Morning Huddle

Thursday, Apr 18, 2019

Market Snapshot

Key Economic Indicators	
Inflation CPI (YoY)	9.41%
GDP Growth	5.7%
Forex reserves	$ 17.228bn

Source: SBP

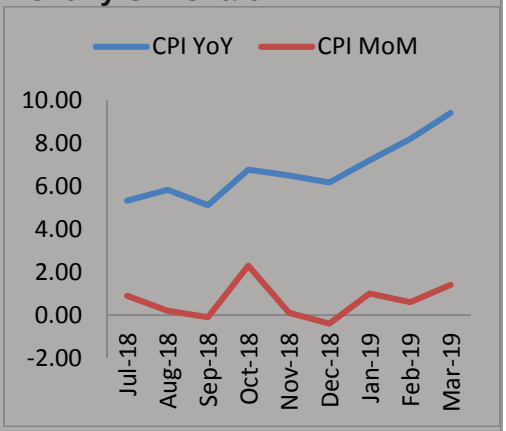
PSX INDEX	
KSE 100 Index	36752.57

Source: PSX

Interest Rates	
Discount rate	11.25%
KIBOR (1 Month)	11.11%
KIBOR (3 Month)	11.10%
KIBOR (6 Month)	11.25%
KIBOR (9 Month)	11.59%
KIBOR (1 Year)	11.65%

Source: SBP

Monthly CPI Chart



Source: ICON Research

Tel: +92 (21) 35880150-53
Fax: +92 (21) 35880156
Email: Treasury@icon.com.pk

IN FOCUS TODAY

March exports up 4.76pc MoM

Pakistan's exports in March 2019 were recorded at $1.98bn against at $1.89bn in February 2019, showing an increase of 4.76% but witnessed a decline of 11.13% as compared with exports worth $2.23bn in March 2018. According to the provisional figures compiled by Pakistan Bureau of Statistics, in terms of Pakistani currency exports during march 2019 amounted to Rs.275.34bn against Rs.261.67bn in February 2019 and Rs.249.56bn during March 2018, showing an increase of 5.24% over February 2019 and 10.35 over march 2018. According to provisional figures, the exports during Jul-Mar 2018-19 totaled $17.083bn against $17.064bn during the corresponding period of last year, showing an increase of 0.11%.

Source: Business Recorder

Govt likely to miss wheat crop target amid rains

The country's economy, already walking a tightrope, faces a grim scenario as the government is unlikely to achieve the wheat production target of 25.51 million tonnes this year — mainly because of extended spells of rain in Punjab and Khyber Pakhtunkhwa. The system, continuing for the past three days, produced heavy rains in many parts of the country on Wednesday, accompanied by hailstorm and severe windstorm, damaging wheat crops in the plains of Punjab, Balochistan and fruit crops over the hills. In Punjab alone, the initial wheat loss has been estimated to be over 200,000 tonnes, according to a senior official of the agriculture department. The Minister for National Food Security and Research, Sahibzada Mahboob Sultan, who chaired a meeting of the Federal Committee on Agriculture, said provincial governments had been asked to carry out estimates of losses in their areas. The minister said he had received reports of wheat crop losses from Jhang, Khanewal, Dera Ghazi Khan and Toba Tek Singh. Similarly, KP officials informed the meeting about such losses in certain areas of their province due to excessive rains.

Source: Dawn News

Tax amnesty scheme approval deferred again for further deliberations by cabinet

The federal cabinet on Wednesday again deferred the approval of the much-awaited tax amnesty scheme because some of its provisions require "further fine-tuning", Information Minister Fawad Chaudhry announced. Prime Minister Imran Khan had convened a special meeting of the cabinet today after some of the ministers opposed the amnesty plan, expressed their reservations and sought further clarification at Tuesday's cabinet meeting. Insider sources had told *Dawn* on Tuesday that some cabinet members objected to the 15 per cent tax rate proposed under the scheme and some raised questions about its effectiveness. Expressing his reservation over the 15pc rate, Minister for Water Resources Faisal Vawda called for its reduction to facilitate taxpayers, the sources said. According to the sources, Defence Minister Pervez Khattak also opposed the idea, saying the scheme would give no benefit to the government as well as to the people because all such previous schemes had remained useless.

Sources: Dawn News

Disclaimer: This report is for information purposes only and we are not soliciting any action based on it. All facts and material have been generated or obtained from sources believed to be reliable. We do not guarantee the accuracy and completeness of any information or other data provided. Icon Management (Pvt.) Ltd. will not be responsible for the consequences of reliance upon any opinion or statement herein or for any omission.

Morning Huddle

Thursday, Apr 18, 2019

Money Market Rates (%)		
Tenor	**Bid**	**Offer**
1 month	10.70	10.80
3 month	10.80	10.90
6 month	10.95	11.05

Latest Cut-off Yields (T-Bills)	
3 Months	11.0000%
6 Months	11.0899%
12 Months	No bid received

Latest Cut-off Yields (PIBs)	
3 Years	12.2300%
5 Years	12.6405%
10 Years	13.1500%

FX Swap Points

Tenor	Opening Levels	Closing Levels
1 Week	22-22.5	22-22.5
2 Week	43-43.25	45-46
1 Month	89-90	90-91
2 Month	166-168	169-171
3 Month	223-226	220-223
4 Month	288-293	297-300
5 Month	355-360	363-369
6 Month	425-430	440-445

Tel: +92 (21) 35880150-53
Fax: +92 (21) 35880156
Email: research@icon.com.pk
Website: www.iconsecurities.com.pk

TREASURY MARKET UPDATES

Money Market:

Overnight interbank market rates initiated at the level 10.75 – 10.95 and remained range bound throughout the day. Money Market liquidity remained seemingly calm as the market nears the end of the second week of CRR averaging. SBP conducted an auction for Fixed and Floater PIBs which attracted substantial participation, PKR 249bn, 164bn and 145bn worth of bids were received in 3,5 and 10 years Fixed PIBs, however no bid was received in 20 years PIB. Floater PIB auction attracted PKR 104bn worth of bids. Longer term PIB yields remained calm and no substantial activity was witnessed in PIB trade throughout the day.

Fixed Income:

The closing prices were:

Tenor	Bid	Offer
1 Year	11.25%	11.15%
2 Year	12.05%	11.95%
3 Year	12.20%	12.10%
5 Year	12.65%	12.55%
10 Year	13.15%	13.05%

Forex Market:

The Forex market witnessed stability today in the inter-bank market, the ready rate with the opening price of 141.39/40 and the maximum exchanging was seen inside the scope of 141.40 with pressure on buying side due to shortage of ready dollar. Simultaneously, ready lowest trade was on 141.39 and highest was on 141.40. On other hand, the TOM witnessed stable movement which started with bid of 141.42 and offer of 140.43 but the trading faced slight decline and close around 141.40/41. The market observed stagnant movement in shorter tenors as the Sell/buy trend prevails which maintained 1W, 2W & 1M at their same level as the prior day. Moreover, longer tenors beginning from (3 months till 6 Months) faced Sell/Buy pressure with strong bids mainly in 2-M, 3-M & 6-M which made market close somehow above as to the prior day rates.

Disclaimer: This report is for information purposes only and we are not soliciting any action based on it. All facts and material has been generated or obtained from sources believed to be reliable. We do not guarantee the accuracy and completeness of any information or other data provided. Icon Management (Pvt.) Ltd. will not be responsible for the consequences of reliance upon any opinion or statement herein or for any omission.