

Foreign Exchange:

READY:

- ✓ Dollar continued to surge against the rupee in the local currency market. It started trading at 105.07/10 and remained in the same band throughout the day. The market then closed at 105.08/10. Rupee continued to depreciate against the greenback. It is hoped that the pressure on the rupee might ease as the likelihood of receiving higher financial flows has increased after the approval of a new loan program by IMF.

View at a Glance:

- ✓ As per today's activity, we expect the market to remain range bound between **105/105.20** for tomorrow.

SWAP MARKET:

- ✓ Today in the Swap market we have witnessed persisted gain in all tenor premiums, liquidity crunch remained in money market that drives the swap premiums raise a considerably in shorter tenor while premiums in longer tenor rose as-well.

View at a Glance:

- ✓ Looking at the current market standing the swap points gain in shorter tenor while premiums in longer tenor also rose as well. Tomorrow activity will likely show the growing trend with slightly high premiums.

Money Market:

- ✓ Today market opened the day with an OMO where no bids were accepted. The market started at a floor level of 7.25% and 7.50% and then later-on as expected market had pegged to the top level rose to a level of 8.25% and then came-back to a floor level again at 7.50%-7.75% at the close of the market.

T-Bills	Range %
7 Days	8.40%-8.50%
14 Days	8.50%-8.60%
28 Days	8.90%-9.00%
42 Days	8.80%-8.90%
56 Days	9.00%-9.10%
70 Days	9.15%-9.20%
6 Month	9.30%-9.35%
1 Year	9.40%-9.47%

PIBs	Range %
3 Year	10.90% - 10.95%
5 Year	11.32% - 11.37%
10 Year	11.88%- 11.92%

Currency	Ask	MoM % Change
PKR-USD	105.08	+2.30%
PKR-EUR	140.28	+2.79%
PKR-JPY	1.0634	1.55%
PKR-GBP	167.42	+4.61%

Parity			
TENOR	SWAP	MONEY	Swap Implied PKR Yield
1-WEEK	0.1217	7.75%	6.2%
2-WEEK	0.2100	7.90%	5.4%
1-MONTH	0.4306	8.14%	5.2%
2-MONTH	1.0430	8.44%	6.0%
3-MONTH	1.5437	8.70%	6.1%
4-MONTH	2.0688	8.80%	6.2%
5-MONTH	2.6475	9.00%	6.3%
6-MONTH	3.2112	9.00%	6.5%
12-MONTH	6.4439	9.06%	6.8%

Economic Indicators			
Forex Reserves	12-Sep-13	USD bn	10.37
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		9.50%
Home Remittance	July -Aug-13	USD bn	2.637

Money Markets	Ask	Bid
KIBOR 16 Sep 2013		
1 Month	9.14%	8.64%
3 Month	9.06%	9.31%
6 Month	9.18%	9.43%
12 Month	9.31%	9.81%
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%