



External Relations Department

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PKR –US\$ exchange rate adjusts in the interbank market

Today, the PKR-US\$ exchange rate in the interbank market closed at PKR 128.0 per US\$ against the closing level of PKR 121.55 per US\$ of the previous day. This movement in the exchange rates reflects the demand-supply gap of the foreign exchange in the interbank market.

As noted in the recent monetary policy statement, FY18 ended with a real GDP growth at a thirteen-year high level. However, this high growth has been accompanied with a notable deterioration in the country's balance of payments. Despite a double-digit growth in exports (YoY 13.2 percent in Jul-May FY18) and a moderate increase in remittances, strong demand for imports (YoY growth of 16.4 percent in Jul-May FY18) have pushed the country's current account deficit to the levels not sustainable beyond the short run.

SBP is of the view that this adjustment in the exchange rate along with the increased policy rate and other administrative measures, would help contain domestic demand in general, and reduce the imbalances in the country's external accounts in particular.

SBP will continue to closely monitor the evolving fundamentals of the economy, and stand ready to ensure stability in the financial markets.
