11th March 2025 **DAILY MARKET REVIEW**

KEY PAKISTAN STATS & ECONOMIC INDICATORS			
Items	Period	Unit	Figure
Foreign Exchange-FX-Reserves			
FX-Reserves-WoW	28-Feb-25	USD bn	15.873
SBP Forward/Swap Position	Jan, 2025	USD bn	2.93
Net International Reserves-NIR (EST)	28-Feb-25	USD bn	(18.75)
Kerb USD/PKR-Buying/Selling Avg. Rate	10-Mar-25	Rs	281.05
Real Effective Exchange Rate-REER	Dec, 2024	Rs	103.70
Net Roshan Digital Account-RDA	Sep 20 to7MFY25	USD bn	1.80
Consumer Price Index-CPI			
Sensitive Price Index-SPI-WoW	6-Mar-25	bps	320.04
General Head Line CPI-YoY	Feb, 2025	%	1.52
Core CPI-Non Food Non Energy- NFNE-Rural-YoY	Feb, 2025	%	10.40
Core CPI-Non Food Non Energy- NFNE-Urban-YoY	Feb, 2025	%	7.80
Core CPI-20% Weighted Trimmed-Rural-YoY	Feb, 2025	%	5.20
Core CPI-20% Weighted Trimmed-Urban-YoY	Feb, 2025	%	4.60
General Head Line CPI-Rural-YoY	Feb, 2025	%	1.10
General Head Line CPI-Urban-YoY	Feb, 2025	%	1.80
General Head Line CPI-MoM	Feb, 2025	%	(0.83)
Average CPI	8MFY25	%	5.97
PAK CPI-YoY munus US CPI-YoY	3.00-1.52	%	1.48
Broad Money Supply-M2 Growth:			
M2 Growth-YoY	1 Jul 23 To 28 Feb 25	%	(0.35)
Net Govt. Sector Borrowing	1 Jul 23 To 28 Feb 25	Rs bn	(238.27)
GOVT. Borrowing for budgetary support from SBP	1 Jul 23 To 28 Feb 25	Rs bn	22.27
Private Sector Credit-PSC	1 Jul 23 To 28 Feb 25	Rs bn	573.64
Govt. Foreign Commercial Banks Borrowing	5MFY25	USD mn	200.00
Policy Rate-PR			
SBP Policy Rate	FY-25 YTD	%	12.00
SBP O/N REPO & Reserve REPO Rate	Floor & Ceiling	%	11.00-13.00
SBP PR minus USD FED Fund Rate	12.00-4.50	%	7.50
1-Year KIBOR minus 1-Year LIBOR	11.52-4.91	%	6.61
FX-Economic Data			
Foreign Direct livestment-FDI	7MFY-25	USD mn	1523.60
Home Remittance	8MFY-25	USD bn	23.92
Trade Bal-S/(D)	7MFY-25	USD bn	(16.07)
CAB-S/(D)	7MFY-25	USD mn	682.00
Special Convertible Rupee Account-SCRA			
SCRA-Cumulative inflow/(outflow)	July 23 to date	USD mn	(119.95)
SCRA-MTB+PIB inflow/(outflow)	July 23 to date	USD bn	156.52
Govt., Circular Debt & External Liabilities			
Govt. Domestic Debt & Liabilities	As at 31-12-2024	Rs trn	50.19
External Debt	As at 31-12-2024	USD bn	131.069
Central Govt. Debt (Domestic + External)	As at 31-12-2024	Rs trn	71.647

ECONOMIC NEWS

- ✓ **Summary of Monetary Policy Statement-MPS**
- ✓ **Real Sector** High-frequency indicators–including sales of automobiles, POL products and cement, as well as import volumes, credit to private sector, and purchasing managers' index – show that economic activity is gaining further traction. Nonetheless, the Committee noted that the momentum depicted by these indicators is yet to fully reflect in LSM data, which contracted by 1.9% in H1FY25. The drag in LSM growth is mainly coming from a few low-weight sub-sectors, which have more than offset the positive momentum in key sub-sectors like textiles, pharmaceuticals, automobiles and POL.
- ✓ **External Sector** Led by a broad-based acceleration in imports, the CAB turned into a deficit in January 2025; shrinking the cumulative surplus to $0.7bn during 7MFY25. While import volumes have been rising consistently in line with the pickup in economic activity, the uptick in some global commodity prices further pushed up import payments in January. However, robust workers' remittances, along with relatively moderate growth in exports, proved instrumental in financing the elevated imports.
- ✓ The MPC assessed that these developments are broadly in line with its expectation, and reaffirmed the FY25 CAB projection of a surplus and a deficit of 0.5 percent of GDP.
- ✓ **Fiscal Sector** The FA for H1FY25 indicate an improvement in both the overall and primary balance relative to last year. This was on the back of a sizable rise in revenues, particularly non-tax revenues, as well as contained expenditures, mainly subsidies. The MPC noted that the shortfall in FBR tax revenue against its target widened further in January and February 2025.
- ✓ **Money and Credit** M2 growth remained unchanged at around 11.4% y/y since the last MPC meeting. The Committee noted compositional shift in the NDA, as the Govt. borrowing from the banking system rebounded and PSC showed greater than seasonal net retirement.
- ✓ **Inflation** Led by conducive supply-side dynamics, headline inflation further declined to 1.5% y/y in Feb 2025 from 2.4% in the preceding month. The steep fall in prices of perishable food items reinforced the impact of sufficient stocks of major non-perishable items on overall food prices. Similarly, energy prices continued to benefit from the moderation in global oil prices, stable exchange rate and favorable base effect.
- ✓ However, core inflation is still at an elevated level and is proving stickier than anticipated. Inflation expectations of consumers and businesses are also showing a mixed picture. In view of these developments, the Committee assessed inflation to come down further before gradually inching up and stabilizing within the target range of 5% – 7%.
- ✓ **Conclusion** After analyzing all the above macro economic data, MPC decided to keep the PR unchanged at 12%.

Interbank READY Rates-PKR-Rs		11-Mar-25
Open	279.95	Last Day Close
Close	279.95	280.08

DAILY USD/PKR SWAP YIELDS-%			
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-Week	0.430	0.0300	12.34%
2-Week	0.780	0.0400	11.61%
1-Month	1.475	0.1500	10.56%
2-Month	2.550	0.1500	9.84%
3-Month	3.575	0.2250	9.55%
4-Month	4.550	0.2500	9.42%
5-Month	5.450	0.1500	9.44%
6-Month	6.450	0.3000	9.29%
9-Month	8.750	0.2500	9.16%
1-Year	12.750	0.2500	9.41%

MONEY Market-MM Over-Night-O/N Rates-%		11-Mar-25
Open	12.75	Last Day Close-LDC
High	12.90	
Low	12.90	12.80
Close	12.90	

KIBOR AND PKRV RATES (%)		10-Mar-25
Tenor	KIBOR-%	PKRV Rates-%
1-M	11.44	12.04
3-M	11.61	11.70
6-M	11.53	11.57
12-M	11.47	11.55

Pakistan Investment Bonds-PIBs			
Period	13-Feb-25	11-Mar-25	
	Cut Off Yields-%	Bid-%	Ask-%
2-Yrs	11.6900	12.10	11.90
3-Yrs	11.8890	12.25	12.10
5-Yrs	12.3890	12.55	12.50
10-Yrs	12.7900	12.50	12.00
15-yrs*		12.22	
20-yrs*	-	12.15	

Market Treasury Bills-MTB			
Tenor	6-Mar-25	11-Mar-25	
	Cut Off Yields-%	Bid-%	Ask-%
3-M	11.8247	12.00	11.90
6-M	11.6699	11.85	11.70
12-M	11.6400	11.75	11.60

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