

**FX – INTERBANK RATE:**

27-Jan	OPEN	HIGH	LOW	CLOSE	Last Day Close
<b>READY</b>	<b>104.85</b>	<b>104.86</b>	<b>104.83</b>	<b>104.83</b>	<b>104.85</b>

**FX MARKET:**

- On Friday, SBP released the figure of total FX-Reserves for the week ended 20<sup>th</sup> January, 2017. According to SBP, Total FX-Reserves are surged-up by \$55mn as compared to the previous week \$23.19bn to \$23.24bn. The break-up of total FX-Reserves are as follows: SBP held FX-Reserves increased by \$22mn from \$18.36bn to \$18.38bn while FX-Reserves rose by \$33mn from \$4.83bn to \$4.86bn.

**HIGHLIGHTS OF MONETARY POLICY STATEMENT:**

- The average CPI clocked in at 3.9% during the 1HFY-16/17, lower than the earlier projections. The current trends suggest that the actual inflation would be lower than the target rate of 6% in FY-16/17.
- Growing CPEC-related imports, decline in exports, absence of CSF and slowdown in remittances, pushed the CA deficit to \$3.6bn in 1HFY-16/17 from \$1.7b in the same period last year. Going forward, with the aforementioned risks to the external sector, the need of financial inflows would grow further.
- A sizeable net retirement of government borrowing to scheduled banks and an increase in bank deposits helped increase private sector credit.
- Healthy credit expansion, visible improvements in energy supply, and upbeat business sentiments signal recuperating real economic activities. LSMI output grew by 3.2% during the 5MFY-16/17 and further increase is expected on a/c of growing infrastructure spending and recent policy support for export oriented sectors.
- Based on an assessment of the above developments and after detailed deliberations, the MPC has decided to keep the policy rate unchanged at 5.75%.

**MONEY MARKET:**

- On Friday, PBS released the data of weekly inflation for the week ended 27<sup>th</sup> January, 2017. According to PBS, SPI rose by 0.16% as compared to the previous week 218.48bps to 218.84bps.
- On Friday, SBP conducted 7-Day OMO (Injection), where total amount offered was Rs922bn from which the amount accepted was Rs900bn at 5.84%.
- Today MM initiated at 5.85%-5.95% and traded whole day within the range of 5.85%-5.95% and expected to close at same.

PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0515	0.0115	3.3%
2-WEEK	0.1150	0.0300	3.6%
1-MONTH	0.2094	0.0294	3.1%
2-MONTH	0.3773	0.0323	3.1%
3-MONTH	0.5269	0.0119	3.1%
4-MONTH	0.6803	0.0203	3.1%
5-MONTH	0.8390	0.0490	3.2%
6-MONTH	1.0179	0.0529	3.3%
12-MONTH	2.4103	0.2053	4.0%

ECONOMIC INDICATOR			
Forex Reserves	20-Jan-17	USD bn	23.246
CPI- MoM	1-Dec-16		-0.68%
CPI- YoY	1-Dec-16		3.70%
M2 Growth	FY17 YTD		5.45%
SBP Target Rate	FY17 YTD		5.75%
SBP Discount Rate	FY17 YTD		6.25%
FDI	1HFY17	USD bn	1.08
Home Remittance	1HFY17	USD bn	9.458
Current A/C Def.	1HFY17	USD bn	3.585
Trade -Deficit	1HFY17	USD bn	12.528
Kerb USD/PKR	30/1/2017	Bid/Ask	107.85/108.10
Govt. Domestic Debt	As at 31-08-2016	Rs trn	14.554
External Debt	As at 30-06-2016	USD bn	72.978
MSCI-EM Index	30/1/2017	Pts	912.32
PSX-100 Index	30/1/2017	Pts	49,128.59

DATA	3-MONTH	6-MONTH	12-MONTH
<b>LIBOR 26-Jan</b>	<b>1.03900%</b>	<b>1.36183%</b>	<b>1.72187%</b>

Money Market			30-Jan-17	
Tenor	KIBOR	PKRV		
1-Month	5.74%	5.88%		
3-Month	5.84%	5.87%		
6-Month	5.86%	5.89%		
12-Month	5.91%	5.90%		

PIB'S Auction Date		
Tenor	26-Jan-17	30-Jan-17
	Cut Off Yields	Bid/Ask
2-Years	-	6.24/21
3-Years	6.4074%	6.40/36
5-Years	6.8998%	6.99/94
10-Years	7.9414%	7.80/75

T-Bills Auction Date		
Tenor	19-Jan-17	30-Jan-17
	Cut Off Yields	Bid/Ask
3-Months	5.9017%	5.86/82
6-Months	5.9258%	5.87/83
12-Months	5.9598%	5.90/88

PMEX FUTURE CONTRACTS					30/1/2017
COMMODITIES	P (L/S)	E-L	T-P	S-L	YTD P & L %
CRUDE-OIL					
SILVER					
BRENT-OIL					
GOLD USD					6.06%
GOLD-EUR/USD					1.92%
GOLD-GBP/USD					
GOLD-USD/JPY					4.44%
GOLD-USD/CAD					2.44%
GOLD-USD/CHF					
GOLD-AUD/USD					

P= POSITION L= LONG S= SHORT P= PROFIT L= LOSS  
TP= TAKE PROFIT SL= STOP LOSS YTD= YEAR TO DATE