

**Foreign Exchange:**

**READY:**

- ✓ Today the rupee plunged to record low against the dollar as it crossed the level of **106** for the first time in the interbank market. Dollar started the day's trading at 105.40/50 and then hoisted sharply and crossed another thrash hold barrel of **106** level. The greenback was traded as high as 106.30 and ended the day with a slightly slipping level of 106.10/20. Looking at this situation IMF deal remained ineffective for the exchange rate mainly because of "meager" \$540m first tranche and the conditions came attached with it.

**View at a Glance:**

- ✓ As per today's activity, we expect the market to anticipate at a range bound between **105.90/106.50** for tomorrow trading. It is expected that the dollar could go even higher since its demand has been rising while the foreign reserves are shrinking.

**SWAP MARKET:**

- ✓ Today in the Swap market we have witnessed faintly raised in shorter tenor premiums, while swap premiums in longer tenor fall as well due to dry money market remained persisted.

**View at a Glance:**

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

**Money Market:**

- ✓ Today market is expected to hold its fifth MTB (Market Treasury Bill) auction for the 1QFY14. The auction target has been set at PkR250bn while the maturing amount is PkR210bn. Market participated Rs 650 bn for 3M & 6M tenors where participants was not interested in 12M tenor. It's the first auction after Monetary Policy Sep -13, so all eye on the upcoming cut-offs.

T-Bills	Range %
7 Days	8.40%-8.50%
14 Days	8.75%-8.85%
28 Days	8.90%-9.00%
42 Days	8.95%-9.00%
56 Days	9.05%-9.10%
70 Days	9.15%-9.20%
6 Month	9.35%-9.40%
1 Year	9.50%-9.60%

PIBs	Range %
3 Year	11.30% - 11.35%
5 Year	11.80% - 11.90%
10 Year	12.30%- 12.35%

Currency	Ask	MoM % Change
PKR-USD	106.12	+2.86%
PKR-EUR	141.74	+2.79%
PKR-JPY	1.0727	1.61%
PKR-GBP	169.43	+4.85%

Parity			
TENOR	SWAP	MONEY	Swap Implied PKR Yield
1-WEEK	0.1082	8.46%	5.5%
2-WEEK	0.2100	8.69%	5.3%
1-MONTH	0.4440	8.75%	5.3%
2-MONTH	1.0103	8.85%	5.9%
3-MONTH	1.5344	8.95%	6.1%
4-MONTH	2.0890	9.11%	6.1%
5-MONTH	2.6610	9.15%	6.4%
6-MONTH	3.1696	9.20%	6.4%
12-MONTH	6.5502	9.26%	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
<b>KIBOR 18 Sep 2013</b>		
1 Month	9.24%	8.74%
3 Month	9.09%	9.34%
6 Month	9.20%	9.45%
12 Month	9.43%	9.93%
<b>Auction 18 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%