

KEY PAKISTAN STATS & ECONOMIC INDICATORS			
Items	Period	Unit	Figure
Foreign Exchange-FX-Reserves			
FX-Reserves-WoW	13-Jan-23	USD bn	10.443
FE-25 Import Financing	Dec, 2022	USD bn	1.00
SBP Forward/Swap Position	Nov, 2022	USD bn	(4.70)
Net International Reserves-NIR (EST)	13-Jan-23	USD bn	(27.11)
Kerb USD/PKR	25-Jan-23	Bid/Ask	242.00/243.00
Real Effective Exchange Rate-REER	Nov, 2022	Rs	98.85
Roshan Digital Account-RDA	1HFY23	USD bn	5.58
Consumer Price Index-CPI			
Sensitive Price Index-SPI-WoW	19-Jan-23	bps	220.54
CPI (YoY)	Dec, 2022	%	24.50
CPI- (MoM)	Dec, 2022	%	0.50
CPI-Urban-YoY	Dec, 2022	%	21.60
CPI-Rural-YoY	Dec, 2022	%	28.80
PAK CPI-YoY minus US CPI-YoY	24.50%-7.10%	%	17.40
Broad Money Supply-M2 Growth:			
M2 Growth-YoY	1 Jul 22 To 6 Jan 23	%	1.48
Net Govt. Sector Borrowing	1 Jul 22 To 6 Jan 23	Rs bn	1,321.23
GOVT. Borrowing for budgetary support from SBP	1 Jul 22 To 6 Jan 23	Rs bn	1,321.63
Private Sector Credit-PSC	1 Jul 22 To 6 Jan 23	Rs bn	420.52
Govt. Foreign Commercial Banks Borrowing	5MFY-23	USD mn	200.00
Policy Rate			
SBP Policy Rate	FY-23 YTD	%	17.00
SBP O/N REPO & Reserve REPO Rate	Floor & Ceiling	%	16.00-18.00
SBP PR minus USD FED Fund Rate	17.00%-4.50%	%	12.50
1-Year KIBOR minus 1-Year LIBOR	17.62-5.34%	%	12.28
FX-Economic Data			
Foreign Direct Investment-FDI	1HFY-23	USD mn	460.90
Home Remittance	1HFY-23	USD bn	14.05
Trade Bal-S/(D)	1HFY-23	USD bn	(15.66)
CAB-S/(D)	1HFY-23	USD bn	(3.67)
Special Convertible Rupee Account-SCRA			
SCRA-Cumulative inflow/(outflow)	July 22 till date	USD mn	(98.79)
SCRA-MTB+PIB inflow/(outflow)	July 22 till date	USD bn	(41.44)
Govt., Circular Debt & External Liabilities			
Govt. Domestic Debt & Liabilities	As at 30-10-2022	Rs trn	33.19
External Debt	As at 30-9-2022	USD bn	126.914
Central Debt	As at 30-10-2022	Rs trn	50.151

25th JANUARY 2023
DAILY MARKET REVIEW
ECONOMIC NEWS

- ✓ **Summary of Monetary Policy Statement-MPS** To reach the decision MPC analyzed the following macroeconomic indicators
- ✓ Sale volumes of automobiles, POL, and cement declined significantly in December on y/y and m/m basis. On the production side, the LSM output declined by 5.5% in November 2022.
- ✓ CAD narrowed by around 60% to \$3.7bn in H1-FY23. This substantial reduction was due to a sharp contraction in imports, reflecting the impact of policy tightening and administrative measures. The contraction in imports was broad-based, with all major groups, except food and petroleum groups, recording declines. Petroleum imports increased by 17.4% (BOP data), resulting in their share (in total imports) rising to 34.1% in H1-FY23 from 23.7% in H1-FY22.
- ✓ The fiscal deficit widened to 1.5% of GDP in 4MFY23 from 0.9% in the same period last year, while the primary surplus fell to 0.2% of GDP, as compared to 0.3% last year. The FBR taxes grew by 17% in H1-FY23, slower than the growth envisaged in the budget.
- ✓ National CPI remained at elevated levels despite some moderation in recent months. Compared to 26.6% y/y in October, the headline inflation slightly eased to 23.8% in November and 24.5% in December 2022. Increase in food inflation remains the major contributor to this persistence in inflation. The core inflation also rose due to increasing core goods prices, especially durables. Downward adjustment in fuel prices and reduction in fuel cost charges slightly muted the energy inflation in recent months. The MPC views that anchoring of inflation expectations is important to achieve the medium term inflation target of 5% to 7% by December 2024 and requires coordinated monetary and fiscal policy efforts.
- ✓ After analyzing all the above macroeconomic indicators, MPC decided to increase the PR by 100bps or 1.00% from 16.00% to 17.00%.

Interbank Rates-Rs		25-Jan-23	
Open	230.50	Last Day Close-LDC	
High	231.00		
Low	230.50	230.40	
Close	230.89		
DAILY USD/PKR SWAP YIELDS-%			
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-Week	(0.0074)	(0.0259)	4.17%
2-Week	(0.0103)	(0.0573)	4.24%
1-Month	0.0111	(0.0662)	4.54%
2-Month	0.0478	(0.0919)	6.09%
3-Month	0.1869	(0.1536)	5.13%
4-Month	0.4243	(0.1235)	5.41%
5-Month	0.6112	(0.1318)	5.64%
6-Month	0.8346	(0.1644)	5.84%
9-Month	4.8288	0.0255	8.09%
1-Year	6.7810	(0.0563)	8.28%
MONEY Market-MM Rates-%		25-Jan-23	
Open	17.00	Last Day Close-LDC	
High	17.00		
Low	16.00	16.80	
Close	16.10		
KIBOR AND PKRV RATES (%)			24-Jan-23
Tenor	KIBOR-%	PKRV Rates-%	
1-M	17.09	16.97	
3-M	17.49	17.39	
6-M	17.57	17.74	
12-M	17.62	17.84	
Pakistan Investment Bonds-PIB			
Period	19-Jan-23	25-Jan-23	
	Cut Off Yields-%	Bid-%	Ask -%
3-Yrs	13.8360	16.50	16.25
5-Yrs	13.3500	15.25	15.10
10-Yrs-Fixed	12.9500	14.40	14.00
Floating	17.8255	102	101.75
15-yrs*	-	14.15	
20-yrs*	-	14.24	
Market Treasury Bills-MTB			
Tenor	12-Jan-23	25-Jan-23	
	Cut Off Yields-%	Bid-%	Ask-%
3-M	16.9999	17.50	17.25
6-M	16.8255	17.15	16.80
12-M	16.8500	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.			