

**FX – INTERBANK RATE:**

28-Dec	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.86	104.86	104.85	104.86	104.86

**FX MARKET:**

- ✓ The exchange rate remained stable.
- ✓ Swaps saw the premiums recover slightly from the sharp declines seen yesterday. The shorter dated swap premiums were still trading at a discount up to the 2-weeks tenors, although there was a modest recovery by the end of the trading sessions. The 6-months traded below the Rs1.50 level, although yesterday the market was offered as low as Rs1.45. With year-end dollar demand still expected to remain strong, the premiums will remain under pressure well into the New-Year.

**MONEY MARKET:**

- ✓ Yesterday, SBP issued the numbers of M2-Growth for the week ended 16<sup>th</sup> December, 2016. According to SBP, M2 recorded a positive growth by 2.68% on YoY basis.
- ✓ Today SBP held its 6<sup>th</sup> PIB Auction for FY-16/17, where the target amount is Rs50bn while the maturity amount is Rs2.11bn. The total bid participation is in-line with the target amount Rs46.99bn. The total bid participation is divided in 3, 5 and 10- years are Rs33.94bn, Rs7.05bn and Rs6.00bn respectively. We expect drastic rise in PIB's cut-off yields of 3, 5 and 10-year period by 45bps, 79bps and 70bps respectively.

**6th PIB Auction Result**

As per our Expectation based on Bid Participation

Maturity Period	Cut-off Yield	Weighted Avg Yield	Realized Value (Rs, bn)	Face Value (Rs, bn)
3-Years	<b>6.6529%</b>	6.6086%	4.233	4.190
5-Years	<b>7.4895%</b>	7.3055%	3.300	3.360
10-Years	<b>8.5003%</b>	8.4687%	3.000	3.056
<b>Total</b>			<b>10.533</b>	<b>10.606</b>

- ✓ Today MM initiated at 5.25%-5.50% and traded whole day with in the range of 5.25%-5.50% and expected to close at same.

**COMMODITY MARKET:**

- ✓ **GOLD:** Gold traded higher on Govt inflation data from Japan. Trading was moderate with investors in the U.S. returning to work after the lengthy Christmas weekend. London markets are still closed. Yellow metal is currently trading at \$1,138.30 per ounce.

**CRUDE:** Crude oil advanced on light holiday trading with low volatility. Pending OPEC production cuts are increasing optimism for oil traders. Black gold is currently trading at \$54.07 per barrel.

**WORLD ECONOMIC DATA RELEASED DURING THE LAST 24-HOURS**

Date	Events	Actual	Forecast	Previous
27-12-16	USD S&P/Case-Shiller Composite-20 (YoY) (OCT)	5.10%	5.03%	5.03%
27-12-16	USD S&P/Case-Shiller US Home Price Index (YoY)	5.61%		5.39%
27-12-16	USD Consumer Confidence (DEC)	113.7	109	109.4

Source: www.dailyfx.com

PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	(0.0055)	(0.0019)	0.4%
2-WEEK	0.0200	-	0.7%
1-MONTH	0.1635	(0.0210)	2.6%
2-MONTH	0.4003	(0.0504)	3.1%
3-MONTH	0.6590	(0.0218)	3.5%
4-MONTH	0.9206	(0.0350)	2.9%
5-MONTH	1.2203	(0.0213)	3.1%
6-MONTH	1.4656	(0.0421)	4.1%
12-MONTH	3.4576	(0.0247)	5.0%

ECONOMIC INDICATOR			
Forex Reserves	15-Dec-16	USD bn	23.132
CPI - MoM	1-Nov-16		0.20%
CPI - YoY	1-Nov-16		3.81%
M2 Growth	FY17 YTD		2.68%
SBP Target Rate	FY17 YTD		5.75%
SBP Discount Rate	FY17 YTD		6.25%
FDI	5MFY17	USD mn	459.8
Home Remittance	5MFY17	USD bn	7.874
Current A/C Def.	4MFY17	USD bn	1.762
Trade -Deficit	4MFY17	USD bn	7.796
Kerb USD/PKR	26-Dec-16	Bid/Ask	108.50/75
Govt Domestic Debt	As at 31-08-2016	Rs trn	14.554
External Debt	As at 30-06-2016	USD bn	72.978
MSCI-EM Index	26/12/2016	Pts	842.23
PSX-100 Index	26/12/2016	Pts	46,803.22

DATA	3-MONTH	6-MONTH	12-MONTH
LIBOR 22-Dec	0.99706%	1.31600%	1.68789%

Money Market			28-Dec-16	
Tenor	KIBOR	PKRV		
1-Month	5.74%	5.90%		
3-Month	5.87%	5.94%		
6-Month	5.90%	5.97%		
12-Month	5.96%	6.04%		

PIB'S Auction Date		
Tenor	22-Sep-16 Cut Off Yields	28-Dec-16 Bid/Ask
2-Years	-	6.20/15
3-Years	6.1970%	6.45/40
5-Years	6.7010%	7.32/28
10-Years	7.7995%	8.50/45

T-Bills Auction Date		
Tenor	22-Dec-16 Cut Off Yields	28-Dec-16 Bid/Ask
3-Months	5.9910%	5.99/97
6-Months	6.0109%	6.03/5.98
12-Months	5.9485%	6.07/03

PMEX FUTURE CONTRACTS					28-Dec-16
COMMODITIES	P (L/S)	E-L	T-P	S-L	STATUS (ACTIVE/TBE)
CRUDE-OIL					
SILVER					
BRENT-OIL					
GOLD USD	L	1140.00	1180.00	1120.00	ACTIVE
GOLD-EUR/USD	L	1.0380	1.0600	1.0280	ACTIVE
GOLD-GBP/USD					
GOLD-USD/JPY	S	118.60	116.00	120.00	TBE
GOLD-USD/CAD					
GOLD-USD/CHF	S	1.0275	1.0050	1.0375	ACTIVE
GOLD-AUD/USD	L	0.7210	0.7350	0.7150	ACTIVE

P= POSITION L= LONG S= SHORT TBE= TO BE ENTERED  
EL= ENTRY LEVEL TP= TAKE PROFIT SL= STOP LOSS