Circulars/Notifications - Domestic Market & Monetary Management Department

DMMD Circular No. 19 of 2019 **July 16, 2019**

The Presidents/ Chief Executives,
All Commercial Banks/ Primary Dealers

Dear Sirs/Madams,

SBP's Policy Rate and Overnight Repo / Reverse-Repo Facilities

Please refer to DMMD Circular No. 14 dated May 20, 2019. Following changes are announced with reference to this circular:

1. SBP has decided to increase its 'Policy Rate' (Target Rate) from 12.25% to 13.25%.

2. The SBP Overnight Reverse Repo (Ceiling) rate will be at 13.75% i.e. 50 bps above the SBP Policy Rate.

3. The SBP Overnight Repo (Floor) rate will be at 11.75% i.e. 150 bps below the SBP Policy Rate.

4. Accordingly, the Floor and Ceiling levels for the Interest Rate Corridor are 11.75% and 13.75% p.a. respectively (i.e. width of 200bps).

SBP will ensure that money market overnight rate remains close to the SBP Policy Rate (Target Rate).

Above changes are effective from July 17, 2019. Other instructions on the subject shall, however, remain unchanged.

Yours Sincerely,

Babar Ali
Senior Joint Director

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