

FX - INTERBANK:

READY MARKET:

27-Feb	OPEN	HIGH	LOW	CLOSE	LDC
READY	104.94	104.98	104.92	104.96/104.98	104.95

Last day Close=LDC

Forecast for tomorrow:

- ✓ We expect the market to be range bound between **104.90/105.05** for tomorrow's trading.

SWAP MARKET:

- ✓ The SWAP rates registered gains in all tenors today which were seen as more of a technical correction than a reversal of market direction. This trend is expected to continue with marked difference between money market and forex rates.

MONEY MARKET:

- ✓ The Govt. raised Rs 247bn, compared to a target of Rs 60bn. This follows the massive auction conducted in Jan-14, in which Rs 197bn were raised; cumulatively, Rs 444bn in the last 2-months. Cut-offs was almost unchanged, with the 3, 5, and 10 year cut-off at **12.09%**, **12.55%**, and **12.89%** respectively. The most interest was in the 3-year instrument, in which Rs 134bn (55% of the total amount) was raised while was raised, whilst Rs 72bn and Rs 41bn was picked up in the 5-year and 10-year bond, respectively.

COMMODITIES MARKET:

- ✓ **GOLD:** Gold prices were also supported by worries of political uncertainty in Ukraine and possible slowdown in China. We recommend buying the range of US \$ **1333** to US \$ **1352**. A break below US \$ **1333** can target US \$ **1323**.
- ✓ **CRUDE:** Sideways trend continues to dominate the energy market while crude oil is persistent at US \$ **102**. Market participants will also be paying close attention to the US EIA data expected later today. We recommend selling on strength below US \$ **102.20** targeting US \$ **101.11** with risk defined above US \$ **102.80**.

27-Feb	OPEN	HIGH	LOW	CLOSE	LTP	% CHG	TIME
CRUDE (\$/bbl)	102.53	102.61	102.16	102.51	102.06	0.44%	3:50 p.m
GOLD (\$/oz)	1330.7	1333.17	1323.72	1332.81	1340.14	-0.55%	3:50 p.m
SILVER (\$/oz)	21.27	21.40	20.98	21.39	21.89	-2.28%	3:50 p.m

Currency	Ask	MoM % Change
PKR-USD	104.95	-0.57%
PKR-EUR	143.29	-0.24%
PKR-JPY	1.0276	1.71%
PKR-GBP	174.64	-0.20%

Parity			
TENOR	SWAP	MONEY	Swap Implied PKR Yield
1-WEEK	0.1239	9.19%	6.3%
2-WEEK	0.2550	9.40%	6.5%
1-MONTH	0.5152	9.70%	6.6%
2-MONTH	1.0794	9.83%	6.5%
3-MONTH	1.6390	9.84%	6.6%
4-MONTH	2.1737	9.91%	6.6%
5-MONTH	2.6840	9.93%	6.5%
6-MONTH	3.2200	9.93%	6.5%
12-MONTH	6.3461	10.01%	6.6%

Economic Indicators			
Forex Reserves	14-Feb-14	USD bn	7.99
CPI- MoM	1-Jan-14		0.50%
CPI- YoY	1-Jan-14		7.91%
M2 Growth	FY14 YTD		5.01%
SBP Policy Rate	FY14 YTD		10.00%
Home Remittance	July -Jan-14	USD bn	9.03
Current A/C Def.	July-Jan-14	USD bn	2.00
Trade -Deficit	July-Jan-14	USD Bn	11.10

Money Markets		
	Ask	Bid
KIBOR 27 Feb 2014		
1 Month	10.18%	9.68%
3 Month	10.08%	9.83%
6 Month	10.14%	9.89%
12 Month	10.44%	9.94%
Auction 19 Feb2014		
T-bill Yield	Weg.Average	Cut-off
3M T-bill	9.9541%	9.9564%
6M T-bill	9.9775%	9.9791%
12M T-bill	Bid-Rej	Bid-Rej.
Auctions 26 Feb2013		
PIB Yield		
3Year	12.0362%	12.0962%
5Year	12.4912%	12.5562%
10Year	12.8678%	12.9093%