

Foreign Exchange:**READY:**

- ✓ Dollar remained stable against the rupee in today's trading session. It started off at 106.91/95, made a high of 106.93 and then closed at 106.89/91. The reason behind the stability in the exchange rate was mainly due to an improvement in country's foreign exchange reserves. The holdings of the State Bank had increased by \$213 million during the last week of October. This was due to the inflow of \$322 million under the Coalition Support Fund released by United States. It is expected that the exchange rate will continue to remain stable as the market hopes for higher inflows from other resources.

View at a Glance:

- ✓ As per today's activity, we expect the market to anticipate at a range bound between **106.85/107** for tomorrow trading.

SWAP MARKET:

- ✓ Today CPI inflation jumped to **9.08%** YoY in Oct-13 against 7.40% YoY in Sep-13, where we have witnessed persisted gains in all tenors due to dry money market where shorter tenor viewing with some visible change while premiums in longer tenor observed the same pattern as it was close to yesterday levels.

View at a Glance:

- ✓ Looking at the current market standing the swap points slightly moves upward in all tenors. Tomorrow activity will likely show the rising trend with slightly high premiums.

Money Market:

- ✓ The market was highly volatile today as market opened with the OMO (Mop-up) for 7 day tenor at a rate of 8.60% with Rs 4.4bn amount all accepted, whereas as expected October CPI (Consumer Price Index) has increased to a 15 month high of **9.08%** versus 7.39% in September. Then market would pegged to the top level rose to a level of 8.50%-8.90% and but later-on came down later at the close of the market at a level of 7.25%-7.50%. Due to the inflation upsurge market participant interested in 10 year bond with a range-of 12.55%-12.70%.

Currency	Ask	MoM % Change
PKR-USD	106.90	0.94%
PKR-EUR	146.45	+2.09%
PKR-JPY	1.0877	+2.34%
PKR-GBP	171.30	-0.72%

Parity

TENOR	SWAP	MONEY	Swap Implied PKR Yield
1-WEEK	0.1486	8.46%	7.4%
2-WEEK	0.2300	8.51%	5.8%
1-MONTH	0.4618	8.86%	5.3%
2-MONTH	0.7880	9.16%	4.5%
3-MONTH	1.1463	9.23%	4.4%
4-MONTH	1.5860	9.30%	4.7%
5-MONTH	2.0653	9.46%	5.0%
6-MONTH	2.5717	9.55%	5.2%
12-MONTH	5.6768	9.70%	5.9%

Economic Indicators

Indicator	Date	Unit	Value
Forex Reserves	25-Oct-13	USD bn	09.49
CPI- MoM	1-Oct-13		1.96%
CPI- YoY	1-Oct-13		9.08%
M2 Growth	FY13 YTD		0.32%
SBP Policy Rate	FY13 YTD		9.50%
Home Remittance	Aug-Sep-13	USD bn	2.637

Money Markets

Market	Ask	Bid
KIBOR	1 Nov 2013	
1 Month	9.19%	8.69%
3 Month	9.49%	9.24%
6 Month	9.57%	9.32%
12 Month	9.99%	9.49%

**Auction
30 Oct 2013**

T.Bill Yield	Average	Last Cut-off
3M T-bill	9.4088%	9.4114%
6M T-bill	9.4640%	9.4640%
12M T-bill	8.9745%	8.9808%

**Auction.
23 Oct 2013**

PIB Yield	Average	Last Cut-off
3Year	11.6204%	11.6916%
5Year	12.0913%	12.1511 %
10Year	12.5105%	12.5995%