

FX – INTERBANK RATE:

27-Sep	OPEN	HIGH	LOW	CLOSE	Last Day Close-LDC
Ready Rates	124.25	124.25	124.25	124.25	124.25

HIGH-LIGHT OF FOMC STATEMENT:

- Information received since the FOMC met in August indicates that the labor market has continued to strengthen and that economic activity has been rising at a strong rate. Job gains have been strong, on average, in recent months and the un-employment rate has stayed low. Household spending and business fixed investment have grown strongly. On a 12-month basis, both over-all inflation and inflation for NFNE remain near 2%. Indicators of longer-term inflation expectations are little changed, on balance.
- Consistent with its statutory mandate, the Committee seeks to foster maximum employment and price stability. The Committee expects that further gradual increases in the target range for the federal funds rate will be consistent with sustained expansion of economic activity, strong labor market conditions and inflation near the Committee's symmetric 2% objective over the medium term. Risks to the economic outlook appear roughly balanced.
- In view of realized and expected labor market conditions and inflation, the Committee decided to raise the target range for the federal funds rate by 25bps from 1.75%-2.00% to 2.00%-2.25%..

MONEY-MARKET:

ECONOMIC-DATA:

- Yesterday, SBP issued the numbers of Broad Money Supply for the week ended 7th September, 2018. According to the SBP, M2 posted the negative growth of 1.23% as compared to last year negative growth of 0.92%.
- On WoW basis, M2 fell by 0.16% as broad money declined by Rs25.94bn from negative Rs170.57bn to negative Rs196.52bn.
- M2-Growth measured with the sum of Net Foreign Assets-NFA & Net Domestic Assets NDA:
- NFA includes FX-Reserves while NDA includes Credit to Govt. & Non-Govt. Sectors borrowing and other net Items (liability) respectively.
- NFA declined by Rs37.69bn from Rs11.15bn to negative Rs26.54bn mainly due to fall in FX-Reserves, while NDA increased by Rs11.75bn from negative Rs181.72bn to negative Rs169.97bn due to surge in Non-Govt. Sector Borrowing by Rs24.19bn respectively.
- MTB AUCTION:**
- Yesterday, SBP held its MTB Auction for FY-18/19, where target amount is Rs300bn while the maturity amount is Rs361.05bn. The total bid participation is recorded Rs1.25bn in only 3-months tenor while no bids were received in 6 and 12-month tenor. We expect the MTB Cut-off yield remained same.
- But the Govt. accepted the amount Rs750mn in 3-month tenor. As per our expectation the MTB Cut-off yield remained same.
- Today SBP conducted 1-Day OMO (Mop-up), where the offered amount is accepted Rs237.50bn at 7.44%.
- Today MM initiated at 7.00%-7.25%, traded whole day with-in the range of 7.00%-7.25% and expected to close at the same level.

USD/PKR SWAP YIELDS-%			
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0300	-	3.34%
2-WEEK	0.0650	-	3.52%
1-MONTH	0.1500	(0.0200)	3.83%
2-MONTH	0.4350	(0.0300)	4.58%
3-MONTH	0.8100	(0.0250)	5.10%
4-MONTH	1.0700	(0.0550)	5.20%
5-MONTH	1.3850	(0.0400)	5.25%
6-MONTH	1.7650	(0.0450)	5.53%
12-MONTH	4.0500	-	6.17%

ECONOMIC INDICATORS			
Items	Period	Unit	Figure
Gross Domestic Product-GDP	2MFY-18/19	USD bn	51,339
Foreign Exchange-FX-Reserves	14-Sep-18	USD bn	15.79
FE-25 Import Financing	July, 2018	USD mn	667
SBP Forward/Swap Position	31-May, 2018	USD mn	(6,680)
Net International Reserves-NIR (EST)	14-Sep-18	USD bn	(7,652)
IBA-SBP-Consumer Confidence Index-CCI	As at 31-01-2018	DI	45.70
IBA-SBP-Inflation Expectation Index-IEI	As at 31-01-2018	DI	74.21
Consumer Price Index-CPI (YoY)	August, 2018	%	5.84
CPI- (MoM)	August, 2018	%	0.20
Core CPI-Non-Food-Non-Energy-NFNE-YoY	August, 2018	%	7.70
Core CPI-Trimmed 20%-YoY	August, 2018	%	5.90
M2 Growth-YoY	1 July 18 - 14 Sep 18	%	(1.23)
Net Government Sector Borrowing	1 July 18 - 14 Sep 18	Rs bn	(101.54)
SBP borrowing for budgetary support	1 July 18 - 14 Sep 18	Rs bn	(89.08)
Credit to Private Sector-YoY	1 July 18 - 14 Sep 18	Rs bn	16.48
SBP Policy Rate	FY-18/19 YTD	%	7.50
SBP O/N REPO & Reserve REPO Rate	Floor & Ceiling	%	6.00-8.00
SBP Policy Rate minus USD FED Fund Rate	7.50%-2.25%	%	5.25
1-Year KIBOR minus 1-Year LIBOR	8.39%-2.91%	%	5.48
Foreign Direct Investment-FDI	2MFY-18/19	USD mn	288.2
Home Remittance	2MFY-18/19	USD bn	2,037
Current Account Deficit-CAD	2MFY-18/19	USD bn	2,721
CAD % of GDP	2MFY-18/19	%	5.30
Trade - Deficit	2MFY-18/19	USD bn	7,344
Kerb USD/PKR	26-Sep-18	Bid/Ask	125.50/90
Real Effective Exchange Rate-REER	July, 2018	Rs	108.37
Government Domestic Debt	As at 30-6-2018	Rs trn	17
External Debt	As at 31-3-2018	USD bn	95.1
Standard & Poor's-S&P	Rating & Outlook	Rank	B-Stable
Moody's	Rating & Outlook	Rank	B3-Negative
MSCI-Emerging Market Index-EMI	27-Sep-18	Pts	1,047.88
Pakistan Stock Exchange-PSX-100 Index	27-Sep-18	Pts	40,870.57
Foreign Investor Portfolio Investment-FIPI	26-Sep-18	USD '000	(6,355.55)
Special Convertible Rupee A/c-SCRA	1 July 17 To-Date	USD mn	(194.42)

DATE	DATA	3-MONTH	6-MONTH	12-MONTH
25-Sep, 2018	US-LIBOR Rate	2.38100%	2.59538%	2.911888%

DATA		24-Sep-18	
Pakistan Credit Default Swap - CDS			473.49

INTERNATIONAL EURO BOND ISSUE				24-Sep-18	
Bond Issue	Issue Date	Maturity Date	Coupon Rate	Secondary Market Yields-%	
				Bid	Ask
5-Years EURO Bonds	29-11-17	12-May-22	5.625%	7.09	6.80
10-Years EURO Bonds	29-11-17	12-May-27	6.875%	7.74	7.59

