

FX – INTERBANK RATE:

24-May	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.85	104.85	104.79	104.80	104.84

✓ **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 rate slipped lower today after the knee jerk reaction on the upside to the surprise interest rate cut at the weekend.
- ✓ Swaps maintained their levels seen yesterday as the tussle continues between the sellers and the buyers. With the interest rate cut at the weekend a surprise to most players the premiums gapped lower at the start of trading yesterday and remained at the lower end for most of the day. The trend continued again today with most players on the offer side, though a few market players were seeing trying to prop up the premiums. With the Federal Reserve officials providing hawkish statement in favor of a June interest rate hike in the key interest rate, the interest differentials will again narrow and this could see e premiums lower still.

MONEY MARKET:

- ✓ SBP issued the numbers of M2 Growth for the week ended 13th May, 2016. According to SBP, M2 posted a positive growth by 7.50% on YoY basis.
- ✓ Today MM initiated at 6.00%-6.10% and traded whole day in the range of 6.00%-6.10% and expected to close at the same.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded lower amid signs that the US Federal Reserve will raise interest rates soon. Yellow metal is currently trading at \$1,241.10 per ounce.
- ✓ **CRUDE:** Crude oil advanced amid renewed global supply glut. Black gold is currently trading at \$47.90 per barrel.

PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0950	(0.0025)	5.1%
2-WEEK	0.1875	0.0175	4.8%
1-MONTH	0.3975	0.0075	4.9%
2-MONTH	0.7900	0.0050	5.0%
3-MONTH	1.1600	(0.0100)	5.0%
4-MONTH	1.5850	0.0350	4.7%
5-MONTH	1.9350	(0.0200)	4.7%
6-MONTH	2.3250	0.0050	5.3%
12-MONTH	4.6000	(0.0500)	5.6%

Economic Indicators			
Forex Reserves	13-May-16	USD bn	21.319
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		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 tm	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 24-May-16		
	KIBOR	PKRV
1-Month	5.74%	5.95%
3-Month	5.90%	5.99%
6-Month	5.93%	6.01%
12-Month	5.97%	6.03%

PIB'S Auction Date			
Tenor	19-May-16	24-May-16	
	Cut Off	Yeilds	Bid/Ask
2-Years	-		6.28/26
3-Years	6.5492%		6.45/40
5-Years	6.9997%		6.96/90
10-Years	8.1804%		8.22/17

T-Bills Auction Date			
Tenor	12-May-16	24-May-16	
	Cut Off	Yeilds	Bid/Ask
3-Months	6.2591%		5.98/92
6-Months	6.2665%		6.03/6.00
12-Months	6.2758%		6.05/01

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