

**FX – INTERBANK RATE:**

26-Feb	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.65	104.65	104.60	104.60	104.61

✓ **Forecast for tomorrow:**

As per today's activity, we expect the market to continue to trade within the range of **104.50/104.70**

**FX MARKET:**

- ✓ The exchange rate saw dollar demand keep it bid for most of the day as MM conditions as well favored the greenback.
- ✓ Swaps saw most of the activity restricted to the short dated swaps. While activity was seen in 2 and 3-months, activity was limited while longer term tenors saw negligible activity.
- ✓ SBP revealed the figure of total FX Reserves for the week ended 19<sup>th</sup> February, 2016. According to SBP, Total FX Reserves was decreased by \$55mn from last week \$20.38bn to \$20.33bn. The breakup of total FX Reserves were as follows: SBP held FX Reserves fell by \$35.9mn from \$15.51bn to \$15.47bn while FX Reserves held by other banks also fell by \$19.1mn from \$4.87bn to \$4.85bn. The decrease in reserves was due to payments of \$35mn on account of external debt servicing.

**MONEY MARKET:**

- ✓ SBP issued the numbers of M2 Growth for the week ended 12<sup>th</sup> February, 2016. According to SBP, M2 posted a positive growth by 3.40% on YoY basis.
- ✓ Today PBS released the data of weekly inflation for the week ended 25<sup>th</sup> February, 2016. According to PBS, SPI declined by 0.22% from the last week 215.50bps to 215.03bps.
- ✓ Today SBP conducted 7-Day OMO (Injection), where total amount offered has been accepted Rs1.21trn at 6.02%.
- ✓ Today MM initiated at 6.00%-6.15% and traded whole day in the range of 5.80%-6.10% and expected to close at same.

**COMMODITY MARKET:**

- ✓ **GOLD:** Gold traded higher as metal traders reacted to a mixed batch of U.S. economic data. Yellow metal is currently trading at \$1,232.09 per ounce.
- ✓ **CRUDE:** Crude oil advanced amid renewed efforts by Russia to complete a pact with 3-OPEC members. Black gold is currently trading at \$33.75 per barrel.

PERIOD	SWAP	Change in	Swap Implied
1-WEEK	0.1113	(0.0013)	5.9%
2-WEEK	0.2263	0.0113	5.8%
1-MONTH	0.4875	0.0325	5.7%
2-MONTH	0.9150	0.0050	5.9%
3-MONTH	1.3250	0.0100	5.7%
4-MONTH	1.7200	(0.0100)	5.2%
5-MONTH	2.0700	-	5.0%
6-MONTH	2.4800	-	5.6%
12-MONTH	4.6500	-	5.6%

Economic Indicators			
Forex Reserves	19-Feb-16	USD bn	203332
CPI-MMM	18-Jan-16		1.20%
CPI-YoY	18-Jan-16		3.32%
M2 Growth	FF16YTD		3.40%
SBP Target Rate	FF16YTD		6.00%
FDI	7MFP16	USD mn	607.9
Home Remittance	7MFP16	USD bn	11190
Current A/C Def.	7MFP16	USD bn	2186
Trade Deficit	7MFP16	USD bn	1216%
Govt Domestic Debt	As at 31-12-2015	Bstn	13180
External Debt	As at 31-12-2015	USD bn	55029
ISE-100 Index	26/02/16	Pts	31,107.97

Money Market		26-Feb-16	
	KIBOR	PKRV	
1Month	6.00%	6.21%	
3Month	6.10%	6.21%	
6Month	6.11%	6.21%	
12Month	6.15%	6.18%	
PIB'S		Auction Date	
Tenor	25-Feb-16	26-Feb-16	
	Cut Off	Yeilds Bid/Ask	
2Years	-	6.30/20	
3Years	6.3469%	6.34/32	
5Years	7.0492%	7.00/6.96	
10Years	8.2505%	8.30/25	
T-Bills		Auction Date	
Tenor	18-Feb-16	26-Feb-16	
	Cut Off	Yeilds Bid/Ask	
3Months	6.2144%	6.25/20	
6Months	6.2239%	6.22/18	
12Months	6.2419%	6.22/17	
Commodities		26/02/16	
Gold Recommendation			
Level	Long@	Short@	
Entry level	1215.00	1240.00	
Stop loss	1200.00	1260.00	
Take profit	1235.00	1210.00	
Crude Recommendation			
Level	Long@	Short@	
Entry level	29	35	
Stop loss	27	37	
Take profit	32	33	