

FX – INTERBANK RATE:

31-May	OPEN	HIGH	LOW	CLOSE	Last Day Close
READY	104.84	104.87	104.84	104.85	104.85

✓ **Forecast for tomorrow:**

As per today's activity, we expect the market to continue to trade within the range of **104.80/104.90**

FX MARKET:

- ✓ The exchange rate did not show any major movement during the day.
- ✓ Swaps moved lower as the month end saw dollar demand pick up. Most of the activity was limited to the 1-month tenor, as longer tenors saw illiquid markets and bids were scarce as players were not willing to add to new positions. With the market looking at increased oil related payments during the next 2-months, along with illiquid markets during the month of Ramadan, the market bidders appear to be absent from the market as most players are unwilling to swap their dollar holdings for longer periods. We can hence expect premiums to dip further next month.

MONEY MARKET:

- ✓ Today MM initiated at 5.80%-6.00% and traded whole day with in the range of 5.75%-6.00% and expected to close at same.

COMMODITY MARKET:

- ✓ **GOLD:** Gold traded lower as investors continued to factor in an increased chance of a near term U.S. interest rate rise. Yellow metal is currently trading at \$1,211.08 per ounce.
- ✓ **CRUDE:** Crude oil advanced as market player focused on an improving global supply outlook. Black gold is currently trading at \$49.39 per barrel.

PERIOD	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.0825	(0.0030)	4.5%
2-WEEK	0.1700	(0.0025)	4.4%
1-MONTH	0.3725	(0.0225)	4.6%
2-MONTH	0.7225	(0.0075)	4.6%
3-MONTH	1.1200	(0.0100)	4.9%
4-MONTH	1.4750	(0.0150)	4.4%
5-MONTH	1.8750	(0.0150)	4.6%
6-MONTH	2.2400	(0.0050)	5.2%
12-MONTH	4.6000	-	5.7%

Economic Indicators

Forex Reserves	20-May-16	USD bn	21.611
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	31-May-16	
	KIBOR	PKRV
1-Month	5.74%	5.90%
3-Month	5.86%	5.93%
6-Month	5.90%	5.95%
12-Month	5.95%	5.98%

PIB'S	Auction Date	
Tenor	19-May-16	31-May-16
	Cut Off Yields	Bid/Ask
2-Years	-	6.25/20
3-Years	6.5492%	6.40/35
5-Years	6.9997%	6.92/88
10-Years	8.1804%	8.02/7.98

T-Bills	Auction Date	
Tenor	26-May-16	31-May-16
	Cut Off Yields	Bid/Ask
3-Months	5.9910%	5.95/90
6-Months	6.0109%	5.90/88
12-Months	6.0273%	6.03/6.00

Commodities 5/26/2016

Gold Recommendation		
Level	Long@	Short@
Entry level	1210	1275
Stop loss	1190	1300
Take profit	1255	1245

Crude Recommendation		
Level	Long@	Short@
Entry level	46.5	49.5
Stop loss	45	51.5
Take profit	48.5	46.5