

RECORDER REPORT

MPS on 16th, Policy rate may stay unchanged

KARACHI: The State Bank of Pakistan (SBP) will announce monetary policy for next two months on Monday.

According to an announcement by the SBP, the Monetary Policy Committee of the SBP will meet on Monday, September 16, 2019 at SBP Karachi to decide about Monetary Policy. In the previous meeting held on 16th July 2019, the Committee raised the policy rate by 100 basis points (bps) to 13.25 percent on higher inflation outlook.

Most of economists are expecting that State Bank may opt to maintain status quo and keep the policy rate unchanged at 13.25 percent as some of economic indicators are presenting improved picture.

Current account deficit has declined by 73 percent to \$ 579 million in July 2019 compared to \$ 2.13 billion in the same period of last fiscal year (FY19).

In addition, Pakistan Bureau of Statistics (PBS) has rebased consumer price Index (CPI).

The change in base year reduced CPI by 1.13 percent YoY in Agu'19, the weightage has been also changed in new based which is expected to reduce CPI going forward.