

FX – INTERBANK RATE:

15-Jul	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.85	104.85	104.82	104.83	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 remained mostly unchanged on the day.
- ✓ Swaps saw demand pick up from 1-month up to the 3-months tenors as the rupee liquidity tightened with call money in demand. The market demand for call money in the money market means that the money market is likely to go into discounting.
- ✓ SBP released the figure of total FX Reserves for the week ended 8th July, 2016. According to SBP, Total FX Reserves was declined by \$22mn as compared to the previous week \$23.08bn to \$23.06bn. The break-up of total FX Reserves are as follows: SBP held FX Reserves fell by \$24.5mn from \$18.12bn to \$18.10bn while FX Reserves held in other banks rose by \$2.5mn from \$4.956bn to \$4.958bn.
- ✓ Today PBS released the figure of trade deficit for the month of June, 2016. According to PBS, Trade deficit increased by \$640mn as compared to previous month \$2.17bn to \$2.81bn. For FY15/16, Trade deficit surged by \$1.804bn as compared to the same period of last fiscal year \$22.15bn to \$23.96bn. The increase in trade deficit figure is mainly due to decline in exports by \$2.865bn from \$23.66bn to \$20.80bn while imports fell by \$1.061bn from \$45.82bn to \$44.76bn.

MONEY MARKET:

- ✓ Yesterday SBP conducted 1-Day OMO (Injection), where total amount offered was Rs85bn from which the amount accepted was Rs55bn at 5.79%.
- ✓ Today PBS released the data of weekly inflation for the week ended 14th July, 2016. According to PBS, SPI rose by 0.90% as compared to the previous week 217.46bps to 219.41bps.
- ✓ Today SBP conducted 2-contracts of OMO (Injection), one is for 7-Days and second is for 3-Days. The total amount offered has been accepted in both contracts. SBP injected Rs605.95bn in 7-Days contract and Rs1.133trn in 3-Days contract at 5.79% and 5.77% respectively.
- ✓ Today MM initiated at 5.75%-6.00% and traded whole day with in the range of 5.50%-6.15% and expected to close at same.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded lower as rally to global equity market following an unexpected decision from the BoE to hold its key interest rate steady. Yellow metal is currently trading at \$1,332.68 per ounce.
- ✓ **CRUDE:** Crude oil advanced amid heavy short covering yesterday, even as investors expressed significant concerns on a global oil supply glut. Black gold is currently trading at \$45.45 per barrel.

USD/PKR Fc			
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.1013	0.0038	5.5%
2-WEEK	0.2000	0.0100	5.1%
1-MONTH	0.4275	(0.0100)	5.3%
2-MONTH	0.8375	0.0075	5.3%
3-MONTH	1.2300	0.0350	5.3%
4-MONTH	1.5800	-	4.7%
5-MONTH	1.9100	-	4.7%
6-MONTH	2.2900	(0.0200)	5.3%
12-MONTH	4.6500	-	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	7/15/2016	Pts	39,161.04
Money Market		15-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	15-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	15-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	