

Foreign Exchange:

READY:

- ✓ Due to New York Bank Holiday today ready market remained closed.

Forecast for tomorrow:

- ✓ We expect the market to be range bound between **105.30/105.50** for tomorrow's trading.

SWAP MARKET:

- ✓ The SWAP rates remained identical as we predicted yesterday report with persisted gains in all tenors as fall in greenback made the premium rose in all tenors. Looking at the current market standing tomorrow activity will likely follow-up this trend with slightly high premiums.

Money Market:

- ✓ In line with our expectation, SBP kept the discount rate at current level of **10%** in Jan-14 MPS announcement on the back of lower inflationary expectations during 2HFY-14. After the MPS today market initiated at the top level of 9.25%-9.50% and rose slightly with an intra-day high 9.75% and came down later-on at the end with 9.50%-9.75%.

Commodities:

- ✓ Yellow metal showed positive movement last week and made a new high today at the start of the week. It is expected to go further-up during this week. We suggest buy-on-dip from US \$ **1230** to US \$ **1247**.
- ✓ Black gold travelling in range of US \$ 93 to US \$ 95. We suggest buying around US \$ **92.80** to US \$ **93.30**. Profit target should be US \$ **95**. We suggest buy around 50 SMA in 4 hour time frame and gain around 100 SMA.

20-Jan	OPEN	HIGH	LOW	CLOSE	LTP	% CHG	TIME
CRUDE (\$/bbl)	94.30	94.36	94.75	93.95	94.41	-0.49%	4:00 p.m
GOLD (\$/oz)	1253.86	1261.97	1252.47	1254.73	1242.78	0.96%	4:00 p.m
SILVER (\$/oz)	20.26	20.41	20.17	20.33	20.09	1.19%	4:00 p.m

*LTP= Last trade Price

Currency	Ask	MoM % Change
PKR-USD	105.46	-1.53%
PKR-EUR	142.88	-2.79%
PKR-JPY	1.0124	-2.90%
PKR-GBP	173.44	-0.85%

Parity

TENOR	SWAP	MONEY	Swap Implied PKR Yield
1-WEEK	0.1506	9.56%	7.6%
2-WEEK	0.2750	9.68%	7.0%
1-MONTH	0.5005	9.81%	5.6%
2-MONTH	0.9074	9.85%	5.5%
3-MONTH	1.4644	9.88%	5.9%
4-MONTH	2.0387	9.90%	6.1%
5-MONTH	2.6085	9.91%	6.4%
6-MONTH	3.1715	9.93%	6.4%
12-MONTH	6.2740	10.01%	6.5%

Economic Indicators

Indicator	Date	Unit	Value
Forex Reserves	10-Jan-14	USD bn	8.23
CPI- MoM	1-Dec-13		1.32%
CPI- YoY	1-Dec-13		9.18%
M2 Growth	FY14 YTD		5.55%
SBP Policy Rate	FY14 YTD		10.00%
Home Remittance	July -Dec-13	USD bn	7.79

Money Markets

Market	Ask	Bid
KIBOR 20 Jan 2014		
1 Month	10.07%	9.57%
3 Month	10.08%	9.83%
6 Month	10.14%	9.89%
12 Month	10.45%	9.95%
Auction 8 Jan 2014		
T-bill Yield	Weg.Average	Cut-off
3M T-bill	9.9438%	9.9564%
6M T-bill	9.9491%	9.9791%
12M T-bill	9.9900%	9.9900%
PIB Yield Auctions Dec 18 2013		
3Year	12.0862%	12.0998%
5Year	12.5587%	12.5589%
10Year	12.8685%	12.9492%