

22<sup>nd</sup> March 2023

**DAILY MARKET REVIEW**

KEY PAKISTAN STATS & ECONOMIC INDICATORS			
Items	Period	Unit	Figure
<b>Foreign Exchange-FX-Reserves</b>			
FX-Reserves-WoW	10-Mar-23	USD bn	9.846
FE-25 Import Financing	Feb, 2023	USD mn	1,147.00
SBP Forward/Swap Position	Jan, 2022	USD bn	(5.69)
Net International Reserves-NIR (EST)	10-Mar-23	USD bn	(32.38)
Kerb USD/PKR	22-Mar-23	Bid/Ask	283.00/286.00
Real Effective Exchange Rate-REER	Feb, 2023	Rs	86.45
Roshan Digital Account-RDA	7MFY23	USD bn	5.69
<b>Consumer Price Index-CPI</b>			
Sensitive Price Index-SPI-WoW	16-Mar-23	bps	246.22
CPI (YoY)	Feb, 2023	%	31.50
CPI- (MoM)	Feb, 2023	%	4.30
CPI-Urban-YoY	Feb, 2023	%	28.80
CPI-Rural-YoY	Feb, 2023	%	35.60
PAK CPI-YoY minus US CPI-YoY	31.50%-6.40%	%	25.10
<b>Broad Money Supply-M2 Growth:</b>			
M2 Growth-YoY	1 Jul 22 To 10 Mar 23	%	2.32
Net Govt. Sector Borrowing	1 Jul 22 To 10 Mar 23	Rs trn	2.25
GOVT. Borrowing for budgetary support from SBP	1 Jul 22 To 10 Mar 23	Rs trn	2.26
Private Sector Credit-PSC	1 Jul 22 To 10 Mar 23	Rs bn	248.06
Govt. Foreign Commercial Banks Borrowing	7MFY-23	USD mn	200.00
<b>Policy Rate</b>			
SBP Policy Rate	FY-23 YTD	%	20.00
SBP O/N REPO & Reserve REPO Rate	Floor & Ceiling	%	19.00-21.00
SBP PR minus USD FED Fund Rate	20.00%-4.75%	%	15.25
1-Year KIBOR minus 1-Year LIBOR	20.95-4.73%	%	16.22
<b>FX-Economic Data</b>			
Foreign Direct Investment-FDI	8MFY-23	USD mn	784.40
Home Remittance	8MFY-23	USD bn	17.994
Trade Bal-S/(D)	8MFY-23	USD bn	(19.09)
CAB-S/(D)	8MFY-23	USD bn	(3.86)
<b>Special Convertible Rupee Account-SCRA</b>			
SCRA-Cumulative inflow/(outflow)	July 22 till date	USD bn	(94.13)
SCRA-MTB+PIB inflow/(outflow)	July 22 till date	USD bn	(41.44)
<b>Govt., Circular Debt &amp; External Liabilities</b>			
Govt. Domestic Debt & Liabilities	As at 31-1-2023	Rs trn	34.86
External Debt	As at 31-12-2022	USD bn	126.345
Central Debt	As at 31-1-2023	Rs trn	54.942

**ECONOMIC NEWS:**

- ✓ **'Pakistan is running out of time,' warns PBC as IMF program hangs in balance** PBC one of the country's largest corporate advocacy platforms, has warned that time is running out for Pakistan, as the country struggles to resume the IMF program.
- ✓ **REER depreciates to 86.4 in Feb despite free market exchange rate** SBP released the data showed that the Pakistan's currency has hit an all-time low against a basket of currencies of trading partner countries, falling to 84.6 on the index in February, as the market-based exchange rate failed to sustain its fair value.
- ✓ The currency is considered to be at its fair value when it moves in the range of 95-105 on the index.
- ✓ REER the value of the local currency compared to the basket of currencies of trading partner countries – depreciated by 7.52 to 86.4 in February 2023 compared to 93.96 in January 2023. The domestic currency closed at Rs261.50 against the US dollar in the interbank market on February 28, 2023. It closed at Rs267.88/\$ on January 31, 2023.
- ✓ **Govt. bonds fail to attract dollars despite record returns** A record increase in returns on MTB and PIB's has failed to attract a single dollar.
- ✓ SBP increased the IR by 300bps to 20% and DR to 21% on March 2 to counter high inflation.
- ✓ Before announcing the IR hike, the Govt. had already increased the MTB returns to 21%.

Interbank READY Rates- PKR-Rs 22-Mar-23			
Open	283.25	Last Day Close-LDC	
High	283.50	283.92	
Low	283.00		
Close	283.20		
DAILY USD/PKR SWAP YIELDS-%			
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-Week	1.0984	0.1230	24.82%
2-Week	1.9992	0.3515	23.04%
1-Month	2.8780	0.5193	16.67%
2-Month	4.3302	0.8837	14.01%
3-Month	5.6863	1.1227	12.96%
4-Month	7.0635	1.2049	12.28%
5-Month	8.5992	1.2819	12.10%
6-Month	10.3400	1.3007	12.20%
9-Month	12.5374	1.3987	10.74%
1-Year	14.8963	1.4016	9.95%
MONEY Market-MM 22-Mar-23 Rates-%			
Open	20.00	Last Day Close-LDC	
High	20.90	20.00	
Low	20.00		
Close	20.80		
KIBOR AND PKRV RATES (%) 21-Mar-23			
Tenor	KIBOR-%	PKRV Rates-%	
1-M	19.97	19.78	
3-M	20.89	20.97	
6-M	20.93	20.98	
12-M	20.97	21.00	
Pakistan Investment Bonds-PIB			
Period	16-Mar-23	22-Mar-23	
	Cut Off Yields-%	Bid-%	Ask-%
3-Yrs	18.0500	18.50	18.00
5-Yrs	13.8000	15.30	15.00
10-Yrs-Fixed	12.9500	15.00	14.20
Floating	17.8255	102	101.75
15-yrs*	-	15.12	
20-yrs*	-	15.12	
Market Treasury Bills-MTB			
Tenor	9-Mar-23	22-Mar-23	
	Cut Off Yields-%	Bid-%	Ask-%
3-M	20.9996	21.05	20.95
6-M	20.8798	17.15	16.80
12-M	20.9899	17.15	16.80
<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>			