

**Target rate and O/N repo rate revised**

KARACHI: With some 100 basis points surge in the key policy rate by the Monetary Policy Committee, the State Bank of Pakistan (SBP) has announced to revise the Policy Rate and Overnight Repo rate with effect from July 17, 2019.

According to a circular issued on Tuesday, the SBP has decided to increase its “Policy Rate” (Target Rate) from 12.25 percent to 13.25 percent. The SBP Overnight Reverse Repo (Ceiling) rate will be at 13.75 percent, ie, 50 bps above the SBP Policy Rate. The SBP Overnight Repo (Floor) rate will be at 11.75 percent, ie, 150 bps below the SBP Policy Rate. Accordingly, the floor and ceiling levels for the Interest Rate Corridor are 11.75 percent and 13.75 percent p.a. respectively (ie, width of 200bps).

The SBP has said that it will ensure that money market overnight rate remains close to the SBP Policy Rate (Target Rate). These revised rates will be effective from July 17, 2019.

**RECORDER REPORT**