

FX – INTERBANK RATE:

8-Sep	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.40	104.41	104.37	104.37	104.43

✓ **Forecast for tomorrow:**

As per today's activity, we expect the market to continue to trade within the range of **104.30/104.50**

FX MARKET:

- ✓ The exchange rate resumed its downward movement as the dollar inflow before the Eid celebrations continue.
- ✓ Swaps moved higher as the market recovered slightly from the drastic downward movement seen yesterday. As we have pointed out earlier this week the lack of inflows after the Eid holidays will raise demand for dollars and this would be seen through lower premiums.
- ✓ With the US not expected to raise interest rates at their September meeting after lower non-farm payrolls and a steep decline in the ISM services index, the market still favors a December rate hike.

MONEY MARKET:

- ✓ SBP released the numbers of M2 Growth for the week ended 26th August, 2016. According to SBP, M2 posted a negative growth by 2.40% on YoY basis.
- ✓ Today SBP conducted 1-Day OMO (Injection), where total amount offered was Rs341.5bn from which the amount accepted was Rs325bn at 5.80%.
- ✓ Today MM initiated at 5.85%-5.95% and traded whole day with in the range of 5.90%-6.20% and closed at 6.20%-6.25%.
- ✓ Today in the bond secondary market, when issue is traded at following levels: 3-years at 6.19/17, 5-years at 6.69/67 and 10-years at 7.79/77 respectively.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded lower as investors focused on the next set of U.S. data and Fed speakers for further guidance on the timing of the next interest rate hike. Yellow metal is currently trading at \$1,347.38 per ounce.
- ✓ **CRUDE:** Crude oil advanced after the API disclosed that US crude oil inventories unexpectedly plunged by 12.1mn barrels last week. Black gold is currently trading at \$46.23 per barrel.

USD/PKR Fc			
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.1100	-	5.9%
2-WEEK	0.2000	0.0150	5.2%
1-MONTH	0.4300	0.0550	5.4%
2-MONTH	0.7500	0.0200	4.9%
3-MONTH	1.1100	0.0100	5.1%
4-MONTH	1.4800	0.0050	4.6%
5-MONTH	1.8550	0.0200	4.6%
6-MONTH	2.1400	0.0350	5.3%
12-MONTH	4.3000	-	5.7%

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		-2.40%
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			8-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	08-Sep-16	
	Cut Off	Yeilds	Bid/Ask
2-Years	-		6.00/5.93
3-Years	6.2000%		6.18/16
5-Years	6.7017%		6.67/65
10-Years	7.8005%		7.79/75

T-Bills Auction Date			
Tenor	01-Sep-16	08-Sep-16	
	Cut Off	Yeilds	Bid/Ask
3-Months	5.8571%		5.86/84
6-Months	5.9046%		5.92/88
12-Months	5.9148%		5.92/89

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