

Foreign Exchange:

READY:

31-Dec	OPEN	HIGH	LOW	CLOSE	LDC
READY	105.70	105.70	105.20	105.30/35	105.70

Last day Close=LDC

Forecast for tomorrow:

- ✓ We expect the market to be range bound between **105.30/105.50** for tomorrow's trading.

SWAP MARKET:

- ✓ The SWAP rates made a sharp rise in all tenors' premiums. Today market high premiums narrate as fall in greenback made the premium rose mainly in shorter tenors. This trend is expected due to foreign inflow push in country forex reserve.

Money Market:

- ✓ The money we market today remained pegged to the top level. Today market opened at a level of 10.50%-10.75% and remained to the top level of 10.75% as of high today. Subsequently all trading in the market ranging from overnight, one week, two weeks and one month was witnessed above the DR for the most part.

Commodities:

- ✓ Gold rebounds but outlook remains bearish. Gold is all set to post its biggest drop in 32 years since 1981 (and its first decline in 13 years). Gold added \$ 2.80 an ounce to \$ 1,198.80, but was set to end this year down about 28%.
- ✓ Oil is set to close on a strong note at the end of this year, posting its biggest advance since 2010 amid falling oil inventories and the prospect of a US economic recovery. We recommend selling on strength below US\$100.25, targeting US\$98.62, with stops above US\$100.45.

31-Dec	OPEN	HIGH	LOW	CLOSE	LTP	% CHG	TIME
CRUDE (\$/bbl)	99.23	99.36	99.78	98.88	100.28	-1.40%	3:45 p.m
GOLD (\$/oz)	1197.13	1203.38	1194.61	1202.44	1202.93	-0.04%	3:45 p.m
SILVER (\$/oz)	19.59	19.37	19.37	19.52	19.50	0.10%	3:45 p.m

Currency	Ask	MoM % Change
PKR-USD	105.29	-2.95%
PKR-EUR	145.01	-1.34%
PKR-JPY	1.0026	-5.00%
PKR-GBP	174.08	-2.19%

Parity

TENOR	SWAP	MONEY	Swap Implied PKR Yield
1-WEEK	0.1257	10.16%	6.4%
2-WEEK	0.2000	10.11%	5.1%
1-MONTH	0.3578	10.15%	4.2%
2-MONTH	0.7494	9.79%	4.6%
3-MONTH	1.2569	9.84%	5.1%
4-MONTH	1.8650	9.89%	5.7%
5-MONTH	2.4756	9.91%	6.1%
6-MONTH	2.9339	9.93%	6.0%
12-MONTH	5.5590	10.01%	5.9%

Economic Indicators

Indicator	Date	Unit	Value
Forex Reserves	21-Dec-13	USD bn	8.09
CPI- MoM	1-Novt-13		1.27%
CPI- YoY	1-Nov-13		10.90%
M2 Growth	FY13 YTD		3.76%
SBP Policy Rate	FY13 YTD		10.00%
Home Remittance	July -Nov-13	USD bn	6.40

Money Markets

Market	Ask	Bid
KIBOR 31 Dec 2013		
1 Month	10.12%	9.87%
3 Month	10.09%	9.84%
6 Month	10.15%	9.90%
12 Month	10.48%	9.98%
Auction 24 Dec 2013		
T-bill Yield	Weg.Average	Cut-off
3M T-bill	9.8984%	9.9564%
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%