

FX - INTERBANK:

READY MARKET:

28-Feb	OPEN	HIGH	LOW	CLOSE	LDC
READY	104.90	104.96	104.88	104.88/104.90	104.96

Last day Close=LDC

Forecast for tomorrow:

- ✓ We expect the market to be range bound between **104.85/105.00** for tomorrow's trading.

SWAP MARKET:

- ✓ The SWAP rates register persisted 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 money market initiated at the top level of 10.00%-10.10% and rose slightly after OMO with an intra-day high 10.40% and came down later-on at the end with discounting is expected. Earlier today as expected the SBP injected an OMO for 66 days (Injection) at a rate of 10.65% with amount accepted Rs 289 billion out of Rs 387billion.

COMMODITIES MARKET:

- ✓ **GOLD:** Gold prices settled slightly higher after a slow session yesterday. The first hurdle gold needs to jump is located around the US \$ **1337** levels. If prices break and manage to hold above this resistance, we could see the pair extending its gains and climbing towards the US \$ **1346** level. To the down side, we might see some support around the US \$ **1323 - \$ 1320**.
- ✓ **CRUDE:** The current trend shows an upward movement and a break above that level US \$ **104** level would in fact show that we are ready to go higher. We would suggest buying the contract above the US \$ **104** mark. Then the market might target the \$ **110** level given enough time but that obviously won't happen overnight.

28-Feb	OPEN	HIGH	LOW	CLOSE	LTP	% CHG	TIME
CRUDE (\$/bbl)	102.04	102.36	101.84	102.27	102.51	-0.23%	4:40 p.m
GOLD (\$/oz)	1331.1	1333.26	1325.7	1330.56	1332.81	-0.17%	4:40 p.m
SILVER (\$/oz)	21.25	21.33	21.12	21.29	21.39	-0.47%	4:40 p.m

*LTP= Last trade Price

Currency	Ask	MoM % Change
PKR-USD	104.88	-0.55%
PKR-EUR	143.86	-0.15%
PKR-JPY	1.0310	0.81%
PKR-GBP	175.41	0.27%

Parity			
TENOR	SWAP	MONEY	Swap Implied PKR Yield
1-WEEK	0.1681	9.19%	8.5%
2-WEEK	0.3150	9.40%	8.0%
1-MONTH	0.6396	9.70%	7.3%
2-MONTH	1.2175	9.83%	7.1%
3-MONTH	1.7495	9.84%	6.9%
4-MONTH	2.2685	9.91%	6.8%
5-MONTH	2.7883	9.93%	6.7%
6-MONTH	3.3402	9.93%	6.7%
12-MONTH	6.4708	10.01%	6.7%

Economic Indicators			
Forex Reserves	21-Feb-14	USD bn	8.65
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 28 Feb 2014		
1 Month	10.43%	9.93%
3 Month	10.15%	9.90%
6 Month	10.17%	9.92%
12 Month	10.46%	9.96%
Auction 19 Feb 2014		
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 Feb 2013		
PIB Yield		
3Year	12.0362%	12.0962%
5Year	12.4912%	12.5562%
10Year	12.8678%	12.9093%