

FX – INTERBANK RATE:

03-Mar	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.75	104.80	104.75	104.79	104.72

- ✓ **Forecast for tomorrow:**
As per today's activity, we expect the market to continue to trade within the range of **104.70/104.85**

FX MARKET:

- ✓ The USDPKR moved higher today as demand for the greenback again picked up.
- ✓ With the exchange rate moving higher, the market swaps saw the premiums move lower as selling pressure was seen. A number of active players were seen as major sellers in all tenors this driving the premiums lower. With the financial press reporting that the government has scrapped the auction of the 3G licenses, this removes another source of financial support that the market was hoping to boost reserves this financial year.

MONEY MARKET:

- ✓ Today SBP held its 18th MTB auction for FY-16, where Govt. accepted the amount Rs182.97bn that is above from both the target amount and maturity amount Rs150bn and Rs167.71bn respectively. The total bid participation amount is recorded more than double from the target and maturity amount Rs408.20bn. The amount accepted by Govt. in 3, 6 and 12-months Rs351mn, Rs74.7bn and Rs107.92bn respectively. As per our expectation, we have noticed drop in cut-off yields. The cut-off yields dropped in 3, 6 and 12-months tenor were 4bps, 2bps and 2bps from 6.21% to 6.17%, 6.22% to 6.20% and 6.24% to 6.22% respectively.
- ✓ Today MM initiated at 6.10%-6.40% and traded whole day in the range of 6.00%-6.30% and expected to close at same.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded higher amid a slightly higher dollar, as solid U.S. private sector employment data provided optimism on the near-term outlook of the U.S. economy ahead of Friday's critical jobs report. Yellow metal is currently trading at \$1,242.14 per ounce.
- ✓ **CRUDE:** Crude oil advanced after a massive build in domestic inventories last week exacerbated concerns that top storage facilities nationwide could reach full storage capacity in the near-term future. Black gold is currently trading at \$34.71 per barrel.

USD/PKR Fc			
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.1100	(0.0063)	5.9%
2-WEEK	0.2150	(0.0175)	5.5%
1-MONTH	0.4750	(0.0275)	5.8%
2-MONTH	0.8900	(0.0250)	5.5%
3-MONTH	1.3000	(0.0150)	5.6%
4-MONTH	1.7250	(0.0300)	5.1%
5-MONTH	2.0600	(0.0200)	5.0%
6-MONTH	2.4800	0.0050	5.6%
12-MONTH	4.6750	(0.0250)	6.1%

Economic Indicators			
Forex Reserves	19-Feb-16	USD bn	28382
CPI-MMM	01-Feb-16		-0.30%
CPI-ToT	01-Feb-16		4.02%
GDP Growth	FY16 YTD		3.30%
SBP Target Rate	FY16 YTD		6.00%
FDI	7MFY16	USD mn	6423
Home Remittance	7MFY16	USD bn	11.199
Current A/C Def.	7MFY16	USD bn	2.036
Trade Deficit	7MFY16	USD bn	12.076
Govt. Domestic Debt	As at 31-12-2015	Rs bn	13.189
External Debt	As at 30-09-2015	USD bn	55.099
ISE-100 Index	02/03/16	Pts	32,216.28

Money Market			03-Mar-16
	KIBOR		PKRV
1Month	6.00%		6.20%
3Month	6.10%		6.20%
6Month	6.10%		6.20%
12Month	6.14%		6.19%
PIB'S Auction Date			
Tenor	25-Feb-16	03-Mar-16	
	Cut Off Yields	Bid/Ask	
2Years	-		6.27/20
3Years	6.3469%		6.35/30
5Years	7.0492%		6.94/91
10Years	8.2505%		8.27/23
T-Bills Auction Date			
Tenor	03-Mar-16	03-Mar-16	
	Cut Off Yields	Bid/Ask	
3Months	6.1697%		6.20/13
6Months	6.2026%		6.20/15
12Months	6.2192%		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	