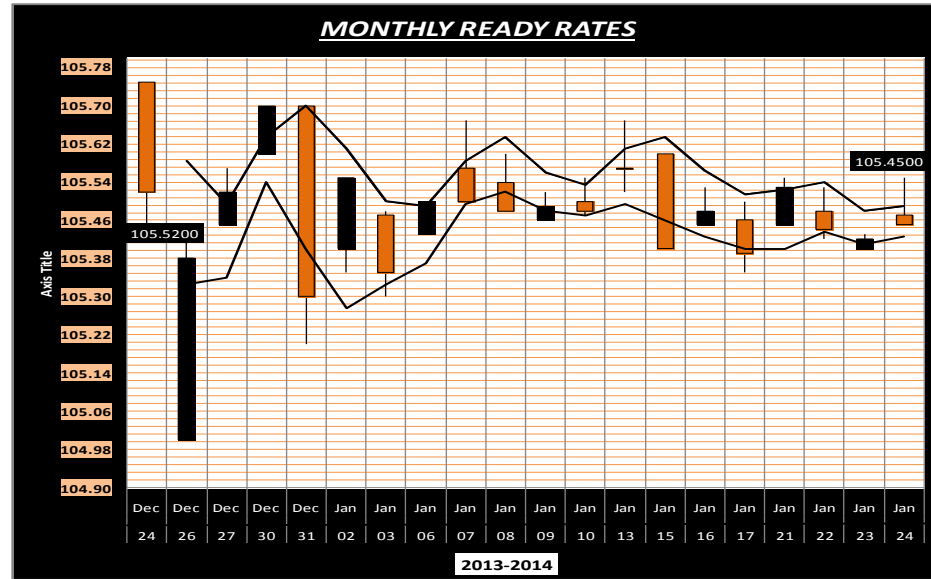




## Market Recap: Currency Analysis:



### Technical Snapshot:

The rupee ended the week on a weaker note at the **(105.45)** level over the prior week closing **(105.39)**. Earlier it tested a low of **(105.40)** but then drifted gradually higher to test **(105.55)** on the last day of the week. The weekly trend line connecting the high's of 105.45-105.55 levels is now connected indicating that the rupee could move further higher. As also the weekly candlestick depicts a bullish morning star formation. However, the doji candle on **(Jan 15, 2014)** indicates a strong support at these levels and a strong rise confirms the same as well.

| RATES | MONTH | DATE      | DAY       | OPEN     | HIGH     | LOW      | CLOSE    |
|-------|-------|-----------|-----------|----------|----------|----------|----------|
| READY | JAN   | 1/17/2014 | Friday    | 105.4600 | 105.5000 | 105.3500 | 105.3900 |
| READY | JAN   | 1/21/2014 | Tuesday   | 105.4500 | 105.5500 | 105.4500 | 105.5300 |
| READY | JAN   | 1/22/2014 | Wednesday | 105.4800 | 105.5300 | 105.4200 | 105.4400 |
| READY | JAN   | 1/23/2014 | Thursday  | 105.4000 | 105.4300 | 105.4000 | 105.4200 |
| READY | JAN   | 1/24/2014 | Friday    | 105.4700 | 105.5500 | 105.4500 | 105.4500 |

## Swap Analysis

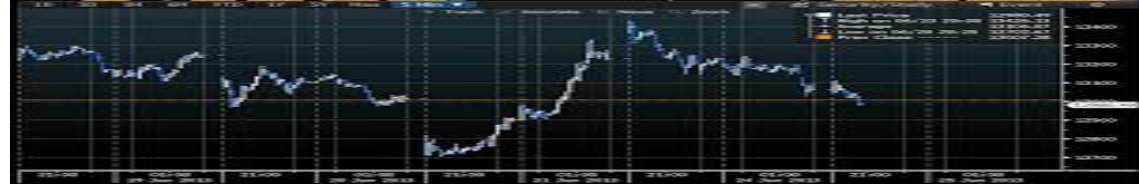
| Date      |       | 1-Week | 2-Week | 1-Month | 2-Month | 3-Month | 4-Month | 5-Month | 6-Month | 12-Month |
|-----------|-------|--------|--------|---------|---------|---------|---------|---------|---------|----------|
| 17-Jan-14 | MONEY | 9.56%  | 9.68%  | 9.81%   | 9.85%   | 9.88%   | 9.90%   | 9.91%   | 9.93%   | 10.01%   |
|           | SWAPS | 0.1642 | 0.265  | 0.5321  | 0.9296  | 1.4886  | 2.555   | 2.6242  | 3.1988  | 6.3318   |
|           | SIMY  | 8.2%   | 6.7%   | 5.9%    | 5.7%    | 6.0%    | 7.6%    | 6.4%    | 6.5%    | 6.6%     |
| 20-Jan-14 | MONEY | 9.56%  | 9.68%  | 9.81%   | 9.85%   | 9.88%   | 9.90%   | 9.91%   | 9.93%   | 10.01%   |
|           | SWAPS | 0.1506 | 0.2750 | 0.5005  | 0.9074  | 1.4644  | 2.0387  | 2.6085  | 3.1715  | 6.2740   |
|           | SIMY  | 7.6%   | 7.0%   | 5.6%    | 5.5%    | 5.9%    | 6.1%    | 6.4%    | 6.4%    | 6.5%     |
| 21-Jan-14 | MONEY | 9.55%  | 9.68%  | 9.71%   | 9.83%   | 9.83%   | 9.89%   | 9.90%   | 9.93%   | 10.01%   |
|           | SWAPS | 0.1200 | 0.2300 | 0.4537  | 0.8913  | 1.4462  | 1.9944  | 2.5655  | 3.1371  | 6.3016   |
|           | SIMY  | 6.0%   | 5.9%   | 5.1%    | 5.4%    | 5.8%    | 6.0%    | 6.2%    | 6.3%    | 6.5%     |
| 22-Jan-14 | MONEY | 9.61%  | 9.69%  | 9.71%   | 9.83%   | 9.83%   | 9.89%   | 9.89%   | 9.93%   | 10.01%   |
|           | SWAPS | 0.1408 | 0.2600 | 0.5124  | 0.9409  | 1.4755  | 2.0323  | 2.5898  | 3.1590  | 6.3296   |
|           | SIMY  | 7.1%   | 6.2%   | 5.5%    | 5.5%    | 5.9%    | 6.2%    | 6.3%    | 6.4%    | 6.6%     |
| 23-Jan-14 | MONEY | 9.79%  | 9.81%  | 9.81%   | 9.83%   | 9.83%   | 9.89%   | 9.89%   | 9.93%   | 10.01%   |
|           | SWAPS | 0.1574 | 0.265  | 0.5344  | 0.9577  | 1.5019  | 2.0709  | 2.6116  | 3.207   | 6.3208   |
|           | SIMY  | 7.9%   | 6.7%   | 5.9%    | 5.7%    | 6.0%    | 6.3%    | 6.4%    | 6.5%    | 6.6%     |
| 24-Jan-14 | MONEY | 10.01% | 9.95%  | 9.88%   | 9.86%   | 9.83%   | 9.89%   | 9.89%   | 9.93%   | 10.01%   |
|           | SWAPS | 0.1559 | 0.2550 | 0.5061  | 0.9404  | 1.5013  | 2.0684  | 2.6034  | 3.1912  | 6.3132   |
|           | SIMY  | 7.8%   | 6.5%   | 5.8%    | 5.7%    | 6.0%    | 6.1%    | 6.3%    | 6.4%    | 6.6%     |

### Technical Snapshot:

Technically SWAP market witnessed persisted high premiums in all tenors, as seen on the daily chart. Whereas last foreign exchange reserves held by the country decreased to \$ 8.1684 bn during the week ending January 17, compared to \$ 8.3 bn the previous week and up-coming Oil payment that drives the swap premiums rose in all tenors; we might see the waning rupee (PKR) is expected due to pressure against the heavy debt repayment putting a further dent in the country foreign reserves. Looking at the current market standing we might see the follow-up trend with firm premiums in the coming weeks.

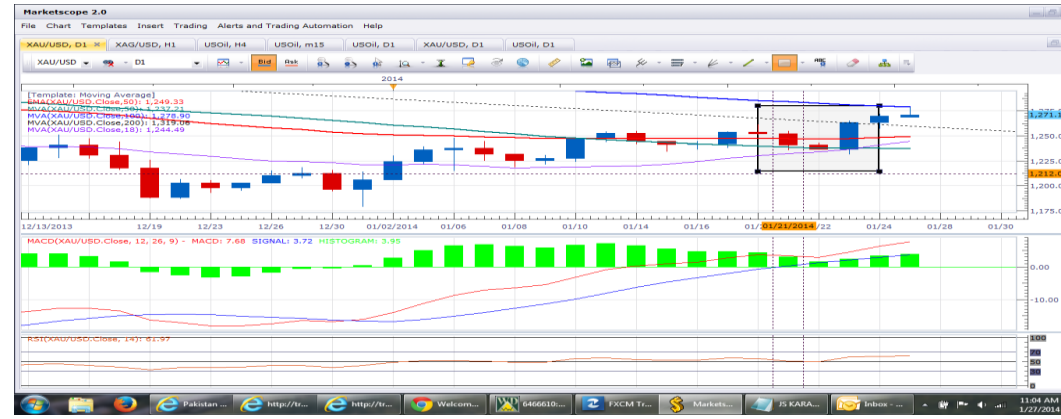
### Money Market:

Last week after MPS, trading in PIBs was at high level of 11.55%, 12.10% and 12.48% for 3, 5 and 10 year tenors respectively. Whereas in T-bills market, participant generally interested in shorter tenor for 30, 44, 58 and 72 days with a range-bound between 9.75%-9.82% last Friday the OMO failed to ease off the money market after Rs 32.8 bn was injected at 10.00% for 7 days.



## Commodity Snapshot:

### GOLD:



### OIL:



### Technical Snapshot:

From a week's point of view, we expect **Gold** prices to play on a range bound. Note as multiple factors are affecting the yellow metal. While on the other hand, concerns of QE tapering by the Federal Reserve coupled with strength in the DX will act as a negative factor Direction to the prices can be seen after US Federal Reserve meeting on 28<sup>th</sup> -29<sup>th</sup> Jan'14. We recommend playing the range of US \$1248 – US \$1268. A break below US \$1248 can target US \$1241, while a break

above US \$1268 can target US \$1285.

From a week's perspective, we expect **Crude** oil prices to trade higher on the back of expectations of rise in demand for the fuel due to cool winter weather conditions. However, sharp upside in the prices will be capped or reversal can be seen due to US crude oil production at highest level since 1988 coupled with easing of supply concerns from Middle East after Iran restarting shipping of crude oil. We recommend buying on weakness above US \$97.04 targeting US \$98.32, with stops below US \$96.00.

#### GOLD (\$/oz)

| MONTH | DATE      | DAY       | OPEN    | HIGH    | LOW     | CLOSE   |
|-------|-----------|-----------|---------|---------|---------|---------|
| JAN   | 1/17/2014 | Friday    | 1242.1  | 1244.55 | 1239.52 | 1242.78 |
| JAN   | 1/20/2014 | Monday    | 1253.86 | 1261.97 | 1252.47 | 1254.73 |
| JAN   | 1/21/2014 | Tuesday   | 1254.77 | 1255.65 | 1246.8  | 1246.8  |
| JAN   | 1/22/2014 | Wednesday | 1241.16 | 1243.49 | 1237.99 | 1239.33 |
| JAN   | 1/23/2014 | Thursday  | 1235.64 | 1247.98 | 1231.52 | 1245.14 |
| JAN   | 1/24/2014 | Friday    | 1258    | 1272.5  | 1257    | 1266    |

#### SILVER (\$/oz)

| MONTH | DATE      | DAY       | OPEN  | HIGH  | LOW   | CLOSE |
|-------|-----------|-----------|-------|-------|-------|-------|
| JAN   | 1/17/2014 | Friday    | 20.08 | 20.16 | 20.01 | 20.09 |
| JAN   | 1/20/2014 | Monday    | 20.26 | 20.41 | 20.17 | 20.33 |
| JAN   | 1/21/2014 | Tuesday   | 20.29 | 20.31 | 20.02 | 20.06 |
| JAN   | 1/22/2014 | Wednesday | 19.86 | 19.93 | 19.76 | 19.82 |
| JAN   | 1/23/2014 | Thursday  | 19.75 | 20.13 | 19.64 | 20.07 |
| JAN   | 1/24/2014 | Friday    | 20.12 | 20.27 | 19.95 | 20.15 |

#### CRUDE (\$/bbl)

| MONTH | DATE      | DAY       | OPEN  | HIGH  | LOW   | CLOSE |
|-------|-----------|-----------|-------|-------|-------|-------|
| JAN   | 1/17/2014 | Friday    | 94.04 | 94.47 | 93.91 | 94.41 |
| JAN   | 1/20/2014 | Monday    | 94.30 | 94.36 | 94.75 | 93.95 |
| JAN   | 1/21/2014 | Tuesday   | 93.83 | 94.83 | 93.83 | 94.83 |
| JAN   | 1/22/2014 | Wednesday | 95.23 | 95.66 | 95.09 | 95.54 |
| JAN   | 1/23/2014 | Thursday  | 96.62 | 96.88 | 96.40 | 96.69 |
| JAN   | 1/24/2014 | Friday    | 97.26 | 97.8  | 96.61 | 97.28 |

**Analyst Certification:**

The following analyst economist(s), who is(are) primarily responsible for this report, certifies(y) that the opinion(s) on the subject security(ies) or issuer(s) and/or any other views or forecasts expressed herein accurately reflect their personal view(s) and that no part of their compensation was, is or will be directly or indirectly related to the specific recommendation(s) or views contained in this research report:

**Disclaimer**

The report has been prepared by *Research Department of C&M Management (Pvt) Ltd* and is for information purpose only. The information and opinions contained herein have been compiled or arrived at based upon information obtained from sources, believed to be reliable and in good faith. Such information has not been independently verified and no guaranty, representation or warranty, expressed or implied is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice.

***ANIQ AHMED******Financial Analyst***

8<sup>st</sup> Floor, Saima Trade Centre I.I Chundrigar Road | Karachi | Pakistan

Tel: +92 21 32625171 Cell: +92333-2357606