DAILYC&M MANAGEMENT MARKET REVIEW

FX – INTERBANK RATE:

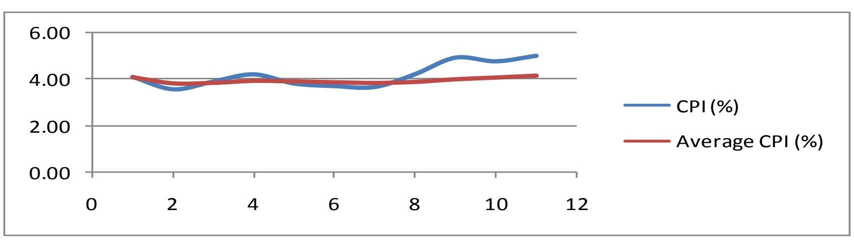
1-Jun	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.85	104.86	104.85	104.86	104.85

FX MARKET:

- ✓ Swap premiums moved lower today after creeping higher at the start of the working week as dollar demand again picked up. With the local equity market taking a tumble yesterday and with CPI coming in at 5.02% also played a part in market player's decision making. While yesterdays move up was a result on optimism regarding higher home remittances this month, today's action saw the market discounting the news already. The 1-month traded for 34days at 18.5paisa, while the 3-months was lower from yesterday's high of 57paisas down to 53paisas today while yesterdays 6-months high of Rs1.11 was not sustainable and the market was seen quoted at Rs1.05-1.08 today.
- ✓ The book building process for PSX is all set to take place next week in which the PSX intends to offer 160,295,320 Ordinary Shares (20% of the total paid-up capital), of face value of Rs10/- each. The entire issue will be offered through Book Building against a Floor Price of Rs28/- per share.
- ✓ Initially 75% of the issue (120,221,320 shares) will be allotted to successful bidders and 25% of the issue (40,074,000 shares) will be offered to Retail investors at the Strike Price determined through Book Building. General Subscription will take place on Jun 9 & Jun 12, 2017.

MONEY MARKET:

- ✓ Today PBS released the data of CPI for the month of May, 2017. According to PBS, CPI is increased by 5.02% on YoY basis higher from our expectation and previous month 4.78%. According to our expectation the average CPI for 11MFY-16/17 is recorded at 4.17%.



- ✓ Today MM initiated at 5.90%-6.10% and traded whole day within the range of 5.90%-6.10% and expected to close at same.
- ✓ Today in bond secondary market, when issue traded only in 3-year period at 6.41/40 respectively.

USD/PKR Fc

PERIOD	SWAP	Change in Premium	Swap Implied Yield
1-WEEK	0.0600	(0.0150)	3.44
2-WEEK	0.0950	(0.0100)	3.35
1-MONTH	0.1900	(0.0050)	3.05
2-MONTH	0.3500	(0.0100)	3.18
3-MONTH	0.5375	(0.0175)	3.28
4-MONTH	0.7250	(0.0300)	3.38
5-MONTH	0.9000	(0.0150)	3.39
6-MONTH	1.0650	(0.0450)	3.44
12-MONTH	2.2050	(0.0200)	3.82

ECONOMIC INDICATOR

Forex Reserves	12-May-17	USD bn	20.68
CPI-MoM	1-Apr-17		0.80%
CPI-YoY	1-Apr-17		4.78%
M2 Growth	FY17 YTD		7.30%
SBP Target Rate	FY17 YTD		5.75%
SBP Discount Rate	FY17 YTD		6.25%
FDI	10MFY17	USD bn	1.733
Home Remittance	10MFY17	USD bn	15.536
Current A/C Def.	10MFY17	USD bn	7.246
Trade -Deficit	10MFY17	USD bn	22.250
Kerb USD/PKR	1/6/2017	Bid/Ask	105.85/106.25
Govt. Domestic Debt	As at 30-03-2017	Rs trn	15.045
External Debt	As at 30-12-2016	USD bn	74.126
MSCI-EM Index	1/6/2017	Pts	1,007.44
PSX-100 Index	1/6/2017	Pts	48,965.67

DATA	3-MONTH	6-MONTH	12-MONTH
LIBOR 30-May	1.20178%	1.41489%	1.72150%

Money Market 1-Jun-17

Tenor	KIBOR	PKRV
1-Month	5.76%	5.93%
3-Month	5.86%	5.98%
6-Month	5.90%	6.02%
12-Month	5.95%	6.03%

PIB'S Auction Date

Tenor	18-May-17	1-June-17
	Cut Off Yeilds	Bid/Ask
2-Years	-	6.22/20
3-Years	6.4060%	6.40/39
5-Years	6.8974%	6.95/91
10-Years	7.9358%	8.00/7.95

T-Bills Auction Date

Tenor	25-May-17	1-June-17
	Cut Off Yeilds	Bid/Ask
3-Months	5.9910%	5.99/98
6-Months	6.0109%	6.00/5.99
12-Months	6.0499%	6.01/5.99

PMEX FUTURE CONTRACTS 18/5/2017

COMMODITIES	P (L/S)	E-L	T-P	S-L	YTD P & L %
CRUDE-OIL					13.46%
SILVER					2.41%
BRENT-OIL					
GOLD USD					5.52%
GOLD-EUR/USD					1.60%
GOLD-GBP/USD					
GOLD-USD/JPY	S	112.43	109.50	114.00	6.45%
GOLD-USD/CAD					2.40%
GOLD-USD/CHF					
GOLD-AUD/USD					

P= POSITION L= LONG S= SHORT P= PROFIT L= LOSS