

## Market Snapshot

### Key Economic Indicators

Inflation CPI (YoY)	9.1%
GDP Growth	3.3%
Forex reserves	\$ 14.826bn

Source: SBP

### PSX INDEX

KSE 100 Index	35403.07
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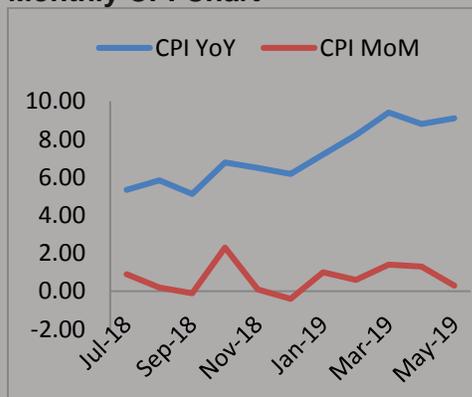
Source: PSX

### Interest Rates

Discount rate	12.75%
KIBOR (1 Month)	12.81%
KIBOR (3 Month)	12.92%
KIBOR (6 Month)	13.05%
KIBOR (9 Month)	13.40%
KIBOR (1 Year)	13.53%

Source: SBP

### Monthly CPI Chart



Source: ICON Research

## IN FOCUS TODAY

### \$26bn exports eyed against \$24.65bn projection

The government has targeted \$26bn exports for the next fiscal year against projection of \$24.656bn for the outgoing fiscal year on the basis of \$5.02bn food group exports, \$14bn textile group, as well as \$3.9bn other manufacturing exports while \$2.4bn other exports. According to budget documents for the next fiscal year, food group exports projected at \$5.027bn for the next fiscal year are higher by \$312mn over \$4.725bn for the outgoing fiscal year. Textile group exports are projected at \$14.689bn for the next fiscal year against \$13.738bn estimated for the outgoing fiscal year. Other manufacturing exports are projected at \$3.974bn and rice exports are projected at \$2.208bn in the food group exports for the next fiscal year.

Source: Business Recorder

### Fifth hike in wheat flour prices

Amid a good wheat crop, consumers continue to take a costly ride as millers in less than three months made 5th price hike in flour No. 2.5 rate to Rs39 per kg from Rs37.50 prevailing ahead of Eid. Similarly, the rates of fine and super fine flour have been jacked up to Rs43 per kg from Rs41. From April till to date, millers in Sindh had raised flour no. 2.5 rate by Rs5 per kg followed by Rs5.50 per kg in fine and super fine flours. Attributing flour price hike to rising wheat prices in open market, a miller said the 100kg wheat bag is now available at Rs3,700 which was Rs3,400 prior to Eid, while it was selling at Rs3,000 in April. The 5kg branded flour bag now sells at Rs240 against Rs230 ahead of Eid while the 10kg bag sells at Rs460-470 from Rs440-450.

Source: Dawn News

### Economic growth to slow down to 2.4pc: finance ministry

On the basis of budgetary measures, the Ministry of Finance estimates economic growth rate to further slow down to 2.4 per cent and inflation rate to rise up to 13pc, showing a wide margin with targets set by the National Economic Council (NEC) a few days ago. The NEC had approved a target of 4pc GDP growth rate for fiscal year 2019-20 in its meeting presided over by Prime Minister Imran Khan on May 29. The meeting had also set a target of 8.5pc for inflation rate. On the same day, the Ministry of Finance also released its documents including "Budget In Brief" that budgeted real GDP growth at 2.4pc and inflation rate at 11-13pc. The finance ministry reported that it had budgeted tax-to-GDP ratio at 16.3pc for current fiscal year (2018-19) but it was revised to 14.5pc. For next fiscal year, the tax to GDP ratio has been pitched at 16.7pc or Rs7.348 trillion.

Sources: Dawn News

## TREASURY MARKET UPDATES

Friday, Jun 14, 2019

### Money Market Rates (%)

Tenor	Bid	Offer
1 month	12.40	12.50
3 month	12.65	12.75
6 month	12.75	12.85

### Latest Cut-off Yields (T-Bills)

3 Months	12.7493%
6 Months	No bids received
12 Months	13.1500%

### Latest Cut-off Yields (PIBs)

3 Years	13.6999%
5 Years	13.8000%
10 Years	13.6000%

### FX Swap Points

Tenor	Opening Levels	Closing Levels
1 Week	28-28.25	27.5-28
2 Week	53-55	54-55
1 Month	105-108	113-115
2 Month	200-204	208-211
3 Month	305-310	307-310
4 Month	386-390	392-396
5 Month	482-486	488-492
6 Month	574-577	584-588

### Money Market:

Overnight interbank market rates initiated at the level of 12.25 - 12.45 but declined instantly at the end of the trading day and closed at the level of 11.30-11.60. Market liquidity remained slightly on the longer side on the last day of second week for CCR averaging. SBP conducted an OMO (Injection) for one day which injected PKR 20bn at the rate of 12.40%. Fixed income PIB yields remained unmoved throughout the day; furthermore recently issued 3 and 5 years PIBs remained active throughout the day. Closing rates for When-Issue PIB's were 13.75-13.70, 13.80-13.75 and 13.70-13.60 for 3, 5 and 10 years When-Issue PIBs.

### Fixed Income:

The closing prices were:

Tenor	Bid	Offer
1 Year	13.15%	13.05%
2 Year	13.50%	13.40%
3 Year	13.75%	13.65%
5 Year	13.80%	13.70%
10 Year	13.70%	13.60%

### Forex Market:

The Forex market witnessed high fluctuation in the inter-bank market as the ready rate with the opening price of 151.75/90 but touched 153.10 high and 152.50 low but then maximum exchanging was seen inside the scope of 152.50/60 and closed around 152.90/153.10. Simultaneously, ready lowest trade was on 151.90 and highest was on 153.10. Simultaneously, TOM also witnessed high fluctuation, which started with the price of 153.00/153.30 and closed around 153.60/80. The market in shorter tenors including 1W, 2W and 3W initially faced Sell/Buy with strong bids but observed sudden Buy/Sell which drag prices to lower level on other side there was Sell/Buy pressure in 1M which made the market to close at level above the prior day. Similarly, longer tenors including 3-M, 4-M, 5-M and 6-M also faced Sell/Buy pressure, which made the market to close at level higher than the prior day.

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