

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	34656.12
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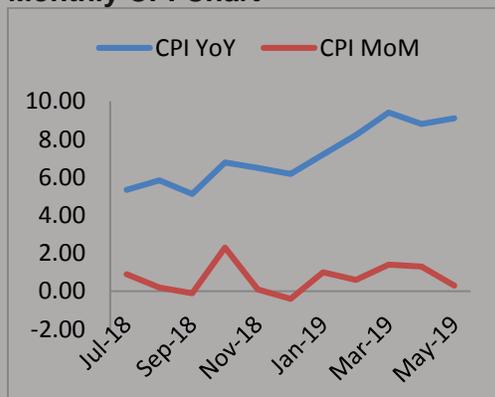
Source: PSX

Interest Rates

Discount rate	12.75%
KIBOR (1 Month)	12.80%
KIBOR (3 Month)	12.92%
KIBOR (6 Month)	13.05%
KIBOR (9 Month)	13.42%
KIBOR (1 Year)	13.57%

Source: SBP

Monthly CPI Chart



Source: ICON Research

IN FOCUS TODAY

ECC takes no decision on wheat export, power rates for industry

The Economic Coordination Committee (ECC) of the Cabinet on Wednesday could not take decisions on continuation of subsidized power rates to industrial sector or ban on export of wheat in order to stop the increase in the price of the commodity. Informed sources said that ministers were divided when the Ministry of National Food Security & Research proposed a ban on export of wheat to stop rise in the price of the commodity in local markets. They were of the view that message to the market should be very clear that export of wheat would not be allowed to keep the price of the commodity in the country. The ECC could also not decide whether or not to continue industrial support package of Rs3 per unit cheaper electricity in future to industrial units owing to an annual burden of about Rs80bn.

Source: Dawn News

Gas consumers to face up to 200% price hike

Domestic consumers are set to face up to 200% hike in gas prices from July 1, mainly due to the rupee depreciation against the dollar. However, the Petroleum Division has proposed no increase in gas prices for the elite who use gas in bulk. The Economic Coordination Committee (ECC), scheduled to meet on Wednesday (today), is likely to approve the proposed hike in gas tariff, an official said. The Pakistan Tehreek-e-Insaf (PTI) government has already increased gas prices by up to 143% during the ongoing financial year. The Petroleum Division has proposed 25% increase in gas prices for domestic gas consumer in the first slab. Fifty per cent (50%) increase is recommended for the second slab, 75% for the third slab, 100% for the fourth slab, 150% for the fifth slab and 200% for the sixth slab gas consumers.

Source: Express Tribune

Services trade deficit broadens by 52% in May: SBP

Pakistan's trade deficit in services for the month of May 2019 has broadened by 52.2%, when compared to the deficit recorded last month, as the figure shot up from \$464 million to \$706 million. However, the trade deficit was reduced by 28.2% during the first 11 months of the current fiscal year i.e. July-May (2019), as the figure went down from 5,496 million recorded in the corresponding period of previous year to \$3,946 million this year. According to a detailed account of services trade published by the State Bank of Pakistan, the total imports of services for the month of May stood at \$1,140 million, whereas total exports logged in at \$434 million. The trade deficit of \$706 million in the month of May was clearly a result of import of other business services which amounted to \$430 million, followed by import worth \$354 million within the Transport sector. On the other hand, the total imports of services for the period July-May were recorded at \$8,838 million, whereas total exports stood at \$4,892 million.

Sources: Mettis Global

TREASURY MARKET UPDATES

Thursday, Jun 20, 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	Bids rejected
12 Months	Bids rejected

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	28-28.3	28-28.25
2 Week	54-55	54-54.5
1 Month	103-105	102-104
2 Month	203-207	202-204
3 Month	300-304	300-303
4 Month	381-385	388-392
5 Month	478-482	479-483
6 Month	579-583	578-582

Money Market:

Overnight interbank market rates initiated at the level of 12.30 - 12.60 and closed at the level of 12.40-12.50. SBP conducted an auction of MTB, where SBP received bid in 3,6 and 12-month MTB, worth PKR 24.8bn, 5bn and 15bn respectively. SBP only accepted 3-month MTB amounting PKR 27.407bn (including non-competitive bids) at cut off 12.7491%. Fixed income PIB yields witnessed volatility throughout the day after and decreased by 5-10Bps at the end of the day. Closing rates for When-Issue PIB's were 13.70-13.67, 13.80-13.85 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	13.55%	13.45%
3 Year	13.70%	13.60%
5 Year	13.80%	13.70%
10 Year	13.70%	13.60%

Forex Market:

The Forex market witnessed stable movement today in the inter-bank market as the ready rate with the opening price of 156.85/156.95 and maximum exchanging was seen inside the scope of 156.90, and closed around 156.94/96. Simultaneously, ready lowest trade was on 156.90 and highest was on 157. Simultaneously, TOM also witnessed slight fluctuation, which started with the price of 157.03/157.05. TOM lowest trading rate was on 156.95 and highest was on 157.03 and closed around 156.96/98. The market in shorter tenors including 1W, 2W, 3W almost remain at same trend but 1M faced Buy/Sell pressure that made the market to close at level somehow below as the prior day. Moreover, longer tenors including 4M, and 5M observed inclining trend due to Sell/Buy pressure with strong bids whereas 2M, 3M and 6M experienced Buy/Sell pressure, which made them to close at level below than the prior day.

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