

**FX – INTERBANK RATE:**

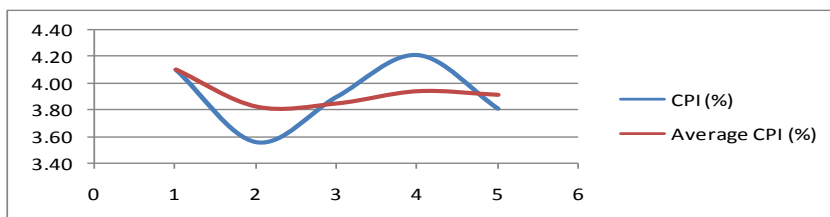
1-Dec	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.82	104.83	104.82	104.82	104.83

**FX-MARKET:**

- ✓ The exchange rate showed no major movement during the day.
- ✓ Swaps were seen higher at the start of the trading day as demand to pick-up the premiums picked-up on the back of higher bond yields which were impacted by the 8% rise in crude oil prices to \$50 after OPEC agreed to cut oil production. The 1, 2 and 3-months tenors saw the most activity, while the 6-months was seen trading up to Rs1.62. However as CPI came in bang on target to our prediction yesterday at 3.81%, the premiums saw selling pressure and moved lower again, and ended the day close to the levels seen prevailing yesterday.

**MONEY MARKET:**

- ✓ Today PBS released the data of CPI for the month of November, 2016. According to PBS, CPI figure increased by 3.81% on YoY basis which is in-line with our expectation of 3.80%. CPI fell by 40-bps as compared to the previous month 4.21%. On MoM basis, CPI increased by 0.20% but decline by 60bps from last month 0.80%. CPI figure measured by Core Non-Food-Non-Energy (NFNE) and Core Trimmed: Core NFNE increased by 5.3% and Core Trimmed increased by 3.8% on YoY basis. The average inflation for 5MFY-16/17 is recorded at 3.92%.



- ✓ Today SBP conducted 1-Day OMO (Injection), where total amount offered was Rs231bn from which the amount accepted was Rs199bn at 5.85%.
- ✓ Today MM initiated at 5.85%-6.05% and traded whole day with in the range of 6.00%-6.20% and expected to close at same.

**COMMODITY MARKET:**

- ✓ **GOLD:** Gold traded lower amid gains in the greenback strength in global equity market. Yellow metal is currently trading at \$1,167.66 per ounce.
- ✓ **CRUDE:** Crude oil advanced after the OPEC and Russia finally reached an agreement for the 1<sup>st</sup> time since 2008 to reduce their oil production. Black gold is currently trading at \$50.00 per barrel.

PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0700	(0.0037)	3.9%
2-WEEK	0.1350	(0.0075)	3.5%
1-MONTH	0.2900	0.0050	3.8%
2-MONTH	0.5300	-	3.7%
3-MONTH	0.7900	0.0050	3.9%
4-MONTH	1.0900	0.0200	3.4%
5-MONTH	1.3250	0.0150	3.3%
6-MONTH	1.6100	0.0300	4.3%
12-MONTH	3.7500	-	5.2%

Economic Indicators			
Forex Reserves	18/11/2016	USD bn	23.865
CPI- MoM	1-Oct-16		0.80%
CPI- YoY	1-Oct-16		4.21%
M2 Growth	FY17 YTD		0.12%
SBP Target Rate	FY17 YTD		5.75%
SBP Discount Rate	FY17 YTD		6.25%
FDI	4MFY17	USD mn	316.1
Home Remittance	4MFY17	USD bn	6.258
Current A/C Def.	4MFY17	USD bn	1.762
Trade -Deficit	4MFY17	USD bn	7.796
Kerb USD/PKR	30-11-2016	Bid/Ask	107.80/108.15
Govt. Domestic Debt	As at 31-08-2016	Rs trn	14.554
External Dbt	As at 30-06-2016	USD bn	72.978
MSCI-EM Index	30/11/2016	Pts	860.78
PSX-100 Index	30/11/2016	Pts	42,693.07

Money Market			1-Dec-16	
	KIBOR		PKRV	
1-Month	5.74%		5.86%	
3-Month	5.80%		5.92%	
6-Month	5.82%		5.94%	
12-Month	5.89%		5.97%	

PIB'S Auction Date		
Tenor	22-Sep-16	01-Dec-16
	Cut Off Yields	Bid/Ask
2-Years	-	6.10/07
3-Years	6.1970%	6.37/33
5-Years	6.7010%	7.00/6.97
10-Years	7.7995%	8.15/08

T-Bills Auction Date		
Tenor	24-Nov-16	01-Dec-16
	Cut Off Yields	Bid/Ask
3-Months	5.9463%	5.97/94
6-Months	5.9471%	5.97/93
12-Months	5.9485%	6.00/5.95

Commodities			1/12/2016	
Gold Recommendation				
Level	Long@	Short@		
Entry level	-	1175.00		
Stop loss	-	1195.00		
Take profit	-	1150.00		

Crude Recommendation		
Level	Long@	Short@
Entry level	49.00	-
Stop loss	45.50	-
Take profit	55.00	-