

**FX – INTERBANK RATE:**

13-Oct	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.72	104.73	104.67	104.67	104.64

**FX MARKET:**

- ✓ The exchange rate started the day stronger as payment pressure was evident following the long holiday, but the market moved lower again after the payments were concluded.
- ✓ Swaps moved lower from the start of the day as the dollar demand picked up and the longer tenors saw selling pressure. With the fed fund futures pointing to a 70% probability of a rate hike in December, the demand for dollars and hence for lower premiums will persist going forward.

**MONEY MARKET:**

- ✓ On Monday, SBP held its 8<sup>th</sup> MTB Auction for FY16/17, where the target amount is Rs250bn while the maturity amount is Rs202.14bn. The total bid participation is recorded well below from the target and maturity amount Rs134.26bn. But the Government accepted amount Rs64.76bn well under the target and maturity amount. The amount is divided in 3, 6 and 12-month tenor are Rs10.5bn, Rs23.26bn and Rs31.0bn respectively. As per our expectation, the cut-off yields remained the same.
- ✓ Today MM initiated at 5.50%-5.75% and traded whole day with in the range of 5.50%-5.75% and expected to close at same.
- ✓ Today in bond secondary market, when issue is traded at following levels: 3-year at 6.21/19, 5-year at 6.73/71 and 10-year at 7.83/81 respectively.

**COMMODITY MARKET:**

- ✓ **GOLD:** Gold traded lower helped by a mild pullback from the U.S. dollar but the precious metal remained close to 4-month lows amid growing expectations for a 2016 rate hike by the Federal Reserve. Yellow metal is currently trading at \$1,259.41 per ounce.
- ✓ **CRUDE:** Crude oil advanced as investors eyed a fresh round of talks between OPEC producers and other oil exporters to stabilize the global oil market. Black gold is currently trading at \$50.03 per barrel.

PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0875	0.0075	4.8%
2-WEEK	0.1675	0.0075	4.3%
1-MONTH	0.3800	-	4.8%
2-MONTH	0.7300	(0.0100)	4.8%
3-MONTH	1.0650	0.0050	4.9%
4-MONTH	1.4150	0.0050	4.4%
5-MONTH	1.7250	(0.0100)	4.3%
6-MONTH	2.0650	(0.0100)	5.2%
12-MONTH	4.2500	-	5.6%

Economic Indicators			
Forex Reserves	30/9/2016	USD bn	23.612
CPI- MoM	1-Sep-16		0.30%
CPI- YoY	1-Sep-16		3.88%
M2 Growth	FY17 YTD		-0.75%
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	10/3/2016	Pts	40,986.31

Money Market		13/10/2016	
	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	13-Oct-16	
	Cut Off Yields	Bid/Ask	
2-Years	-	6.05/6.00	
3-Years	6.1970%	6.20/18	
5-Years	6.7010%	6.71/69	
10-Years	7.7995%	7.82/80	

T-Bills		Auction Date	
Tenor	13-Oct-16	13-Oct-16	
	Cut Off Yields	Bid/Ask	
3-Months	5.8571%	5.88/85	
6-Months	5.9046%	5.91/88	
12-Months	5.9148%	5.92/90	

**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	-	-