

9th August 2023

DAILY MARKET REVIEW

KEY PAKISTAN STATS & ECONOMIC INDICATORS			
Items	Period	Unit	Figure
Foreign Exchange-FX-Reserves			
FX-Reserves-WoW	27-Jul-23	USD bn	13.463
FE-25 Import Financing	June, 2023	USD bn	1.49
SBP Forward/Swap Position	June, 2023	USD bn	(4.54)
Net International Reserves-NIR (EST)	27-Jul-23	USD bn	(26.60)
Kerb USD/PKR- Buying/Selling Avg. Rate	9-Aug-23	Rs	295.05
Real Effective Exchange Rate-REER	June, 2023	Rs	87.75
Net Roshan Digital Account-RDA	Sep 20 to FY23	USD bn	1.12
Consumer Price Index-CPI			
Sensitive Price Index-SPI-WoW	3-Aug-23	bps	271.56
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%-3.0%	%	25.30
Broad Money Supply-M2 Growth:			
M2 Growth-YoY	1 Jul 23 To 21 July 23	%	(2.48)
Net Govt. Sector Borrowing	1 Jul 23 To 21 July 23	Rs bn	(314.08)
GOVT. Borrowing for budgetary support from SBP	1 Jul 23 To 21 July 23	Rs bn	(239.93)
Private Sector Credit-PSC	1 Jul 23 To 21 July 23	Rs bn	(177.18)
Govt. Foreign Commercial Banks Borrowing	FY-23	USD bn	2.21
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	22.76-6.04%	%	16.72
FX-Economic Data			
Foreign Direct Investment-FDI	FY-23	USD bn	1.46
Home Remittance	FY-23	USD bn	27.024
Trade Bal-S/(D)	FY-23	USD bn	(24.80)
CAB-S/(D)	FY-23	USD bn	(2.56)
Special Convertible Rupee Account-SCRA			
SCRA-Cumulative inflow/(outflow)	July 23 till date	USD bn	15.57
SCRA-MTB+PIB inflow/(outflow)	July 23 till date	USD bn	3.97
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:

- ✓ **ECC Okays \$3b loan guarantee for N-plant** Yesterday, Pakistan approved issuing \$3b worth sovereign guarantees against a Chinese loan for a nuclear power plant and also stamped an operator-favored State Support Agreement for the outsourcing of the Islamabad International Airport.
- ✓ **Record Rs371bn raised through sale of Ijarah SUKUK** Federal Govt. has raised record Rs371bn (over \$1.29bn) through the GOP Ijarah SUKUK
- ✓ On 3rd Aug 2023, various bank participated in the auction for investment in GOP Ijarah SUKUK. Some 6 denominations were open for bidding in the SUKUK which included 1,3 and 5-yrs FRR SUKUK with a target of Rs90bn and 1,3 and 5-yrs VRR SUKUK of Rs150bn auction target.
- ✓ Govt. was intended to raise a total of Rs240bn from this auction, however the SUKUK were oversubscribed by over 200% with total bids received equivalent to over Rs508bn. In term of dollar the submitted bids were worth approximately \$1.77bn.
- ✓ On the basis of the announced cutoff rates, SUKUK equivalent to Rs371bn were issued under 5 denominations while all bids were rejected against the 5-Yrs FRR denomination.
- ✓ Some Rs100.34bn were raised through the sale of 1-yr VRR, Rs2.16bn against 1-yr FRR and Rs5bn through 3-yr VRR. The federal Govt. also accepted bids worth Rs195.25bn for 5-yr VRR and Rs68.38bn rose against the auction of 3-yr FRR. The total accepted and borrowed amount was Rs 371.14bn.
- ✓ The rental rate against the above SUKUK varied from 18.49% per annum to 23.62% per annum depending on the tenure of the SUKUK. The rental payment is to be made on ½ yearly bases with SUKUK redemption at maturity.

Interbank READY Rates- PKR-Rs		
9-Aug-23		
Open	288.00	Last Day
High	288.00	Close-LDC
Low	287.00	287.91
Close	287.40	

DAILY USD/PKR SWAP YIELDS-%			
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-Week	0.9100	0.0019	21.66%
2-Week	1.8100	(0.0099)	21.65%
1-Month	3.8750	0.1249	21.28%
2-Month	6.8000	0.0313	19.66%
3-Month	9.8750	0.0325	19.39%
4-Month	12.4000	0.2113	18.49%
5-Month	15.3500	0.6802	18.50%
6-Month	18.3750	0.0451	18.73%
9-Month	21.5000	0.1718	15.88%
1-Year	25.0000	0.1960	14.67%

MONEY Market-MM Over-Night-O/N Rates-%		
9-Aug-23		
Open	21.25	Last Day
High	21.75	Close-LDC
Low	21.05	21.30
Close	21.10	

KIBOR AND PKRV RATES (%)		
8-Aug-23		
Tenor	KIBOR-%	PKRV Rates-%
1-M	21.78	21.90
3-M	22.48	22.53
6-M	22.69	22.81
12-M	22.77	22.91

Pakistan Investment Bonds-PIB's			
Period	3-Aug-23	9-Aug-23	
	Cut Off Yields-%	Bid-%	Ask-%
3-Yrs	19.3499	19.55	19.45
5-Yrs	15.9500	17.10	16.90
10-Yrs-Fixed	12.9500	15.00	14.20
Floating	17.8255	102	101.75
15-yrs*	-	15.40	
20-yrs*	-	15.39	

Market Treasury Bills-MTB			
Tenor	26-Jul-23	9-Aug-23	
	Cut Off Yields-%	Bid-%	Ask-%
3-M	22.9788	22.65	22.50
6-M	22.9201	21.80	21.60
12-M	22.9991	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.