

FX - INTERBANK:**READY MARKET:**

21-May	OPEN	HIGH	LOW	CLOSE	LDC
READY	98.84/90	98.86	98.72	98.88/92	98.74

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:

As we predicted yesterday the forward buyers took a back seat today and the market was driven down by the buy sellers. The premiums were sold aggressively down significantly from yesterday's highs, 3 months was dealt at 1.28 and 6 months at 2.45, down from the high of 1.45 and 2.87 dealt yesterday. Towards the end of the trading session the premiums did come back from the lows recorded, but looks likely to be offered aggressively tomorrow as the USD/PKR market makes its slow approach toward the 99 figure level. The SBP'S forward book as of April 30 also shows that its net short position has come down to USD1.325 billion, giving it substantial room to sell forward.

MONEY MARKET:

Today O/N money market initiated at top level of **10.10%-10.25%** and traded with a high level of **10.25%** and closed at **10.10%**.

COMMODITIES MARKET:

GOLD: The precious Yellow Metal rebounded to upside again after touching the support **\$1285.00** yesterday. We suggest that buy gold above **\$1290.00**, taking profit at **\$1296.00** with stop loss below **\$1276.00**.

CRUDE: Crude Oil provided good positive trading yesterday and stabilized at **\$102.00**, which extended the expected upside move intraday today, waiting to breach **\$103.70** moving towards **\$105.20**.

21-May	OPEN	HIGH	LOW	CLOSE	LTP	% CHG	TIME
CRUDE (\$/bbl)	102.95	103.24	102.78	103.18	102.32	0.84%	3:35 p.m
GOLD (\$/oz)	1293.39	1296.17	1291.65	1292.39	1292.84	-0.03%	3:45 p.m
SILVER (\$/oz)	19.38	19.50	19.36	19.40	19.38	0.13%	3:45 p.m

LTP= Last Trade Price

Currency	Ask	MoM % Change
PKR-USD	98.76	1.04%
PKR-EUR	135.256	0.61%
PKR-JPY	0.9750	2.66%
PKR-GBP	166.24	1.87%

Parity

TENOR	SWAP	MONEY	Swap Implied PKR Yield
1-WEEK	0.1099	10.10%	5.9%
2-WEEK	0.2150	10.11%	5.8%
1-MONTH	0.4927	10.11%	5.7%
2-MONTH	0.9387	10.13%	5.9%
3-MONTH	1.4042	10.13%	5.9%
4-MONTH	1.8320	10.14%	5.8%
5-MONTH	2.2130	10.15%	5.7%
6-MONTH	2.6495	10.15%	5.6%
12-MONTH	6.0510	10.16%	6.7%

Economic Indicators

Indicator	Period	Unit	Value
Forex Reserves	9-May-14	USD bn	12.884
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

Market	Ask	Bid
KIBOR 21 May 2014		
1 Month	10.44%	9.94%
3 Month	10.18%	9.93%
6 Month	10.17%	9.92%
12 Month	10.44%	9.94%
Auction 14 May 2014		
		Bid/Ask
T-bill Yield	Cut-off	21 May 2014
3M T-bill	9.9564%	10.10/10.05
6M T-bill	9.9791%	10.10/10.05
12M T-bill	9.9900%	10.10/10.05

Auctions 24 April 2014		
Yield	24 April 2014	21 May 2014
PIB Yield		
3Year	12.0930%	12.05/03
5Year	12.5521 %	12.53/50
10Year	12.9016%	12.84/80