

FX – INTERBANK RATE:

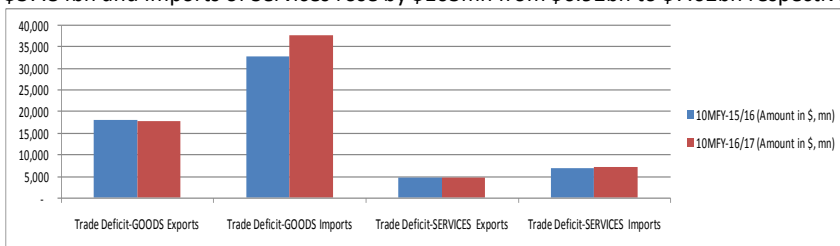
18-May	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.85	104.86	104.85	104.85	104.85

FX MARKET:

- SBP released the data of CA Deficit for the month of April, 2017. According to SBP, CA Deficit climbed by \$587mn as compared to the previous month \$546mn to \$1.13bn. For 10MFY-16/17, CA Deficit gap widened by \$4.869bn as compared to the same period of last fiscal year \$2.37bn to \$7.24bn. The CA Deficit figure made-up with following items: Trade deficit-Goods & Services advanced by \$5.396bn from \$16.85bn to \$22.25bn, Primary Income (negative) declined by \$670mn from \$4.32bn to \$3.65bn and Secondary Income fell by \$143mn from \$18.8bn to \$18.65bn respectively.



- Along with CA Deficit SBP also released the data of Trade deficit for the month of April, 2017. According to SBP, Trade deficit rose by \$226mn as compared to the previous month \$2.28bn to \$2.51bn. For 10MFY-16/17, Trade deficit gap widened by \$5.396bn as compared to the same period of last fiscal year \$16.85bn to \$22.25bn. The Trade deficit figure made up by Export less Imports of Goods & Services: Exports of Goods fell by \$234mn from \$18.14bn to \$17.91bn while Exports of services slightly up by \$30mn from \$4.67bn to \$4.70bn, Imports of Goods surged dramatically by \$5.08bn from \$32.75bn to \$37.84bn and Imports of Services rose by \$103mn from \$6.92bn to \$7.02bn respectively.



MONEY MARKET:

- SBP issued the numbers of M2-Growth for the week ended 5th May, 2017. According to SBP, M2 posted a positive growth by 7.30% on YoY basis.
- Yesterday SBP held its 10th PIB Auction for FY-16/17, where the target amount is Rs50bn while the maturity amount is Rs2bn. The total bid participation is recorded higher from the target amount Rs81.68bn. The total bid participation is divided in 3, 5 and 10-years are Rs54.92bn, Rs17.95bn and Rs8.80bn respectively. While no bids were received for 20-Year period. We expect no change in PIB cut-off yield for 3 & 5-years while bids of 10-years may be rejected.

11th PIB 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-Years	6.4060%	6.3992%	34.589	33.224
5-Years	6.8974%	6.8902%	5.529	5.201
10-Years	7.9402%	BIDS MAY BE REJECTED		
Total			40.118	38.425

- But Govt. borrowed Rsbn that is divided in 3, 5 and 10-years Rs34.58bn, Rs5.52bn and Rs500mn respectively. As per our expectation the PIB's cut-off yields for 3 & 5-years remained same while 10-years bids were not cancelled comparison with our expectation.
- Today MM initiated at 5.90%-6.10% and traded whole day within the range of 5.90%-6.10% and expected to close at same.

USD/PKR Fc

PERIOD	SWAP	Change in Premium	Swap Implied Yield
1-WEEK	0.0000	(0.0263)	1.44
2-WEEK	0.0050	(0.0238)	2.33
1-MONTH	0.1500	(0.0413)	2.58
2-MONTH	0.3200	(0.0525)	2.97
3-MONTH	0.4950	(0.0763)	3.10
4-MONTH	0.7050	(0.0475)	3.31
5-MONTH	0.8650	(0.0663)	3.31
6-MONTH	1.0450	(0.0463)	3.43
12-MONTH	2.3050	(0.0487)	3.94

ECONOMIC INDICATOR

Forex Reserves	28-Apr-17	USD bn	21.00
CPI- MoM	1-Apr-17		0.80%
CPI- YoY	1-Apr-17		4.78%
M2 Growth	FY17 YTD		7.04%
SBP Target Rate	FY17 YTD		5.75%
SBP Discount Rate	FY17 YTD		6.25%
FDI	9MFY17	USD bn	1.601
Home Remittance	9MFY17	USD bn	14.057
Current A/C Def.	9MFY17	USD bn	6.130
Trade -Deficit	9MFY17	USD bn	19.759
Kerb USD/PKR	18/5/2017	Bid/Ask	105.95/106.25
Govt. Domestic Debt	As at 30-03-2017	Rs trn	15.045
External Debt	As at 30-12-2016	USD bn	74.126
MSCI-EM Index	18/5/2017	Pts	998.06
PSX-100 Index	18/5/2017	Pts	51,265.70

DATA

	3-MONTH	6-MONTH	12-MONTH
LIBOR 16-May	1.18117%	1.42044%	1.74539%

Money Market

Tenor	KIBOR	PKRV
1-Month	5.76%	5.93%
3-Month	5.86%	5.98%
6-Month	5.90%	6.02%
12-Month	5.95%	6.03%

PIB'S Auction Date

Tenor	20-Apr-17	15-May-17
	Cut Off Yields	Bid/Ask
2-Years	-	6.22/18
3-Years	6.4062%	6.40/39
5-Years	6.8993%	6.99/95
10-Years	7.9402%	8.20/13

T-Bills Auction Date

Tenor	27-Apr-17	15-May-17
	Cut Off Yields	Bid/Ask
3-Months	5.9910%	5.99/98
6-Months	6.0109%	6.00/5.99
12-Months	6.0273%	6.02/5.99

PMEX FUTURE CONTRACT S

COMMODITIES	P (L/S)	EL	T-P	S-L	18/5/2017 YTD P & L %
CRUDE-OIL					15.6%
SILVER					2.0%
BRENT-OIL					
GOLD/USD					1.9%
GOLD-BUR/USD					1.6%
GOLD-GB/USD					
GOLD-USD/JPY	5	1028	1030	1040	6.6%
GOLD-USD/CAD					2.9%
GOLD-USD/HK					
GOLD-HK/USD					