

FX – INTERBANK RATE:

21-Jan	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.89	104.92	104.89	104.92	104.92

✓ **Forecast for tomorrow:**

As per today's activity, we expect the market to continue to trade within the range of **104.86/104.96**

FX MARKET:

- ✓ SBP released the data of trade deficit for the month ended December, 2015. According to SBP, the trade deficit rose by \$239mn from last month \$1.67bn to \$1.91bn. For 6MFY15/16, trade deficit declined by \$1.33bn as compared to the same period of previous fiscal year \$11.42bn to \$10.09bn. Trade deficit figure shrank mainly due to decrease in import bill by \$2.83bn from \$26.51bn to \$23.68bn.

MONEY MARKET:

- ✓ Yesterday, SBP held its 15th MTB auction for FY-15/16, where SBP accepted amount Rs291.89bn below from both the target amount Rs350bn and the maturity amount is Rs333.29bn. While the total bid participation amount Rs606.23bn was more than the target amount. The amount accepted in 3, 6 and 12month tenors are as follows: 3month Rs73.68bn, 6months Rs55.99bn and 12months Rs162.53bn respectively. The cut-off yields dropped as per our expectation. The cut of Yield dropped in 3, 6 and 12months by 14bps, 13bps and 8bps from 6.30% to 6.16%, 6.31% to 6.18% and 6.31 to 6.23% respectively.
- ✓ SBP released the numbers of M2 Growth for the week ended 8th January, 2016. According to SBP, M2 recorded a positive growth by 2.98% on YoY basis.
- ✓ SBP ceiling was hit for Rs17bn.
- ✓ 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 6.55/53, 5years at 7.55/53 and 10years at 9.05/9.00 respectively.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded higher as soft inflation data in the U.S. increased the possibility that the Federal Reserve could delay its next rate beyond the 1st quarter. Yellow metal is currently trading at \$1,097.67 per ounce.
- ✓ **CRUDE:** Crude oil declined amid mounting concerns of a widening gulf between global supply and demand levels. Black gold is currently trading at \$28.18 per barrel.

PERIOD	SWAP	Change in	Swap Implied
1-WEEK	0.1125	-	5.9%
2-WEEK	0.2175	(0.0050)	5.6%
1-MONTH	0.4750	(0.0300)	5.5%
2-MONTH	0.8750	(0.0150)	5.6%
3-MONTH	1.2150	(0.0050)	5.2%
4-MONTH	1.5750	(0.0050)	4.8%
5-MONTH	1.8950	(0.0150)	4.6%
6-MONTH	2.2400	(0.0250)	5.0%
12-MONTH	4.5000	(0.0800)	5.4%

Economic Indicators			
Forex Reserves	08-Jan-16	USD bn	28,759
CPI-MoM	08-Dec-15		-0.68%
CPI-YoY	08-Dec-15		3.29%
M2 Growth	FY16 YTD		2.98%
SBP Target Rate	FY16 YTD		6.00%
FDI	6MFY16	USD mn	624.1
Home Reserves	6MFY16	USD bn	9,735
Current A/C Def.	5MFY16	USD bn	1,085
Trade Deficit	6MFY16	USD bn	18,081
Domestic Debt	As at 31-12-2015	Rs bn	13,004
External Debt	As at 30-09-2015	USD bn	55,689
RSE-100 Index	14/01/16	Pts	31,631.63

Money Market		21-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	21-Jan-16	
	Cut Off Yields	Bid/Ask	
2Years	-	6.32/28	
3Years	7.0251%	6.54/50	
5Years	7.9997%	7.55/50	
10Years	9.1011%	9.00/8.95	

T-Bills Auction Date			
Tenor	21-Jan-16	21-Jan-16	
	Cut Off Yields	Bid/Ask	
3Months	6.16%	6.18/12	
6Months	6.18%	6.18/13	
12Months	6.23%	6.17/12	

Commodities 21/01/16			
Crude Oil Recommendation			
Level	Long@	Short@	
Entry level	27.00	-	
Stop loss	28.00	-	
Take profit	28.00	-	

Gold Recommendation			
Level	Long@	Short@	
Entry level	1090	1118	
Stop loss	1070	1138	
Take profit	1110	1090	