

## Foreign Exchange:

### READY:

- ✓ USD/PKR started the day's trading at 102.10/15 in the interbank market. The market remained highly volatility during today's trading session as the rates remained erratic. The turbulence witnessed was mainly due to the excessive borrowing by the newly elected government in order to fund public and investing spending. This stance by the government is likely to result in an increase in inflation. Higher inflation rate exhibits a decrease in currency value hence putting rupee under pressure. Today the market made a high of 102.21 and then closed at 102.14/17.

### View at a Glance:

- ✓ As per today's activity, we expect the market to remain range bound between **102.10/102.25** for tomorrow trading.

### SWAP MARKET:

- ✓ Today In the swap market persisted gain in all tenor was witnessed due to liquidity crunch remained in money market that drives the swap premiums raise in shorter tenor while premiums in longer tenor also rose slightly as-well as it suggested the indecision between buyers and sellers

### View at a Glance:

- ✓ Owing to the money market condition, the swap points slightly moves upward in all tenors. Tomorrow activity will likely show the rising trend with slightly high premiums, but in the later hours we can see some sell/buy pressure in the market due to tight money-market position .

## Money Market:

- ✓ The market was witnessed a volatility today as it opened the day at a level of 8.50% and 8.75 then later-on rises near the level at 9.0% and got low at 9.0% and remain at 9.0% and ended at the same level.

T-Bills	Range %
7 Days	8.80%-8.90%
14 Days	8.75%-8.80%
28 Days	8.70%-8.75%
42 Days	8.70%-8.75%
56 Days	8.70%-8.75%
70 Days	8.80%-8.85%
6 Month	8.95%-9.00%
1 Year	9.05%-9.15%

PIBs	Range %
3 Year	10.45% - 10.55%
5 Year	11.05% - 11.12%
10 Year	11.75% - 11.88%

Currency	Ask	MoM % Change
PKR-USD	102.01	+1.95%
PKR-EUR	134.82	+4.62%
PKR-JPY	1.0238	+2.28%
PKR-GBP	154.55	+3.12%

Parity			
TENOR	SWAP	MONEY	Swap Implied PKR Yield
1-WEEK	0.1572	8.70%	8.2%
2-WEEK	0.1650	8.65%	4.4%
1-MONTH	0.5739	8.75%	6.8%
2-MONTH	1.1630	8.80%	6.8%
3-MONTH	1.7518	8.85%	7.1%
4-MONTH	2.3330	8.85%	7.2%
5-MONTH	2.9803	8.90%	7.2%
6-MONTH	3.5825	8.90%	7.3%
12-MONTH	7.1616	9.00%	7.7%

Money Markets	Ask	Bid
<b>KIBOR 5 Aug 2013</b>		
1 Month	9.03%	8.53%
3 Month	9.01%	8.76%
6 Month	8.83%	9.08%
12 Month	9.43%	8.93%

Auction 24 July 2013		
T.Bill Yield	Average	Last Cut-off
3M T-bill	8.9484%	8.9583%
6M T-bill	8.9597%	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%

Economic Indicators				
Forex Reserves	26-July-13	USD bn	10.22	
CPI- MoM	1-July-13		2.0%	
CPI- YoY	1-July-13		8.3%	
M2 Growth	FY13 YTD		15.93%	
SBP Policy Rate	FY13 YTD		9.00%	
Home Remittance	June-13	USD bn	13.92	