

FX – INTERBANK RATE:

12-May	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.69	104.69	104.68	104.68	104.67

✓ **Forecast for tomorrow:**

As per today's activity, we expect the market to continue to trade within the range of **104.60/104.75**

FX MARKET:

- ✓ The exchange rate remained unchanged on the day.
- ✓ Swaps moved higher as the money market remained tight after the T-Bill action yesterday saw a higher amount being picked up versus the maturity. Swaps are expected to see-saw with a 5-paisa reading range as demand for dollars or tight rupee liquidity determines the day's movements.
- ✓ Today PBS released the figure of trade deficit for the month of April, 2016. According to PBS, Trade deficit figure increased by \$323mn from last month \$1.82bn to \$2.15bn. For 10MFY15/16, Trade deficit surged by \$1.191bn as compared to the same period of previous fiscal year \$17.82bn to \$19.01bn. The reason of increase in trade deficit figure is decline in exports figure by \$2.587bn from \$19.91bn to \$17.32bn although we have seen decline in imports figure by \$1.396bn from \$37.73bn to \$36.33bn but decline in exports washed out the impact of fall in imports figure main reason for increase in trade deficit figure.

MONEY MARKET:

- ✓ Yesterday, SBP held its MTB auction where target amount is Rs200bn while the maturity amount is Rs175.85bn and the total bid participation amount was recorded more than double from the target amount Rs464.01bn. Although Government accepted amount above from the target amount Rs234.61bn. The Government accepted in 3, 6 and 12-months are Rs124.36bn, Rs99.70bn and Rs10.55bn respectively. The cut-off yields slightly up in 3, 6 and 12-months tenor by 9bps, 9bps and 7bps from 6.17% to 6.26%, 6.18% to 6.26% and 6.21% to 6.28% respectively.
- ✓ Today MM initiated at 6.10%-6.25% and traded whole day in the range of 6.20%-6.40% and expected to close at same.
- ✓ Today in bond secondary market, when issue is traded at following levels: 3-years at 6.68/62, 5-years at 7.18/14 and 10-years at 8.48/38 respectively.

USD/PKR For			
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.1075	0.0043	5.8%
2-WEEK	0.2050	0.0037	5.3%
1-MONTH	0.4500	-	5.5%
2-MONTH	0.8125	0.0025	5.1%
3-MONTH	1.2150	0.0150	5.2%
4-MONTH	1.6200	0.0100	4.8%
5-MONTH	2.0150	0.0250	4.9%
6-MONTH	2.4300	0.0050	5.5%
12-MONTH	4.6500	-	5.7%
Economic Indicators			
Forex Reserves	15-Apr-16	USD bn	20779
CPI- MoM	1-Apr-16		1.60%
CPI- YoY	1-Apr-16		4.17%
M2 Growth	FY16 YTD		5.92%
SBP Target Rate	FY16 YTD		6.00%
FDI	9MFY16	USD mn	957.6
Home Remittance	10MFY16	USD bn	16.034
Current A/C Def.	8MFY16	USD bn	1.859
Trade -Deficit	8MFY16	USD bn	13.372
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	5/2/2016	Pts	34,567.52
Money Market 12-May-16			
		KIBOR	PKRV
1-Month		6.00%	6.19%
3-Month		6.11%	6.19%
6-Month		6.11%	6.21%
12-Month		6.16%	6.22%
PIB'S Auction Date			
Tenor	21-Apr-16	12-May-16	
		Cut Off Yields	Bid/Ask
2-Years		-	6.60/54
3-Years		6.5492%	6.65/60
5-Years		6.9997%	7.20/10
10-Years		8.1804%	8.45/35
T-Bills Auction Date			
Tenor	12-May-16	12-May-16	
		Cut Off Yields	Bid/Ask
3-Months		6.2591%	6.25/22
6-Months		6.2665%	6.26/22
12-Months		6.2758%	6.27/23
Commodities 5/12/2016			
Gold Recommendation			
Level	Long@	Short@	
Entry level	1260	1335	
Stop loss	1240	1355	
Take profit	1290	1300	
Crude Recommendation			
Level	Long@	Short@	
Entry level	42.5	47	
Stop loss	40.5	49	
Take profit	46.5	44	