

28<sup>th</sup> August 2023

**DAILY MARKET REVIEW**

KEY PAKISTAN STATS & ECONOMIC INDICATORS			
Items	Period	Unit	Figure
<b>Foreign Exchange-FX-Reserves</b>			
FX-Reserves-WoW	18-Aug-23	USD bn	13.248
FE-25 Import Financing	July, 2023	USD bn	1.44
SBP Forward/Swap Position	June, 2023	USD bn	(4.54)
Net International Reserves-NIR (EST)	18-Aug-23	USD bn	(26.82)
Kerb USD/PKR- Buying/Selling Avg. Rate	28-Aug-23	Rs	318.00
Real Effective Exchange Rate-REER	July, 2023	Rs	91.59
Net Roshan Digital Account-RDA	Sep 20 to 1MFY24	USD bn	1.13
<b>Consumer Price Index-CPI</b>			
Sensitive Price Index-SPI-WoW	24-Aug-23	bps	275.71
CPI (YoY)	July, 2023	%	28.30
CPI- (MoM)	July, 2023	%	3.50
CPI-Urban-YoY	July, 2023	%	26.30
CPI-Rural-YoY	July, 2023	%	31.30
PAK CPI-YoY minus US CPI-YoY	28.30%-3.20%	%	25.10
<b>Broad Money Supply-M2 Growth:</b>			
M2 Growth-YoY	1 Jul 23 To 11 Aug 23	%	(2.27)
Net Govt. Sector Borrowing	1 Jul 23 To 11 Aug 23	Rs bn	(93.99)
GOVT. Borrowing for budgetary support from SBP	1 Jul 23 To 11 Aug 23	Rs bn	50.70
Private Sector Credit-PSC	1 Jul 23 To 11 Aug 23	Rs bn	(180.95)
Govt. Foreign Commercial Banks Borrowing	FY-23	USD bn	2.21
<b>Policy Rate-PR</b>			
SBP Policy Rate	FY-24 YTD	%	22.00
SBP O/N REPO & Reserve REPO Rate	Floor & Ceiling	%	21.00-23.00
SBP PR minus USD FED Fund Rate	22.00%-5.50%	%	16.50
1-Year KIBOR minus 1-Year LIBOR	22.90-6.04%	%	16.86
<b>FX-Economic Data</b>			
Foreign Direct Investment-FDI	1MFY-24	USD bn	87.70
Home Remittance	1MFY-24	USD bn	2.026
Trade Bal-S/(D)	1MFY-24	USD bn	(2.38)
CAB-S/(D)	1MFY-24	USD bn	(809.00)
<b>Special Convertible Rupee Account-SCRA</b>			
SCRA-Cumulative inflow/(outflow)	July 23 till date	USD bn	25.06
SCRA-MTB+PIB inflow/(outflow)	July 23 till date	USD bn	5.59
<b>Govt., Circular Debt &amp; External Liabilities</b>			
Govt. Domestic Debt & Liabilities	As at 30-6-2023	Rs trn	39.65
External Debt	As at 30-6-2023	USD bn	124.296
Central Govt. Debt (Domestic + External)	As at 30-6-2023	Rs trn	60.839

**ECONOMIC-NEWS:**

- ✓ **Govt. borrowings rise at a rapid clip** SBP released the data showed that Govt. borrowing from banks stood at Rs2.03trn from July 1 to Aug 11, significantly higher than Rs255bn in the comparable period last year, while credit to the private sector continues to paint a grim picture.
- ✓ On top of that, the Govt. borrowed Rs2.073bn in the auction held on Aug 23, which is not included in the SBP data released earlier this week.
- ✓ Govt. has set Rs8.25trn borrowing target through the auction of MTB during the 70-days from Aug 9 to Oct 18.
- ✓ This massive borrowing will cost the Govt. heavily as the liquidity requirement for domestic debt servicing would eat up most of the budget.
- ✓ The Govt. budget estimates for the FY24 show that an amount of Rs7.3trn will be required for debt serving.
- ✓ On the other hand, the borrowing trend is almost negative for the private sector, which saw a net retirement of debt worth Rs189bn from July 1 to Aug 11 compared to Rs99.5bn borrowing in the year ago period.

**ECONOMIC-DATA:**

- ✓ **Access to Over-Night REPO/Reverse REPO Rate Facility**

Access to Over-Night REPO/Reverse REPO Rate Facility		
Date	Ceiling	Floor
	Amount in Rs, bn	Amount in Rs, bn
21/8/2023		257.95
22/8/2023		244.95
23/8/2023		208.95
24/8/2023	1,042.45	354.65
25/8/2023		381.85
	<b>1,042.45</b>	<b>1,448.35</b>

Interbank READY Rates- PKR-Rs			
28-Aug-23		Last Day Close-LDC	
Open	301.50		
High	302.00		
Low	301.50	<b>301.00</b>	
Close	301.95		
DAILY USD/PKR SWAP YIELDS-%			
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-Week	1.1750	0.1645	25.44%
2-Week	2.0650	0.0581	23.06%
1-Month	4.3000	0.0322	22.17%
2-Month	8.6000	0.4942	22.55%
3-Month	11.7500	0.0618	21.22%
4-Month	15.1250	0.1145	20.55%
5-Month	18.0500	0.1062	20.02%
6-Month	21.6250	0.1053	20.28%
9-Month	25.5000	0.4823	17.17%
1-Year	28.5000	0.3653	15.40%
MONEY Market-MM Over-Night-O/N Rates-%			
28-Aug-23		Last Day Close-LDC	
Open	22.00		
High	22.00		
Low	21.05	<b>21.10</b>	
Close	21.10		
KIBOR AND PKRV RATES (%)			25-Aug-23
Tenor	KIBOR-%	PKRV Rates-%	
1-M	21.93	21.96	
3-M	22.83	22.78	
6-M	22.91	22.92	
12-M	22.94	22.98	
Pakistan Investment Bonds-PIB's			
Period	3-Aug-23	28-Aug-23	
	Cut Off Yields-%	Bid-%	Ask-%
3-Yrs	19.3499	20.35	20.15
5-Yrs	15.9500	18.00	17.25
10-Yrs-Fixed	12.9500	16.10	
15-yrs*	-	15.33	
20-yrs*	-	15.33	
Market Treasury Bills-MTB			
Tenor	24-Aug-23	28-Aug-23	
	Cut Off Yields-%	Bid-%	Ask-%
3-M	22.8803	22.90	22.80
6-M	22.7500	22.92	
12-M	22.9400	22.98	
Note: * The secondary yields for 6 & 12-months & 10, 15 & 20-years Bonds are not available, so instead of leaving it blank, we inputted PKRV Rates.			