

**FX - INTERBANK:**

**READY MARKET:**

14-Feb	OPEN	HIGH	LOW	CLOSE	LDC
READY	104.94	104.97	104.85	104.85/90	104.90

Last day Close=LDC

**Forecast for tomorrow:**

- ✓ We expect the market to be range bound between **104.80/104.95** for tomorrow's trading.

**SWAP MARKET:**

- ✓ The SWAP rates registered gains in all tenors today which were expected due to OMO in the money market but this gain was more of a technical correction than a reversal of market direction. Another reason for this persisted rose in all tenors premiums was mainly due to recent dip in country's foreign exchange reserves position came down to US \$ **7.58** billion at the end of 7 Feb, 2014.

**MONEY MARKET:**

- ✓ The money market initiated at the top level of 9.90%-10.00% and rose slightly after OMO with an intra-day high 10.00% and remained the same later-on at the end with 10.00%. Earlier today as expected the SBP injected an OMO for 7 day (Injection) at a rate of 9.90% with amount accepted Rs 63 billion out of Rs 63 billion.

**COMMODITIES MARKET:**

- ✓ **GOLD:** Held near the highest level in three months as investors weighed prospects for further cuts to U.S. stimulus and signs of waning physical demand. Yellow metal crossed above US \$ **1310** the critical 200 DMA for the first time in over a year and Silver up 10 days in a row breaking US \$ **20.50**.
- ✓ **CRUDE:** Oil is expected to find support at US \$ **99.57**, and a fall through could take it to the next support level of US \$ **98.86**. On the other front Black Gold will also find its first resistance at US \$ **100.83** and a rise through could take it to the next resistance level of US \$ **101.38**.

14-Feb	OPEN	HIGH	LOW	CLOSE	LTP	% CHG	TIME
CRUDE (\$/bbl)	100.33	100.44	99.76	99.88	99.65	0.23%	4:05 p.m
GOLD (\$/oz)	1301.45	1312.34	1299.8	1310.88	1290.5	1.58%	4:05 p.m
SILVER (\$/oz)	20.46	20.94	20.44	20.88	20.19	3.42%	4:05 p.m

Currency	Ask	MoM % Change
PKR-USD	104.86	-0.67%
PKR-EUR	143.52	0.02%
PKR-JPY	1.0283	2.35%
PKR-GBP	175.15	0.96%

**Parity**

TENOR	SWAP	MONEY	Swap Implied PKR Yield
1-WEEK	0.1855	9.75%	9.3%
2-WEEK	0.3150	9.88%	8.0%
1-MONTH	0.6183	10.01%	7.8%
2-MONTH	1.1826	9.94%	7.2%
3-MONTH	1.7448	9.93%	7.1%
4-MONTH	2.3235	9.93%	7.0%
5-MONTH	2.8566	9.93%	7.0%
6-MONTH	3.3732	9.93%	6.8%
12-MONTH	6.5661	10.01%	6.8%

**Economic Indicators**

Forex Reserves	7-Feb-14	USD bn	7.58
CPI- MoM	1-Jan-14		0.50%
CPI- YoY	1-Jan-14		7.91%
M2 Growth	FY14 YTD		4.43%
SBP Policy Rate	FY14 YTD		10.00%
Home Remittance	July -Jan-14	USD bn	9.03
Current A/C Def.	July-Dec-13	USD bn	1.58
Trade -Deficit	July-Jan-14	USD Bn	11.10

**Money Markets**

	Ask	Bid
<b>KIBOR 14 Feb 2014</b>		
1 Month	10.24%	9.74%
3 Month	10.11%	9.86%
6 Month	10.14%	9.89%
12 Month	10.44%	9.94%
<b>Auction 4 Feb 2014</b>		
<b>T-bill Yield</b>	<b>Weg.Average</b>	<b>Cut-off</b>
3M T-bill	9.9741%	9.9741%
6M T-bill	9.9791%	9.9791%
12M T-bill	9.9868%	9.9868%
<b>Auctions Dec 18 2013</b>		
<b>PIB Yield</b>		
3Year	12.0862%	12.0998%
5Year	12.5587%	12.5589%
10Year	12.8685%	12.9492%