

FX – INTERBANK RATE:

15-Jan	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.93	104.94	104.90	104.93	104.93

- ✓ **Forecast for tomorrow:**
As per today's activity, we expect the market to continue to trade within the range of **104.88/104.98**.

FX MARKET:

- ✓ The USD/PKR moved slightly lower today, despite the fact that FX reserves again moved lower.
- ✓ Swaps saw premiums rise across the board as forward buyers bid up the market as the exchange rate eased slightly. With overall activity seen limited the market appears to be moving higher in low volumes. With no major economic news the market seems to trading in a ranger where daily flows seem to be driving the premiums higher or lower. With crude oil trading below \$30 and world equity markets in the red, the probability of lower interest rates locally could see the premiums capped.
- ✓ SBP released the figure of total FX Reserves for the week ended 8th January, 2016. According to SBP, total FX Reserves declined by \$50.5mn from last week \$20.81bn to \$20.75bn. The breakup of total FX Reserves are as follows: SBP held FX Reserves fell by \$59.4mn from \$15.88bn to \$15.82bn while FX Reserves held in other banks rose by \$8.9mn from \$4.92bn to \$4.93bn. This decrease was due to payments of \$60mn on account of external debt servicing.

MONEY MARKET:

- ✓ Today PBS released the data of LSMI for the month of November, 2015. According to PBS, LSMI output fell by 0.38% from last month 124.22bp to 123.74bps. For 5MFY15/16, the LSMI output surged by 4.43% from the same period of fiscal year 116.80bp to 121.90bps. The sectors which recorded positive growth is as follows: Automobiles 32.29%, Fertilizer 15.24% and Chemicals 11.02% respectively and the sectors which recorded decline are as under: Wood products 23.53%, Paper & Boards 15.78% and Engineering products 15.37% respectively.
- ✓ Today PBS released the data f weekly inflation for the week ended 14th January, 2016. According to PBS, SPI decreased by 0.21% from last week 218.12bps to 217.67bps.
- ✓ Today SBP conducted 7Day OMO (Injection), where total amount offered was Rs316bn out of which the amount accepted was Rs235bn at 6.05%.
- ✓ Today MM initiated at 6.00%-6.25% and traded whole day in the range of 6.25%-6.40% and closed at 6.25%-6.40%.
- ✓ Today in bond secondary market, when issue is traded at following levels: 3yera at 6.70/68, 5years at 7.69/62 and 10years at 9.15/05 respectively.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded lower amid a moderately stronger dollar. Yellow metal is currently trading at \$1,081.10 per ounce.
- ✓ **CRUDE:** Crude oil declined amid heavy profit taking. Black gold is currently trading at \$29.44 per barrel.

PERIOD	SWAP	Change in	Swap Implied
1-WEEK	0.1250	-	6.6%
2-WEEK	0.2375	-	6.1%
1-MONTH	0.5200	0.0050	6.0%
2-MONTH	0.9200	0.0450	5.9%
3-MONTH	1.2600	0.0300	5.3%
4-MONTH	1.6200	0.0300	4.9%
5-MONTH	1.9700	0.0500	4.8%
6-MONTH	2.3250	0.0350	5.2%
12-MONTH	4.5500	0.0500	5.4%

Economic Indicators			
Review Economic	08-Jan-16	USD bn	28.759
CPI-MoM	08-Dec-15		-1.68%
CPI-YoY	08-Dec-15		3.28%
M2 Growth	FT16 YTD		4.23%
SBP Discount Rate	FT16 YTD		6.00%
FDI	5MFY16	USD mn	548.2
Home Remittance	5MFY16	USD bn	9.735
Current A/C Def.	5MFY16	USD bn	1.885
Trade Deficit	5MFY16	USD bn	7.488
Domestic Debt	As at 31-12-2015	US \$ bn	13.884
External Debt	As at 30-09-2015	USD bn	55.689
RSE-100 Index	14/01/16	Pts	31,631.03

Economic Data released over the last 24 hours				
Date	Events	Actual	Forecast	Previous
14-01-2016	EUR German GDP n.s.a. (YoY) (2015)			1.60%
14-01-2016	EUR German Public Finances Balance-GDP Ratio (2015)			0.60%
14-01-2016	GBP Bank of England Rate Decision (JAN 14)		0.50%	0.50%
14-01-2016	GBP BOE Asset Purchase Target (JAN)			375b
14-01-2016	CAD New Housing Price Index (YoY) (NOV)			1.50%
14-01-2016	USD Initial Jobless Claims (JAN 9)			
14-01-2016	USD Continuing Claims (JAN 2)			

Money Market 15-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 Cut Off	15-Jan-16 Yeilds Bid/Ask
2Years	-	6.40/35
3Years	7.0251%	6.69/65
5Years	7.9997%	7.66/62
10Years	9.1011%	9.10/05

T-Bills Auction Date		
Tenor	07-Jan-16 Cut Off	15-Jan-16 Yeilds Bid/Ask
3Months	6.3038%	6.20/15
6Months	6.3092%	6.18/13
12Months	6.3098%	6.22/17

Commodities 13/01/16		
Crude Oil Reoom m endation		
Level	Long@	Short@
Entry level	-	35.70
Stop loss	-	36.70
Take profit	-	33.50

Gold Reoom m endation		
Level	Long@	Short@
Entry level	1085	1115
Stop loss	1065	1135
Take profit	1105	1085