

FX – INTERBANK RATE:

07-Jan	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.92	104.93	104.90	104.93	104.90

- ✓ **Forecast for tomorrow:**
As per today's activity, we expect the market to continue to trade within the range of **104.88/104.98**

FX MARKET:

- ✓ The USDPKR remained stable today.
- ✓ Swaps saw premiums move lower today; as the combination of high yielding premiums and lower T-Bill yields at yesterday's auction saw the sellers emerge. Following crude oil prices dipping lower again yesterday and with the Chinese stock markets declining by more than 7.5% today, the global uncertainty combined with the lower cutoff yields at yesterday's T-Bill auction, has lead market players to anticipate a 50 bps cut the policy meeting later this month. This changed market sentiment gave the sellers plenty of ammunition to sell forward as the narrowing interest rate differential could point to lower premiums.

MONEY MARKET:

- ✓ Yesterday, SBP held its 14th MTB auction for FY-15/16, where SBP accepted amount Rs235.21bn below from both the target amount Rs250bn and the maturity amount is Rs206.47bn. While the total bid participation amount Rs536.17bn which was more than double from the target amount. The amount accepted in 3, 6 and 12month tenors are as follows: 3month Rs71.38bn, 6months Rs113.44bn and 12months Rs50.38bn respectively. The cut-off yields dropped as per our expectation. The cut of Yield dropped in 3, 6 and 12months by 4bps, 5bps and 8bps from 6.34% to 6.30%, 6.36% to 6.31% and 6.39 to 6.31% respectively.
- ✓ Yesterday, SBP ceiling was hit for Rs45.6bn.
- ✓ Today SBP released the numbers of M2Growth for the week ended 25th December, 2015. According to SBP, M2 figure recorded a positive growth by 2.33% on YoY basis.
- ✓ Today SBP conducted 8Days OMO (Injection), where total amount offered was Rs354.95bn out of which the amount accepted was Rs334.95bn at 6.03%.
- ✓ Today MM initiated at 6.00%-6.10% and traded whole day in the range of 5.75%-6.00% and expected to close at same.

PERIOD	SWAP	Change in	Swap Implied
1-WEEK	0.1200	(0.0100)	6.3%
2-WEEK	0.2200	(0.0150)	5.6%
1-MONTH	0.4900	(0.0400)	5.7%
2-MONTH	0.8950	(0.0300)	5.7%
3-MONTH	1.2700	(0.0350)	5.4%
4-MONTH	1.6500	(0.0150)	5.0%
5-MONTH	1.9750	(0.0500)	4.8%
6-MONTH	2.3250	(0.0400)	5.2%
12-MONTH	4.5000	0.0500	5.4%

Economic Indicators			
Foreign Reserves	25-Dec-15	USD bn	21073
CPI - MoM	08-Dec-15		-0.68%
CPI - YoY	08-Dec-15		3.20%
M2 Growth	FY16 YTD		2.22%
SBP Discount Rate	FY16 YTD		6.00%
FDI	SMFY16	USD mn	540.2
Home Remittance	SMFY16	USD bn	8.09
Current A/C Def.	SMFY16	USD bn	1.005
Trade Deficit	SMFY16	USD bn	7.480
Domestic Debt	As at 31-10-2015	Rs tm	19,004
External Debt	As at 30-09-2015	USD bn	55,809
KSE-300 Index	06/01/16	Pts	33,102.80

Economic Data released over the last 24 hours					
Date	Events	Actual	Forecast	Previous	
06/01/16	GBP Markit/CIPS UK Services PMI (DEC)			55.9	
06/01/16	GBP Markit/CIPS UK Composite PMI (DEC)			55.8	
06/01/16	USD MBA Mortgage Applications (JAN 1)			7.30%	
06/01/16	USD ADP Employment Change (DEC)			217k	
06/01/16	USD Trade Balance (NOV)			-\$43.89b	
06/01/16	USD ISM Non-Manufacturing Composite (DEC)			55.9	
06/01/16	USD Factory Orders (NOV)			1.50%	
06/01/16	USD Durable Goods Orders (NOV F)			0.00%	
06/01/16	USD DOE U.S. Crude Oil Inventories (JAN 1)			2629k	
07/01/16	USD U.S. Fed Releases Minutes from Dec. 15-16 FOMC Meeting				

Source: www.daillyfx.com

Money Market 07-Jan-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	17-Dec-15	07-Jan-16
	Cut Off Yields	Bid/Ask
2Years	-	6.52/47
3Years	7.0251%	6.75/71
5Years	7.9997%	7.71/68
10Years	9.1011%	9.05/9.00

T-Bills Auction Date		
Tenor	07-Jan-16	07-Jan-16
	Cut Off Yields	Bid/Ask
3Months	6.3038%	6.27/22
6Months	6.3092%	6.30/22
12Months	6.3098%	6.28/20

Commodities 06/01/16		
Crude Oil Recommendation		
Level	Long@	Short@
Entry level	-	-
Stop loss	-	-
Take profit	-	-

Gold Recommendation		
Level	Long@	Short@
Entry level	-	-
Stop loss	-	-
Take profit	-	-