn	(41.44)
Govt., Circular Debt & External Liabilities			
Govt. Domestic Debt & Liabilities	As at 30-11-2022	Rs trn	33.60
External Debt	As at 30-9-2022	USD bn	126.914
Central Debt	As at 30-11-2022	Rs trn	50.903

ECONOMIC-NEWS

- ✓ **Summary of Monetary Policy Statement** In today's meeting, the MPC noted that the recent fiscal adjustments and exchange rate depreciation have led to a significant deterioration in the near term inflation outlook and a further upward drift in inflation expectations, as reflected in the latest wave of surveys. The Committee expects inflation to rise further in the next few months as the impact of these adjustments unfolds before it begins to fall, albeit at a gradual pace. The average inflation this year is now expected in the range of 27% to 29% against the November 2022 projection of 21% to 23%.
- ✓ On the external side, the MPC noted that despite a substantial reduction in CAD, vulnerabilities continue to persist. In January 2023, the CAD fell to \$242mn, the lowest level since March 2021. Cumulatively, the CAD—at \$3.8bn in 7MFY23—is down 67% compared to the same period last year. Notwithstanding this improvement, scheduled debt repayments and a decline in financial inflows amid rising global interest rates and domestic uncertainties, continue to exert pressure on FX-Reserves and the exchange rate.
- ✓ Recent fiscal measures—including an increase in GST and excise duties, reduction in subsidies, adjustments in energy prices, and the austerity drive—are expected to help contain the otherwise widening fiscal and primary deficits. As highlighted in earlier statements, the envisaged fiscal consolidation is critical for economic stability and will complement the ongoing monetary tightening in bringing down inflation over the medium-term.
- ✓ After analyzing all economic indicators, MPC decided to increase the PR by 300bps or 3.00% from 17.00% to 20%.

Interbank Rates-PKR-Rs		3-Mar-23
Open	283.50	Last Day
High	285.00	Close-LDC
Low	274.00	285.09
Close	278.46	

DAILY USD/PKR SWAP YIELDS-%			
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-Week	0.1477	(0.0258)	7.33%
2-Week	0.2143	(0.0521)	6.57%
1-Month	0.3877	(0.0272)	6.31%
2-Month	1.0581	0.0074	7.00%
3-Month	2.2822	0.0226	8.27%
4-Month	3.3386	0.0237	8.43%
5-Month	4.4051	0.0493	8.78%
6-Month	5.6882	0.0645	9.41%
9-Month	7.4478	0.0089	8.87%
1-Year	9.5772	(0.0143)	9.10%

MONEY Market-MM Rates-%		3-Mar-23
Open	20.00	Last Day
High	20.90	Close-LDC
Low	20.00	17.50
Close	20.90	

KIBOR AND PKRV RATES (%)		2-Mar-23
Tenor	KIBOR-%	PKRV Rates-%
1-M	19.06	19.41
3-M	19.78	19.86
6-M	19.89	19.95
12-M	19.96	19.98

Pakistan Investment Bonds-PIB			
Period	16-Feb-23	3-Mar-23	
	Cut Off Yields-%	Bid-%	Ask -%
3-Yrs	13.8360	18.30	18.15
5-Yrs	13.3500	16.10	15.95
10-Yrs-Fixed	12.9500	15.00	14.20
Floating	17.8255	102	101.75
15-yrs*	-	15.29	
20-yrs*	-	15.25	

Market Treasury Bills-MTB			
Tenor	23-Feb-23	3-Mar-23	
	Cut Off Yields-%	Bid-%	Ask-%
3-M	19.9500	19.75	19.55
6-M	19.9000	17.15	16.80
12-M	19.7900	17.15	16.80

Note: * The secondary yields for 15 & 20-years Bonds are not available, so instead of leaving it blank, we inputted PKRV Rates.