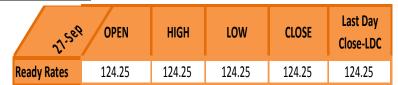
FX – INTERBANK RATE:



HIGH-LIGHT OF FOMC STATEMENT:

- ✓ Information received since the FOMC met in August indicates that the labor market has continued to strengthen and that economic activity has been rising at a strong rate. Job gains have been strong, on average, in recent months and the un-employment rate has stayed low. Household spending and business fixed investment have grown strongly. On a 12-month basis, both over-all inflation and inflation for NFNE remain near 2%. Indicators of longer-term inflation expectations are little changed, on balance.
- ✓ Consistent with its statutory mandate, the Committee seeks to foster maximum employment and price stability. The Committee expects that further gradual increases in the target range for the federal funds rate will be consistent with sustained expansion of economic activity, strong labor market conditions and inflation near the Committee's symmetric 2% objective over the medium term. Risks to the economic outlook appear roughly balanced.
- In view of realized and expected labor market conditions and inflation, the Committee decided to raise the target range for the federal funds rate by 25bps from 1.75%-2.00% to 2.00%-2.25%..

MONEY-MARKET: ECONOMIC-DATA:

- Yesterday, SBP issued the numbers of Broad Money Supply for the week ended 7th September, 2018. According to the SBP, M2 posted the negative growth of 1.23% as compared to last year negative growth of 0.92%.
- ✓ On WoW basis, M2 fell by 0.16% as broad money declined by Rs25.94bn from negative Rs170.57bn to negative Rs196.52bn.
- ✓ M2-Growth measured with the sum of Net Foreign Assets-NFA & Net Domestic Assets NDA:
- ✓ NFA includes FX-Reserves while NDA includes Credit to Govt. & Non-Govt. Sectors borrowing and other net Items (liability) respectively.
- ✓ NFA declined by Rs37.69bn from Rs11.15bn to negative Rs26.54bn mainly due to fall in FX-Reserves, while NDA increased by Rs11.75bn from negative Rs181.72bn to negative Rs169.97bn due to surge in Non-Govt. Sector Borrowing by Rs24.19bn respectively.

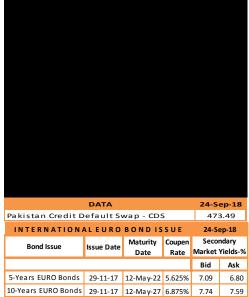
MTB AUCTION:

- ✓ Yesterday, SBP held its MTB Auction for FY-18/19, where target amount is Rs300bn while the maturity amount is Rs361.05bn. The total bid participation is recorded Rs1.25bn in only 3-months tenor while no bids were received in 6 and 12-month tenor. We expect the MTB Cut-off yield remained same.
- ✓ But the Govt. accepted the amount Rs750mn in 3-month tenor. As per our expectation the MTB Cut-off yield remained same.
- ✓ Today SBP conducted 1-Day OMO (Mop-up), where the offered amount is accepted Rs237.50bn at 7.44%.
- Today MM initiated at 7.00%-7.25%, traded whole day with-in the range of Pakistan Credit Default Swap CDS
 7.00%-7.25% and expected to close at the same level.

C & M Management Pvt. Ltd

USD/PKR SWAP YIELDS-%							
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield				
1-WEEK	0.0300	-	3.34%				
2-WEEK	0.0650	-	3.52%				
1-MONTH	0.1500	(0.0200)	3.83%				
2-MONTH	0.4350	(0.0300)	4.58%				
3-MONTH	0.8100	(0.0250)	5.10%				
4-MONTH	1.0700	(0.0550)	5.20%				
5-MONTH	1.3850	(0.0400)	5.25%				
6-MONTH	1.7650	(0.0450)	5.53%				
12-MONTH	4.0500	-	6.17%				

ECONOMICINDICATORS								
Items		Period	Period		Figure			
Gross Domestic Product-GDP		2MFY-18/19		USD bn	51.339			
Foreign Exchange-FX-Reserves		14-Se p-18		USD bn	15.79			
FE-25 Import Financing		July, 2018		USD mn	667			
SBP Forward/Swap Position		31-May, 2018		USD mn	(6,680)			
Net International Reserves-NIR (EST)		14-Se p-18		USD bn	(7.652)			
IBA-SBP-Consumer Confidence Index-CCI		As at 31-01-2018		DI	45.70			
IBA-SBP-Inflation Expectation Index-IEI		As at 31-01-2018		DI	74.21			
Consumer Price Index-CPI (YoY)		August, 2018		%	5.84			
CPI	August, 2018		%	0.20				
Core CPI-Non-Food	August, 2018		%	7.70				
Core CPI-Tri	August, 2018		%	5.90				
M2 Gr	1 July 18 - 14 Sep 18		%	(1.23)				
Net Government Sector Borrowing		1 July 18 - 14 Sep 18		Rs bn	(101.54)			
SBP borrowing for budgetary support		1 July 18 - 14 Sep 18		Rs bn	(89.08)			
Credit to Private Sector-YoY		1 July 18 - 14 Sep 18		Rs bn	16.48			
SBP Policy Rate		FY-18/19 YTD		%	7.50			
SBP O/N REPO & Reserve REPO Rate		Floor & Ceiling		%	6.00-8.00			
SBP Policy Rate minus USD FED Fund Rate		7.50%-2.25%		%	5.25			
1-Year KIBOR minus 1-Year LIBOR		8.39%-2.91%		%	5.48			
Foreign Direct lives tment-FDI		2MFY-18/19		USD mn	288.2			
Home F	Home Remittance		2MFY-18/19		2.037			
Current Acco	ount Deficit-CAD	2MFY-18/19		USD bn	2.721			
CAD % of GDP		2MFY-18/19		%	5.30			
Trade -Deficit		2MFY-18/19		USD bn	7.344			
Kerb USD/PKR		26-Sep-18		Bid/Ask	125.50/90			
Real Effective Exchange Rate-REER		July, 2018		Rs	108.37			
Governmentt Domestic Debt		As at 30-6-2018		Rs trn	17			
External Debt		As at 31-3-2018		USD bn	95.1			
Standard & Poor's-S&P		Rating & Outlook		Rank	B-Stable			
Moody's		Rating & Outlook		Rank	B3-Negative			
MSCI-Emerging Market Index-EMI		27-Sep-18		Pts	1,047.88			
Pakistan Stock Exchage-PSX-100 Index		27-Sep-18		Pts	40,870.57			
Foreign Investor Portfolio Investment-FIPI		26-Se p-18		USD '000	(6,355.55)			
Special Convertible Rupee A/c-SCRA		1 July 17 To-Date		USD mn	(194.42)			
DATE	DATA	3-MONTH	6-N	IONTH	12-MONTH			
25-Sep, 2018	US-LIBOR Rate	2.38100%	2.5	9538%	2.91188%			



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