

Foreign Exchange:

READY:

- ✓ Dollar continued to outperform against the rupee as it crossed the level of 104 in the interbank market yesterday. It began the day's trading at 104.08/14; rose by 40 paisa's and then closed at 104.48/52. The market set another record high at 104.55. Dollar firmed its position against major currencies in Asia as anxiety about the impact of a possible military action by the US in Syria eased. Investors who had bought other currencies in exchange for dollars on expectations of a military strike in Syria reversed their positions. This resulted in an increase in the demand for dollars globally and therefore affecting the value of rupee as well.

View at a Glance:

- ✓ In the light of today's activity, tomorrow we anticipated USD/PKR traded between **104.40/70** or if market breaks the level of **105.00** and resistance at the same level we might see the market at a level of **105** figure.

SWAP MARKET:

- ✓ Today in the Swap market we have witnessed a fresh gain up to 1-month tenors' premiums, whereas in longer tenor market seen persisted lower premiums which observed the same pattern as it was close to yesterday level that suggested the indecision between buyers and sellers.

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 volatile today as due to yesterday PIB auction with a realized amount of Rs 30.286 bn for 3, 5 and 10 years . The yields in PIBs started moving up as expected after the start of trading, the market remained lifeless with thin volumes, with all eyes on the upcoming monetary policy.

Currency	Ask	MoM % Change
PKR-USD	104.50	+1.96%
PKR-EUR	138.63	+2.79%
PKR-JPY	1.0643	+3.31%
PKR-GBP	162.03	+3.09%

Parity			
TENOR	SWAP	MONEY	Swap Implied PKR Yield
1-WEEK	0.0168	8.50%	1.0%
2-WEEK	0.0895	8.56%	2.4%
1-MONTH	0.1912	8.76%	2.3%
2-MONTH	0.7361	8.80%	4.4%
3-MONTH	1.2820	8.88%	5.1%
4-MONTH	1.8192	8.85%	5.5%
5-MONTH	2.4006	8.90%	5.8%
6-MONTH	2.9011	8.95%	5.9%
12-MONTH	6.2483	9.05%	6.7%

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 29 Aug 2013		
1 Month	8.98%	8.48%
3 Month	9.07%	8.82%
6 Month	9.15%	8.90%
12 Month	9.52%	9.02%
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. 28 Aug 2013		
PIB Yield		
3Year	11.0107%	11.1518%
5Year	11.4868%	11.6485 %
10Year	11.9022%	11.9981%