Treasury Consultants

CMKA WEEKLY TREASURY MARKET OUTLOOK 27TH APRIL 2026

MARKET OUTLOOK

At the end of **2W** war *ceasefire* expiry 22Apr26, **Pakistan** once again mediated another last minute truce for holding off any attack until such time as peace proposal is negotiated for **Islamabad Accord** & discussions are concluded, one way or the other. This is a vital step toward de-escalation & creating critical space for diplomacy and confidence building in world's most destructive conflict, highly sensitivite to oil supply See Chart. World's top oil traders warned that the ongoing closure of Strait is increasing the risk of a global recession. While intl' forecasters already acknowledge the conflict is sapping economic growth & oil prices breached **$100** again, before falling back slightly to **$95** levels. Globally, stock markets closed down, minutes before ceasefire anticipating resumption of war. The pause in hostilities & **US** blockade of the *Strait of Hurmuz* may continue to offer renewed worries to financial markets world-wide.

On the other hand, improved global market *sentiments* helped Pakistan to re-enter international capital markets after a **4Y** gap, raising **$750m** through **3Y** Eurobonds at **6.975%,** aimed to restore forex reserves. Despite ongoing global market volatility, demand for Pakistan Eurobond remained robust and it by-passed pre-sale roadshow formalities etc. Once geopolitical uncertainties settles down with a positive outcome of ME war, Pakistan's credit rating of **B-** with positive outlook is likely to get a boost with new openings to raise additional **>$3b** in **5/7Y** new issues of Eurobond/Sukuk. **CB's** forex liquidity may further ease as **IMF** Executive Board is set to consider an approval of **SLA** Staff-Level Agreement next month, paving way for the **4rd** tranche of **>$1.2b** under $7b EFF & RSF program. **IMF** has so far disbursed **$3b** and after 4th EFF & RSF tranche drawdown, o/s will be >$4.2b.

FOREIGN EXCHANGE

After receiving first tranche of **$2b**, **KSA** deposited another **$1b** -total $3b on **20Apr26.** This has facilitated Pakistan to return **$3.45b** to **UAE** in Apr26, avoid pressure on forex reserves and risk of any breach on **IMF** program targets. In interbank, **$** closed at **278.85** and in kerb **ECs** quoted a mid-rate of **279.55**. Forward premiums traded **1M@1.24** (1.28), **3M@3.15** (2.86) and **6M@5.86** (5.44). **CB's** forex reserves closed at **$20.628b** ($20.524b)↑$104m.

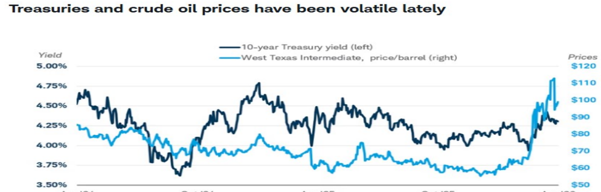
MONEY MARKET

CB conducted a buy back auction for **5Y** Pakistan Investment Bond Floating Rate PFL with a settlement date of **21Apr26,** repurchasing **285.3b** in face value terms from the market with a price range of **99.9961** to **100.0066** maturity 06May26. **CB** is scheduled to hold Monetary Policy Committee MPC meeting today. Due to uncertainity in **ME** war and fear of inflation, **CPI** number for Apr26 is **1W** away expected >9.5%, hike in *policy rate* may stay on hold or limited to **50bps.** Globally, different **CBs,** including **Fed, ECB** and **RBI** have largely opted to keep policy rates unchanged, estimating the **ME** war risks.

The US Bond Market - ME War, Inflation And Interest Rates

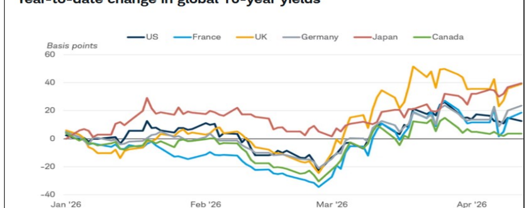
Rising oil prices and historically inflationary aspects of war have changed expectations for Federal Reserve Interest Rate Policy and have pulled US Treasury yields higher. It is expected that Federal Reserve policy to stay on hold for several meetings, with the 10Y Treasury yield likely to remain in the 4% to 4.5% range over the short run. If oil prices stay elevated for longer and/or inflation expectations rise, yields may rise above that 4.5% upper threshold. Given the elevated inflation risk, intermediate-term maturities those in the 4 to 10Y range, rather than favoring long-term maturities. Investors consider focusing on higher-quality bonds, while more aggressive investors can consider preferred securities for added income, recognizing their higher potential volatility and interest rate risk. The Treasury market continues to be driven by the war in Iran and the subsequent rise in oil prices. While last week's news of a two-week ceasefire initially helped pull Treasury yields lower, as an anticipated decline in oil prices could mean that the inflation increase might be more temporary than initially expected, that drop has already reversed on concerns and greater uncertainties. ***Source Charles Schwab.***

Treasuries and crude oil prices have been volatile lately



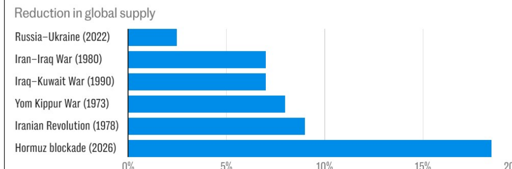
Source: Bloomberg. Daily data from 4/13/2024 to 4/13/2026.

Year-to-date change in global 10-year yields



Source: Bloomberg. Data from 12/31/2025 to 4/13/2026.

Hormuz blockade has affected oil supply more than other crises



Source: TS Lombard

The above materials are based on facts and opinions known to be reliable at the time of publication and is created without the help of AI. Currency Market Associates Ltd. 'CMKA' is not responsible for its accuracy. This market outlook is strictly for information and not intended for any trade and business transaction.

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Currency Market Associates - Pakistan Treasury Market Weekly Update

Date →	Three (3) Weeks Rate			Year End December Closing Rate in PKR/USD						
	27-Apr-26	20-Apr-26	13-Apr-26	Y-2025	Y-2024	Y-2023	Y-2022	Y-2021	Y-2020	Y-2019
Interbank PKR/US Dollar - Forex Rates in PKR										
USD - Ready/Spot	278.85	278.92	279.01	280.12	278.55	281.86	226.43	176.51	159.83	154.85
USD - Forward - 1M	280.09	280.20	280.05	281.12	279.49	284.24	226.81	177.48	160.88	156.20
USD - Forward - 3M	282.00	281.78	281.55	282.87	280.68	287.97	227.33	179.80	162.77	158.04
USD - Forward - 6M	284.71	284.36	284.10	285.50	283.29	292.35	228.80	183.68	165.30	160.88
Pakistan - Domestic Debt Market Indicators - (Treasury Bills and Pakistan Investment Bonds 'PIBs')										
T-Bills 3M - (Auction Cut-off)	11.4380%	11.4380%	11.7899%	10.4878%	11.9900%	21.2500%	16.9900%	10.5900%	7.1500%	13.4900%
T-Bills 6M - (Auction Cut-off)	11.1549%	11.1549%	11.4750%	10.4799%	11.9900%	21.3500%	16.8900%	11.4500%	7.2000%	13.2900%
T-Bills 12M - (Auction Cut-off)	11.8900%	11.8900%	11.7501%	10.4880%	12.2900%	21.3500%	16.8000%	11.5100%	7.2900%	13.1300%
PIB 03Y (MKT - YTMs)	12.0300%	11.9000%	12.0500%	10.5000%	12.3000%	17.1000%	15.6500%	11.4000%	8.2800%	11.6100%
PIB 05Y (MKT - YTMs)	12.1200%	12.0000%	12.1000%	10.8000%	12.3500%	16.1000%	14.6000%	11.4000%	9.0800%	10.9400%
PIB 10Y (MKT - YTMs)	12.5000%	12.4500%	12.5500%	11.4700%	12.1500%	14.9000%	13.7000%	11.6000%	9.9000%	11.0000%
PIB 10Y FRB (MKT Spread)	75bps	72bps	80bps	63bps	135bps	150 bps	70bps	68bps	65bps	34bps
Pakistan - Interbank Money Market Rates - KIBOR & REPO										
KIBOR - 1 Month	10.9900%	10.9700%	11.1100%	10.8400%	13.3500%	22.1000%	16.4000%	10.3900%	7.4500%	13.6800%
KIBOR - 3 Months	11.2700%	11.2900%	11.3900%	10.6300%	12.1400%	21.4600%	17.0000%	10.5400%	7.2900%	13.5500%
KIBOR - 6 Months	11.4300%	11.5000%	11.5600%	10.6500%	12.1600%	21.7100%	17.0400%	11.4600%	7.3500%	13.4900%
Repo - 1 Month	10.6000%	10.6000%	10.7500%	11.0000%	13.0000%	22.1000%	16.2500%	10.3000%	7.2000%	13.4500%
Repo - 3 Months	10.9500%	10.9000%	11.0000%	11.0000%	12.2500%	22.1000%	16.8000%	10.5000%	7.2000%	13.4500%
Repo - 6 Months	11.1000%	11.1000%	11.2500%	11.0000%	12.0000%	22.1000%	16.9500%	11.2500%	7.2000%	13.4500%
International Debt Market Indicators - Pakistan Eurobond/Sukuk - Market Prices (YTM Offer)										
Eurobond $0.750b - 6.975%-04/29	6.9800%	6.8780%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Eurobond $1.500b - 6.875%-12/27	6.0400%	5.8900%	6.3800%	6.1800%	10.5800%	18.1800%	30.9900%	6.4900%	5.8900%	6.0500%
Eurobond $1.400b - 7.375%-04/31	7.5900%	7.4600%	7.8300%	7.2400%	10.8700%	16.5700%	26.1900%	7.3200%	0.0000%	0.0000%
Eurobond $0.300b - 7.875%-03/36	8.0800%	8.0600%	8.4400%	8.0100%	11.2000%	16.5700%	26.1900%	7.3200%	0.0000%	0.0000%
Eurobond $0.800b - 8.875%-04/51	9.1400%	9.0600%	9.3600%	8.9400%	11.3800%	24.0900%	24.0900%	8.8000%	0.0000%	0.0000%
Sukuk $1.000b - 7.950%-01/29	6.4400%	6.3000%	6.5500%	6.8200%	10.0800%	15.2100%	22.0200%	3.1200%	0.0000%	0.0000%
WAPDA Green -$0.500b-7.50%-06/31	8.2900%	8.4400%	8.9500%	8.4200%	12.2500%	19.1000%	23.3300%	0.0000%	0.0000%	0.0000%
Other Major Indicators										
Rating - Global - Fitch & S&P	B- Stable	B- Stable	B- Stable	B- Stable	CCC+ Stable	CCC- Negative	CCC+ Stable	B- Stable	B- Stable	B- Negative
Risk Premium CDS 5Y (Mid)	448bps	441bps	555bps	441bps	1493bps	3306bps	9763bps	376bps	465bps	350bps
Forex Reserves - SBP	$20.628b	$20.524b	$21.789b	$21.022b	$16.37b	$12.85b	$11.70b	$24.27b	$20.31b	$18.08b
FCY Debt (Dec25) - SBP	$138.0b	$138.0b	$133.7b	$133.7b	$130.0b	$130.0b	$130.0b	$125.0b	$113.8b	$106.3b
LCY Debt (Feb26) - SBP	56.67 tr	56.67 tr	53.42 tr	53.42 tr	47.72 tr	31.10 tr	31.10 tr	28.23 tr	28.23 tr	21.50 tr
SCRA A/C - PSX Equity - SBP	$2.29b	$2.04b	$2.08b	$2.64b	$2.00b	$1.40b	$1.30b	$2.10b	$2.73b	$3.74b
SCRA A/C - LCY Debt - SBP	$278m	$298m	$307m	$322m	$858m	$3.60m	$5.20m	$656m	$75m	$1.45b
Policy Rate - SBP	10.50%	10.50%	10.50%	10.50%	13.00%	22.00%	16.00%	9.75%	7.00%	13.25%
Fed Rate (US$)	3.75%	3.75%	3.75%	3.75%	4.25%	5.50%	4.00%	0.25%	0.25%	1.75%
CPI (Monthly)	7.30%	7.30%	7.30%	6.15%	4.10%	29.70%	24.50%	12.30%	8.30%	12.67%
Banks' Deposits 03/26 - SBP	37.505 tr	37.505 tr	37.430 tr	35.380 tr	31.11 tr	26.66 tr	22.20 tr	19.91 tr	16.65 tr	14.36 tr
Banks' Loans 03/26 - SBP	14.555 tr	14.555 tr	14.880 tr	13.421 tr	14.87 tr	11.96 tr	11.06 tr	9.85 tr	8.18 tr	8.10 tr
PKR-M2 Cash in Cir. (03Apr26) - SBP	11,931b	11,931b	12,101b	10,967b	9,144b	8.548tr	7.795tr	7.20tr	6.30tr	5.44 tr
OMO-QE Injection - SBP	13.876 tr	14.781 tr	14.924 tr	13.122 tr	11.18 tr	10,119b	5,177b	1,674b	1,000b	975b
PSX - 100-Index	170,672	173,939	167,191	174,054	117,008	64,661	39,669	44,886	43,416	40,735
Wheat - (USd-MT)	$231.55	$228.85	$228.50	$222.16	$246.00	$245	$329	$274	$212	$224
Cotton - US Cotton #2 (CTZ5) - USd	$78.92	$78.05	$72.89	$64.34	$68.76	$81.22	$84.53	$113.00	$76.17	$69.05
Sugar London - USd - LSUc1	$427.50	$418.30	$413.60	$426.00	$509.00	$594.00	$554.00	$497.00	$408.00	$358.00
Soybean - USd/Bu	$1,169	$1,166	$1,170	$1,042	$981	$1,298	$1,524	$1,288	$1,341	$942
Coal - USd/T	$129.10	$133.55	$135.50	$106.65	$123.50	$131.55	$404.15	$169.60	$87.40	$67.50
Oil (WTI-OPEC)	$95.93	$88.91	$104.67	$57.89	$71.94	$72.92	$79.93	$76.38	$48.20	$61.20
Gold (Spot - USD/t.oz)	$4,717	$4,788	$4,721	$4,321	$2,635	$2,075	$1,840	$1,804	$1,891	$1,518
Silver (Spot - USD/t.oz)	$79.73	$79.73	$75.49	$74.62	$30.50	$23.75	$24.10	$21.93	$24.42	$17.18
Copper - USD/Lbs	$6.04	$6.04	$5.76	$4.09	$4.09	$3.69	$3.90	$4.28	$3.47	$2.74
Bitcoin - BTC	$78,175	$74,298	$70,778	$88,412	$101,138	$42,265	$17,561	$47,169	$28,841	$7,294
US$ Index - DXY	98.42	98.25	99.01	98.30	108.49	101.33	110.05	89.21	93.27	96.54
PKR/US$ - KERB - Ecs	279.55	279.25	279.55	282.10	282.00	284.00	236.50	180.00	161.00	155.10

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