

FX - INTERBANK:**READY MARKET:**

09-May	OPEN	HIGH	LOW	CLOSE	LDC
READY	98.68	98.68	98.53	98.53/58	98.55

Last day Close=LDC

Forecast for tomorrow:

- ✓ As per today's activity, we expect the market to continue to trade within the range of **98.55/98.75**.

SWAP MARKET:

- ✓ Swap points witnessed gains in all tenors. With the MM liquidity tight, swap premiums were bid in all tenors. The USD/PKR also trading lower at 98.55 down from yesterday's close of 98.70, on the back of tightness in the MM, the premiums also reflected the shortage of MM funds. Despite the increase in FX reserves by USD300 million and the \$12 billion mark being crossed in the reserves figure we continue to expect a downward move in premiums for the coming week.

MONEY MARKET:

- ✓ With a net outflow of Rs.355 billion, the SBP conducted an OMO and pumped in Rs.282 billion for 1 week at 10%. The market however, stayed pegged to the top level. The market witnessed active trading in bonds as yields in all tenors came down by at least 10bps. This was attributed to an upload on the website of the Ministry of Finance regarding their expected upcoming inflows from International donor agencies and the IMF's insistence to bring the debt-servicing down to the level of 60% from the present 69%, which would only be possible by either a cut in the discount rate or a lowering of cut-off yields in the upcoming PIB auction.

COMMODITIES MARKET:

- ✓ **GOLD:** The metal is expected to post its second weekly decline as the US dollar was supported by the Fed being on the course to trim monetary stimulus. We would suggest buying gold below **\$1299** targeting **\$1281** with a stop loss above **\$1310**.
- ✓ **CRUDE:** Mounting geo political tensions in Ukraine and lingering concerns on the supply outlook limited the losses in oil prices. We suggest buying on weakness above **\$100.30** targeting **\$101.30** with a stop loss below **\$99.95**.

Currency	Ask	MoM % Change
PKR-USD	98.53	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	0.1597	9.60%	8.6%
2-WEEK	0.2600	9.75%	7.1%
1-MONTH	0.4773	9.71%	5.9%
2-MONTH	0.8551	9.99%	5.4%
3-MONTH	1.3041	10.10%	5.4%
4-MONTH	1.6823	10.16%	5.4%
5-MONTH	2.0948	10.19%	5.4%
6-MONTH	2.5352	10.19%	5.4%
12-MONTH	5.8784	10.06%	6.5%

Economic Indicators

Indicator	Date	Unit	Value
Forex Reserves	25-April-14	USD bn	12.04
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

Market	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 Bid/Ask		
T-bill Yield	Cut-off	09 May 2014
3M T-bill	9.9383%	9.95/9.91
6M T-bill	9.9675%	9.95/9.92
12M T-bill	9.9932%	9.99/9.96
Auctions 24 April 2014 09 May 2014		
PIB Yield	24 April 2014	09 May 2014
3Year	12.0930%	11.84/89
5Year	12.5521%	12.32/36
10Year	12.9016%	12.75/78

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.