

FX – INTERBANK RATE:

14-Jul	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.85	104.86	104.84	104.85	104.85

- ✓ **Forecast for tomorrow:**
As per today's activity, we expect the market to continue to trade within the range of **104.80/104.90**

FX MARKET:

- ✓ The exchange rate showed no major during the day.
- ✓ Swaps moved lower at the start of the trading session as the excess rupee liquidity seen yesterday resulted in market players taking the view that the market would be lower again today. However the uptick in the overnight rate then helped reverse the premiums and the market was seen trading higher. Activity however is limited to a few paisa and is dictated by the money market liquidity rather than position taking by the market.
- ✓ The IMF would hold the 12th and final review with Pakistan under the EFF Arrangement from July 27 to August 3 in Dubai,

MONEY MARKET:

- ✓ Yesterday SBP conducted its 1st PIB auction for FY17, where the target amount is Rs100bn while the maturity amount is massively huge Rs1.353trn. The total bid participation is recorded Rs382.68bn almost 4-time higher from the target amount but well under from the maturity amount. But Government accepted amount Rs244bn more than double from the target but well below from the maturity amount. The Government accepted amount in 3, 5 and 10 year periods are as follows: 3-year Rs98.8bn, 5-years Rs77.5bn and 10-years Rs67.7bn respectively while all the bids were rejected for 20-years. As per our expectation, cut-off yield dropped. The cut-off yield dropped in 3, 5 and 10-year by 20-bps, 21-bps and 22-bps from 6.41% to 6.21%, 6.91% to 6.70% and 8.02% to 7.80% respectively.
- ✓ Today MM initiated at 5.75%-6.25% and traded whole day with in the range of 5.75%-6.25% and closed at 6.00%-6.25%.

COMMODITY MARKET:

GOLD: Gold traded higher amid a softer dollar. Yellow metal is currently trading at \$1,328.22 per ounce.

- ✓ **CRUDE:** Crude oil advanced after the EIA indicated that US crude oil inventories fell less-than-expected. Black gold is currently trading at \$45.19 per barrel.

USD/PKR Fc			
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0975	-	5.3%
2-WEEK	0.1900	(0.0025)	4.9%
1-MONTH	0.4375	(0.0150)	5.4%
2-MONTH	0.8300	(0.0100)	5.2%
3-MONTH	1.1950	-	5.2%
4-MONTH	1.5800	(0.0200)	4.7%
5-MONTH	1.9100	(0.0150)	4.7%
6-MONTH	2.3100	0.0300	5.3%
12-MONTH	4.6500	0.0500	5.7%
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		14-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	14-July-16	14-July-16	
	Cut Off	Yeilds	Bid/Ask
2-Years	-		6.00/5.90
3-Years	6.2058%		6.13/08
5-Years	6.7029%		6.65/60
10-Years	7.8003%		7.72/62
T-Bills		Auction Date	
Tenor	11-July-16	14-July-16	
	Cut Off	Yeilds	Bid/Ask
3-Months	5.8689%		5.85/78
6-Months	5.9070%		5.85/80
12-Months	5.9123%		5.90/82
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	