

FX – INTERBANK RATE:

8-AUG	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.72	104.74	104.70	104.73	104.61

✓ **Forecast for tomorrow:**

As per today's activity, we expect the market to continue to trade within the range of **104.65/104.80**

FX MARKET:

- ✓ The exchange rate moved higher today on the back of excess rupee liquidity in the money markets, along with the usual expected demand for the greenback at the start of the week.
- ✓ The strong US payroll numbers on Friday also have changed market expectations for a rate hike in the near term, although the market would be looking at August's number before fully pricing in an interest rate hike in Septembers FOMC meeting.

MONEY MARKET:

- ✓ Today MM initiated at 5.00%-5.50% and traded whole day with in the range of 5.25%-5.70% and expected to close at same.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded lower after data showed the U.S. economy created more jobs than expected in July, raising the probability of an interest rate hike from the Federal Reserve in the coming months. Yellow metal is currently trading at \$1,332.22 per ounce.
- ✓ **CRUDE:** Crude oil declined as the U.S. dollar spiked following the release of upbeat U.S. employment data and after the Baker Hughes disclosed that US rig count rose for a 6th straight week, advancing by 7 to a level of 381 in the last week. Black gold is currently trading at \$42.43 per barrel.

PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0950	(0.0025)	5.2%
2-WEEK	0.1875	(0.0075)	4.8%
1-MONTH	0.4050	(0.0300)	5.1%
2-MONTH	0.8350	0.0400	5.3%
3-MONTH	1.1600	(0.0350)	5.2%
4-MONTH	1.5200	(0.0200)	4.5%
5-MONTH	1.8800	(0.0100)	4.6%
6-MONTH	2.2550	(0.0200)	5.4%
12-MONTH	4.5500	-	5.8%

Economic Indicators

Forex Reserves	29-Jul-16	USD bn	22.978
CPI- MoM	1-Jul-16		0.40%
CPI- YoY	1-Jul-16		4.12%
M2 Growth	FY17 YTD		-1.11%
SBP Target Rate	FY17 YTD		5.75%
SBP Discount Rate	FY17 YTD		6.25%
FDI	FY16	USD bn	1.281
Home Remittance	FY16	USD bn	19.914
Current A/C Def.	FY16	USD bn	2.525
Trade -Deficit	FY16	USD bn	20.874
Govt. Domestic Debt	As at 31-12-2015	Rs trn	13.188
External Dbt	As at 30-09-2015	USD bn	55.609
KSE-100 Index	8/3/2016	Pts	39,615.76

Money Market		8-Aug-16	
	KIBOR		PKRV
1-Month	5.70%		5.81%
3-Month	5.73%		5.79%
6-Month	5.74%		5.78%
12-Month	5.76%		5.79%

PIB'S Auction Date		
Tenor	14-July-16	08-Aug-16
	Cut Off Yields	Bid/Ask
2-Years	-	6.05/5.90
3-Years	6.2058%	6.18/15
5-Years	6.7029%	6.69/65
10-Years	7.8003%	7.73/67

T-Bills Auction Date		
Tenor	04-Aug-16	08-Aug-16
	Cut Off Yields	Bid/Ask
3-Months	5.8571%	5.85/80
6-Months	5.9046%	5.86/83
12-Months	5.9148%	5.88/85

Commodities 08-August-16		
Crude Oil Recommendation		
Technical Level	Long@	Short@
Entry level	40.00	-
Stop loss	38.50	-
Take profit	44.00	-

Gold Recommendation		
Technical Level	Long@	Short@
Entry level	1,320	1,370
Stop loss	1,295	1,400
Take profit	1,355	1,320