

FX – INTERBANK RATE:

23-Jun	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.72	104.79	104.72	104.76	104.73

- ✓ **Forecast for tomorrow:**
As per today's activity, we expect the market to continue to trade within the range of **104.70/104.85**

FX MARKET:

- ✓ The USDPKR showed no major movement today.
- ✓ Swaps saw a rebound in the premiums in the longer tenors, although no major activity was seen. The drop in the premiums seen yesterday when a single counterparty was seen offering the 6-months tenors, was reversed today as demand picked up and supply was not easy to come by with market players preferring to remain on the sidelines. As we have mentioned before the lack of market liquidity will see sharp movements either way as the lack of market participants means a single counterparty can move the swap prices either way.
- ✓ The World Bank has approved a \$1.02bn package for Pakistan aimed at pushing the last leg of economic reforms before the country enters into an electoral cycle amid concerns over slow pace of implementation of reforms introduced last year.

MONEY MARKET:

- ✓ Yesterday SBP held its 25th MTB auction where target amount is Rs100bn and the maturity amount is Rs28.32bn. The total bid participation amount was recorded almost 4-times higher from the target amount Rs394.64bn. But Government accepted amount Rs194.25bn. The Government accepted amount in 3, 6 and 12-month are Rs23.25bn, Rs103bn and Rs68bn respectively. As per our We expectation, cut-off yields dropped. The cut-off yield dropped in 3, 6 and 12-month tenor by 5-bps, 4-bps and 4-bps from 5.95% to 5.90%, 5.97% to 5.93% and 6.00% to 5.96% respectively.
- ✓ Today MM initiated at 5.75%-6.10% and traded whole day with in the range of 5.00%-5.90% and closed at 4.50%-5.00%.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded lower as expectations that Britain will vote to remain in the EU dented demand for the safe-haven yellow metal. Yellow metal is currently trading at \$1,262.88 per ounce.
- ✓ **CRUDE:** Crude oil advanced after a smaller-than-expected drawdown in US inventories. Black gold is currently trading at \$49.41 per barrel.

PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.1088	0.0063	5.8%
2-WEEK	0.1850	-	4.8%
1-MONTH	0.4200	0.0300	5.2%
2-MONTH	0.7900	0.0050	5.0%
3-MONTH	1.1700	0.0100	5.1%
4-MONTH	1.5750	0.0100	4.7%
5-MONTH	1.9150	0.0300	4.7%
6-MONTH	2.2600	0.0450	5.2%
12-MONTH	4.6000	0.1000	5.6%

Economic Indicators			
Forex Reserves	10-Jun-16	USD bn	21.415
CPI- MoM	1-May-16		0.20%
CPI- YoY	1-May-16		3.17%
M2 Growth	FY16 YTD		8.81%
SBP Target Rate	FY16 YTD		5.75%
SBP Discount Rate	FY16 YTD		6.25%
FDI	11MFY16	USD bn	1.083
Home Remittance	11MFY16	USD bn	17.841
Current A/C Def.	11MFY16	USD bn	2.486
Trade -Deficit	11MFY16	USD bn	18.603
Govt. Domestic Debt	As at 31-12-2015	Rs tm	13.188
External Dbt	As at 30-09-2015	USD bn	55.609
KSE-100 Index	6/21/2016	Pts	38,371.57

Money Market			23-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	23-June-16	
	Cut Off	Yeilds	Bid/Ask
2-Years	-		6.02/6.00
3-Years	6.4068%		6.25/15
5-Years	6.9092%		6.65/62
10-Years	8.0197		7.75/65

T-Bills Auction Date			
Tenor	23-June-16	23-June-16	
	Cut Off	Yeilds	Bid/Ask
3-Months	5.9017%		5.91/88
6-Months	5.9258%		5.91/89
12-Months	5.9598%		5.96/90

Commodities				6/23/2016	
Gold Recommendation					
Level	Long @	Short @			
Entry level	-	-			
Stop loss	-	-			
Take profit	-	-			

Crude Recommendation			
Level	Long @	Short @	
Entry level	-	-	
Stop loss	-	-	
Take profit	-	-	