

16th NOVEMBER 2022
DAILY MARKET REVIEW

KEY PAKISTAN STATS & ECONOMIC INDICATORS			
Items	Period	Unit	Figure
Foreign Exchange-FX-Reserves			
FX-Reserves-WoW	4-Nov-22	USD bn	13.721
FE-25 Import Financing	Sep, 2022	USD bn	1.042
SBP Forward/Swap Position	August, 2022	USD bn	(4.46)
Net International Reserves-NIR (EST)	4-Nov-22	USD bn	(23.55)
Kerb USD/PKR	16-Nov-22	Bid/Ask	227.00/229.00
Real Effective Exchange Rate-REER	Sep, 2022	Rs	90.94
Roshan Digital Account-RDA	4MFY23	USD bn	5.29
Consumer Price Index-CPI			
Sensitive Price Index-SPI-WoW	10-Nov-22	bps	216.48
CPI (YoY)	Oct, 2022	%	26.60
CPI- (MoM)	Oct, 2022	%	4.70
CPI-Urban-YoY	Oct, 2022	%	24.60
CPI-Rural-YoY	Oct, 2022	%	29.50
PAK CPI-YoY minus US CPI-YoY	26.60%-8.20%	%	18.40
M2 Growth			
M2 Growth-YoY	1 July 22 To 28 October 22	%	(0.68)
Net Govt. Sector Borrowing	1 July 22 To 28 October 22	Rs bn	316.02
GOVT. Borrowing for budgetary support from SBP	1 July 22 To 28 October 22	Rs bn	310.94
Private Sector Credit-PSC	1 July 22 To 28 October 22	Rs mn	1.86
Govt. Foreign Commercial Banks Borrowing	2MFY-23	USD bn	NIL
Policy Rate			
SBP Policy Rate	FY-23 YTD	%	15.00
SBP O/N REPO & Reserve REPO Rate	Floor & Ceiling	%	14.00-16.00
SBP PR minus USD FED Fund Rate	15.00%-4.00%	%	11.00
1-Year KIBOR minus 1-Year LIBOR	15.64-5.67%	%	9.97
FX-Economic Data			
Foreign Direct Investment-FDI	1QFY-23	USD mn	253.40
Home Remittance	4MFY-23	USD bn	9.9
Trade Bal-S/(D)	1QFY-23	USD bn	(9.07)
CAB-S/(D)	1QFY-23	USD bn	(2.21)
Special Convertible Rupee Account-SCRA			
SCRA-Cumulative inflow/(outflow)	July 22 till date	USD mn	(49.36)
SCRA-MTB+PIB inflow/(outflow)	July 22 till date	USD bn	(28.95)
Govt., Circular Debt & External Liabilities			
Govt. Domestic Debt & Liabilities	As at 31-7-2022	Rs trn	31.89
External Debt	As at 30-6-2022	USD bn	130.192
Central Debt	As at 31-7-2022	Rs trn	50.503

ECONOMICS NEWS
✓ Circular debt keeps rising despite massive power tariff hike

Despite an over 50% hike in power tariff involving Rs1.2trn additional burden on consumers, the Govt. conceded that circular debt was continuously going up due to missed targets on recovery and losses.

✓ While pleading its case at a public hearing for adding Rs43.34bn financial burden (Rs2.18/unit) to the consumers in 3months, Power Division told Nepra that circular debt that stood at Rs2.25trn by end of September last year had now reached Rs2.43trn, showing an increase of Rs185bn.
✓ The Nepra chief observed that it appeared the purpose of rebasing of the tariff had not achieved desired results as QTA for the 1QFY23 required additional revenue generation of Rs43.34bn from consumers compared to Rs14.3bn of the same period last year.
✓ Discos reported that their sales and recoveries had dropped by 5%-10% b/w 1QFY23 because of floods while the quantum of capacity payments remained unchanged and was to be charged on fewer electricity units. Discos had filed requests for combined additional revenue of Rs43.34bn for the 1QFY23.
✓ Under the separate petitions, the biggest revenue requirement of Rs10.7bn had been sought by Multan Electric, followed by Rs9.1bn by Lahore Electric and then Rs6.4bn by Faisalabad Electric, Likewise, Gujranwala Electric has demanded additional revenue of Rs5.34bn, followed by Quetta Electric with Rs3.66bn and Islamabad Electric with Rs2.7bn. Peshawar Electric, Tribal Electric, Sukhar Electric and Hyderabad Electric have pleaded for an additional revenue requirement of Rs2.13bn, Rs1.28bn, Rs905mn and Rs450mn respectively.
✓ Out of Rs43.34bn, the largest chunk of Rs31bn has been sought on account of capacity charges, followed by Rs7.4bn on account of losses in fuel costs adjustments, Rs6.4bn for use of service charge and market operation fee and about Rs2.2bn on account of variable operation and maintenance charges.

Interbank Rates-Rs			
16-Nov-22		Last Day Close-LDC	
Open	222.13		
High	222.50		
Low	222.00	221.91	
Close	222.41		
DAILY USD/PKR SWAP YIELDS-%			
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-Week	0.4619	0.0777	14.66%
2-Week	0.5887	0.0836	10.74%
1-Month	0.7496	0.0309	7.83%
2-Month	1.0687	0.0787	8.25%
3-Month	1.6254	0.1773	7.48%
4-Month	2.1005	0.1452	7.51%
5-Month	2.6104	0.1667	7.66%
6-Month	3.2898	0.1762	7.99%
9-Month	7.1417	0.2109	9.63%
1-Year	9.8200	0.2581	10.05%
MONEY Market-MM Rates-%			
16-Nov-22		Last Day Close-LDC	
Open	15.10		
High	15.25		
Low	14.80	15.00	
Close	15.00		
KIBOR AND PKRV RATES (%)			
15-Nov-22			
Tenor	KIBOR-%	PKRV Rates-%	
1-M	15.04	15.23	
3-M	15.49	15.56	
6-M	15.60	15.70	
12-M	15.64	15.71	
Pakistan Investment Bonds-PIB			
Period	13-Oct-22	16-Nov-22	
	Cut Off Yields-%	Bid-%	Ask-%
2-Yrs	-	13.35	13.25
3-Yrs	13.8360	14.15	14.10
5-Yrs	13.0900	13.20	13.16
10-Yrs-Fixed	12.9500	13.00	12.90
Floating	16.4000	102	101.75
15-yrs*	-	13.30	
20-yrs*	-	13.50	
Market Treasury Bills-MTB			
Tenor	2-Nov-22	16-Nov-22	
	Cut Off Yields-%	Bid-%	Ask-%
3-M	15.7100	15.59	15.57
6-M	15.7433	15.72	15.68
12-M	15.7399	15.74	15.70
Note: * The secondary yields for 15 & 20-years Bonds are not available, so instead of leaving it blank, we inputted PKRV Rates.			