

FX – INTERBANK RATE:

10-Jun	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.27	104.27	104.12	104.21	104.40

✓ **Forecast for tomorrow:**

As per today's activity, we expect the market to continue to trade within the range of **103.95/104.25**

FX MARKET:

- ✓ The exchange rate significantly lowers today as dollar supply is over whelming the demand of greenback. Despite the significant drop in FX Reserves the market has ignored this as the dollar supply is driving the exchange rate lower.
- ✓ Swap saw no major movement as the market action appear to be dominated by the exchange rate trading. Despite this lull in swap activity it is only a matter of time that some savvy importers view the downtrend in the exchange rate as overdone and view the low levels as excellent entry opportunities to book forward against their import payables.
- ✓ SBP released the figure of total FX Reserves for the week ended 3rd June, 2016. According to SBP, Total FX Reserves decreased by \$340.1mn as compared from the previous week \$21.60bn to \$21.26bn. The break-up of total FX Reserves are as follows: SBP held FX Reserves slashed by \$344.6mn from \$16.80bn to \$16.46bn while FX Reserves held in other banks rose by \$9.5mn from \$4.79bn to \$4.80bn respectively.

MONEY MARKET:

- ✓ Today PBS released the data of weekly inflation for the week ended 9th June, 2016. According to PBS, SPI surged by 0.80% as compared to previous week 215.37bps to 217.10bps;
- ✓ Today SBP conducted 7-Days OMO (Injection), where total amount offered has been accepted Rs1.357trn at 5.79%.
- ✓ Today MM initiated at 5.80%-6.00% and traded whole day with in the range of 5.25%-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, 6.93/90 and 8.01/7.96 respectively.

PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.1125	0.0025	6.0%
2-WEEK	0.2200	0.0025	5.7%
1-MONTH	0.4450	(0.0100)	5.5%
2-MONTH	0.8300	0.0100	5.2%
3-MONTH	1.2700	0.0500	5.5%
4-MONTH	1.6050	(0.0050)	4.8%
5-MONTH	1.9500	(0.0050)	4.8%
6-MONTH	2.3450	0.0450	5.4%
12-MONTH	4.6000	-	5.7%

Economic Indicators			
Forex Reserves	3-Jun-16	USD bn	21.266
CPI- MoM	1-May-16		0.20%
CPI- YoY	1-May-16		3.17%
M2 Growth	FY16 YTD		6.93%
SBP Target Rate	FY16 YTD		5.75%
SBP Discount Rate	FY16 YTD		6.25%
FDI	10MFY16	USD bn	1.016
Home Remittance	10MFY16	USD bn	16.034
Current A/C Def.	10MFY16	USD bn	1.510
Trade -Deficit	10MFY16	USD bn	16.214
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	5/2/2016	Pts	34,567.52

Money Market	10-Jun-16	
	KIBOR	PKRV
1-Month	5.74%	5.90%
3-Month	5.86%	5.93%
6-Month	5.90%	5.95%
12-Month	5.95%	5.98%

PIB'S Auction Date		
Tenor	19-May-16	10-June-16
	Cut Off Yields	Bid/Ask
2-Years	-	6.18/14
3-Years	6.5492%	6.37/35
5-Years	6.9997%	6.94/89
10-Years	8.1804%	8.00/7.97

T-Bills Auction Date		
Tenor	09-June-16	10-June-16
	Cut Off Yields	Bid/Ask
3-Months	5.9463%	5.85/80
6-Months	5.9684%	5.95/90
12-Months	6.0048%	5.98/95

Commodities 6/9/2016

Gold Recommendation		
Level	Long@	Short@
Entry level	-	1255
Stop loss	-	1275
Take profit	-	1225

Crude Recommendation		
Level	Long@	Short@
Entry level	46.5	-
Stop loss	45	-
Take profit	48.5	-