

FX – INTERBANK RATE:

17-Oct	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.75	104.84	104.75	104.76	104.71

FX MARKET:

- ✓ The exchange rate moved higher today as payments in the market drove the dollar higher. However the market slipped lower again by the end of the trading day.
- ✓ Swaps saw the premiums move lower as the market demand for dollars to fund their nostros built up. The longer tenors saw the premiums move down the most with the six months trading down to a low of Rs2.02. Further downside is expected as the year end approaches.
- ✓ **On 13th October, 2016, IMF released the statement on 12th and Final Review under the Extended Arrangement, Request for Waivers of Non-observance of Performance Criteria, and Proposal for Post-Program Monitoring.**
- ✓ IMF stated on their report:
- ✓ Pakistan's Fund-supported program has helped the country restore macroeconomic stability, reduce vulnerabilities, and make progress in tackling key structural challenges. Economic growth has gradually increased and inflation has declined. External buffers have been bolstered, financial sector resilience has been reinforced, and the fiscal deficit has been reduced.
- ✓ Significant challenges remain for Pakistan in the post-program period and the authorities' commitment to continue implementing strong policies to reinforce macroeconomic stability gains and advance growth-supporting reforms is to be commended. While maintaining a prudent monetary policy stance will be the key to supporting low inflation and macroeconomic stability.
- ✓ Moving forward with key structural reforms is pivotal to foster higher and more inclusive growth. Restructuring and attracting private sector participation in public enterprises is needed to ensure their financial viability and reduce fiscal costs. Completing the power sector reform will be important to strengthen the soundness of the sector and support growth.
- ✓ Close Fund engagement with Pakistan will continue through policy dialogue in the context of regular consultations and post-program monitoring, along with ongoing technical assistance.

MONEY MARKET:

- ✓ Today MM initiated at 5.75%-5.85% and traded whole day with in the range of 5.75%-5.85% and expected to close at same.
- ✓ Today in bond secondary market, when issue is traded at following levels: 3-year at 6.22/19, 5-year at 6.73/70 and 10-year at 7.84/81 respectively.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded lower amid gains in the US Dollar and as a rise in global equities dented the allure of the precious yellow metal. Yellow metal is currently trading at \$1,254.03 per ounce.
- ✓ **CRUDE:** Crude oil declined after Baker Hughes reported that the number of active oil rigs in the US increased by 4 to 432 during the last week. Black gold is currently trading at \$50.41 per barrel.

PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0775	(0.0100)	4.3%
2-WEEK	0.1600	(0.0100)	4.2%
1-MONTH	0.3550	(0.0150)	4.5%
2-MONTH	0.7250	0.0050	4.7%
3-MONTH	1.0300	(0.0500)	4.8%
4-MONTH	1.3750	(0.0150)	4.2%
5-MONTH	1.6750	(0.0600)	4.1%
6-MONTH	2.0250	(0.0450)	5.1%
12-MONTH	4.2000	-	5.6%

Economic Indicators

Forex Reserves	10-Jul-16	USD bn	23.492
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	3MFY17	USD bn	4.698
Current A/C Def.	2MFY17	USD bn	1.316
Trade -Deficit	2MFY17	USD bn	4.367
Govt. Domestic Debt	As at 31-08-2016	Rs trn	14.554
External Dbt	As at 30-06-2016	USD bn	72.978
KSE-100 Index	10/10/2016	Pts	41,403.97

Money Market 17/10/2016

	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	17-Oct-16	
	Cut Off	Yeilds	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	17-Oct-16	
	Cut Off	Yeilds	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	-	-