

FX – INTERBANK RATE:

04-Apr	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.74	104.74	104.70	104.70	104.73

✓ **Forecast for tomorrow:**

As per today's activity, we expect the market to continue to trade within the range of **104.65/104.80**

FX MARKET:

- ✓ The exchange rate showed no major traction today.
- ✓ Swaps saw the market trade on a higher note at the start of trading today with the 6-months traded at Rs2.48, while activity was also seen in the 3 and 5-months tenors. The 6-months dipped down slightly thereafter with the market trading at Rs2.45 before moving higher again. With the drop in PIB yields across the board following the cut in the NSC rates and the coupon rates on PIB'S, some market players are looking for a cut in the discount rate at the upcoming monetary policy. We however do not see any such possibility as the lack of privatization proceeds this fiscal year and the lack of growth in the FX Reserves will make it very difficult for the monetary authorities to justify a rate cut to the IMF.
- ✓ On Friday, SBP released the figure of total FX Reserves for the week ended 25th March, 2016. During the week, total FX Reserves declined by \$97.9mn as compared to the last week \$20.52bn to \$20.42bn. The breakup of total FX Reserves are as follows: SBP held FX Reserves decreased by \$42.4mn from \$15.63bn to \$15.58bn while FX Reserves held in other banks also fell by \$55.5mn from \$4.89bn to \$4.83bn.
- ✓ On Friday, World Bank approved a loan of \$100mn to improve the investment climate and create more and better jobs in Pakistan.

MONEY MARKET:

- ✓ On Friday, PBS released the data of CPI for the month of March, 2016. According to PBS, CPI clocked at 3.94% on YoY basis recorded decreased as compared to previous month 4.02%. On MoM basis, CPI increased by 0.15% from the last month decrease by 0.3%. CPI figure measured by following items: Core inflation NFNE increased by 4.7% on YoY basis and core inflation Trimmed increased by 3.8% on YoY basis. The average inflation for 9MFY15/16 stood at 2.62%.
- ✓ On Friday, National Saving Scheme (NSS) dropped their profit rates from different schemes are as follows: Defense Saving Certificates (DSC) by 60bps from 8.40% to 7.80%, Regular Income Certificates (RIC) by 47bps from 7.10% to 6.63% and Bahbood Saving Certificates (BSC) by 72bps from 10.32% to 9.60% respectively.
- ✓ SBP slashed the PIB's coupon rate in 3, 5 and 10-years period by 175bps, 150bps and 100bps from 8.75% to 7.00%, 9.25% to 7.75% and 9.75% to 8.75% respectively.
- ✓ Today MM initiated at 6.00%-6.25% and traded whole day in the range of 6.10%-6.40% and expected to close at same.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded lower after a stronger-than-expected US non-farm payrolls data dented demand for the precious yellow metal. Yellow metal is currently trading at \$1,217.11 per ounce.
- ✓ **CRUDE:** Crude oil declined after the Saudi indicated that the kingdom will participate in a production freeze only if Iran and other major producers agree to do so. Black gold is currently trading at \$36.67 per barrel.

USD/PKR For			
PERIOD	SWAP	Change in Premiums	Swap Implied PBR Yield
1-WEEK	0.1050	-	5.6%
2-WEEK	0.2050	(0.0025)	5.3%
1-MONTH	0.4400	(0.0125)	5.4%
2-MONTH	0.8950	0.0100	5.6%
3-MONTH	1.2900	(0.0500)	5.5%
4-MONTH	1.6550	(0.0150)	4.9%
5-MONTH	2.0900	0.0100	5.1%
6-MONTH	2.4750	(0.0300)	5.6%
12-MONTH	4.7000	(0.1500)	5.7%

Economic Indicators			
Foreign Reserves	25-Mar-16	USD bn	28.423
CPI-MoM	18-Mar-16		0.15%
CPI-YoY	18-Mar-16		3.94%
M2 Growth	FT16 YTD		4.18%
SBP Target Rate	FT16 YTD		6.00%
FDI	9MFY16	USD mn	758.9
Home Investment	9MFY16	USD bn	12.714
Current A/C Def.	9MFY16	USD bn	1.059
Trade Deficit	9MFY16	USD bn	13.372
Govt. Domestic Debt	As at 31-12-2015	Rs bn	13.188
External Debt	As at 30-09-2015	USD bn	55.688
ISE-100 Index	21/03/16	Rs	31,084.46

Money Market			04-Apr-16	
	KIBOR		PKRW	
1Month	6.00%		6.19%	
3Month	6.11%		6.19%	
6Month	6.12%		6.21%	
12Month	6.15%		6.22%	
PIB'S		Auction Date		
Tenor	22-Mar-16	04-Apr-16		
Cut Off Yields		Bid/Ask		
2Years	-	6.25/20		
3Years	6.3204%	6.27/22		
5Years	7.0000%	6.69/65		
10Years	8.2296%	8.05/7.98		
T-Bills		Auction Date		
Tenor	31-Mar-16	04-Apr-16		
Cut Off Yields		Bid/Ask		
3Months	6.1697%	6.17/10		
6Months	6.1812%	6.20/15		
12Months	6.2079%	6.20/17		

Commodities			22/03/16	
Gold Recommendation				
Level	Long@	Short@		
Entry level	1210	1275		
Stop loss	1190	1295		
Take profit	1255	1255		
Crude Recommendation				
Level	Long@	Short@		
Entry level	38	-		
Stop loss	36	-		
Take profit	41.5	-		