

FX - INTERBANK:**READY MARKET:**

19-May	OPEN	HIGH	LOW	CLOSE	LDC
READY	98.62/67	98.67	98.60	98.65/70	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 **98.50/70**.

SWAP MARKET:

Swap premiums shot higher across the board, as the sell buyers came back into vogue following the monetary policy meeting leaving the discount rate unchanged at 10%. The status quo in the key rate along with the rise in reserves, gave ample ammunition to the sell-buyers to take the premiums higher. We expect this higher market to prevail for the next few days however the premiums will reverse course very abruptly as we expect the PKR to strengthen and exporters to book forward at these rates and high forward premiums.

MONEY MARKET:

Today O/N money market initiated at top level of **10.00%-10.20%** and traded with a high level of **10.20%-10.25%** and closed also at the same level of **10.20%-10.25%**.

COMMODITIES MARKET:

GOLD: The Precious Yellow metal failed to breach **\$1309.35**. We suggest that buy the metal above **\$1293.00**, profit taking at **\$1300.00** with stop loss below **\$1276.00**.

CRUDE: Crude Oil is still providing support from the downside, waiting to breach **\$102.00** to confirm moving towards **\$103.65**. We suggest that buying above **\$101.55**, profit taking at **\$102.35** with stop loss below **\$100.70**.

19-May	OPEN	HIGH	LOW	CLOSE	LTP	% CHG	TIME
CRUDE (\$/bbl)	101.68	102.29	101.52	102.22	101.96	0.26%	3:30 p.m
GOLD (\$/oz)	1292.47	1301.50	1289.2	1299.67	1304.90	-0.40%	3:30 p.m
SILVER (\$/oz)	19.30	19.60	19.296	19.53	19.72	-0.97%	3:30 p.m

LTP= Last Trade Price

Currency	Ask	MoM % Change
PKR-USD	98.65	0.92%
PKR-EUR	135.274	0.63%
PKR-JPY	0.9738	2.54%
PKR-GBP	165.84	1.63%

Parity

TENOR	SWAP	MONEY	Swap Implied PKR Yield
1-WEEK	0.1671	10.00%	7.8%
2-WEEK	0.2800	10.03%	7.6%
1-MONTH	0.5581	10.03%	6.8%
2-MONTH	1.0121	10.00%	6.1%
3-MONTH	1.4425	10.10%	6.0%
4-MONTH	1.8791	10.16%	6.0%
5-MONTH	2.2914	10.19%	5.9%
6-MONTH	2.7920	10.19%	5.9%
12-MONTH	6.0701	10.06%	6.7%

Economic Indicators

		USD	
Forex Reserves	2-May-14	bn	12.044
CPI- MoM	1-April-14		1.70%
CPI- YoY	1-April-14		9.18%
M2 Growth	FY14 YTD		6.12%
SBP Policy Rate	FY14 YTD		10.00%
Home Remittance	July- Apr-14	USD bn	12.894
Current A/C Def.	July-Apr-14	USD bn	2.3
Trade -Deficit	July-Apr-14	USD bn	16.108

Money Markets

	Ask	Bid
KIBOR 19 May 2014		
1 Month	10.42%	9.92%
3 Month	10.18%	9.93%
6 Month	10.17%	9.92%
12 Month	10.44%	9.94%
Auction 14 May 2014		
T-bill Yield	Cut-off	Bid/Ask
3M T-bill	9.9564%	10.00/9.99
6M T-bill	9.9791%	10.04/10.00
12M T-bill	9.9900%	10.01/9.99
Auctions 24 April 2014 19 May 2014		
PIB Yield		
3Year	12.0930%	12.05/03
5Year	12.5521 %	12.50/47
10Year	12.9016%	12.85/80