

FX – INTERBANK RATE:

29-Aug	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.82	104.84	104.79	104.82	104.81

✓ **Forecast for tomorrow:**

As per today's activity, we expect the market to continue to trade within the range of **104.75/104.90**

FX MARKET:

- ✓ The exchange rate moved higher today and traded above the 105.90 level. Strong dollar demand fuelled by Oil imports along with the strong dollar theme which was driven by the Fed chairman speech on Friday at The Jackson Hole symposium wherein she said that the case for interest rate hike had strengthened.

Swaps moved lower across the board as the market seemed to shrug off the FX reserve data released last week showing that the reserves had again gone above the \$23bn mark. The market demand for dollars remained unabated as future FX inflows remain uncertain given the strong dollar.

- ✓ The Ministry of Finance of the Government of Pakistan intends to issue a Sovereign Sukuk. The proposed Sukuk will be issued in between the value of \$500mn to \$1bn.

MONEY MARKET:

- ✓ Today MM initiated at 5.75%-6.00% and traded whole day with in the range of 5.75%-6.00% and expected to close at same.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded lower as markets assessed the likelihood of an interest rate hike at the next Federal Reserve meeting September, following comments from the top two officials at the central bank. Yellow metal is currently trading at \$1,320.19 per ounce.
- ✓ **CRUDE:** Crude oil declined after the Saudi energy minister shrugged off the need for OPEC to intervene to stabilize markets. Black gold is currently trading at \$46.97 per barrel.

PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0838	0.0063	4.6%
2-WEEK	0.1550	(0.0100)	4.0%
1-MONTH	0.3650	(0.0100)	4.6%
2-MONTH	0.7550	0.0100	4.9%
3-MONTH	1.1100	(0.0350)	5.0%
4-MONTH	1.4700	(0.0250)	4.5%
5-MONTH	1.8550	-	4.5%
6-MONTH	2.1600	(0.0550)	5.3%
12-MONTH	4.2500	(0.2500)	5.6%

Economic Indicators

Forex Reserves	18-Aug-16	USD bn	23.081
CPI- MoM	1-Jul-16		0.40%
CPI- YoY	1-Jul-16		4.12%
M2 Growth	FY17 YTD		-1.07%
SBP Target Rate	FY17 YTD		5.75%
SBP Discount Rate	FY17 YTD		6.25%
FDI	1MFY17	USD mn	64.3
Home Remittance	1MFY17	USD bn	1.328
Current A/C Def.	1MFY17	USD mn	591
Trade -Deficit	1MFY17	USD bn	1.588
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	8/3/2016	Pts	39,615.76

Money Market		29-Aug-16	
	KIBOR	PKRV	
1-Month	5.70%	5.81%	
3-Month	5.73%	5.79%	
6-Month	5.74%	5.78%	
12-Month	5.76%	5.79%	

PIB'S		Auction Date	
Tenor	25-Aug-16	29-Aug-16	
	Cut Off	Yeilds	Bid/Ask
2-Years	-	6.00/5.92	
3-Years	6.2000%	6.18/16	
5-Years	6.7017%	6.68/66	
10-Years	7.8005%	7.78/76	

T-Bills		Auction Date	
Tenor	18-Aug-16	29-Aug-16	
	Cut Off	Yeilds	Bid/Ask
3-Months	5.8571%	5.85/82	
6-Months	5.9046%	5.90/87	
12-Months	5.9148%	5.91/88	

Commodities 17-August-16

Crude Oil Recommendation		
Technical Level	Long@	Short@
Entry level	44.00	49.00
Stop loss	42.00	52.00
Take profit	47.00	46.00

Gold Recommendation		
Technical Level	Long@	Short@
Entry level	1,320	1,370
Stop loss	1,295	1,400
Take profit	1,355	1,320