

FX – INTERBANK RATE:

28-Sep	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.75	104.75	104.60	104.70	104.75

✓ **Forecast for tomorrow:**

As per today's activity, we expect the market to continue to trade within the range of **104.55/104.85**

MONEY MARKET:

- ✓ SBP released the numbers of M2 Growth for the week ended 16th September, 2016. According to SBP, M2 posted negative growth by 0.48% on YoY basis.
- ✓ Today PBS released the data of LSMII for the month of July, 2016. According to PBS, LSMI output fell by 3.16bps or 2.59% as compared to the previous month 122.13bps to 118.97bps while 1MFY-16/17 it is increased by 3.03bps or 2.62% as compared to the same period of last fiscal year 115.94bps to 118.97bps. The sectors which showed positive growths are as follows: Paper and Board 33.14%, Iron and Steel Products 19.02% and Non-Metallic Mineral Products 12.68% respectively while the sectors which posted decline are as follows: wood Products 97.72% and Engineering Products 21.58% respectively.
- ✓ Today SBP held its 7th MTB Auction for FY16/17, where the target amount is Rs100bn while the maturity amount is Rs13.81bn. The total bid participation is recorded below from the target amount but above from the maturity amount Rs83.56bn. The total bid participation amount is divided in 3, 6 and 12-month tenor are Rs49.98bn, Rs18.79bn and Rs14.88bn respectively. We expect that the cut-off yields remained un-changed.

7th MTB 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-Months	5.9017%	5.8813%	37.827	38.349
6-Months	5.9258%	5.9234%	6.359	6.547
12-Months	5.9485%	5.9220%	12.162	12.881
Total			56.348	57.777

- ✓ Today MM initiated at 5.90%-6.00% and traded whole day with in the range of 5.90%-6.00% and closed at 5.90%-5.95%.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded lower as robust US economic data dented the demand for the safe-haven yellow metal. Yellow metal is currently trading at \$1,335.10 per ounce.
- ✓ **CRUDE:** Crude oil declined after Iran and Saudi Arabia, downplayed expectations for a deal to freeze crude output. Black gold is currently trading at \$45.32 per barrel.

PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0700	0.0150	3.9%
2-WEEK	0.1400	0.0050	3.7%
1-MONTH	0.3400	0.0200	4.3%
2-MONTH	0.7000	(0.0050)	4.6%
3-MONTH	1.0350	0.0100	4.8%
4-MONTH	1.3900	0.0400	4.3%
5-MONTH	1.7150	0.0050	4.2%
6-MONTH	2.0350	-	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		-0.48%
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	9/28/2016	Pts	40,334.80

Money Market		28-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	28-Sep-16
	Cut Off Yields	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	28-Sep-16
	Cut Off Yields	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	-	-