

**FX - INTERBANK:****READY MARKET:**

23-May	OPEN	HIGH	LOW	CLOSE	LDC
READY	98.85/90	98.87	98.84	98.83/86	98.84

Last day Close=LDC

**Forecast for tomorrow:**

As per today's activity, we expect the market to continue to trade within the range of **98.75/98.90**.

**SWAP MARKET:**

Market players again concentrated their activities to the shorter maturities with most of the activity seen up to one month. Absence of a clear outlook for the longer term premiums seems to be keeping the major position takers away. The volatility of the last week seems to have taken its toll, with the forward buyers absent; the sellers too have taken a wait and see approach for any fresh price spikes to sell again aggressively.

**MONEY MARKET:**

The 7day OMO conducted by SBP today failed to ease off the money market after SBP injected **Rs. 414bn** out of the total bid amount out of **Rs. 498bn**, which was accepted at **10.11%**. Today O/N money market initiated at 10.10%-**10.15%** and traded with a high level of **10.25%** and closed at **10.00%**.

**COMMODITIES MARKET:**

**GOLD:** Gold prices gained marginally against the USD during the last 24 hours as the minutes from the Federal Reserve suggested that central bank would not raise interest rates soon. Meanwhile, a lackluster weekly jobs data from the US economy bolstered the safe-haven appeal of the metal.

**CRUDE:** Crude Oil prices declined against the USD during the last 24 hours on profit-booking. However, earlier during the day, oil prices rose amid lingering tensions on Libya's supply-outlook.

**Crude Oil Recommendation**

Crude Oil Recommendation			Gold Recommendation		
TECHNICAL LEVEL's	LONG@	SHORT@	TECHNICAL LEVEL's	LONG@	SHORT@
ENTRY LEVEL	103.00	104.20	ENTRY LEVEL	1286	1300
STOP LOSS	102.00	105.20	STOP LOSS	1292	1305
TAKE PROFIT	104.00	103.20	TAKE PROFIT	1280	1294

Parity			
TENOR	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.1486	(0.0003)	7.9%
2-WEEK	0.2700	0.0050	7.3%
1-MONTH	0.4992	(0.0001)	6.0%
2-MONTH	0.9235	(0.0219)	5.7%
3-MONTH	1.3967	(0.0026)	5.6%
4-MONTH	1.8102	(0.0182)	5.8%
5-MONTH	2.1868	(0.0209)	5.6%
6-MONTH	2.6254	(0.0363)	5.4%
12-MONTH	6.0164	(0.0225)	6.4%

Economic Indicators			
		USD	
Forex Reserves	16-May-14	bn	13.132
CPI- MoM	1-April-14		1.70%
CPI- YoY	1-April-14		9.18%
M2 Growth	FY14 YTD		7.32%
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
<b>KIBOR 22 May 2014</b>		
1 Month	10.44%	9.94%
3 Month	10.20%	9.95%
6 Month	10.18%	9.93%
12 Month	10.43%	9.93%
<b>Auction 14 May 2014 Bid/Ask</b>		
<b>T-bill Yield</b>	<b>Cut-off</b>	<b>23 May 2014</b>
3M T-bill	9.9564%	10.10/10.04
6M T-bill	9.9791%	10.12/10.05
12M T-bill	9.9900%.	10.10/10.02
<b>Auctions 21 May 2014 23 May 2014</b>		
<b>PIB Yield</b>		
3Year	12.0953%	12.07/05
5Year	12.5531 %	12.54/50
10Year	12.9016%	12.90/85