

**Foreign Exchange:**

**READY:**

- ✓ Dollar eased a little against the rupee in the interbank market today. It began trading at 104.77/82, gained a few paisas and then closed at 104.80/83. Rupee that had been under continuous pressure for the past few weeks started to strengthen its footing against the dollar. The sudden shift in momentum was partly because of approval of \$6.6 billion loan by IMF.

**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 fall in all tenor premiums, liquidity crunch remained in money market that drove the swap premiums downward in all shorter tenor while premiums in longer tenor slightly fell 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. Today market opened the day at a level of 8.25%-8.50% and then later-on as expected that market would pegged to the top level rose to a level of 8.50% and closed at a level of 6.50% with all eyes on the upcoming monetary policy.

T-Bills	Range %
7 Days	8.50%-8.60%
14 Days	8.50%-8.60%
28 Days	8.65%-8.75%
42 Days	8.60%-8.70%
56 Days	8.65%-8.70%
70 Days	8.80%-8.90%
6 Month	8.95%-9.05%
1 Year	9.25%-9.35%

PIBs	Range %
3 Year	11.22% - 11.25%
5 Year	11.50% - 11.60%
10 Year	11.95% - 12.05%

Currency	Ask	MoM % Change
PKR-USD	104.80	+2.58%
PKR-EUR	138.61	+2.79%
PKR-JPY	1.0559	+3.31%
PKR-GBP	163.32	+3.09%

Parity			
TENOR	SWAP	MONEY	Swap Implied PKR Yield
1-WEEK	0.0982	8.25%	5.0%
2-WEEK	0.1900	8.45%	4.9%
1-MONTH	0.4094	8.60%	4.6%
2-MONTH	0.9362	8.75%	5.6%
3-MONTH	1.4113	8.88%	5.7%
4-MONTH	1.9636	8.90%	5.9%
5-MONTH	2.4964	8.95%	6.0%
6-MONTH	3.0700	9.00%	6.3%
12-MONTH	6.2640	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
<b>KIBOR 5 Sep 2013</b>		
1 Month	8.97%	8.47%
3 Month	9.06%	8.81%
6 Month	9.14%	8.89%
12 Month	9.54%	9.04%
<b>Auction 4 Sep 2013</b>		
<b>T.Bill Yield</b>	<b>Average</b>	<b>Last Cut-off</b>
3M T-bill	8.9583%	8.9583%
6M T-bill	8.9892%	8.9892%
12M T-bill	8.9745%	8.9808%
<b>Auction. 17 July 2013</b>		
<b>PIB Yield</b>		
3Year	10.3253%	10.4366%
5Year	10.7762%	10.9018 %
10Year	11.5271%	11.6517%