

FX – INTERBANK RATE:

4-Jan	OPEN	HIGH	LOW	CLOSE	Last Day Close
Ready Rates	110.54	110.56	110.54	110.54	110.53

FX-MARKET:

- Swaps saw the premiums move higher across the board as dollar supply in the nostros lead market player to bid in almost all tenors. The overnight traded in a band of 1paisas and 1.4paisas, while 1-week saw work at 6.5paisas and 2-weeks at 10.5Paisas. 1-month saw the market trade a low of 18paisas and a high of 22paisas. 2-month low was 30paisas, while the high seen was 37paisas. 3-months low was 40paisas before seeing a high of 50paisas. 4-months saw the market trade at a low of 61paisas and then a high of 68paisas. 6-months saw the market trade at Rs0.95 before moving higher to Rs 1.01.

HIGH-LIGHTS OF FOMC MINUTES FOR 4TH JANUARY, 2018:

- The information reviewed for the December 12–13 meeting indicated that labor market conditions continued to strengthen through November and suggested that real GDP was rising at a solid pace in the 2nd half of 2017. Total CPI as measured by the 12-month % change in the price index for PCE remained below 2% in October and was lower than early in the year.
- Total non-farm payroll employment increased strongly in October and November, likely reflecting in part a rebound from the negative effects of the hurricanes in September. The national un-employment rate declined to 4.1% in October and remained at that level in November.
- Members agreed that the timing and size of future adjustments to the target range for the federal funds rate would depend on their assessments of realized and expected economic conditions relative to the Committee’s objectives of maximum employment and 2% inflation.

MONEY-MARKET:

- Yesterday, SBP held its 15TH MTB Auction for FY-17/18, where the target amount was Rs950bn while the maturity amount was higher from the target amount Rs959.52bn. The total bid participation is recorded well below from the target and maturity amount Rs564.65bn.
- But the Govt. accepted the amount is Rs480.20bn in 3-month tenor. According to our expectation the 15TH MTB Cut-off yield remained same.
- Today MM O/N initiated at 5.60%-5.75% and traded whole day with-in the range of 5.50%-5.75% and closed at the level of 5.60%.

COMMODITIES-MARKET:

- GOLD:** Gold traded lower after the dollar re-bounded on strong economic data. Yellow metal is currently trading at \$1,314.20 per ounce.
- CRUDE OIL:** Crude oil declined as on-going anti-government protests in Iran raised the prospect of supply disruptions. Black gold is currently trading at \$61.79 per barrel.

RELEASED DURING THE LAST 24-HOURS

Date	Events	Actual	Forecast	Previous
3/1/2018	EUR Spanish Unemployment Change	-61.5K	-58.7K	7.3K
3/1/2018	GBP Construction PMI	52.2	52.8	53.1
3/1/2018	USD ISM Manufacturing PMI	59.7	58.1	58.2
4/1/2018	USD FOMC Meeting Minutes	-	-	-
4/1/2018	CNY Caixin Services PMI	53.9	51.8	51.9

Source: www.forexfactory.com

PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0682	0.0185	4.70%
2-WEEK	0.1050	0.0200	3.98%
1-MONTH	0.2111	0.0594	3.81%
2-MONTH	0.3694	0.1123	3.69%
3-MONTH	0.5202	0.1410	3.61%
4-MONTH	0.6783	0.1656	3.61%
5-MONTH	0.8370	0.1493	3.60%
6-MONTH	1.0287	0.1272	3.72%
12-MONTH	2.1926	0.1446	4.09%

ECONOMIC INDICATORS			
Items	Period	Unit	Figure
Forex Reserves	22-Dec-17	USD bn	20.189
CPI- MoM	2-Dec-17	%	4.57
CPI- YoY	2-Dec-17	%	-0.10
M2 Growth	FY-17/18 YTD	%	1.35
SBP Target Rate	FY-17/18 YTD	%	5.75
SBP Discount Rate	FY-17/18 YTD	%	6.25
FDI	5MFY-17/18	USD bn	1.146
Home Remittance	5MFY-17/18	USD bn	8.021
CAD	5MFY-17/18	USD bn	6.430
Trade -Deficit	5MFY-17/18	USD bn	14.189
Kerb USD/PKR	4-Jan-18	Bid/Ask	111.40/70
Govt. Domestic Debt	As at 31-10-2017	Rs trn	16.083
External Debt	As at 30-09-2017	USD bn	85.05
S & P	Rating & Outlook		Stable-B
Moody's	Rating & Outlook		Stable-B3
MSCI-EM Index	4-Jan-18	Pts	1,188.80
PSX-100 Index	1/4/2018	Pts	41,752.88

DATA	3-MONTH	6-MONTH	12-MONTH
LIBOR 2-Jan-18	1.69693%	1.83938%	2.10933%

KIBOR AND PKRV RATE			4-Jan-18
Tenor	KIBOR	PKRV	
1-Month	5.80%	5.92%	
3-Month	5.91%	5.99%	
6-Month	5.96%	6.02%	
12-Month	6.00%	6.04%	

PAKISTAN INVESTMENT BONDS-PIB's		
Tenor	16-Nov-17	4-Jan-18
	Cut Off Yields	Bid/Ask
2-Years	-	6.90/85
3-Years	6.4074%	7.40/35
5-Years	6.8998%	7.90/85
10-Years	7.9414%	8.25/15

MARKET TREASURY BILL-MTB		
Tenor	4-Jan-18	4-Jan-18
	Cut Off Yields	Bid/Ask
3-Months	5.9910%	5.99/97
6-Months	6.0103%	6.01/5.99
12-Months	6.0273%	6.04/6.00

INTERNATIONAL BOND ISSUE				
Bond Issue	Issue Date	Maturity Date	Coupon Rate	Face Value (\$, bn)
5-Years EURO Bonds	29-11-17	12-May-22	5.625%	1.50
10-Years EURO Bonds	29-11-17	12-May-27	6.875%	1.00

