

KEY PAKISTAN STATS & ECONOMIC INDICATORS

Items	Period	Unit	Figure
Gross Domestic Product-GDP			
GDP	10MFY-20/21	USD bn	246.72
Foreign Exchange-FX-Reserves			
FX-Reserves-WoW	4-Jun-21	USD bn	23.577
FE-25 Import Financing	April, 2021	USD mn	485
SBP Forward/Swap Position	30-Apr-21	USD bn	(4.560)
Net International Reserves-NIR (EST)	4-Jun-21	USD bn	(3.988)
Kerb USD/PKR	11-Jun-21	Bid/Ask	155.50/156.40
Real Effective Exchange Rate-REER	April, 2021	Rs	103.30
Consumer Price Index-CPI			
Sensitive Price Index-SPI-WoW	10-Jun-21	bps	147.51
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%-5.00%	%	5.87
M2 Growth			
M2 Growth-YoY	1 July 20 - 28-May 21	%	8.41
Net Govt. Sector Borrowing	1 July 20 - 28-May 21	Rs bn	656.37
GOVT. Borrowing for budgetary support from SBP	1 July 20 - 28-May 21	Rs bn	563.51
Credit to Private Sector-YoY	1 July 20 - 28-May 21	Rs bn	489.55
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	7.20%-0.34%	%	6.86
FX-Economic Data			
Foreign Direct Investment-FDI	10MFY-20/21	USD bn	1.55
Home Remittance	11MFY-20/21	USD bn	26.736
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)
Government, 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

14th JUNE 2021
DAILY MARKET REVIEW
ECONOMIC NEWS:

Govt. sets Rs7.91trn gross revenue target for FY22: The federal gross revenue target for FY-22 has been set at Rs7.909trn i.e. 23.67% higher than the revised budget figures and 20.3% higher when compared to the budget estimates of the FY-21.

Of this, the Gov. has proposed a huge FBR tax revenue collection of Rs5.829trn which is 24.3% higher than the revised target of last fiscal year. It is almost the same figure set by the IMF.

Of the amount, the FBR will be tasked to realize a revenue collection target of Rs2.18trn through direct taxes. During FY22, the indirect tax revenue collection target is expected to grow by 25% to Rs3.64trn.

The Govt. projected Rs2.07trn in non-tax revenue during the next fiscal year, out of which, Rs266bn have been earmarked for Property and Enterprise, Rs684bn for Civil Administration and Rs1.1trn for Miscellaneous Receipts. While it is expected that Rs29.50bn will be collected in the form of levies and fees during FY-22.

The budget document showed that the Rs3.99trn federal budget deficit will be plugged through external receipts of Rs1.24trn, Rs2.492trn by domestic financing with privatization proceeds of Rs252bn.

Govt. proposes to slap Rs10bn taxes on salaried class: The Govt. has quietly proposed Rs10bn taxes on salaried class by slapping income tax on their expenditures on medical treatment, various allowances and their savings in provident and pension funds.

In order to give effect to Rs10bn taxes, the Govt. has omitted a minimum of 6-clauses from the 2nd schedule of the ITO through the Finance Bill 21 that it laid before parliament on Friday.

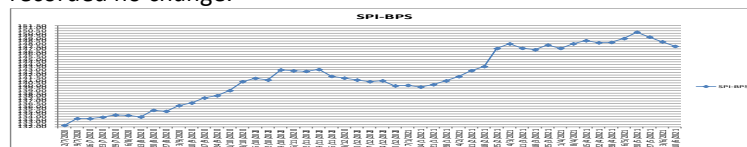
Finance Minister hints at major hike in levy on oil products: "We will have to increase petroleum levy, take it up to Rs20per liter," he said while speaking at his post-budget news conference but hastened to add that the Govt. would wait because of expectations about lifting of US sanctions against Iran and resultant drop in international prices that would be retained.

At present, there is Rs4 to Rs5per liter levy on petrol and diesel.

ECONOMIC-DATA:

SPI decreases 0.59%: PBS released the data of SPI for the week ended June 10, 2021 registered a decrease of 0.59% for the combined income group, going down from 148.38bps during the week ended June 3, 2021 to 147.51bps.

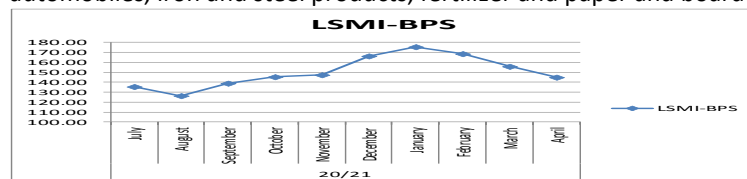
During the week, average prices of 14 items rose in a selected basket of goods, prices of nine items fell and rates of remaining 28 goods recorded no change.



LSM output rises 12.84% in 10MFY-21: On Saturday, PBS released the data of LSMI. According to the PBS, The output of LSM sector grew 12.84% in the 10MFY-21 compared to a negative growth of 9% in the same period last year on the back of higher export orders and functioning of industries at close to full installed capacity.

The growth in April, however, dropped 7% compared to the previous month of March. April was the 3rd successive month in which the sector maintained a downward trend on a MoM basis amid the 3rd wave of Covid-19.

Out of 15 industries that are part of LSM segment, 10 posted a surge in production during the 10-months under review. These include textile, food, beverages and tobacco, coke and petroleum products, pharmaceuticals, chemicals, non-metallic mineral products, automobiles, iron and steel products, fertilizer and paper and board.


ECONOMIC DATA RELEASED DURING THE LAST 24-HOURS

Date	Event	Impact	Actual	Forecast	Previous
11/6/2021	HR for May 21	MEDIUM	\$2.490bn	\$2.575bn	\$2.778bn
11/6/2021	HR for 11MFY-20/21	MEDIUM	\$26.736bn	\$26.820bn	\$20.659bn
11/6/2021	SPI for 10 June 21	LOW	147.51bps	149.19bps	148.38bps
14/6/2021	LSMI for April 21	MEDIUM	144.92bps	168.45bps	155.81bps
14/6/2021	LSMI for 10MFY-20/21	MEDIUM	149.99bps	152.69bps	132.93bps

During the last whole week, SBP (Ceiling & Floor) was hit for Rs4.0bn & Rs239.30bn respectively.

Daily READY Rates-Rs 14-Jun-21

Open	155.80	Last Day Close-LDC 155.74
High	156.20	
Low	155.80	
Close	156.19	

DAILY USD/PKR SWAP YIELDS-%

PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-Week	0.1668	(0.0126)	5.63%
2-Week	0.3082	(0.0253)	5.20%
1-Month	0.6373	(0.0563)	4.59%
2-Month	1.3168	(0.0044)	5.15%
3-Month	2.2120	(0.0476)	5.74%
4-Month	3.0381	(0.0360)	5.85%
5-Month	3.7379	0.0095	5.85%
6-Month	4.4011	(0.0001)	5.74%
9-Month	7.1285	0.0090	6.41%
1-Year	9.9543	0.0445	6.61%

Daily MONEY Market Rates-% 14-Jun-21

Open	7.30	Last Day Close-LDC 7.10
High	7.60	
Low	7.30	
Close	7.50	

KIBOR AND PKRV RATE (%) 14-Jun-21

Tenor	KIBOR-%	PKRV Rates-%
1-M	6.99	7.19
3-M	7.24	7.32
6-M	7.45	7.55
12-M	7.57	7.65

Pakistan Investment Bonds-PIB

Period	10-Jun-21	14-Jun-21	
	Cut Off Yields-%	Bid-%	Ask-%
2-Yrs	-	8.15	8.05
3-Yrs	8.6900	8.75	8.70
5-Yrs	9.2000	9.42	9.38
10-Yrs-Fixed	9.8390	10.00	9.90
Floating	8.0943	102	101.75
15-yrs*	10.4000	10.29	
20-yrs*	10.5600	10.45	

Market Treasury Bills-MTB

Tenor	2-Jun-21	14-Jun-21	
	Cut Off Yields-%	Bid-%	Ask-%
3-M	7.3492	7.35	7.32
6-M	7.5943	7.56	7.52
12-M	7.6700	7.70	7.65

Note: * The secondary yields for 15 & 20-years Bonds are not available, so instead of leaving it blank, we inputted PKRV Rates.