

FX - INTERBANK:**READY MARKET:**

8-May	OPEN	HIGH	LOW	CLOSE	LDC
READY	98.45	98.65	98.48	98.55/60	98.38

Last day Close=LDC

Forecast for tomorrow:

- As per today's activity, we expect the market to continue to trade within the range of **98.60/98.80**.

SWAP MARKET:

- Swap points gained slightly in shorter tenors whereas those in longer tenors remained depressed. The pattern is the same as yesterday, with the MM floor being hit not impacting the short dated premiums and creating the buy sell activity as was expected. However, with ~USD 300million of IMF payments due for the 9th and 16th of May, the buy sell pressure is expected to resume by early next week.

MONEY MARKET:

- The money market remained flat throughout the day at **7.50%** with the floor hot for **Rs.17 billion** yesterday and a bigger amount expected today being the last day of the fortnight reserve averaging. Bond prices remained confined to a limited range with thin volumes, whereas activity in T-Bills was limited to shorter tenors only. All this is expected to change tomorrow with an outflow of **Rs.355 bn** and an OMO.

COMMODITIES MARKET:

- GOLD:** The metal plummeted yesterday after failing to remain stable above **\$1309.35**. We might witness an upside move only if the metal stabilizes above **\$1285**. We would suggest buying gold at **\$1290** targeting **\$1296** with a stop loss below **\$1276** on an intraday basis.
- CRUDE:** The price is attempting to breach the **\$100.80** level with the momentum indicators still favoring the upside move. A stability above **\$100** is the main catalyst to extend the upside move. Based on this, we would suggest buying above **\$100** targeting **\$101.25** with a stop loss below **\$99**.

8-May	OPEN	HIGH	LOW	CLOSE	LTP	% CHG	TIME
CRUDE (\$/bbl)	100.85	100.92	100.33	100.62	100.27	0.35%	3:45 p.m
GOLD (\$/oz)	1289.71	1293.57	1287.37	1293.45	1311.48	-1.37%	3:45 p.m
SILVER (\$/oz)	19.31	19.34	19.19	19.32	19.67	-1.78%	3:45 p.m

LTP= Last trade Price

Currency	Ask	MoM % Change
PKR-USD	98.55	0.36%
PKR-EUR	137.34	1.98%
PKR-JPY	0.9676	1.68%
PKR-GBP	167.17	2.72%

Parity

TENOR	SWAP	MONEY	Swap Implied PKR Yield
1-WEEK	0.1244	9.20%	6.7%
2-WEEK	0.2200	9.59%	6.0%
1-MONTH	0.4555	9.81%	5.4%
2-MONTH	0.8264	9.98%	5.2%
3-MONTH	1.2190	10.10%	5.1%
4-MONTH	1.6346	10.16%	5.2%
5-MONTH	2.0632	10.19%	5.4%
6-MONTH	2.4893	10.19%	5.3%
12-MONTH	5.8336	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 08 May 2014		
1 Month	10.24%	9.74%
3 Month	10.16%	9.91%
6 Month	10.18%	9.93%
12 Month	10.46%	9.96%
Auction 30 April 2014		
T-bill Yield	Cut-off	Bid/Ask
3M T-bill	9.9383%	9.94/9.90
6M T-bill	9.9675%	9.91/9.95
12M T-bill	9.9932%	9.97/9.99
Auctions 24 April 2014		
PIB Yield	24 April 2014	08 May 2014
3Year	12.0930%	11.87/91
5Year	12.5521 %	12.42/38
10Year	12.9016%	12.80/83

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

Disclaimer: All reports and recommendations have been prepared for your information only. The facts, information, data, indicators and charts presented have been obtained from sources believed to be reliable, but their accuracy and completeness cannot be guaranteed. C & M Management (Pvt) Ltd. Company and its employees are not responsible for any loss arising from use of these reports and recommendations.