

FX – INTERBANK RATE:

19-May	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.74	104.79	104.74	104.79	104.74

✓ **Forecast for tomorrow:**

As per today's activity, we expect the market to continue to trade within the range of **104.70/104.85**

FX MARKET:

- ✓ The USDPKR moved higher as rupee liquidity made the dollar an attractive investment.
- ✓ Swaps saw the near tenors move lower as the money market rates dipped lower after the scrapping of the PIB auction yesterday. With the demand for dollars strong the premiums saw the activity limited to the shorter tenors as the money market liquidity was expected to return to normal tomorrow. With the Federal Reserve minutes released yesterday showing that they were 'likely' to raise interest rates in June if economic and inflation continued to improve, this could see the longer term swaps move lower.

MONEY MARKET:

- ✓ Yesterday SBP conducted its 11th PIB auction for FY16, where the target and maturity amount was Rs50bn and Rs37.20bn respectively. While the total bid participation is recorded Rs82.62bn above from the target amount. But SBP rejected bids of all periods. The cut-off yields for 3, 5 and 10-years are 6.55%, 7.00% and 8.18% respectively.
- ✓ Today MM initiated at 5.50%-6.00% and traded whole day in the range of 5.25%-6.40% and closed at 6.00%-6.40%.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded lower amid a broad strength in the greenback, after minutes of the US Federal Reserve's latest meeting indicated that the central bank was considering raising interest rates in June. Yellow metal is currently trading at \$1,254.70 per ounce.
- ✓ **CRUDE:** Crude oil advanced after the EIA disclosed that US crude oil inventories unexpectedly rose by 1.3mn barrels during the week ended May 13 to a level of 541.3mn barrels, while investors had expected a decrease of 2.8mn barrels. Black gold is currently trading at \$47.82 per barrel.

USD/PKR Fc			
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0900	(0.0075)	4.9%
2-WEEK	0.1850	(0.0125)	4.8%
1-MONTH	0.4250	(0.0275)	5.2%
2-MONTH	0.7950	(0.0100)	5.0%
3-MONTH	1.1900	(0.0050)	5.1%
4-MONTH	1.5900	(0.0100)	4.7%
5-MONTH	1.9900	(0.0100)	4.9%
6-MONTH	2.4000	0.0200	5.5%
12-MONTH	4.6500	-	5.7%
Economic Indicators			
Forex Reserves	6-May-16	USD bn	20.834
CPI- MoM	1-Apr-16		1.60%
CPI- YoY	1-Apr-16		4.17%
M2 Growth	FY16 YTD		6.93%
SBP Target Rate	FY16 YTD		6.00%
FDI	10MFY16	USD bn	1.016
Home Remittance	10MFY16	USD bn	16.034
Current A/C Def.	8MFY16	USD bn	1.859
Trade -Deficit	8MFY16	USD bn	13.372
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		19-May-16	
	KIBOR	PKRV	
1-Month	6.00%	6.19%	
3-Month	6.11%	6.19%	
6-Month	6.11%	6.21%	
12-Month	6.16%	6.22%	
PIB'S		Auction Date	
Tenor	19-May-16	19-May-16	
	Cut Off Yields	Bid/Ask	
2-Years	-	6.60/58	
3-Years	6.5492%	6.65/63	
5-Years	6.9997%	7.20/15	
10-Years	8.1804%	8.48/42	
T-Bills		Auction Date	
Tenor	12-May-16	19-May-16	
	Cut Off Yields	Bid/Ask	
3-Months	6.2591%	6.22/18	
6-Months	6.2665%	6.28/25	
12-Months	6.2758%	6.30/27	
Commodities		5/18/2016	
Gold Recommendation			
Level	Long@	Short@	
Entry level	1260	1305	
Stop loss	1240	1325	
Take profit	1285	1285	
Crude Recommendation			
Level	Long@	Short@	
Entry level	46.5	47	
Stop loss	45	49	
Take profit	48.5	44	