

**FX – INTERBANK RATE:**

9-Sep	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.45	104.45	104.27	104.32	104.37

✓ **Forecast for tomorrow:**

As per today's activity, we expect the market to continue to trade within the range of **104.10/104.50**

**FX MARKET:**

- ✓ The exchange rate again dipped lower as the pre Eid inflows continued on the last working day before the break.
- ✓ Swaps saw most activity in the shorter tenors as the market looked to swap dollars for rupees to fund their books.
- ✓ SBP released the figure of total FX Reserves for the week ended 2<sup>nd</sup> September, 2016. According to SBP, Total FX Reserves is declined by \$55mn as compared to the previous week \$23.03bn to \$22.98bn. The break-up of total FX Reserves are as follows: SBP held FX Reserves decreased by \$63.5mn from \$18.12bn to \$18.06bn while FX Reserves held in other banks rose by \$8.5mn from \$4.90bn to \$4.91bn. During the week, SBP made payments of \$60mn on a/c of external debt servicing.

**MONEY MARKET:**

- ✓ Today PBS released the data of weekly inflation for the week ended 8<sup>th</sup> September, 2016. According to PBS, SPI surged-up by 0.50% as compared to the previous week 217.49bps to 218.258bps.
- ✓ Today SBP conducted 7-Day OMO (Injection), where total amount offered was Rs1.142trn out of which the accepted amount was Rs1.06trn at 5.79%.
- ✓ Today MM initiated at 5.80%-5.95% and traded whole day with in the range of 5.90%-6.15% and expected to close at same.
- ✓ 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 digested the latest U.S. data as well as comments from ECB President Mario Draghi. Yellow metal is currently trading at \$1,334.22 per ounce.
- ✓ **CRUDE:** Crude oil advanced rising to the strongest levels of the session after the U.S. EIA said in its weekly report that crude oil inventories fell by 14.51mn barrels. Black gold is currently trading at \$47.03 per barrel.

USD/PKR Fc			
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.1125	0.0025	6.1%
2-WEEK	0.2225	0.0225	5.7%
1-MONTH	0.4150	(0.0150)	5.2%
2-MONTH	0.7500	-	4.9%
3-MONTH	1.1100	-	5.1%
4-MONTH	1.4550	(0.0250)	4.5%
5-MONTH	1.8550	-	4.6%
6-MONTH	2.1400	-	5.3%
12-MONTH	4.3000	-	5.7%

Economic Indicators			
Forex Reserves	2-Sep-16	USD bn	22.983
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	9-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%

Tenor	Auction Date	
	25-Aug-16 Cut Off Yields	09-Sep-16 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

Tenor	Auction Date	
	01-Sep-16 Cut Off Yields	09-Sep-16 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