

FX – INTERBANK RATE:

17-Feb	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.70	104.78	104.70	104.76	104.70

✓ **Forecast for tomorrow:**

As per today's activity, we expect the market to continue to trade within the range of **104.65/104.85**

FX MARKET:

- ✓ The exchange rate moved slightly higher again today. Swaps moved lower today across the board as the selling pressure which has been seen over the last few days has intensified. With the FE25 import loans showed only a small decline of \$40mn, the FE lending for January remained close to an all time high, this highlights the fact that FE loans to cover oil imports are still being deployed and hence swap premiums should be headed lower.
- ✓ SBP released the data of FDI for the month of January, 2016. According to SBP, FDI plunged by \$60.0mn from last month \$83.9mn to \$23.9mn. For 7MFY16, FDI rose by 28.3mn as compared to the same period of previous fiscal year \$619.6mn to \$647.9mn. The rise is highly due to investment from China \$409mn.

MONEY MARKET:

- ✓ SBP ceiling was hit for Rs14bn.
- ✓ PBS released the data of LSMI for the month of December, 2015. According to PBS, LSMI output increased by 14.48% from previous month 137.34bps to 140.46bps. For 6MFY15/16, LSMI output surged by 3.89% from the same period of last fiscal year 120.23bps to 124.90bps. The sectors which showed positive growth is as follows: Automobiles 32.25%, Fertilizers 15.00% and Chemicals 11.64% respectively while the sectors which caused decline in LSMI Output is as follows: Wood Products 40.12%, Engineering Products 18.59% and Paper and Boards 14.03% respectively.
- ✓ SBP issued the numbers of M2 Growth for the week ended 5th February, 2016. According to SBP, M2 recorded a positive growth by 3.07% on YoY basis.
- ✓ Today SBP held its 17th MTB auction for FY-16, where the target amount is Rs250bn while the maturity amount is Rs213.21bn. The total bid participation amount is recorded almost double from the target amount Rs489.30bn. The total bid participation amount in 3, 6 and 12Months are Rs116.06bn, Rs50.71bn and Rs322.52bn respectively. We expect slightly up in cut-off yields.
- ✓ Today MM initiated at 6.40% and traded whole day in the range of 6.40%-6.50% and expected to close at same.
- ✓ Today in bond secondary market, when issue is traded at following levels: 3-Years at 6.42/37, 5-Years at 7.02/6.98 and 10-Years at 8.52/47 respectively.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded lower as investors awaited the release of the FOMC's minutes for further signals about the rate hike. Yellow metal is currently trading at \$1,203.40 per ounce.
- ✓ **CRUDE:** Crude oil declined after Saudi Arabian-Russian brokered deal aimed at freezing production at its current levels. Black gold is currently trading at \$29.10 per barrel.

USD/PKR Fc			
PERIOD	SWAP	Change in	Swap Implied
1-WEEK	0.0950	(0.0125)	5.1%
2-WEEK	0.1950	(0.0150)	5.0%
1-MONTH	0.4050	(0.0250)	4.8%
2-MONTH	0.8450	(0.0500)	5.5%
3-MONTH	1.2300	(0.0450)	5.3%
4-MONTH	1.6250	(0.0500)	5.0%
5-MONTH	1.9900	(0.0550)	4.9%
6-MONTH	2.3700	(0.0500)	5.4%
12-MONTH	4.6500	-	5.6%

Economic Indicators			
Forex Reserves	05-Feb-16	USD bn	28.195
CPI-MoM	01-Jan-16		0.20%
CPI-YoY	01-Jan-16		3.32%
M2 Growth	FY16 YTD		3.07%
SBP Target Rate	FY16 YTD		6.00%
FDI	7MFY16	USD mn	647.9
Home Remittance	7MFY16	USD bn	11.199
Current A/C Def.	6MFY16	USD bn	1.267
Trade Deficit	6MFY16	USD bn	10.091
Govt. Domestic Debt	As at 31-12-2015	Rs bn	13.189
External Debt	As at 30-09-2015	USD bn	55.089
ESE-100 Index	05/02/16	Pts	31,508.61

Money Market			17-Feb-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	28-Jan-16	17-Feb-16
	Cut Off Yields	Bid/Ask
2Years	-	6.30/22
3Years	6.5002%	6.40/35
5Years	7.5484%	7.02/6.95
10Years	8.8509%	8.50/46

T-Bills Auction Date		
Tenor	04-Feb-16	17-Feb-16
	Cut Off Yields	Bid/Ask
3Months	6.2591%	6.25/20
6Months	6.2665%	6.25/20
12Months	6.2758%	6.24/20

Commodities			12/02/16	
Crude Oil Recommendation				
Level	Long@	Short@		
Entry level	-	-		
Stop loss	-	-		
Take profit	-	-		

Gold Recommendation		
Level	Long@	Short@
Entry level	-	-
Stop loss	-	-
Take profit	-	-