

FX – INTERBANK RATE:

04-Feb	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.75	104.75	104.50	104.58	104.79

- ✓ **Forecast for tomorrow:**
As per today's activity, we expect the market to continue to trade within the range of **104.40/104.60**

FX MARKET:

- ✓ The USDPKR moved lower today as the rupee gained strength following the conclusion of IMF talks and the approval for disbursement of the 10th tranche. The tight MM conditions and funding ahead of the long weekend also played a role in the strengthening of the rupee.
- ✓ Swaps moved higher again as the drop in the exchange rate coupled with required rupee funding for the 3-day weekend meant that dollars were swapped for rupees. Most of the activity was limited up to the 3-months tenors, while the longer tenors rose in tandem although activity was muted.

MONEY MARKET:

- ✓ Yesterday, SBP issued a circular, in this circular SBP introduced Fixed Rental Rate Govt. of Pakistan Ijara Sukuk (FRR-GIS) in addition to the Variable Rental Rate Govt. of Pakistan Ijara Sukuk (VRR-GIS) which was already introduced vide FSCD circular No. 13, dated September 6, 2008.
- ✓ Yesterday, SBP ceiling was hit for Rs19bn.
- ✓ Yesterday, SBP issued the numbers of M2 Growth for the week ended 22nd January, 2016. According to SBP, M2 recorded a positive growth by 2.61% on YoY basis.
- ✓ Yesterday, SBP held its 16TH MTB auction for FY-15/16, where SBP accepted amount Rs329.95bn below from both the target amount Rs350bn and the maturity amount is Rs368.22bn. While the total bid participation amount Rs591.20bn was more than the target amount. The amount accepted in 3, 6 and 12month tenors are Rs171.80bn, Rs58.49bn and Rs99.66bn respectively. The cut-off yields rose as per our expectation. The cut of Yield went up in 3, 6 and 12months by 10bps, 9bps and 5bps from 6.16% to 6.26%, 6.18% to 6.27% and 6.23 to 6.28% respectively.
- ✓ Today MM initiated at 6.00%-6.25% and traded whole day in the range of 6.10%-6.25% and expected to close at same.

PERIOD	SWAP	Change in	Swap Implied
1-WEEK	0.1225	-	6.4%
2-WEEK	0.2375	-	6.1%
1-MONTH	0.5000	0.0200	5.8%
2-MONTH	0.9350	(0.0150)	6.0%
3-MONTH	1.3450	0.0150	5.7%
4-MONTH	1.7750	0.0750	5.4%
5-MONTH	2.1100	0.0250	5.1%
6-MONTH	2.4950	0.0350	5.5%
12-MONTH	4.7500	-	5.6%

Economic Indicators			
Foreign Reserves	22-Jan-16	USD bn	28,502
CP - MoM	01-Jan-16		0.28%
CP - YoY	01-Jan-16		3.32%
M2 Growth	FY16 YTD		2.61%
SBP Target Rate	FY16 YTD		6.00%
FPI	GMFY16	USD mn	624.1
Home Remittance	GMFY16	USD bn	9.75
Current A/C Def.	GMFY16	USD bn	1.27
Trade Deficit	GMFY16	USD bn	10,091
Govt. Domestic Debt	As at 31-12-2015	Rs bn	13,100
External Debt	As at 30-09-2015	USD bn	55,009
KSE-100 Index	02/02/16	Pts	31,500.61

Money Market			04-Feb-16	
	KIBOR		PKRV	
1Month	6.53%		6.49%	
3Month	6.56%		6.50%	
6Month	6.62%		6.52%	
12Month	6.91%		6.57%	

PIB'S Auction Date		
Tenor	28-Jan-16	04-Feb-16
	Cut Off Yields	Bid/Ask
2Years	-	6.20/05
3Years	6.5002%	6.40/30
5Years	7.5484%	7.10/05
10Years	8.8509%	8.70/60

T-Bills Auction Date		
Tenor	04-Feb-16	04-Feb-16
	Cut Off Yields	Bid/Ask
3Months	6.2591%	6.22/17
6Months	6.2665%	6.23/18
12Months	6.2758%	6.25/20

Commodities			04/02/16	
Crude Oil Recommendation				
Level	Long@		Short@	
Entry level	30.50		34.70	
Stop loss	29.50		35.70	
Take profit	32.50		32.70	

Gold Recommendation		
Level	Long@	Short@
Entry level	1125	1160
Stop loss	1100	1180
Take profit	1145	1125

