

FX - INTERBANK:**READY MARKET:**

27-May	OPEN	HIGH	LOW	CLOSE	LDC
READY	98.84/88	98.87	98.80	98.82/84	98.83

Last day Close=LDC

Forecast for tomorrow:

As per today's activity, we expect the market to continue to trade within the range of **98.70/98.85**

SWAP MARKET:

The market premiums took a dip to the downside today as the ready market as well slipped lower. Despite the first day of trading today after the US holiday, whereby most expectations were that the payments would be stacked up and the USDPKR would rise, the market surprised itself by moving lower. This could be the markets invisible hand at work as most of the activity in the tenors was seen up to one month. Going forward we look for a lower USDPKR and lower premiums as the reserves build up and exporters look to lock in high rates.

MONEY MARKET:

Today O/N money market initiated at the level of **9.50%-10.00%** and traded with a range of **8.50%-10.00%**.

COMMODITIES MARKET:

GOLD: Gold prices edged up marginally against the USD during the last 24 hours as traders digested the election victory of the pro-West Ukraine President, amid tensions with Russia. Investors were also eyeing developments in Ukraine, after it launched air strikes and a paratrooper assault against pro-Russian rebels who seized an airport on Monday.

CRUDE: Crude Oil rose on Tuesday amid supply disruption worries as Ukraine launched air strikes to put down a separatist revolt and Libya struggled to rein in rebels & heightened geo political risks also helps gain in Crude Oil. Investors are now awaiting a slew of economic indicators from the United States and Europe to gauge the demand outlook for oil and assess the benchmarks' price direction

Economic Indicators			
Forex Reserves	16-May-14	USD bn	13.132
CPI- MoM	01-Apr-14		1.70%
CPI- YoY	01-Apr-14		9.18%
M2 Growth	FY14 YTD		8.66%
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 Market			27-May-14
KIBOR Tenor	Bid	Ask	
1-Month	9.85%		10.35%
3-Month	9.93%		10.18%
6-Month	9.92%		10.17%
12-Month	9.93%		10.43%

PIB'S Auction Date		
Tenor	21-May-14 Cut Off Yields	27-May-14 Bid/Ask
3-Years	12.0953%	12.05/04
5-Years	12.5531	12.55/50
10-Years	12.9016%	12.89/87

L-KIBIC AUCTION DATE		
Tenor	14-May-14 Cut Off Yields	27-May-14 Bid/Ask
3-Months	9.9564%	9.96/9.92
6-Months	9.9791%	10.03/10.00
12-Months	9.9900%	10.00/10.05

Crude Oil Recommendation		
Technical Level	Long@	Short@
Entry level	101.30	104.60
Stop loss	100.50	105.40
Take profit	102.80	102.00

Gold Recommendation		
Technical Level	Long@	Short@
Entry level	1279	1296
Stop loss	1270	1306
Take profit	1294	1275

DAILY CNM MANAGEMENT MARKET REVIEW