

**FX – INTERBANK RATE:**

13-Jul	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.85	104.87	104.85	104.85	104.84

✓ **Forecast for tomorrow:**

As per today's activity, we expect the market to continue to trade within the range of **104.81/104.88**

**FX MARKET:**

✓ IMF released its report after successful completion of 11<sup>th</sup> review of EFF program. In report, IMF forecasted that the current account deficit (CAD) widening to \$5.436bn in the current fiscal year of 2016/17 from \$2.885bn in the previous fiscal year mainly due to rising imports and sluggish exports. Imports are bound to increase in months and years to come due to the ongoing CPEC projects. The CAD will ratchet up to 1.8% by the June-end next year as compared to 1.00% this year. The Fund further says the CAD will go up to 2.3% of GDP, or \$7.4bn, in 2017/18 and \$8.045bn in 2018/19.

✓ It is also written in the report that Pakistan will receive \$900mn from the U.S. on a/c of CSF during the current fiscal year as against \$937mn received during the last fiscal year. There will be no CSF receipts for the next 3-fiscal years (2017/18 to 2019/20). IMF also projected that FX-Reserve of SBP at the end of June, 2017 stood at \$20.279bn.

✓ The workers' remittances are projected at \$19.6bn in 2016/17 as compared to \$19.1bn in 2015/16.

✓ The Fund said the country's external debts will shoot to \$59.6bn in the current fiscal year from \$56bn as of June 2016 (3.7% of GDP) staying well below the risk assessment benchmark of 5.0% of GDP.

The IMF projected the gross financing requirement at \$11.43bn during the current fiscal year as against \$7.29bn a year ago.

**MONEY MARKET:**

✓ Today SBP conducted its 1<sup>st</sup> PIB auction for FY17, where the target amount is Rs100bn while the maturity amount is massively huge Rs1.353trn. While the total bid participation is recorded Rs382.68bn almost 4-time higher from the target amount but well under from the maturity amount. The bid participation is recorded in 3, 5, 10 and 20-year periods are as follows: 3-year Rs151.35bn, 5-years Rs131.26bn, 10-years Rs97.56bn and 20-year Rs2.5bn respectively. We expect drop in cut-off yields.

✓ Today MM initiated at 5.50%-5.75% and traded whole day with in the range of 4.25%-5.50% and closed at 4.25%-4.50%.

**COMMODITY MARKET:**

✓ **GOLD:** Gold traded lower after easing political uncertainty in Britain and a rally in global equities, increased investor risk appetite. Yellow metal is currently trading at \$1,339.85 per ounce.

✓ **CRUDE:** Crude oil advanced after a report from the OPEC disclosed that oil market was likely to find a balance in supply-demand by next year. Black gold is currently trading at \$46.14 per barrel.

USD/PKR Fc			
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0975	(0.0038)	5.3%
2-WEEK	0.1925	(0.0075)	5.0%
1-MONTH	0.4525	0.0200	5.6%
2-MONTH	0.8400	(0.0100)	5.3%
3-MONTH	1.1950	(0.0300)	5.2%
4-MONTH	1.6000	(0.0500)	4.7%
5-MONTH	1.9250	(0.0200)	4.7%
6-MONTH	2.2800	(0.0150)	5.3%
12-MONTH	4.6000	-	5.6%
Economic Indicators			
Forex Reserves	24-Jun-16	USD bn	21.765
CPI- MoM	1-Jun-16		0.60%
CPI- YoY	1-Jun-16		3.17%
M2 Growth	FY16 YTD		11.69%
SBP Target Rate	FY16 YTD		5.75%
SBP Discount Rate	FY16 YTD		6.25%
FDI	11MFY16	USD bn	1.083
Home Remittance	11MFY16	USD bn	17.841
Current A/C Def.	11MFY16	USD bn	2.486
Trade -Deficit	11MFY16	USD bn	18.603
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	7/13/2016	Pts	39,049.46
Money Market		13-Jul-16	
	KIBOR	PKRV	
1-Month	5.74%	5.90%	
3-Month	5.86%	5.93%	
6-Month	5.90%	5.95%	
12-Month	5.95%	5.98%	
PIB'S		Auction Date	
Tenor	16-June-16	13-July-16	
	Cut Off Yields	Bid/Ask	
2-Years	-	6.10/05	
3-Years	6.4068%	6.15/10	
5-Years	6.9092%	6.68/63	
10-Years	8.0197	7.68/63	
T-Bills		Auction Date	
Tenor	11-July-16	13-July-16	
	Cut Off Yields	Bid/Ask	
3-Months	5.8689%	5.85/78	
6-Months	5.9070%	5.85/80	
12-Months	5.9123%	5.86/8.	
Commodities		7/11/2016	
Gold Recommendation			
Level	Long@	Short@	
Entry level	1325	1395	
Stop loss	1305	1405	
Take profit	1355	1355	
Crude Recommendation			
Level	Long@	Short@	
Entry level	44	48.5	
Stop loss	42	51.5	
Take profit	48	46.5	