

FX – INTERBANK RATE:

19-Jan	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.95	104.95	104.93	104.94	104.93

- ✓ **Forecast for tomorrow:**
As per today's activity, we expect the market to continue to trade within the range of **104.88/104.98**

FX MARKET:

- ✓ The exchange rate remained unchanged.
- ✓ Swaps started the day with premiums moving lower as payment pressure kicked in after the extended weekend. The market however turned around and demand kicked in pushing the premiums higher again. Despite the news that FE25 import loans climbed to \$1.1bn in December, the premiums remain at elevated levels. With oil below sub \$30, the privatization commission is looking to remove PARCO from its list of companies it plans on floating. With no privatization taking place so far this financial year, the government will need to fund other sources of external funding get if it is to meet the NFA targets.
- ✓ SBP released the data of FDI for the month ended December, 2015. According to SBP, FDI declined by \$73.4mn from previous month \$157.3mn to \$83.9mn. For 6MFY15/16, FDI raised \$13.7mn as compared to the same period of last fiscal year \$610.4mn to \$624.1mn. The Countries which directly invested in Pakistan are as follows with their amounts: China \$400.2mn, U.A.E \$86.1mn, Others \$74.8mn and Italy \$55.0mn respectively.

MONEY MARKET:

- ✓ Today MM initiated at 5.75%-6.00% and traded whole day in the range of 5.75%-6.00% and expected to close at same.
- ✓ Today in bond secondary market, when issue is traded at following levels: 3years at 6.60/55, 5years at 7.61/58 and 10years at 9.10/05 respectively.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded higher as trade volumes remained light with U.S. stock and bond markets closed for the Martin Luther King Jr. holiday. Yellow metal is currently trading at \$1,087.46 per ounce.
- ✓ **CRUDE:** Crude oil declined as international sanctions against Iran's nuclear program were lifted over the weekend, opening the door to a wave of new oil and adding to concerns that a global glut will linger. Black gold is currently trading at \$30.94 per barrel.

PERIOD	SWAP	Change in	Swap Implied
1-WEEK	0.1175	(0.0050)	6.2%
2-WEEK	0.2275	(0.0050)	5.8%
1-MONTH	0.4850	(0.0100)	5.6%
2-MONTH	0.9100	(0.0050)	5.8%
3-MONTH	1.2400	(0.0050)	5.3%
4-MONTH	1.6000	0.0050	4.9%
5-MONTH	1.9500	(0.0050)	4.8%
6-MONTH	2.3050	0.0050	5.2%
12-MONTH	4.5500	-	5.4%

Economic Indicators			
Force Reserves	08-Jan-16	USD bn	20.759
CPI- MoM	08-Dec-15		-0.6%
CPI- YoY	08-Dec-15		3.2%
M2 Growth	FY16 YTD		4.2%
SBP Discount Rate	FY16 YTD		6.0%
FDI	6MFY16	USD mn	540.2
Home Reserves	6MFY16	USD bn	9.735
Current A/C Def.	6MFY16	USD bn	1.005
Trade Deficit	6MFY16	USD bn	7.480
Domestic Debt	As at 31-10-2015	Rs tm	19,004
External Debt	As at 30-09-2015	USD bn	55,809
KSE-100 Index	14/01/16	Pts	31,601.6

Economic Data released on Friday					
Date	Events	Actual	Forecast	Previous	
15-01-2016	USD Advance Retail Sales (DEC)		0.20%	0.20%	
15-01-2016	USD Retail Sales Ex Auto and Gas (DEC)			0.50%	
15-01-2016	USD Retail Sales Control Group (DEC)			0.60%	
15-01-2016	CAD Existing Home Sales (MoM) (DEC)			1.80%	
15-01-2016	USD Manufacturing (SIC) Production (DEC)			0.00%	
15-01-2016	USD Industrial Production (DEC)		-0.10%	-0.60%	
15-01-2016	USD Business Inventories (NOV)		0.00%	0.00%	
15-01-2016	USD U. of Michigan Confidence (JAN P)		93	92.6	

Money Market			19-Jan-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	17-Dec-15	19-Jan-16	
	Cut Off Yields	Bid/Ask	
2Years	-	6.35/30	
3Years	7.0251%	6.58/53	
5Years	7.9997%	7.59/55	
10Years	9.1011%	9.05/9.00	
T-Bills Auction Date			
Tenor	07-Jan-16	19-Jan-16	
	Cut Off Yields	Bid/Ask	
3Months	6.3038%	6.20/16	
6Months	6.3092%	6.22/18	
12Months	6.3098%	6.22/19	
Commodities			18/01/16
Crude Oil Recommendation			
Level	Long@	Short@	
Entry level	-	31.50	
Stop loss	-	32.50	
Take profit	-	30.50	
Gold Recommendation			
Level	Long@	Short@	
Entry level	1085	1115	
Stop loss	1065	1135	
Take profit	1105	1085	