

FX – INTERBANK RATE:

19-Oct	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.67	104.71	104.63	104.69	104.72

FX MARKET:

- ✓ The exchange rate saw some gyrations during the day as demand and supply during the day saw the exchange rate move within an 8-paisa band before ending up slightly lower than yesterday's close.
- ✓ Swaps saw the premiums move lower slightly as the dollar demand persisted in all tenors.

MONEY MARKET:

- ✓ SBP issued the M2 Growth numbers for the week ended 7th October, 2016. According to SBP, M2 posted a positive growth by 0.12% on YoY basis.
- ✓ Today SBP held its 4th PIB Auction for FY-16/17, where the target amount is Rs100bn and the maturity amount is Rs33.35bn. The total bid participation is recorded below from the target amount Rs73.72bn. The total bid participation is divided in 3, 5 and 10-years are Rs62.15bn, Rs9.65bn and Rs1.925bn respectively. We expect no change in cut-off yields.

4th PIB Auction Result

As per our Expectation based on Bid Participation

Maturity Period	Cut-off Yield	Weighted Avg Yield	Realized Value (Rs, bn)	Face Value (Rs, bn)
3-Years	6.2202%	6.1981%	5.804	5.700
5-Years	6.7311%	6.7039%	5.928	5.700
10-Years	7.8410%	7.8381%	0.318	0.300
Total			12.050	11.700

- ✓ Today MM initiated at 5.50%-5.75% and traded whole day with in the range of 5.40%-5.90% and expected to close at same.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded higher as disappointing U.S. inflation data was seen as easing pressure on the Federal Reserve to tighten monetary policy, weighing on the dollar. Yellow metal is currently trading at \$1,269.86 per ounce.
- ✓ **CRUDE:** Crude oil advanced after the API said late Tuesday that crude oil stocks fell by a surprise 3.8mn barrels last week, following a 2.7mn build the previous week, with a planned production cut by the OPEC largely priced into the market. Black gold is currently trading at \$51.22 per barrel.

USD/PKR Fc

PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0875	0.0013	4.8%
2-WEEK	0.1675	(0.0025)	4.3%
1-MONTH	0.3850	0.0200	4.9%
2-MONTH	0.7100	(0.0200)	4.7%
3-MONTH	1.0400	(0.0050)	4.8%
4-MONTH	1.4200	(0.0100)	4.4%
5-MONTH	1.7150	(0.0100)	4.2%
6-MONTH	2.0200	(0.0050)	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		0.12%
SBP Target Rate	FY17 YTD		5.75%
SBP Discount Rate	FY17 YTD		6.25%
FDI	3MFY17	USD mn	249.3
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

19/10/2016

	KIBOR	PKRV
1-Month	5.71%	5.83%
3-Month	5.78%	5.88%
6-Month	5.80%	5.91%
12-Month	5.86%	5.92%

PIB'S Auction Date

Tenor	22-Sep-16 Cut Off Yields	19-Oct-16 Bid/Ask
2-Years	-	6.08/02
3-Years	6.1970%	6.21/20
5-Years	6.7010%	6.72/71
10-Years	7.7995%	7.85/84

T-Bills Auction Date

Tenor	13-Oct-16 Cut Off Yields	19-Oct-16 Bid/Ask
3-Months	5.8571%	5.87/84
6-Months	5.9046%	5.91/87
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	-	-