

FX – INTERBANK RATE:

24-Nov	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.84	104.84	104.79	104.83	104.85

FOMC MINUTES FOR NOVEMBER 1-2, 2016 MEETING:

- ✓ The information reviewed for the November 1–2 meeting indicated that real GDP expanded at a faster pace in the 3rd quarter than in the 1st half of the year and that labor market conditions continued to strengthen in recent months. CPI increased further above its pace early in the year but was still running below the Committee’s longer-run objective of 2%.
- ✓ Total nonfarm payroll employment expanded at a solid pace in September and the unemployment rate was little changed at 5%.
- ✓ The rate of private-sector job openings edged down in August, and the rates of hiring and of quits were unchanged. Measures of labor compensation continued to rise at a moderate pace. Total industrial production increased slightly in September after little change, on net, in July and August.
- ✓ Real personal consumption expenditures (PCE) increased at a moderate pace in the 3rd quarter, supported by continued gains in employment, real disposable personal income, and households’ net worth. Housing market activity was weak in the 3rd quarter.

CONCLUSION:

- ✓ After assessing the outlook for economic activity, the labor market and inflation, as well as the risks around that outlook, the Committee decided to maintain the target range for the federal funds rate at 0.25% to 0.50% at this meeting.

MONEY MARKET:

- ✓ Yesterday SBP held its 11th MTB Auction for FY-16/17, where the target amount is Rs250bn and maturity amount is Rs209bn. While the total bid participation amount was recorded well above from the target and maturity amount Rs491.66bn. But the Government accepted amount Rsbn. The amount which Government accepted is divided in 3, 6 and 12-month tenor Rs190.46bn, Rs103.9bn and Rs1.0bn respectively. As per our expectation the cut-off yields of 3 and 6-months remained same at 5.95%, while cut-off yields of 12-months rose by 3bps from 5.92% to 5.95%.

Today MM initiated at 5.80%-5.90% and traded whole day with in the range of 5.80%-5.90% and expected to close at same.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded lower as the up-beat US Durable goods data strong the dollar amid strong the expectations of a U.S. Federal Reserve rate hike in December. Yellow metal is currently trading at \$1,187.82 per ounce.
- ✓ **CRUDE:** Crude oil declined after IEA Director told that even if production is cut, prices could soon come back under downward pressure again as the OPEC-led cut would enable U.S. shale oil drillers to massively increase their own output. Black gold is currently trading at \$48.01 per barrel.

PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0665	0.0015	3.8%
2-WEEK	0.1325	0.0025	3.5%
1-MONTH	0.3000	0.0250	3.9%
2-MONTH	0.5450	0.0100	3.8%
3-MONTH	0.8250	0.0300	4.0%
4-MONTH	1.1050	0.0200	3.5%
5-MONTH	1.3650	-	3.4%
6-MONTH	1.6400	0.0150	4.4%
12-MONTH	3.7500	-	5.2%

Economic Indicators			
Forex Reserves	11-Nov-16	USD bn	24.095
CPI- MoM	1-Oct-16		0.80%
CPI- YoY	1-Oct-16		4.21%
M2 Growth	FY17 YTD		0.12%
SBP Target Rate	FY17 YTD		5.75%
SBP Discount Rate	FY17 YTD		6.25%
FDI	4MFY17	USD mn	316.1
Home Remittance	4MFY17	USD bn	6.258
Current A/C Def.	4MFY17	USD bn	1.762
Trade -Deficit	4MFY17	USD bn	7.796
Govt. Domestic Debt	As at 31-08-2016	Rs trn	14.554
External Dbt	As at 30-06-2016	USD bn	72.978
MSCI-EM Index	21/11/2016	Pts	856.9
KSE-100 Index	22/11/2016	Pts	42,631.58

Money Market			24-Nov-16	
	KIBOR		PKRV	
1-Month	5.74%		5.87%	
3-Month	5.80%		5.92%	
6-Month	5.82%		5.94%	
12-Month	5.89%		5.98%	

PIB'S Auction Date			
Tenor	22-Sep-16	24-Nov-16	
	Cut Off Yields	Bid/Ask	
2-Years	-	6.05/6.00	
3-Years	6.1970%	6.29/26	
5-Years	6.7010%	6.90/87	
10-Years	7.7995%	8.01/7.99	

T-Bills Auction Date			
Tenor	24-Nov-16	24-Nov-16	
	Cut Off Yields	Bid/Ask	
3-Months	5.9463%	5.93/91	
6-Months	5.9471%	5.95/92	
12-Months	5.9485%	6.00/94	

Commodities 15-September-16		
Crude Oil Recommendation		
Technical Level	Long@	Short@
Entry level	-	-
Stop loss	-	-
Take profit	-	-

Gold Recommendation		
Technical Level	Long@	Short@
Entry level	-	-
Stop loss	-	-
Take profit	-	-