

FX – INTERBANK RATE:

26-Oct	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.82	104.82	104.76	104.76	104.84

FX MARKET:

- Swaps saw the premiums make another move lower especially in the longer tenors as dollar demand remained strong. The market saw the 2-months trade at Rs0.66 while the 6-months tenors saw the market trade at Rs1.90. As month end demand kicks in, another factor creating dollar demand is the expected foreign exchange outflow due to foreign selling in the equity market which has seen the key indices loses value with the rise in the political noise.

MONEY MARKET:

- PBS released the data of LSMI for the month of August, 2016. According to PBS, LSMI surged-up by 6.03% or 7.16bps as compared to the previous month 118.60bps to 125.76bps while for 2MFY-16/17, it is rose by 1.97% or 2.36bps as compared to the same period of last fiscal year 119.82bps to 122.18bps. The sectors which recorded positive growth areas under: Non-Metallic Mineral Products 13.69% and Iron and Steel Products 12.91% respectively. The sectors which posted decline are as follows: Wood Product 97.78% and Engineering Products 17.0% respectively.
- Today, SBP held its 9th MTB Auction for FY-16/17, where the target amount is Rs200bn while the maturity amount is Rs159bn. The total bid participation is recorded below from the target amount but above from the maturity amount Rs186.98bn. The bid participation amount is divided in 3, 6 and 12-months tenor are Rs122.68bn, Rs41.3bn and Rs23.0bn respectively.

9th MTB 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-Months	5.9017%	5.8777%	68.949	69.881
6-Months	<i>Bids may be rejected</i>			
12-Months	5.9148%	5.9148%	20.302	21.500
Total			89.251	91.381

- 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.

PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0750	(0.0025)	4.2%
2-WEEK	0.1500	(0.0075)	3.9%
1-MONTH	0.3400	(0.0075)	4.4%
2-MONTH	0.6600	(0.0450)	4.4%
3-MONTH	0.9500	(0.0250)	4.5%
4-MONTH	1.2700	(0.0500)	3.9%
5-MONTH	1.5750	(0.0400)	3.9%
6-MONTH	1.9000	(0.0500)	4.9%
12-MONTH	4.0500	(0.1000)	5.5%

Economic Indicators

Forex Reserves	14-Oct-16	USD bn	24.461
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	1QFY17	USD mn	249.3
Home Remittance	1QFY17	USD bn	4.698
Current A/C Def.	1QFY17	USD bn	1.368
Trade -Deficit	1QFY17	USD bn	6.078
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 26/10/2016

	KIBOR	PKRV
1-Month	5.71%	5.85%
3-Month	5.78%	5.88%
6-Month	5.80%	5.91%
12-Month	5.86%	5.93%

PIB'S Auction Date

Tenor	22-Sep-16 Cut Off Yields	26-Oct-16 Bid/Ask
2-Years	-	6.05/6.00
3-Years	6.1970%	6.28/24
5-Years	6.7010%	6.83/80
10-Years	7.7995%	7.90/87

T-Bills Auction Date

Tenor	13-Oct-16 Cut Off Yields	26-Oct-16 Bid/Ask
3-Months	5.8571%	5.88/85
6-Months	5.9046%	5.92/90
12-Months	5.9148%	5.94/92

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	-	-