

FX – INTERBANK RATE:

12-Jan	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.94	104.94	104.92	104.92	104.93

- ✓ **Forecast for tomorrow:**
As per today's activity, we expect the market to continue to trade within the range of **104.88/104.96**

FX MARKET:

- ✓ The USDPKR remained unchanged on the day.
- ✓ Swaps again moved slightly lower today as the sellers continued to sell their forward exposure with the 4months tenor seeing the most activity. With crude oil prices trading lower at \$31, there is growing expectations of longer for lower interest rates and this has added to the downward movement in swap premiums. The stability in the exchange rate and the expected lower balance of payments as a direct result of lower crude prices has also lead market players to sell the forwards and take advantage of the premiums.
- ✓ SBP released the data of home remittance for the month ended December, 2016. According to SBP, home remittance figure increased by \$45.31mn from previous month \$1.59bn to \$1.63bn. For 6MFY15/16, home remittance figure surged up by \$573.15mn or 6.26% as compared to the same period of last fiscal year \$9.16bn to \$9.73bn. The Countries from where workers remitted highest amount in Pakistan are as follows with their amounts: Saudi Arabia \$2.89bn, U.A.E \$1.83bn, USA \$1.34bn and U.K \$1.25bn respectively.

- ✓ Today PBS released the figure of trade deficit for the month ended December, 2016. According to PBS, trade deficit fell by \$149mn from the last month \$2.20bn to \$2.05bn. For 6MFY15/16, trade deficit shrank by \$163mn as compared to the same period of previous fiscal year \$12.08bn to \$11.92bn. This decline in trade deficit figure mainly due to fall in import bill by \$1.89bn from \$24.14bn to \$22.24bn but decline in exports by \$1.73bn from \$12.05bn to \$10.32bn white washed the impact of lower imports.

MONEY MARKET:

- ✓ Today MM initiated at 6.00%-6.25% and traded whole day in the range of 6.20%-6.30%.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded lower amid a moderately stronger dollar. Yellow metal is currently trading at \$1,090.93 per ounce.
- ✓ **CRUDE:** Crude oil declined as widespread concerns related to the slumping China economy. Black gold is currently trading at \$31.29 per barrel.

PERIOD	SWAP	Change in	Swap Implied
1-WEEK	0.1200	(0.0100)	6.3%
2-WEEK	0.2275	-	5.8%
1-MONTH	0.4750	0.0150	5.5%
2-MONTH	0.8900	0.0250	5.7%
3-MONTH	1.2300	0.0050	5.2%
4-MONTH	1.5600	(0.0050)	4.8%
5-MONTH	1.9050	0.0050	4.7%
6-MONTH	2.2650	(0.0050)	5.1%
12-MONTH	4.5000	-	5.4%

Economic Indicators		
Revised Economic	01-Jan-16	USD bn 28.81
CPI-MoM	08-Dec-15	-1.62%
CPI-YoY	08-Dec-15	3.29%
M2 Growth	FT16 YTD	1.83%
SBP Discount Rate	FT16 YTD	6.00%
FDI	SMFY16	USD mn 548.2
Home Remittance	SMFY16	USD bn 9.735
Current A/C Def.	SMFY16	USD bn 1.085
Trade Deficit	SMFY16	USD bn 2.054
Domestic Debt	As at 31-12-2015	US \$bn 13.084
External Debt	As at 30-09-2015	USD bn 55.629
RSE-100 Index	08/01/16	Pts 32,511.57

Economic Data released over the last 24 hours				
Date	Events	Actual	Forecast	Previous
10/11/16	CHF Retail Sales (Real) (YoY) (NOV)			-0.80%
10/11/16	CAD Housing Starts (DEC)			211.9k
10/11/16	USD Labor Market Conditions Index Change (DEC)			0.5

Money Market		
12-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	12-Jan-16
	Cut Off Yields	Bid/Ask
2Years	-	6.42/38
3Years	7.0251%	6.61/58
5Years	7.9997%	7.64/60
10Years	9.1011%	9.00/8.95

T-Bills Auction Date		
Tenor	07-Jan-16	12-Jan-16
	Cut Off Yields	Bid/Ask
3Months	6.3038%	6.25/20
6Months	6.3092%	6.26/22
12Months	6.3098%	6.26/21

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