Daily Foreign Exchange and Money Market Review

Foreign Exchange:

READY:

- ✓ Dollar continued to dominate the rupee in the interbank market. It began the day's trading at 107.53/57, made a new high of 107.56 and then closed at 107.52/55. Trading activity remained slow during the day as the investors eyed the upcoming monetary policy which is expected to be released today.

View at a Glance:

- ✓ As per today's activity, we expect the market to anticipate at a range bound between **107.40/107.60** for tomorrow trading.

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 slides 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 downward in all tenors. Tomorrow activity will likely show the falling trend with slightly low premiums.

Money Market:

- ✓ The market was remained pegged to the top level due to yesterday T-bill auction where market participated in 3-month & 6-month only with a total participation of over Rs 57.9 billion. Today market opened the day at a level of 9.25% and then later-on market rose to a level of 9.40%. At the close of the market the levels came down again at 8.80%-8.90% and ended at the same level. The market remained highly volatile, with all eyes on today monetary policy announcement.

T-Bills	Range %
7 Days	8.90%-9.00%
14 Days	9.10%-9.15%
28 Days	9.20%-9.30%
42 Days	9.25%-9.35%
56 Days	9.40%-9.45%
70 Days	9.50%-9.60%
6 Month	9.60%-9.70%
1 Year	9.95%-10.0%

PIBs	Range %
3 Year	12.00% - 12.10%
5 Year	12.55% - 12.60%
10 Year	13.00%- 13.05%

Currency	Ask	MoM % Change
PKR-USD	107.53	1.33%
PKR-EUR	144.39	0.15%
PKR-JPY	1.0810	-1.26%
PKR-GBP	171.13	1.25%

Parity

TENOR	SWAP	MONEY	Swap Implied PKR Yield
1-WEEK	0.1124	8.66%	5.6%
2-WEEK	0.2000	8.65%	5.0%
1-MONTH	0.3380	8.65%	4.0%
2-MONTH	0.6282	8.78%	3.7%
3-MONTH	0.9757	9.09%	3.8%
4-MONTH	1.3853	9.31%	4.2%
5-MONTH	1.8210	9.46%	4.4%
6-MONTH	2.3517	9.55%	4.8%
12-MONTH	5.4190	9.69%	5.6%

Economic Indicators			
Forex Reserves	1-Nov-13	USD bn	09.51
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	July -Oct-13	USD bn	5.276

Money Markets	Ask	Bid
KIBOR	**13 Nov 2013**	
1 Month	9.39%	8.89%
3 Month	9.61%	9.36%
6 Month	9.70%	9.45%
12 Month	10.12%	9.62%
	Auction 12 Nov 2013	
T.Bill Yield	**Average**	**Last Cut-off**
3M T-bill	9.4348%	9.4352%
6M T-bill	9.4640%	9.4640%
12M T-bill	No Bids	No Bids
PIB Yield	**Auction. 23 Oct 2013**	
3Year	11.6204%	11.6916%
5Year	12.0913%	12.1511 %
10Year	12.5105%	12.5995%