

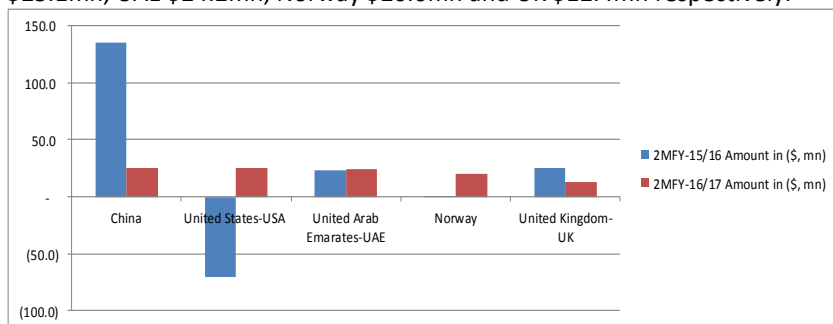
**FX – INTERBANK RATE:**

21-Sep	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.65	104.82	104.65	104.76	104.63

- ✓ **Forecast for tomorrow:**  
As per today's activity, we expect the market to continue to trade within the range of **104.60/104.90**

**FX MARKET:**

- ✓ The exchange rate moved swiftly higher today as the dollar demand that we have been seeing in the swap market for the last few days finally translated itself with an upward movement in the dollar parity.  
Swaps were lower on the day across all tenors with the longer tenors seeing the most drawdown in the premiums. With no foreign financial inflow on the horizon and the absence of quarterly inflows from the IMF and CSF which we have received regularly over the last few years, the markets are bracing for more premium downside and hence the lack of bidders in the market.
- ✓ SBP released the data of FDI for the month of August, 2016. According to SBP, FDI dropped by \$16mn as compared to the previous month \$64.3mn to \$48.3mn. For 2MFY-16/17, FDI plunged by \$128.2mn as compared to the same period of last fiscal year \$240.8mn to \$112.6mn. The countries which directly invested in Pakistan with their amounts are as follows: China \$25.7mn, USA \$25.1mn, UAE \$24.2mn, Norway \$20.0mn and UK \$12.4mn respectively.



**MONEY MARKET:**

- ✓ Today SBP held its 3<sup>rd</sup> PIB Auction for FY-16/17, where the target amount is Rs100bn and the maturity amount is Rs49.13bn. The total bid participation is recorded more than 2-times higher from the target amount Rs279.02bn. The total bid participation is divided in 3, 5 and 10-years are Rs168.2bn, Rs88.92bn and Rs21.9bn respectively. We expect no change in cut-off yields.

**3rd PIB Auction Result**

As per our Expectation based on Bid Participation

Maturity Period	Cut-off Yield	Weighted Avg Yield	Realized Value (Rs, bn)	Face Value (Rs, bn)
3-Years	<b>6.1928%</b>	6.1832%	95.59	93.8
5-Years	<b>6.6960%</b>	6.6836%	35.14	33.75
10-Years	<b>7.7995%</b>	7.7956%	12.01	11.3
<b>Total</b>			<b>142.74</b>	<b>138.85</b>

- ✓ Today MM initiated at 5.75%-5.85% and traded whole day with in the range of 5.70%-5.80% and expected to close at same.

PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0925	(0.0125)	5.0%
2-WEEK	0.1600	(0.0225)	4.2%
1-MONTH	0.3650	(0.0100)	4.6%
2-MONTH	0.7300	(0.0150)	4.8%
3-MONTH	1.0650	(0.0150)	4.9%
4-MONTH	1.4300	-	4.4%
5-MONTH	1.7400	(0.0700)	4.3%
6-MONTH	2.0450	(0.0450)	5.1%
12-MONTH	4.2000	(0.0500)	5.5%

Economic Indicators			
Forex Reserves	9-Sep-16	USD bn	22.853
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	2MFY17	USD mn	112.6
Home Remittance	2MFY17	USD bn	3.089
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 21-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	21-Sep-16
	Cut Off Yields	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	15-Sep-16	21-Sep-16
	Cut Off Yields	Bid/Ask
3-Months	5.8571%	5.86/84
6-Months	5.9046%	5.92/88
12-Months	5.9148%	5.92/89

**Commodities 15-September-16**

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

Gold Recommendation		
Technical Level	Long@	Short@
Entry level	-	-
Stop loss	-	-
Take profit	-	-