C&M Management Pvt. Ltd.

17th June 2025 **DAILY C&M MARKET REVIEW**

KEY PAKISTAN STATS & ECONOMIC INDICATORS			
Items	Period	Unit	Figure
Foreign Exchange-FX-Reserves			
FX-Reserves-WoW	6-Jun-25	USD bn	16.875
SBP Forward/Swap Position	Apr, 2025	USD bn	(2.69)
Net International Reserves-NIR (EST)	6-Jun-25	USD bn	(17.87)
Kerb USD/PKR-Buying/Selling Avg. Rate	17-Jun-25	Rs	284.55
Real Effective Exchange Rate-REER	Apr, 2025	Rs	99.42
Net Roshan Digital Account-RDA	Sep 20 to 10MFY25	USD bn	1.90
Consumer Price Index-CPI			
Sensitive Price Index-SPI-WoW	12-Jun-25	bps	309.51
General Head Line CPI-YoY	May, 2025	%	3.50
Core CPI-Non Food Non Energy- NFNE-Rural-YoY	May, 2025	%	8.80
Core CPI-Non Food Non Energy- NFNE-Urban-YoY	May, 2025	%	7.30
Core CPI-20% Weighted Trimmed-Rural-YoY	May, 2025	%	4.70
Core CPI-20% Weighted Trimmed-Urban-YoY	May, 2025	%	4.90
General Head Line CPI-Rural-YoY	May, 2025	%	3.40
General Head Line CPI-Urban-YoY	May, 2025	%	3.50
General Head Line CPI-MoM	May, 2025	%	(0.20)
Average CPI	11MFY25	%	4.75
PAK CPI-YoY munus US CPI-YoY	2.30-3.50	%	(1.20)
Broad Money Supply-M2 Growth:			
M2 Growth-YoY	1 Jul 23 To 30 May 25	%	6.30
Net Govt. Sector Borrowing	1 Jul 23 To 30 May 25	Rs bn	2,404.92
GOVT. Borrowing for budgetary support from SBP	1 Jul 23 To 30 May 25	Rs bn	2,707.64
Private Sector Credit-PSC	1 Jul 23 To 30 May 25	Rs bn	831.75
Govt. Foreign Commercial Banks Borrowing	10MFY25	USD mn	760.14
Policy Rate-PR			
SBP Policy Rate	FY-25 YTD	%	11.00
SBP O/N REPO & Reserve REPO Rate	Floor & Ceiling	%	10.00-12.00
SBP PR minus USD FED Fund Rate	11.00-4.50	%	6.50
1-Year KIBOR minus 1-Year LIBOR	10.91-4.51	%	6.40
FX-Economic Data			
Foreign Direct livestment-FDI	10MFY-25	USD mn	1784.90
Home Remittance	11MFY-25	USD bn	34.901
Trade Bal-S/(D)	10MFY-25	USD bn	(23.84)
CAB-S/(D)	10MFY-25	USD mn	1880.00
Special Convertible Rupee Account-SCRA			
SCRA-Cumulative inflow/(outflow)	July 23 to date	USD mn	(573.05)
SCRA-MTB+PIB inflow/(outflow)	July 23 to date	USD bn	(249.28)
Govt., Circular Debt & External Liabilities			
Govt. Domestic Debt & Liabilities	As at 30-4-2025	Rs trn	52.74
External Debt	As at 31-3-2025	USD bn	130.31
Central Govt. Debt (Domestic + External)	As at 30-4-2025	Rs trn	74.936

ECONOMICS NEWS

- ✓ **Summary of Monetary Policy Statement-MPS**
- ✓ **Real Sector** According to provisional PBS estimates, the economy gained momentum during 2HFY25, with real GDP growth accelerating to 3.9% from 1.4% in H1FY25. This outturn was broadly in line with the MPC's earlier expectations, though with compositional differences.
- ✓ Looking ahead, the MPC anticipates the industry and services sectors to continue to drive economic growth
- ✓ in FY26. This assessment is supported by the sustained momentum in high-frequency indicators – including credit to private sector, imports of machinery and intermediate goods, and business sentiments – and easing financial conditions.
- ✓ **External Sector** CA was almost balanced in April 2025, taking the cumulative surplus to $1.9bn during 10MFY25. Imports continued to grow in line with improving economic activity; while export growth decelerated, partly due to the challenging global trade environment. However, workers' remittances continued to remain strong and more than offset the impact of the widening trade deficit on CA. Based on these trends, the CA is expected to remain in surplus in FY25.
- ✓ Meanwhile, the MPC noted that despite net financial inflows remaining weak so far, the SBP's FX-Reserves are expected to increase to around $14bn by end-June 2025
- ✓ **Fiscal Sector** The revised budget estimates indicate that both the overall fiscal and primary balances improved further during FY25. This improvement came on the back of an increase in revenues and relatively contained expenditures, especially PSDP.
- ✓ For FY26, Govt. is targeting further fiscal consolidation and has set the primary surplus target at 2.4% of GDP.
- ✓ **Money and Credit** As of May 30, M2 growth moderated to 12.6% from 13.3% at the time of the last MPC meeting. This is due to a deceleration in NDA of the banking system, as the growth in net budgetary borrowing declined. Meanwhile, PSC growth remained strong at around 11%
- ✓ in the wake of easing financial conditions and improving business sentiments At the same time, the MPC noted a significant uptick in reserve money growth. This is mainly explained by the Eid-related seasonal rise in currency in circulation, which required SBP to increase its liquidity injections to ensure that the interbank overnight repo rate remained close to the policy rate.
- ✓ **Inflation** As anticipated, headline inflation increased to 3.5% y/y in May from 0.3% in April. This reversal largely reflected the phasing out of the favorable base effect from food prices, along with persistence in core inflation
- ✓ Further, the MPC's initial assessment indicates the recent budgetary measures to have a limited impact on the inflation outlook. Nonetheless, some near-term volatility in inflation is expected, before it gradually inches up and stabilizes within the 5% – 7% target range.
- ✓ **Conclusion** After analyzing all the above macro economic data, MPC decided to keep the PR unchanged at **11%**.

Interbank READY Rates-PKR-Rs		17-Jun-25
Open	283.43	Last Day Close
Close	283.43	283.18

DAILY USD/PKR SWAP YIELDS-%			
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-Week	0.370	-	11.10%
2-Week	0.600	(0.0700)	9.83%
1-Month	1.195	0.0100	9.29%
2-Month	2.250	(0.0250)	9.09%
3-Month	3.300	0.0750	9.03%
4-Month	4.300	0.0500	8.96%
5-Month	5.250	(0.0500)	9.01%
6-Month	6.250	-	8.83%
9-Month	9.500	-	9.14%
1-Year	12.500	-	8.86%

MONEY Market-MM Over-Night-O/N Rates-%		17-Jun-25
Open	11.50	Last Day Close-LDC
High	11.90	
Low	11.00	11.00
Close	11.90	

KIBOR AND PKRV RATES (%)		16-Jun-25
Tenor	KIBOR-%	PKRV Rates-%
1-M	10.72	11.05
3-M	10.85	11.02
6-M	10.84	11.14
12-M	10.84	11.07

Pakistan Investment Bonds-PIBs			
	8-May-25	17-Jun-25	
Period	Cut Off Yields-%	Bid-%	Ask-%
2-Yrs	11.7900	11.37	11.30
3-Yrs	11.6893	11.40	11.30
5-Yrs	12.1400	11.70	11.68
10-Yrs	12.5890	12.25	12.00

Market Treasury Bills-MTB			
	12-Jun-25	17-Jun-25	
Tenor	Cut Off Yields-%	Bid-%	Ask-%
1-M	11.0905	11.25	11.20
3-M	11.0498	11.05	10.90
6-M	10.9698	11.15	11.10
12-M	10.9497	11.05	10.95

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