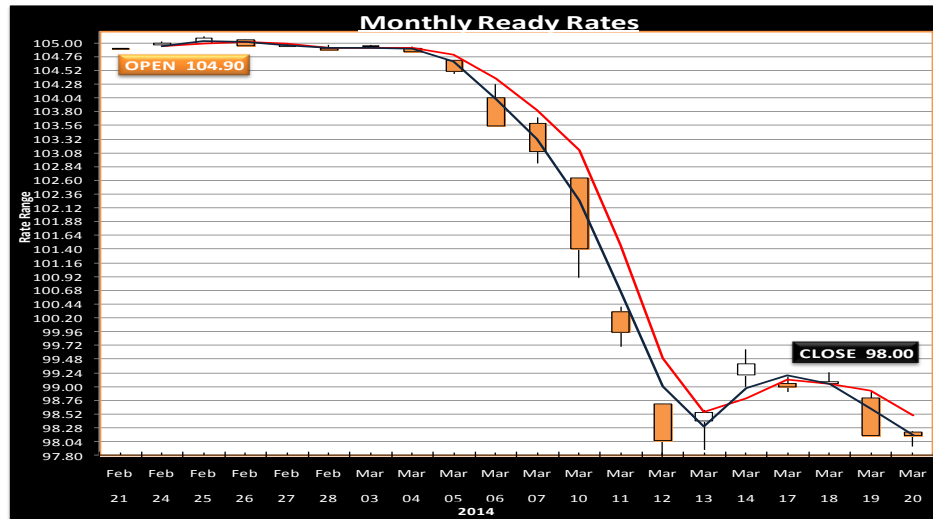




Market Recap: Currency Analysis:



Technical Snapshot:

The rupee ended the last week higher on Friday at the **(98.00)** levels, against the US dollar, a gain of **1.4%** in a week and by **7.07% CYTD**. While tracking a weak dollar most of the emerging Asian market currencies are also trading higher against the greenback last week. The recovery comes amid improved reserve position with SBP reserves at USD 4.8bn (implied import cover: 1.1months), and going forward, the movement of the PKR against the USD will likely be dictated by the timing of the inflows particularly the 3G auction. It is very clear from the aforementioned analysis that the PKR could witness solid resistance near the **98.00-98.50** levels in the short term.

RATES	MONTH	DATE	DAY	OPEN	HIGH	LOW	CLOSE
READY	MAR	3/14/2014	Friday	99.2000	99.6500	99.0000	99.4000
READY	MAR	3/17/2014	Monday	99.0500	99.1800	98.9000	99.0000
READY	MAR	3/18/2014	Tuesday	99.0500	99.2500	99.0500	99.0800
READY	MAR	3/19/2014	Wednesday	98.8000	98.9000	98.1500	98.1500
READY	MAR	3/20/2014	Thursday	98.2000	98.2200	97.9500	98.1500
READY	MAR	3/21/2014	Friday	98.2500	98.3000	98.0000	98.0000

Swap Analysis

Date		1-Week	2-Week	1-Month	2-Month	3-Month	4-Month	5-Month	6-Month	12-Month
14-Mar-14	SWAPS	0.0909	0.1900	0.4792	0.9807	1.4992	1.9816	2.4347	2.9642	6.1935
	SIMY	4.90%	5.20%	5.80%	6.10%	6.10%	6.30%	6.20%	6.20%	6.80%
17-Mar-14	SWAPS	0.0647	0.1350	0.3837	0.9132	1.3814	1.8339	2.3524	2.8554	6.1142
	SIMY	3.50%	3.70%	4.70%	5.50%	5.80%	5.90%	6.00%	6.10%	6.70%
18-Mar-14	SWAPS	0.0962	0.1750	0.3795	0.8482	1.3697	1.8055	2.3188	2.8228	6.1010
	SIMY	5.20%	4.80%	4.70%	5.20%	5.70%	5.80%	6.00%	6.00%	6.70%
19-Mar-14	SWAPS	0.1246	0.2250	0.4553	0.8715	1.3727	1.8206	2.3089	2.8280	6.1379
	SIMY	6.70%	6.10%	5.40%	5.50%	5.80%	5.80%	6.00%	6.00%	6.80%
20-Mar-14	SWAPS	0.0763	0.1650	0.3796	0.7983	1.3124	1.7582	2.2499	2.7668	6.0363
	SIMY	4.20%	4.60%	4.60%	5.10%	5.50%	5.60%	5.80%	5.90%	6.70%
21-Mar-14	SWAPS	0.1059	0.2050	0.3606	0.7792	1.3050	1.7430	2.2305	2.7093	6.0072
	SIMY	5.80%	5.60%	4.50%	5.00%	5.40%	5.60%	5.80%	5.80%	6.70%

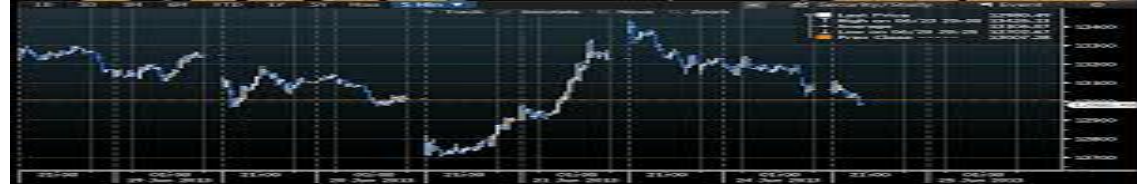
Technical Snapshot:

* SIMY= SWAP Implied Yield

Technically SWAP rate grind lower to continue into week-end. We could see the pair has clearly breached the balanced triangle depicted on the monthly chart. The downward sloping trend-line on the monthly charts continues to bode well for the rupee. Considering the aforementioned this trend to continue in the coming days based on the assumption that the PKR continues to strengthen against the greenback in the local market.

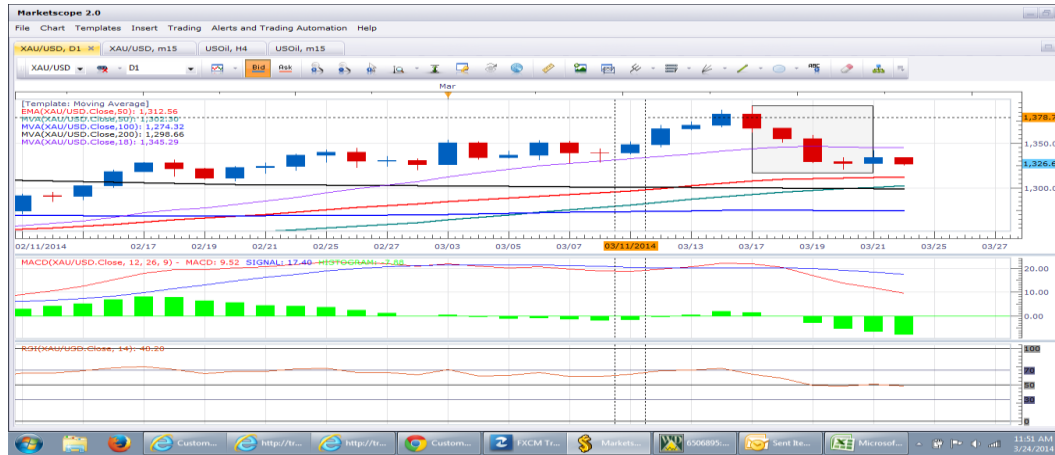
Money Market:

Last week, the SBP injected an OMO for 4 day (Injection) at a rate of **9.96%** with amount accepted Rs **44 billion**. Govt. raised an amount through MTB of **Rs 232bn** against the target of **Rs 500bn**. Market participation in 12M paper was seen, with cut-off yields remained stagnant at 9.9564% and 9.9791% respectively, while yields for 12M tenor stood at 9.9900%. The bulk of the interest **Rs 171bn** was in the 12M paper, **Rs 43bn** in the 6M, and mere **Rs 18bn** in the 3M paper. This marks a U-turn from the previous auction conducted just a fortnight back. While last Friday SBP Moped-up of **Rs 15,000 bn** accepted for 6 Days with a cut-off **9.19%**.



Commodity Snapshot:

GOLD:



OIL:



Technical Snapshot:

Gold: Gold extended the biggest weekly retreat since November on speculation that U.S. interest rates will increase next year, curbing demand for the metal as a store of value. Silver fell to the lowest in almost six weeks.

Yellow metal expecting the initial support at US \$1325 to US \$1320; the downside may be US \$1300 and let's see if it can break that or not .On the upside, we think US \$1350 could be capped.

CRUDE: Inventory of US increases last week crude might come down further till US \$ 97.30 that would be good level of buying at 100 DMA holding crude for past week US \$ 97.30 looking at a good level. Oil markets remained under pressure, after US crude supplies rose to the highest level since November amid tension over the Ukraine situation. We believe that we are going to see a move higher, but there is significant amount of noise at the \$ 100 level.

GOLD (\$/oz)

MONTH	DATE	DAY	OPEN	HIGH	LOW	CLOSE
MAR	3/14/2014	Friday	1369.97	1376.39	1367.75	1369.35
MAR	3/17/2014	Monday	1382.34	1391.97	1377.8	1379.91
MAR	3/18/2014	Tuesday	1382.34	1391.97	1377.8	1379.91
MAR	3/19/2014	Wednesday	1366.8	1367.44	1357.53	1362.27
MAR	3/20/2014	Thursday	1347.38	1347.38	1345.02	1345.97
MAR	3/21/2014	Friday	1329.32	1334.52	1325.29	1327.11

SILVER (\$/oz)

MONTH	DATE	DAY	OPEN	HIGH	LOW	CLOSE
MAR	3/14/2014	Friday	21.15	21.31	21.11	21.24
MAR	3/17/2014	Monday	21.43	21.62	20.23	21.39
MAR	3/18/2014	Tuesday	21.43	21.62	20.23	21.39
MAR	3/19/2014	Wednesday	21.16	21.22	20.94	21.03
MAR	3/20/2014	Thursday	20.71	20.74	20.68	20.72
MAR	3/21/2014	Friday	20.59	20.70	20.22	20.30

CRUDE (\$/bbl)

MONTH	DATE	DAY	OPEN	HIGH	LOW	CLOSE
MAR	3/14/2014	Friday	98.2000	98.3600	98.0300	98.2400
MAR	3/17/2014	Monday	98.9800	99.3000	98.5000	98.6400
MAR	3/18/2014	Tuesday	98.9800	99.3000	98.5000	98.6400
MAR	3/19/2014	Wednesday	97.9900	98.3300	97.7300	98.1800
MAR	3/20/2014	Thursday	99.5700	99.7600	99.4600	99.6800
MAR	3/21/2014	Friday	99.1000	99.4400	98.7600	98.8100

Analyst Certification:

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ANIQ AHMED

Financial Analyst

8st Floor, Saima Trade Centre I.I Chundrigar Road | Karachi | Pakistan

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

SYED BILAL-UL-HAQ

Research Analyst

8st Floor, Saima Trade Centre I.I Chundrigar Road | Karachi | Pakistan

Tel: +92 21 32625170 Cell: +92343-3521211