

Foreign Exchange:

READY:

9-Jan	OPEN	HIGH	LOW	CLOSE	LDC
READY	105.46	105.52	105.47	105.49/53	105.48

Last day Close=LDC

Forecast for tomorrow:

- ✓ We expect the market to be range bound between **105.45/105.60** for tomorrow's trading.

SWAP MARKET:

- ✓ The SWAP rates remained identical to yesterday, as it made slightly gain in shorter tenors 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.

Money Market:

- ✓ After yesterday MTB-auction with the majority of bids received in the 3M tenor; as (SBP) accepted an amount of PkR 85.6 billion (face value) against bids of PkR 106 billion. With cut-off yields remaining stagnant. Yields for 3M and 6M tenor remained stagnant at 9.9564% and 9.979% respectively, while yields for 12M tenor stood at 9.9900%. Bidding participation was majorly skewed towards the 3M tenor, clocking in at 73.6%.

Commodities:

- ✓ Yellow metal is waiting to come down slightly at a range of **US \$ 1200-1210** after facing resistance around **US \$ 1247**. Tomorrow's US payroll data would definitely effect on market; if Gold failed to break last year low then we suggest buying some-where between **US \$ 1190-to-1205** for tomorrow after US payroll data with a stop-loss below last year value.
- ✓ Black-gold is holding on support of **US \$ 92.50**; but major indicators showing strong selling if this week closes below **US \$ 92.50** then we might see further down-side movement continue. If the closing this week is above **US \$ 93.50** that would lead black-Gold towards upward a little up to **US \$ 96** in the coming week.

Currency	Ask	MoM % Change
PKR-USD	105.48	-2.50%
PKR-EUR	143.52	-3.09%
PKR-JPY	1.0044	-4.31%
PKR-GBP	173.61	-2.03%

Parity

TENOR	SWAP	MONEY	Swap Implied PKR Yield
1-WEEK	0.1260	9.98%	6.4%
2-WEEK	0.2250	9.99%	5.7%
1-MONTH	0.4326	9.89%	4.8%
2-MONTH	0.8016	9.84%	4.8%
3-MONTH	1.3883	9.84%	5.6%
4-MONTH	1.9556	9.89%	6.0%
5-MONTH	2.5160	9.91%	6.1%
6-MONTH	3.0141	9.93%	6.1%
12-MONTH	5.9608	10.01%	6.2%

Economic Indicators

		USD bn	
Forex Reserves	27-Dec-13	8.52	
CPI- MoM	1-Dec-13	1.32%	
CPI- YoY	1-Dec-13	9.18%	
M2 Growth	FY14 YTD	5.47%	
SBP Policy Rate	FY14 YTD	10.00%	
Home Remittance	July -Nov-13	6.40	

Money Markets

	Ask	Bid
KIBOR 9 Jan 2014		
1 Month	10.15%	9.15%
3 Month	10.09%	9.84%
6 Month	10.15%	9.90%
12 Month	10.46%	9.96%
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%
Auctions Dec 18 2013		
PIB Yield		
3Year	12.0862%	12.0998%
5Year	12.5587%	12.5589%
10Year	12.8685%	12.9492%