

FX – INTERBANK RATE:

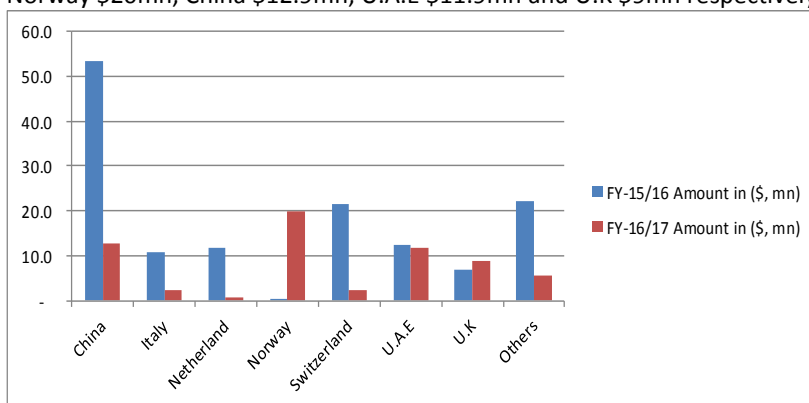
16-AUG	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.70	104.72	104.70	104.71	104.70

✓ **Forecast for tomorrow:**

As per today's activity, we expect the market to continue to trade within the range of **104.65/104.75**

FX MARKET:

- ✓ SBP released the data of FDI for the month of July, 2016. According to SBP, FDI drastically dropped by 133.2mn or 67.44% as compared to previous month \$197.5mn to \$64.3mn. For 1MFY16/17, FDI declined by \$11mn or 14.61% as compared to the same period of last fiscal year \$75.3mn to \$64.3mn. The countries which invested directly in Pakistan with their amount are as follows: Norway \$20mn, China \$12.9mn, U.A.E \$11.9mn and U.K \$9mn respectively.



MONEY MARKET:

- ✓ Today SBP conducted its 4th MTB Auction for FY16/17, where the target amount is Rs300bn while the maturity amount is Rs273.30bn. The total bid participation is recorded double from the target amount Rs674.49bn. The total bid participation amount is divided in 3, 6 and 12-month tenor are Rs173.38bn, Rs373.10bn and Rs128.0bn respectively. We expect no change in cut-off yields.

4th MTB Auction Result

As per our Expectation based on Bid Participation

Maturity Period	Cut-off Yield	Weighted Avg Yield	Realized Value (Rs, bn)	Face Value (Rs, bn)
3-Months	5.8571%	5.8568%	105.562	106.985
6-Months	5.9046%	5.8990%	212.093	218.332
12-Months	5.9148%	5.9128%	55.242	58.5
Total			372.897	383.817

- ✓ Today MM initiated at 5.80%-6.00% and traded whole day with in the range of 5.50%-5.80% and expected to close at same.
- ✓ Today in bond secondary market, when issue is traded in 3, 5 and 10-years at 6.18/16, 6.69/66 and 7.75/70 respectively.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded higher as weakness in the US Dollar increased the demand for the precious metal. Yellow metal is currently trading at \$1,341.68 per ounce.
- ✓ **CRUDE:** Crude oil advanced after the API revealed that US crude stockpiles fell more-than-expected by 1.0mn barrels to 521.8mn barrels during the last week. Black gold is currently trading at \$46.37 per barrel.

PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0925	0.0013	5.0%
2-WEEK	0.1850	0.0025	4.8%
1-MONTH	0.4300	0.0275	5.3%
2-MONTH	0.7850	(0.0100)	5.0%
3-MONTH	1.1600	(0.0050)	5.2%
4-MONTH	1.5400	0.0150	4.7%
5-MONTH	1.8800	(0.0050)	4.6%
6-MONTH	2.2500	-	5.5%
12-MONTH	4.5500	-	5.9%

Economic Indicators			
Forex Reserves	5-Aug-16	USD bn	22.595
CPI- MoM	1-Jul-16		0.40%
CPI- YoY	1-Jul-16		4.12%
M2 Growth	FY17 YTD		-1.07%
SBP Target Rate	FY17 YTD		5.75%
SBP Discount Rate	FY17 YTD		6.25%
FDI	FY16	USD bn	1.281
Home Remittance	1MFY17	USD bn	1.328
Current A/C Def.	FY16	USD bn	2.525
Trade -Deficit	FY16	USD bn	20.874
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	8/3/2016	Pts	39,615.76

Money Market 17-Aug-16		
	KIBOR	PKRV
1-Month	5.70%	5.81%
3-Month	5.73%	5.79%
6-Month	5.74%	5.78%
12-Month	5.76%	5.79%

PIB'S Auction Date		
Tenor	14-July-16	17-Aug-16
	Cut Off Yields	Bid/Ask
2-Years	-	6.00/5.97
3-Years	6.2058%	6.20/16
5-Years	6.7029%	6.72/68
10-Years	7.8003%	7.75/72

T-Bills Auction Date		
Tenor	04-Aug-16	17-Aug-16
	Cut Off Yields	Bid/Ask
3-Months	5.8571%	5.88/82
6-Months	5.9046%	5.88/86
12-Months	5.9148%	5.90/87

Commodities 17-August-16		
Crude Oil Recommendation		
Technical Level	Long@	Short@
Entry level	44.00	49.00
Stop loss	42.00	52.00
Take profit	47.00	46.00

Gold Recommendation		
Technical Level	Long@	Short@
Entry level	1,320	1,370
Stop loss	1,295	1,400
Take profit	1,355	1,320