

Foreign Exchange:

READY:

- ✓ Dollar continued to dismantle rupee as it neared the mark of 105 in the interbank market. It started the trading at 104.95/99, lost a few paisa's and then closed at 104.89/91. The continuous weakening of the rupee as witnessed was mostly due to the shortage of dollars which had pushed its price unexpectedly beyond the market expectations.

View at a Glance:

- ✓ As per today's activity, we expect the market to remain range bound between **104.70/90** for tomorrow.

SWAP MARKET:

- ✓ Today in the Swap market we have witnessed a persisted gain in all tenor premiums, liquidity crunch remained in money market that drives the swap premiums rise in all shorter tenor while premiums in longer tenor slightly rose as-well as it suggested the indecision between buyers and sellers.

View at a Glance:

- ✓ Looking at the current market standing the swap points slightly moves upward in shorter tenor while premiums in longer tenor slide slightly. Tomorrow activity will likely show the waning trend with slightly high premiums.

Money Market:

- ✓ The market was remained range-bound due to T-bill auction where market participated in 3-month only. Today market opened the day at a level of 8.60% and 8.70% then later-on as expected that market would pegged to the top level rose to a level of 8.90% and closed at a level of 8.90% with all eyes on the upcoming monetary policy.

T-Bills	Range %
7 Days	8.55%-8.65%
14 Days	8.60%-8.65%
28 Days	8.65%-8.68%
42 Days	8.75%-8.80%
56 Days	8.80%-8.85%
70 Days	8.85%-8.95%
6 Month	9.15%-9.20%
1 Year	9.35%-9.45%

PIBs	Range %
3 Year	11.05% - 11.10%
5 Year	11.55% - 11.65%
10 Year	12.00%- 12.05%

Currency	Ask	MoM % Change
PKR-USD	104.88	+2.67%
PKR-EUR	138.18	+1.81%
PKR-JPY	1.0533	+1.46%
PKR-GBP	163.85	+4.46%

Parity			
TENOR	SWAP	MONEY	Swap Implied PKR Yield
1-WEEK	0.1225	8.58%	6.2%
2-WEEK	0.2220	8.55%	5.7%
1-MONTH	0.4238	8.63%	5.1%
2-MONTH	0.9779	8.75%	5.8%
3-MONTH	1.4592	8.88%	5.8%
4-MONTH	2.0050	8.90%	5.9%
5-MONTH	2.5318	9.00%	6.1%
6-MONTH	3.1067	9.00%	6.4%
12-MONTH	6.2583	9.05%	6.6%

Economic Indicators			
Forex Reserves	23-Aug-13	USD bn	10.39
CPI- MoM	1-Aug-13		1.2%
CPI- YoY	1-Aug-13		8.55%
M2 Growth	FY13 YTD		15.93%
SBP Policy Rate	FY13 YTD		9.00%
Home Remittance	July-13	USD bn	1.404

Money Markets	Ask	Bid
KIBOR 4 Sep 2013		
1 Month	8.97%	8.47%
3 Month	9.06%	8.81%
6 Month	9.14%	8.89%
12 Month	9.54%	9.04%
Auction 4 Sep 2013		
T.Bill Yield	Average	Last Cut-off
3M T-bill	8.9583%	8.9583%
6M T-bill	8.9892%	8.9892%
12M T-bill	8.9745%	8.9808%
Auction. 17 July 2013		
PIB Yield		
3Year	10.3253%	10.4366%
5Year	10.7762%	10.9018 %
10Year	11.5271%	11.6517%