

**Provisional Data on Monetary Aggregates as on January 30<sup>th</sup>, 2010**

**1) Broad Money (M2)**

(Million Rupees)

COMPONENTS	Stocks at End-June 2009	Yearly Flows		Monetary Impact Since	
		FY 08	FY 09	1st July to	
				30-Jan-10 <sup>P</sup>	31-Jan-09
A Currency in Circulation	1,152,173	142,145	169,847	146,580	145,025
B Other Deposits with SBP	4,662	-2,751	401	1,673	25
C Total Demand & Time Deposits incl. RFCDs <sup>1</sup>	3,980,384	484,595	277,827	129,423	-100,565
of which Residents Foreign Currency Deposits (RFCDs)	280,364	56,118	16,934	39,020	13,945
<b>Broad Money (M2)</b>	<b>5,137,219</b>	<b>623,988</b>	<b>448,076</b>	<b>277,676</b>	<b>44,485</b>
<i>Growth</i>		<i>15.35%</i>	<i>9.56%</i>	<i>5.41%</i>	<i>0.95%</i>
<b>Factors Affecting Broad Money (M2)</b>					
A <u>Net Foreign Assets of the Banking System</u>	<u>517,330</u>	<u>-317,380</u>	<u>-150,181</u>	<u>67,273</u>	<u>-288,416</u>
B <u>Net Domestic Assets of the Banking System (1+2+3)</u>	<u>4,619,888</u>	<u>941,369</u>	<u>598,257</u>	<u>210,404</u>	<u>332,901</u>
<i>Growth</i>	<i>14.88%</i>	<i>30.56%</i>	<i>14.88%</i>	<i>4.55%</i>	<i>8.28%</i>
1 <u>Net Government Sector Borrowings (a+b+c)</u>	<u>2,034,304</u>	<u>582,011</u>	<u>525,763</u>	<u>203,183</u>	<u>283,385</u>
a Borrowings for Budgetary Support <sup>2</sup>	1,681,022	554,551	316,418	228,704	268,791
(i) From SBP of which	1,164,647	688,724	130,932	40,489	256,319
a) Central government	1,111,612	670,730	44,258	54,230	285,502
b) Provincial governments	54,245	16,508	88,402	-14,045	-25,327
Balochistan Government	24,361	7,379	6,161	-8,805	-3,348
N.W.F.P. Government	-695	1,208	7,947	-6,857	-2,661
Punjab Government	51,020	4,408	62,350	9,589	5,118
Sindh Government	-20,442	3,513	11,945	-7,972	-24,436
c) A.J.K Government	-1,210	1,486	-1,728	305	-3,855
(ii) From Scheduled banks	516,375	-134,173	185,487	188,215	12,472
a) Central Government	737,490	-107,818	227,780	193,992	19,532
b) Provincial Government	-221,114	-26,355	-42,293	-5,778	-7,060
b. Commodity Operations	336,202	26,872	210,778	-24,054	16,720
c. Others	17,081	588	-1,434	-1,467	-2,127
2. <u>Credit to Non-Government Sector (a+b+c+d)</u>	<u>3,189,994</u>	<u>443,450</u>	<u>170,070</u>	<u>195,529</u>	<u>212,165</u>
a Credit to Private Sector	2,906,897	410,207	17,082	112,469	152,237
b Credit to Public Sectors Enterprises (PSEs)	290,005	33,124	152,723	83,270	60,096
c PSEs Special Account-Debt Repayment with SBP	-23,683	-118	-86	0	-86
d Other Financial Institutions (SBP credit to NBFIs)	16,776	238	351	-209	-83
3. <u>Other Items (net)</u>	<u>-604,410</u>	<u>-84,093</u>	<u>-97,576</u>	<u>-188,309</u>	<u>-162,648</u>
<b>Broad Money (M2)</b>	<b>5,137,218</b>	<b>623,988</b>	<b>448,075</b>	<b>277,676</b>	<b>44,485</b>
<i>Growth</i>		<i>15.35%</i>	<i>9.56%</i>	<i>5.41%</i>	<i>0.95%</i>

P: Provisional

<b>Memorandum Items</b>					
Accrued profit on SBP holdings of MRTBs	35,131	11,809	16,932	7,797	20,305
Outstanding amount of MTBs (realized value in auctions)	739,475	-119,122	202,498	200,772	8,949
Net Government Budgetary Borrowings for Budgetry Support (Estimated on cash basis as done in government budget)					
<b>From Banking System</b>	<b>1,629,990</b>	<b>509,496</b>	<b>304,620</b>	<b>201,527</b>	<b>236,508</b>
From SBP	1,129,516	676,915	114,001	32,692	236,015
From Scheduled Banks	500,475	-167,419	190,620	168,834	494

1/ Excluding inter-bank deposits, deposits of governments and foreign constituents.

2/ Government's borrowing mechanisms from the banking system are as follows:-

- (a) Borrowings from scheduled banks is mainly through fortnightly auctioning of Market Treasury Bills (MTBs) of 3, 6 and 12-month maturities. Government of Pakistan also borrows long-term by quarterly auctioning of Pakistan Investment Bonds (PIBs) of 3, 5, 10, 15, 20 and 30 years maturities.
- (b) Federal Government may also borrow directly from SBP either through Ways and Means Advance or purchase (by SBP) of Market Related Treasury Bills (MRTBs). The Ways and Means Advance is extended for Government borrowings up to Rs.100 million at an interest rate of 4 percent per annum whereas higher amounts are borrowed through SBP purchase of 6-month MTBs at the weighted average yield of 6-month MTB determined in the most recent fortnightly auction of treasury bills. The weighted average yield on 6-month MTB was 11.90 percent as a result of the auction conducted on January 27, 2009.
- (c) Provincial Governments and the Government of Azad Jammu & Kashmir may also borrow directly from SBP through raising of their debtor balances (over drafts) within limits defined for them. An interest rate is charged on the borrowings which is weighted average of the weighted average yields of 6-month MTBs over the preceding three months. In case, the Provincial Governments or the Government of Azad Jammu & Kashmir borrow over and above the over draft limit, they are penalized by charging an incremental rate of 4 percent per annum.

**Source:** Based on weekly returns of scheduled banks for the week ending Saturday.

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