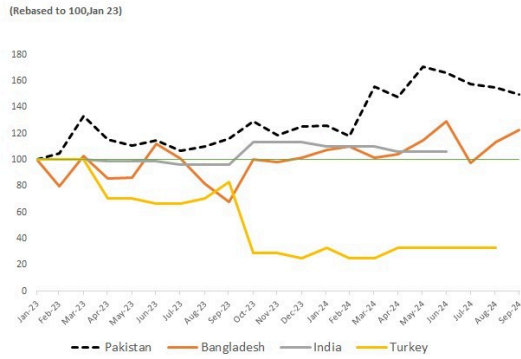


Markets Brace for Trumponomics & Pakistan Story in Charts

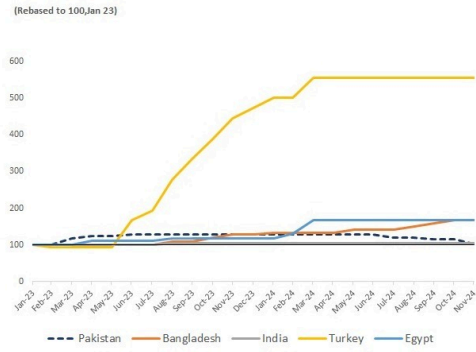
- Remittances are showing our way out of current account deficit, approximately \$3bn more in the July Oct quarter than last year. This has the firepower to keep Rupee strong or, at least stable, for the rest of the year
- Swaps are expected to trend higher as banks do sell-buy swaps to generate Rupee liquidity and invest at higher rates
- Forward booking by exporters has spiked but traders are waiting to gauge Trump administration's sentiment before making a decision
- PSX Index topped 93k and is the best stock market amongst its peers this year (see Chart)
- US Treasury bond yields spiked from 3.60% to 4.30% in the six weeks after the Sept 18 FOMC, even though the Fed cut rates by 25bps yesterday as was expected
- USD Index topped 105 yesterday after several months, on broad based dollar strength
- India witnessed a massive \$9 bn exodus of foreign money in October, which even dwarfed in scale the outflows during the Covid pandemic
- Trump's win and a GOP-led Congress could supercharge US economic growth, while hiking tariffs for most trading partners outside China. This shift means every sector and every country will see volatility & feel the pain
- Bonds are a major risk with growth and inflation both on the rise, as bond traders brace for a bond market crash that could send interest rates over & above 5.50%. This scenario could cause serious pain for borrowers and equity & property markets

Pakistan's economic story in Charts

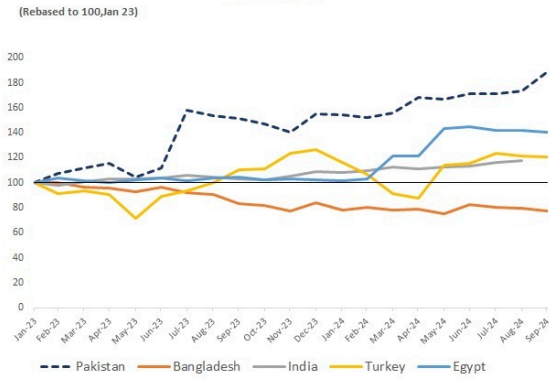
Remittances



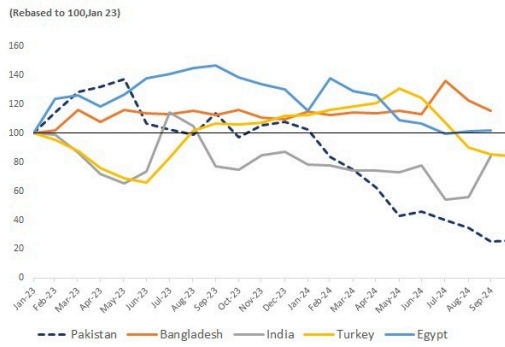
Interest rates



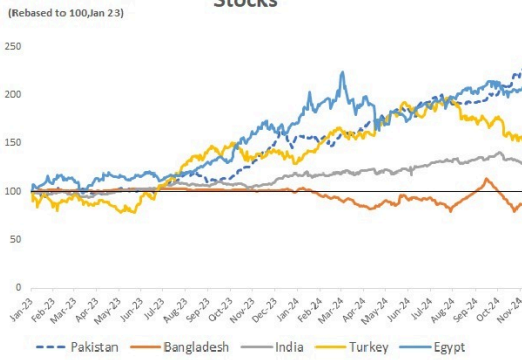
Reserves



Inflation



Stocks



Currencies

