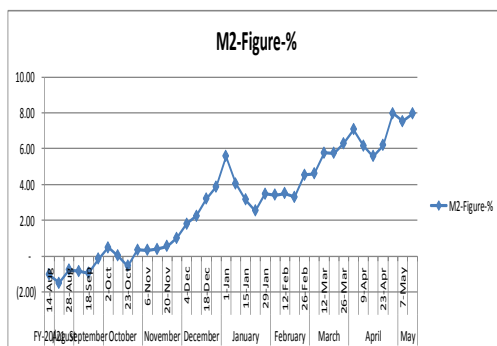


ECONOMIC NEWS:

- ✓ **IMF loan program pivots to growth from stabilization:** The economic growth has been projected at 3.90% for the FY-20/21 and the FX-Reserves are reaching to 4-years high.
- ✓ The Governor of SBP said that the CAD touched the \$19bn mark in 2018/19 but in the 3QFY-20/21, it has converted to a surplus of \$900mn.
- ✓ The SBP's FX-Reserves were \$7.20bn when the IMF program was started. Today, they are in the range of \$16.0bn.
- ✓ **Economy out of the woods now:** Yesterday, PM said that with GDP growth estimated at around 4.0% during the FY-20/21, the country had been steered out of economic hardships and is set to achieve further growth in the upcoming year.
- ✓ **SBP's Governor warns against stimulus withdrawal too early:** Governor of SBP discussed important points regarding monetary policy in an interview. Responding to a question about keeping the policy rate unchanged, he said, "Pakistan's monetary policy stance is significantly accommodative. The current policy rate is 7.0% while RIR ranges from about 0.0% to -4.0% currently."
- ✓ **Govt. revenues to cross Rs4trn this month:** Finance Minister said that for the 1st time in the history of Pakistan, Govt. revenues this month will cross Rs4trn.

ECONOMIC-DATA:

- ✓ **M2-Growth:** SBP issued the numbers of Broad Money Supply for the week ended 21ST May 2021. According to the SBP, M2 posted the growth of 7.94% recorded lower as compared to last year positive growth of 13.36% but rose from previous week 7.54%.



M2-Growth For the WoW Change					
S.No	M2-Growth figure made with 2-Components	Amount in RKR-Rs, bn			
		Current 21-May-21	Previous 07-May-21	PKR-Rs Change	% Change
1	Net Foreign Assets of the Banking System	1,014.72	1,024.37	(9.65)	(0.94)
2	Net Domestic Assets of the Banking System	645.67	551.97	93.71	16.98
	Total	1,660.39	1,576.34	84.05	5.33

ECONOMIC DATA RELEASED DURING THE LAST 24-HOURS

Date	Event	Impact	Actual	Forecast	Previous
1/6/2021	M2-Growth for 20 May 21	LOW	7.94%	7.63%	7.54%

COMMODITIES-MARKET:

GOLD-Spot: During the last 4-hours, gold traded sideways as both buyers and sellers dominated the market but at the end bears won the race and closed at low note indicating that yellow metal will trade lower and moving further lower the next support it would find at \$1894. Yellow metal is currently trading at \$1896.11 per ounce.

CRUDE-OIL: During the last 4-hours, crude-oil continued its higher run and closed at high note indicating that black gold will resume its positive trend and moving further higher the next target it would find at \$68.60. Black gold is currently trading at \$68.38 per barrel.

WORLD ECONOMIC DATA RELEASED DURING THE LAST 24-HOURS

Date	Events	Actual	Forecast	Previous
1/6/2021	EUR German Final Manufacturing PMI	64.4	64	64
1/6/2021	ALL OPEC-JMMC Meetings	-	-	-
1/6/2021	CAD GDP m/m	1.10%	1.00%	0.40%
1/6/2021	USD ISM Manufacturing PMI	61.2	60.8	60.7
1/6/2021	GBP BOE Gov Bailey Speaks	-	-	-
1/6/2021	USD FOMC Member Brainard Speaks	-	-	-
2/6/2021	AUD GDP q/q	1.80%	1.50%	3.20%

Source: www.forexfactory.com.pk

FOREIGN EXCHANGE-FX- DATA

2-Jun	OPEN	HIGH	LOW	CLOSE	Last Day Close-LDC
READY-Rs	154.60	154.90	154.60	154.77	154.54

DAILY USD/PKR SWAP YIELDS-%			
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-Week	0.1650	0.0018	5.62%
2-Week	0.3295	0.0037	5.61%
1-Month	0.7408	(0.0089)	5.39%
2-Month	1.5451	(0.0080)	6.09%
3-Month	2.3850	0.0168	6.25%
4-Month	3.2078	0.0224	6.25%
5-Month	4.0287	(0.0120)	6.37%
6-Month	4.7769	(0.0446)	6.29%
9-Month	7.8143	(0.0200)	7.09%
1-Year	10.4822	(0.0178)	7.02%

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	2-Jun-21	Bid/Ask	154.50/155.50
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

2-Jun	OPEN	HIGH	LOW	CLOSE	Last Day Close-LDC
MM-%	7.00	7.10	6.25	6.80	7.00

KIBOR AND PKRV RATE (%)			2-Jun-21	
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			
Period	7-May-21 Cut Off Yields-%	2-Jun-21 Bid-%	Ask-%
2-Yrs	-	7.95	7.92
3-Yrs	8.7000	8.68	8.65
5-Yrs	9.2000	9.25	9.22
10-Yrs-Fixed	9.8390	10.00	9.90
Floatin	8.0501	102	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-%	2-Jun-21 Bid-%	Ask-%
3-M	7.3492	7.33	7.31
6-M	7.6000	7.57	7.55
12-M	7.6898	7.68	7.65

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 SB	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	2-Jun-21	Pts	1,386.87
Pakistan Stock Exchange-PSX-100 Index	2-Jun-21	Pts	48,122.00
Foreign Investor Portfolio Investment-FIPI	1-Jun-21	USD '000	(1,730.502)
Special Convertible Rupee Account-A/c-SCRA			
SCRA-Cumulative	1 July 20 To-Date	USD mn	(379.25)
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)