

MARKET OUTLOOK

Market recently witnessed **FIs** inflow of **>\$180M** in **LCY** debt^{via SCRA} comprising **T-bills**\$78m and **PIBs**\$100m. **PKR** steady parity against \$ with a gain of **2%^{YoY}** had increasingly become attractive amongst overseas investors mostly from **GCC** with returns on **6M-5Y LCY** debt averaging b/w **12%-12.75%** compared to around **9.25%** return in \$ denominated eurobonds/sukuks. Investors with improved Pakistan risk limits are measuring positive gap of close to **3.5%^{\$}** as most encouraging. This inflow may provide another source of **FCY** in addition to **\$41.5b^{FY26}** remittances. And govt has notified revised adjusted **GDP** growth rate of **3.65%** for **FY26** against target of **3.70%**. Agriculture, Services and Industry have posted growth of **3.5%, 3.81% & 3.34%** respectively. Govt has set **GDP** growth target of **4%** for **FY27** whereas **IMF 3.5%, ADB 3.7%, WB 3.8%** are projecting lower levels. **GDP** as at **FY26** stands at **\$450.4b**, with per capita income of **\$1,896**.

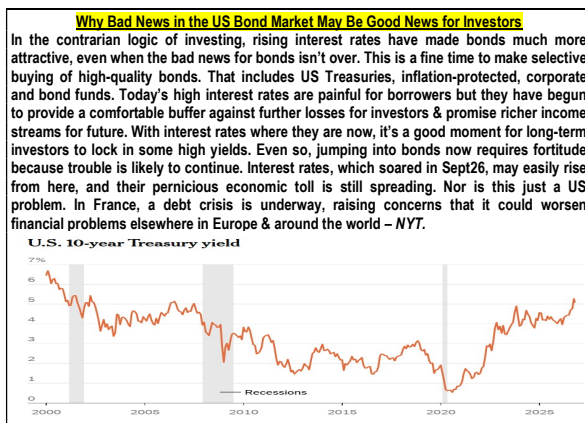
And it's been nearly **8M** since **ME** war started, **238** days to be precise & tactical as well as strategic status decidedly remain unknown. In day-to-day of **ME** war, it's natural to feel a touch of impact but none are on verge of agreement or perhaps getting close to escalation. The *Strait of Hormuz* maintains *status quo* and periodic attacks on shipping has become a new normal to a degree of strategic unrest, pushing oil prices to **>\$100**.

FOREIGN EXCHANGE

PKR against \$^{below 277} has led Real Effective Exchange Rate^{REER} to rise at **108.9** in **Sept26** from **107.9** in **Aug26-MoM** compared to **10Y** average of **102.26**. Higher **REER** suggests **PKR**^{against \$} is overvalued relative to those of trading partners **CCY**. In the interbank, \$ closed at **276.82** and in kerb **ECs** quoted mid-rate of **281.00**. Forward premiums of **1W-1M** sharply fell pushing short-dated rates volatility higher as \$ *demand outstripped supply* to cover banks' nostro mismatch positions. Other tenors^{FWD} traded at **1M@0.20^(0.89)**, **3M@2.06^(3.18)** and **6M@5.70^(6.69)**. **CB's** forex reserves closed at **\$26.833^b** (\$23.863b)↓\$30m.

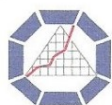
MONEY MARKET

In **Sept26** banks' deposits increased to **40.83tr^{35.3tr-YoY}** ↑**16%^{YoY}** and advances moved up to **15.38tr^{from 13.46tr YoY}** ↑**14.31%^{YoY}**. However, Advances to Deposit Ratio^{ADR} marginally fell to **37.68%** ↓**54bps^{YoY}** with a surge of **69bps^{MoM}**. Investment to Deposit Ratio^{IDR} fell by ↓**342bps** to **98.3%^{YoY}** and indicate that **CB** is cognizant to lower and/or anchor domestic debt at current levels. Ahead of **MPC^{26Oct - 7th of 2026}** under current uncertainty over **ME** war, impact of higher oil prices of **>\$100**, govt raising **NSS** rates^{See Chart} and T-bills/Sukuks cutoff levels^{3M/6M/12M} higher than *policy rate*, **CB** may marginally increase *policy rate* by **50bps**. However, since bidding pattern^{14Oct auction} denote *demand outstripping supply* with no-pressure and/or volatility on **PKR**^{vs.\$} parity, chances of **MPC** supporting *status-quo* to protect rising govt *domestic debt servicing costs* cannot be ruled out. As banks are getting closer to **Y2026**, escalation in **ME** war situation and some year-end **M2M** worries may impede market sentiments with keep **MM** trading activities sluggish in coming weeks.



National Savings Profit Rates Effective 21 October 2026			
Scheme	Current	Previous	Change bps
Behbood Savings Certificates (BSC)	12.96%	12.72%	24↑
Regular Income Certificates (RIC)	12.12%	11.76%	36↑
Special Savings Certificates (SSC)	12.00%	11.82%	18↑
Pensioner Benefit Account (PBA)	12.96%	12.72%	24↑
Savings Account (SA)	10.00%	10.00%	0
Shuhada Family Welfare Account (SFWA)	12.96%	12.72%	24↑
Serwa Islamic Term Account	11.84%	11.33%	51↑





CMKA WEEKLY TREASURY MARKET OUTLOOK – 23rd October 2026

Currency Market Associates - Pakistan Treasury Market Weekly Update										
Date →	Three (3) Weeks Closing Rate			Year End December Closing Rate in PKR/USD						
	23-Oct-26	16-Oct-26	09-Oct-26	Y-2025	Y-2024	Y-2023	Y-2022	Y-2021	Y-2020	Y-2019
Interbank PKR/US Dollar - Forex Rates in PKR										
US\$ - Ready/Spot	276.82	276.91	277.00	280.12	278.55	281.86	226.43	176.51	159.83	154.85
US\$ - FWD - 1M - 0.20 - + 0.86%	277.02	277.80	277.95	281.12	279.49	284.24	226.81	177.48	160.88	156.20
US\$ - FWD - 3M - 2.06 - + 2.97%	278.88	280.09	280.42	282.87	280.68	287.97	227.33	179.80	162.77	158.04
US\$ - FWD - 6M - 5.70 - + 4.10%	282.52	283.60	283.93	285.50	283.29	292.35	228.80	183.68	165.30	160.88
Pakistan - Domestic Debt Market Indicators - (Treasury Bills and Pakistan Investment Bonds 'PIBs')										
T-Bills 3M - (Auction Cut-off)	11.9999%	11.9999%	11.9944%	10.4878%	11.9900%	21.2500%	16.9900%	10.5900%	7.1500%	13.4900%
T-Bills 6M - (Auction Cut-off)	12.3989%	12.3989%	12.4500%	10.4799%	11.9900%	21.3500%	16.8900%	11.4500%	7.2000%	13.2900%
T-Bills 12M - (Auction Cut-off)	12.4999%	12.4999%	12.4945%	10.4880%	12.2900%	21.3500%	16.8000%	11.5100%	7.2900%	13.1300%
PIB 03Y (MKT - YTM s)	12.7000%	12.6900%	12.7300%	10.5000%	12.3000%	17.1000%	15.6500%	11.4000%	8.2800%	11.6100%
PIB 05Y (MKT - YTM s)	12.8000%	12.7600%	12.7800%	10.8000%	12.3500%	16.1000%	14.6000%	11.4000%	9.0800%	10.9400%
PIB 10Y (MKT - YTM s)	12.8500%	12.8000%	12.8000%	11.4700%	12.1500%	14.9000%	13.7000%	11.6000%	9.9000%	11.0000%
PIB 10Y FRB (MKT Spread)	50bps	50bps	45bps	63bps	135bps	150 bps	70bps	68bps	65bps	34bps
Pakistan - Interbank Money Market Rates - KIBOR & REPO										
KIBOR - 01 Month	11.9300%	11.9400%	11.9600%	10.8400%	13.3500%	22.1000%	16.4000%	10.3900%	7.4500%	13.6800%
KIBOR - 3 Months	12.0000%	12.0100%	11.9900%	10.6300%	12.1400%	21.4600%	17.0000%	10.5400%	7.2900%	13.5500%
KIBOR - 6 Months	12.4100%	12.4300%	12.4100%	10.6500%	12.1600%	21.7100%	17.0400%	11.4600%	7.3500%	13.4900%
Repo - 01 Month	11.6000%	11.5500%	11.6000%	11.0000%	13.0000%	22.1000%	16.2500%	10.3000%	7.2000%	13.4500%
Repo - 3 Months	11.9000%	11.7500%	11.7500%	11.0000%	12.2500%	22.1000%	16.8000%	10.5000%	7.2000%	13.4500%
Repo - 6 Months	12.0000%	12.0000%	12.0000%	11.0000%	12.0000%	22.1000%	16.9500%	11.2500%	7.2000%	13.4500%
International Debt Market Indicators - Pakistan Eurobond/Sukuk - Outstanding \$8.25b - Market Prices (YTM Offer)										
Eurobond \$1.500b - 6.875%-12/27	7.0400%	6.7900%	6.4000%	6.1800%	10.5800%	18.1800%	30.9900%	6.4900%	5.8900%	6.0500%
Sukuk \$1.000b - 7.950%-01/29	7.9300%	7.6000%	7.5200%	6.8200%	10.0800%	15.2100%	22.0200%	3.1200%	0.0000%	0.0000%
Eurobond \$0.750b - 6.875%-04/29	8.0340%	7.8300%	7.7000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Eurobond \$1.400b - 7.375%-04/31	8.4300%	8.1600%	8.0800%	7.2400%	10.8700%	16.5700%	26.1900%	7.3200%	0.0000%	0.0000%
WAPDA Green - \$0.500b - 7.50%-06/31	9.0500%	8.5500%	8.4900%	8.4200%	12.2500%	19.1000%	23.3300%	0.0000%	0.0000%	0.0000%
Eurobond \$1.750b - 7.500%-03/32	8.7000%	8.3200%	8.1100%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Eurobond \$0.300b - 7.875%-03/36	8.7000%	8.7500%	8.5800%	8.0100%	11.2000%	16.5700%	26.1900%	7.3200%	0.0000%	0.0000%
Eurobond \$1.250b - 7.900%-09/36	8.9600%	8.9800%	8.8000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Eurobond \$0.800b - 6.875%-04/31	9.5200%	9.5500%	9.4800%	8.9400%	11.3800%	24.0900%	24.0900%	8.8000%	0.0000%	0.0000%
Other Major Indicators										
Rating - Global - Fitch & S&P	B Stable	B Stable	B-Stable	B-Stable	CCC+Stable	CCC-Negative	CCC+Stable	B-Stable	B-Stable	B-Negative
Risk Premium CDS 5Y (Mid)	452bps	396bps	377bps	441bps	1493bps	3306bps	9763bps	376bps	465bps	350bps
Forex Reserves - SBP	\$26.833b	\$26.863b	\$26.797b	\$21.022b	\$16.37b	\$12.85b	\$11.70b	\$24.27b	\$20.31b	\$18.08b
FCY Debt (Jun26) - SBP	\$138.85b	\$138.85b	\$138.85b	\$133.7b	\$130.0b	\$130.0b	\$130.0b	\$125.0b	\$113.8b	\$106.3b
LCY Debt (Jun26) - SBP	59.57 tr	59.57 tr	59.57 tr	53.42 tr	47.72 tr	31.10 tr	31.10 tr	28.23 tr	28.23 tr	21.50 tr
SCRA A/C - PSX Equity - SBP	\$1.935b	\$1.946b	\$1.966b	\$2.64b	\$2.00b	\$1.40b	\$1.30b	\$2.10b	\$2.73b	\$3.74b
SCRA A/C - LCY Debt - SBP	\$615m	\$618m	\$571m	\$322m	\$858m	\$3.60m	\$5.20m	\$656m	\$75m	\$1.45b
Policy Rate - SBP	11.50%	11.50%	11.50%	10.50%	13.00%	22.00%	16.00%	9.75%	7.00%	13.25%
Fed Rate (US\$)	4.00%	4.00%	4.00%	3.75%	4.25%	5.50%	4.00%	0.25%	0.25%	1.75%
CPI (Monthly)	10.30%	10.30%	10.30%	6.15%	4.10%	29.70%	24.50%	12.30%	8.30%	12.67%
Banks' Deposits 03/26 - SBP	37.505 tr	37.505 tr	37.505 tr	35.380 tr	31.11 tr	26.66 tr	22.20 tr	19.91 tr	16.65 tr	14.36 tr
Banks' Loans 03/26 - SBP	14.555 tr	14.555 tr	14.555 tr	13.421 tr	14.87 tr	11.96 tr	11.06 tr	9.85 tr	8.18 tr	8.10 tr
PKR-M2 Cash in Cir. (Jun26) - SBP	11,941b	11,941b	11,941b	10,967b	9,144b	8,548tr	7,795tr	7,20tr	6,30tr	5,44 tr
OMO-Injection - SBP	13.279tr	13.482tr	13.456tr	13.122 tr	11.18 tr	10,119b	5,177b	1,674b	1,000b	975b
PSX - 100-Index	163,924	166,419	167,089	174,054	117,008	64,661	39,669	44,886	43,416	40,735
Wheat - (USD-MT)	\$262.31	\$275.83	\$274.19	\$222.16	\$246.00	\$245	\$329	\$274	\$212	\$224
Cotton - US Cotton #2 (CT25) - USD	\$80.85	\$80.22	\$80.07	\$64.34	\$68.76	\$81.22	\$84.53	\$113.00	\$76.17	\$69.05
Sugar London - USD - LBUC1	\$533.90	\$561.10	\$541.10	\$426.00	\$509.00	\$594.00	\$554.00	\$497.00	\$408.00	\$358.00
Soybean - USDI Bn	\$1,256	\$1,260	\$1,298	\$1,042	\$981	\$1,298	\$1,524	\$1,288	\$1,341	\$942
Coal - USDI/T	\$151.15	\$149.60	\$148.85	\$106.65	\$123.50	\$131.55	\$404.15	\$169.60	\$87.40	\$67.50
Oil (WTI-OPEC)	\$100.94	\$98.22	\$90.63	\$57.89	\$71.94	\$72.92	\$79.93	\$76.38	\$48.20	\$61.20
Gold (Spot - USD/t.oz)	\$4,023	\$4,177	\$4,189	\$4,321	\$2,635	\$2,075	\$1,840	\$1,804	\$1,891	\$1,518
Silver (Spot - USD/t.oz)	\$54.08	\$57.69	\$60.96	\$74.62	\$30.50	\$23.75	\$24.10	\$21.93	\$24.42	\$17.18
Copper - USD/Lbs	\$6.42	\$6.56	\$6.68	\$4.09	\$4.09	\$3.69	\$3.90	\$4.28	\$3.47	\$2.74
Bitcoin - BTC	\$81,761	\$82,129	\$83,900	\$88,412	\$101,138	\$42,265	\$17,561	\$47,169	\$28,841	\$7,294
US\$ Index - DXY	101.67	101.67	102.24	98.30	108.49	101.33	110.05	89.21	93.27	96.54
PKR/US\$ - KERB - Ex. Cos	281.00	281.00	281.50	282.10	282.00	284.00	236.50	180.00	161.00	155.10

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