

FX – INTERBANK RATE:

8-Jun	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.62	104.64	104.51	104.53	104.64

- ✓ **Forecast for tomorrow:**
As per today's activity, we expect the market to continue to trade within the range of **104.45/104.65**

FX MARKET:

- ✓ The exchange moved lower today as Ramadan related inflows along with a tight money market appear to be moving the greenback.
- ✓ Swaps moved higher across the board as rupee liquidity remained tight and was favored at the expense of the dollar. Longer term premiums moved higher too as the probability of a hike in US interest rates appeared to fade with the May NFP came in well below expectations at 38k versus 160k. This along with the high participation rate in the MTB auction lead players to bid up the premiums as rupee liquidity is expected to remain tight.

MONEY MARKET:

- ✓ Today SBP held its 24th MTB auction where target amount is Rs100bn while the maturity amount is Rs44.73bn. The total bid participation amount is recorded almost 4-times higher from the target amount Rs394.64bn. The total bid participation amount in 3, 6 and 12-month are Rs85.59bn, Rs226.05bn and Rs83.00bn respectively. We expect no change in cut-off yields.
- ✓ SBP released the numbers of M2 Growth for the week ended 27th May, 2016. According to SBP, M2 posted a positive growth by 7.30% on YoY basis.
- ✓ Today MM initiated at 6.00%-6.20% and traded whole day with in the range of 6.00%-6.20% and expected to close at same.
- ✓ Today in bond secondary market, when issue is traded in 3, 5 and 10-years at 6.43/38, 6.94/88 and 8.01/7.96 respectively.

OMMODITY MARKET:

- ✓ **GOLD:** Gold traded lower as a broad rally in global equity markets dampened the safe-haven appeal of the yellow metal. Yellow metal is currently trading at \$1,252.16 per ounce.
- ✓ **CRUDE:** Crude oil advanced after the API reported that US oil inventories fell more-than-expected by 3.6mn barrels last week. Black gold is currently trading at \$50.69 per barrel.

USD/PKR Fc			
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.1150	0.0050	6.1%
2-WEEK	0.2200	0.0050	5.7%
1-MONTH	0.4450	0.0150	5.5%
2-MONTH	0.8300	0.0050	5.2%
3-MONTH	1.2200	0.0400	5.3%
4-MONTH	1.5800	0.0700	4.7%
5-MONTH	1.9750	0.0500	4.8%
6-MONTH	2.3300	0.0650	5.4%
12-MONTH	4.6000	-	5.7%

Economic Indicators			
Forex Reserves	26-May-16	USD bn	21.601
CPI- MoM	1-May-16		0.20%
CPI- YoY	1-May-16		3.17%
M2 Growth	FY16 YTD		6.93%
SBP Target Rate	FY16 YTD		5.75%
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			8-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	08-June-16
	Cut Off Yields Bid/Ask	
2-Years	-	6.28/23
3-Years	6.5492%	6.39/34
5-Years	6.9997%	6.90/85
10-Years	8.1804%	8.00/7.95

T-Bills Auction Date		
Tenor	26-May-16	08-June-16
	Cut Off Yields Bid/Ask	
3-Months	5.9910%	5.95/90
6-Months	6.0109%	5.98/92
12-Months	6.0273%	6.00/5.95

Commodities 5/26/2016

Gold Recommendation			
Level	Long@	Short@	
Entry level	1210	1275	
Stop loss	1190	1300	
Take profit	1255	1245	

Crude Recommendation			
Level	Long@	Short@	
Entry level	46.5	49.5	
Stop loss	45	51.5	
Take profit	48.5	46.5	