

FX – INTERBANK RATE:

22-Mar	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.75	104.76	104.75	104.75	104.74

✓ **Forecast for tomorrow:**

As per today's activity, we expect the market to continue to trade within the range of **104.65/104.80**

FX MARKET:

- ✓ The exchange rate remained unchanged on the day as the current account data gave a boost the rupee sentiment.
- ✓ Swaps moved lower ahead of the holiday today as payments were brought forward. With the PIB yields also moving down by a few basis points this has kindled hopes of a cut in the discount rate at the monetary policy meeting which is expected on Saturday.
- ✓ SBP released the data of CA Deficit for the month of February, 2016. According to SBP, CA posted surplus of \$157mn as compared to previous month deficit of \$590mn. For 8MFY15/196, CA Deficit declined by \$88mn as compared to the same period of last fiscal year \$1.94bn to \$1.85bn. The CA Deficit figure made up of following items: Trade deficit (Goods & Services) fell by \$16mn from \$13.38bn to \$13.37bn, Primary income deficit increased by \$71mn from \$2.95bn to \$3.02bn and Secondary income rose by \$144mn from \$14.54bn to \$14.39bn.
- ✓ SBP also revealed the data of trade deficit (goods & services) for the month of February, 2016. According to SBP, Trade deficit declined by \$486mn from last month \$1.80bn to \$1.31bn. For 8MFY15/16, Trade deficit fell by meager amount of \$16mn as compared to the same period of previous fiscal year \$13.38bn to \$13.37bn. Trade deficit figure made up by following items: Trade deficit goods fell by \$26mn from \$11.93bn to \$11.90bn while trade deficit services rose by \$10mn from \$1.45bn to \$1.46bn.

MONEY MARKET:

- ✓ Yesterday, SBP conducted its 9th PIB auction for FY16, where Government borrowed Rs113.25bn above from the target and maturity amount Rs75bn and Rs44.83bn respectively. Although the total bid participation was recorded Rs217.13bn almost 3-times higher from the target amount. The Government borrowed in 3, 5 and 10 year period was as follows: 3-year Rs34.21bn, 5-years Rs62.61bn and 10-years Rs16.41bn respectively. As per our expectation the cut-off yields dropped. The cut-off yields dropped 3, 5 and 10-years by 3bps, 5bps and 2bps from 6.35% to 6.32%, 7.05% to 7.00% and 8.25% to 8.23% respectively.
- ✓ PBS released the data of LSMI for the month of January, 2016. According to PBS, LSMI output surged by 6.91% or 9.68bps from previous month 140.04bps to 149.72bps. For 7MFY15/16, LSMI Output rose by 4.12% or 5.09bps as compared to the same period of last fiscal year 123.42bps to 128.51bps. The sectors which recorded growth in LSMI Output is as follows: Automobile 31.42%, Fertilizer 14.60% and Chemicals 11.44% respectively and the sectors which recorded decline in LSMI Output are as follows: Wood products 47.65%, Engineering products 19.76% and paper and boards 12.51% respectively.
- ✓ Today SBP conducted 3-Days OMO (Injection), where total amount offered has been accepted Rs114bn at 6.03%.
- ✓ Today MM initiated at 6.00%-6.10% and traded whole day in the range of 6.00%-6.15% and closed at 5.50%-6.00%.

USD/PKR Fc			
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0950	(0.0125)	5.1%
2-WEEK	0.1950	(0.0175)	5.0%
1-MONTH	0.4450	(0.0200)	5.4%
2-MONTH	0.8950	(0.0350)	5.6%
3-MONTH	1.3100	(0.0150)	5.6%
4-MONTH	1.7000	(0.0100)	5.0%
5-MONTH	2.0700	(0.0300)	5.0%
6-MONTH	2.4650	(0.0250)	5.6%
12-MONTH	4.7500	(0.1000)	5.8%

Economic Indicators			
Forex Reserves	11-Mar-16	USD bn	20.718
CPI- MoM	01-Feb-16		-0.30%
CPI- YoY	01-Feb-16		4.02%
M2 Growth	FY16 YTD		4.10%
SBP Target Rate	FY16 YTD		6.00%
FDI	8MFY16	USD mn	750.9
Home Remittance	8MFY16	USD bn	12.714
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	21/03/16	Pts	33,100.46

Money Market		22-Mar-16	
	KIBOR	PKRV	
1Month	5.99%	6.20%	
3Month	6.10%	6.18%	
6Month	6.10%	6.19%	
12Month	6.14%	6.20%	

PIB'S Auction Date		
Tenor	22-Mar-16	22-Mar-16
	Cut Off Yields	Bid/Ask
2Years	-	6.25/18
3Years	6.3204%	6.31/28
5Years	7.0000%	6.93/91
10Years	8.2296%	8.20/17

T-Bills Auction Date		
Tenor	17-Mar-16	22-Mar-16
	Cut Off Yields	Bid/Ask
3Months	6.1697%	6.21/15
6Months	6.2026%	6.24/19
12Months	6.2192%	6.23/19

Commodities 22/03/16		
Gold Recommendation		
Level	Long@	Short@
Entry level	1210	1275
Stop loss	1190	1295
Take profit	1255	1255

Crude Recommendation		
Level	Long@	Short@
Entry level	38	-
Stop loss	36	-
Take profit	41.5	-