

## Market Snapshot

### Key Economic Indicators

Inflation CPI (YoY)	9.1%
GDP Growth	3.3%
Forex reserves	\$ 14.639bn

Source: SBP

### PSX INDEX

KSE 100 Index	34995.91
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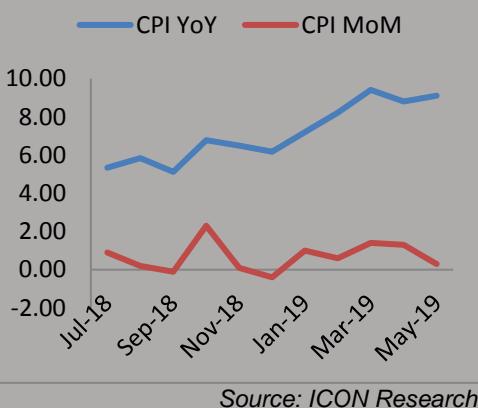
Source: PSX

### Interest Rates

Discount rate	12.75%
KIBOR (1 Month)	12.81%
KIBOR (3 Month)	12.92%
KIBOR (6 Month)	13.05%
KIBOR (9 Month)	13.43%
KIBOR (1 Year)	13.57%

Source: SBP

### Monthly CPI Chart



## IN FOCUS TODAY

### Govt sanctions Rs270b for circular debt

The federal government on Wednesday approved Rs270 billion for settlement of circular debt and additional spending by various ministries and decided to discontinue Rs3 per unit electricity subsidy for local industries. The Economic Coordination Committee (ECC) of the cabinet decided to settle Rs117 billion outstanding dues on account of Industrial Support Package (ISP) and Rs119 billion of Azad Jammu & Kashmir government on account of water usage charges and cost of electricity supply taking the total circular debt related adjustments to Rs236 billion. Out of Rs236 billion, Rs181 billion will be non-cash adjustments having no direct impact on the budget, while remaining Rs55 billion will be adjusted from the outlay. In addition, the ECC approved Rs35 billion in supplementary budget including Rs25.8 billion for defense.

Source: Express Tribune

### Revival of zero-rating not feasible, PM tells textile barons

Prime Minister Imran Khan on Thursday told the textile industry that the government was ready to resolve its genuine concerns but revival of zero-rating regime was no more an option in the current situation. The government has withdrawn the zero-rated regime for five sectors – textile, leather, carpets, sports and surgical goods – and imposed a standard sales tax rate of 17pc on all items. The Federal Board of Revenue (FBR) believes that the change in the tax regime of the five sectors will raise an additional Rs75 billion. Minister of State for Revenue Hammad Azhar told Dawn that a delegation of textile and clothing sectors as well President of the Federation of Pakistan Chambers of Commerce and Industry (FPCCI) Daroo Khan Achakzai along with other businessmen called on Prime Minister Imran Khan. The textile industry exports more than 80pc of its products. To collect sales tax on remaining 20pc from the textile manufacturing sector is not feasible and saner thing to do. The industry proposed to the government to get tax from goods sold in the local market and the same should be collected by registering wholesale and retail sectors. Disturbing the manufacturing sector for mere 20pc would not be a wise decision.

Source: Dawn News

### Government to issue Rs 200 billion Pakistan Energy Sukuk

In order to pay off the arrears in the power sector, the federal government has decided to issue Pakistan Energy Sukuk worth Rs.200 billion. According to the sources, the bonds would be sold to the Islamic Banks, Mutual funds and Takaful companies. In addition, Meezan Bank is the lead manager to issue of Pakistan Energy Sukuk. The maturity period of these bonds would be tenor of 10 years and the rate of return on these bonds will be 6 months KIBOR plus 80 basis points. Earlier, in March, government issued the first tranche of bonds worth Rs.200 billion and Meezan Bank was the largest investor in the Sukuk with the participation of Rs.88 billion.

Sources: Mettis Global

## TREASURY MARKET UPDATES

### 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. Fixed income PIB yields remain stagnant throughout 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.

Friday, Jun 21, 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	12.7491%
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	28-28.25	28-28.5
2 Week	54-54.5	58-59
1 Month	102-104	110.25-110.75
2 Month	202-204	205-208
3 Month	300-303	302-306
4 Month	388-392	389-392
5 Month	479-483	482-486
6 Month	578-582	580-585

### 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	13.75%	13.65%
10 Year	13.70%	13.60%

### Forex Market:

The Forex market witnessed slight movement today in the inter-bank market as the ready rate with the opening price of 156.90/157 and maximum exchanging was seen inside the scope of 156.95, and closed around 156.95/97. Simultaneously, ready lowest trade was on 156.93 and highest was on 156.99. Simultaneously, TOM also witnessed slight fluctuation, which started with the price of 156.98/157. TOM lowest trading rate was on 156.93 and highest was on 156.98 and closed around 156.93/95. 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 2M, 3M, 4M, 5M, and 6M observed inclining trend due to Sell/Buy pressure with strong bids, which made them to close at level above than the prior day.

Tel: +92 (21) 35880150-53

Fax: +92 (21) 35880156

Email: [research@icon.com.pk](mailto:research@icon.com.pk)

Website: [www.iconsecurities.com.pk](http://www.iconsecurities.com.pk)

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