

FX – INTERBANK RATE:

25-May	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.80	104.81	104.80	104.80	104.80

✓ **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 remained unchanged.
- ✓ Swap traded lower across the board. We expect premiums will go up tomorrow due to T-Bill auction today where target amount is higher than the maturity amount.

MONEY MARKET:

- ✓ Today SBP held its 23rd MTB auction where target amount is Rs100bn while the maturity amount is Rs60.69bn. The total bid participation amount is recorded almost 6-times higher from the target amount Rs575.76bn. The total bid participation amount in 3, 6 and 12-month are Rs123.61bn, Rs231.9bn and Rs220.25bn respectively. We expect drop in cut-off yields.
- ✓ Today MM initiated at 5.75%-6.10% and traded whole day in the range of 5.90%-6.00% and expected to close at the same.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded lower after the release of robust US new home sales data led to a broad strength in the greenback and boost expectations the Federal Reserve could hike interest rates as soon as next month. Yellow metal is currently trading at \$1,221.10 per ounce.
- ✓ **CRUDE:** Crude oil advanced after the API reported that US oil inventories fell more-than-expected by 5.1mn barrels during the week ended May 20. Black gold is currently trading at \$49.12 per barrel.

USD/PKR Fc			
PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0875	(0.0075)	4.8%
2-WEEK	0.1750	(0.0125)	4.5%
1-MONTH	0.4100	0.0125	5.0%
2-MONTH	0.7700	(0.0200)	4.8%
3-MONTH	1.1550	(0.0050)	5.0%
4-MONTH	1.5600	(0.0250)	4.6%
5-MONTH	1.9200	(0.0150)	4.7%
6-MONTH	2.3100	(0.0150)	5.3%
12-MONTH	4.6000	-	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 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		25-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	25-May-16	
	Cut Off Yields	Bid/Ask	
2-Years	-	6.25/20	
3-Years	6.5492%	6.45/36	
5-Years	6.9997%	6.90/85	
10-Years	8.1804%	8.18/10	
T-Bills		Auction Date	
Tenor	12-May-16	25-May-16	
	Cut Off Yields	Bid/Ask	
3-Months	6.2591%	5.98/90	
6-Months	6.2665%	6.01/5.96	
12-Months	6.2758%	6.02/5.98	
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	