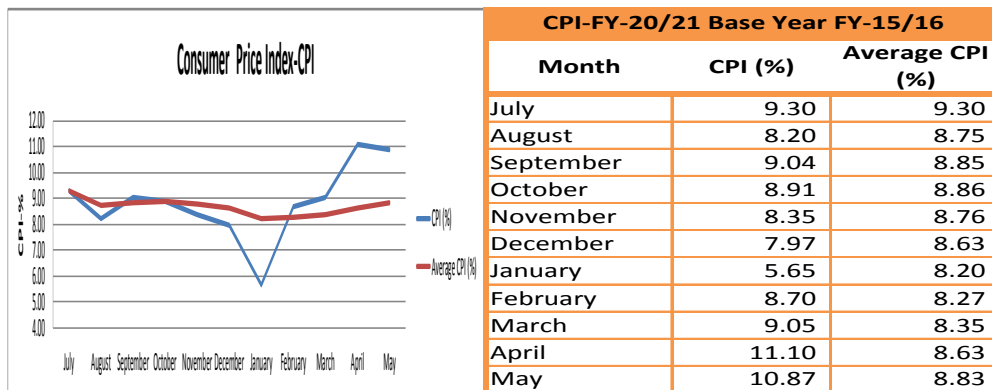


ECONOMIC NEWS:

- ✓ **Green Eurobond' launched to raise \$500m for dams:** Yesterday, PM highlights hydropower potential that there is a huge potential of hydropower in the country, and the Govt. would be constructing 10-dams that would help produce 10,000MW environment-friendly clean energy and conserve water to irrigate 0.1mn acres of land.
- ✓ **Gwadar Port, Free Zone to generate \$10bn activities yearly:** Yesterday, CPEC Authority Chairman retired Lt. Gen said that After becoming fully operational, the Gwadar Port and Gwadar Free Zone (GFZ) would generate economic activities of around \$10bn.p.a, besides creating thousands of new jobs.
- ✓ **FBR surpasses May collection target by 8.0%:** Yesterday, tax authorities collected the data revealed that the FBR surpassed its collection target by 7.82% to hit Rs386bn in May, the 3rd highest collection in the 2HFY21. The net collection for May was Rs386bn against a target of Rs358bn, an increase of Rs28bn. Compared to the collection of Rs229bn in May 2020, revenue collection posted growth of 69.0%.
- ✓ The FBR has collected net revenue of Rs4.16trn during 11MFY21, which has exceeded the target of Rs3.99trn by more than Rs173bn or 4.33%. This represents growth of about 17.0% over the collection of Rs3.54trn during the same period last year.
- ✓ **REER hits 32-month high in April:** Yesterday, SBP revealed the data showed that Pakistan's REER hit 32-month high at 103.30 in April, posting a change of 2.80% from the previous month's level of 100.50.
- ✓ The REER index has been increasing since January, when it dropped to 95.2 from 96.3 in December 2020, on the back of an appreciation of 3.40% in the value of the rupee against the dollar during the present calendar year. The REER index returned to over 100 in March after more than 2-years.
- ✓ REER increased after the rupee-dollar exchange rate hit Rs153.45 to the greenback on April 30. Since then, the rupee has lost over 0.60% against the dollar to fall to Rs154.40 on May 31, which means the REER may drop from the April level when the central bank publishes the index for the May. The exchange rate had appreciated to Rs152.27 on May 7 before the rupee started to lose ground against the dollar again.
- ✓ **OGRA notifies increase in LPG price for June:** Yesterday, The OGRA notified Rs8.04/kg increase in the price of LPG for the month of June. The price of an 11.8kg LPG cylinder for domestic consumers has been jacked up by Rs94.89 to Rs1,667. The previous price of the cylinder was Rs1,572.

ECONOMIC-DATA:

- ✓ **Pakistan's Yearly inflation at 10.87% in May:** Pakistan's Yearly Inflation Rate (New Base 2015-16) in May 2021 was 10.87% recorded lower from previous month 11.10% and from our expectation 11.50%.
- ✓ The 11MFY-20/21 average inflation is recorded 8.83% compared to 10.97% from the corresponding period last year.



Date	Event	Impact	Actual	Forecast	Previous
1/6/2021	CPI for May 21-YoY	HIGH	10.87%	11.50%	11.10%
1/6/2021	CPI for May 21-MoM	HIGH	0.10%	0.69%	1.00%

FOREIGN EXCHANGE-FX- DATA

1-Jun	OPEN	HIGH	LOW	CLOSE	Last Day Close-LDC
READY-Rs	154.20	154.58	154.20	154.54	154.41
USD/PKR SWAP YIELDS-%					
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield		
1-Week	0.1632	(0.0118)	5.56%		
2-Week	0.3258	(0.0142)	5.55%		
1-Month	0.7497	(0.0453)	5.46%		
2-Month	1.5531	(0.0719)	6.13%		
3-Month	2.3682	(0.0668)	6.21%		
4-Month	3.1854	(0.0396)	6.21%		
5-Month	4.0407	(0.0343)	6.40%		
6-Month	4.8215	(0.1285)	6.36%		
9-Month	7.8343	0.0343	7.12%		
1-Year	10.5000	(0.1250)	7.05%		
FOREIGN EXCHANGE-FX ECONOMIC INDICATORS					
Items	Period	Unit	Figure		
Gross Domestic Product-GDP					
GDP	10MFY-20/21	USD bn	246.728		
Foreign Exchange-FX-Reserves					
FX-Reserves-WoW	21-May-21	USD bn	23.015		
FE-25 Import Financing	April, 2021	USD mn	485		
SBP Forward/Swap Position	31-Mar-21	USD bn	(4.285)		
Net International Reserves-NIR (EST)	21-May-21	USD bn	(4.521)		
Kerb USD/PKR	1-Jun-21	Bid/Ask	154.50/155.70		
Real Effective Exchange Rate-REER	April, 2021	Rs	103.30		
FX-Economic Data					
Foreign Direct Investment-FDI	10MFY-20/21	USD bn	1.55		
Home Remittance	10MFY-20/21	USD bn	24.246		
CAB-S/(D)	10MFY-20/21	USD mn	773.000		
CAB-S/(D) % of GDP	10MFY-20/21	%	0.30		
Trade Balance-S/(D)	10MFY-20/21	USD bn	(22.736)		
GOVT. Circular Debt & External Liabilities					
Government Domestic Debt & Liabilities	As at 31-3-2021	Rs trn	15.88		
External Debt	As at 31-3-2021	USD bn	90.284		
Central Debt	9MFY-20/21	Rs trn	25.55		
Date	Data	Unit	3-M	6-M	12-M
28-May-21	US-LIBOR	%	0.13138	0.17100	0.24813

MONEY MARKET-MM DATA

1-Jun	OPEN	HIGH	LOW	CLOSE	Last Day Close-LDC
MM-%	7.25	7.35	6.90	7.00	7.30
KIBOR AND PKRV RATE (%)					
Tenor	KIBOR-%	PKRV Rates-%			
1-M	7.03	7.21			
3-M	7.25	7.35			
6-M	7.47	7.58			
12-M	7.57	7.70			
Pakistan Investment Bonds-PIB's					
Period	7-May-21 Cut Off Yields-%	1-Jun-21 Bid-%	Ask-%		
2-Yrs	8.05	8.00			
3-Yrs	8.7000	8.67			
5-Yrs	9.2000	9.26			
10-Yrs-Fixed	9.8390	9.90			
Floating	8.0501	101.75			
15-yrs*	10.4000	10.29			
20-yrs*	10.5600	10.45			
Market Treasury Bills-MTB					
Tenor	20-May-21 Cut Off Yields-%	1-Jun-21 Bid-%	Ask-%		
3-M	7.3492	7.33			
6-M	7.6000	7.58			
12-M	7.6898	7.68			
Note: * The secondary yields for 15 & 20-years Bonds are not available, so instead of leaving it blank, we inputted PKRV Rates.					
MONEY MARKET-MM ECONOMIC INDICATORS					
Items	Period	Unit	Figure		
Large Scale Manufacturing Industries-LSMI					
LSMI	7MFY-20/21	bps	149.88		
Consumer Price Index-CPI					
Sensitive Price Index-SPI-WoW	27-May-21	bps	149.29		
CPI (YoY)	May, 2021	%	10.87		
CPI-(MoM)	May, 2021	%	0.10		
CPI-Urban-YoY	May, 2021	%	10.80		
CPI-Rural-YoY	May, 2021	%	10.90		
PAK CPI-YoY minus US CPI-YoY	10.87%-4.20%	%	6.67		
M2 Growth					
M2 Growth-YoY	1 July 20 - 21-May 21	%	7.94		
Net Govt. Sector Borrowing	1 July 20 - 21-May 21	Rs bn	557.75		
GOVT. Borrowing for budgetary support from SBP	1 July 20 - 21-May 21	Rs bn	576.95		
Credit to Private Sector-YoY	1 July 20 - 21-May 21	Rs bn	420.72		
Govt. Foreign Commercial Banks Borrowing	10MFY-20/21	USD bn	3.25		
Policy Rate					
SBP Policy Rate	FY-20/21 YTD	%	7.00		
SBP O/N REPO & Reserve REPO Rate	Floor & Ceiling	%	6.00-8.00		
SBP Policy Rate minus USD FED Fund Rate	7.00%-0.25%	%	6.75		
1-Year KIBOR minus 1-Year LIBOR	7.57%-0.25%	%	7.32		
Ratings & Outlook					
Standard & Poor's-S&P	Rating & Outlook	Rank	B-		
Moody's	Rating & Outlook	Rank	B3-Stable		
Stock Exchange & Market Index					
MSCI-Emerging Market Index-EMI	1-Jun-21	Pts	1,384.84		
Pakistan Stock Exchange-PSX-100 Index	1-Jun-21	Pts	48,191.26		
Foreign Investor Portfolio Investment-FIPI	31-May-21	USD '000	2,768.245		
Special Convertible Rupee Account-A/c-SCRA					
SCRA-Cummulative	1 July 20 To-Date	USD mn	(379.19)		
SCRA-T-Bills & PIB's	1 July 20 To-Date	USD mn	(47.67)		
SCRA-T-Bills & PIB's	May-21	USD mn	(6.16)		