

**FX – INTERBANK RATE:**

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

**FX-MARKET:**

- On Friday, SBP released the figure of total FX-Reserves for the week ended 18<sup>th</sup> November, 2016. According to SBP, Total FX-Reserves declined by \$230.6mn as compared to the previous week \$24.09bn to \$23.86bn. The break-up of total FX-Reserves are as follows: SBP held FX-Reserves decreased by \$180.2mn from \$19.02bn to \$18.84bn while FX-Reserves held in other banks also fell by \$50.4mn from \$5.06bn to \$5.01bn. The decrease in SBP's reserves was mainly due to payments on account of external debt servicing.

**MONETARY POLICY STATEMENT FOR NOVEMBER, 2016:**

- Monetary policy committee (MPC) discussed following macroeconomic indicators: CPI inflation has been following a rising trend, with sporadic seasonal diversions. The YoY CPI has increased from 1.6% in October, 2015 to 4.2% in October, 2016 and core inflation is inching upwards as well.
- A healthy up-tick in private sector credit for fixed investment will further support future growth.
- The current macroeconomic stability and net retirement of government borrowings from scheduled banks resulted in relatively easy liquidity conditions in the money market.
- The global growth outlook for 2016 is mixed. While growth prospects for the US economy remain positive, uncertainties exist for international financial markets and global trade amid anticipated interest rate hike by the US-Fed.
- Nonetheless, Pakistan's continuous build-up of external buffers over the last 3-years has improved its resilience against external uncertainties. This is reflected in the current level of foreign exchange reserves which cover more than 4-months of projected import payments. However, unpredictability of non-trade flows will influence the current account in particular and the external sector in general during the rest of FY17.
- Based on above macroeconomic considerations and after detailed deliberations, the MPC has decided to maintain the policy rate at 5.75%.

**MONEY MARKET:**

- On Friday, PBS released the data of LSMI for the month of September, 2016. According to PBS, LSMI Output fell by 1.83% as compared to the previous month 127bps to 124.67bps while for 1QFY-16/17, it raised by 2.20% as compared to the same period of last fiscal year 120.66bps to 123.32bps. The sectors which showed positive growth are as follows: Iron & Steel products 12.98% and Electronics 12.27% respectively. The sectors which posted decline are as under: Wood products 97.83%, Leather products 33.68% and Engineering products 19.84% respectively.
- On Friday, PBS released the data of weekly inflation for the week ended 23<sup>rd</sup> November, 2016. According to PBS, SPI fell by 0.06% as compared to the previous week 220.70bps to 220.57bps.
- On Friday, SBP conducted 7-Day OMO (Injection), where total amount offered was Rs771bn out of which the amount accepted was Rs700bn at 5.81%.
- Today MM initiated at 5.80%-6.10% and traded whole day with in the range of 5.90%-6.00% and expected to close at same.

PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0750	0.0250	4.2%
2-WEEK	0.1400	0.0350	3.7%
1-MONTH	0.2950	0.0350	3.9%
2-MONTH	0.5400	0.0500	3.8%
3-MONTH	0.7950	0.0050	3.9%
4-MONTH	1.0600	0.0200	3.3%
5-MONTH	1.3200	(0.0050)	3.3%
6-MONTH	1.6050	0.0200	4.3%
12-MONTH	3.7500	-	5.2%

Economic Indicators			
Forex Reserves	18/11/2016	USD bn	23.865
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 28-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	28-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	28-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	-	-