

**FX – INTERBANK RATE:**

18-Feb	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.85	104.88	104.80	104.80	104.76

✓ **Forecast for tomorrow:**

As per today's activity, we expect the market to continue to trade within the range of **104./104.**

**FX MARKET:**

The exchange rate managed to gain a few paisa's as demand for the greenback was seen strong.

Swaps moved higher today after unexpected demand in the shorter tenors was seen, which lead to demand in the longer tenors. The demand was seen in the 1-month tenor, while the 4 and 5-month's tenors also saw sizeable activity. With oil prices rebounding again after Iran and Venezuela were expected to curtail their oil production, this has hence put a floor on the oil price for now. Yesterday's release of the January Fed minutes also revealed that the Fed viewed the strong dollar, low oil prices and China slow down as the main culprits for the downturn in the US economy.

**MONEY MARKET:**

✓ Today SBP held its 17<sup>th</sup> MTB auction for FY-16. Government accepted amount Rs196.73bn that is below from both target amount and maturity amount Rs250bn is Rs213.21bn. While the total bid participation amount is recorded almost double from the target amount Rs489.30bn. The amount accepted in 3, 6 and 12months tenors are Rs26.73bn, Rs95mn and Rs169.05bn respectively. The Cut-off yield came down slightly in all tenors. The cut-off yield dropped in 3, 6 and 12months are 5bps, 5bps and 4bps from 6.26% to 6.21%, 6.27% to 6.22% and 6.28% to 6.24% respectively.

✓ Today MM initiated at 6.20% and traded whole day in the range of 6.00%-6.25% 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 after the Fed minutes raised hopes that the central bank could slow the pace of interest rate hikes this year. Yellow metal is currently trading at \$1,204.55 per ounce.

✓ **CRUDE:** Crude oil advanced after Iran, voiced its support to freeze production to tackle global supply glut. Black gold is currently trading at \$31.40 per barrel.

USD/PKR Fc			
PERIOD	SWAP	Change in	Swap Implied
1-WEEK	0.1100	0.0150	5.9%
2-WEEK	0.2225	0.0275	5.7%
1-MONTH	0.4450	0.0400	5.3%
2-MONTH	0.8900	0.0450	5.8%
3-MONTH	1.2800	0.0500	5.5%
4-MONTH	1.6950	0.0700	5.2%
5-MONTH	2.0200	0.0300	4.9%
6-MONTH	2.4150	0.0450	5.5%
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%
GDP Growth	FY16 YTD		3.03%
SNP Target Rate	FY16 YTD		6.00%
FDI	7MFY16	USD mn	607.3
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
RSE-100 Index	02/02/16	Pts	31,368.61

Money Market		18-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	18-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	18-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	-	-