

FX – INTERBANK RATE:

23-Feb	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.85	104.85	104.85	104.85	104.86

HIGHLIGHTS OF FOMC MEETING MINUTES

- ✓ The information reviewed for the January 31–February 1 meeting indicated that real GDP expanded at a moderate rate in the 4th quarter of last year, while labor market conditions continued to strengthen. CPI rose further above the slow pace seen during the 1st half of last year, but it was still running below the Committee’s longer run objective of 2%.
- ✓ Recent indicators generally showed that labor market conditions continued to improve. Total nonfarm payroll employment increased at a solid pace in December. The unemployment rate edged up to 4.7% while the labor force participation rate rose slightly. The rates of private-sector job openings and hiring were unchanged.
- ✓ Real PCE rose at a moderate pace in the 4th quarter. Consumer expenditures for durable goods, particularly motor vehicles, increased considerably. Real private expenditures for business equipment and intellectual property (E&I) expanded at a moderate pace in the 4th quarter.
- ✓ In view of realized and expected labor market conditions and inflation, the Committee decided to maintain the target range for the federal funds rate at 0.50% to 0.25% percent.

MONEY MARKET:

- ✓ Yesterday SBP held its 8th PIB Auction for FY-16/17, where the target amount is Rs50bn while the maturity amount is Rs9.0bn. The total bid participation is recorded more than 4-times higher from the target amount Rs201.72bn. But the Govt borrowed above from the target amount Rs60.0bn. The Govt borrowed amount in 3, 5, and 10-years are Rs59.07bn, Rs1.03mn and Rs26.36mn while 20-year bids were rejected. The PIB’s cut-off yield for 3, 5 and 10-year remained same and 20-year bids were rejected as compared to our expectation of 3-year PIB Cut-off yield remained same while PIB Cut-off yield for 5 and 10-year rose by 10, 21bps and bids may be rejected for 20-years period.
- ✓ Today SBP conducted 1-Day OMO (Mop-up), where total amount offered was Rs59bn out of which the amount accepted was Rs20.9bn at 5.45%.
- ✓ Today MM initiated at 5.25%-5.75% and traded whole day within the range of 5.50%-5.80% and expected to close at same.

PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0550	0.0041	3.4%
2-WEEK	0.1000	0.0038	3.2%
1-MONTH	0.1875	(0.0152)	2.9%
2-MONTH	0.3738	(0.0243)	3.1%
3-MONTH	0.5581	(0.0216)	3.2%
4-MONTH	0.7563	(0.0290)	3.4%
5-MONTH	0.9138	(0.0214)	3.3%
6-MONTH	1.0914	(0.0235)	3.5%
12-MONTH	2.4968	(0.0791)	4.1%

ECONOMIC INDICATOR			
Forex Reserves	10-Feb-17	USD bn	21.824
CPI- MoM	1-Jan-17		0.20%
CPI- YoY	1-Jan-17		3.66%
M2 Growth	FY17 YTD		2.86%
SBP Target Rate	FY17 YTD		5.75%
SBP Discount Rate	FY17 YTD		6.25%
FDI	7MFY17	USD bn	1.161
Home Remittance	7MFY17	USD bn	10.948
Current A/C Def.	7MFY17	USD bn	4.716
Trade -Deficit	7MFY17	USD bn	15.208
Kerb USD/PKR	23-Feb-17	Bid/Ask	107.30/60
Govt. Domestic Debt	As at 30-11-2016	Rs trn	14.645
External Debt	As at 30-09-2016	USD bn	74.638
MSCI-EM Index	23-Feb-17	Pts	952.46
PSX-100 Index	23/2/2017	Pts	48,883.17

DATA	3-MONTH	6-MONTH	12-MONTH
LIBOR 21-Feb	1.05344%	1.36239%	1.74539%

Money Market			23-Feb-17
Tenor	KIBOR	PKRV	
1-Month	5.76%	5.91%	
3-Month	5.84%	5.94%	
6-Month	5.89%	5.97%	
12-Month	5.90%	5.99%	

PIB'S Auction Date		
Tenor	26-Jan-17 Cut Off Yields	23-Feb-17 Bid/Ask
2-Years	-	6.21/19
3-Years	6.4074%	6.40/36
5-Years	6.8998%	6.99/96
10-Years	7.9414%	8.17/10

T-Bills Auction Date		
Tenor	16-Feb-17 Cut Off Yields	23-Feb-17 Bid/Ask
3-Months	5.9463%	5.94/92
6-Months	5.9896%	5.98/96
12-Months	5.9935%	5.99/95

PMEX FUTURE CONTRACTS					22/2/2017
COMMODITIES	P (L/S)	E-L	T-P	S-L	YTD P & L %
CRUDE-OIL					
SILVER					
BRENT-OIL					
GOLD USD	L	1230.00	1255.00	1210.00	6.05%
GOLD-EUR/USD	L	1.0600	1.0850	1.0500	0.55%
GOLD-GBP/USD					
GOLD-USD/JPY	S	114.00	111.50	115.00	4.44%
GOLD-USD/CAD					2.44%
GOLD-USD/CHF					
GOLD-AUD/USD					

P= POSITION L= LONG S= SHORT P= PROFIT L= LOSS
 TP= TAKE PROFIT SL= STOP LOSS YTD= YEAR TO DATE