

Foreign Exchange:

READY:

- ✓ USD opened the day's trading at 103.75/78 in the interbank market. The greenback continued to set new high against the local currency. Today it hit another all-time high of **103.85** and concluded the trading at 103.81/88. An increase in rates as witnessed was primarily due to the repayment of International Monetary Fund (IMF) Stand-by Arrangement (SBA) facility's 19th installment of \$393 million which reflected strong demand for dollar.

View at a Glance:

- ✓ As per today's activity, we expect the market to remain range bound between **103.75/95** for tomorrow trading.

SWAP MARKET:

- ✓ Today in the swap market, fresh gains in all tenor was witnessed due to illiquid money market and \$393mn repayment to the (IMF) under Stand-by Arrangement (SBA) was paid yesterday that was one of the factor that drives the swap premiums rose in short tenor while premiums in longer tenor observed the same pattern.

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 remained range-bound due to illiquid steadiness. Market opened the day at a level of 8.25% and then later-on rose to a level of 8.50% and closed at the same band at 8.50% with persist follow-up its trend in the market. In general, all eyes on the government decision on IMF loan and upcoming monetary policy.

T-Bills	Range %
7 Days	8.50%-8.60%
14 Days	8.50%-8.60%
28 Days	8.65%-8.75%
42 Days	8.60%-8.70%
56 Days	8.65%-8.70%
70 Days	8.80%-8.90%
6 Month	8.95%-9.05%

PIBs	Range %
3 Year	11.22% - 11.25%
5 Year	11.50% - 11.60%
10 Year	11.95% - 12.05%

Currency	Ask	MoM % Change
PKR-USD	103.81	+1.96%
PKR-EUR	138.50	+2.79%
PKR-JPY	1.0618	+3.31%
PKR-GBP	161.03	+3.09%

Parity

TENOR	SWAP	MONEY	Swap Implied PKR Yield
1-WEEK	0.0678	8.50%	3.6%
2-WEEK	0.1867	8.56%	4.9%
1-MONTH	0.3344	8.70%	4.0%
2-MONTH	0.9265	8.75%	5.5%
3-MONTH	1.5094	8.88%	6.0%
4-MONTH	2.0187	8.85%	6.1%
5-MONTH	2.5943	8.90%	6.3%
6-MONTH	3.2102	8.95%	6.5%
12-MONTH	6.6779	9.05%	7.1%

Economic Indicators

Indicator	Date	Unit	Value
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

Market	Ask	Bid
KIBOR 27 Aug 2013		
1 Month	8.96%	8.56%
3 Month	9.10%	8.85%
6 Month	9.19%	8.94%
12 Month	9.64%	9.14%
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%
PIB Yield Auction. 17 July 2013		
3Year	10.3253%	10.4366%
5Year	10.7762%	10.9018%
10Year	11.5271%	11.6517%