

**FX – INTERBANK RATE:**

29-Jan	OPEN	HIGH	LOW	CLOSE	Last Day Close-LDC
<b>Ready Rates</b>	154.58	154.59	154.56	154.56	154.57

**HIGH-LIGHT OF MONETARY POLICY STATEMENT JANUARY 2020:**

- ✓ The MPC noted 3-key developments since the last meeting on 22<sup>nd</sup> November 2019.
- ✓ 1<sup>st</sup>, the ongoing and substantial reduction in the CAD and the orderly conditions in the FX-Market after the transition to a market-based exchange rate system continued to strengthen the country’s external accounts.
- ✓ 2<sup>ND</sup>, the IBA-SBP survey of business confidence showed an improvement in the business community’s outlook for economic activity for a 3<sup>rd</sup> successive wave.
- ✓ 3<sup>rd</sup>, fiscal developments remained on track and in line with commitments made under the IMF-supported program, buoying the overall economic reform sentiment.
- ✓ LSMI indicates that economic activity is strengthening in export-oriented and import competing industries, while inward-oriented industries continue to slow down. Primarily on account of adverse supply side shocks to cotton production as well as the contraction in LSMI to date, SBP’s projection for real GDP growth for FY20 is likely to be revised downward.
- ✓ The CAD contracted by 75% to \$2.15bn during the 1HFY20 due to a notable reduction in imports and modest growth in both exports and workers’ remittances.
- ✓ These favorable developments facilitated the SBP to build up its FX-Reserves despite making a repayment of \$1.0bn international SUKUK in early December 19. SBP’s FX-Reserves increased from \$7.28bn at end-June 19 to \$11.73bn as of 17<sup>th</sup> January 20, an increase of \$4.45bn, and SBP’s short liabilities fell by \$3.82bn in the 1HFY20. These developments have significantly improved the SBP’s NIR position.
- ✓ PSC grew by 2.2% during 1<sup>st</sup> July–17<sup>th</sup> JanFY20 as compared to 8.5% in the same period last year. This deceleration broadly reflects soft economic activity.
- ✓ The MPC noted that recent inflation outturns have been on the higher side. National CPI inflation rose to 12.7% and 12.6% on YoY basis in November and December 19, largely reflecting sharp increases in selected food items on account of temporary supply disruptions and upward adjustments in administered prices. If sustained, high food price inflation could lead to demands for faster wage growth and to possible risks of a wage-price inflation spiral.
- ✓ The MPC noted that RIR on a forward-looking basis were not high compared to other EMI and from the perspective of Pakistan’s own experience.
- ✓ The MPC decided to keep the policy rate unchanged at 13.25%.

**MONEY MARKET:**

- ✓ Today MM initiated at 13.15% and traded whole day with-in the range of 13.00%-13.25% and closed at 13.10%.
- ✓ Today In bond secondary market, wen-issue traded at following levels; 3-year at 11.88/85, 5-year at 11.24/22 and 10-year at 11.15/10 respectively.

**USD/PKR SWAP YIELDS-%**

PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.4075	0.0525	15.30%
2-WEEK	0.7550	0.0500	14.32%
1-MONTH	1.4819	(0.0181)	12.95%
2-MONTH	2.8090	0.0840	13.01%
3-MONTH	3.8309	0.1809	11.85%
4-MONTH	4.8431	0.1931	11.34%
5-MONTH	5.8431	0.1931	10.84%
6-MONTH	6.8433	0.2933	10.61%
12-MONTH	12.2947	0.0447	9.87%

**ECONOMIC INDICATORS**

Items	Period	Unit	Figure
Gross Domestic Product-GDP	1HFY-19/20	USD bn	143.53
Foreign Exchange-FX-Reserves	17-Jan-20	USD bn	18.271
FE-25 Import Financing	November, 2019	USD mn	411
SBP Forward/Swap Position	31-Dec-19	USD bn	(4.212)
Net International Reserves-NIR (EST)	17-Jan-20	USD bn	(11.477)
IBA-SBP-Consumer Confidence Index-CCI	As at 31-3-2019	DI	53.20
IBA-SBP-Inflation Expectation Index-IEI	As at 31-3-2019	DI	68.40
Consumer Price Index-CPI (YoY)	December, 2019	%	12.63
CPI- (MoM)	December, 2019	%	-0.30
CPI-Urban-YoY	December, 2019	%	12.00
CPI-Rural-YoY	December, 2019	%	13.60
PAK CPI-YoY minus US CPI-YoY		%	12.63%-2.10%
M2 Growth-YoY	1 July 19- 17-Jan 20	%	3.06
Net Govt. Sector Borrowing	1 July 19- 17-Jan 20	Rs bn	(91.87)
GOVT. Borrowing for budgetary support from SBP	1 July 19- 17-Jan 20	Rs bn	(11.66)
Credit to Private Sector-YoY	1 July 19- 17-Jan 20	Rs bn	134.81
Govt. Foreign Commercial Banks Borrowing	1HFY-19/20	USD bn	1.80
SBP Policy Rate	FY-19/20 YTD	%	13.25
SBP O/N REPO & Reserve REPO Rate	Floor & Ceiling	%	11.75-13.75
SBP Policy Rate minus USD FED Fund Rate	13.25%-1.75%	%	11.50
1-Year KIBOR minus 1-Year LIBOR	12.99%-1.84%	%	11.15
Foreign Direct Investment-FDI	1HFY-19/20	USD bn	1.34
Home Remittance	1HFY-19/20	USD bn	11.394
Current Account Deficit-CAD	1HFY-19/20	USD bn	2.153
CAD % of GDP	1HFY-19/20	%	1.50
Trade -Deficit	1HFY-19/20	USD bn	11.613
Kerb USD/PKR	29-Jan-20	Bid/Ask	154.60/155.20
Real Effective Exchange Rate-REER	August, 2019	Rs	92.71
Government Domestic Debt	As at 28-02-2019	Rs tm	18.79
External Debt	As at 30-12-2018	USD bn	99.1
Standard & Poor’s-S&P	Rating & Outlook	Rank	B
Moody’s	Rating & Outlook	Rank	B3-Stable
MSCI-Emerging Market Index-EMI	29-Jan-20	Pts	1,097.45
Pakistan Stock Exchange-PSX-100 Index	29-Jan-20	Pts	41,898.70
Foreign Investor Portfolio Investment-FIPI	28-Jan-20	USD '000	(3,866.64)
Special Convertible Rupee A/c-SCRA-Cumulative	1 July 19 To-Date	USD mn	2633.98
Special Convertible Rupee A/c-SCRA-T-Bills	1 July 19 To-Date	USD mn	2665.11
Special Convertible Rupee A/c-SCRA-T-Bills	Jan-20	USD mn	1262.86

DATE	DATA	3-MONTH	6-MONTH	12-MONTH
27-Jan, 2020	US-LIBOR Rate	1.77450%	1.78350%	1.83725%

**KIBOR AND PKRV RATE (%)**

Tenor	KIBOR-%	PKRV Rates-%
1-Month	13.12	13.27
3-Month	13.24	13.27
6-Month	13.21	13.32
12-Month	12.99	13.06

**Pakistan Investment Bonds-PIB's**

Period	Types of Bonds	9-Jan-19 Cut Off Yields-%	29-Jan-20 Bid-%	Ask -%
2-Years			12.65	12.60
3-Years		11.7500	11.85	11.82
5-Years		11.1938	11.24	11.22
10-Years	Fixed	10.9000	11.15	11.10
	Floating	13.8899	102	101.75

**Market Treasury Bills-MTB**

Tenor	16-Jan-20 Cut Off Yields-%	29-Jan-20 Bid-%	Ask-%
3-Months	13.4897	13.29	13.27
6-Months	13.2899	13.32	13.30
12-Months	13.1340	13.10	13.08





