

Foreign investment in govt securities hits all-time high

KARACHI: Foreign investment in government securities has reached about \$ 3 billion.

According to the State Bank of Pakistan (SBP), inflows of foreign investment in government securities, including Pakistan Investment Bonds and Government of Pakistan Market Treasury Bills (T-bills) has reached all-time high level of \$ 3.045 billion.

Excluding the outflows of \$ 50 million, the overall foreign investment in government papers has reached \$2.995 billion at the end of this week in Special Convertible Rupee Account (SCRA).

Most of investment has arrived in T-bills, which attracted \$ 2.959 billion investment with \$ 3.009 billion inflows and \$ 50.7 million outflows.

Foreign investment in PIBs stood at \$35 million during this fiscal year. Analysts said that change in economic policies led to improvement in exchange rate and current account, of which foreign investors, mainly from the US and the UK are heavily investing in government securities.

They believe that Foreign Portfolio Investment (FPI) into government securities will help build the country's foreign exchange reserves, in addition to supporting balance of payment.

The SBP has already mentioned in a recent report that this investment was an outcome of the continued improvement in the country's BoP position and reserve buffers, sustainability of the exchange rate regime; and the comfort offered by the inception of the IMF program.

The SBP has also clarified that it is closely monitoring the foreign investment in government securities to avoid any risk.