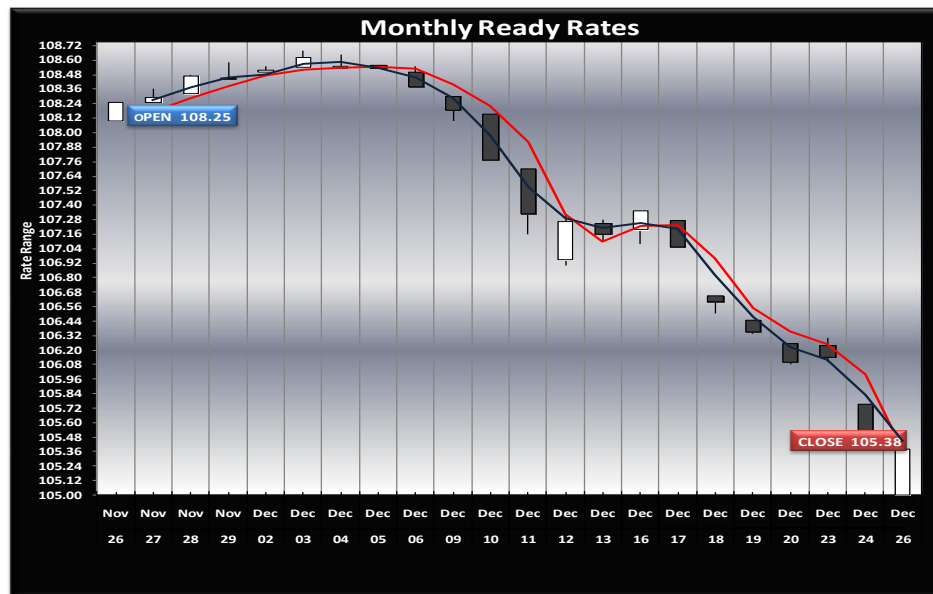




Market Recap: Currency Analysis:



Technical Snapshot:

Rupee traded on a stronger note last week due to the positive impact of the foreign inflows on the market. Rupee persists traded on a stronger note last week and on Friday (27 Dec, 2013) and closed at (105.52/55). The weekly candlestick depicts a tweezer bearish marubozu bottom formation suggesting that the low seen on the intraday chart perspective the greenback is in a downtrend as it hovers uncomfortably and we might have seen a further slipped of USD in the coming week.

| RATES | MONTH | DATE | DAY | OPEN | HIGH | LOW | CLOSE |
|-------|-------|------------|----------|----------|----------|----------|----------|
| READY | DEC | 12/20/2013 | Friday | 106.2500 | 106.2500 | 106.0800 | 106.1000 |
| READY | DEC | 12/23/2013 | Monday | 106.2400 | 106.3000 | 106.1000 | 106.1400 |
| READY | DEC | 12/24/2013 | Tuesday | 105.7500 | 105.7500 | 105.4500 | 105.5200 |
| READY | DEC | 12/26/2013 | Thursday | 105.0000 | 105.4200 | 105.2000 | 105.3800 |
| READY | DEC | 12/27/2013 | Friday | 105.4500 | 105.5700 | 105.4800 | 105.5200 |

Swap Analysis

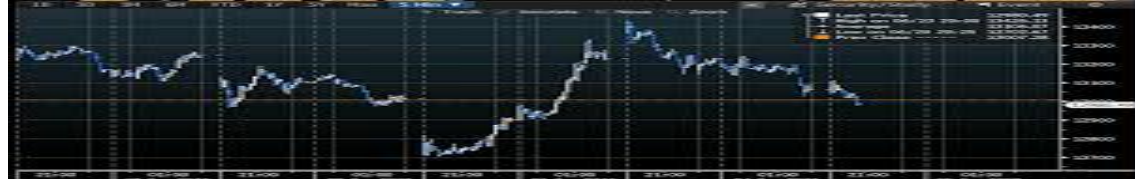
| Date | | 1-Week | 2-Week | 1-Month | 2-Month | 3-Month | 4-Month | 5-Month | 6-Month | 12-Month |
|-----------|-------|--------|--------|---------|---------|---------|---------|---------|---------|----------|
| 20-Dec-13 | MONEY | 10.00% | 10.00% | 9.80% | 9.80% | 9.80% | 9.80% | 9.90% | 9.90% | 10.00% |
| | SIMY | 8.0% | 5.9% | 4.9% | 5.3% | 5.7% | 5.7% | 5.8% | 6.1% | 6.1% |
| 23-Dec-13 | MONEY | 10.00% | 10.00% | 9.80% | 9.80% | 9.80% | 9.80% | 9.90% | 9.90% | 10.00% |
| | SIMY | 3.9% | 3.6% | 2.7% | 3.6% | 4.5% | 5.1% | 5.3% | 5.7% | 5.8% |
| 24-Dec-13 | MONEY | 9.44% | 9.60% | 9.73% | 9.79% | 9.84% | 9.89% | 9.91% | 9.93% | 10.01% |
| | SIMY | 5.0% | 3.8% | 3.2% | 3.9% | 4.7% | 5.2% | 5.4% | 5.8% | 5.8% |
| 26-Dec-13 | MONEY | 9.29% | 9.51% | 9.73% | 9.79% | 9.84% | 9.89% | 9.91% | 9.93% | 10.01% |
| | SIMY | 4.9% | 3.9% | 3.5% | 4.3% | 5.0% | 5.3% | 5.6% | 5.8% | 5.8% |
| 27-Dec-13 | MONEY | 10.00% | 9.98% | 9.69% | 9.79% | 9.84% | 9.89% | 9.91% | 9.93% | 10.01% |
| | SIMY | 4.5% | 3.5% | 3.1% | 4.1% | 4.8% | 5.3% | 5.6% | 5.7% | 5.8% |

Technical Snapshot:

SWAP market witnessed a continuous gain in all tenor except a steep slide on (27 Dec, 2013) in all tenor which were regain in later part of the week amid fresh USD demand in the market due to fall in forex reserves and crude oil payment which raise the fuel bill and put further pressures on the rupee (PKR). The downward sloping trend-line on the weekly charts continues to bode well for the rupee.

Money Market:

The most salient feature of the week was SBP hold its seventh T-Bills auction for the 2QFY14. The auction target has been set at PkR 300bn while the maturing amount is PkR 63.450bn. While M2 growth showed an increase of 4.8% in FY14TD to stand at PkR9.2trn as of Dec 13 .



Commodity Snapshot:

GOLD:



OIL:



Technical Snapshot:

Gold ticked higher last week, which was mostly attributed to short covering, which is buying to offset positions in which speculators previously sold, or went short. The bounce was supported by a softening US Dollar. We anticipate much of the trading activity during the early part of the week will be year-end closing of positions. Activity, at least until the final close of 2013, will be related to position squaring, which means more short coverings are likely.

Last week, West Texas Intermediate (WTI) crude oil futures settled higher at \$99.32 per barrel after the government data showed a larger than expected decline in U.S. inventories.

GOLD (\$/oz)

| MONTH | DATE | DAY | OPEN | HIGH | LOW | CLOSE |
|-------|------------|----------|---------|---------|---------|---------|
| DEC | 12/20/2013 | Friday | 1189.68 | 1198.7 | 1188.43 | 1195.8 |
| DEC | 12/23/2013 | Monday | 1202.78 | 1206.15 | 1192.63 | 1194.34 |
| DEC | 12/24/2013 | Tuesday | 1200.25 | 1201.64 | 1196.03 | 1200.95 |
| DEC | 12/26/2013 | Thursday | 1201.8 | 1206.86 | 1201.8 | 1206.15 |
| DEC | 12/27/2013 | Friday | 1210.3 | 1215.47 | 1208.86 | 1210.8 |

SILVER (\$/oz)

| MONTH | DATE | DAY | OPEN | HIGH | LOW | CLOSE |
|-------|------------|----------|-------|--------|-------|-------|
| DEC | 12/20/2013 | Friday | 19.34 | 19.4 | 19.32 | 19.36 |
| DEC | 12/23/2013 | Monday | 19.37 | 19.49 | 19.27 | 19.35 |
| DEC | 12/24/2013 | Tuesday | 19.38 | 19.430 | 19.38 | 19.43 |
| DEC | 12/26/2013 | Thursday | 19.43 | 19.54 | 19.43 | 19.50 |
| DEC | 12/27/2013 | Friday | 19.75 | 20.00 | 19.75 | 19.85 |

CRUDE (\$/bbl)

| MONTH | DATE | DAY | OPEN | HIGH | LOW | CLOSE |
|-------|------------|----------|-------|-------|-------|-------|
| DEC | 12/20/2013 | Friday | 98.69 | 98.91 | 98.58 | 98.83 |
| DEC | 12/23/2013 | Monday | 99.18 | 99.30 | 98.84 | 98.90 |
| DEC | 12/24/2013 | Tuesday | 98.86 | 99.19 | 98.79 | 99.05 |
| DEC | 12/26/2013 | Thursday | 99.11 | 99.41 | 99.11 | 99.18 |
| DEC | 12/27/2013 | Friday | 99.64 | 99.74 | 99.35 | 99.58 |

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:

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