

Foreign Exchange:

READY:

2-Jan	OPEN	HIGH	LOW	CLOSE	LDC
READY	105.40	105.52	105.35	105.55/60	105.30

Last day Close=LDC

Forecast for tomorrow:

- ✓ We expect the market to be range bound between **105.40/105.60** for tomorrow's trading.

SWAP MARKET:

- ✓ The SWAP rates remained identical to yesterday, as it made slightly slide but there is no apparent change of direction in the market. This trend is expected to continue with marked difference between money market and forex rates bound to continue until tomorrow depending on the result of the OMO.

Money Market:

- ✓ As inflation for the month Dec-13 surprisingly slowed down to **9.18%** against **10.91%** in Nov-13. On MoM basis, inflation receded by -1.32% on the back of significant decline in perishable food items (weight 4.99%) as it went down by 25.6% MoM. Due to this effect today market trade on the low-side. Tomorrow SBP might not go for OMO because of the excess inflow of NSS.

Commodities:

- ✓ Yellow metal failed to break US \$ 1180 and support was seen on the last working day of 2013 and closed above US \$ 1200, which indicate further upward movement in near future. Yellow metal will face resistance around US \$ 1285 to \$ 1300, until then buy on dip.
- ✓ Black Gold closed below 200 DMA of last day of 2013 which pointed-out little slope towards downward movement. We suggest selling with a stop-loss of US \$ 101. Further confirmation required for selling pressure in future.

2-Jan	OPEN	HIGH	LOW	CLOSE	LTP	% CHG	TIME
CRUDE (\$/bbl)	98.44	98.93	98.44	98.73	98.88	-0.15%	3:45 p.m
GOLD (\$/oz)	1209.52	1228.51	1209.52	1220.9	1202.44	1.54%	3:45 p.m
SILVER (\$/oz)	19.62	20.11	19.62	19.99	19.52	2.41%	3:45 p.m

*LTP= Last trade Price

Currency	Ask	MoM % Change
PKR-USD	105.56	-2.71%
PKR-EUR	144.99	-1.36%
PKR-JPY	1.0018	-5.08%
PKR-GBP	174.75	-1.81%

Parity

TENOR	SWAP	MONEY	Swap Implied PKR Yield
1-WEEK	0.0960	10.16%	4.9%
2-WEEK	0.1600	10.11%	4.1%
1-MONTH	0.3435	10.15%	3.9%
2-MONTH	0.7293	9.79%	4.4%
3-MONTH	1.2315	9.84%	5.0%
4-MONTH	1.8425	9.89%	5.6%
5-MONTH	2.4675	9.91%	6.0%
6-MONTH	2.9160	9.93%	5.9%
12-MONTH	5.5365	10.01%	5.8%

Economic Indicators

Indicator	Date	Unit	Value
Forex Reserves	21-Dec-13	USD bn	8.09
CPI- MoM	1-Dec-13		1.32%
CPI- YoY	1-Dec-13		9.18%
M2 Growth	FY13 YTD		4.62%
SBP Policy Rate	FY13 YTD		10.00%
Home Remittance	July -Nov-13	USD bn	6.40

Money Markets

Market	Ask	Bid
KIBOR 2 Jan 2014		
1 Month	9.99%	9.49%
3 Month	10.06%	9.81%
6 Month	10.11%	9.86%
12 Month	10.42%	9.92%
Auction 24 Dec 2013		
T-bill Yield	Weg.Average	Cut-off
3M T-bill	9.8984%	9.9564%
6M T-bill	9.9791.	9.9791
12M T-bill	No-Bid.	No-Bid.
Auctions Dec 18 2013		
PIB Yield		
3Year	12.0862%	12.0998%
5Year	12.5587%	12.5589 %
10Year	12.8685%	12.9492%