

Swap

**USD/PKR Fo** 

#### FX – INTERBANK RATE:

9.100	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.46	104.47	104.40	104.40	104.53

### **Forecast for tomorrow:**

As per today's activity, we expect the market to continue to trade within the

# range of **104.35/104.45**

### FX MARKET:

- The USDPKR slipped lower again today as the rupee strength continues with the seasonal inflows. The rupee strength is more pronounced this time round as the exchange rate has remained stable for the last few months and hence with inflows expected, it appears that many players are front running short positions in expectations of the expected flows.
- ✓ Swaps activity was muted today as the rally of the last few days appears to have run its course and now most players appear to be taking a breather, as the current swap premiums are not attractive to buyers are sellers.
- China will provide loan for \$8.5bn to Pakistan for upgrading a main line of the Pakistan Railways to smoothen the China Pakistan Economic Corridor (CPEC) traffic and construction of a gas pipeline.

## MONEY MARKET:

- ✓ Yesterday SBP held its 24<sup>th</sup> MTB auction where target amount is Rs100bn and the maturity amount is Rs44.73bn. But Government accepted Rs137.15bn out of the total bid participation Rs394.64bn which is recorded almost 4-times higher from the target amount. The Government accepted amount in 3, 6 and 12-month are Rs11.9bn, Rs60bn and Rs65.25bn respectively. The cut-off yield slightly fell as in 3 and 6-month tenors by 4-bps and in 12-month tenor by 3-bps from 5.99% to 5.95%, 6.01% to 5.97% and 6.03% to 6.00% respectively.
- ✓ Today SBP conducted 8-Days OMO (Injection), where total amount offered was Rs281bn from which the amount accepted was Rs191bn at 5.79%.
- ✓ Today MM initiated at 5.75%-6.00% and traded whole day with in the range of 5.60%-6.10% and expected to close at same.
- ✓ Today in bond secondary market, when issue is traded in 3, 5 and 10-years at 6.43/38, 6.93/91 and 8.01/7.96 respectively.

		Change in	Swap				
PERIOD	SWAP	Premiums	Implied				
			PKR Yield				
1-WEEK	0.1100	(0.0050)	5.9%				
2-WEEK	0.2175	(0.0025)	5.6%				
1-MONTH	0.4550	0.0100	5.6%				
2-MONTH	0.8200	(0.0100)	5.2%				
3-MONTH	1.2200	-	5.3%				
4-MONTH	1.6100	0.0300	4.8%				
5-MONTH	1.9550	(0.0200)	4.8%				
6-MONTH	2.3000	(0.0300)	5.3%				
12-MONTH	4.6000	-	5.7%				
Economic Indicators							
Forex Reserves 26-May-16 USD bn 21.601							
CPI- MoM	1-Ma		0.20%				
CPI- YoY	1-Ma		3.17%				
M2 Growth			6.93%				
SBP Target Ra	ate FY16	YTD	5.75%				
SBP Discount	SBP Discount Rate FY16 YTD 6.25%						
FDI	10MF	Y16 USD b	on 1.016				
Home Remitta	nce 10MF	Y16 USD k	on 16.034				
Current A/C D	ef. 10MF	Y16 USD b	on 1.510				
Trade -Defi	cit 10MF	Y16 USD b	on 16.214				
Govt. Domestic	Debt As at 31-	12-2015 Rs tr	n 13.188				
External Db	ot As at 30-	09-2015 USD k	on 55.609				
KSE-100 Inde	ex 5/2/2	2016 Pts	34,567.52				
Money Ma	urket	9-J	un-16				
			PKRV				
incer we	ківс	DR	PKRV				
1-Month			<b>PKRV</b> 5.90%				
	КІВС	%					
1-Month	<b>КІВС</b> 5.74	% %	5.90%				
1-Month 3-Month	<b>КІВС</b> 5.74 5.86	% % %	5.90% 5.93%				
1-Month 3-Month 6-Month	KIBC 5.74 5.86 5.90 5.95 Auction	% % % Date	5.90% 5.93% 5.95%				
1-Month 3-Month 6-Month 12-Month	КІВС 5.74 5.86 5.90 5.95	% % % Date	5.90% 5.93% 5.95%				
1-Month 3-Month 6-Month 12-Month PIB'S Tenor	KIBC 5.74 5.86 5.90 5.95 Auction	% % % Date y-16 09 Yeilds	5.90% 5.93% 5.95% 5.98% 9-June-16 Bid/Ask				
1-Month 3-Month 6-Month 12-Month PIB'S Tenor 2-Years	KIBC 5.74 5.86 5.90 5.95 Auction 19-Ma Cut Off	% % % Date y-16 09 Yeilds	5.90% 5.93% 5.95% 5.98% 9-June-16 Bid/Ask 6.18/15				
1-Month 3-Month 6-Month 12-Month PIB'S Tenor 2-Years 3-Years	KIBC 5.74 5.86 5.90 5.95 Auction 19-Ma Cut Off - -	% % % Date y-16 09 Yeilds	5.90% 5.93% 5.95% 5.98% <b>3.98%</b> <b>3.98%</b> <b>6.18/15</b> 6.37/35				
1-Month 3-Month 6-Month 12-Month PIB'S Tenor 2-Years 3-Years 5-Years	KIBC 5.74 5.86 5.90 5.95 Auction 19-Ma Cut Off 5.549 6.549	% % % Date y-16 09 Yeilds 2% 7%	5.90% 5.93% 5.95% 5.98% <b>3-June-16</b> <b>Bid/Ask</b> 6.18/15 6.37/35 6.93/91				
1-Month 3-Month 6-Month 12-Month PIB'S Tenor 2-Years 3-Years 5-Years 10-Years	KIBC 5.74 5.86 5.90 5.95 Auction 19-Ma Cut Off - - 6.549 6.999 8.180	% % % Date Date y-16 09 Yeilds 7% 4% 8	5.90% 5.93% 5.95% 5.98% <b>3.98%</b> <b>3.98%</b> <b>6.18/15</b> 6.37/35				
1-Month 3-Month 6-Month 12-Month PIB'S Tenor 2-Years 3-Years 5-Years 10-Years T-Bills	KIBC 5.74 5.86 5.90 5.95 Auction 19-Ma Cut Off - - 6.549 6.999 8.180 Auction	%       %       %       Date       y-16     05       Yeilds     1       2%     1       7%     1       4%     8       Date     1	5.90% 5.93% 5.95% 5.98% <b>D-June-16</b> <b>Bid/Ask</b> 6.18/15 6.37/35 6.93/91 .00/7.96				
1-Month 3-Month 6-Month 12-Month PIB'S Tenor 2-Years 3-Years 5-Years 10-Years	KIBC 5.74 5.86 5.90 5.95 Auction 19-Ma Cut Off - - 6.549 6.999 8.180	%       %       %       Date       y-16     05       Yeilds     1       2%     1       7%     1       4%     8       Date     1       e-16     05	5.90% 5.93% 5.95% 5.98% <b>3-June-16</b> <b>Bid/Ask</b> 6.18/15 6.37/35 6.93/91				
1-Month 3-Month 6-Month 12-Month PIB'S Tenor 2-Years 3-Years 5-Years 10-Years T-Bills	KIBC 5.74 5.86 5.90 5.95 Auction 19-Ma Cut Off - - 6.549 6.999 8.180 Auction 09-Jun	%       %       Date       y-16     05       Yeilds     1       2%     1       7%     1       4%     8       Date     05       Yeilds     1	5.90% 5.93% 5.95% 5.98% <b>D-June-16</b> <b>Bid/Ask</b> 6.18/15 6.37/35 6.93/91 .00/7.96 <b>D-June-16</b>				
1-Month 3-Month 6-Month 12-Month PIB'S Tenor 2-Years 3-Years 5-Years 10-Years T-Bills Tenor	KIBC 5.74 5.86 5.90 5.95 Auction 19-Ma Cut Off - - 6.549 8.180 Auction 09-Jun Cut Off 5.946	%       %       %       Date       y-16     05       Yeilds       1       2%       7%       4%     8       Date       e-16     05       Yeilds       3%     3%	5.90% 5.93% 5.95% 5.98% <b>D-June-16</b> <b>Bid/Ask</b> 6.18/15 6.37/35 6.33/91 .00/7.96 <b>D-June-16</b> <b>Bid/Ask</b>				
1-Month 3-Month 6-Month 12-Month PIB'S Tenor 2-Years 3-Years 5-Years 10-Years T-Bills Tenor 3-Months	KIBC 5.74 5.86 5.90 5.95 Auction 19-Ma Cut Off - - 6.549 8.180 Auction 09-Jun Cut Off 5.946 5.946	%       %       %       Date       y-16     05       Yeilds       2%       7%       4%       8       Date       Yeilds       3%       4%	5.90% 5.93% 5.95% 5.98% 6.18/15 6.18/15 6.37/35 6.33/91 .00/7.96 9-June-16 Bid/Ask 5.90/85				
1-Month 3-Month 6-Month 12-Month PIB'S Tenor 2-Years 3-Years 5-Years 10-Years T-Bills Tenor 3-Months 6-Months	KIBC 5.74 5.86 5.90 5.95 Auction 19-Ma Cut Off 6.549 6.999 8.180 Auction 09-Jun Cut Off 5.946 5.968 s 6.004	%       %       %       Date       y-16     05       Yeilds       2%       7%       4%       8       Date       Yeilds       3%       4%	5.90% 5.93% 5.95% 6.95% 6.98% 6.18/15 6.37/35 6.33/91 6.33/91 6.00/7.96 8.00				
1-Month 3-Month 6-Month 12-Month <b>PIB'S</b> <b>Tenor</b> 2-Years 3-Years 5-Years 10-Years <b>T-Bills</b> <b>Tenor</b> 3-Months 6-Months 12-Month	KIBC 5.74 5.86 5.90 5.95 Auction 19-Ma Cut Off 6.549 6.999 8.180 Auction 09-Jun Cut Off 5.946 5.968 s 6.004	%       %       %       Date       y-16     05       Yeilds     1       2%     1       7%     8       Date     1       2%     1       3%     1       4%     8	5.90% 5.93% 5.95% 5.98% 6.95% 6.93/91 6.37/35 6.93/91				
1-Month 3-Month 6-Month 12-Month PIB'S Tenor 2-Years 3-Years 5-Years 10-Years 10-Years 3-Months 6-Months 12-Month Commod Gold Rec	KIBC 5.74 5.86 5.90 5.95 Auction 19-Ma Cut Off - - 6.549 8.180 Auction 09-Jun Cut Off 5.946 5.946 5.968 s 6.004 lities	%       %       %       Date       y-16     05       Yeilds     1       2%     1       7%     1       4%     8       Date     1       3%     1       4%     8       3%     1       4%     8       3%     1       4%     1       3%     1       4%     1       3%     1       4%     1       8%     1	5.90% 5.93% 5.95% 5.98% 6.93/91 6.18/15 6.37/35 6.33/91 6.33/9				
1-Month 3-Month 6-Month 12-Month PIB'S Tenor 2-Years 3-Years 5-Years 10-Years 10-Years 3-Months 6-Months 12-Month Commod Gold Rec Level Entry leve	KIBC 5.74 5.86 5.90 5.95 Auction 19-Ma Cut Off - - 6.549 8.180 Auction 09-Jun Cut Off 5.946 5.946 5.946 5.946 5.946 5.968 s 6.004 lities	%       %       %       Date       y-16     05       Yeilds     1       2%     1       7%     1       4%     8       Date     1       3%     1       4%     8       3%     1       4%     8       3%     1       4%     1       3%     1       4%     1       3%     1       4%     1       8%     1	5.90% 5.93% 5.95% 5.98% 6.93% 6.93/91 6.37/35 6.33/91 6.33/91 6.33/91 6.33/91 6.93/910				
1-Month 3-Month 6-Month 12-Month PIB'S Tenor 2-Years 3-Years 5-Years 10-Years 10-Years 3-Months 6-Months 12-Months 12-Month Commod Gold Rec Level Entry leve	KIBC 5.74 5.86 5.90 5.95 Auction 19-Ma Cut Off - - 6.549 8.180 Auction 09-Jun Cut Off 5.946 5.946 5.968 s 6.004 lities commend Long	%       %       %       Date       y-16     05       Yeilds     1       2%     1       7%     1       4%     8       Date     1       3%     1       4%     8       3%     1       4%     8       3%     1       4%     1       3%     1       4%     1       3%     1       4%     1       8%     1	5.90% 5.93% 5.95% 5.98% 6.18/15 6.18/15 6.37/35 6.93/91 0.00/7.96 9-June-16 Bid/Ask 5.90/85 5.95/90 5.98/95 6/9/2016 6/9/2016 6/9/2016				
1-Month 3-Month 6-Month 12-Month PIB'S Tenor 2-Years 3-Years 5-Years 10-Years 10-Years 3-Months 6-Months 12-Month Commod Gold Rec Level Entry leve Stop loss Take prof	KIBC 5.74 5.86 5.90 5.95 Auction 19-Ma Cut Off 6.549 6.999 8.180 Auction 09-Jun Cut Off 5.946 5.968 s 6.004 lities commend Long el - -	%       %       %       Date       y-16     05       Yeilds     1       2%     1       7%     1       4%     8       Date     1       3%     1       3%     1       4%     2       8%     1       ation     3	5.90% 5.93% 5.95% 5.98% 6.93% 6.93/91 6.37/35 6.33/910				
1-Month 3-Month 6-Month 12-Month PIB'S Tenor 2-Years 3-Years 5-Years 10-Years 10-Years 3-Months 6-Months 12-Month Commod Gold Rec Level Entry leve Stop loss Take prof	KIBC 5.74 5.86 5.90 5.95 Auction 19-Ma Cut Off - - 6.549 8.180 Auction 09-Jun Cut Off 5.946 5.946 5.968 s 6.004 lities commend Long	%       %       %       Date       y-16     05       Yeilds     1       2%     1       7%     1       4%     8       Date     1       3%     1       3%     1       4%     8       ation     2       g@     S	5.90% 5.93% 5.95% 5.98% 6.18/15 6.37/35 6.33/91 6.00/7.96 9-June-16 Bid/Ask 5.90/85 5.95/90 5.98/95 6/9/2016 6/9/2016 6/9/2016				

Entry level

Stop loss

Take profit

46.5 45

48.5

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