

FX – INTERBANK RATE:

| 11-Jan | OPEN | HIGH | LOW | CLOSE | Last Day Close |
|--------|--------|--------|--------|--------|----------------|
| READY | 104.83 | 104.84 | 104.80 | 104.81 | 104.84 |

FX MARKET:

- ✓ The exchange rate rallied slightly as positive news on the credit rating upgrade as well as the rally in equities also gave the rupee a boost.
- ✓ Swaps moved higher across all tenors as a bargain hunter came to buy the longer tenor premiums. With the shorter tenors also seeing some demand as the exchange rate fell and the CPI came in higher than expected, the longer tenors saw a single counterparty buy the premiums.
- ✓ Yesterday, Standard and Poor's (S&P) revised Pakistan long-term credit rating from B- to B, saying better policymaking had improved the economy's performance and raised the country's growth prospects. It affirmed the 'B' short-term rating and said the outlook on the long-term rating was stable.
- ✓ However it warned that many of Pakistan's structural weaknesses remained, including a narrow tax base and security risks.
- ✓ The agency forecasts average annual GDP growth to 5.5% in the next 3-years from the current growth rate of 4.7%.

MONEY MARKET:

- ✓ Today PBS released the data of CPI for the month of October, 2016. According to PBS, CPI clocked at 4.21% YoY basis recorded increase by 33bps as compared to previous month increase of 3.88%. On MoM basis, CPI increased by 0.80% as compared to the last month increase of 0.20%. CPI figure measured by following items: 1- CPI (Core NFNE) increased by 5.2% on YoY basis and 2- CPI (Core Trimmed) increased by 3.8% on YoY basis respectively. The average inflation for 4MFY16-17 is recorded at 3.94%.
- ✓ Today MM initiated at 5.75%-5.90% and traded whole day with in the range of 5.75%-5.90% and expected to close at same.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded higher as the U.S. dollar bounced back from Friday's selloff, which came after the FBI said it would review more emails related to Hillary Clinton's private email use. Yellow metal is currently trading at \$1,285.67 per ounce.
- ✓ **CRUDE:** Crude oil declined after a meeting of key oil producers intensified doubts over their ability to implement the planned production cut. Black gold is currently trading at \$46.87 per barrel.

| PERIOD | SWAP | Change in Premiums | Swap Implied PKR Yield |
|----------|--------|--------------------|------------------------|
| 1-WEEK | 0.0700 | - | 3.9% |
| 2-WEEK | 0.1600 | 0.0200 | 4.2% |
| 1-MONTH | 0.3400 | 0.0350 | 4.4% |
| 2-MONTH | 0.6700 | 0.0400 | 4.4% |
| 3-MONTH | 0.9750 | 0.0300 | 4.6% |
| 4-MONTH | 1.2700 | 0.0250 | 3.9% |
| 5-MONTH | 1.5800 | 0.0300 | 3.9% |
| 6-MONTH | 1.8850 | 0.0600 | 4.8% |
| 12-MONTH | 4.1500 | 0.0500 | 5.5% |

| Economic Indicators | | | |
|---------------------|------------------|--------|-----------|
| Forex Reserves | 21-Oct-16 | USD bn | 24.326 |
| 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 | 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 | | | 11-Jan-16 |
|--------------|-------|-------|-----------|
| | 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 | 01-Nov-16 |
| | Cut Off | Yeilds Bid/Ask |
| 2-Years | - | 6.07/05 |
| 3-Years | 6.1970% | 6.27/24 |
| 5-Years | 6.7010% | 6.86/84 |
| 10-Years | 7.7995% | 8.00/7.95 |

| T-Bills Auction Date | | |
|----------------------|-----------|----------------|
| Tenor | 27-Oct-16 | 01-Nov-16 |
| | Cut Off | Yeilds Bid/Ask |
| 3-Months | 5.9017% | 5.87/85 |
| 6-Months | 5.9046% | 5.91/89 |
| 12-Months | 5.9148% | 5.96/93 |

| 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 | - | - |