

FX – INTERBANK RATE:

27-Oct	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.78	104.85	104.78	104.82	104.76

FX MARKET:

- ✓ The swap market again saw a move lower as sellers remained dominant players in the markets while the buyers were far and few between and remained on the sidelines. The market saw the 3-months trade down to Rs0.90 with the day high at Rs0.94. The 6-month was traded down to Rs1.87, while the 4-month was at Rs1.24 and the 5-month at Rs1.55. With month end round the corner the dollar demand is expected to remain strong and any upticks in the premiums will be seen as selling levels.
- ✓ Yesterday, Pakistan and ADB signed a loan agreement of \$250mn for Central Asia Regional Economic Cooperation (CAREC)'s Regional Improvement of Border Services project.
- ✓ Federal Minister for Planning, Development and Reforms Ahsan Iqbal stated this during a briefing of Parliamentary Committee on his recent visit to China that China would provide \$5.5bn concessional loan to Pakistan for up-gradation and idealization of Pakistan Railways main line track from Karachi to Torkham.

MONEY MARKET:

- ✓ Yesterday, 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. But the Government accepted amount well under both target and maturity amount Rs92.38bn. The accepted amounts in 3, 6 and 12-months tenor are Rs69.88bn, Rs1.0bn and Rs21.5bn respectively. As per our expectation the 3-Month cut-off yield rose by 4bps from 5.86% to 5.90% while cut-off yields of 6 and 12-month remained same at 5.91% and 5.92% respectively.
- ✓ Today MM initiated at 5.50%-5.75% and traded whole day with in the range of 5.50%-5.75% and expected to close at same.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded higher as the U.S. dollar pulled back from 9-month peaks hit overnight. Yellow metal is currently trading at \$1,269.20 per ounce.
- ✓ **CRUDE:** Crude oil advanced reversing earlier losses which took futures to a 4-week low, after data showed that crude supplies in the U.S. fell unexpectedly last week. Black gold is currently trading at \$49.35 per barrel.

PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0700	(0.0050)	3.9%
2-WEEK	0.1300	(0.0200)	3.4%
1-MONTH	0.3300	(0.0100)	4.2%
2-MONTH	0.6250	(0.0350)	4.2%
3-MONTH	0.9550	0.0050	4.5%
4-MONTH	1.2700	-	3.9%
5-MONTH	1.5750	-	3.9%
6-MONTH	1.8900	(0.0100)	4.8%
12-MONTH	4.1000	0.0500	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		27/10/2016
	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	27-Oct-16 Bid/Ask
2-Years	-	6.05/6.00
3-Years	6.1970%	6.29/27
5-Years	6.7010%	6.86/83
10-Years	7.7995%	7.90/88

T-Bills Auction Date		
Tenor	27-Oct-16 Cut Off Yields	27-Oct-16 Bid/Ask
3-Months	5.9017%	5.90/86
6-Months	5.9046%	5.92/90
12-Months	5.9148%	5.93/91

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	-	-