

## Market Snapshot

### Key Economic Indicators

Inflation CPI (YoY)	8.8%
GDP Growth	5.7%
Forex reserves	\$ 15.894bn

Source: SBP

### PSX INDEX

KSE 100 Index	33250.54
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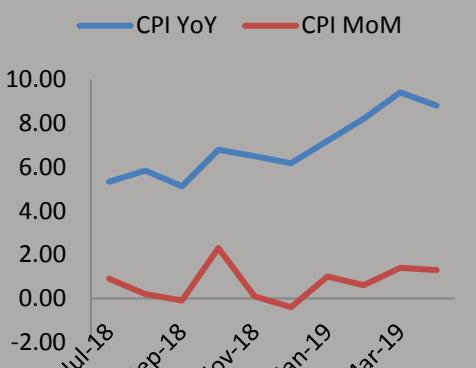
Source: PSX

### Interest Rates

Discount rate	12.75%
KIBOR (1 Month)	11.72%
KIBOR (3 Month)	12.06%
KIBOR (6 Month)	12.22%
KIBOR (9 Month)	12.56%
KIBOR (1 Year)	12.68%

Source: SBP

### Monthly CPI Chart



Source: ICON Research

## IN FOCUS TODAY

### Industry leaders shocked by rate hike, blame decision on 'IMF pressure'

The business community on Monday reacted with dismay and some shock at the decision by the State Bank to raise the key policy discount rate by 1.5 per cent, bringing it to 12.25pc. "I think there was no need for any further interest hike as food inflation was quite under control in April than March," President Site Association of Industry, Saleem Parekh said. He said the industries were already perturbed over rising cost of doing business and the latest hike in interest rate would further strangulate investment and hamper economic activities. Mr Parekh said rupee devaluation against the dollar would not help boost exports as it has pushed up raw material prices thus putting additional burden on production cost making products in competitive in world market. President Federation of Pakistan Chambers of Commerce and Industry Daroo Khan Achakzai said the government is not running on its feet and currently is surrounded by a lot of problems. While attributing interest rate surge to IMF's pressure, he said it seems that the State Bank has taken a drastic step to take the interest rate at its peak and then it may either bring it down or maintain it in next policy statement after two months.

Source: Dawn News

### Oil import bill surges in 10 months

While the overall imports declined slightly during the first 10 months of the current fiscal year, the country's oil import bill went up by four per cent year-on-year to \$11.899 billion, Pakistan Bureau of Statistics reported on Monday. The import bill of three sectors—agriculture, textile and oil posted positive growth, while imports from almost all other groups including machinery-related items contracted during the months under review. The PBS data for July-April period showed the overall import bill during the 10-month period declined by 7.88pc year-on-year to \$45.47bn. Product-wise data showed that petroleum group imports rose 4.1pc, to \$11.89bn during the period, with the largest surge coming from crude oil, up 14.3pc. On the other hand, Liquefied Natural Gas (LNG) imports soared by 46.06pc, while that of liquefied petroleum gas plunged 5.2pc.

Source: Dawn News

### Exports from Pakistan rise by 20.3% in April, YoY

According to the provisional figures compiled by the Pakistan Bureau of Statistics, exports from Pakistan during the month of April-19 amounted to Rs.295,541 million as against Rs.275,384 million in March-19 (up, 7.32%) and Rs.245,478 million during April-18 (up, 20.39%). In terms of US dollars, the exports in April-19 were \$2,094 million as compared to \$1,979 million in March-19 (up, 5.81%) and \$2,127 million in April-18 (down, 1.54%). Exports during July-April, 2018-2019 totaled Rs.2,559,863 million as against Rs.2,084,351 million during the corresponding period of last year, showing an increase of 22.81%. In terms of US dollar, the exports for the same period totaled \$19,169 million against \$19,191 million during the corresponding period of last year, showing a decrease of 0.12%.

Sources: Mettis Global

## TREASURY MARKET UPDATES

## Money Market:

Overnight interbank market rates initiated at the level of 10.00 - 10.25 and after some minor fluctuations closed at the same level. Market liquidity remained calm as the market goes through the first week of CRR averaging today. Longer term PIB yields witnessed some fluctuations where the yields followed the downward trend; recently issued 3 and 5 years PIBs remained active throughout the day. Closing prices for When-Issue PIBs are 12.95-12.85, 13.25-13.15 and 13.70-13.60 for 3, 5 and 10 years.

## Money Market Rates (%)

Tenor	Bid	Offer
1 month	10.75	10.85
3 month	11.85	11.95
6 month	11.90	12.00

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

3 Months	11.2491%
6 Months	No bid received
12 Months	No bid received

## Latest Cut-off Yields (PIBs)

<b>3 Years</b>	12.2000%
<b>5 Years</b>	Bids Rejected
<b>10 Years</b>	Bids Rejected

## FX Swap Points

Tenor	Opening Levels	Closing Levels
1 Week	22-22.5	24.5-25.5
2 Week	44-44.5	43.5-44
1 Month	94-95	94-96
2 Month	176-179	187-189
3 Month	267-271	275-280
4 Month	345-350	360-364
5 Month	435-440	450-453
6 Month	515-525	538-540

## Fixed Income:

The closing prices were:

Tenor	Bid	Offer
1 Year	12.15%	12.05%
2 Year	12.70%	12.60%
3 Year	12.95%	12.85%
5 Year	13.25%	13.15%
10 Year	13.70%	13.60%

## Forex Market:

The Forex market witnessed slight fluctuation movement today in the inter-bank market as the ready rate with the opening price of 148/149 and the maximum exchanging was seen inside the scope of 149 and closed around 150/151. Simultaneously, ready lowest trade was on 148.25 and highest was on 150. On other hand, the TOM also witnessed high movement which started with bid of 150 and offer of 151 and closed around 150.50/151.50. The market observed Sell/Buy pressure in shorter tenors including 1W, 2W, 1-M and 2-M which made market to close at level above as the prior day. Similarly, longer tenors including 3-M, 4-M, 5-M and 6-M also faced Sell/Buy pressure which drag them at high level as the prior day.

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