Treasury Consultants

CMKA WEEKLY TREASURY MARKET OUTLOOK 13TH JULY 2026

MARKET OUTLOOK

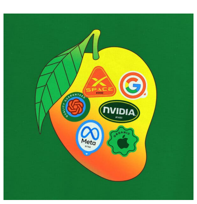
Last week, two sides exchanged fresh strikes and **US** has threatened to end **Islamabad-MOU** & reimposed sanctions on Iran's oil sales. Just over three weeks ago to reopen *Strait of Hormuz*[now shut] & lay the groundwork for a permanent end to **ME** war, geopolitics has taken a new turn with a major blow to efforts for restoring normal shipping thru waterway & a genuine recovery of global energy markets after one hundred days of disruption with new formidable roadblocks. Oil prices climbed to **$75** after airstrikes were reported in **ME** war zone reimposing crude sales sanctions and raising fears that fragile truce was unravelling and supplies via *Strait of Hormuz* could be disrupted again [See Charts – ME War impact.]

FOREIGN EXCHANGE

As **IMF** reportedly made an objection to the incentives paid to banks for home remittances, **CB** ceased payments [from 01Jul26] under two schemes; Sohni Dharti Remittance Programme and Telegraphic Transfer Charges Incentive[TTCIS.] Banks henceforth would absorb remittance business cost & ensure that transactions are free for senders and beneficiaries. Inflow of hard **CCY** [via NRPs remittances] is perhaps one of the biggest sources [of $] to cater import and other payments. **CB's** move may affect bank's fee based income[640b-2025] but it offers a secured source of precious **FCY** as remittances have reached **$40b**[FY25/26] & may cross **>$42b**[FY26/27.] It is likely that banks may increase or claim higher spread from importers in selling **$** to partially compensate fee income loss and ensure that remittances inflows remain intact. And Pakistan's home remittance for **FY25/26** closed at **$41.58b** up **9%** [YoY from $ 38.3b FY25] and for **Jun26** it fell **18%** [MoM] to **$3.47** [from $ 4.25b.] In the interbank, **$** closed at **278.05** and in kerb **ECs** quoted a mid-rate of **279.05**. Forward premiums traded **1M@1.70**[(1.84),] **3M@4.32**[(4.71)] & **6M@7.89**[(8.49).] **CB's** forex reserves closed at **$23.988**[b($22.044b)↑$1.944b] & rise is due to realization of govt inflows despite making a **$9b** external **FCY** debt servicing and repayments during **4Q-FY26. CB** successfully met its foreign exchange reserves target for **FY26,** with its holdings surpassing **$18b** [up $5.98b] by the end of **Jun26.**

MONEY MARKET

To offset revenue impact on withdrawal of *remittance rebate*, **CB** has removed **minimum-deposits-rate**[MDR] requirements on eligible deposits [MDR - policy rate minus 1.50%,] which may benefit banks' **NIM.** Consequently, **CB** emphasised that investors should take advantage of a web portal **InvestPak** [launched in Nov-25] to invest in govt securities, with minimum of **5k** to broaden digitisation/inclusion & support economic diversification by strengthening links b/w citizens & national development. As on **May26,** domestic debt touched **58.10tr** representing; **PIB**[s]**-34.6tr**[or 60%,] T-Bills**-10.6tr**[or 18%,] Sukuks**-8.09tr**[or 14%] and **NSS/** others**-4.76tr**[or 8%.] Govt is cognizant to uphold **IMF's** weighted average[w.a] duration limit of **>3Y.** Last week, before the re-start of **ME** war[on 8Jul26,] govt securities auctions of T-bills & Sukuks were held under positive market sentiments & had declining cutoffs. But going forward as geoplotics events transpire, market behavior may swing with new challenges.



Are the MANGOS Stocks Already Turning Soft?

MANGOS is shorthand for a six-company cluster said to be at the center of artificial intelligence wave: Meta, Anthropic, Nvidia, Google, OpenAI and SpaceX. Investors hope this new cohort will grow exponentially & drive stock market higher. Wall Street loves an acronym. For better or worse, stockbrokers & creatively frustrated Wall Street analysts to devise their own nicknames for companies in vogue. There were the Nifty Fifty, steady large-cap stocks of the 1960s and '70s, like Kodak; the Four Horsemen (Cisco, Dell, Intel and Microsoft) of the first dot-com boom; FAANG stocks of social media age, including Facebook, Amazon and Apple; and more recently Magnificent Seven - Nvidia, Apple, Microsoft, Alphabet, Amazon, Meta and Tesla - companies that grew to dominate major market indexes in the years after Covid. Now, a fruit is dangling into the lexicon. Over the past month, more than a dozen mutual funds have been formed to bet on or against the MANGOS. Never mind that two of the six companies, Anthropic and OpenAI, aren't even publicly traded yet. For MANGOS to stay firm, companies will need to demonstrate staying in power. And there's no guarantee that any of them, let alone all, will stick around and thrive, no matter what happens with artificial intelligence. The group is on everyone's lips, cited all over business news and on social media - NYT.

FIFA Football World Cup - Belgium Beat USA 3-1 To End WC Dream

Earlier last week, US President called FIFA President after US soccer team played thru second half against Bosnia and Herzegovina to review suspension of team's top goal scorer in WC. Folarin Balogun was given a Red Card and FIFA had nullified suspension, which is reported highly unusual and he was not supposed to play the next game b/w USA-Belgium. However there is a precedent, Folarin Balogun's reprieve resembles a case only of 1962 when Brazil's star attacker Garrincha was allowed to play final after the intervention of Brazilian government to remove Red Card suspension. Brazil now out of WC-2026, had won FIFA-World Cup Final in 1962 by defeating Czechoslovakia 3-1, at the Estadio Nacional in Santiago, Chile.

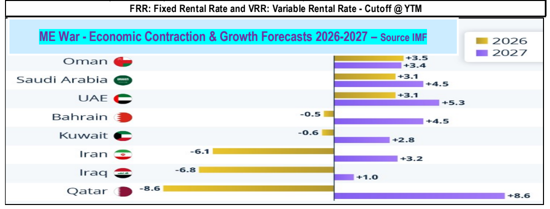
Pakistan - Treasury Bills - DV / Floater Bond Auction - July 08, 2026

Tenor	Target	Maturity	Bids	Raised	Cutoff 23Jun26	Cutoff 08Jul26	Change bps
1M	500.00	651.00	727.00	98.00	11.7997%	11.3968%	40↓
3M	600.00	844.00	1,126.00	386.00	11.7499%	11.3978%	35↓
6M	600.00	52.00	885.00	459.00	11.7479%	11.4375%	31↓
12M	700.00	165.00	1,548.00	977.00	11.8381%	11.4880%	35↓
Total	2,400.00	1,712.00	4,286.00	1,920.00	Amount in Billions PKR		

Pakistan - Ijarah Sukuk FRR & VRR Auction - July 08, 2026

Tenor	Target	Participation	Raised	Cutoff 17Jun26	Cutoff 08Jul26	Change bps
1Y Discounted Value	150.00	238.80	60.50	NA	11.2999%	NA
GIS 10Y VRR - Price	100.00	887.80	174.90	NA	11.4685%	NA
Total	250.00	1,126.60	235.40	Amount in Billions PKR		

FRR: Fixed Rental Rate and VRR: Variable Rental Rate - Cutoff @ YTM



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CMKA WEEKLY TREASURY MARKET OUTLOOK – 13TH July 2026

Currency Market Associates - Pakistan Treasury Market Weekly Update										
Date →	Three (3) Weeks Rate			Year End December Closing Rate in PKR/USD						
	13-Jul-26	06-Jul-26	29-Jun-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	278.05	278.12	278.20	280.12	278.55	281.86	226.43	176.51	159.83	154.85
USD - Forward - 1M	279.75	279.86	280.08	281.12	279.49	284.24	226.81	177.48	160.88	156.20
USD - Forward - 3M	282.37	282.83	282.76	282.87	280.68	287.97	227.33	179.80	162.77	158.04
USD - Forward - 6M	285.94	286.61	286.54	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)	11.3978%	11.7499%	11.7499%	10.4878%	11.9900%	21.2500%	16.9900%	10.5900%	7.1500%	13.4900%
T-Bills 6M - (Auction Cut-off)	11.4375%	11.7479%	11.7479%	10.4799%	11.9900%	21.3500%	16.8900%	11.4500%	7.2000%	13.2900%
T-Bills 12M - (Auction Cut-off)	11.4880%	11.8381%	11.8381%	10.4880%	12.2900%	21.3500%	16.8000%	11.5100%	7.2900%	13.1300%
PIB 03Y (MKT - YTMs)	11.3000%	11.2000%	11.7000%	10.5000%	12.3000%	17.1000%	15.6500%	11.4000%	8.2800%	11.6100%
PIB 05Y (MKT - YTMs)	11.4000%	11.3200%	11.7500%	10.8000%	12.3500%	16.1000%	14.6000%	11.4000%	9.0800%	10.9400%
PIB 10Y (MKT - YTMs)	11.9000%	11.8500%	12.2000%	11.4700%	12.1500%	14.9000%	13.7000%	11.6000%	9.9000%	11.0000%
PIB 10Y FRB (MKT Spread)	55bps	65bps	65bps	63bps	135bps	150 bps	70bps	68bps	65bps	34bps
Pakistan - Interbank Money Market Rates - KIBOR & REPO										
KIBOR - 1 Month	11.8400%	11.8900%	11.9300%	10.8400%	13.3500%	22.1000%	16.4000%	10.3900%	7.4500%	13.6800%
KIBOR - 3 Months	11.5900%	11.7100%	11.8200%	10.6300%	12.1400%	21.4600%	17.0000%	10.5400%	7.2900%	13.5500%
KIBOR - 6 Months	11.5800%	11.7300%	11.8900%	10.6500%	12.1600%	21.7100%	17.0400%	11.4600%	7.3500%	13.4900%
Repo - 1 Month	11.5500%	11.5500%	11.5500%	11.0000%	13.0000%	22.1000%	16.2500%	10.3000%	7.2000%	13.4500%
Repo - 3 Months	11.5500%	11.6000%	11.6000%	11.0000%	12.2500%	22.1000%	16.8000%	10.5000%	7.2000%	13.4500%
Repo - 6 Months	11.6000%	11.6000%	11.6500%	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	6.8000%	6.6700%	6.6900%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%	0.0000%
Eurobond $1.500b - 6.875%-12/27	5.8200%	6.0500%	5.9200%	6.1800%	10.5800%	18.1800%	30.9900%	6.4900%	5.8900%	6.0500%
Eurobond $1.400b - 7.375%-04/31	7.0900%	7.0600%	7.1000%	7.2400%	10.8700%	16.5700%	26.1900%	7.3200%	0.0000%	0.0000%
Eurobond $0.300b - 7.875%-03/36	7.7100%	7.7300%	7.7900%	8.0100%	11.2000%	16.5700%	26.1900%	7.3200%	0.0000%	0.0000%
Eurobond $0.800b - 8.875%-04/51	8.7200%	8.6800%	8.7500%	8.9400%	11.3800%	24.0900%	24.0900%	8.8000%	0.0000%	0.0000%
Sukuk $1.000b - 7.950%-01/29	6.5400%	6.6100%	6.5200%	6.8200%	10.0800%	15.2100%	22.0200%	3.1200%	0.0000%	0.0000%
WAPDA Green -$0.500b-7.50%-06/31	7.8200%	7.8900%	7.9200%	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)	398bps	389bps	391bps	441bps	1493bps	3306bps	9763bps	376bps	465bps	350bps
Forex Reserves - SBP	$23.988b	$22.044b	$21.484b	$21.022b	$16.37b	$12.85b	$11.70b	$24.27b	$20.31b	$18.08b
FCY Debt (Mar26) - SBP	$137.5b	$137.5b	$137.5b	$133.7b	$130.0b	$130.0b	$130.0b	$125.0b	$113.8b	$106.3b
LCY Debt (Apr26) - SBP	58.08 tr	58.08 tr	58.08 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	$2.14b	$2.14b	$2.64b	$2.00b	$1.40b	$1.30b	$2.10b	$2.73b	$3.74b
SCRA A/C - LCY Debt - SBP	$487m	$526m	$497m	$322m	$858m	$3.60m	$5.20m	$656m	$75m	$1.45b
Policy Rate - SBP	11.50%	11.50%	11.50%	10.50%	13.00%	22.00%	16.00%	9.75%	7.00%	13.25%
Fed Rate (US$)	3.75%	3.75%	3.75%	3.75%	4.25%	5.50%	4.00%	0.25%	0.25%	1.75%
CPI (Monthly)	11.10%	11.10%	11.70%	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	37.505 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	14.555 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. (Apr26) - SBP	11,606b	11,606b	11,606b	10,967b	9,144b	8.548tr	7.795tr	7.20tr	6.30tr	5.44 tr
OMO-QE Injection - SBP	14.750 tr	15.645 tr	16.357 tr	13.122 tr	11.18 tr	10,119b	5,177b	1,674b	1,000b	975b
PSX - 100-Index	182,241	185,372	179,571	174,054	117,008	64,661	39,669	44,886	43,416	40,735
Wheat - (USd-MT)	$244.00	$230.25	$232.59	$222.16	$246.00	$245	$329	$274	$212	$224
Cotton - US Cotton #2 (CTZ5) - USd	$80.95	$77.11	$77.94	$64.34	$68.76	$81.22	$84.53	$113.00	$76.17	$69.05
Sugar London - USd - LSUc1	$467.10	$483.10	$441.20	$426.00	$509.00	$594.00	$554.00	$497.00	$408.00	$358.00
Soybean - USd/Bu	$1,202	$1,131	$1,117	$1,042	$981	$1,298	$1,524	$1,288	$1,341	$942
Coal - USd/T	$128.80	$128.80	$143.95	$106.65	$123.50	$131.55	$404.15	$169.60	$87.40	$67.50
Oil (WTI-OPEC)	$74.93	$68.67	$69.62	$57.89	$71.94	$72.92	$79.93	$76.38	$48.20	$61.20
Gold (Spot - USD/t.oz)	$4,059	$4,158	$4,084	$4,321	$2,635	$2,075	$1,840	$1,804	$1,891	$1,518
Silver (Spot - USD/t.oz)	$58.18	$61.87	$65.61	$74.62	$30.50	$23.75	$24.10	$21.93	$24.42	$17.18
Copper - USD/Lbs	$6.17	$6.16	$6.30	$4.09	$4.09	$3.69	$3.90	$4.28	$3.47	$2.74
Bitcoin - BTC	$62,742	$62,960	$59,843	$88,412	$101,138	$42,265	$17,561	$47,169	$28,841	$7,294
US$ Index - DXY	101.10	100.96	101.31	98.30	108.49	101.33	110.05	89.21	93.27	96.54
PKR/US$ - KERB - Ex.Cos	279.05	279.05	279.15	282.10	282.00	284.00	236.50	180.00	161.00	155.10

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