

**FX – INTERBANK RATE:**

3-Nov	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.80	104.82	104.76	104.76	104.82

**FX MARKET:****FOMC MEETING 2<sup>nd</sup> November, 2016 Press Release highlights:**

- ✓ The labor market has continued to strengthen and growth of economic activity has picked-up from the modest pace seen in the 1<sup>st</sup> half of this year. Although the un-employment rate is little changed in recent months, job gains have been solid. Household spending has been rising moderately but business fixed investment has remained soft. Inflation has increased somewhat since earlier this year but is still below the Committee's 2% longer-run objective.
- ✓ Consistent with its statutory mandate, the Committee seeks to foster maximum employment and price stability. The Committee expects that, with gradual adjustments in the stance of monetary policy, economic activity will expand at a moderate pace and labor market conditions will strengthen somewhat further. Inflation is expected to rise to 2% over the medium term as the transitory effects of past declines in energy and import prices dissipate and the labor market strengthens further. Near-term risks to the economic outlook appear roughly balanced.
- ✓ The Committee continues to closely monitor inflation indicators and global economic and financial developments.
- ✓ The Committee is maintaining its existing policy of reinvesting principal payments from its holdings of agency debt and agency mortgage-backed securities in agency mortgage-backed securities and of rolling over maturing Treasury securities at auction, and it anticipates doing so until normalization of the level of the federal funds rate is well under way.
- ✓ So, the Committee decided to maintain the target range for the federal funds rate at 0.25% to 0.50%.

**MONEY MARKET:**

- ✓ Today MM initiated at 5.70%-5.80% and traded whole day with in the range of 5.70%-5.80% and expected to close at same.
- ✓ Today in bond secondary market, when issue is traded in 3, 5 and 10-years at 6.26/23, 6.87/82 and 8.05/7.90 respectively.

PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0825	0.0075	4.6%
2-WEEK	0.1625	0.0063	4.2%
1-MONTH	0.3575	0.0225	4.6%
2-MONTH	0.6550	(0.0100)	4.3%
3-MONTH	0.9700	-	4.6%
4-MONTH	1.2650	(0.0050)	3.9%
5-MONTH	1.5650	(0.0150)	3.9%
6-MONTH	1.8850	0.0050	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
MSCI-EM Index	3/11/2016	Pts	888.94
KSE-100 Index	3/11/2016	Pts	41,809.85

Money Market		3-Nov-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 Cut Off Yields	03-Nov-16 Bid/Ask
2-Years	-	6.07/02
3-Years	6.1970%	6.24/21
5-Years	6.7010%	6.84/81
10-Years	7.7995%	7.97/92

T-Bills Auction Date		
Tenor	27-Oct-16 Cut Off Yields	03-Nov-16 Bid/Ask
3-Months	5.9017%	5.90/87
6-Months	5.9046%	5.95/91
12-Months	5.9148%	5.98/91

**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	-	-