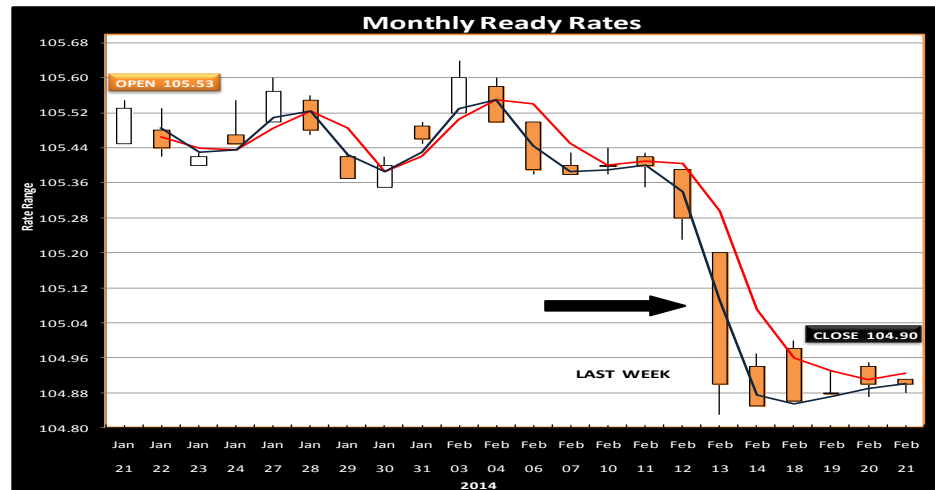


Market Recap: Currency Analysis:



Technical Snapshot:

During the previous week we had anticipated the USD against PKR to fall a bit initially though seen recovery in latter half and close at **(104.90)** with moderate change. Last week greenback witnessed a low at **(104.85)** level and then witnessed a sharp uptick to test a high of **(105.00)**. The greenback managed to recover despite the continued set of weak persisted trend which depicts a tweezer bearish marubozu bottom formation suggesting that the low seen **(104.85)** on the intraday chart perspective the greenback is in a continuous downtrend. We expect Pak rupee to trade on positive note on the back of upcoming foreign fund inflows acted as a desirable factor for the currency. However, for the next week, a short trend reversal may could be seen only on a sustained trade above the **(104.90)** level.

RATES	MONTH	DATE	DAY	OPEN	HIGH	LOW	CLOSE
READY	FEB	2/14/2014	Friday	104.9400	104.9700	104.8500	104.8500
READY	FEB	2/18/2014	Tuesday	104.9800	105.0000	104.8600	104.8600
READY	FEB	2/19/2014	Wednesday	104.8800	104.9300	104.8800	104.8800
READY	FEB	2/20/2014	Thursday	104.9400	104.9500	104.8700	104.9000
READY	FEB	2/21/2014	Friday	104.9100	104.9100	104.8800	104.9000

Swap Analysis

Date		1-Week	2-Week	1-Month	2-Month	3-Month	4-Month	5-Month	6-Month	12-Month
14-Feb-14	SWAPS	0.1855	0.3150	0.6183	1.1826	1.7448	2.3235	2.8566	3.3732	6.5661
	SIMY	9.30%	8.00%	7.80%	7.20%	7.10%	7.00%	7.00%	6.80%	6.80%
17-Feb-14	SWAPS	0.1709	0.3150	0.5733	1.0966	1.6146	2.1806	2.6632	3.1887	6.3720
	SIMY	8.6%	8.00%	7.30%	6.60%	6.50%	6.60%	6.50%	6.50%	6.60%
18-Feb-14	SWAPS	0.1654	0.3000	0.5779	1.1125	1.6529	2.1956	2.6955	3.2290	6.4002
	SIMY	8.30%	7.60%	7.30%	6.70%	6.70%	6.70%	6.60%	6.50%	6.70%
19-Feb-14	SWAPS	0.1849	0.3200	0.6249	1.2100	1.7325	2.2505	2.7429	3.2597	6.4297
	SIMY	9.30%	8.10%	7.90%	7.10%	7.00%	6.80%	6.60%	6.60%	6.70%
20-Feb-14	SWAPS	0.1736	0.3150	0.6173	1.2114	1.7551	2.3100	2.8339	3.3633	6.4858
	SIMY	8.70%	8.00%	7.80%	7.10%	7.10%	7.00%	6.90%	6.80%	6.70%
21-Feb-14	SWAPS	0.1554	0.2950	0.5777	1.1574	1.7061	2.2915	2.7738	3.2948	6.4451
	SIMY	8.70%	8.00%	7.80%	7.30%	7.10%	6.90%	6.90%	6.80%	6.70%

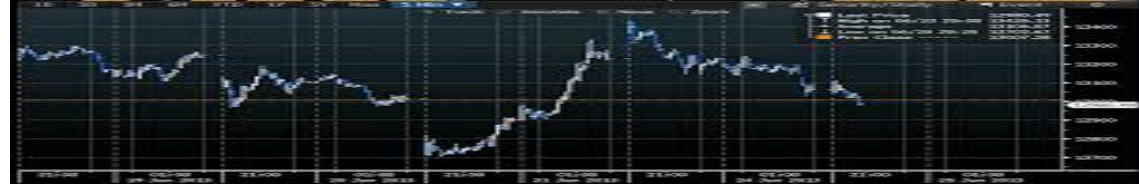
Technical Snapshot:

* SIMY= SWAP Implied Yield

Technically SWAP market witnessed a bumpy ride in all tenor amid the slight initial recovery could be seen in the rupee but we can see pressure continue due to unsustainable fiscal and balance of payments positions. At the end of 7MFY-14 the current A/C deficit has soared -up to US \$ 2bn. The downward sloping trend-line on the monthly charts continues to bode well for the rupee. Though it traded sideways for most part of the week, there was however a rebound seen at the end. Considering the aforementioned we could expect Pak rupee persisted appreciation for the coming week.

Money Market:

Last week, SBP hold its MTB auction through raised Rs 319.19bn on Wednesday from the sale of (T-bills) that was much below the target of Rs 500bn. Banks' offered an amount of Rs 327bn for the auction of T-bills that was higher than both the target and the maturing amount. Yields stood at 9.9564% for the 3m T-bills tenure, while it was 9.9791% on 6m T-bills whereas 12m bids was rejected. Last Friday due to Moped-up of Rs 32,000bn accepted for 6 Days with a cut-off 8.90%.



Commodity Snapshot:

GOLD:



OIL:



Technical Snapshot:

Gold: Poised For another Higher Weekly Close, the yellow metal gained after worse than expected US unemployment claims suggest a patchy recovery of the US economy.

We recommend playing the range of US \$1308 – US \$1323. A break above US \$1323 can target US \$1334 (Weekly High) while a break below US \$1308 can target US \$1298.

Crude oil: Crude oil futures continued to go lower, after the Philadelphia Federal Reserve survey showed manufacturing activity contracted unexpectedly in February. However, reversed some of the losses after data showed U.S. stockpiles increased at a lower-than-estimated rate. We recommend playing the range of US \$102.31 – US \$103.25. A break below US \$102.31 can target US\$101.32 (10-DMA), while a break above US \$103.25 can target US \$104.29.

GOLD (\$/oz)

MONTH	DATE	DAY	OPEN	HIGH	LOW	CLOSE
FEB	2/14/2014	Friday	1301.45	1312.34	1299.8	1310.88
FEB	2/17/2014	Monday	1318.27	1329.71	1318.27	1326.58
FEB	2/18/2014	Tuesday	1328.59	1331.99	1312.38	1314.3
FEB	2/19/2014	Wednesday	1321.78	1322.77	1314.24	1318.92
FEB	2/20/2014	Thursday	1311.20	1315.64	1308.50	1313.96
FEB	2/21/2014	Friday	1322.64	1322.79	1315.92	1320.54

SILVER (\$/oz)

MONTH	DATE	DAY	OPEN	HIGH	LOW	CLOSE
FEB	2/14/2014	Friday	20.46	20.94	20.44	20.88
FEB	2/17/2014	Monday	21.46	21.46	21.46	21.69
FEB	2/18/2014	Tuesday	21.81	21.87	21.31	21.4
FEB	2/19/2014	Wednesday	21.91	21.92	21.61	21.79
FEB	2/20/2014	Thursday	21.50	21.69	21.38	21.69
FEB	2/21/2014	Friday	21.8	21.81	21.56	21.75

CRUDE (\$/bbl)

MONTH	DATE	DAY	OPEN	HIGH	LOW	CLOSE
FEB	2/14/2014	Friday	100.33	100.44	99.76	99.88
FEB	2/17/2014	Monday	100.31	101.13	100.15	100.78
FEB	2/18/2014	Tuesday	100.80	100.98	100.55	100.88
FEB	2/19/2014	Wednesday	103.13	103.20	101.94	102.08
FEB	2/20/2014	Thursday	102.85	102.98	102.43	102.63
FEB	2/21/2014	Friday	102.84	102.89	102.49	102.50

Analyst Certification:

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