

FX – INTERBANK RATE:

2.100	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.72	104.72	104.68	104.70	104.79

✓ Forecast for tomorrow:

As per today's activity, we expect the market to continue to trade within the

range of **104.60/104.80**

FX MARKET:

- ✓ The USDPKR slipped lower again today as pre Ramadan inflows brought the exchange rate lower.
- Swaps continued their downward trajectory as selling pressure in the forward intensifying. Adding to the already persistent selling pressure in the forward was the liquid money markets which saw the overnight rate trade down to 4.75% and in most likely hood would see the money market floor being hit today. The 1-month and 6-month swaps were heavily traded today as the longer tenors saw selling pressure, which spilled over into the shorter tenors. With the lower CPI number and expectations of interest rate being at these low levels for longer, the swaps are more likely to see further downside.
- ✓ The Government of Pakistan will issue \$750mn Eurobond in next fiscal year FY-16/17 to pay back their long term debt.
- The Government of Pakistan will expect to receive \$300mn from the Asian Infrastructure Investment Bank (AIIB).

MONEY MARKET:

- ✓ Today MM initiated at 5.75%-6.00% and traded whole day with in the range of 4.25%-5.50% and expected to close at same.
- ✓ Today in bond secondary market, when issue is traded in 3, 5 and 10-years at 6.46/40, 6.90/88 and 8.00/7.93 respectively.

COMMODITY MARKET:

GOLD: Gold traded lower after the US manufacturing activity index surprisingly advanced in May. Yellow metal is currently trading at \$1,215.90 per ounce.

CRUDE: Crude oil declined after the API reported that US oil inventories unexpectedly rose by 2.4mn barrels last week. Black gold is currently trading at \$49.04 per barrel.

USD/PKR Fc								
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield					
1-WEEK	0.0875	0.0025	4.8%					
2-WEEK	0.1725	(0.0025)	4.5%					
1-MONTH	0.3950	(0.0275)	4.9%					
2-MONTH	0.7150	(0.0200)	4.6%					
3-MONTH	/ONTH 1.0950 (0.0		4.8%					
4-MONTH	1.4300	(0.0800)	4.3%					
5-MONTH	1.8200	(0.0450)	4.5%					
6-MONTH	2.1400	(0.1050)	5.0%					
12-MONTH	4.6000	-	5.7%					
Economic Indicators								
Forex Reserves 20-May-16 USD bn 21.611								
CPI- MoM	1-Ma	v-16	0.20%					
CPI- YoY	1-Ma		3.17%					
M2 Growth			6.93%					
SBP Target R			5.75%					
SBP Discount			6.25%					
FDI	10MF							
Home Remitta								
Current A/C D								
Trade -Defi			on 16.214					
Govt. Domestic	Debt As at 31-	12-2015 Rs t	n 13.188					
External Db	ot As at 30-	09-2015 USD	on 55.609					
KSE-100 Ind	ex 5/2/2	2016 Pts	34,567.52					
Money Ma	Money Market 2-Jun-16							
	КІВС							
1-Month 3-Month	5.74		5.90%					
6-Month	5.86		5.93% 5.95%					
12-Month	5.95		5.95%					
PIB'S	Auction	Date						
Tenor	19-Ma	y-16 02	2-June-16					
	Cut Off		Bid/Ask					
2-Years			6.24/20					
	-							
3-Years	- 6.549	2%	6.37/32					
5-Years	6.999	2% 7%	6.37/32 6.90/86					
	6.999 8.180	2% 7% 4%	6.37/32					
5-Years 10-Years	6.999	2% 7% 4% Date	6.37/32 6.90/86					
5-Years 10-Years T-Bills	6.999 8.180 Auction	2% 7% 4% <mark>Date</mark> y-16 02	6.37/32 6.90/86 7.95/85					
5-Years 10-Years T-Bills	6.999 8.180 Auction 26-Ma Cut Off	2% 7% 4% Date y-16 02 Yeilds	6.37/32 6.90/86 7.95/85 2-June-16					
5-Years 10-Years T-Bills Tenor 3-Months 6-Months	6.999 8.180 Auction 26-Ma Cut Off 5.991 6.010	2% 7% 4% Date y-16 02 Yeilds 0% 9%	6.37/32 6.90/86 7.95/85 2-June-16 Bid/Ask 5.92/90 5.96/93					
5-Years 10-Years T-Bills Tenor 3-Months 6-Months 12-Month	6.999 8.180 Auction 26-Ma Cut Off 5.991 6.010 s 6.027	2% 7% 4% Date y-16 02 Yeilds 0% 9% 3%	6.37/32 6.90/86 7.95/85 2-June-16 Bid/Ask 5.92/90 5.96/93 5.98/95					
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5-Years 10-Years T-Bills Tenor 3-Months 6-Months 12-Month Commoo Gold Rec Level Entry lew Stop loss Take pro	6.999 8.180 Auction 26-Ma 5.991 6.010 s 6.027 dities commense Long el 121 s 119 offit 125	2% 7% 4% Date 9% 4% 9% 3% 5 dation 9% 5	6.37/32 6.90/86 7.95/85 2-June-16 Bid/Ask 5.92/90 5.96/93 5.98/95 /26/2016 hort@ 1275					
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5-Years 10-Years T-Bills Tenor 3-Months 6-Months 12-Month Commoo Gold Rec Level Entry lew Stop loss Take pro Crude R	6.999 8.180 Auction 26-Ma 5.991 6.010 s 6.027 dities commence Long el 121 s 119 fit 125 ecomme Long el 46.	2% 7% 4% Date 0/4 9/4 0/4 9/4 3% 3% 5 dation 5 0 0 5 5 ndation 5 5	6.37/32 6.90/86 7.95/85 2-June-16 Bid/Ask 5.92/90 5.96/93 5.98/95 /26/2016 /26/2016 /26/2016 1275 1300 1245					

48.5

Take profit

46.5

C & M MANGEMENT (PVT) LTD | Saima Trade Tower 8th Floor, I.I Chundrigar Road, Karachi, Pakistan Tell.No:+92-21-3265171

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