

FX – INTERBANK RATE:

16-Mar	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.62	104.69	104.61	104.65	104.66

✓ **Forecast for tomorrow:**

As per today's activity, we expect the market to continue to trade within the range of **104.55/104.70**

FX MARKET:

- ✓ The exchange rate remained unchanged as the demand supply remained unchanged and there was no dollar pressure from the FOMC meeting tonight. The Fed is expected to keep interest rates unchanged as headwinds from the strong dollar, China slowdown, fall in commodity prices especially crude oil weigh on the economy. With US elections later this year it is highly unlikely that the FED will seek to raise this year especially since most election surveys reveal that economy insecurity was the biggest worry among voters.
- ✓ Swaps saw premiums rise as the money market liquidity remained tight with the T-Bill auction today expected to draw heavy participation.
- ✓ Swap premiums saw the market move higher from the lows seen during yesterday's trading activity.
- ✓ The buying pressure in swap was seen with only a couple of banks while the majority was sellers, as has been the trading pattern over the last few weeks.
- ✓ SBP released the data of FDI for the month ended February, 2016. According to SBP, FDI for the month of February stood at \$103.0mn. For 8MFY15/16, FDI slightly rose by \$34.7mn as compared to the same period of last fiscal year \$716.2mn to \$750.9mn. The countries which made highest amount of direct investment in Pakistan are as follows: China \$436.4mn, U.A.E \$111.7mn, Hongkong \$101.0mn, other \$90.4mn, Italy \$73.7mn and Switzerland \$60.8mn respectively.

MONEY MARKET:

- ✓ Yesterday, SBP conducted OMO (Bai-Mujjal – Outright purchases of GIS-14) in 6 and 12-month tenors. Where amount offered in 12-month tenor was Rs31.85bn out of which the amount accepted was Rs21.5bn at a deferred price of Rs108.7474, while no bid was received in 6-month tenors.
- ✓ Today SBP held its 19th MTB auction for FY-16, where the target amount is Rs200bn and the maturity amount is also Rs200.05bn. The total bid participation amount is recorded above from the target amount Rs309.81bn. The total bid participation amount in 3, 6 and 12-Months are Rs21.95bn, Rs74.56bn and Rs213.3bn respectively. We expect no change in cut-off yields.
- ✓ Today MM initiated at 6.25%-6.35% and traded whole day in the range of 6.25%-6.35% and expected to close at same
- ✓ Today in the bond secondary market, when issue is traded at following levels: 3-year at 6.34/28, 5-year at 6.97/92 and 10-year at 8.25/20 respectively.

PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.1263	0.0163	6.7%
2-WEEK	0.2175	(0.0025)	5.6%
1-MONTH	0.5000	0.0300	6.1%
2-MONTH	0.9150	0.0050	5.7%
3-MONTH	1.3150	0.0050	5.6%
4-MONTH	1.7400	0.0300	5.1%
5-MONTH	2.0900	0.0050	5.1%
6-MONTH	2.4800	0.0050	5.6%
12-MONTH	4.6000	-	5.6%

Economic Indicators			
Forex Reserves	04-Mar-16	USD bn	20.522
CPI- MoM	01-Feb-16		-0.30%
CPI- YoY	01-Feb-16		4.02%
M2 Growth	FY16 YTD		4.10%
SBP Target Rate	FY16 YTD		6.00%
FDI	8MFY16	USD mn	750.9
Home Remittance	8MFY16	USD bn	12.714
Current A/C Def.	7MFY16	USD bn	2.036
Trade -Deficit	7MFY16	USD bn	12.076
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	14/03/16	Pts	32,691.33

Money Market	16-Mar-16	
	KIBOR	PKRV
1Month	5.99%	6.14%
3Month	6.10%	6.17%
6Month	6.11%	6.18%
12Month	6.14%	6.19%

PIB'S	Auction Date	
	25-Feb-16	16-Mar-16
	Cut Off Yields	Bid/Ask
2Years	-	6.24/19
3Years	6.3469%	6.29/26
5Years	7.0492%	6.95/92
10Years	8.2505%	8.22/16

T-Bills	Auction Date	
	03-Mar-16	16-Mar-16
	Cut Off Yields	Bid/Ask
3Months	6.1697%	6.20/15
6Months	6.2026%	6.21/16
12Months	6.2192%	6.22/19

Commodities 15/03/16		
Gold Recommendation		
Level	Long@	Short@
Entry level	1210	1275
Stop loss	1190	1295
Take profit	1255	1255
Crude Recommendation		
Level	Long@	Short@
Entry level	34	40
Stop loss	32	31
Take profit	37	38