FX – INTERBANK RATE:

2.100	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.84	104.84	104.79	104.79	104.85

✓ 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 dipped lower today as dollar selling was seen during the last few hours of trading.
- Swaps moved up slightly despite the CPI figure coming in 1% lower than the previous month. Although the premiums did see some selling pressure post the release of the CPI the market illiquid nature saw very few trades take place and hence the premiums remained unchanged. We can expect the downside risks to increase as the lower CPI number increases the possibility of another interest rate cut next month.

MONEY MARKET:

- ✓ SBP released the numbers of M2 Growth for the week ended 20th May, 2016.
 According to SBP, M2 recorded a positive growth by 6.70% on YoY basis.
- Today PBS released the data of CPI for the month ended May, 2016. According to PBS, CPI un-expectedly clocked at 3.17% on YoY basis slashed by 100bps as compared to the previous month 4.17%. For MoM basis, CPI fell by 140bps from 1.60% to 0.20%. CPI figure measured by following items: CPI NFNE increased by 4.60% on YoY basis and CPI Core Trimmed increased by 3.60% on YoY basis. The average inflation for 11MFY15/16 is recorded at 2.81%.
- ✓ Today MM initiated at 5.80%-6.00% and traded whole day with in the range of 5.75%-6.00% and closed at 5.75%-6.00%.
- Today in bond secondary market, when issue is traded in 3, 5 and 10-years at 6.40/35, 6.93/88 and 8.05/8.00 respectively.

COMMODITY MARKET:

GOLD: Gold traded higher amid relatively flat dollar, as mixed U.S. economic data. Yellow metal is currently trading at \$1,216.91 per ounce.

CRUDE: Crude oil declined as investors reacted to across-the-board production and inventory declines worldwide, as well as bearish comments from the UAE oil minister. Black gold is currently trading at \$48.50 per barrel.

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C&M Management Pvt. Ltd

USD/PKR Fc Swap Swap Implied PERIOD SWAP Change in Premiums Swap Implied 1-WEEK 0.0850 0.0025 4.6% 2-WEEK 0.1750 0.0050 4.5% 1-MONTH 0.4225 0.0500 5.2% 2-MONTH 0.7350 0.0125 4.7% 3-MONTH 1.1225 0.0025 4.9% 4-MONTH 1.5100 0.0350 4.5% 5-MONTH 1.8650 (0.0100) 4.6% 6-MONTH 2.2450 0.0050 5.2% 12-MONTH 4.6000 - 5.7% 6-MONTH 2.2450 0.0050 5.2% 12-MONTH 4.6000 - 5.7% 12-MONTH 4.6000 - 5.7% 6-MONTH 2.2450 0.0050 5.2% 12-MONTH 4.6000 - 5.7% Forex Reserves 20-May-16 USD bn 21.611 CPI- MoM 1-May-16
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SBP Discount Rate FY16 YTD 6.25%
FDI 10MFY16 USD bn 1.016
Home Remittance 10MFY16 USD bn 16.034
Current A/C Def. 10MFY16 USD bn 1.510
Trade -Deficit 10MFY16 USD bn 16.214
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 5/2/2016 Pts 34,567.52
Money Market 1-Jun-16
KIBOR PKRV
1-Month 5.74% 5.90%
3-Month 5.86% 5.93% 6-Month 5.90% 5.95%
12-Month 5.95% 5.98%
PIB'S Auction Date
Tenor 19-May-16 01-June-16
Cut Off Yeilds Bid/Ask
2-Years - 6.25/15 3-Years 6.5492% 6.38/30
5-Years 6.9997% 6.88/85
5-Years 6.9997% 6.88/85 10-Years 8.1804% 8.00/7.97 T-Bills Auction Date Tenor 26-May-16 01-June-16
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5-Years 6.9997% 6.88/85 10-Years 8.1804% 8.00/7.97 T-Bills Auction Date Tenor Tenor 26-May-16 01-June-16 Cut Off Yeilds Bid/Ask 3-Months 5.9910% 5.91/88 6-Months 6.0109% 5.95/92 12-Months 6.0273% 5.99/96 Commodities 5/26/2016 Gold Recommendation Level Level Long@ Short@ Entry level 1210 1275 Stop loss 1190 1300 Take profit 1255 1245