

FX – INTERBANK RATE:

16-Jun	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.68	104.68	104.57	104.66	104.60

✓ **Forecast for tomorrow:**

As per today's activity, we expect the market to continue to trade within the range of **104.50/104.70**

FX MARKET:

- ✓ The exchange rate moved higher today as demand picked up for the greenback.
- ✓ Swaps were seen trading higher across the board as the money market rupee liquidity stabilized following the PIB auction settlement today. As the money market rates traded off the floor rate seen over the last two days so did the premiums to pick up as rupee liquidity was in greater demand than the dollar. The premiums saw the most movement up to the one month tenor as the near tenors were already trading close to the yields of their rupee equivalent. This lead the demand for the one month up to the three month tenors which saw the most gains in premiums.

MONEY MARKET:

- ✓ SBP floor was hit for Rs39.6bn.
- ✓ Yesterday SBP conducted its 12th PIB auction for FY16, where the target amount is Rs100bn while the maturity amount is Rs2.11bn. Where the total bid participation is recorded Rs219.09bn more than double from the target amount but Government borrowed well under the target amount Rs43.26bn. Government borrowed in 3, 5 and 10-year periods are as follows: 3-year Rs30.22bn, 5-years Rs8.5bn and 10-years Rs4.54bn respectively As per our expectation the cut-off yields dropped in 3, 5 and 10-year period by 14bps, 9bps and 16bps from 6.55% to 6.41%, 7.00% to 6.91% and 8.18% to 8.02% respectively.
- ✓ Today SBP conducted 1-Day OMO (Mop-up), where total amount offered was Rs66.8bn out of which the amount accepted was Rs44.3bn at 5.50%.
- ✓ Today MM initiated at 5.25%-5.50% and traded whole day with in the range of 4.75%-6.25% and closed at 6.10%-6.25%..

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded higher after the US FOMC once again left the key interest rate unchanged. Yellow metal is currently trading at \$1,305.70 per ounce.
- ✓ **CRUDE:** Crude oil declined despite the EIA report indicated that US crude oil inventories declined 0.93mn barrels. Black gold is currently trading at \$47.42 per barrel.

USD/PKR For			
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.1175	0.0150	6.3%
2-WEEK	0.2225	0.0150	5.7%
1-MONTH	0.4425	0.0425	5.4%
2-MONTH	0.8350	0.0050	5.2%
3-MONTH	1.2100	0.0400	5.2%
4-MONTH	1.5850	0.0200	4.7%
5-MONTH	1.9450	0.0300	4.8%
6-MONTH	2.2850	0.0300	5.3%
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		7.51%
SBP Target Rate	FY16 YTD		5.75%
SBP Discount Rate	FY16 YTD		6.25%
FDI	10MFY16	USD bn	1.016
Home Remittance	11MFY16	USD bn	17.841
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	6/14/2016	Pts	34,567.52
Money Market		16-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	16-June-16	16-June-16	
	Cut Off Yields	Bid/Ask	
2-Years	-	6.17/15	
3-Years	6.4068%	6.27/23	
5-Years	6.9092%	6.82/78	
10-Years	8.0197	7.87/83	
T-Bills		Auction Date	
Tenor	09-June-16	16-June-16	
	Cut Off Yields	Bid/Ask	
3-Months	5.9463%	5.91/87	
6-Months	5.9684%	5.95/90	
12-Months	6.0048%	6.00/5.95	
Commodities		6/13/2016	
Gold Recommendation			
Level	Long@	Short@	
Entry level	1255	1290	
Stop loss	1225	1310	
Take profit	1275	1250	
Crude Recommendation			
Level	Long@	Short@	
Entry level	46.5	-	
Stop loss	45	-	
Take profit	48.5	-	