

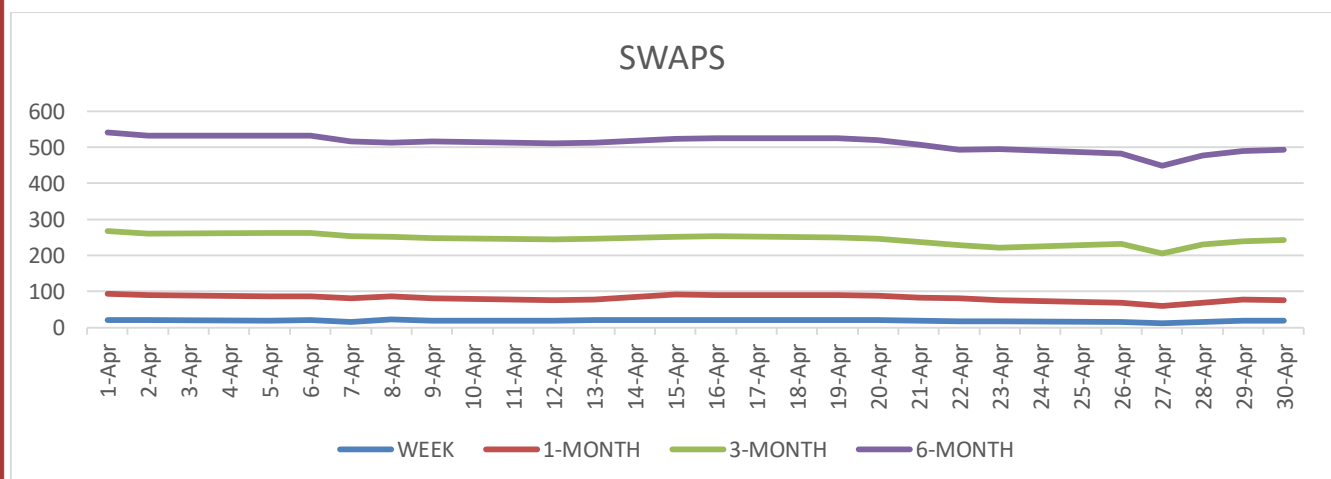
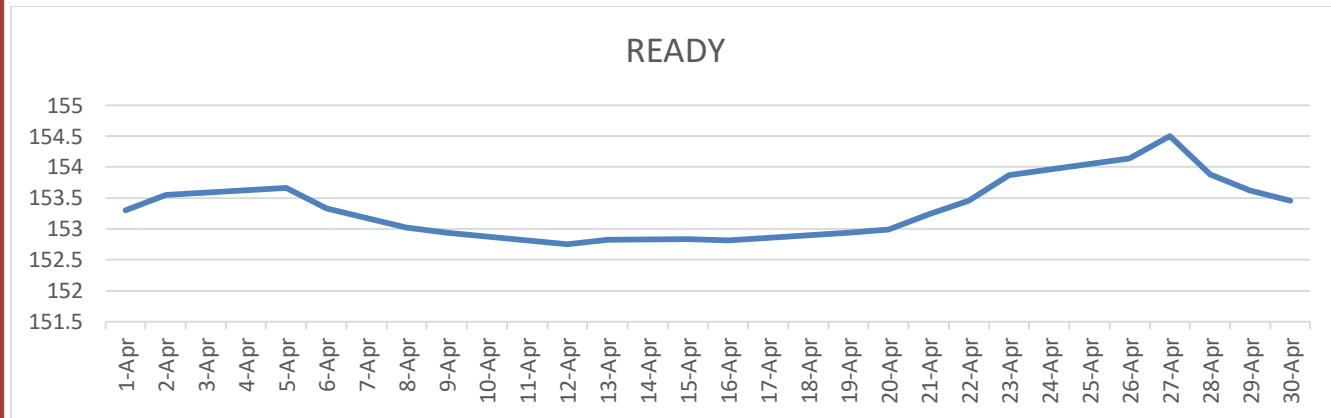
## FOREIGN EXCHANGE MARKET REVIEW

During the month of April, we could witness slight depreciation of PKR against USD. Interbank opened at 153.2955 and closed at 153.4529. Pakistan's exports to nine regional countries plunged over 5.7 per cent in the nine months of the current fiscal year due to the impact of Covid-19. The country's exports to these countries Afghanistan, China, Bangladesh, Sri Lanka, India, Iran, Nepal, Bhutan and the Maldives accounted for an amount of \$2.788 billion. In second week of April, foreign reserves fell by 0.38% on a weekly basis, the foreign currency reserves were recorded at \$16,043.9 million, down by \$63 million compared with \$16,106.4 million in the previous week. The fall came on the back of external debt repayments. Overall liquid foreign currency reserves held by the country, including net reserves held by banks other than the SBP, stood at \$23,520.2million.

Remittances from Pakistani workers employed abroad exceeded \$2 billion for the 10th consecutive month in March at \$2.7 billion increased by 43 per cent from a year. Inflows of foreign exchange through the Roshan Digital Account (RDA) crossed \$1 billion over seven months. Average inflows are even higher than the average monthly export proceeding around \$2 billion. According to economic analysts, the inflows have brought the government in a more comfortable position to pay for its imports, including any COVID-19 vaccines. Demand for foreign currency is already on the rise with imports touching almost a three-year high at \$5.66 billion in March 2021.

Looking forward in upcoming months' USD follow upward trend because of repayments of loans from international financial institution in upcoming months. Country also face pandemic Covid-19 emergency consequences which lead to an increase in import.

The forward premiums, be it a shorter or longer witnessed downwards pressure during the month of April. The shorter and longer premiums are closed at lower note.



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