

FX – INTERBANK RATE:

11-Jan	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.95	104.95	104.93	104.93	104.93

- ✓ **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 USD/PKR remained stable with dollar demand seen supporting the greenback.
- ✓ Swaps saw premiums move lower for most of the day. As dollar demand was seen in all tenors the 2months traded down to 85paise while the 4months traded at Rs1.58. The lower premiums came as the markets are gearing for lower domestic interest rates this month while the strong U.S. Payroll data on Friday make it very likely that the FED will raise interest rate when they meet in March. The decline again today in the China equity markets, and the lower China CPI data, open the room for a cut in their interest rate, which could lead to further devaluation of the Yuan. These factors will weigh on our monetary policy makers to cut rates later this month which will lead to narrowing of the swap interest rate differentials.

MONEY MARKET:

- ✓ Today MM initiated at 6.00%-6.25% and traded whole day in the range of 6.00%-6.25% and closed at 5.75%-6.00%.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded lower as the U.S. dollar strengthened. Yellow metal is currently trading at \$1,103.57 per ounce.
- ✓ **CRUDE:** Crude oil declined as lingering concerns over China's economic outlook added to the view that a global supply glut may stick around for much longer than anticipated. Black gold is currently trading at \$32.58 per barrel.

PERIOD	SWAP	Change in	Swap Implied
1-WEEK	0.1300	0.0125	6.8%
2-WEEK	0.2275	(0.0075)	5.8%
1-MONTH	0.4600	(0.0100)	5.4%
2-MONTH	0.8650	(0.0050)	5.5%
3-MONTH	1.2250	(0.0150)	5.2%
4-MONTH	1.5650	(0.0400)	4.8%
5-MONTH	1.9000	(0.0150)	4.6%
6-MONTH	2.2700	(0.0250)	5.1%
12-MONTH	4.5000	-	5.4%

Economic Indicators			
Force Reserves	01-Jan-16	USD bn	20.81
CPI- MoM	01-Dec-15		-0.6%
CPI- YoY	01-Dec-15		3.2%
M2 Growth	FY16 YTD		2.2%
SBP Discount Rate	FY16 YTD		6.0%
FDI	SMFY16	USD mn	540.2
Home Remittance	SMFY16	USD bn	8.08
Current A/C Def.	SMFY16	USD bn	1.05
Trade Deficit	SMFY16	USD bn	7.48
Domestic Debt	As at 31-10-2015	Rs tm	19,004
External Debt	As at 30-09-2015	USD bn	55,809
KSE-100 Index	01/01/16	Pts	32,515.7

Economic Data released on Friday					
Date	Events	Actual	Forecast	Previous	
08/01/16	EUR German Industrial Production n.s.a. and w.d.a. (YoY) (NOV)	0.50%	0.00%		
08/01/16	EUR German Trade Balance (euros) (NOV)	20.2b	22.3b		
08/01/16	CHF Consumer Price Index (YoY) (DEC)	-1.20%	-1.40%		
08/01/16	GBP Visible Trade Balance (Pounds) (NOV)	-£10500	-£11827		
08/01/16	GBP Trade Balance Non EU (Pounds) (NOV)	-£3250	-£3729		
08/01/16	GBP Total Trade Balance (Pounds) (NOV)	-£2700	-£4140		
08/01/16	USD Unemployment Rate (DEC)	5.00%	5.00%		
08/01/16	USD Change in Non-farm Payrolls (DEC)	200k	211k		
08/01/16	USD Change in Private Payrolls (DEC)	200k	197k		
08/01/16	USD Two-Month Payroll Net Revision (DEC)				
08/01/16	USD Average Hourly Earnings (YoY) (DEC)	2.80%	2.30%		
08/01/16	USD Average Weekly Hours All Employees (DEC)	34.5	34.5		
08/01/16	USD Change in Household Employment (DEC)		244		
08/01/16	CAD Unemployment Rate (DEC)	7.10%	7.10%		
08/01/16	CAD Net Change in Employment (DEC)	10.0k	-35.7k		
08/01/16	CAD Full Time Employment Change (DEC)		36.6		
08/01/16	CAD Building Permits (MoM) (NOV)	-3.00%	9.10%		
08/01/16	USD Wholesale Inventories (NOV)	-0.10%	-0.10%		
08/01/16	USD Baker Hughes U.S. Rig Count (JAN 8)		698		

Source: www.daillyfx.com

Money Market			11-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	11-Jan-16	
	Cut Off	Yeilds	Bid/Ask
2Years	-	6.54/48	
3Years	7.0251%	6.69/66	
5Years	7.9997%	7.71/68	
10Years	9.1011%	8.67/64	

T-Bills Auction Date			
Tenor	07-Jan-16	11-Jan-16	
	Cut Off	Yeilds	Bid/Ask
3Months	6.3038%	6.26/23	
6Months	6.3092%	6.28/24	
12Months	6.3098%	6.30/26	

Commodities 11/01/16			
Crude Oil Recommendation			
Level	Long@	Short@	
Entry level	31.50	35.70	
Stop loss	30.50	36.70	
Take profit	33.50	33.50	
Gold Recommendation			
Level	Long@	Short@	
Entry level	1085	1115	
Stop loss	1065	1135	
Take profit	1105	1085	