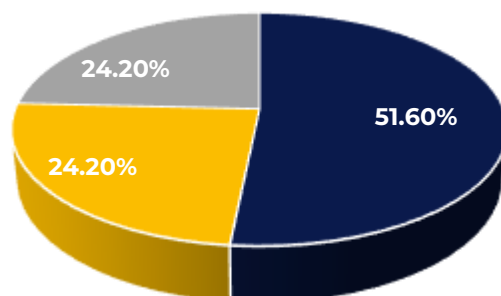


Will Pakistan be able to complete IMF 9th review before 30th June 2023?

June 26, 2023

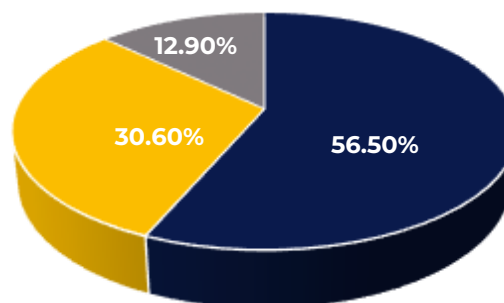


In your opinion, is it likely that Pakistan will successfully conclude the 9th Review with the IMF before June 30th?



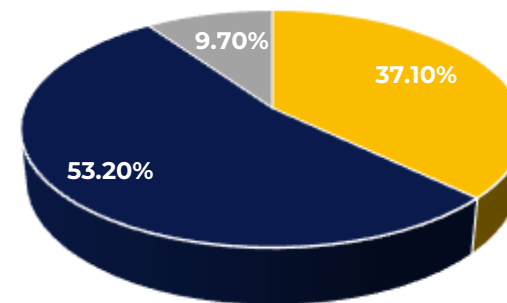
■ Yes ■ No ■ Maybe

What reaction do you see in the currency market of the recent move to allow imports coupled with evolving expectations around the IMF 9th review?



■ Rupee will devalue
■ Rupee will strengthen
■ No change in currency market

Do you think SBP will have to increase interest rates to complete the 9th review?



■ Yes ■ No ■ Maybe

In a final effort to meet the deadline of 30th June 2023 for the IMF 9th review, the government of Pakistan has implemented measures in the federal budget and taken administrative actions to satisfy the IMF. These measures include raising taxes by PKR 215 billion and reducing budgeted expenditures by PKR 85 billion. Additionally, the government has increased the allocation to the BISP (Benazir Income Support Program) and eliminated import restrictions.

Over the weekend, Chase Securities conducted a poll of fund managers, research analysts, and financial journalists, asking whether they believed the IMF review would be completed by the 30th of June. According to the poll, 51.6% of participants expressed confidence that Pakistan would successfully complete the 9th review before the deadline. 24.2% responded with uncertainty, while another 24.2% believed that the review would not be completed on time.

Regarding the impact of removing import restrictions, 56.5% of participants in the poll predicted that the Pakistani Rupee (PKR) would further devalue. As for the possibility of increasing interest rates to complete the 9th review, 53.2% of participants believed that it would not be necessary, while 37.1% felt that interest rates would need to be raised.

Although completing the 9th review may result in some positive adjustments in the Pakistan Stock Exchange (PSX), it will not resolve all of Pakistan's economic challenges, as the need for external payments will remain high. However, being in the IMF program can assist Pakistan in securing funding and managing its external account.

Source: Chase Securities Online Poll held on 24th June 2023, Media Reports