

FX – INTERBANK RATE:

15-Dec	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.85	104.85	104.84	104.85	104.85

FX MARKET:

- ✓ Yesterday, The US has signed an agreement to provide \$81mn to WAPDA for the construction of Kurram Tangi Dam Project, Stage-I in North Waziristan Agency of FATA.
- ✓ **FOMC MEETING MINUTES FOR DECEMBER, 2016:**
- ✓ Information received since the FOMC met in November indicates that the labor market has continued to strengthen and that economic activity has been expanding at a moderate pace since mid-year. Job gains have been solid in recent months and the unemployment rate has declined. Household spending has been rising moderately but business fixed investment has remained soft. Inflation has increased since earlier this year but is still below the Committee's 2% longer-run objective.
- ✓ Consistent with its statutory mandate, the Committee seeks to foster maximum employment and price stability. The Committee expects that, with gradual adjustments in the stance of monetary policy, economic activity will expand at a moderate pace and labor market conditions will strengthen somewhat further. Inflation is expected to rise to 2% over the medium term as the transitory effects of past declines in energy and import prices dissipate and the labor market strengthens further.
- ✓ In determining the timing and size of future adjustments to the target range for the federal funds rate, the Committee will assess realized and expected economic conditions relative to its objectives of maximum employment and 2% inflation. This assessment will take into account a wide range of information, including measures of labor market conditions, indicators of inflation pressures and inflation expectations, and readings on financial and international developments.
- ✓ In view of realized and expected labor market conditions and inflation, the Committee decided to raise the target range for the federal funds rate from 0.50% to 0.75%.

MONEY MARKET:

- ✓ Today MM initiated at 5.80%-5.90% and traded whole day with in the range of 5.80%-5.90% and expected to close at same.
- Today in bond secondary market when-issue traded at following levels: 3-year at 6.60/55, 5-year at 7.50/45 and 10-year at 8.60/40 respectively.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded lower on the Federal Reserve interest rate hike and provided guidance of as many as 3-increases next year, with investors focused on plans by President-elect Donald Trump to cut taxes and spend heavily on infrastructure. Yellow metal is currently trading at \$1,129.50 per ounce.
- ✓ **CRUDE:** Crude oil advanced as OPEC output shows continued gains and the Fed stance on interest rate hikes in 2017 brings the demand side into focus. Black gold is currently trading at \$52.35 per barrel.

WORLD ECONOMIC DATA RELEASED OVER THE LAST 24-HOURS

Date	Events	Actual	Forecast	Previous
14-12-16	CNY Aggregate Financing CNY (NOV)	1740.0b	1100.0b	896.3b
14-12-16	CNY New Yuan Loans CNY (NOV)	794.6b	720.0b	651.3b
14-12-16	GBP Claimant Count Rate (NOV)	2.30%	2.30%	2.30%
14-12-16	GBP Jobless Claims Change (NOV)	2.4k	6.5k	13.3k
14-12-16	GBP Average Weekly Earnings (3M/YoY) (OCT)	2.50%	2.30%	2.40%
14-12-16	GBP Weekly Earnings ex Bonus (3M/YoY) (OCT)	2.60%	2.60%	2.40%
14-12-16	GBP ILO Unemployment Rate (3M) (OCT)	4.80%	4.80%	4.80%
14-12-16	GBP Employment Change (3M/3M) (OCT)	-6k	50k	49k
14-12-16	EUR Euro-Zone Industrial Production w.d.a. (YoY) (OCT)	0.60%	0.80%	1.30%
14-12-16	CHF ZEW Survey (Expectations) (DEC)	12.9		8.9
14-12-16	USD MBA Mortgage Applications (DEC 9)	-4.00%		-0.70%
14-12-16	USD Advance Retail Sales (NOV)	0.10%	0.30%	0.60%
14-12-16	USD Retail Sales Less Autos (NOV)	0.20%	0.40%	0.60%
14-12-16	USD Retail Sales Ex Auto and Gas (NOV)	0.20%	0.40%	0.50%
14-12-16	USD Retail Sales Control Group (NOV)	0.10%	0.30%	0.60%
14-12-16	USD Industrial Production (NOV)	-0.40%	-0.30%	0.10%
14-12-16	USD Manufacturing (SIC) Production (NOV)	-0.10%	-0.20%	0.30%
14-12-16	USD Business Inventories (OCT)	-0.20%	-0.10%	0.10%
14-12-16	USD DOE U.S. Crude Oil Inventories (DEC 9)	-2563k	-1500k	-2389k
15-12-16	USD Federal Open Market Committee Rate Decision (DEC 14)	0.75%	0.75%	0.50%
15-12-16	USD FOMC Rate Decision (Lower Bound) (DEC 14)	0.50%	0.50%	0.25%
15-12-16	USD Fed Summary of Economic Projections			

Source: www.dailyfx.com

PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0904	0.0036	5.0%
2-WEEK	0.1650	(0.0075)	4.3%
1-MONTH	0.3117	(0.0017)	4.2%
2-MONTH	0.5682	(0.0051)	3.9%
3-MONTH	0.8277	(0.0100)	4.1%
4-MONTH	1.1294	(0.0005)	3.5%
5-MONTH	1.4248	(0.0015)	3.6%
6-MONTH	1.6908	(0.0110)	4.5%
12-MONTH	3.7475	(0.0029)	5.2%

ECONOMIC INDICATOR			
Forex Reserves	2-Dec-16	USD bn	23.344
CPI - MoM	1-Nov-16		0.20%
CPI - YoY	1-Nov-16		3.81%
M2 Growth	FY17 YTD		0.12%
SBP Target Rate	FY17 YTD		5.75%
SBP Discount Rate	FY17 YTD		6.25%
FDI	4MFY17	USD mn	316.1
Home Remittance	5MFY17	USD bn	7.874
Current A/C Def.	4MFY17	USD bn	1.762
Trade -Deficit	4MFY17	USD bn	7.796
Kerb USD/PKR	15-Dec-16	Bid/Ask	107.45/75
Govt. Domestic Debt	As at 31-08-2016	Rs trn	14.554
External Debt	As at 30-06-2016	USD bn	72.978
MSCI-EM Index	15/12/2016	Pts	860.66
PSX-100 Index	15/12/2016	Pts	46,336.70

DATA	3-MONTH	6-MONTH	12-MONTH
LIBOR 12-Dec	0.96344%	1.29822%	1.65400%

Money Market 15-Dec-16		
Tenor	KIBOR	PKRV
1-Month	5.76%	5.90%
3-Month	5.85%	5.94%
6-Month	5.90%	5.97%
12-Month	5.94%	6.03%

PIB'S Auction Date		
Tenor	22-Sep-16 Cut Off Yields	15-Dec-16 Bid/Ask
2-Years	-	6.15/10
3-Years	6.1970%	6.43/39
5-Years	6.7010%	7.22/19
10-Years	7.7995%	8.42/37

T-Bills Auction Date		
Tenor	08-Dec-16 Cut Off Yields	15-Dec-16 Bid/Ask
3-Months	5.9463%	5.94/92
6-Months	5.9471%	5.98/94
12-Months	5.9485%	6.05/6.00

PMEX FUTURE CONTRACTS					14-Dec-16
COMMODITIES	P (L/S)	E-L	T-P	S-L	STATUS (ACTIVE/TBE)
CRUDE-OIL	L	53.00	52.00	55.30	TBE
SILVER					
GOLD USD					
GOLD-EUR/USD	L	1.0670	1.0500	1.0770	TBE
GOLD-GBP/USD					
GOLD-USD/JPY					
GOLD-USD/CAD	L	1.2970	1.2850	1.3200	Active
GOLD-USD/CHF					
GOLD-AUD/USD					

P= POSITION L=LONG S= SHORT TBE=TO BE ENTERED
EL= ENTRY LEVEL TP= TAKE PROFIT SL= STOP LOSS