

FX - INTERBANK:**READY MARKET:**

28-May	OPEN	HIGH	LOW	CLOSE	LDC
READY	98.80/85	98.84	98.76	98.76/79	98.82

Last day Close=LDC

Forecast for tomorrow:

As per today's activity, we expect the market to continue to trade within the range of **98.60/98.80**.

FX MARKET:

The ready market traded 15 paisa lower than yesterday's close, with the market taking its cue from reported inflows of USD370 million from the Coalition Support Fund (CSF). Positive news was also generated with government setting out the timetable for privatization of PSE's.

The swap market traded in a tight range with no clear direction. One month trading was active as the day count factor created demand for those expecting to cash in on expected revaluation gains. The rest of the tenors remained range bound with no major activity.

MONEY MARKET:

SBP is schedule to hold its MTB auction today and with a total bid pattern of **Rs. 80bn** against the maturity of **Rs 383bn**.

Today O/N money market started at **8.50%** and traded the whole day in the range of **7.75%-8.75%** and closed at **8.00%**.

COMMODITIES MARKET:

GOLD: Gold fell to a month low on Wednesday, adding to sharp overnight losses, on fears slowing demand in top consumer China and as strong U.S. economic data blunted the metal's investment-hedge appeal.

CRUDE: Crude Oil prices declined against the USD during the last 24 hours on profit-taking. However, escalating violence in Ukraine and lingering concerns on Libya's supply outlook and also Healthy wholesale pricing data gave support as well kept the commodity's losses in check.

Parity			
TENOR	SWAP	Change in Premiums	Swap Implied PKR Yield
1-WEEK	0.1209	0.0187	6.5%
2-WEEK	0.2250	0.0200	6.1%
1-MONTH	0.4597	0.0283	5.2%
2-MONTH	0.8566	(0.0111)	5.3%
3-MONTH	1.3073	(0.0248)	5.4%
4-MONTH	1.7184	(0.0315)	5.4%
5-MONTH	2.1058	(0.0248)	5.5%
6-MONTH	2.5330	(0.0378)	5.3%
12-MONTH	5.8231	(0.0207)	6.2%

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 28-May-14		
KIBOR Tenor	Bid	Ask
1-Month	9.78%	10.28%
3-Month	9.91%	10.16%
6-Month	9.92%	10.17%
12-Month	9.94%	10.44%

PIB'S Auction Date		
Tenor	21-May-14 Cut Off Yields	28-May-14 Bid/Ask
3-Years	12.0953%	12.06/04
5-Years	12.5531	12.52/50
10-Years	12.9016%	12.87/85

T-Bills Auction Date		
Tenor	14-May-14 Cut Off Yields	28-May-14 Bid/Ask
3-Months	9.9564%	9.98/9.95
6-Months	9.9791%	10.00/9.96
12-Months	9.9900%	10.02/9.98

Crude Oil Recommendation		
Technical Level	Long@	Short@
Entry level	101.30	104.40
Stop loss	100.50	104.76
Take profit	102.80	102.00

Gold Recommendation		
Technical Level	Long@	Short@
Entry level	1245	1275
Stop loss	1235	1285
Take profit	1255	1265

