

Foreign Exchange:

READY:

- ✓ USD/PKR began the day's trading at 103.60/65 in the interbank market. The market remained stable with low trading activity. No major fluctuations in rates were witnessed as the market remained range bound between 103.60-67. Stability in the market as observed was mostly due to a rise in home remittances in FY13 by 16.7% (YOY) \$ 1404 mn against \$ 1204 mn in FY12, which had contributed to an increase in country's foreign exchange reserves. Dollar today made a high of 103.67 and then closed at 103.62/67.

View at a Glance:

- ✓ As per today's activity, we expect the market to remain range bound between **103.60/80** for tomorrow trading.

SWAP MARKET:

- ✓ Today In the swap market fresh 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 range-bound due to Moped-up of Rs 168,350 bn accepted yesterday with a cut-off 8.55%. Today as it opened the day at a level of 8.25%-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	10.88% - 10.94%
5 Year	11.50% - 11.60%
10 Year	12.00% - 12.10%

Currency	Ask	MoM % Change
PKR-USD	103.63	+2.86%
PKR-EUR	138.51	+4.31%
PKR-JPY	1.0476	+3.18%
PKR-GBP	161.83	+4.65%

Parity			
TENOR	SWAP	MONEY	Swap Implied PKR Yield
1-WEEK	0.0043	8.50%	0.4%
2-WEEK	0.0633	8.56%	1.8%
1-MONTH	0.2306	8.70%	2.8%
2-MONTH	0.7652	8.75%	4.6%
3-MONTH	1.3624	8.88%	5.4%
4-MONTH	1.9365	8.85%	5.9%
5-MONTH	2.5037	8.90%	6.1%
6-MONTH	3.1321	8.95%	6.4%
12-MONTH	6.6441	9.05%	7.1%

Economic Indicators			
Forex Reserves	16-Aug-13	USD bn	10.39
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

Money Markets	Ask	Bid
KIBOR 23 Aug 2013		
1 Month	8.99%	8.49%
3 Month	9.08%	8.83%
6 Month	9.17%	8.92%
12 Month	9.62%	9.12%
Auction 21 Aug 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%