

FX – INTERBANK RATE:

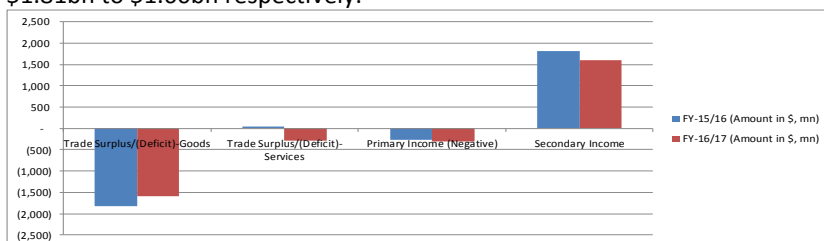
22-Aug	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.73	104.85	104.72	104.83	104.70

✓ **Forecast for tomorrow:**

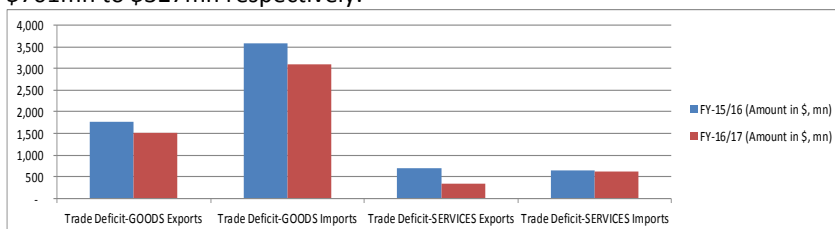
As per today's activity, we expect the market to continue to trade within the range of **104.70/104.90**

FX MARKET:

- ✓ The USDPKR rallied today as demand for the green back picked up on the back of depleted nostros and the release of the CA deficit figures which posted the deficit of \$591mn for 1MFY-16/17.
- ✓ Swaps edged lower across the board with the shorter tenors seeing the most activity, as dollar demand picked dramatically. The overnight premium traded at a discount of 1paise while 1-week traded at 6paise's. The longer tenors also saw the tenors priced lower as sellers sought to sell forward whereas the bidders were far and few between and at lower levels compared to Fridays closing levels.
- ✓ According to Bloomberg news, The Chinese based Power Company Shanghai Electric is doing preliminary preparation work on acquiring a stake in K-Electric from Abraaj Groups who has 66% holding in the Pakistani company.
- ✓ SBP released the data of CA Deficit for the month ended July, 2016. According to SBP, CA Deficit figure surged-up by \$530mn as compared to the last month \$61mn to \$591mn while for 1MFY16/17, it is increased by \$357mn as compared to the same period of previous fiscal year \$234mn to \$591mn. The CA Deficit figure is made-up by following items: Trade Deficit (Goods & Services) increased by \$100mn from \$1.77bn to \$1.87bn, Primary Income (Negative) rose by \$39mn from \$274mn to \$313mn and Secondary Income decreased by \$218mn from \$1.81bn to \$1.60bn respectively.



- ✓ Along with CA Deficit SBP also revealed the data of Trade Deficit-Goods & Services for the month of July, 2016. According to SBP, Trade deficit-Goods & Services decreased by \$399mn as compared to the last month \$2.27bn to \$1.87bn while for FY1M16/17, it is rose by \$100mn as compared to the same period of previous fiscal year \$1.77bn to \$1.87bn. Trade deficit-Goods declined by \$241mn from \$1.82bn to \$1.58bn mainly due to fall in imports by \$492mn from 3.58bn to 3.09bn while Trade deficit-Services increased by \$341mn from \$51 surplus to \$290 deficit mainly due to plunge in exports by \$374mn from \$701mn to \$327mn respectively.



PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0600	(0.0225)	3.4%
2-WEEK	0.1600	(0.0100)	4.2%
1-MONTH	0.3600	(0.0250)	4.6%
2-MONTH	0.7550	(0.0100)	4.9%
3-MONTH	1.1100	(0.0600)	5.0%
4-MONTH	1.4600	(0.0450)	4.5%
5-MONTH	1.8400	(0.0300)	4.5%
6-MONTH	2.2150	(0.0450)	5.4%
12-MONTH	4.4500	(0.1000)	5.8%

Economic Indicators			
Forex Reserves	12-Aug-16	USD bn	22.623
CPI- MoM	1-Jul-16		0.40%
CPI- YoY	1-Jul-16		4.12%
M2 Growth	FY17 YTD		-1.07%
SBP Target Rate	FY17 YTD		5.75%
SBP Discount Rate	FY17 YTD		6.25%
FDI	1MFY17	USD mn	64.3
Home Remittance	1MFY17	USD bn	1.328
Current A/C Def.	1MFY17	USD mn	591.000
Trade -Deficit	1MFY17	USD bn	1.588
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	8/3/2016	Pts	39,615.76

Money Market 19-Aug-16		
	KIBOR	PKRV
1-Month	5.70%	5.81%
3-Month	5.73%	5.79%
6-Month	5.74%	5.78%
12-Month	5.76%	5.79%

PIB'S Auction Date		
Tenor	14-July-16	19-Aug-16
	Cut Off	Yeilds Bid/Ask
2-Years	-	6.00/5.95
3-Years	6.2058%	6.18/15
5-Years	6.7029%	6.67/64
10-Years	7.8003%	7.75/72

T-Bills Auction Date		
Tenor	18-Aug-16	19-Aug-16
	Cut Off	Yeilds Bid/Ask
3-Months	5.8571%	5.84/82
6-Months	5.9046%	5.89/87
12-Months	5.9148%	5.91/89

Commodities 17-August-16		
Crude Oil Recommendation		
Technical Level	Long@	Short@
Entry level	44.00	49.00
Stop loss	42.00	52.00
Take profit	47.00	46.00

Gold Recommendation		
Technical Level	Long@	Short@
Entry level	1,320	1,370
Stop loss	1,295	1,400
Take profit	1,355	1,320