

FX - INTERBANK:**READY MARKET:**

12-May	OPEN	HIGH	LOW	CLOSE	LDC
READY	98.60/65	98.80	98.60	98.80/85	98.53

Last day Close=LDC

Forecast for tomorrow:

- ✓ As per today's activity, we expect the market to continue to trade within the range of **98.80/98.95**.

SWAP MARKET:

Premiums were higher across the board as a tight MM saw demand in the shorter tenor up to one month. We expect the premiums to dip lower tomorrow as we expect market players to be net sellers in forwards as they forecast a lower exchange rate following the finance minister statement that he anticipates FX reserves at **USD 15 billion** by end June.

MONEY MARKET:

Today O/N money market initiated at top level of **10%** and traded with a high level of **10.10%** and closed at this level. The uptick in the PIB yields reflect the IMF statement cautioning the central bank to monitor inflation in its monetary policy, thus dispelling any cut in the benchmark rate at the upcoming policy meeting.

COMMODITIES MARKET:

- ✓ **GOLD:** The price of Gold slightly moved downside during the 2nd half of last week after the rise it witnessed in 1st half. Trading is stable above **\$1277 - \$1285**, so we expect a new bullish attempt, but this week upside move depends upon the metal's ability to breach **\$1300** and stabilize above it.
- ✓ **CRUDE:** The price of Crude Oil is still fluctuating around **\$100** as we will still favor the upside move as long as price is stable. We suggest buying above **\$100** targeting profit **\$101.25** with the stop loss of **\$99**.

12-May	OPEN	HIGH	LOW	CLOSE	LTP	% CHG	TIME
CRUDE (\$/bbl)	100.12	100.56	99.93	100.54	100.62	-0.08%	3:20 p.m
GOLD (\$/oz)	1289.45	1297.00	1277.68	1296.47	1291.83	0.36%	3:20 p.m
SILVER (\$/oz)	19.13	19.53	19.025	19.50	19.24	1.33%	3:20 p.m

LTP= Last trade Price

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	0.1490	10.02%	8.0%
2-WEEK	0.2500	9.99%	6.3%
1-MONTH	0.4654	9.89%	5.7%
2-MONTH	0.8764	9.99%	5.3%
3-MONTH	1.2769	10.10%	5.4%
4-MONTH	1.6954	10.16%	5.4%
5-MONTH	2.1105	10.19%	5.4%
6-MONTH	2.5369	10.19%	5.4%
12-MONTH	5.8787	10.06%	6.5%

Economic Indicators

Indicator	Period	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

Markets	Ask	Bid
KIBOR 12 May 2014		
1 Month	10.36%	9.86%
3 Month	10.16%	9.91%
6 Month	10.17%	9.92%
12 Month	10.44%	9.94%
Auction 30 April 2014		
		Bid/Ask
T-bill Yield	Cut-off	12 May 2014
3M T-bill	9.9383%	9.96/93
6M T-bill	9.9675%	9.98/9.96
12M T-bill	9.9932%	9.99/9.97
PIB Yield Auctions		
PIB Yield	24 April 2014	12 May 2014
3Year	12.0930%	11.90/84
5Year	12.5521 %	12.32/36
10Year	12.9016%	12.78/80

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