

FX – INTERBANK RATE:

| 20-Jan | OPEN | HIGH | LOW | CLOSE | Last Day Close |
|--------|--------|--------|--------|--------|----------------|
| READY | 104.93 | 104.95 | 104.92 | 104.92 | 104.94 |

- ✓ **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 USDPKR remained unchanged.
- ✓ Swaps moved slightly lower today as the market players sold the forward tenors as expectations of a discount rate cut grow. With the SBP revising down its inflation expectations in its quarterly survey down to 3.5%, this gives them room to cut rates again. Activity in swaps was mostly seen in the longer tenors as market players put their interest rate expectations into action by selling the forwards.
- ✓ Yesterday, Minister of Privatization commission said that Pakistan Steel Mill (PSM) and Pakistan International Airline (PIA) will be privatized within one to two months.

MONEY MARKET:

- ✓ Today SBP held its 15th MTB auction for FY-15/16, where the target amount is Rs350bn while the maturity amount is Rs333.29bn. The total bid participation amount is recorded more from the target amount Rs606.23bn while the realized amount is Rs584.95bn. The total bid participation amount in 3, 6 and 12Months are Rs228.26bn, Rs140.07bn and Rs237.90bn respectively. We expect drop in cut-off yields.
- ✓ 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 7.62/58 and 10years at 9.10/9.00 respectively.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded lower in spite of a slightly lower dollar as annual GDP in China grew at its slowest pace in a quarter century last year. Yellow metal is currently trading at \$1,092.94 per ounce.
- ✓ **CRUDE:** Crude oil declined as investors continued to digest Iran's historic return to global energy markets and reports of record annual demand in China. Black gold is currently trading at \$28.88 per barrel.

| PERIOD | SWAP | Change in | Swap Implied |
|----------|--------|-----------|--------------|
| 1-WEEK | 0.1125 | (0.0050) | 5.9% |
| 2-WEEK | 0.2225 | (0.0050) | 5.7% |
| 1-MONTH | 0.5050 | 0.0200 | 5.9% |
| 2-MONTH | 0.8900 | (0.0200) | 5.7% |
| 3-MONTH | 1.2200 | (0.0200) | 5.2% |
| 4-MONTH | 1.5800 | (0.0200) | 4.8% |
| 5-MONTH | 1.9100 | (0.0400) | 4.7% |
| 6-MONTH | 2.2650 | (0.0400) | 5.1% |
| 12-MONTH | 4.5800 | 0.0300 | 5.4% |

| Economic Indicators | | | |
|---------------------|------------------|--------|-----------|
| Foreign Reserves | 08-Jan-16 | USD bn | 20.759 |
| CPI- MoM | 01-Dec-15 | | -0.60% |
| CPI- YoY | 01-Dec-15 | | 3.20% |
| IMR Growth | FY15 YTD | | 4.23% |
| SBP Discount Rate | FY15 YTD | | 6.00% |
| FDI | 5MFY16 | USD mn | 540.2 |
| Home Remittance | 6MFY16 | USD bn | 9.735 |
| Current A/C Def. | 5MFY16 | USD bn | 1.005 |
| Trade Deficit | 5MFY16 | USD bn | 7.480 |
| Domestic Debt | As at 31-10-2015 | Rs bn | 31.004 |
| External Debt | As at 30-09-2015 | USD bn | 55.609 |
| KSE-100 Index | 14/01/16 | Pts | 31,631.63 |

| Money Market | 20-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 | 20-Jan-16 | |
| | Cut Off | Yeilds | Bid/Ask |
| 2Years | - | | 6.30/25 |
| 3Years | 7.0251% | | 6.57/54 |
| 5Years | 7.9997% | | 7.60/55 |
| 10Years | 9.1011% | | 9.05/9.00 |

| T-Bills Auction Date | | | |
|----------------------|-----------|-----------|---------|
| Tenor | 07-Jan-16 | 20-Jan-16 | |
| | Cut Off | Yeilds | Bid/Ask |
| 3Months | 6.3038% | | 6.19/14 |
| 6Months | 6.3092% | | 6.18/13 |
| 12Months | 6.3098% | | 6.20/16 |

| Commodities 19/01/16 | | | |
|--------------------------|-------|--------|-------|
| 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 | 1085 | | 1135 |
| Take profit | 1105 | | 1085 |