

KEY PAKISTAN STATS & ECONOMIC INDICATORS			
Items	Period	Unit	Figure
Foreign Exchange-FX-Reserves			
FX-Reserves-WoW	20-Oct-23	USD bn	12.655
FE-25 Import Financing	Sep, 2023	USD bn	1.25
SBP Forward/Swap Position	Aug, 2023	USD bn	(4.58)
Net International Reserves-NIR (EST)	20-Oct-23	USD bn	(27.29)
Kerb USD/PKR-Buying/Selling Avg. Rate	1-Nov-23	Rs	283.13
Real Effective Exchange Rate-REER	Aug, 2023	Rs	90.12
Net Roshan Digital Account-RDA	Sep 20 to 1QFY24	USD bn	1.14
Consumer Price Index-CPI			
Sensitive Price Index-SPI-WoW	26-Oct-23	bps	277.11
CPI (YoY)	Sep, 2023	%	31.40
CPI- (MoM)	Sep, 2023	%	2.00
CPI-Urban-YoY	Sep, 2023	%	29.70
CPI-Rural-YoY	Sep, 2023	%	33.90
PAK CPI-YoY minus US CPI-YoY	31.40%-3.70%	%	27.70
Broad Money Supply-M2 Growth:			
M2 Growth-YoY	1 Jul 23 To 6 Oct 23	%	(0.78)
Net Govt. Sector Borrowing	1 Jul 23 To 6 Oct 23	Rs trn	1.33
GOVT. Borrowing for budgetary support from SBP	1 Jul 23 To 6 Oct 23	Rs trn	1.52
Private Sector Credit-PSC	1 Jul 23 To 6 Oct 23	Rs bn	(291.08)
Govt. Foreign Commercial Banks Borrowing	1QFY24	USD bn	0.00
Policy Rate-PR			
SBP Policy Rate	FY-24 YTD	%	22.00
SBP O/N REPO & Reserve REPO Rate	Floor & Ceiling	%	21.00-23.00
SBP PR minus USD FED Fund Rate	22.00%-5.50%	%	16.50
1-Year KIBOR minus 1-Year LIBOR	22.66-6.04%	%	16.62
FX-Economic Data			
Foreign Direct Investment-FDI	1QFY-24	USD bn	402.30
Home Remittance	1QFY-24	USD bn	6.329
Trade Bal-S/(D)	1QFY-24	USD bn	(6.13)
CAB-S/(D)	1QFY-24	USD mn	(947.00)
Special Convertible Rupee Account-SCRA			
SCRA-Cumulative inflow/(outflow)	July 23 till date	USD bn	9.61
SCRA-MTB+PIB inflow/(outflow)	July 23 till date	USD bn	0.00
Govt., Circular Debt & External Liabilities			
Govt. Domestic Debt & Liabilities	As at 31-8-2023	Rs trn	40.47
External Debt	As at 30-6-2023	USD bn	124.296
Central Govt. Debt (Domestic + External)	As at 31-8-2023	Rs trn	63.996

1st November 2023

DAILY MARKET REVIEW

ECONOMIC NEWS

- ✓ **Summary of Monetary Policy Statement-MPS**
- ✓ **Real sector** recent data on economic activity reinforces the MPC's earlier expectation of moderate growth for this year. Moreover, LSM output has indicated a gradual improvement in the 2MFY24, with major contribution coming from domestic-oriented sectors.
- ✓ **External sector** The MPC noted a substantial improvement in the CAB, as the deficit narrowed over 58% y/y to \$947mn in 1QFY24, while almost leveling out in Sep 2023. Both exports and workers' remittances improved in Sep over the preceding 2-months. The improved inflows in the interbank market helped stabilize the SBP's FX-Reserves around \$7.5bn as of Oct 20, amidst tepid official inflows during 2MFY24.
- ✓ Nonetheless, the MPC noted that a successful and timely completion of the upcoming IMF-SBA review would help unlock other multilateral and bilateral financing.
- ✓ **Fiscal sector** In Q1FY24, fiscal indicators improved compared to 1QFY23. Specifically, the fiscal deficit improved to 0.9% of GDP from 1.0% and the primary balance posted a surplus of 0.4%, compared with 0.2% last year. This improvement reflects both better revenue collection and restrained spending. FBR's revenue recorded 24.9% growth over the same period last year.
- ✓ **Money and credit** M2 growth decelerated to 12.9% as of end-Sep from 14.2% at end-June 2023, primarily due to continued slowdown in PSC and more than seasonal retirement in commodity operations financing.
- ✓ Similarly, the RM growth has slowed down from June, which is primarily explained by significant deceleration in the growth of currency in circulation.
- ✓ **Inflation outlook** as anticipated, headline inflation surged to 31.4% y/y in Sep. The MPC expects inflation to decline significantly in Oct, owing to downward adjustments in fuel prices, easing prices of some major food commodities, and a favorable base effect. Core inflation is also persisting at elevated levels; remained around 21% during the last 4-months. However, the Committee noted that fiscal policy is also contributing to the over-all stabilization measures, which, coupled with better availability of food commodities, is likely to supplement the central bank's efforts to bring down inflation.
- ✓ **Conclusion** After analyzing all the above mentioned economic indicators, MPC decided to maintain the PR unchanged at 22%.

ECONOMIC-DATA

- ✓ **Pakistan Investment Bonds-PIB's When-Issue Yields-%**

Date 1-Nov-23		
Pakistan Investment Bonds-PIB When-Issue Yields-%		
Period	When-Issue Yield %	
	Bid	Ask
3-Yrs	18.25	18.00
5-Yrs	-	-
10-Yrs	-	-

Interbank READY Rates- PKR-Rs 1-Nov-23			
Open	282.00	Last Day Close-LDC	
High	282.90		
Low	282.00	281.47	
Close	282.75		
DAILY USD/PKR SWAP YIELDS-%			
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-Week	0.0250	0.0559	5.62%
2-Week	0.0500	0.1399	5.71%
1-Month	0.2000	0.3012	6.27%
2-Month	1.1250	1.0282	7.93%
3-Month	3.2500	2.0121	10.26%
4-Month	5.0000	1.9814	10.97%
5-Month	7.0000	1.9006	11.71%
6-Month	9.6250	2.4027	12.75%
9-Month	11.5000	2.1370	11.40%
1-Year	15.0000	2.5420	11.30%
MONEY Market-MM Over-Night-O/N Rates-% 1-Nov-23			
Open	21.80	Last Day Close-LDC	
High	22.00		
Low	21.30	22.20	
Close	21.60		
KIBOR AND PKRV RATES (%) 31-Oct-23			
Tenor	KIBOR-%	PKRV Rates-%	
1-M	21.66	21.66	
3-M	21.71	21.65	
6-M	21.75	21.70	
12-M	21.76	21.76	
Pakistan Investment Bonds-PIB's			
Period	3-Oct-23	1-Nov-23	
	Cut Off Yields-%	Bid-%	Ask -%
3-Yrs	19.1900	18.00	17.00
5-Yrs	16.9500	15.60	15.00
10-Yrs-Fixed *	15.2500	15.15	
15-yrs*	-	15.05	
20-yrs*	-	15.00	
Market Treasury Bills-MTB			
Tenor	19-Oct-23	1-Nov-23	
	Cut Off Yields-%	Bid-%	Ask-%
3-M	22.2000	21.70	21.40
6-M*	22.3999	21.95	21.70
12-M*	22.4000	21.75	21.50
Note: * The secondary yields for 6, 12 & 10, 15 & 20-yrs Bonds are not available, so instead of leaving it blank, we inputted PKRV Rates.			