

FOREIGN EXCHANGE MARKET REVIEW

Pakistani Rupee (PKR) has witnessed a fluctuation against US Dollar (USD) during the month of November. The ready rate with the starting price 160.20/160.30 and closed around 159.40/159.44. Simultaneously ready lowest traded was 158.13. This strengthened of rupee is mostly due to the continuous large inflow of remittances and better performance in export sector and current account surplus for the fourth consecutive month. Pakistani Rupee made sure about the title of Asia's third best-performing money a month ago and the bittersweet journey in November as it saw a valuation for 0.524% against US Dollar (USD) during November. During the month of October Pakistan received \$ 2.3 Bn as remittances. workers' remittances continued to post strong growth, increasing by 26.5 percent during the first four months of this fiscal year (FY21). Furthermore, the government plans to raise \$1 billion from the international market in the month of December or later after through issuance of Eurobonds, according to the Finance Ministry. The government of Pakistan has also closed a \$370 million syndicated loan comprising a conventional and Islamic tranche, Dubai's biggest bank Emirates NBD. Moreover, The Asian Development Bank (ADB) has raised Rs1.83 billion (\$11.4 million) in a first issue of local currency Karakoram bonds by a multilateral development bank of which Pakistan is a member. The State Bank of Pakistan (SBP) expects the country's GDP growth to stay within the range of 1.5-2.5 percent during the current fiscal year, ie, FY21. Whereas The government has set the GDP growth target at 2.1 percent for FY21. The country has also posted its fourth consecutive monthly current account (C/A) surplus of \$382 million for October 2020, taking the first four months of FY21 surplus to \$1,160 million.

Pakistan's Forex Reserves increased by 5.94% against last month's reserves and the total liquid foreign reserves held by the country stood at USD 20,552.40 million on Nov 20, 2020. Market in shorter and longer forward premium observed fluctuation because of the ready dollar movement. MPC announced in the month of November remained same that is 7%.

