

KEY PAKISTAN STATS & ECONOMIC INDICATORS			
Items	Period	Unit	Figure
Foreign Exchange-FX-Reserves			
FX-Reserves-WoW	19-Jan-24	USD bn	13.341
FF-25 Import Financing	Dec, 2023	USD bn	1.49
SBP Forward/Swap Position	Nov, 2023	USD bn	(3.25)
Net International Reserves-NIR (EST)	19-Jan-24	USD bn	(25.19)
Verb USD/PKR-Buying/Selling Avg. Rate	30-Jan-24	Rs	280.50
Real Effective Exchange Rate-REER	Nov, 2023	Rs	98.18
Net Reshan Digital Account-RDA	Sep 20 to 1HFY24	USD bn	1.22
Consumer Price Index-CPI			
Sensitive Price Index-SPI-WoW	25-Jan-24	bps	318.55
CPI (YoY)	Dec, 2023	%	29.70
CPI- (MoM)	Dec, 2023	%	0.80
CPI-Urban-YoY	Dec, 2023	%	30.90
CPI-Rural-YoY	Dec, 2023	%	27.90
PAK CPI-YoY minus US CPI-YoY	29.70-3.10	%	26.60
Broad Money Supply-M2 Growth:			
M2 Growth-YoY	1 Jul 23 To 12 Jan 24	%	2.13
Net Govt. Sector Borrowing	1 Jul 23 To 12 Jan 24	Rs trn	2.57
GOVT. Borrowing for budgetary support from SBP	1 Jul 23 To 12 Jan 24	Rs trn	2.77
Private Sector Credit-PSC	1 Jul 23 To 12 Jan 24	Rs bn	(8.03)
Govt. Foreign Commercial Banks Borrowing	1HFY24	USD bn	0.00
Policy Rate-PR			
SBP Policy Rate	FY-24 YTD	%	22.00
SBP Q/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	20.41-5.73	%	14.68
FX-Economic Data			
Foreign Direct Investment-FDI	1HFY-24	USD mn	656.10
Home Remittance	1HFY-24	USD bn	13.434
Trade Bal-S/(D)	1HFY-24	USD bn	(11.38)
CAB-S/(D)	1HFY-24	USD mn	(834.00)
Special Convertible Rupee Account-SCRA			
SCRA-Cumulative inflow/(outflow)	July 23 till date	USD bn	48.42
SCRA-MTB+PIB inflow/(outflow)	July 23 till date	USD bn	(1.47)
Govt., Circular Debt & External Liabilities			
Govt. Domestic Debt & Liabilities	As at 31-11-2023	Rs trn	41.54
External Debt	As at 30-9-2023	USD bn	128.091
Central Govt. Debt (Domestic + External)	As at 31-11-2023	Rs trn	63.389

30th January 2024

DAILY MARKET REVIEW

ECONOMIC NEWS

- ✓ **Summary of Monetary Policy Statement-MPS**
- ✓ **Real sector** Incoming data continues to support the Committee's earlier assessment of moderate economic recovery, primarily led by the agriculture sector. Real GDP growth projection remains unchanged in the range of 2% to 3% for FY24.
- ✓ **External sector** CAB-S in December 2023 helped bring down the H1FY24 deficit by 77% to \$0.8bn. The exports registered a growth of 5.3% y/y during H1FY24, supported by growth in rice and volume of HVA textiles. At the same time, imports declined considerably due to lower international commodity prices, better domestic crop output, and a decline in oil import volumes.
- ✓ **Fiscal sector** The fiscal position continued to improve during 4MFY24. The overall deficit declined to 0.8% of GDP from 1.5% last year, while the primary surplus increased to 1.4% as compared to 0.2% last year. This improvement is mainly led by a significant increase in revenue collection and somewhat restrained expenditures. FBR tax collection grew by 30.3% during H1FY24 amidst gradual recovery in economic activity and continued impact of taxation measures, while non-tax revenues also remained strong.
- ✓ **Money and credit** M2 growth, which has been hovering around 14 percent in FY24, surged to 17.8% y/y as of end-December 2023. The improvement in the external position has increased the NFA of the banking system. In contrast, growth in NDA of the banking system decelerated, primarily due to a slowdown in PSC.
- ✓ **Inflation outlook** The MPC noted that both food and core inflation are moderating for the past few months. This trend reflects the positive impact of tight monetary policy stance duly supported by ongoing fiscal consolidation, lower global commodity prices, and improved domestic crop output and supplies. However, the positive impact of these developments is being diluted by sizable adjustments in administered energy prices, especially from November 2023 onwards. In this regard, the Committee emphasized on reforms to address underlying structural issues, especially those in the energy sector, to achieve price stability on a sustainable basis. Incorporating the inflation in H1-FY24, expected significant decline in the second half, and the evolving risks, the MPC expects average inflation to fall in the range of 23% – 25% in FY24 and continue to trend down noticeably in FY25.
- ✓ **Conclusion** After observing all the above economic indicators, MPC decided to maintain the PR at **22.00%**.

Interbank READY Rates- 30-Jan-24			
PKR-Rs			
Open	279.68	Last Day Close	
Close	279.50	279.63	
DAILY USD/PKR SWAP YIELDS-%			
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-Week	0.8200	(0.1100)	20.46%
2-Week	1.5150	0.0300	19.39%
1-Month	3.0000	-	18.09%
2-Month	5.0000	0.0500	16.22%
3-Month	7.2000	0.2000	15.91%
4-Month	8.7500	0.0500	14.87%
5-Month	10.3000	0.0500	14.38%
6-Month	12.2000	0.3000	14.39%
9-Month	15.5000	0.5000	13.08%
1-Year	21.5000	0.5000	13.36%
MONEY Market- M M Over-Night- 30-Jan-24			
O/N Rates-%			
Open	22.00	Last Day Close-LDC	
High	22.50		
Low	22.00	22.25	
Close	22.25		
KIBOR AND PKRV RATES (%) 29-Jan-24			
Tenor	KIBOR-%	PKRV Rates-%	
1-M	21.05	20.90	
3-M	20.43	20.50	
6-M	20.45	20.90	
12-M	20.44	20.72	
Pakistan Investment Bonds-PIB's			
Period	17-Jan-24	30-Jan-24	
	Cut Off Yields-%	Bid-%	Ask-%
3-Yrs	16.8000	17.20	17.15
5-Yrs	15.5000	15.50	15.40
10-Yrs	14.5000	14.25	14.05
15-yrs*	-	14.08	
20-yrs*	-	14.03	
Market Treasury Bills-MTB			
Tenor	25-Jan-24	30-Jan-24	
	Cut Off Yields-%	Bid-%	Ask-%
3-M	20.4996	20.60	20.35
6-M	20.4000	21.10	20.90
12-M	20.2298	20.85	20.75
Note: * The secondary yields for 15 & 20-yrs Bonds are not available, so instead of leaving it blank, we inputted PKRV Rates.			