

DAILY MARKET REVIEW

(3rd June 2021)

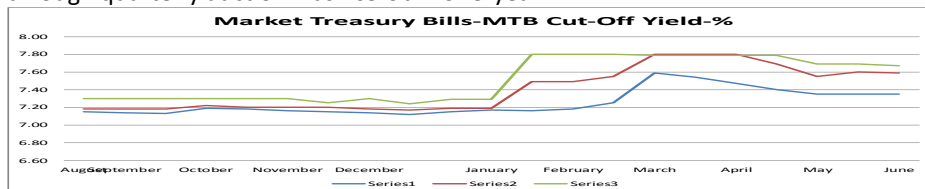
ECONOMIC NEWS & DATA

ECONOMIC-NEWS:

- ✓ **July-May trade deficit up 29.50% YoY:** The country's trade deficit increased by 29.50% to \$27.27bn during the 11MFY-20/21 as compared to \$21.06bn in the corresponding period of FY-19/20.
- ✓ However, exports posted a growth of 14.0% to \$22.56bn during first 11MFY-20/21 as compared to \$19.80bn in the corresponding period of FY-19/20.
- ✓ According to figures released by Commerce Ministry, exports on cumulative basis rose by \$2.76bn during the 11MFY-20/21.
- ✓ In May 2021, exports showed an increase of 18.70% to \$1.65bn as compared to \$1.39bn in May 2020. However, exports in May declined by 25.0% as compared to April 2021.
- ✓ **SBP takes another step to boost investment in real estate:** In what is being seen as a positive development for the real estate sector and capital markets.
- ✓ Yesterday, SBP reduced the risk weight of banks/DFIs from 200.0% to 100.0% on their investment in units of Real Estate Investment Trusts (REITs) for 5-years to facilitate development of housing finance and capital markets.
- ✓ **Sindh needs to collect Rs27bn in June to meet tax target:** With the FY-20/21 set to end this month, SRB is about Rs27bn far behind the budgeted target of Rs135bn as its 11-month collection in the head of the sales tax on services stands at Rs108.68bn.

ECONOMIC-DATA:

- ✓ **Govt. raises Rs773.30bn thru T-bill's auction:** Yesterday, the Govt. raised Rs773.30bn through auction of MTB but the cut-off yields remained unchanged.
- ✓ The bids offered by the investors reflected the presence of large liquidity in the financial sector but the Govt. remained close to its requirement.
- ✓ The highest bids were offered for the benchmark 6-month T-bills while the Govt. accepted the largest amount for the same. Bids for 6-month papers were Rs1.11trn, but the Govt. picked up Rs560.9bn. The cut-off yield on this paper remained unchanged at 7.60%.
- ✓ The 2nd largest amount of Rs212.4bn was raised for 3-month T-bills at 7.34% and a meagre sum of Rs5.0bn was raised for 12-month tenor at 7.67%.
- ✓ The total bids for the auction were Rs1.69trn while the Govt. accepted Rs733.3bn. In addition to it Rs59.0bn was also raised through non-competitive bids. Meanwhile, the Govt. raised Rs3.50bn through PIB's as semi-annual auction. The amount raised through quarterly auction was Rs5.0bn for 3-year.



ECONOMIC DATA RELEASED DURING THE LAST 24-HOURS

Date	Event	Impact	Actual	Forecast	Previous
2/6/2021	3-Month MTB Cut-off Yield	MEDIUM	7.35%	7.42%	7.35%
2/6/2021	6-Month MTB Cut-off Yield	MEDIUM	7.59%	7.64%	7.60%
2/6/2021	12-Month MTB Cut-off Yield	MEDIUM	7.67%	7.71%	7.69%

FX

Ready Rates - PKR

Open	154.75	Last Day Close-LDC 154.77
High	154.85	
Low	154.75	
Close	154.78	

FX

USD/PKR SWAP YIELDS-%

Period	SWAP	Changes In Premiums	Swap Implied PKR Yield
1-Week	0.1627	(0.0023)	5.54%
2-Week	0.3231	0.0064	5.50%
1-Month	0.7727	0.0319	5.61%
2-Month	1.5234	(0.0217)	6.01%
3-Month	2.3533	(0.0317)	6.17%
4-Month	3.1795	(0.0283)	6.19%
5-Month	3.9935	(0.0352)	6.31%
6-Month	4.7746	(0.0023)	6.29%
9-Month	7.8142	(0.0001)	7.09%
1-Year	10.4718	(0.0104)	7.02%

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KIBOR AND PKRV RATES %

TENOR	KIBOR %	PKRV Rates %
1-Month	7.01	7.23
3-Month	7.24	7.34
6-Month	7.45	7.56
12-Month	7.58	7.70

PIBS

PAKISTAN INVESTMENT BOND

Period	14-APRIL-21	24-MAY-21	
	Cut Off Yields-%	Bids-%	Ask-%
2-Yrs	-	8.00	7.95
3-Yrs	9.2700	8.62	8.60
5-Yrs	9.8500	9.22	9.20
10-Yrs Fix	10.2540	9.90	9.80
Floating	8.0501	102	101.75
15-Yrs*	10.0000	10.30	
20-Yrs*	10.5800	10.50	

MTB

MARKET TREASURY BILLS

Period	20-MAY-21	24-MAY-21	
	Cut Off Yields-%	Bids-%	Ask-%
3-Month	7.3492	7.34	7.31
6-Month	7.6000	7.57	7.55
12-Month	7.6898	7.68	7.64

Note: * The secondary yields for 15 & 20-years Bonds are not available, so instead of leaving it blank, we imputed PKRV Rates.