

FX – INTERBANK RATE:

| 02-Mar | OPEN | HIGH | LOW | CLOSE | Last Day Close |
|--------|--------|--------|--------|--------|----------------|
| READY | 104.78 | 104.80 | 104.72 | 104.72 | 104.75 |

✓ **Forecast for tomorrow:**

As per today's activity, we expect the market to continue to trade within the range of **104./104.**

FX MARKET:

- ✓ The exchange rate moved lower today as the market supply kicked in.
- ✓ Swaps saw two way action today as the market supply demand seemed to move the market. The market ended the day slightly lower and this trend of highs and lows should persist until the monetary policy decision at the end of the month.

MONEY MARKET:

- ✓ SBP released the numbers of M2 Growth for the week ended 19th February, 2016. According to SBP, M2 recorded a positive growth by 3.30% on YoY basis.
- ✓ Today SBP held its 18th MTB auction for FY-16, where the target amount is Rs150bn while the maturity amount is on the higher side Rs167.71bn. The total bid participation amount is recorded more than double from the target amount Rs408.20bn. The total bid participation amount in 3, 6 and 12Months are Rs40.70bn, Rs125.12bn and Rs242.37bn respectively. We expect drop in cut-off yields.
- ✓ Today MM initiated at 6.00%-6.25% and traded whole day in the range of 6.00%-6.20% and expected to close at same.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded lower after stronger than expected factory data from the Institute of Supply Management provided some optimism that a prolonged slump in the manufacturing sector could be on the verge of a rebound. Yellow metal is currently trading at \$1230.72 per ounce.
- ✓ **CRUDE:** Crude oil advanced as investors weighed the possibility that U.S. shale producers could be on the verge of cutting output with the increasing likelihood that OPEC may resist cutting production for the remainder of the year. Black gold is currently trading at \$33.65 per barrel.

| PERIOD | SWAP | Change in | Swap Implied |
|----------|--------|-----------|--------------|
| 1-WEEK | 0.1163 | 0.0038 | 6.2% |
| 2-WEEK | 0.2325 | 0.0100 | 6.0% |
| 1-MONTH | 0.5025 | 0.0275 | 6.1% |
| 2-MONTH | 0.9150 | (0.0100) | 5.7% |
| 3-MONTH | 1.3150 | (0.0150) | 5.6% |
| 4-MONTH | 1.7550 | (0.0200) | 5.2% |
| 5-MONTH | 2.0800 | (0.0100) | 5.1% |
| 6-MONTH | 2.4750 | (0.0150) | 5.6% |
| 12-MONTH | 4.7000 | 0.0500 | 6.1% |

| Economic Indicators | | | |
|---------------------|------------------|--------|-----------|
| Forex Reserves | 19-Feb-16 | USD bn | 283332 |
| CPI-MoM | 01-Feb-16 | | -0.30% |
| CPI-YoY | 01-Feb-16 | | 4.65% |
| M2 Growth | FY16YTD | | 3.30% |
| SNP Target Rate | FY16YTD | | 6.00% |
| FDI | 7MFP16 | USD mm | 607.9 |
| Home Remittance | 7MFP16 | USD bn | 11190 |
| Current A/C Def. | 7MFP16 | USD bn | 2186 |
| Trade Deficit | 7MFP16 | USD bn | 1206% |
| Govt. Domestic Debt | As at 31-12-2015 | Bstn | 13180 |
| External Debt | As at 31-12-2015 | USD bn | 55609 |
| ISSE-100 Index | 02/03/16 | Pts | 31,772.90 |

| Money Market | | 02-Mar-16 | |
|--------------|-------|-----------|-------|
| | KIBOR | | PKRV |
| 1Month | 6.00% | | 6.21% |
| 3Month | 6.10% | | 6.22% |
| 6Month | 6.11% | | 6.21% |
| 12Month | 6.15% | | 6.20% |

| PIB'S Auction Date | | |
|--------------------|----------------|-----------|
| Tenor | 25-Feb-16 | 02-Mar-16 |
| | Cut Off Yields | Bid/Ask |
| 2Years | - | 6.28/25 |
| 3Years | 6.3469% | 6.31/29 |
| 5Years | 7.0492% | 6.95/90 |
| 10Years | 8.2505% | 8.25/20 |

| T-Bills Auction Date | | |
|----------------------|----------------|-----------|
| Tenor | 18-Feb-16 | 02-Mar-16 |
| | Cut Off Yields | Bid/Ask |
| 3Months | 6.2144% | 6.22/17 |
| 6Months | 6.2239% | 6.21/18 |
| 12Months | 6.2419% | 6.20/18 |

| Commodities 26/02/16 | | |
|----------------------|---------|---------|
| Gold Recommendation | | |
| Level | Long@ | Short@ |
| Entry level | 1215.00 | 1240.00 |
| Stop loss | 1200.00 | 1260.00 |
| Take profit | 1235.00 | 1210.00 |

| Crude Recommendation | | |
|----------------------|-------|--------|
| Level | Long@ | Short@ |
| Entry level | 29 | 35 |
| Stop loss | 27 | 37 |
| Take profit | 32 | 33 |