

FX - INTERBANK:**READY MARKET:**

7-May	OPEN	HIGH	LOW	CLOSE	LDC
READY	98.60	98.60	98.33	98.38/98.43	98.69

Last day Close=LDC

Forecast for tomorrow:

- ✓ In light of today's activity, we expect the market to continue to trade within the **98.35/98.55** levels range.

SWAP MARKET:

- ✓ Swap premiums rose slightly in the shorter tenors while longer tenors witnessed a slight fall. Despite the MM O/N trading at lower levels at 7.50% the shorter term premiums gained on demand primarily up to the one month tenor.

MONEY MARKET:

- ✓ O/N market commenced the day's trading at **7.75%** with an intraday high of **8.00%**. The market is expected to close at **7.50%**. The bond market saw the yields slide moderately as some players still feel that there is room for a discount rate cut at the upcoming MPS meeting, although we rule out any interest rate cut as the third quarterly review of the \$6.68 billion Extended Fund Facility (EFF) talks with the IMF begin today and they have continuously stressed need for monetary tightening at all their reviews.

COMMODITIES MARKET:

- ✓ **GOLD:** Generally trading above \$1300 is positive today. Of note, resistance levels at **\$1318** and **\$1324** could be strong. For the metal to extend its upside move it should break the aforementioned resistance levels.
- ✓ **CRUDE:** The price is attempting to stabilize above **\$100** so we favor a bullish bias for today with initial targets at **\$102**. Contrary to this, a break below **\$99.50** might halt the positive expectations and push price towards **\$98.40**.

7-May	OPEN	HIGH	LOW	CLOSE	LTP	% CHG	TIME
CRUDE (\$/bbl)	99.82	100.59	99.78	100.27	99.64	0.63%	3:45 p.m
GOLD (\$/oz)	1307.84	1314.44	1306.96	1311.48	1307.55	0.30%	3:45 p.m
SILVER (\$/oz)	19.55	19.74	19.55	19.67	19.56	0.56%	3:45 p.m

LTP= Last trade Price

Currency	Ask	MoM % Change
PKR-USD	98.37	0.17%
PKR-EUR	136.86	1.62%
PKR-JPY	0.9682	1.74%
PKR-GBP	166.90	2.55%

Parity

TENOR	SWAP	MONEY	Swap Implied PKR Yield
1-WEEK	0.1169	9.25%	6.3%
2-WEEK	0.2200	9.68%	6.0%
1-MONTH	0.4668	9.88%	5.4%
2-MONTH	0.8343	10.04%	5.3%
3-MONTH	1.2342	10.10%	5.2%
4-MONTH	1.6524	10.16%	5.3%
5-MONTH	2.0777	10.19%	5.4%
6-MONTH	2.5036	10.19%	5.4%
12-MONTH	5.8300	10.06%	6.5%

Economic Indicators

Forex Reserves	25-April-14	USD bn	11.74
CPI- MoM	1-April-14		1.70%
CPI- YoY	1-April-14		9.18%
M2 Growth	FY14 YTD		5.36%
SBP Policy Rate	FY14 YTD		10.00%
Home Remittance	July- Mar-14	USD bn	11.58
Current A/C Def.	July-Mar-14	USD bn	2.17
Trade -Deficit	July-Mar-14	USD bn	13.93

Money Markets

	Ask	Bid
KIBOR	07 May 2014	
1 Month	10.23%	9.73%
3 Month	10.16%	9.91%
6 Month	10.18%	9.93%
12 Month	10.44%	9.94%
	Auction	Bid/Ask
	30 April 2014	
T-bill Yield	Cut-off	07 May 2014
3M T-bill	9.9383%	9.95/9.92
6M T-bill	9.9675%	9.96/9.93
12M T-bill	9.9932%	9.97/9.99
	Auctions	07 May 2014
PIB Yield	24 April 2014	
3Year	12.0930%	11.94/90
5Year	12.5521 %	12.40/37
10Year	12.9016%	12.82/78

C & M MANGEMENT (PVT) LTD | Saima Trade Tower 8th Floor, I.I Chundrigar Road, Karachi, Pakistan Tell.No:+92-21-3265171

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