

FX – INTERBANK RATE:

| 25-Mar | OPEN | HIGH | LOW | CLOSE | Last Day Close-LDC |
|--------------------|--------|--------|--------|--------|--------------------|
| Ready Rates | 160.00 | 162.00 | 159.50 | 161.61 | 159.00 |

FX-MARKET:

HIGHLIGHT OF MONETARY POLICY STATEMENT AT 24TH MARCH 2020:

- At its last meeting on 17th March 2020, the Monetary Policy Committee (MPC) noted considerable uncertainty about how the Coronavirus outbreak would impact the global economy and Pakistan. In the statement issued following that meeting, the MPC “emphasized that it stood ready to take further actions if and when needed as more information becomes available on the outlook for inflation and growth.”
- Substantial new information on global and domestic developments has become available since the last MPC meeting. Globally, the Coronavirus has severely increased in reach. This has caused major disruptions to economic activity and the IMF has also significantly downgraded its global growth outlook for 2020 from 3.3 percent growth previously to below zero. These global developments have also led to a sharp fall in international trade. On the domestic front, since the last MPC, the number of COVID-19 cases has increased considerably, prompting social distancing and curtailment of activity. This is expected to lead to noticeable slowdown in domestic demand.
- The developments discussed above imply that the outlook for growth and inflation in Pakistan is likely to be revised down further.
- Accordingly, the MPC has decided to cut the policy rate by a further 150 basis points to 11 percent. This brings the cumulative easing over the past one week to 225 basis points.
- The MPC remains ready to take whatever further actions become necessary in response to the evolving economic impact of the Coronavirus.

MONEY MARKET:

MARKET TREASURY BILL-MTB AUCTION REPORT:

- Today, SBP held its MTB Auction for FY-19/20, where the target amount was Rs500.0bn while the maturity amount was Rs426.70bn. The total bid participation is recorded more than double from the target amount Rs1.25trn that is divided into 3, 6 and 12-month tenors Rs337.80bn, Rs209.46bn, and Rs799.44bn respectively. We expect that the MTB Cut-off yield dropped by 118bps, 105bps and 110bps in 3, 6 and 12-month tenor respectively.
- Today MM initiated the market at 11.50% and traded whole day within the range at 11.20%-11.60% and expected to close at the same level.

| USD/PKR SWAP YIELDS-% | | | |
|-----------------------|--------|--------------------|------------------------|
| PERIOD | SWAP | Change in Premiums | Swap Implied PKR Yield |
| 1-WEEK | 0.0865 | 0.0897 | 3.83% |
| 2-WEEK | 0.1500 | 0.1650 | 3.39% |
| 1-MONTH | 0.5599 | 0.5432 | 4.88% |
| 2-MONTH | 1.1853 | 0.9871 | 5.33% |
| 3-MONTH | 1.8842 | 1.3676 | 5.50% |
| 4-MONTH | 2.3718 | 1.3415 | 5.23% |
| 5-MONTH | 2.9106 | 1.3503 | 5.05% |
| 6-MONTH | 3.4986 | 1.4324 | 5.04% |
| 12-MONTH | 8.1633 | 0.3498 | 5.80% |

| ECONOMIC INDICATORS | | | | |
|--|------|-----------------------|----------|---------------|
| Items | Unit | Period | Unit | Figure |
| Gross Domestic Product-GDP | | 7MFY-19/20 | USD bn | 165.875 |
| Foreign Exchange-FX-Reserves | | 13-Mar-20 | USD bn | 18.743 |
| FE-25 Import Financing | | February, 2020 | USD mn | 834 |
| SBP Forward/Swap Position | | 31-Jan-20 | USD bn | (3,438) |
| Net International Reserves-NIR (EST) | | 13-Mar-20 | USD bn | (9,644) |
| IBA-SBP-Consumer Confidence Index-CI | | As at 31-1-2020 | DI | 40.60 |
| IBA-SBP-Inflation Expectation Index-IEI | | As at 31-1-2020 | DI | 46.68 |
| Consumer Price Index-CPI (YoY) | | February, 2020 | % | 12.40 |
| CPI - (MoM) | | February, 2020 | % | -1.00 |
| CPI-Urban-YoY | | February, 2020 | % | 11.20 |
| CPI-Rural-YoY | | February, 2020 | % | 14.20 |
| PAK CPI-YoY minus US CPI-YoY | | 12.40%-2.50% | % | 9.90 |
| M2 Growth-YoY | | 1 July 19 - 13-Mar 20 | % | 5.89 |
| Net Govt. Sector Borrowing | | 1 July 19 - 13-Mar 20 | Rs bn | 421.43 |
| GOVT. Borrowing for budgetary support from SBP | | 1 July 19 - 13-Mar 20 | Rs bn | 521.59 |
| Credit to Private Sector-YoY | | 1 July 19 - 13-Mar 20 | Rs bn | 249.61 |
| Govt. Foreign Commercial Banks Borrowing | | 1HFY-19/20 | USD bn | 1.80 |
| SBP Policy Rate | | FY-19/20 YTD | % | 11.00 |
| SBP O/N REPO & Reserve REPO Rate | | Floor & Ceiling | % | 10.00-12.00 |
| SBP Policy Rate minus USD FED Fund Rate | | 11.00%-0.25% | % | 10.75 |
| 1-Year KIBOR minus 1-Year LIBOR | | 10.86%-0.94% | % | 9.92 |
| Foreign Direct Investment-FDI | | 8MFY-19/20 | USD bn | 1,852 |
| Home Remittance | | 8MFY-19/20 | USD bn | 15,126 |
| Current Account Deficit-CAD | | 8MFY-19/20 | USD bn | 2,843 |
| CAD % of GDP | | 8MFY-19/20 | % | 1.50 |
| Trade -Deficit | | 8MFY-19/20 | USD bn | 15,580 |
| Kerb USD/PKR | | 24-Mar-20 | Bid/Ask | 157.50/161.00 |
| Real Effective Exchange Rate-REER | | August, 2019 | Rs | 92.71 |
| Government Domestic Debt & Liabilities | | As at 30-11-2019 | Rs tm | 13.20 |
| External Debt | | As at 30-9-2019 | USD bn | 106.89 |
| Standard & Poor's-S&P | | Rating & Outlook | Rank | B |
| Moody's | | Rating & Outlook | Rank | B3-Stable |
| MSC-Emerging Market Index-EMI | | 24-Mar-20 | Pts | 830.51 |
| Pakistan Stock Exchange-PSX-100 Index | | 24-Mar-20 | Pts | 27,228.80 |
| Foreign Investor Portfolio Investment-FIPI | | 20-Mar-20 | USD '000 | (6,688.79) |
| Special Convertible Rupee A/c-SCRA-Cumulative | | 1 July 19 To-Date | USD mn | 1563.24 |
| Special Convertible Rupee A/c-SCRA-T-Bills & PIB's | | 1 July 19 To-Date | USD mn | 1712.68 |
| Special Convertible Rupee A/c-SCRA-T-Bills & PIB's | | Mar-20 | USD mn | (1446.89) |

| DATE | DATA | 3-MONTH | 6-MONTH | 12-MONTH |
|--------------|---------------|----------|----------|----------|
| 23-Mar, 2020 | US-LIBOR Rate | 1.21563% | 0.97325% | 0.93738% |

| KIBOR AND PKRV RATE (%) 25-Mar-20 | | | |
|-----------------------------------|---------|--------------|--|
| Tenor | KIBOR-% | PKRV Rates-% | |
| 1-Month | 11.02 | 11.10 | |
| 3-Month | 11.03 | 11.20 | |
| 6-Month | 11.00 | 11.15 | |
| 12-Month | 10.86 | 11.01 | |

| Pakistan Investment Bonds-PIB's | | | |
|---------------------------------|------------------|-----------|--------|
| Period | 4-Mar-19 | 25-Mar-20 | |
| | Cut Off Yields-% | Bid-% | Ask-% |
| 2-Years | - | 10.70 | 10.60 |
| 3-Years | 11.5888 | 9.90 | 9.60 |
| 5-Years | 10.9900 | 9.80 | 9.50 |
| 10-Years - Fixed | 10.8500 | 9.70 | 9.40 |
| 10-Years - Floating | 13.8890 | 102 | 101.75 |
| 20-years* | 11.7999 | 11.46 | |

| Market Treasury Bills-MTB | | | |
|---------------------------|------------------|-----------|-------|
| Tenor | 12-Mar-20 | 25-Mar-20 | |
| | Cut Off Yields-% | Bid-% | Ask-% |
| 3-Months | 12.7288 | 11.40 | 11.20 |
| 6-Months | 12.5051 | 11.25 | 11.10 |
| 12-Months | 12.0000 | 11.10 | 10.90 |

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

