

FX – INTERBANK RATE:

03-May	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.79	104.80	104.78	104.78	104.76

✓ **Forecast for tomorrow:**

As per today's activity, we expect the market to continue to trade within the range of **104.75/104.90**.

FX MARKET:

- ✓ The exchange rate moved higher from yesterday's lows as the rupee liquidity in the money markets gave an incentive to players to hold on to their dollar holdings.
- ✓ Swaps moved lower again today as demand for the greenback remained buoyant as rupee money market interest rates sank lower. Activity however was limited to the shorter tenors as the rupee liquidity is expected to be temporary phenomena. However, the ongoing political uncertainty coupled with increased imports of crude oil and essential commodities ahead of Ramzan, is going to lead players to hold on to their dollar holdings and this could see premiums depressed for an extended period.
- ✓ The World Bank (WB) has approved a package of assistance worth \$1bn to support Pakistan's economic reforms.
- ✓ Asian Infrastructure Investment Bank (AIIB) will provide \$100mn to Pakistan for co-financing for the M-4 Motorway Shorkot-Khanewal section

MONEY MARKET:

- ✓ Today SBP conducted 3-Day OMO (Mop-up), where total amount offered was Rs39bn from which the amount accepted was Rs22bn at 5.88%.
- ✓ Today MM initiated at 5.75%-6.00% and traded whole day in the range of 5.25%-5.90% and expected to close at same.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded higher as the dollar fell to fresh 9-month low amid soft US manufacturing data. Yellow metal is currently trading at \$1,292.45 per ounce.
- ✓ **CRUDE:** Crude oil declined after data showed that crude production by the OPEC reached an all-time peak of 32.6mn barrels per day in April, reinforcing global supply glut concerns. Black gold is currently trading at \$44.30 per barrel.

USD/PKR Fc			
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0925	(0.0025)	5.0%
2-WEEK	0.1900	(0.0050)	4.9%
1-MONTH	0.4000	(0.0200)	4.9%
2-MONTH	0.8150	(0.0250)	5.1%
3-MONTH	1.2100	-	5.2%
4-MONTH	1.6300	0.0100	4.8%
5-MONTH	2.0150	(0.0050)	4.9%
6-MONTH	2.4050	(0.0200)	5.5%
12-MONTH	4.6500	-	5.7%

Economic Indicators			
Forex Reserves	15-Apr-16	USD bn	20.779
CPI- MoM	01-Apr-16		1.60%
CPI- YoY	01-Apr-16		4.17%
M2 Growth	FY16 YTD		6.30%
SBP Target Rate	FY16 YTD		6.00%
FDI	9MFY16	USD mn	957.6
Home Remittance	9MFY16	USD bn	14.157
Current A/C Def.	8MFY16	USD bn	1.859
Trade -Deficit	8MFY16	USD bn	13.372
Govt. Domestic Debt	As at 31-12-2015	Rs tm	13.188
External Dbt	As at 30-09-2015	USD bn	55.609
KSE-100 Index	02/05/16	Pts	34,567.52

Money Market			03-May-16	
	KBOR		PKRV	
1-Month	6.00%		6.19%	
3-Month	6.11%		6.19%	
6-Month	6.11%		6.21%	
12-Month	6.16%		6.22%	

PIB'S Auction Date			
Tenor	21-Apr-16	03-May-16	
	Out	Off	Yield/Bid/Ask
2-Years	-	-	6.50/45
3-Years	6.5492%	-	6.65/55
5-Years	6.9997%	-	7.08/05
10-Years	8.1804%	-	8.35/30

T-Bills Auction Date			
Tenor	28-Apr-16	03-May-16	
	Out	Off	Yield/Bid/Ask
3-Months	6.1697%	-	6.20/15
6-Months	6.1812%	-	6.22/18
12-Months	6.2079%	-	6.26/22

Commodities 03/05/16			
Gold Recommendation			
Level	Long@	Short@	
Entry level	1260	1335	
Stop loss	1240	1355	
Take profit	1290	1300	

Crude Recommendation			
Level	Long@	Short@	
Entry level	42.5	43	
Stop loss	40.5	45	
Take profit	46.5	40	