

**FX – INTERBANK RATE:**

27-Sep	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.80	104.80	104.75	104.75	104.84

✓ **Forecast for tomorrow:**

As per today's activity, we expect the market to continue to trade within the range of **104.70/104.80**

**FX MARKET:**

- ✓ The USDPKR came off the day's highs after touching the 104.90 level as the dollar demand eased following yesterday's strong demand.
  - ✓ Swaps reversed some of the losses that were sustained yesterday as the financial press seemed to indicate that the international dollar Sukuk could be completed within the next 2-weeks with the government intending to raise \$1bn through the international capital markets. However given the financial instability in the financial markets, an increase in odds for a December FED rate hike and the fact that Libor rates have increased by 100bps since Pakistan last tapped the international markets, the success of the bond issuance could be in doubt as the high interest rate that would be needed to secure the much needed funds could see the government face political backlash.
  - ✓ Hence while the swap market might get some reprieve from today's news, the markets still appear jittery and an increase in swap premiums will be seen as selling opportunities
  - ✓ Yesterday, The Economic Co-Ordination Committee (ECC) of the cabinet finalized the plan for immediate launch of \$750mn to \$1bn Islamic bond Sukuk in the US Capital market. For this purpose, The Government has already hired the consortium of 5-banks: Citi Bank, Standard Chartered Bank, Deutsche Bank, Dubai Islamic Bank and Noor Islamic Bank as financial advisers to complete the Sukuk transaction.
  - ✓ ECC decided to start process for the launch of Sukuk today and wind-up the transaction by 5<sup>th</sup> October, 2016.
  - ✓ ECC also exempted all the certain taxes and duties (10-types of taxes) for making the Sukuk a desirable transaction for the foreign investors.
- MONEY MARKET:**
- ✓ Today MM initiated at 6.00%-6.20% and traded whole day with in the range of 6.00%-6.15% and expected to close at same.

USD/PKR Fc			
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0550	0.0150	3.2%
2-WEEK	0.1350	(0.0050)	3.5%
1-MONTH	0.3200	0.0100	4.1%
2-MONTH	0.7050	0.0350	4.6%
3-MONTH	1.0250	0.0300	4.7%
4-MONTH	1.3500	(0.0050)	4.2%
5-MONTH	1.7100	0.0250	4.2%
6-MONTH	2.0350	0.0250	5.1%
12-MONTH	4.2500	-	5.6%

Economic Indicators			
Forex Reserves	16/9/2016	USD bn	22.697
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.	2MFY17	USD bn	1.316
Trade -Deficit	2MFY17	USD bn	4.367
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	9/22/2016	Pts	39,905.36

Money Market			27-Sep-16	
	KIBOR		PKRV	
1-Month	5.75%		5.88%	
3-Month	5.79%		5.89%	
6-Month	5.81%		5.91%	
12-Month	5.86%		5.92%	

PIB'S			Auction Date	
Tenor	22-Sep-16	27-Sep-16		
	Cut Off	Yeilds	Bid/Ask	
2-Years	-		6.01/5.99	
3-Years	6.1970%		6.20/17	
5-Years	6.7010%		6.71/69	
10-Years	7.7995%		7.81/77	

T-Bills			Auction Date	
Tenor	15-Sep-16	27-Sep-16		
	Cut Off	Yeilds	Bid/Ask	
3-Months	5.8571%		5.91/88	
6-Months	5.9046%		5.92/90	
12-Months	5.9148%		5.93/90	

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	-	-