

**FX – INTERBANK RATE:**

18-May	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.76	104.76	104.74	104.74	104.73

✓ **Forecast for tomorrow:**

As per today's activity, we expect the market to continue to trade within the range of **104.70/104.80**

**FX MARKET:**

- ✓ Yesterday, Finance Minister said that the next auction of 3G/4G telecom spectrum will be held on June 20, 2016.
- ✓ SBP released the data of FDI for the month ended April, 2016. According to SBP, FDI stood at \$58.9mn for the month of April. For 10MFY15/16, FDI figure surged by \$52.5mn as compared to the same period of previous fiscal year \$963.8mn to \$1.01bn. The FDI figure crossed over 1bn due to more than half contribution from China. The countries which invested highest amount directly in Pakistan with their amounts are as follows: China \$549.9mn, U.A.E \$137.2mn, Hong Kong \$129.4mn, Italy \$87.4mn and Switzerland \$72.8mn respectively.

**MONEY MARKET:**

- ✓ Today SBP conducted its 11<sup>th</sup> PIB auction for FY16, where the target amount is Rs50bn while the maturity amount is Rs37.20bn. While the total bid participation is recorded Rs82.62bn above from the target amount. The bid participation is recorded in 3, 5 and 10-year periods are as follows: 3-year Rs44.45bn, 5-years Rs27.15bn and 10-years Rs11.02bn respectively while no bid participation is recorded in 20-years period. We expect rise in cut-off yields.
- ✓ Yesterday PBS released the data of LSMI for the month ended March, 2016. According to PBS, LSMI Output increased by 6.34% from previous month 145.83bps to 155.08bps. For 9MFY15/16, LSMI Output surged up by \$4.70% as compared to the same period of last fiscal year 127.87bps to 133.88bps. The sectors which recorded growth are as follows: Automobiles 23.43%, Fertilizers 15.92%, Leather Products 12.18% and Rubber Products 11.68% respectively. The sectors which showed decline are as follows: Wood Products 58.03% and Engineering Products 17.64% respectively.
- ✓ SBP released the numbers of M2 Growth for the week ended 6<sup>th</sup> May, 2016. According to SBP, M2 recorded a positive growth by 6.93% on YoY basis.
- ✓ Today MM initiated at 6.10%-6.30% and traded whole day in the range of 5.50%-6.30% and closed at 5.75%-6.10%.

**COMMODITY MARKET:**

- ✓ **GOLD:** Gold traded higher as U.S. CPI showed little signs of building inflationary pressure last month, potentially delaying the timing of the Federal Reserve's next interest rate hike. Yellow metal is currently trading at \$1275.00 per ounce.
- ✓ **CRUDE:** Crude oil advanced as energy traders awaited the release of the API's weekly inventory report. Black gold is currently trading at \$48.51 per barrel.

USD/PKR For			
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0975	(0.0025)	5.3%
2-WEEK	0.1975	0.0025	5.1%
1-MONTH	0.4525	0.0250	5.5%
2-MONTH	0.8050	-	5.0%
3-MONTH	1.1950	(0.0050)	5.2%
4-MONTH	1.6000	(0.0200)	4.7%
5-MONTH	2.0000	-	4.9%
6-MONTH	2.3800	(0.0200)	5.4%
12-MONTH	4.6500	-	5.7%
Economic Indicators			
Forex Reserves	6-May-16	USD bn	20.834
CPI- MoM	1-Apr-16		1.60%
CPI- YoY	1-Apr-16		4.17%
M2 Growth	FY16 YTD		6.93%
SBP Target Rate	FY16 YTD		6.00%
FDI	10MFY16	USD bn	1.016
Home Remittance	10MFY16	USD bn	16.034
Current A/C Def.	8MFY16	USD bn	1.859
Trade -Deficit	8MFY16	USD bn	13.372
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	5/2/2016	Pts	34,567.52
Money Market		18-May-16	
	KIBOR	PKRV	
1-Month	6.00%	6.19%	
3-Month	6.11%	6.19%	
6-Month	6.11%	6.21%	
12-Month	6.16%	6.22%	
PIB'S		Auction Date	
	Tenor	21-Apr-16	18-May-16
	Cut Off Yields		Bid/Ask
2-Years	-		6.62/58
3-Years	6.5492%		6.70/68
5-Years	6.9997%		7.20/12
10-Years	8.1804%		8.55/45
T-Bills		Auction Date	
	Tenor	12-May-16	18.-May-16
	Cut Off Yields		Bid/Ask
3-Months	6.2591%		6.23/20
6-Months	6.2665%		6.27/23
12-Months	6.2758%		6.28/25
Commodities		5/18/2016	
Gold Recommendation			
	Level	Long @	Short @
Entry level	1260		1305
Stop loss	1240		1325
Take profit	1285		1285
Crude Recommendation			
	Level	Long @	Short @
Entry level	46.5		47
Stop loss	45		49
Take profit	48.5		44