

FX – INTERBANK RATE:

20-May	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.78	104.82	104.78	104.81	104.79

- ✓ **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 moved up a few paisas despite the fact that the FX reserves increased the most in weeks.
- ✓ Swaps saw the shorter tenors rise on increased rupee liquidity demand while the longer tenors saw some declines in the premiums. With the financial year coming to end the dollar demand to shore up IMF NIR targets will lead to premiums lower.
- ✓ SBP released the figure of total FX Reserves for the week ended 13th May, 2016. According to SBP, Total FX Reserves surged up by \$485.2mn as compared to the previous week \$20.83bn to \$21.31bn. The break-up of total FX Reserves are as follows: SBP held FX Reserves rose by \$484.8mn from \$16.03bn to \$16.51bn while FX Reserves held in other banks slightly up by \$400k from \$4801.5mn to \$4801.9mn.

MONEY MARKET:

- ✓ Today PBS released the data of weekly inflation for the week ended 19th May, 2016. According to PBS, SPI rose by 0.27% as compared to previous week 214.09bps to 214.66bps.
- ✓ Today SBP conducted 7-Day OMO (Injection), where total amount offered has been accepted Rs1.238trn at 6.04%.
- ✓ Today MM initiated at 6.00%-6.25% and traded whole day in the range of 6.00%-6.20% and expected to close at same.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded lower as market players continued to price in the improved chances of multiple rate increases from the Federal Reserve this year. Yellow metal is currently trading at \$1,257.20 per ounce.
- ✓ **CRUDE:** Crude oil advanced as the dollar surged to its highest level since mid-March amid hawkish indications that the Federal Reserve will likely raise interest rates at a closely-watched meeting next month. Black gold is currently trading at \$48.78 per barrel.

PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0933	0.0033	5.0%
2-WEEK	0.1900	0.0050	4.9%
1-MONTH	0.4150	(0.0100)	5.1%
2-MONTH	0.8000	0.0050	5.0%
3-MONTH	1.2150	0.0250	5.2%
4-MONTH	1.5800	(0.0100)	4.7%
5-MONTH	1.9800	(0.0100)	4.8%
6-MONTH	2.3650	(0.0350)	5.4%
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		20-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	20-May-16	
	Cut Off Yields	Bid/Ask	
2-Years	-	6.60/58	
3-Years	6.5492%	6.65/60	
5-Years	6.9997%	7.20/15	
10-Years	8.1804%	8.42/38	

T-Bills		Auction Date	
Tenor	12-May-16	20-May-16	
	Cut Off Yields	Bid/Ask	
3-Months	6.2591%	6.22/17	
6-Months	6.2665%	6.28/24	
12-Months	6.2758%	6.27/26	

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