

## Foreign Exchange:

### READY:

- ✓ Dollar continued to make new highs against the rupee in the interbank market. It began today's trading at 103.45/50, made another record high of **103.63** and then closed at 103.58/63. The rupee depreciated to its record low despite record remittances of \$1.4 billion in the month of July. The devaluation of the local currency was mostly due to falling foreign exchange reserves which has compelled the government to turn to foreign banks for dollar-based loans.

### View at a Glance:

- ✓ As per today's activity, we expect the market to remain range bound between **103.45/70** for tomorrow trading.

### SWAP MARKET:

- ✓ Today In the swap market persisted gains in all tenor was witnessed due to illiquid money market that drives the swap premiums little upward in short tenor while premiums in longer tenor also witnessed a raised as well.

### 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 waning trend with slightly high premiums, but in the later hours we can see some sell/buy pressure in the market due to tight money-market position .

## Money Market:

- ✓ The market was slightly volatile due to T-bill auction today as it opened the day at a level of 8.30%-8.50% and then later-on rose to a level of 8.60% and closed at 8.50% with persist follow-up its trend in the market.

T-Bills	Range %
7 Days	8.50%-8.60%
14 Days	8.50%-8.60%
28 Days	8.65%-8.70%
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	9.40%-9.60%

PIBs	Range %
3 Year	10.82% - 10.94%
5 Year	11.45% - 11.55%
10 Year	12.00% - 12.10%

Currency	Ask	MoM % Change
PKR-USD	103.58	+2.45%
PKR-EUR	138.79	+3.71%
PKR-JPY	1.0633	+5.18%
PKR-GBP	162.50	+4.82%

Parity			
TENOR	SWAP	MONEY	Swap Implied PKR Yield
1-WEEK	0.0157	8.53%	0.9%
2-WEEK	0.0925	8.56%	2.5%
1-MONTH	0.2170	8.68%	2.5%
2-MONTH	0.7806	8.75%	4.7%
3-MONTH	1.3290	8.80%	5.4%
4-MONTH	1.9023	8.85%	5.7%
5-MONTH	2.5441	8.90%	6.2%
6-MONTH	3.1692	8.95%	6.5%
12-MONTH	6.7052	9.05%	7.1%

Money Markets	Ask	Bid
<b>KIBOR 21 Aug 2013</b>		
1 Month	8.98%	8.48%
3 Month	9.06%	8.81%
6 Month	9.14%	8.89%
12 Month	9.57%	9.07%
<b>Auction 24 July 2013</b>		
<b>T.Bill Yield</b>	<b>Average</b>	<b>Last Cut-off</b>
3M T-bill	8.9484%	8.9583%
6M T-bill	8.9597%	8.9892%
12M T-bill	8.9745%	8.9808%
<b>PIB Yield Auction. 17 July 2013</b>		
3Year	10.3253%	10.4366%
5Year	10.7762%	10.9018 %
10Year	11.5271%	11.6517%

Economic Indicators			
Forex Reserves	19-Aug-13	USD bn	10.23
CPI- MoM	1-July-13		2.0%
CPI- YoY	1-July-13		8.3%
M2 Growth	FY13 YTD		15.93%
SBP Policy Rate	FY13 YTD		9.00%
Home Remittance	July-13	USD bn	1.404