

FX – INTERBANK RATE:

26-Jul	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.85	104.85	104.84	104.84	104.85

- ✓ **Forecast for tomorrow:**
As per today's activity, we expect the market to continue to trade within the range of **104.80/104.90**

FX MARKET:

- ✓ The exchange rate remained unchanged.
- ✓ Swaps moved lower as demand for the greenback picked up across the board. All tenors were lower on the day as buy sell activity in swaps dominated the trading day. The 6-months tenor saw Rs2.19 traded while the 3-months saw activity at Rs1.15. With oil prices moving lower again in Asian trading the consensus for lower interest rates for longer is gaining ground.

MONEY MARKET:

- ✓ SBP released the numbers of M2 Growth for the week ended 8th July, 2016. According to SBP, M2 posted a negative growth by 0.98% on YoY basis.
- ✓ Today MM initiated at 5.75%-6.00% and traded whole day with in the range of 5.75%-5.90% and closed at 5.75%-6.00%.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded lower as rising hopes of a US rate hike decreased the safe-haven allure of the yellow metal. Yellow metal is currently trading at \$1,320.42 per ounce.
- ✓ **CRUDE:** Crude oil declined as fading global demand led to renewed fears of global crude glut. Black gold is currently trading at \$42.70 per barrel.

USD/PKR Fc			
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0975	-	5.3%
2-WEEK	0.1925	(0.0050)	5.0%
1-MONTH	0.4125	(0.0125)	5.1%
2-MONTH	0.8050	(0.0200)	5.1%
3-MONTH	1.1450	(0.0200)	5.1%
4-MONTH	1.5200	(0.0100)	4.5%
5-MONTH	1.8700	(0.0325)	4.6%
6-MONTH	2.1850	(0.0300)	5.2%
12-MONTH	4.6000	(0.0500)	5.8%

Economic Indicators			
Forex Reserves	15-Jul-16	USD bn	23.091
CPI- MoM	1-Jun-16		0.60%
CPI- YoY	1-Jun-16		3.17%
M2 Growth	FY17 YTD		-0.98%
SBP Target Rate	FY16 YTD		5.75%
SBP Discount Rate	FY16 YTD		6.25%
FDI	FY16	USD bn	1.281
Home Remittance	FY16	USD bn	19.914
Current A/C Def.	FY16	USD bn	2.525
Trade -Deficit	FY16	USD bn	20.874
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	7/26/2016	Pts	39,147.33

Money Market			26-Jul-16	
	KIBOR		PKRV	
1-Month	5.74%		5.90%	
3-Month	5.86%		5.93%	
6-Month	5.90%		5.95%	
12-Month	5.95%		5.98%	

PIB'S Auction Date		
Tenor	14-July-16	26-July-16
	Cut Off Yields	Bid/Ask
2-Years	-	5.90/80
3-Years	6.2058%	6.02/5.99
5-Years	6.7029%	6.47/42
10-Years	7.8003%	7.50/45

T-Bills Auction Date		
Tenor	21-July-16	26-July-16
	Cut Off Yields	Bid/Ask
3-Months	5.81%	5.79/73
6-Months	5.84%	5.8076
12-Months	5.86%	5.79/76

Commodities			7/11/2016	
Gold Recommendation				
Level	Long@		Short@	
Entry level	1325		1395	
Stop loss	1305		1405	
Take profit	1355		1355	

Crude Recommendation		
Level	Long@	Short@
Entry level	44	48.5
Stop loss	42	51.5
Take profit	48	46.5