

KASB Morning Shout: Our views on today's news



- Preemptively, SBP raised the discount rate by 150 bps to 12.25%. SBP expects inflation to be on the higher side amid projected increase in tariffs (gas and power) in the upcoming budget and recent movement of PKR against US\$. Recall that the rate hike higher than the market's expectation of 100 bps. Textile exports remained stagnant at US\$11.1 Bn during 10MFY19 despite 23% slippage of currency however, value added segment has shown signs of improvement. Imports, on the other hand, went down by 7.9% Y/Y to US\$45.47 Bn in 10MFY19. Conversely, petroleum group imports grew by 4.1% Y/Y US\$11.89 Bn. Federal government has so far released PkR579 Bn under PSDP (upto 15th May-19), down 14% Y/Y. We do not foresee cement demand to pick in May-19 due to slower construction activity in the month of Ramadan.
- Upcoming corporate events:
- 21-05-2019: SHSML, HABSM.

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