

FX – INTERBANK RATE:

1-Sep	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.70	104.71	104.68	104.68	104.79

- ✓ **Forecast for tomorrow:**
As per today's activity, we expect the market to continue to trade within the range of **104.65/104.75**

FX MARKET:

- ✓ Yesterday, Pakistan and the World Bank (WB) signed 4-loan agreements worth \$650mn to support projects in education, health, water and disaster management sectors in all the 4-provinces.
- ✓ Chinese multinational Shanghai Electric is set to buy the utility serving K-Electric Pakistan's biggest city of Karachi, in a \$1.6bn deal that will be the biggest private-sector acquisition in the country's history.

MONEY MARKET:

- ✓ Yesterday SBP conducted its 5th MTB Auction for FY16/17, where the target amount is Rs200bn while the maturity amount is Rs167.76bn. The total bid participation is recorded more than the target amount Rs309.60bn. But the Government accepted Rs173.65bn slightly up from the maturity amount but below from the target amount. The Government accepted in 3, 6 and 12-month tenor are Rs61.35bn, Rs79.70bn and Rs32.60bn respectively. The cut-off yield remained un-changed.
- ✓ Today PBS released the data of CPI for the month ended August, 2016. According to PBS, CPI increased by 3.56% on YoY basis while dropped by 0.56% as compared to the previous month 4.12% to 3.56%. On MoM basis, it is decreased by 0.30% as compared to the last month 1.30%. CPI figure measured by following items: CPI (Core NFNE) increased by 4.6% on YoY basis and CPI (Core Trimmed) increased by 3.5% on YoY basis. The average inflation for 2MFY-16/17 is recorded at 3.84%.
- ✓ Today SBP conducted 8-Days OMO (Injection), where the amount offered was Rs328bn from which the amount accepted was Rs325bn at 5.79%.
- ✓ Today MM initiated at 5.75%-6.00% and traded whole day with in the range of 5.75%-6.00% and expected to close at same.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded lower after upbeat U.S. employment data. Yellow metal is currently trading at \$1,306.58 per ounce.
- ✓ **CRUDE:** Crude oil declined after U.S. crude stocks rose more than expected at the end of last week. Black gold is currently trading at \$44.62 per barrel.

PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0838	(0.0025)	4.6%
2-WEEK	0.1700	(0.0050)	4.4%
1-MONTH	0.3900	0.0200	4.9%
2-MONTH	0.7450	(0.0100)	4.8%
3-MONTH	1.1150	(0.0075)	5.1%
4-MONTH	1.5150	0.0250	4.6%
5-MONTH	1.8550	(0.0050)	4.6%
6-MONTH	2.1700	-	5.3%
12-MONTH	4.2500	-	5.6%

Economic Indicators			
Forex Reserves	18-Aug-16	USD bn	23.081
CPI- MoM	1-Aug-16		0.30%
CPI- YoY	1-Aug-16		3.56%
M2 Growth	FY17 YTD		-1.07%
SBP Target Rate	FY17 YTD		5.75%
SBP Discount Rate	FY17 YTD		6.25%
FDI	1MFY17	USD mn	64.3
Home Remittance	1MFY17	USD bn	1.328
Current A/C Def.	1MFY17	USD mn	591
Trade -Deficit	1MFY17	USD bn	1.588
Govt. Domestic Debt	As at 31-12-2015	Rs trn	13.188
External Dbt	As at 30-09-2015	USD bn	55.609
KSE-100 Index	8/3/2016	Pts	39,615.76

Money Market			1-Sep-16	
	KIBOR		PKRV	
1-Month	5.70%		5.81%	
3-Month	5.73%		5.79%	
6-Month	5.74%		5.78%	
12-Month	5.76%		5.79%	

PIB'S Auction Date		
Tenor	25-Aug-16 Cut Off Yields	01-Sep-16 Bid/Ask
2-Years	-	6.00/5.92
3-Years	6.2000%	6.18/16
5-Years	6.7017%	6.68/66
10-Years	7.8005%	7.78/76

T-Bills Auction Date		
Tenor	01-Sep-16 Cut Off Yields	01-Sep-16 Bid/Ask
3-Months	5.8571%	5.85/82
6-Months	5.9046%	5.90/87
12-Months	5.9148%	5.91/88

Commodities 31-August-16

Crude Oil Recommendation		
Technical Level	Long@	Short@
Entry level	46.00	-
Stop loss	44.00	-
Take profit	49.00	-

Gold Recommendation		
Technical Level	Long@	Short@
Entry level	1,320	1,360
Stop loss	1,295	1,390
Take profit	1,355	1,320