

**14<sup>th</sup> DECEMBER 2021**
**DAILY MARKET REVIEW**

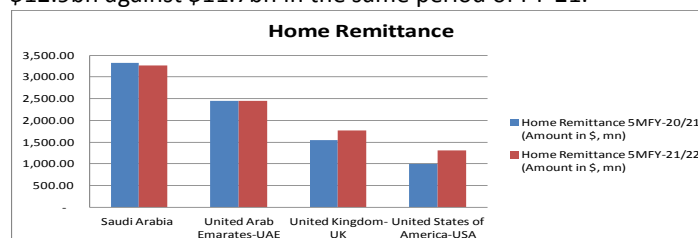
| KEY PAKISTAN STATS & ECONOMIC INDICATORS                    |                        |         |               |
|---|------------------------|---------|---------------|
| Items   | Period                 | Unit    | Figure        |
| <b>Gross Domestic Product-GDP</b>                           |                        |         |               |
| GDP   | 1QFY-20/21             | USD bn  | 81.995        |
| <b>Foreign Exchange-FX-Reserves</b>                         |                        |         |               |
| FX-Reserves-WoW   | 3-Dec-21               | USD bn  | 25.15         |
| FE-25 Import Financing                                      | October, 2021          | USD mn  | 775           |
| SBP Forward/Swap Position                                   | 30-Sep-21              | USD bn  | (4.870)       |
| Net International Reserves-NIR (EST)                        | 3-Dec-21               | USD bn  | (7.555)       |
| Kerb USD/PKR  | 14-Dec-21              | Bid/Ask | 179.75/181.50 |
| Real Effective Exchange Rate-REER                           | October, 2021          | Rs      | 95.58         |
| <b>Consumer Price Index-CPI</b>                             |                        |         |               |
| Sensitive Price Index-SPI-WoW                               | 9-Dec-21               | bps     | 167.24        |
| CPI (YoY)   | Nov, 2021              | %       | 11.53         |
| CPI- (MoM)  | Nov, 2021              | %       | 3.00          |
| CPI-Urban-YoY   | Nov, 2021              | %       | 12.00         |
| CPI-Rural-YoY   | Nov, 2021              | %       | 10.90         |
| PAK CPI-YoY minus US CPI-YoY                                | 11.53%-6.80%           | %       | 4.73          |
| <b>M2 Growth</b>  |                        |         |               |
| M2 Growth-YoY   | 1 July 21 To 26-Nov 21 | %       | -0.87%        |
| Net Govt. Sector Borrowing                                  | 1 July 21 To 26-Nov 21 | Rs mn   | 94.03         |
| GOVT. Borrowing for budgetary support from SBP              | 1 July 21 To 26-Nov 21 | Rs bn   | 104.72        |
| Credit to Private Sector-YoY                                | 1 July 21 To 26-Nov 21 | Rs bn   | 462.30        |
| Govt. Foreign Commercial Banks Borrowing                    | 1QFY-21/22             | USD mn  | 457.54        |
| <b>Policy Rate</b>  |                        |         |               |
| SBP Policy Rate   | FY-21/22 YTD           | %       | 8.75          |
| SBP O/N REPO & Reserve REPO Rate                            | Floor & Ceiling        | %       | 7.75-9.75     |
| SBP PR minus USD FED Fund Rate                              | 8.75%-0.25%            | %       | 8.50          |
| 1-Year KIBOR minus 1-Year LIBOR                             | 11.44%-0.48%           | %       | 10.95         |
| <b>FX-Economic Data</b>                                     |                        |         |               |
| Foreign Direct Investment-FDI                               | 4MFY-21/22             | USD mn  | 662.10        |
| Home Remittance   | 4MFY-21/22             | USD bn  | 10.562        |
| Trade Bal-S/D   | 4MFY-21/22             | USD bn  | (14.845)      |
| CAB-S/(D)   | 4MFY-21/22             | USD bn  | (5.08)        |
| CAB-S/(D) % of GDP  | 4MFY-21/22             | %       | (4.70)        |
| <b>Government, Circular Debt &amp; External Liabilities</b> |                        |         |               |
| Government Domestic Debt & Liabilities                      | As at 31-10-2021       | Rs trn  | 26.47         |
| External Debt   | As at 30-9-2021        | USD bn  | 127.023       |
| Central Debt  | As at 31-10-2021       | Rs trn  | 27.14         |

**ECONOMIC NEWS:**

- ✓ **Football exports breach \$50 million mark:** The sports goods industry of Pakistan has continued to outperform as football exports crossed \$50 million in the first four months of current fiscal year.
- ✓ Foreign shipments of footballs rose 17% to \$50.148 million in July-October 2021 compared to \$42.78 million in the same period of last year.
- ✓ According to the Ministry of Commerce, the overall exports of sports goods increased 21% to \$105.12 million during the period under review compared to \$87.1 million in the corresponding period of previous year.
- ✓ **Market projects 100-150 bps hike:** According to the Tribune Express news, Pakistan's central bank is meeting today (Tuesday) to announce monetary policy for the next one month and it is strongly expected to increase the benchmark interest rate for the third consecutive time. However, the magnitude of the hike remains a tricky question.
- ✓ Majority of the financial market experts and institutional and high-net worth individual investors expect the State Bank of Pakistan (SBP) to make another aggressive hike of 100-150 basis points with the objective to narrow down trade and current account deficits. Such an increase will also place brakes on the accelerated inflation reading.
- ✓ The benchmark interest rate stands at 8.75% at present, however, the real interest rate (the benchmark interest rate minus inflation reading) remains negative.
- ✓ **Govt. contracted \$15.53bn foreign loan in FY-21:** The Govt. contracted \$15.53bn worth of new foreign loans from multilateral institutions and commercial banks during FY-21-almost 47% higher than the \$10.45bn higher a year earlier.
- ✓ Car sales jump 62% to 90,303 units in 5MFY-22: Despite the drop in sales in November for some segments, the auto sector recorded on overall positive trend during 5MFY-22.
- ✓ The sales of trucks grew by 84.2% YoY, followed by jeeps 82%, light commercial vehicles 78.2%, cars 62%, farm tractors 19% and 2 & 3-wheelers 0.3% respectively.

**ECONOMIC-DATA:**

- ✓ **Remittances rise 10% to \$13bn in 5MFY-21:** SBP released the data of home remittance. According to the SBP, home remittances sent by overseas Pakistani workers fell 6.6% on MoM basis in November but grew by almost 10% in the 5MFY-22.
- ✓ The inflow of remittances was \$2.35bn in November against \$2.51bn in October.
- ✓ However, during 5MFY-22, the remittances increased by 9.7% to \$12.9bn against \$11.7bn in the same period of FY-21.


**ECONOMIC DATA RELEASED DURING THE LAST 24-HOURS**

| Date       | Event          | Impact | Actual     | Forecast   | Previous   |
|------------|----------------|--------|------------|------------|------------|
| 14/12/2021 | HR for Nov 21  | MEDIUM | \$2.352bn  | \$2.668bn  | \$2.517bn  |
| 14/12/2021 | HR for 5MFY-22 | MEDIUM | \$12.903bn | \$13.218bn | \$11.766bn |

| READY Rates-PKR-Rs   |                  |                    |                        |
|--|------------------|--------------------|------------------------|
| 14-Dec-21  |                  |                    |                        |
| Open   | 178.00           | Last Day Close-LDC |                        |
| High   | 178.00           |                    |                        |
| Low  | 177.87           | <b>177.95</b>      |                        |
| Close  | 177.87           |                    |                        |
| DAILY USD/PKR SWAP YIELDS-%  |                  |                    |                        |
| PERIOD   | SWAP             | Change in Premiums | Swap Implied PKR Yield |
| 1-Week   | 0.0800           | 0.0150             | 2.42%                  |
| 2-Week   | 0.2050           | 0.0600             | 3.08%                  |
| 1-Month  | 0.6650           | (0.0100)           | 4.24%                  |
| 2-Month  | 2.1250           | 0.0500             | 7.29%                  |
| 3-Month  | 3.5500           | 0.0750             | 8.12%                  |
| 4-Month  | 4.9500           | 0.1000             | 8.42%                  |
| 5-Month  | 6.3500           | 0.1250             | 8.78%                  |
| 6-Month  | 7.7500           | 0.0500             | 8.93%                  |
| 9-Month  | 11.6000          | 0.0500             | 9.27%                  |
| 1-Year   | 15.5000          | -                  | 9.20%                  |
| MONEY Market-MM Rates-%  |                  |                    |                        |
| 14-Dec-21  |                  |                    |                        |
| Open   | 9.60             | Last Day Close-LDC |                        |
| High   | 9.75             |                    |                        |
| Low  | 9.60             | <b>9.65</b>        |                        |
| Close  | 9.70             |                    |                        |
| KIBOR AND PKRV RATE (%)  |                  |                    |                        |
| 14-Dec-21  |                  |                    |                        |
| Tenor  | KIBOR-%          | PKRV Rates-%       |                        |
| 1-M  | 9.56             | 9.99               |                        |
| 3-M  | 10.58            | 10.64              |                        |
| 6-M  | 11.28            | 11.26              |                        |
| 12-M   | 11.44            | 11.51              |                        |
| Pakistan Investment Bonds-PIB  |                  |                    |                        |
| Period   | 29-Nov-21        | 14-Dec-21          |                        |
|  | Cut Off Yields-% | Bid-%              | Ask-%                  |
| 2-Yrs  | -                | 11.85              | 11.80                  |
| 3-Yrs  | 11.3400          | 12.00              | 11.90                  |
| 5-Yrs  | 11.5900          | 11.95              | 11.85                  |
| 10-Yrs-Fixed   | 11.7900          | 11.95              | 11.90                  |
| Floating   | 12.1001          | 102                | 101.75                 |
| 15-yrs*  | -                | 12.39              |                        |
| 20-yrs*  | -                | 12.65              |                        |
| Market Treasury Bills-MTB  |                  |                    |                        |
| Tenor  | 1-Dec-21         | 14-Dec-21          |                        |
|  | Cut Off Yields-% | Bid-%              | Ask-%                  |
| 3-M  | 10.7890          | 10.70              | 10.60                  |
| 6-M  | 11.5001          | 11.30              | 11.20                  |
| 12-M   | 11.5143          | 11.60              | 11.50                  |
| <b>Note: * The secondary yields for 15 &amp; 20-years Bonds are not available, so instead of leaving it blank, we inputted PKRV Rates.</b> |                  |                    |                        |