

FOREIGN EXCHANGE MARKET REVIEW

During the month of February, we could witness the appreciation of PKR against USD. In initial days the dollar was maintaining its position because country's exports have posted a growth of 5.5 percent to \$ 14.245 billion but after that PKR started appreciating against USD, this was because of foreign inflows through Roshan Digital Account (RDAs) that has reached \$500 million. Inflows of home remittances continued to post a stronger growth in PKR, exceeding \$2 billion for consecutive months. IMF reached to an agreement on reforms to release around \$500 million inflows to Pakistan, this effects the most in appreciating PKR against USD. PKR took more strength after the rumors of withdraw the name of Pakistan from the grey-list of Financial Action Task Force (FATF). As we can see, January USD had hit as high as 161.13 but in February PKR started recovering its strength and hit 4 months' lower 158.10 also being observed as lowest in this year after Nov 2020 where USD traded at 158.31.

In this month ready started at 160.45 and closed at 158.10. The forward premiums, be it a shorter or longer premium witnessed fluctuation during the month of February. The shorter and longer premiums are closed at higher note.

