

Foreign Exchange:**READY:**

24-Dec	OPEN	HIGH	LOW	CLOSE	LDC
READY	105.75	105.75	105.45	105.52/55	106.14

Last day Close=LDC

Forecast for tomorrow:

- ✓ We expect the market to be range bound between **105.20/105.50** for tomorrow's trading.

SWAP MARKET:

- ✓ The SWAP points witnessed slightly rose in all tenors and remain range-bound, there was however a rebound seen today with some correction at the end which was more of a technical retracement. The trend is expected to continue with marked difference between money market and forex rates.

Money Market:

- ✓ As expected SBP hold its seventh T-Bills auction today for the 2QFY14. The auction target has been set at Pkr 300bn while the maturing amount is Pkr 63.450bn. While M2 growth showed an increase of 4.8% in FY14TD to stand at Pkr9.2trn as of Dec 13.

Commodities:

- ✓ Gold traded near \$ **1200/oz** as strong US macro economic data continued to dim gold's allure. U.S. consumer sentiment hit a five-month high as US spending was at its strongest level since the summer, signaling a sustained recovery and fostering hopes of a strong 2014. We recommend selling on strength below \$ **1211** targeting \$ **1189**, with stops above \$ **1211**.
- ✓ Crude last week closing was a bit high but not like as investor could make a clear picture for further confirm movement. We recommend buying on weakness above \$ **98.17** targeting \$ **99.15**, with stop below \$ **97.60**.

Currency	Ask	MoM % Change
PKR-USD	105.53	-1.38%
PKR-EUR	144.32	-0.62%
PKR-JPY	1.0120	-5.50%
PKR-GBP	172.42	-0.04%

Parity

TENOR	SWAP	MONEY	Swap Implied PKR Yield
1-WEEK	0.0994	9.44%	5.0%
2-WEEK	0.1450	9.60%	3.8%
1-MONTH	0.2741	9.73%	3.2%
2-MONTH	0.6538	9.79%	3.9%
3-MONTH	1.1678	9.84%	4.7%
4-MONTH	1.7102	9.89%	5.2%
5-MONTH	2.2398	9.91%	5.4%
6-MONTH	2.8684	9.93%	5.8%
12-MONTH	5.5108	10.01%	5.8%

Economic Indicators

Forex Reserves	13-Dec-13	USD bn	8.52
CPI- MoM	1-Novt-13		1.27%
CPI- YoY	1-Nov-13		10.90%
M2 Growth	FY13 YTD		4.48%
SBP Policy Rate	FY13 YTD		10.00%
Home Remittance	July -Nov-13	USD bn	6.40

Money Markets

Money Markets	Ask	Bid
KIBOR 24 Dec 2013		
1 Month	9.88%	9.38%
3 Month	10.05%	9.80%
6 Month	10.14%	9.89%
12 Month	10.46%	9.96%
Auction 11 Dec 2013		
T-bill Yield	Weg.Average	Cut-off
3M T-bill	9.8830%	9.9109%
6M T-bill	9.9791.	9.9791
12M T-bill	No-Bid.	No-Bid.
Auctions Dec 18 2013		
PIB Yield		
3Year	12.0862%	12.0998%
5Year	12.5587%	12.5589 %
10Year	12.8685%	12.9492%