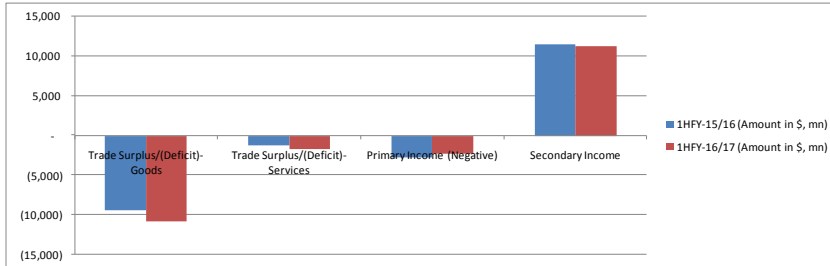


FX – INTERBANK RATE:

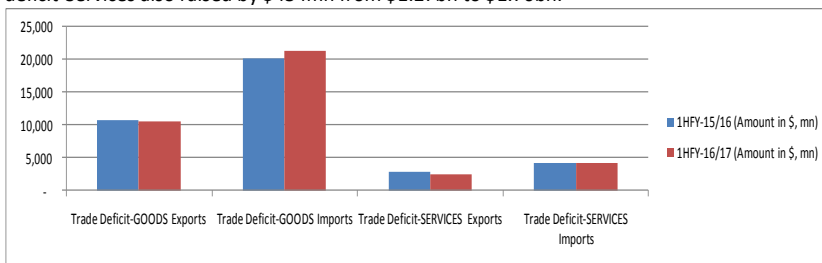
19-Jan	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.85	104.85	104.85	104.85	104.85

FX MARKET:

- Swaps started the day the same as yesterday wherein premiums were bid across the board and it appeared that the uptick in premiums would be sustained. However as we witnessed yesterday, once the offers started to take out the bidders the market bids disappeared and the market closed down significantly lower especially in the longer tenors. The 1-month traded at 23paisas, while the low seen was 21paisas. 2months traded at 39paisas with a low of 37paisas. 3-months traded at a high of 57paisas before seeing 55paisas traded, The 6-months tenor was traded at a high of Rs1.17, but was traded down to Rs1.08 by day end.
- On Tuesday, SBP gave assurance that it would withdraw condition of 10% dollar surrendering by the Exchange Companies in the interbank market In order to enhance the dollar supply in open currency market.
- Finance Minister Senator has directed the SBP to repay a loan of \$500mn to the Chinese SAFE upon its maturity on January 23, 2017.
- SBP released the data of CA Deficit for the month of December, 2016. According to SBP, CA Deficit increased by \$255mn as compared to the last month \$828mn to \$1.08bn. For 1HFY-16/17, CA Deficit surged by \$1.72bn as compared to the same period of previous fiscal year \$1.86bn to \$3.58bn. The CA Deficit figure made-up with following data: Trade deficit-Goods & Services increased by \$1.89bn from \$10.63bn to \$12.52bn, Primary income (negative) fell by \$459mn from \$2.75bn to \$2.29bn and Secondary income also fell by \$287mn from \$11.52bn to \$11.24bn respectively.



- Along with CA Deficit, SBP also released the data of Trade deficit-Goods & Services for the month of December, 2016. According to SBP, Trade deficit-Goods & Services slightly up by \$12mn as compared to the last month \$1.84bn to \$1.85bn. For 1HFY-16/17, Trade deficit-Goods & Services considerably increased by \$1.89bn as compared to the same period of previous fiscal year \$1.63bn to \$12.52bn. Trade deficit figure comprises by Goods and Services: Trade deficit-Goods surged by \$1.45bn from \$9.36bn to \$1.81bn mainly due to massive increase in imports \$1.20bn and Trade deficit-Services also raised by \$434mn from \$1.27bn to \$1.70bn.



- Yesterday, The WB and the AIB have agreed to provide loan worth \$720mn that will provide vital support to a hydroelectric power project and policy sector.

MONEY MARKET:

- Yesterday, SBP held its 15th MTB Auction for FY-16/17, where the target amount is Rs450bn and the maturity amount is above from the target amount Rs495bn. While the total bid participation amount is recorded more than 2-times higher from the target and maturity amount Rs1.105trn. But The Govt accepted amount above both from the target and maturity amount Rs535.40bn. The Govt accepted amount in 3, 6 and 12-month tenor Rs150.38bn, Rs274.01bn and Rs111bn respectively. In-line with our expectation, the cut-off yields dropped in 3 and 6-month tenors by 5bps and 6bps while 12-months cut-off yields dropped by 3bps compared to our expectation of 5bps..
- Today MM initiated at 5.85%-6.00% and traded whole day with in the range of 5.85%-6.00% and expected to close at same.
- Today in bond secondary market, when issue traded in 3, 5 and 10-year period at 6.40/35, 7.08/7.00 and 8.20/10 respectively.

PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0450	(0.0097)	3.0%
2-WEEK	0.0850	(0.0250)	2.9%
1-MONTH	0.2200	(0.0237)	3.2%
2-MONTH	0.3800	(0.0388)	3.1%
3-MONTH	0.5650	(0.0412)	3.2%
4-MONTH	0.7600	(0.0424)	3.3%
5-MONTH	0.9400	(0.0663)	3.4%
6-MONTH	1.0900	(0.0979)	3.4%
12-MONTH	2.8050	(0.1301)	4.4%

ECONOMIC INDICATOR			
Forex Reserves	30-Dec-16	USD bn	23.163
CPI- MoM	1-Dec-16		-0.68%
CPI- YoY	1-Dec-16		3.70%
M2 Growth	FY17 YTD		5.45%
SBP Target Rate	FY17 YTD		5.75%
SBP Discount Rate	FY17 YTD		6.25%
FDI	1HFY17	USD bn	1.08
Home Remittance	1HFY17	USD bn	9.458
Current A/C Def.	1HFY17	USD bn	3.585
Trade -Deficit	1HFY17	USD bn	12.528
Kerb USD/PKR	1917/2017	Bid/Ask	108.10/40
Govt. Domestic Debt	As at 31-08-2016	Rs tm	14.554
External Debt	As at 30-06-2016	USD bn	72.978
MSCI-EM Index	1917/2017	Pts	894.24
PSX-100 Index	19/1/2017	Pts	48,982.25

DATA	3-MONTH	6-MONTH	12-MONTH
LIBOR 17-Jan	1.02483%	1.33239%	1.70233%

Money Market 19-Jan-17		
Tenor	KIBOR	PKRV
1-Month	5.74%	5.89%
3-Month	5.84%	5.90%
6-Month	5.86%	5.92%
12-Month	5.91%	5.94%

PIB'S Auction Date		
Tenor	22-Sep-16	19-Jan-17
	Cut Off Yields	Bid/Ask
2-Years	-	5.97/90
3-Years	6.1970%	6.18/16
5-Years	6.7010%	6.90/87
10-Years	7.7995%	8.15/09

T-Bills Auction Date		
Tenor	19-Jan-17	19-Jan-17
	Cut Off Yields	Bid/Ask
3-Months	5.9017%	5.90/87
6-Months	5.9258%	5.90/88
12-Months	5.9598%	5.93/90

PMEX FUTURE CONTRACTS					18/1/2017
COMMODITIES	P (L/S)	E-L	T-P	S-L	YTD P & L %
CRUDE-OIL					
SILVER					
BRENT-OIL					
GOLD USD	S	1213.00	1180.00	1230.00	3.51%
GOLD-EUR/USD					1.92%
GOLD-USD/JPY					4.44%
GOLD-USD/CAD					2.44%
GOLD-USD/CHF					
GOLD-AUD/USD					

P= POSITION L= LONG S= SHORT P= PROFIT L= LOSS
TP= TAKE PROFIT SL= STOP LOSS YTD= YEAR TO DATE