

6th July 2023

DAILY MARKET REVIEW

KEY PAKISTAN STATS & ECONOMIC INDICATORS			
Items	Period	Unit	Figure
Foreign Exchange-FX-Reserves			
FX-Reserves-WoW	16-Jun-23	USD bn	8.863
FE-25 Import Financing	May, 2023	USD bn	1.30
SBP Forward/Swap Position	Apr, 2023	USD bn	(4.81)
Net International Reserves-NIR (EST)	16-Jun-23	USD bn	(27.95)
Kerb USD/PKR	6-Jul-23	Bid/Ask	279.00/282.00
Real Effective Exchange Rate-REER	May, 2023	Rs	87.15
Roshan Digital Account-RDA	11MFY23	USD bn	6.22
Consumer Price Index-CPI			
Sensitive Price Index-SPI-WoW	22-Jun-23	bps	256.00
CPI (YoY)	June, 2023	%	29.40
CPI- (MoM)	June, 2023	%	(0.30)
CPI-Urban-YoY	June, 2023	%	27.30
CPI-Rural-YoY	June, 2023	%	32.40
PAK CPI-YoY minus US CPI-YoY	29.40%-4.0%	%	25.40
Broad Money Supply-M2 Growth:			
M2 Growth-YoY	1 Jul 22 To 2 June 23	%	8.94
Net Govt. Sector Borrowing	1 Jul 22 To 2 June 23	Rs trn	3.38
GOVT. Borrowing for budgetary support from SBP	1 Jul 22 To 2 June 23	Rs trn	2.98
Private Sector Credit-PSC	1 Jul 22 To 2 June 23	Rs bn	25.38
Govt. Foreign Commercial Banks Borrowing	10MFY-23	USD mn	900.00
Policy Rate			
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%-5.25%	%	16.75
1-Year KIBOR minus 1-Year LIBOR	21.89-5.79%	%	16.10
FX-Economic Data			
Foreign Direct Investment-FDI	11MFY-23	USD bn	1.32
Home Remittance	11MFY-23	USD bn	24.831
Trade Bal-S/(D)	11MFY-23	USD bn	(23.77)
CAB-S/(D)	11MFY-23	USD bn	(2.94)
Special Convertible Rupee Account-SCRA			
SCRA-Cumulative inflow/(outflow)	July 22 till date	USD bn	(138.04)
SCRA-MTB+PIB inflow/(outflow)	July 22 till date	USD bn	(42.01)
Govt., Circular Debt & External Liabilities			
Govt. Domestic Debt & Liabilities	As at 31-5-2023	Rs trn	37.89
External Debt	As at 31-3-2023	USD bn	12.726
Central Govt. Debt (Domestic + External)	As at 31-5-2023	Rs trn	58.962

ECONOMIC NEWS:

- ✓ **Default risk drops to less than 50%** Following the rally in Pakistan's global EURO bonds, the country's risk of default, as measured by CDS, has reached a 6months low at 46.76% after the successful achievement of a \$3bn IMF deal last week. This improvement signifies a significant restoration of global investors' confidence in the domestic economy and paves the way for Islamabad to return to international bond markets in the near future to raise new debt financing and boost FX-Reserves.
- ✓ Govt. has set a target of raising \$1.5bn through the issuance of EURO bonds and/or SUKUK in global markets during FY24.
- ✓ **\$3bn SBA to bring economic stability** SBP Governor believes the \$3bn 9-months SBA with the IMF will bring economic stability, help address inflation and boost dollar inflows.
- ✓ **Domestic debt goes up by Rs6trn in FY23** SBP revealed the data showed that the domestic debt of the central Govt. increased by Rs6trn in 11MFY23.
- ✓ PMLN-led government heavily relied upon borrowing to bridge the gap between its high spending and low revenues.
- ✓ Domestic debt of the central Govt. rose to Rs37.05trn in May from Rs31.08trn, showing an increase of 19.2% or Rs5.96trn.

Interbank READY Rates- PKR-Rs		
		6-Jul-23
Open	276.70	Last Day
High	277.40	Close-LDC
Low	276.50	277.38
Close	277.04	

DAILY USD/PKR SWAP YIELDS-%			
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-Week	1.0316	0.0166	24.52%
2-Week	2.0285	(0.0215)	24.24%
1-Month	4.2243	(0.0257)	23.18%
2-Month	7.2732	0.1732	21.08%
3-Month	9.6789	0.2289	19.55%
4-Month	11.8867	0.5117	18.31%
5-Month	14.0569	0.0569	17.72%
6-Month	16.9991	0.4991	18.03%
9-Month	19.5876	(0.4124)	15.13%
1-Year	22.5750	(0.4250)	13.87%

MONEY Market-MM Rates-%		
		6-Jul-23
Open	22.25	Last Day
High	22.75	Close-LDC
Low	21.05	22.75
Close	21.50	

KIBOR AND PKRV RATES (%)		
		5-Jul-23
Tenor	KIBOR-%	PKRV Rates-%
1-M	22.06	22.25
3-M	22.67	22.68
6-M	22.72	22.89
12-M	22.77	22.94

Period	16-June-23	6-Jul-23	
	Cut Off Yields-%	Bid-%	Ask-%
3-Yrs	19.3500	19.10	18.80
5-Yrs	13.8000	15.85	15.55
10-Yrs-Fixed	12.9500	15.00	14.20
Floating	17.8255	102	101.75
15-yrs*	-	15.25	
20-yrs*	-	15.25	

Market Treasury Bills-MTB			
Tenor	15-Jun-23	6-Jul-23	
	Cut Off Yields-%	Bid-%	Ask-%
3-M	21.9999	22.70	22.60
6-M	21.9890	21.80	21.60
12-M	21.9997	17.15	16.80

Note: * The secondary yields for 15 & 20-years Bonds are not available, so instead of leaving it blank, we inputted PKRV Rates.