



Monetary Policy Information Compendium

September 2013

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STATE BANK OF PAKISTAN



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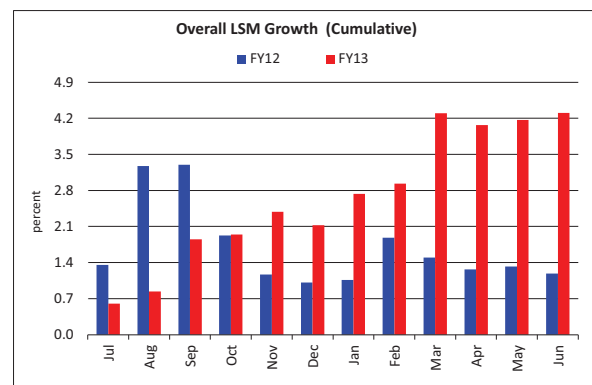
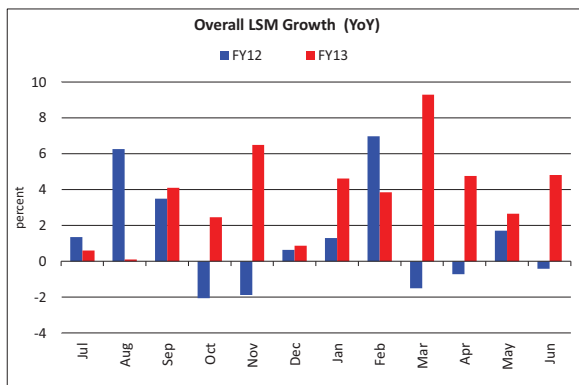


Growth

Cumulative growth of 4.3 percent has been recorded in the LSM sector for FY13, which is significantly higher than the growth of 1.2 percent observed in FY12.

Growth in Large Scale Manufacturing (LSM) Sector (percent)

Groups	Weights	YoY changes		Cumulative change during July-June	
		Jun-13	Jun-12	FY13	FY12
Overall	71.1	4.8	-0.4	4.3	1.2
Textile	20.9	↑ 4.6	↓ -1.9	↑ 1.6	↑ 0.3
Food, beverages and tobacco	12.4	↑ 8.1	↓ -6.7	↑ 9.3	↑ 6.0
Petroleum products	5.4	↑ 30.3	↓ -3.3	↑ 16.5	↓ -5.6
Iron and steel products	5.4	↑ 4.9	↑ 3.9	↑ 8.7	↓ -23.3
Non-metallic mineral products	5.4	↑ 1.7	↑ 4.6	↑ 5.2	↑ 2.9
Automobile	4.6	↓ -17.1	↑ 26.2	↓ -12.5	↑ 3.4
Fertilizer	4.4	↑ 3.3	↓ -8.4	↓ -4.0	↑ 0.1
Pharmaceuticals	3.6	↑ 5.3	↑ 3.1	↑ 10.0	↑ 7.0
Paper and board	2.3	↑ 32.6	↑ 4.6	↑ 18.4	↑ 21.8
Electronics	2.0	↓ -14.4	↓ -7.3	↓ -5.3	↓ -6.9
Chemicals	1.7	↓ -2.1	↑ 3.1	↓ -0.5	↓ -2.8
Leather products	0.9	↓ -2.5	↓ -8.8	↑ 0.6	↓ -1.0
Wood products	0.6	↑ 77.8	↓ -45.9	↓ -8.4	↓ -4.7
Engineering industries	0.4	↓ -11.7	↓ -17.8	↓ -15.5	↓ -12.4
Rubber products	0.3	↓ -12.4	↓ -4.0	↑ 11.8	↓ -23.2



Yields of major crops, except that of cotton, have improved during FY13.

Major Crops

	Production				Area under cultivation				Yield			
	(million tons)			percent change	(million hectares)			percent change	(Kg/hectare)		percent change	
	FY14 ^T	FY13 ^P	FY12 ^R	FY13 ^P over FY12 ^R	FY13 ^P	FY12 ^R	FY13 ^P over FY12 ^R	FY13 ^P	FY12 ^R	FY13 ^P over FY12 ^R		
Cotton ¹	14.1	13.0	13.6	↓ -4.2	2.9	2.8	↑ 1.6	769	816	↓ -5.8		
Sugarcane	65.0	62.5	58.4	↑ 7.0	1.1	1.1	↑ 6.2	55,580	55,196	↑ 0.7		
Rice	6.2	5.5	6.2	↓ -10.0	2.3	2.6	↓ -10.1	2,398	2,396	↑ 0.1		
Wheat	25.5	24.2	23.5	↑ 3.2	8.7	8.7	↑ 0.5	2,787	2,714	↑ 2.7		

¹ Cotton production is stated in million bales of 170 kg each.

^P: Provisional; ^T: Target; ^R: Revised

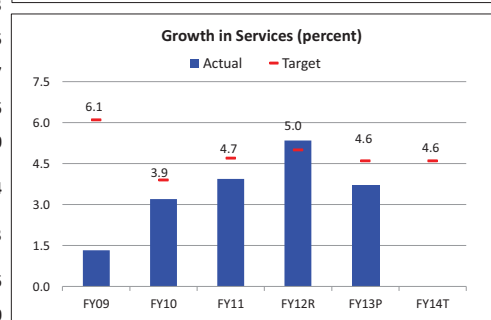
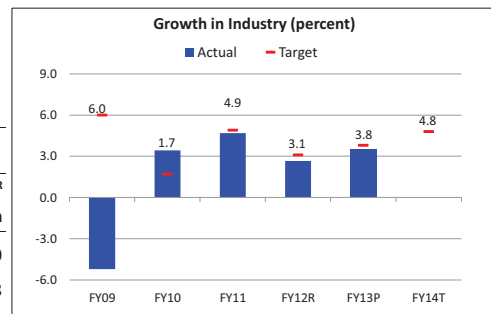
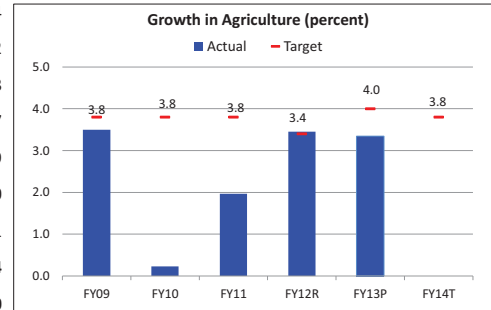
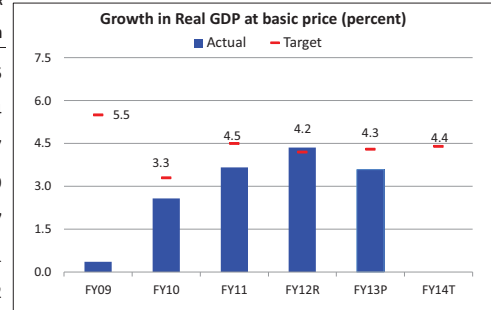
Sources: Pakistan Bureau of Statistics (PBS) and Planning Commission of Pakistan.



Provisional estimates show real GDP growth of 3.6 percent during FY13, which is lower than the target (4.3 percent) for the year and revised estimate (4.4 percent) for FY12.

Product Approach - GDP at Constant Prices of 2005-06 (percent)

	FY13 ^P			FY12 ^R Growth
	Growth	Shares	Contribution	
Agriculture of which	3.3	21.4	0.7	3.5
Important crops	2.3	5.4	0.1	7.4
Other crops	6.7	2.6	0.2	-7.7
Livestock	3.7	11.9	0.4	3.9
Industry of which	3.5	20.9	0.7	2.7
Manufacturing	3.5	13.2	0.5	2.1
Large-scale ¹	2.8	10.6	0.3	1.2
Small-scale	8.2	1.6	0.1	8.4
Construction	5.2	2.4	0.1	3.2
Services of which	3.7	57.7	2.1	5.3
Wholesale & retail trade	2.5	18.2	0.5	1.7
Transport Storage and Communications	3.4	13.7	0.5	8.9
Finance & insurance	6.6	3.0	0.2	1.0
General Government Services	5.6	6.8	0.4	11.1
Real GDP (basic prices)	3.6	100.0	3.6	4.4
Real GDP (market prices)	6.1	105.2	6.2	4.0



	FY13 ^P	FY12 ^R	FY11
Real GDP (bp, billion Rs)	9,863	9,522	9,124
Nominal GDP (mp, billion Rs)	22,909	20,091	18,285
Nominal GDP (mp, billion US\$) ²	237	225	214

Expenditure Approach - GDP at Constant Prices of 2005-06 (percent)

	FY13 ^P			FY12 ^R Growth
	Growth	Shares ³	Contribution ³	
Consumption	4.6	87.7	4.2	6.0
Private	4.0	77.0	3.1	5.8
Government	9.7	10.7	1.0	7.3
Fixed capital formation	0.8	13.2	0.1	1.5
Private	-1.8	9.7	-0.2	-1.7
Public plus general government	8.6	3.5	0.3	12.6
Changes in stocks	6.1	1.6	0.1	4.0
Net exports of goods and nonfactor services	-39.7	-2.5	1.7	-1.4
Exports of goods and non-factor services	12.2	11.8	1.4	-15.3
Imports of goods and non-factor services	-2.4	14.3	-0.4	-3.6
GDP (market prices)	6.1	100.0	6.1	4.0
Indirect Taxes	16.9	6.0	0.9	5.7
Subsidies	-60.1	1.0	-1.7	22.0
GDP (basic prices)	3.6	95.0	3.5	4.4
Total domestic demand⁴	4.2	102.5	4.3	5.3

Note: Targets, except for FY14, shown in the graphs are based on FY00 prices (as base year).

¹ For FY13, LSM data pertains to July-February; ² GDP in dollar terms is calculated using average exchange rate during the year.

³ Shares and contributions in GDP growth are based on real GDP(mp).

⁴ Domestic demand is calculated as sum of consumption, fixed capital formation and change in stock expenditures on real GDP.

Source: Pakistan Bureau of Statistics; ^R: Revised; ^P: Provisional; Basic price (bp): The basic price is the price the producer gets on output excluding any taxes on the products and including any subsidies on the products.

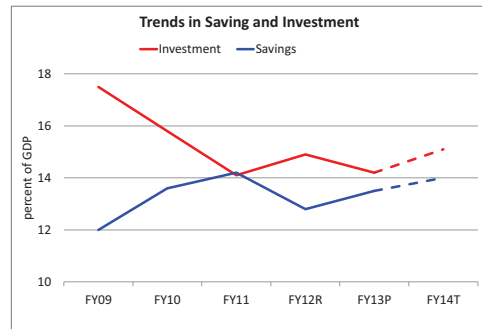


Saving and Investment

Saving investment gap has narrowed in FY13, compared to FY12.

Saving and Investment (at current market prices-2005-2006)
as percent of GDP

	FY14	Actual	
	Target	FY13 ^P	FY12 ^R
A. Investment	15.1	14.2	14.9
Gross fixed investment	13.5	12.6	13.3
Private sector	9.0	8.7	9.6
Public including general public	4.5	3.9	3.7
Change in capital stocks	1.6	1.6	1.6
B. National savings	14.0	13.5	12.8
C. Domestic savings	-	8.7	7.7
Saving investment gap (B - A)	-1.1	-0.7	-2.1

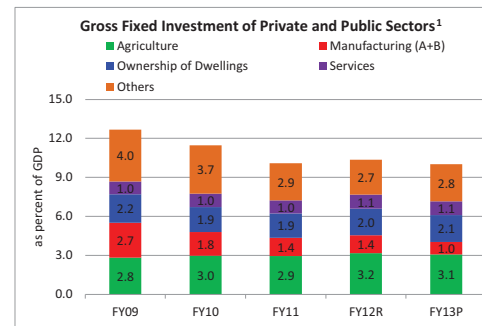


T: Target

Gross fixed investment in the Manufacturing sector as percent of GDP has shown a declining trend.

Gross Fixed Investment of Private and Public Sectors¹

	FY13 ^P		FY12 ^R
	As percent of GDP	Percent share in total	As percent of GDP
Agriculture	3.1	30.7	3.2
Mining and quarrying	0.6	6.1	0.2
Manufacturing	1.0	9.7	1.4
Construction	0.6	5.9	0.7
Electricity and gas	0.2	1.6	0.1
Transport and communication	0.3	2.8	0.3
Wholesale and retail trade	1.0	10.0	1.2
Finance and insurance	0.2	1.9	0.2
Ownership of dwellings	2.1	20.6	2.0
Services	1.1	10.7	1.1
Total	10.0	100.0	10.4



¹ Economic category wise distribution of government's gross fixed investment is not available.

^P: Provisional; ^R: Revised;

Source: Pakistan Bureau of Statistics and Planning Commission of Pakistan.



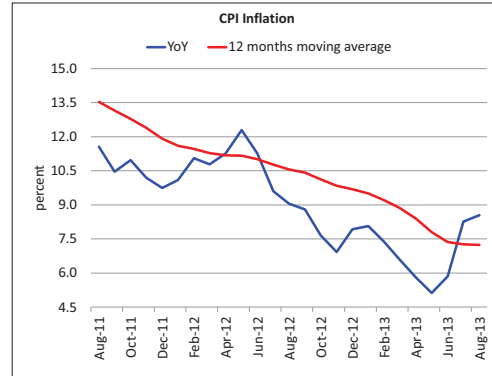
Inflation

(Calculated from price indices with base year 2007-08)

Headline CPI inflation (YoY) has increased to 8.5 percent in August 2013 from 8.3 percent in the previous month.

Consumer Price Index (CPI) (percent change)

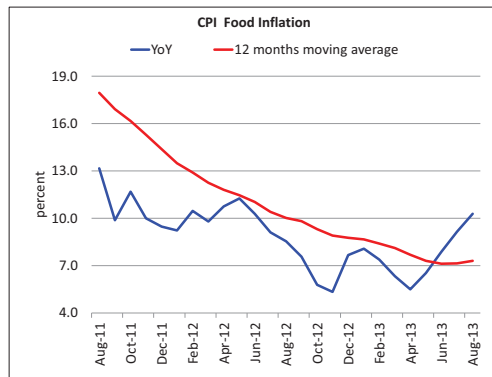
	MoM ¹	MoM SA ²	YoY ³	12M moving average ⁴
Aug-12	0.9	0.3	9.1	10.6
Sep-12	0.8	0.8	8.8	10.4
Oct-12	0.4	0.2	7.7	10.1
Nov-12	-0.4	-0.1	6.9	9.8
Dec-12	0.2	1.4	7.9	9.7
Jan-13	1.7	1.2	8.1	9.5
Feb-13	-0.3	0.4	7.4	9.2
Mar-13	0.4	0.3	6.6	8.9
Apr-13	1.1	0.4	5.8	8.4
May-13	0.5	0.9	5.1	7.8
Jun-13	0.7	0.8	5.9	7.4
Jul-13	2.0	1.2	8.3	7.3
Aug-13	1.2	0.8	8.5	7.2
3-year average for August	1.2	0.6	9.7	



CPI food inflation (YoY) has increased sharply to 10.3 percent in August 2013 from 9.2 percent in the previous month.

CPI - Food (37.48 % weight in basket) (percent change)

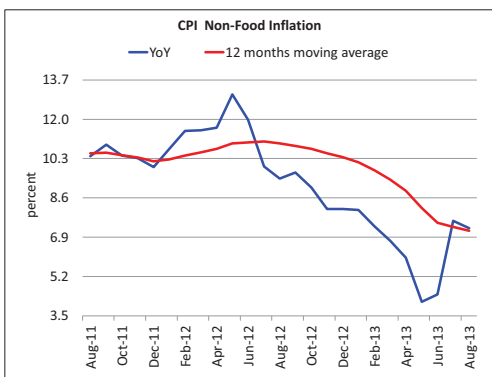
Aug-12	0.9	-0.2	8.5	10.0
Sep-12	0.7	0.4	7.6	9.8
Oct-12	-0.1	-0.3	5.8	9.3
Nov-12	-0.3	0.1	5.3	8.9
Dec-12	0.0	2.3	7.7	8.8
Jan-13	1.9	1.4	8.1	8.7
Feb-13	-1.3	0.2	7.4	8.4
Mar-13	0.5	0.1	6.3	8.1
Apr-13	1.4	0.5	5.5	7.7
May-13	1.1	1.6	6.5	7.3
Jun-13	1.1	1.4	7.9	7.1
Jul-13	3.0	1.4	9.2	7.1
Aug-13	2.0	0.8	10.3	7.3
3-year average for August	1.4	0.3	10.7	



CPI non-food inflation (YoY) has decreased to 7.3 percent in August 2013 from 7.6 percent in the previous month.

CPI - Non Food (62.52 % weight in basket) (percent change)

Aug-12	0.9	0.7	9.4	10.9
Sep-12	0.9	1.1	9.7	10.8
Oct-12	0.7	0.6	9.0	10.7
Nov-12	-0.4	-0.2	8.1	10.5
Dec-12	0.4	0.7	8.1	10.4
Jan-13	1.5	1.0	8.1	10.1
Feb-13	0.4	0.5	7.4	9.8
Mar-13	0.3	0.4	6.7	9.4
Apr-13	0.9	0.4	6.0	8.9
May-13	0.1	0.3	4.1	8.2
Jun-13	0.5	0.3	4.4	7.5
Jul-13	1.3	1.1	7.6	7.3
Aug-13	0.6	0.7	7.3	7.2
3-year average for August	0.9	0.9	9.0	



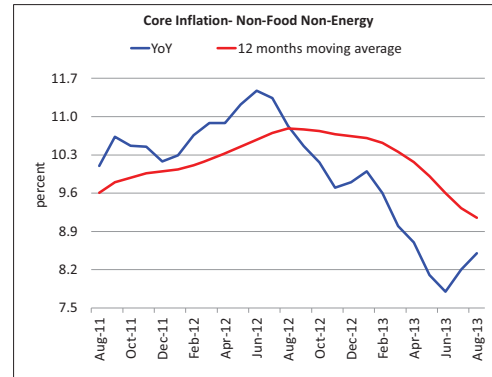
Source: Pakistan Bureau of Statistics, Statistics and Data Warehouse Department (S&DWD), SBP.

¹ Month-on-Month; ² Month-on-month changes in seasonally adjusted series; ³ Year-on-Year; ⁴ These changes are calculated on the basis of 12 month average of CPI over the 12 month average of preceding year.



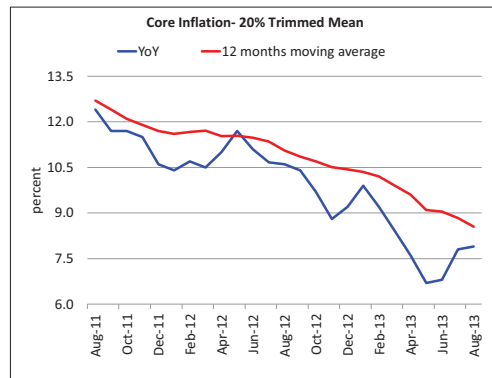
The non-food non-energy (NFNE) measure of core inflation (YoY) has increased to 8.5 percent in August 2013 from 8.2 percent in July 2013.

Core - Non-food non-energy (53.52% weight in basket) (percent change)			
	MoM	YoY	12M moving average
Aug-12	0.3	10.8	10.8
Sep-12	0.4	10.5	10.8
Oct-12	1.2	10.2	10.7
Nov-12	0.2	9.8	10.7
Dec-12	0.5	9.8	10.6
Jan-13	1.2	10.0	10.6
Feb-13	0.4	9.6	10.5
Mar-13	0.4	9.0	10.4
Apr-13	1.1	8.7	10.2
May-13	0.3	8.1	9.9
Jun-13	0.4	7.8	9.6
Jul-13	1.5	8.2	9.3
Aug-13	0.6	8.5	9.2
3-year average for August	0.6	9.8	



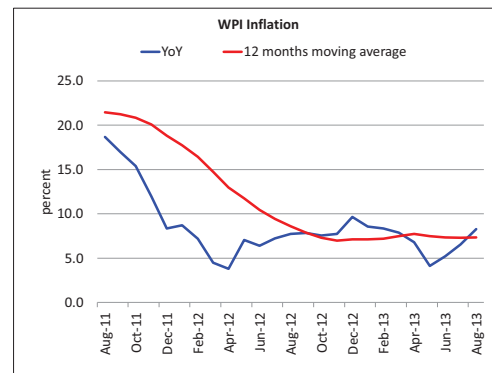
The 20 percent trimmed mean measure of core inflation (YoY) has increased slightly to 7.9 percent in August 2013 from 7.8 percent in July 2013.

Core - 20% Trimmed (percent change)			
	MoM	YoY	12M moving average
Aug-12	0.4	10.6	11.1
Sep-12	0.5	10.4	10.9
Oct-12	0.7	9.7	10.7
Nov-12	0.2	8.8	10.5
Dec-12	0.3	9.2	10.4
Jan-13	1.0	9.9	10.4
Feb-13	0.2	9.2	10.2
Mar-13	0.2	8.4	9.9
Apr-13	0.7	7.6	9.6
May-13	0.3	6.7	9.1
Jun-13	0.6	6.8	9.0
Jul-13	1.2	7.8	8.8
Aug-13	0.6	7.9	8.6
3-year average for August	0.6	10.3	



The WPI inflation (YoY) has increased sharply to 8.3 percent in August 2013 from 6.5 percent in July 2013.

Wholesale Price Index (WPI) (percent change)				
	MoM	MoM SA	YoY	12M moving average
Aug-12	1.0	0.5	7.7	8.6
Sep-12	0.3	0.7	7.8	7.9
Oct-12	0.1	0.5	7.5	7.3
Nov-12	-0.4	0.0	7.7	7.0
Dec-12	0.4	1.5	9.6	7.1
Jan-13	1.2	0.6	8.6	7.1
Feb-13	0.3	0.3	8.3	7.2
Mar-13	0.3	-0.1	7.9	7.5
Apr-13	0.8	0.3	6.8	7.7
May-13	-0.4	-0.3	4.1	7.5
Jun-13	1.0	0.7	5.2	7.3
Jul-13	1.6	2.5	6.5	7.3
Aug-13	2.6	0.6	8.3	7.3
3-year average for August	1.4	0.4	11.6	

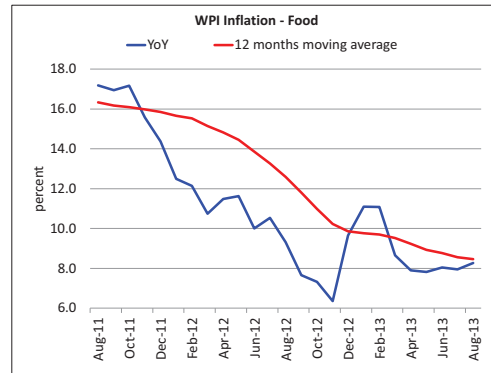


Source: Pakistan Bureau of Statistics, Statistics and Data Warehouse Department (S&DWD), SBP.



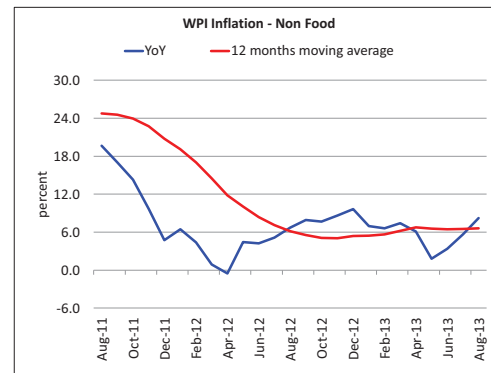
WPI food inflation (YoY) has increased to 8.3 percent in August 2013 from 7.9 percent in July 2013.

	WPI - Food (38.82% weight in basket) (percent change)			
	MoM	MoM SA	YoY	12M moving average
Aug-12	0.7	-0.3	9.3	12.6
Sep-12	0.3	0.1	7.7	11.8
Oct-12	0.2	0.7	7.3	11.0
Nov-12	-1.6	-1.0	6.4	10.2
Dec-12	1.3	2.9	9.6	9.9
Jan-13	1.7	1.1	11.1	9.8
Feb-13	-0.8	0.2	11.1	9.7
Mar-13	-0.6	-1.1	8.7	9.5
Apr-13	1.5	1.2	7.9	9.2
May-13	1.1	1.1	7.8	8.9
Jun-13	1.7	0.8	8.0	8.8
Jul-13	2.3	2.0	7.9	8.5
Aug-13	1.0	0.0	8.3	8.5
3-year average for August	1.2	0.1	11.6	



WPI non-food inflation (YoY) has increased sharply to 8.2 percent in August 2013 from 5.6 percent in July 2013.

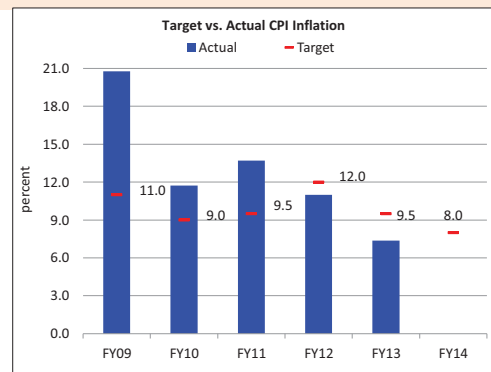
	WPI - Non Food (61.18% weight in basket) (percent change)			
	MoM	MoM SA	YoY	12M moving average
Aug-12	1.2	1.0	6.7	6.2
Sep-12	0.4	1.1	7.9	5.5
Oct-12	0.1	0.4	7.7	5.1
Nov-12	0.4	0.6	8.6	5.0
Dec-12	-0.1	0.6	9.6	5.4
Jan-13	1.0	0.3	7.0	5.5
Feb-13	1.1	0.4	6.6	5.6
Mar-13	0.8	0.4	7.4	6.2
Apr-13	0.3	-0.2	6.1	6.8
May-13	-1.4	-1.2	1.8	6.5
Jun-13	0.5	0.7	3.4	6.5
Jul-13	1.2	2.8	5.6	6.5
Aug-13	3.7	1.0	8.2	6.6
3-year average for August	1.6	0.6	11.5	



Average CPI inflation is recorded at 8.4 percent in Jul-Aug FY14 compared to 9.3 percent in Jul-Aug FY13.

	Average CPI and WPI Inflation (percent change)			WPI
	Headline	Food	Non Food	
FY13	7.4	7.1	7.5	7.3
Jul-Aug FY13	9.3	8.8	9.7	7.5
Jul-Aug FY14	8.4	9.7	7.4	7.4

Source: Pakistan Bureau of Statistics, Statistics and Data Warehouse Department (S&DWD), SBP.





CPI and SPI Inflation by Groups

The YoY increase in headline CPI inflation in August 2013 was due to increase in both food and non-food inflation.

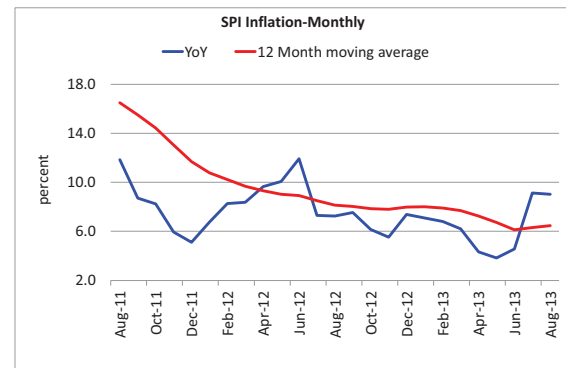
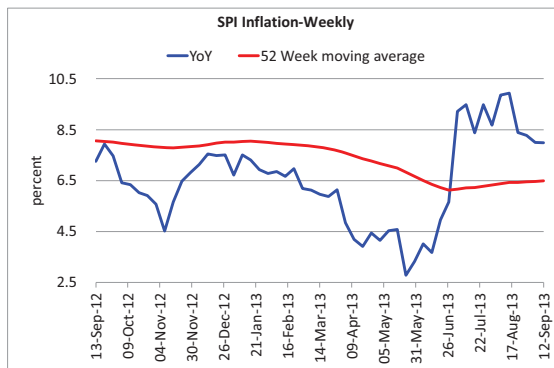
Group-Wise CPI Inflation

Groups	Weights	Aug-13			Jul-13		
		MoM	YoY	12m MA ¹	MoM	YoY	12m MA ¹
I. Food group	37.5	2.0	10.3	7.3	3.0	9.2	7.1
Food and non-alcoholic beverages	34.8	2.1	10.1	6.9	2.7	8.9	6.8
Alcoholic beverages and tobacco	1.4	0.0	14.5	15.2	11.7	14.8	15.5
Restaurant & hotels	1.2	1.1	10.1	9.5	1.5	9.0	9.5
II. Non-food group	62.5	0.6	7.3	7.2	1.3	7.6	7.3
Clothing and footwear	7.6	1.0	15.0	14.3	2.1	14.9	14.4
Housing, water, electricity, gas fuels	29.4	0.0	6.5	3.8	1.9	6.5	3.6
Furnishing & household equipment maintenance etc.	4.2	0.9	8.6	10.5	0.8	7.6	11.2
Health	2.2	0.5	6.5	12.0	0.3	7.7	12.8
Transport	7.2	1.0	2.2	7.1	0.8	5.7	8.2
Communication	3.2	0.0	4.9	3.4	0.7	4.9	3.0
Recreation and culture	2.0	1.6	9.7	14.6	0.4	8.4	15.4
Education	3.9	1.1	8.1	8.6	0.4	7.6	8.7
Miscellaneous	2.8	1.6	6.0	8.7	-0.7	5.4	9.1
Overall	100	1.2	8.5	7.2	2.0	8.3	7.3

SPI inflation decreased by 0.43 percent during the second week of September 2013.

Sensitive Price Indicator (SPI) (percent change)

Income groups	12-Sep-13	5-Sep-13	29-Aug-13		Aug-13		
			22-Aug-13	MoM	YoY	12m MA ¹	
			WoW ²				
Up to Rs 8000	-0.28	-0.09	-0.49	-0.13	1.53	10.1	8.1
Rs 8001-12000	-0.35	-0.09	-0.53	-0.19	1.36	9.4	9.2
Rs 12001-18000	-0.40	-0.08	-0.57	-0.24	1.31	9.3	8.8
Rs 18001-35000	-0.46	-0.01	-0.62	-0.29	1.24	9.1	5.6
Above Rs 35000	-0.47	0.18	-0.61	-0.31	1.13	8.6	3.5
All	-0.43	0.04	-0.59	-0.26	1.24	9.0	6.5



¹ Twelve month moving average inflation ² WoW: Week on Week.

Sources: Pakistan Bureau of Statistics

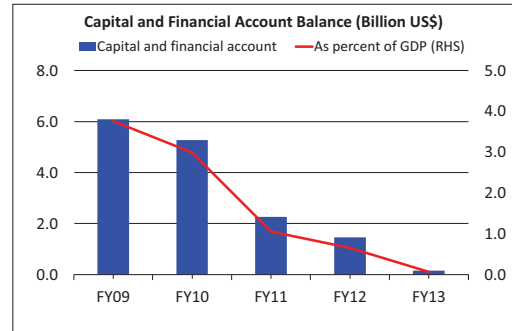
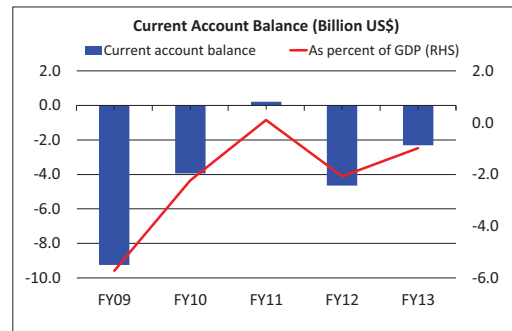
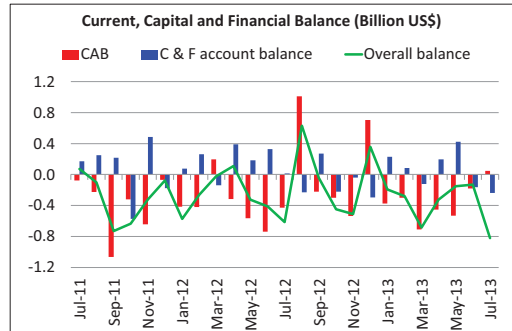


Balance of Payments

External current account balance turned positive during July 2013 mainly due to improvement in remittances inflow.

Balance of Payments Summary (million US\$)

Items	July		FY13	FY12
	FY14	FY13		
A) Current account balance (CAB)	46	-427	-2,317	-4,658
Trade balance	-1,184	-1,406	-15,068	-15,765
Exports	2,206	2,024	24,754	24,696
Imports	3,390	3,430	39,822	40,461
Services (net); of which	-159	-275	-1,139	-3,192
CSF	0	0	1,806	0
Income (net)	-218	-183	-3,723	-3,245
Current transfers (net); of which	1,607	1,437	17,613	17,544
Remittances	1,404	1,205	13,921	13,186
B) Capital and financial (C&F) account balance ; of which	-237	13	517	1,463
Foreign direct investment (net) ¹	62	48	1,239	744
Foreign portfolio investment (net)	95	35	27	-144
Other investment assets	27	-23	-327	9
Other investment liabilities	-446	-65	-660	671
Of which : General government	-247	43	-69	998
of which: Disbursements	11	74	2,165	2,633
Amortization	258	62	2,265	1,577
C) Net Errors and omissions	-629	-199	-216	-80
Overall balance (A+B+C)	-820	-613	-2,016	-3,275
SBP gross reserves²	6,364	11,255	7,198	11,905
SBP net liquid reserves³	5,203	10,155	6,008	10,803
As percent of GDP⁴				
Current account balance; of which			-1.0	-2.1
Exports			10.5	11.0
Imports			16.8	18.0
Capital and financial inflows; of which			0.2	0.6
FDI			0.6	0.3



¹ Net FDI equals direct investment by foreigners in Pakistan less direct investment made by Pakistanis abroad.

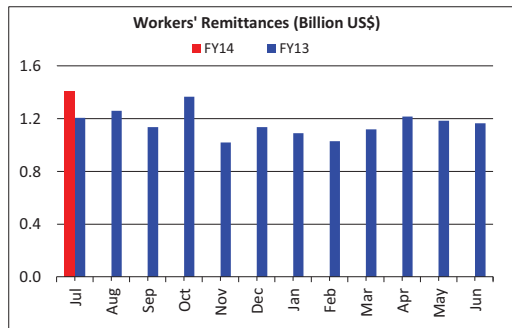
² SBP gross reserves includes banks' deposits for meeting cash reserve requirements (CRR) against their foreign currency deposits and foreign currency cash holdings of SBP, but it excludes unsettled claims on RBI. ³ SBP reserves without CRR, sinking fund, and foreign currency cash holding of SBP.

⁴ For FY12 revised and for FY13, provisional GDP has been used and average exchange rate has been used to calculate GDP in US\$.

Workers' remittances showed robust YoY growth of 17 percent during Jul FY14.

Workers' Remittances⁵ (million US\$)

	July		FY13	YoY growth in July-13
	FY14	FY13		
Total inflows	1,404	1,205	13,921	17
USA	233	215	2,186	8
UK	222	148	1,946	49
Saudi Arabia	411	350	4,105	17
UAE	252	241	2,750	5
Other GCC ⁶	161	140	1,608	15
All others	125	110	1,326	13



⁵ Only cash. ⁶ Kuwait, Qatar, Bahrain and Oman.

Source: Statistics & Data Warehouse Department (S&DWD), SBP.

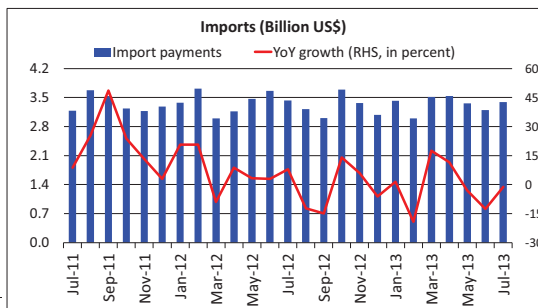
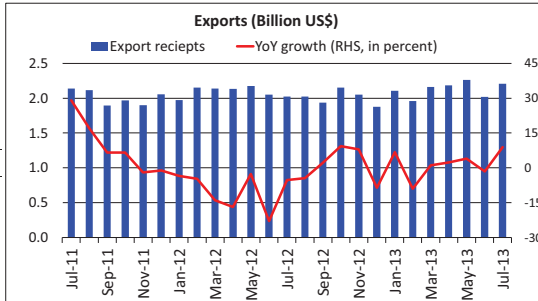
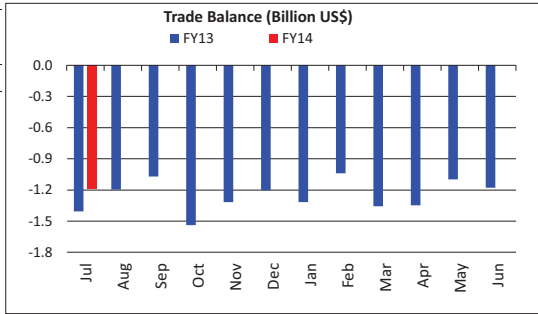


Trade and Foreign Investment

Trade deficit has narrowed to US\$ 1.2 billion during July-FY14, compared to US\$ 1.4 billion in July-FY13.

Trade in Goods -Major Groups (million US\$)

	July		FY13	Shares ¹ FY13
	FY14	FY13		
Exports	2,207	2,024	24,754	100
Textile group	1,188	1,085	12,810	54
Knitwear, bed wear	363	330	3,833	16
Cotton cloth	249	217	2,617	11
Cotton Yarn	191	173	2,063	9
Readymade garments	156	136	1,651	7
Other manufactures group	435	438	4,653	22
Chemical and pharma	103	109	1,200	5
Leather items ²	88	77	950	4
Cement	56	53	531	3
Engineering goods	25	30	361	1
Jewellery	38	58	253	3
Food group	327	299	4,135	15
Rice	150	130	1,869	6
All others	257	202	3,156	10
Imports	3,390	3,430	39,822	100
Petroleum group	1,165	1,211	14,068	35
Petroleum products	850	831	8,489	24
Petroleum crude	315	380	5,579	11
Machinery group	450	353	4,014	10
Telecom	104	76	941	2
Electrical machinery	45	48	557	1
Power machinery	66	49	512	1
Agriculture & other chemicals group	556	572	6,322	17
Plastic materials	158	114	1,535	3
Fertilizer manufactured	28	121	611	4
Food group	389	411	3,914	12
Palm oil	192	211	1,902	6
Tea	27	18	373	1
Metal group	251	198	2,442	6
Iron steel (IS) and IS scrap	201	158	1,963	5
All others	579	685	9,062	20
Trade Balance	-1,183	-1,406	-15,068	



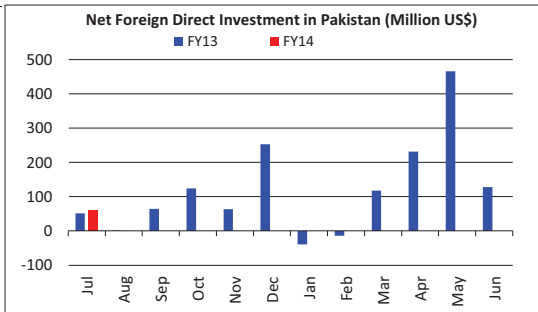
¹ Share (in percent) is calculated as a ratio of cumulative flow of a group (item) to cumulative flow of total imports during FY13.

² Includes tanned and manufactured leather.

Net FDI inflows recorded some improvement during July 2013, compared to same month last year.

Net Foreign Direct Investment (FDI) in Pakistan (million US\$)

	July		FY13	YoY growth in July-13
	FY14	FY13		
Net inflows: Of which	61	52	1,447	17
Major countries				
USA	21	7	223	197
UAE	0	-4	20	-99
UK	0	15	632	-100
China	1	5	91	-86
Major sectors				
Communication	1	-17	-386	-105
Financial businesses	1	23	314	-97
Oil and gas exploration	36	16	560	132
Power	-9	-2	28	445
Trade	1	-1	6	-181
Memorandum Item:				
Net overall FDI ³	62	48	1,239	



³ These numbers correspond to net FDI flows given in the balance of payments table and adjusted for net FDI made by Pakistanis abroad.

Source: Statistics & Data Warehouse Department (S&DWD), SBP.

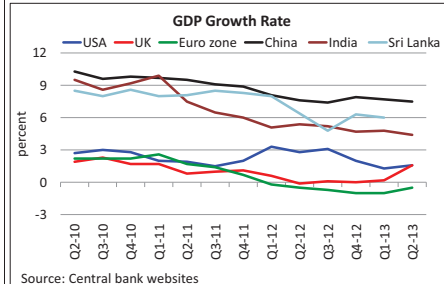
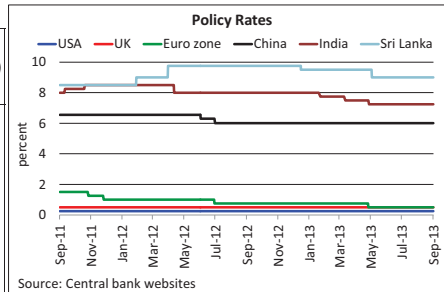


Global Economy

Since June 2013 most central banks have kept their policy rates unchanged.

Policy Rates in Major Economies

Major economies	Current		Previous policy rate	Change (bps)
	Policy rate	w.e.f		
USA	0.25	Dec 16 2008	1.00	-75
UK	0.50	Mar 05 2009	1.00	-50
Euro zone	0.50	May 02 2013	0.75	-25
Japan	0.10	Dec 20 2008	0.30	-20
Canada	1.00	Sep 08 2010	0.75	25
Australia	2.50	Aug 06 2013	2.75	-25
China	6.00	Jul 06 2012	6.31	-31
India	7.25	May 3 2013	7.50	-25
Sri Lanka	9.00	May 9 2013	9.50	-50
Malaysia	3.00	May 05 2011	2.75	25
Indonesia	7.00	Aug 29 2013	6.50	25
Thailand	2.50	May 29 2013	2.75	-25



Real GDP growth in Eurozone and UK has improved in Q2-2013.

Key Macroeconomic Indicators

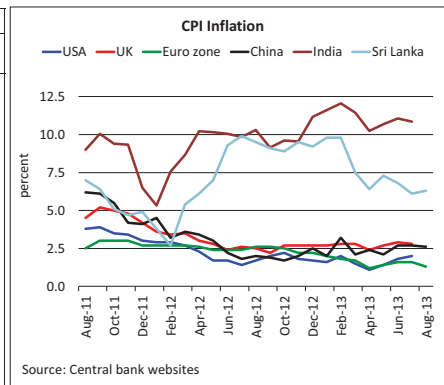
	CPI Inflation (YoY) ¹ August-13	GDP growth ² Q2-2013	Current account balance ³	Fiscal balance ³	Reserves ⁵ (billion US\$)	Lending rates ⁶	
			as a percent of GDP ⁴			Nominal	Real
USA	2.0	1.6	-2.7	-4.0	47.7	3.3	1.3
UK	2.8	1.6	-2.7	-7.6	68.6	0.5	-2.3
Euro zone	1.3	-0.5	1.8	-3.3	215.7	7.6	6.0
Japan	0.7	1.2	1.2	-8.3	1188.0	1.3	1.6
Australia	2.4	2.6	-3.1	-1.3	40.0	6.2	3.8
China	2.6	7.5	2.1	-2.1	3496.7	6.0	3.3
India	10.9	4.4	-4.5	-5.1	250.3	10.3	-0.4
Sri Lanka	6.3	6.0	-	-	5.7	13.1	5.8
South Korea	1.3	2.3	3.5	0.5	318.9	4.5	3.5
Malaysia	2.0	4.3	5.8	-4.3	133.6	4.5	2.7
Indonesia	8.8	5.8	-2.4	-2.9	98.4	11.4	5.5
Thailand	1.6	2.8	0.1	-2.8	163.5	7.0	5.0

¹ For India, Japan, Malaysia, UK and USA values pertain to July 2013; Australia the value pertains to June 2013; ² Annualized growth, measured as a percentage change over the same quarter of previous year and for Sri Lanka the value pertains to Q1-2013; ³ Latest 12 months; ⁴ The Economist, Economic and Financial indicators, September 7, 2013; ⁵ IMF (IFS) data pertains to July except for Australia, China, Euro zone, Japan, Malaysia and South Korea values pertain to June; India and Sri Lanka values pertain to May; Indonesia value pertains to March; ⁶ IMF (IFS) data pertains to July except for China the value pertains to June; Sri Lanka value pertains to May; Indonesia value pertains to February.

IMF has recently revised its projections for 2013 world output growth downwards from 3.3 to 3.1 percent.

World Economic Outlook - Real GDP Growth

	2012 (IMF estimates)	2013 Projections		
		IMF (July-13)	World Bank (June-13)	OECD (June-13)
World output	3.1	3.1	2.2	-
Advanced⁵	1.2	1.2	1.2	-
US	2.2	1.7	2.0	1.9
Euro area	-0.6	-0.6	-0.6	-0.6
Japan	1.9	2.0	1.4	1.6
UK	0.3	0.9	-	0.8
Emerging & Developing	4.9	5.0	5.1	-
Russia	3.4	2.5	2.3	2.3
China	7.8	7.8	7.7	7.8
India	3.2	5.6	5.7	5.3
ASEAN-5	6.1	5.6	-	-



⁵ World Bank projections are for "high income" countries.

Sources: Bloomberg, World Bank, IMF, OECD, The Economist, World Economic Outlook, and Central Bank Websites.

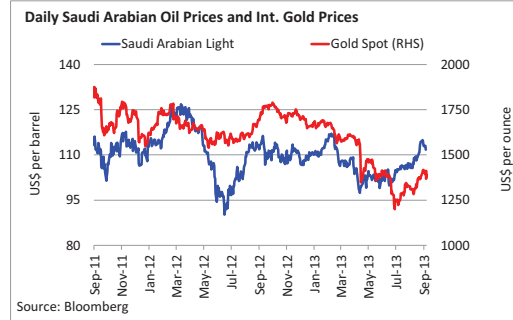
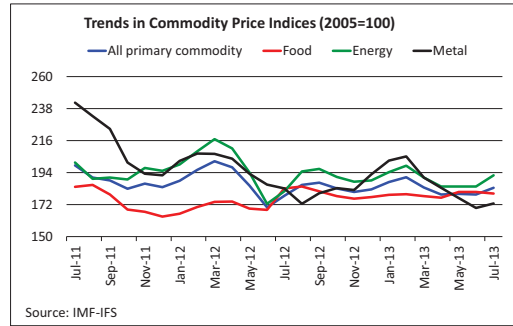


All commodity price index by IMF has registered an increase of 2.6 percent during July 2013.

World Commodity Price Indices (2005=100)

	Jul-13	Percent change since	
		Jun-13	End June - 12
All commodity price index	183.5	↑ 2.6	↑ 7.9
Food price index	179.7	↓ -0.6	↑ 6.8
Energy index	192.2	↑ 4.2	↑ 11.4
Non fuel price index	168.6	↓ -0.4	↑ 1.7
Metal price index	172.7	↑ 1.8	↓ -7.0
Crude oil price (\$/bbl)	105.1	↑ 2.8	↑ 9.9
Cotton spot (US cents/ pound)	86.1	↓ -0.6	↑ 19.3
Palm oil (\$/m. ton)	729.9	↓ -4.3	↓ -21.3
Soya bean Oil (\$/m. ton)	1000.8	↓ -5.5	↓ -8.8
Wheat (\$/m. ton)	304.7	↓ -2.8	↑ 10.3
Gold spot (\$/Oz)	1288.0	↓ -4.1	↓ -19.5
Sugar (US cents/pound)	20.7	↓ -3.1	↓ -0.5

Sources: Bloomberg for Crude oil price (Saudi Arabian Light), Cotton Spot and Gold spot. IMF (IFS) for all other items.



Major stock price indices have shown mixed trend during September 2013.

Capital Market Indices

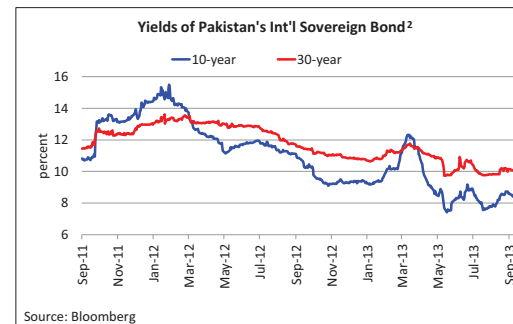
	Sept-13 ¹	Percent change since	
		Aug-13	End June - 13
US (DJIA)	15195.3	↓ -0.9	↑ 0.2
DJ EURO STOXX	2803.9	↑ 0.0	↑ 5.6
UK (FTSE 100)	6521.5	↑ 0.2	↑ 3.8
Japan (Nikkei 225)	13726.7	↑ 3.0	↑ 7.9
China (SSEA)	2170.5	↑ 5.1	↑ 2.9
France (CAC 40)	4046.3	↓ 0.0	↑ 6.6
Germany (DAX)	8332.5	↓ -0.2	↑ 2.8
India (BSE)	18641.4	↑ 3.4	↑ 0.7
World dev'd (MSCI)	1509.4	↓ -0.1	↑ 3.9
Emerging Markets (MSCI)	941.9	↑ 2.2	↑ 1.6
World all (MSCI)	372.6	↑ 0.2	↑ 3.7

¹ Updated till September 13, 2013

² 30 Yr Bond = \$300 M (30 Yr US T bill+302 bps=>7.875%): Issued - Mar 24, 2006: Maturity - Mar 23, 2036

10 Yr Bond = \$500 M (10 Yr US T bill+240 bps=>7.125%): Issued - Mar 24, 2006: Maturity - Mar 23, 2036

Sources: Bloomberg, IMF, OECD, The Economist and Central Bank Websites



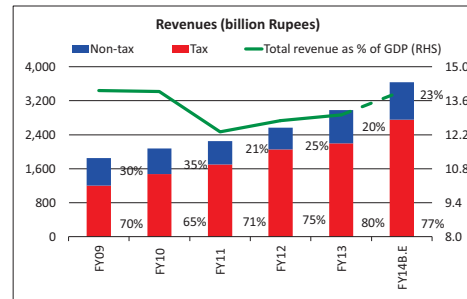


Revenues, Expenditures and Fiscal Balances

Fiscal deficit was recorded at 8.0 percent of GDP during FY13.

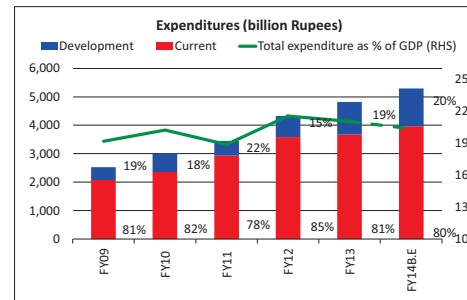
Revenues (billion Rs)

	FY14 BE ¹	FY13	FY12
Total revenues	3,640	2,982	2,567
Tax revenue	2,756	2,199	2,053
<i>Growth (YoY) %</i>	25.3	7.1	20.8
<i>of which: FBR revenues</i>	2,475	1,936	1,881
Non-tax revenues	884	783	514
<i>Growth (YoY) %</i>	12.9	52.5	-7.2



Expenditures (billion Rs)

	FY14 BE ¹	FY13	FY12 ³
Total expenditures	5,291	4,816	4,327
Current ²	3,964	3,676	3,583
<i>Growth (YoY) %</i>	7.8	2.6	22.2
<i>of which: Interest payments</i>	1,154	991	889
Defence	627	541	507
Development Expenditure ²	1,327	1,140	744
<i>Growth (YoY) %</i>	16.4	53.2	44.7



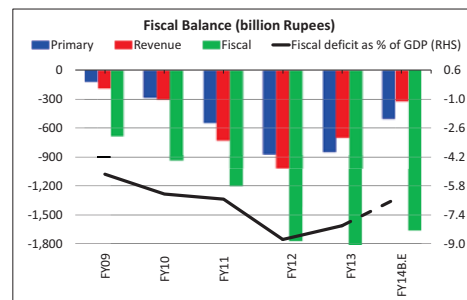
Overall Balance (billion Rs)

	FY14 BE ¹	FY13	FY12
Fiscal balance ⁵	-1,651	-1,834	-1,761
Revenue balance ⁶	-324	-694	-1,017
Primary balance ⁷	-497	-843	-872
<i>As percent of GDP⁴</i>			
Fiscal balance including PSEs debt adjustment	-6.3	-8.0	-8.8
Revenue balance	-1.2	-3.0	-5.1
Primary balance	-1.9	-3.7	-4.3

During FY13, fiscal deficit was entirely financed through borrowings from domestic sources.

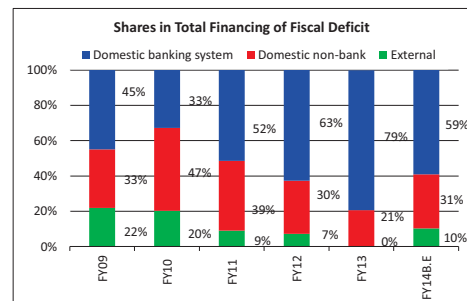
Financing of Fiscal Deficit (billion Rs)

	FY14 BE ¹	FY13	FY12
Financing	1,651	1,834	1,761
1. External: <i>of which</i>	169	-2	128
Privatization proceeds	79	-	-
2. Domestic: <i>of which</i>	1,482	1,835	1,632
Non-bank	507	378	529
Banking system: <i>of which</i>	975	1,457	1,103
Schedule banks	975	952	595
SBP	0	506	508



FBR Tax Collection⁸ (billion Rs)

	Direct	Sales	Customs	FED ⁹	Total taxes
Q1	94	132	37	24	287
Q2	145	151	44	31	370
Q3	135	142	47	35	359
Q4	221	207	58	48	533
FY11	595	633	185	137	1,550
Q1	128	176	42	28	374
Q2	185	210	52	24	471
Q3	157	184	54	33	428
Q4	262	239	70	37	609
FY12	732	809	218	122	1,881
Q1	137	190	51	22	400
Q2	195	202	57	30	484
Q3	160	202	62	27	452
Q4	244	247	69	41	601
FY13^p	736	841	240	119	1,936



¹ Budget Estimates; ² Estimated from Budget in Brief, MoF; ³ FY12 fiscal balance and its financing include the impact of debt consolidation of power and food sector; ⁴ GDP(mp) on new basis (2005-2006) has been used to calculate deficit to GDP ratios; ⁵ Fiscal balance = total revenue - total expenditure; ⁶ Revenue balance = total revenue - current expenditure (note that current expenditure are inclusive of unidentified expenditure); ⁷ Primary balance = total revenue - total expenditure + interest payment; ⁸ as reported in fiscal accounts; ⁹ Federal excise duty. ^p Provisional

Sources: Ministry of Finance (MoF), Federal Board of Revenue (FBR), Statistics and Data Warehouse Department (S&DWD), SBP.



Government Domestic Debt

Stock of government domestic debt has increased by Rs 17 billion during July-FY14.

Debt by Owner - end period stocks (billion Rs)

	Jul-13 ^P	Jun-13 ^R	Change since Jun-13
1. Bank	5,942	5,924	18
Commercial banks	3,361	3,646	-284
SBP	2,581	2,278	303
2. Non-bank	3,591	3,593	-1
National saving schemes (NSS)	2,550	2,536	14
Others	1,042	1,056	-15
3. Foreign currency instruments¹	5	5	0
Total(1+2+3)	9,538	9,521	17

Debt by Type - end period stocks (billion Rs)

	Jul-13 ^P	Jun-13 ^R	Change since Jun-13
1. Permanent debt	2,120	2,174	-55
PIBs	1,262	1,322	-59
Prize bonds	394	390	4
Others ²	463	463	0
2. Floating debt	5,258	5,195	63
MTBs	2,680	2,920	-240
MRTBs-replenishment	2,578	2,275	303
3. Unfunded debt³: of which	2,156	2,147	9
Saving schemes	2,015	2,006	9
4. Foreign currency instruments	5	5	0
Total(1+2+3+4)	9,538	9,521	17
Government domestic liabilities⁴	240	244	-4

¹ Includes FEBCs, FCBCs, DBCs and special USD bonds held by the residents.

² Includes market loans and GOP Ijara Sukuk 3 Years.

³ Includes funds mobilized through NSS excluding prize bonds. ⁴ This reflects provincial governments' borrowings from banks for commodity operations.

Interest payments on domestic debt have shown an annualized growth of 46.4 percent during July-FY14 as compared to July-FY13.

Debt Servicing (billion Rs)

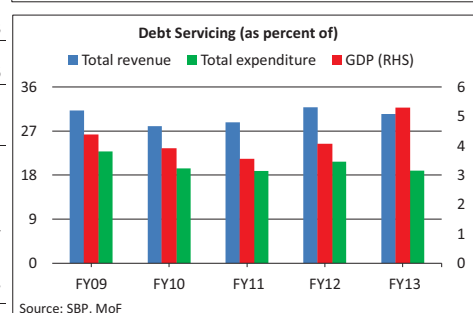
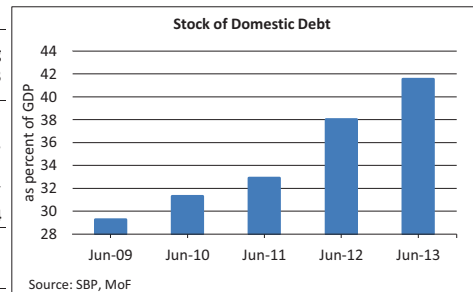
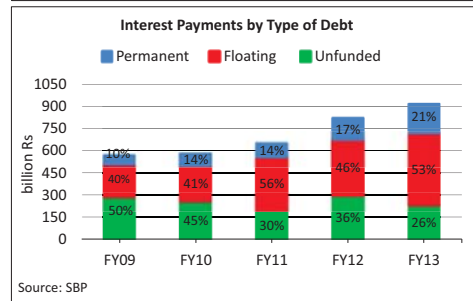
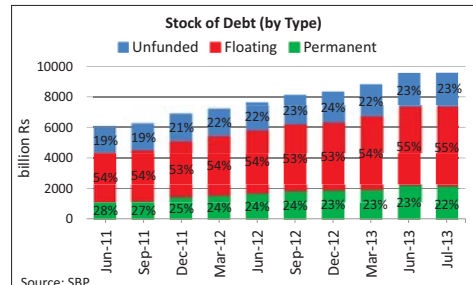
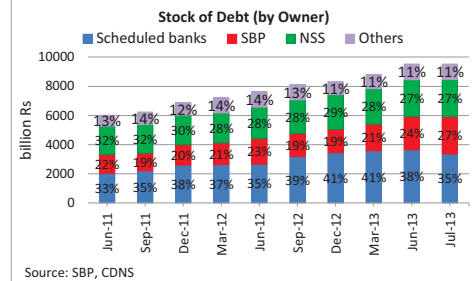
	Jul		FY13 ^R	Percent change during FY14 over FY13
	FY14 ^P	FY13		
Permanent ⁵	36	14	193	161.9
Floating	69	44	481	57.7
Unfunded	18	26	236	-32.4
Total	123	84	910	46.4

Indicators of Domestic Debt Sustainability

	Jun-09	Jun-10	Jun-11	Jun-12	Jun-13
Debt stock as percent of GDP	29.2	31.3	32.9	38.0	41.6
Debt servicing as percent of	FY09	FY10	FY11	FY12	FY13
GDP	4.4	3.9	3.6	4.1	5.3
Total revenue	31.2	28.0	28.8	31.8	30.5
Tax revenue	48.0	39.5	38.3	39.8	41.4
Total expenditure	22.8	19.3	18.8	20.8	18.9
Current expenditure	28.3	24.4	21.8	25.6	24.7

⁵ Includes prize bonds;

^R: Revised; ^P: Provisional



Sources: Central Directorate of National Savings (CDNS), Statistics and Data Warehouse Department (S&DWD), SBP and Ministry of Finance (MoF).



External Debt

Stock of public sector external debt has decreased by US\$5.7 billion during FY13.

Debt & Liabilities¹ - end period stocks (million US\$)

Items	Jun-13 ^o	Jun-12	Change since Jul 2012
1. Public debt (a+b+c)	50,176	55,862	-5,687
a) Government debt	43,496	46,123	-2,627
i) Long term (>1 year)	43,488	45,742	-2,254
Paris club	13,548	15,014	-1,466
Multilateral	24,198	25,406	-1,208
Other bilateral	2,939	2,469	470
Euro/Sukuk global bonds	1,550	1,550	0
Military debt	71	103	-32
Commercial loans/credits	0	0	0
Local currency bonds (TBs & PIBs)	2	0	2
Saudi fund for development (SFD)	180	200	-20
SAFE China deposits	1,000	1,000	0
NBP/BOC deposits	0	0	0
ii) Short term (<1 year)	8.0	381	-373
IDB	0	377	-377
b) From IMF	4,387	7,337	-2,950
i) Federal government	1,698	1,894	-196
ii) Central bank	2,689	5,443	-2,754
c) Foreign exchange liabilities (FEL)²	2,292	2,402	-110
2. Public sector enterprises (PSEs)	2,079	1,524	556
a) Guaranteed debt	854	226	628
b) Non-guaranteed debt	1,225	1,298	-72
3. Scheduled banks	1,555	1,844	-289
a) borrowing	711	860	-149
i) Long term (>1 year)	78	92	-14
ii) Short term (<1 year)	634	768	-135
b) Nonresident deposit (LCY & FCY)	843	983	-140
4. Private sector	2,923	3,576	-653
a) guaranteed debt	0	0	0
b) non-guaranteed debt	2,923	3,576	3,254
i) Loans	1,795	2,447	-652
ii) Private non-guaranteed bonds	124	124	0
iii) Trade credit and others liabilities	1,003	1,005	-2
5. Debt liabilities to direct investors-intercompany debt	2,829	2,672	156
Total external debt (excl. FEL)	57,268	63,076	-5,808
Total external debt & liabilities (1+2+3+4+5)	59,561	65,478	-5,918

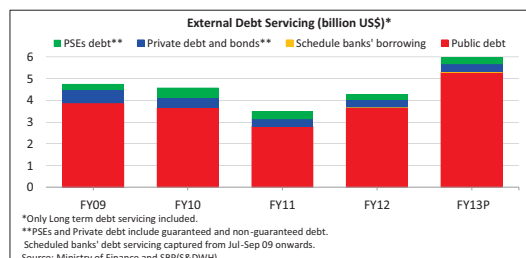
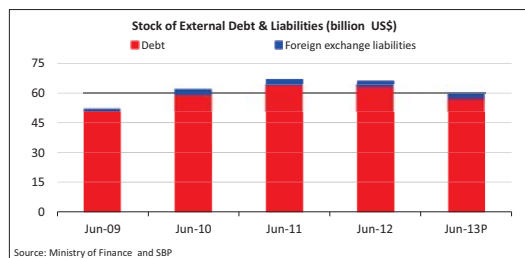
Debt Servicing (million US\$)

Items	FY13 ^o	FY12
1. Public debt (a+b+c)	5,305	3,670
a) Government debt³	2,194	2,240
Principal	1,505	1,546
Interest	689	694
b) To IMF	2,999	1,318
Principal	2,899	1,154
Interest	100	164
c) Foreign exchange liabilities	112	112
Principal	100	100
Interest	12	12
2. PSEs guaranteed debt	39	40
Principal	24	31
Interest	15	9
3. PSEs non-guaranteed debt³	238	208
Principal	215	179
Interest	23	28
4. Scheduled banks' borrowing³	16	19
Principal	16	18
Interest	1	1
5. Private guaranteed debt	0	0
6. Private non-guaranteed debt³	354	339
Principal	287	265
Interest	67	74
7. Private non-guaranteed bonds	10	10
Principal	0	0
Interest	10	10
Total Long term external debt servicing (1+2+3+4+5+6+7)	5,962	4,285
Principal	5,046	3,294
Interest	916	991
Memorandum Items		
Short term debt servicing-principal⁴	507	195
(excluding item No.3 below)		
1. Government debt	390	0
2. PSEs non-guaranteed debt	116	149
3. Scheduled banks' borrowing	26,206	20,079
Net flows ⁵	(134)	486
4. Private non-guaranteed debt	1	46

Stock of external debt as percent of GDP has declined to 25.8 percent by the end of June 2013.

Indicators of External Debt Sustainability

	End period debt stock as percent of						External debt servicing as percent of					
	Jun-08	Jun-09	Jun-10	Jun-11	Jun-12	Jun-13	FY08	FY09	FY10	FY11	FY12	FY13 ^o
GDP	29.7	32.3	33.0	31.2	30.8	25.8	2.0	2.9	3.3	2.0	2.0	2.6
Reserves	399.1	407.8	339.3	347.2	426.8	538.6	27.5	37.0	34.2	22.4	27.9	53.9
Exports	226.0	273.7	291.6	261.0	265.1	240.7	15.6	24.8	29.4	16.8	17.3	24.1



R: Revised; P: Provisional; ¹ External debt data format has been changed, as SBP enhances coverage & quality of external debt statistics by adopting Special Data Dissemination Standard, for more details visit <http://www.sbp.org.pk/ecodata/Revision-EDS.pdf>. ² Allocation of SDR and Nonresident LCY deposits with central bank added to FEL; ³ Only long term debt servicing included (Revised). ⁴ As per the guidelines available in IMF's External Debt Guide for Compilers and Users 2003, the principal repayment of short term debt is excluded from over all principal repayments. However, for the information of data users, short term repayment of principle has been reported as Memorandum Items; ⁵ Net flows of short term borrowings by banks reflect the net increase (+) or decrease (-) in the stock of short term bank borrowings during the period. ⁶ Only long term debt servicing included from FY11 and onwards (Revised)

Sources: Economic Affairs Division and SBPIS&DWH



Total Debt

Stock of total debt and liabilities increased by Rs1,640 billion during FY13, mainly due to increase in government domestic debt.

Total Debt Stock (billion Rs)

	Jun-13 ^P	Jun-12	Change since June 12	Share in FY13 (percent)
I. Government domestic debt	9,509	7,638	1,870	58.7
II. Government external debt ¹	4,311	4,364	-53	26.6
III. Debt from IMF	435	694	-259	2.7
IV. External liabilities	227	227	0	1.4
V. Private sector external debt	444	513	-69	2.7
VI. PSEs external debt	206	144	62	1.3
VII. PSEs domestic debt	312	281	31	1.9
VIII. Commodity operations ²	470	438	32	2.9
IX. Intercompany debt	280	253	27	1.7
Total debt & liabilities (I to IX)	16,194	14,553	1,640	100.0
Total public debt (I to IV)	14,482	12,924	1,557	89.4
Total external debt & liabilities (II to VI & IX)	5,903	6,196	-293	36.5
Commodity operations & PSEs debt (VI to VIII)	988	863	125	6.1

Total Debt Servicing (billion Rs)

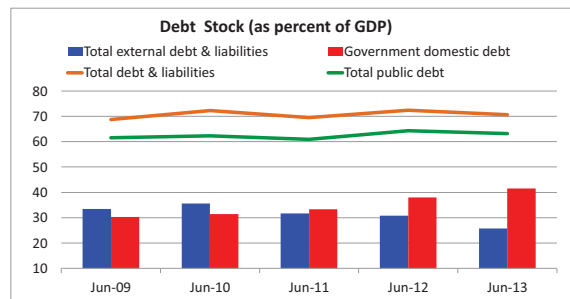
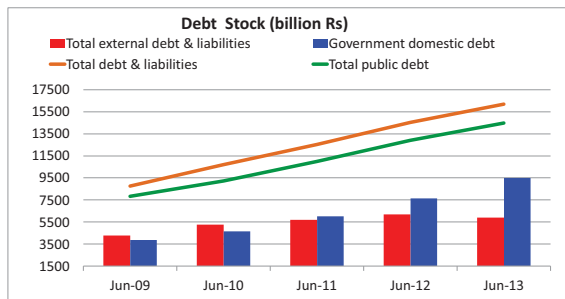
	FY13 ^P	FY12	Share in FY13 (percent)	Share in FY12 (percent)
Total Debt Servicing(A+B)	1542	1266	100.0	100.0
A. Total interest payment on debt and liabilities (I+II)	1053	972	68.3	76.8
I. Interest payment on debt (a+b)	999	907	64.8	71.6
a. Domestic debt	910	817	59.0	64.5
b. External debt	89	90	5.8	7.1
II. Interest payment on liabilities (a+b)	54	65	3.5	5.2
a. External liabilities ¹	1	1	0.1	0.1
b. Domestic liabilities	53	64	3.4	5.1
B. Principal repayment of external debt and liabilities³	489	294	31.7	23.2

Debt stock (as percent of GDP)

	Jun-13 ^P	Jun-12 ^R	Jun-11
Total debt and liabilities	70.7	72.4	68.6
Total public debt	63.2	64.3	60.1
Total external debt and liabilities	25.8	30.8	31.2
Government domestic debt	41.5	38.0	32.9
PSEs debt and liabilities	4.3	4.3	5.1

Debt Servicing (as percent of)

	FY13 ^P	FY12 ^R	FY11	FY10
GDP ⁴	9.0	6.3	5.6	6.6
Total revenue	51.7	49.3	45.0	47.1
Tax revenue	70.1	61.7	59.9	66.4
Total expenditure	32.0	32.2	29.4	32.5
Current expenditure	41.9	39.7	34.1	41.0



Note: R: Revised; P: Provisional; ¹Rupee value of external debt and liabilities computed by applying the corresponding end period average exchange rate to the end-period stock; ²This includes borrowings from banks by provincial and Federal governments agencies for commodity operations; ³This is excluding short term debt repayment; ⁴FY13 debt servicing to GDP ratio is annualized.

Source: CDNS, Ministry of Finance, Economic Affairs Division and SBP

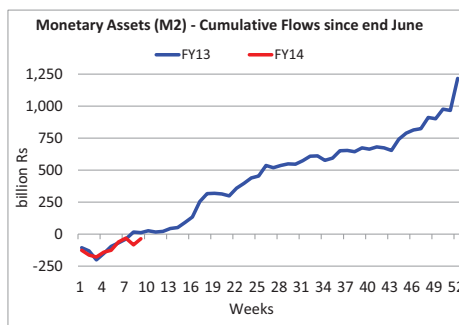


Monetary and Credit Aggregates

Government borrowing from the banking system has remained the key driver of monetary expansion during FY13. The same trend continues in FY14, so far.

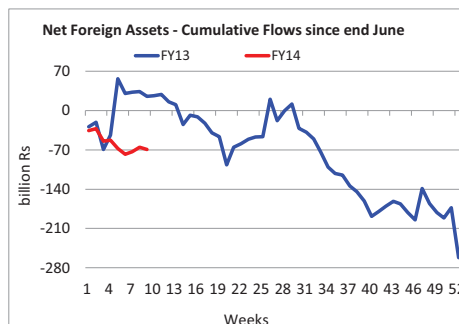
Monetary Assets of the Banking System (billion Rs)

	End June 2013 stocks	Cumulative flows since end-June		FY13 flows
		Latest week	A year ago	
		30-Aug-13	31-Aug-12	
NFA	269.8	-69.5	25.6	-262.3
NDA	8,589.0	33.2	-15.1	1,479.3
Net government borrowings: of which	5,737.0	170.0	73.4	1,479.1
Net budgetary borrowing	5,246.3	189.8	64.6	1,446.4
Commodity operations	467.7	-18.2	10.4	31.6
Non-government borrowings: of which	3,664.0	-42.1	-9.1	11.7
Private sector	3,357.4	-57.0	-24.3	-19.0
PSEs	288.1	15.1	15.1	30.9
Other items (net)	-812.0	-94.7	-79.5	-11.5
M2	8,858.9	-36.3	10.5	1,217.1



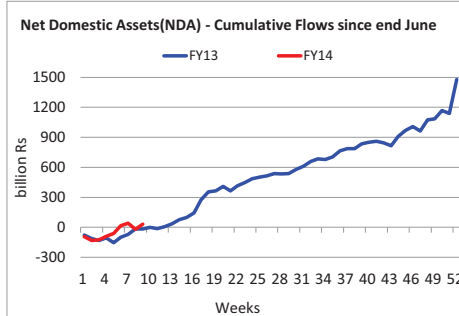
Monetary Liabilities of the Banking System (billion Rs)

Currency in circulation	1,939.3	72.4	111.5	265.5
Total deposits with banks	6,909.1	-109.0	-101.3	949.9
Demand deposits with banks	5,588.1	-103.4	-119.4	875.7
Time deposits with banks	806.0	-21.9	20.0	-0.7
RFCDs with banks	515.0	16.3	-2.0	74.9
M2	8,858.9	-36.3	10.5	1,217.1



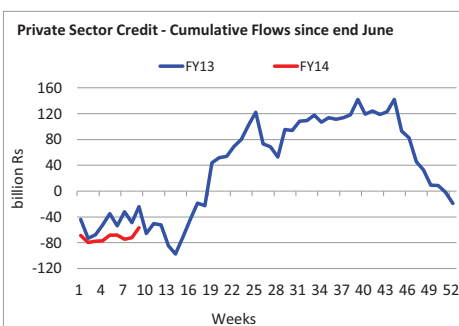
Monetary Assets of the Banking System (percent growth)

	YoY (30-Aug-13)	Since end June		FY13
		Latest week	A year ago	
		30-Aug-13	31-Aug-12	
NFA	-64.1	-25.7	4.8	-49.3
NDA	21.5	0.4	-0.2	20.8
Government borrowings	36.4	3.0	1.7	34.7
Budgetary borrowing	40.7	3.6	1.7	38.1
Commodity operations	0.7	-3.9	2.4	7.2
Non-government sector borrowings	-0.6	-1.1	-0.2	0.3
Private sector	-1.5	-1.7	-0.7	-0.6
PSEs	11.3	5.2	5.9	12.0
Other items (Net)	3.0	11.7	9.9	1.4
M2	15.3	-0.4	0.1	15.9



Memorandum Items

	Latest week	A year ago	FY13
	30-Aug-13	31-Aug-12	
Money multiplier	3.46	3.34	3.49
Currency to deposit ratio (percent)	29.6	30.5	28.1
M2 to GDP ratio (percent)	33.93	33.40	38.04
Private sector credit to GDP ratio (percent)	12.69	14.63	16.81



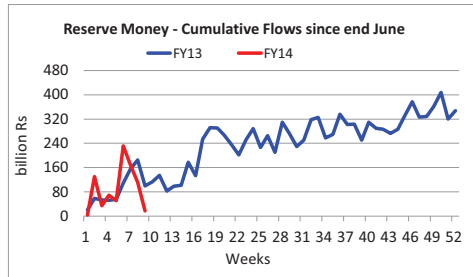
Note: All FY13 numbers are provisional; Source: Statistics & Data Warehouse Department (S&DWD), SBP



Government borrowing from SBP remained the major driver of reserve money growth during FY13. It continues unabated in FY14 so far.

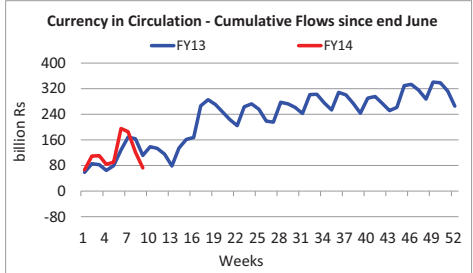
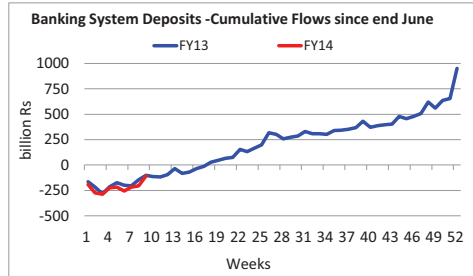
Monetary Assets of SBP

	End June 2013 stocks	Cumulative flows since end-June		FY13 Flows
		Latest week	A year ago	
		30-Aug-13	31-Aug-12	
NFA	134.0	-88.2	1.2	-260.1
NDA: of which	2,402.4	105.1	97.9	607.6
Budgetary borrowing	2,212.8	571.5	-124.1	506.8
Other items (net)	-128.6	-409.7	274.2	88.1
Net impact of OMOs/discounting	198.6	-384.7	301.8	98.0
Reserve money	2,536.3	16.9	99.1	347.4



Monetary Liabilities of SBP

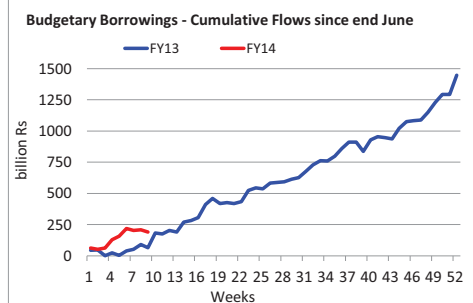
	End June 2013 stocks	Cumulative flows since end-June		FY13 Flows
		Latest week	A year ago	
		30-Aug-13	31-Aug-12	
Currency in circulation	1,939.3	72.4	111.5	265.5
Cash in tills	110.9	17.4	11.8	0.8
Bank deposits with SBP (reserves)	475.6	-73.2	-24.6	79.5
Other deposits with SBP	10.5	0.2	0.4	1.6
	YoY			
	(30-Aug-13)		(percent growth)	
NFA of the SBP	-88.4	-65.9	0.3	-66.0
NDA of the SBP: of which	32.5	4.4	5.5	33.9
Budgetary borrowing	76.0	25.8	-7.3	29.7
Reserve money	11.6	0.7	4.5	15.9



FY13 recorded massive increase in government borrowing from both SBP and scheduled banks. However, there is retirement by the government to scheduled banks in FY14 so far.

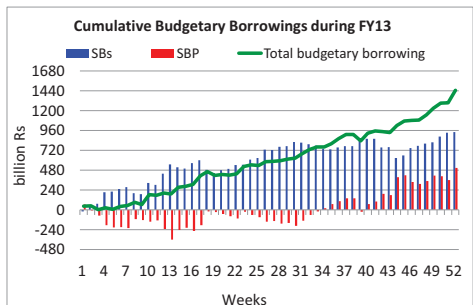
Details on Government Borrowing for Budgetary Support

	End June 2013 stocks	Cumulative flows since end-June		FY13 flows
		Latest week	A year ago	
		30-Aug-13	31-Aug-12	
Budgetary borrowing	5,246.3	189.8	64.6	1,446.4
Federal government	5,561.9	248.7	96.7	1,497.4
From SBP	2,241.0	636.7	-78.4	536.8
SBP's holdings of MRTBs	2,275.2	538.2	-191.8	515.5
From scheduled banks (SBs)	3,320.9	-388.0	175.1	960.6
Provincial governments	-315.6	-58.9	-32.1	-51.0
From SBP ¹	-28.2	-65.3	-45.7	-30.0
From scheduled banks ²	-287.4	6.3	13.6	-21.0



Memorandum Items

Budgetary borrowing on cash basis	5,124.7	182.4	73.1	1,457.5
SBP	2,167.9	546.8	-140.2	505.9
Scheduled banks	2,956.8	-364.5	213.3	951.6



¹ Current overdraft ceilings for provinces are: Rs37 billion for Punjab; Rs15 billion for Sindh; Rs10.1 billion for KPK; Rs7.1 billion for Baluchistan, Rs2.7 billion for AJK.

² The end-June 2012 net stock of borrowings was negative as provincial governments' deposits with scheduled banks exceeded their borrowings.

Source: Statistics & Data Warehouse Department (S&DWD), SBP



Private Sector Credit

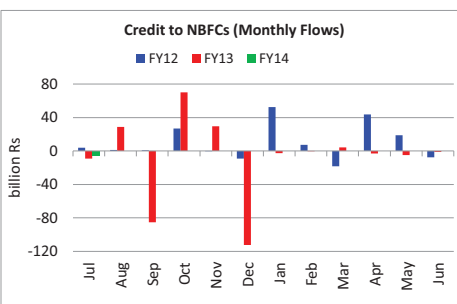
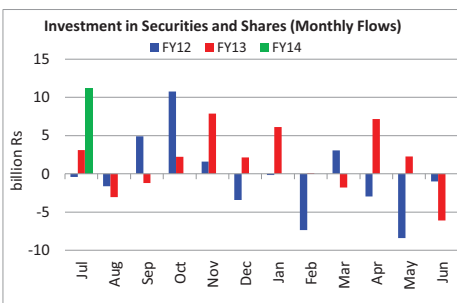
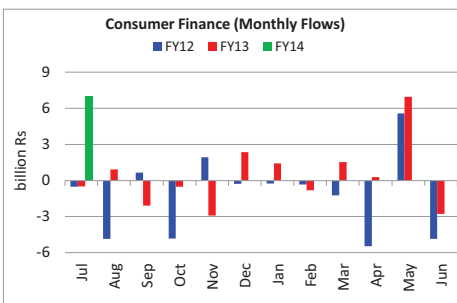
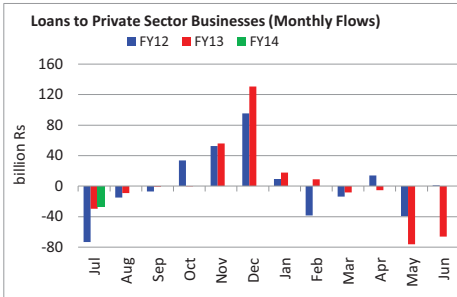
The settlement of circular debt and net retirement by NBFCs resulted in a net contraction of private sector credit in FY13.

Credit to Private Sector

	End June 2013 stocks	Cumulative flows (billion Rs)		
		Jul-FY14	Jul-FY13	FY13
Total credit to private sector	3,357.4	-62.8	-30.9	-19.0
1. Loans to private sector businesses	2,467.2	-27.3	-29.8	17.1
By type				
Working capital: of which	1,613.2	-25.5	-36.0	31.0
Export finance	261.3	-8.8	-1.8	14.3
Import finance	132.6	4.0	5.7	5.9
Fixed investment	854.1	-1.8	6.2	-13.9
By Sectors: of which				
Agriculture	222.0	↑ 1.5	↑ 1.7	↑ 23.5
Manufacturing: of which	1,448.9	↓ -27.6	↓ -31.4	↑ 58.9
Textiles	514.9	↓ -1.8	↓ -8.8	↑ 23.9
Food products & beverages	316.9	↓ -14.2	↓ -15.4	↑ 26.5
Chemicals & products	171.7	↓ -3.7	↑ 2.2	↓ -0.7
Non-metallic mineral products	66.9	↓ -0.7	↓ -0.8	↓ -9.6
Wearing apparel, readymade gar.	54.5	↓ -4.5	↓ -0.7	↑ 6.3
Electricity, gas and water	228.9	↑ 8.5	↑ 0.7	↓ -49.2
Construction	53.4	↑ 0.1	↓ -1.5	↓ -0.1
Commerce and trade	206.9	↓ -8.3	↑ 0.8	↓ -3.1
Transport, storage and comm.	89.8	↓ -5.9	↓ -1.4	↓ -21.5
Services: of which	139.1	↓ -0.6	↓ -4.1	↓ -10.8
Real estate/renting & business act.	99.8	↓ -0.3	↓ -3.2	↓ -8.1
2. Personal: of which	305.8	↑ 6.5	↑ 0.0	↑ 20.7
Consumer financing	211.3	↑ 7.0	↓ -0.5	↑ 12.6
3. Investment in securities and shares	172.2	↑ 11.2	↑ 3.1	↑ 18.9
4. Others¹: of which	412.2	↓ -53.1	↓ -4.3	↓ -75.8
Non-bank finance companies	156.8	↓ -5.6	↓ -9.3	↓ -85.6

¹ This also includes credit to some Public Sector Enterprises, and other categories.

Source: Statistics and Data Warehouse Department (S&DWD), SBP.

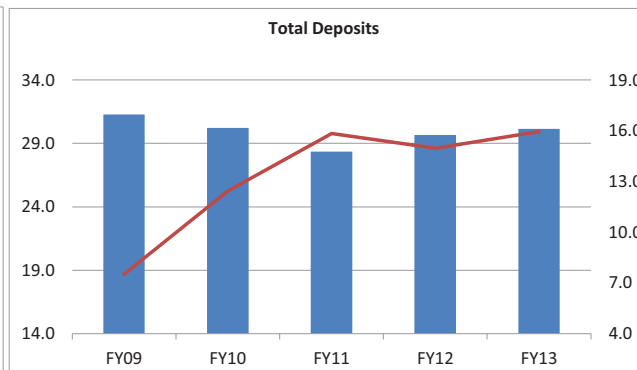
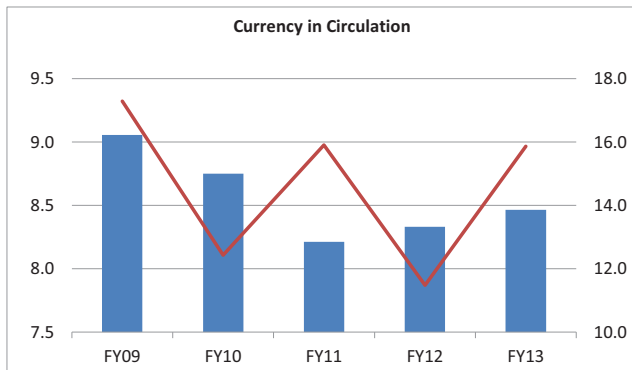
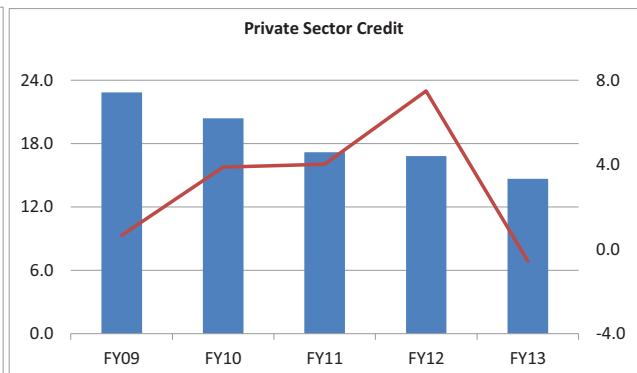
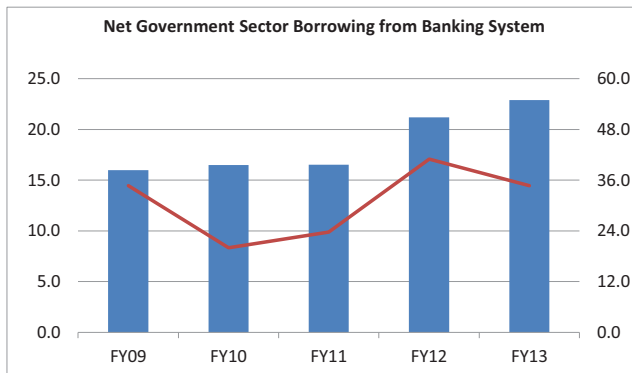
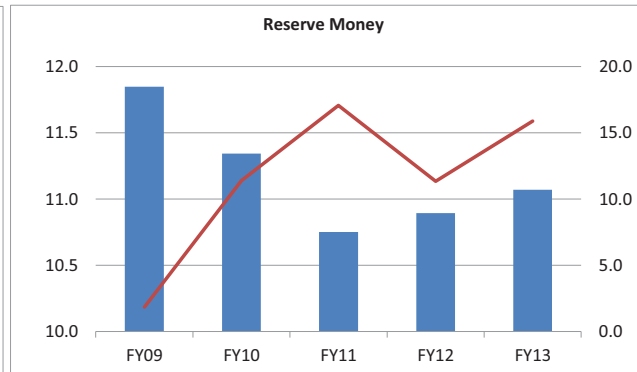
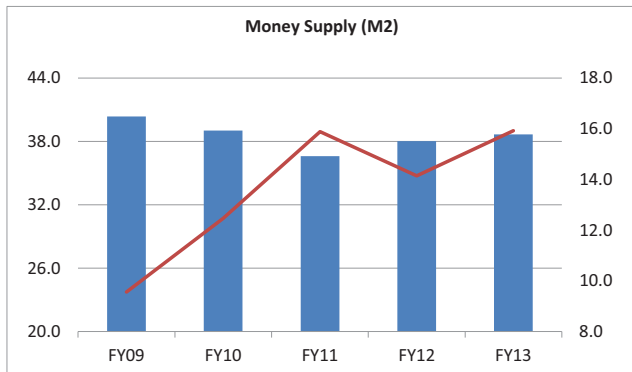




Key Indicators of Monetary Sector

■ As percent of GDP

— YoY growth (RHS)

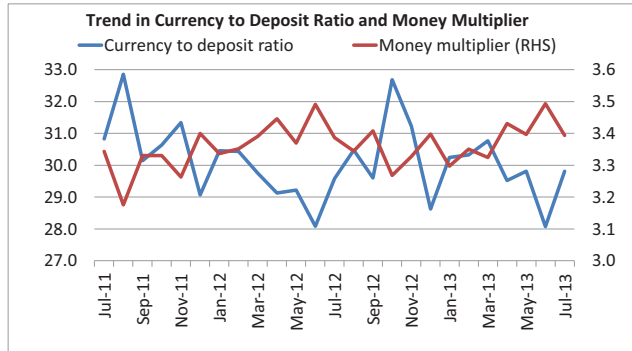
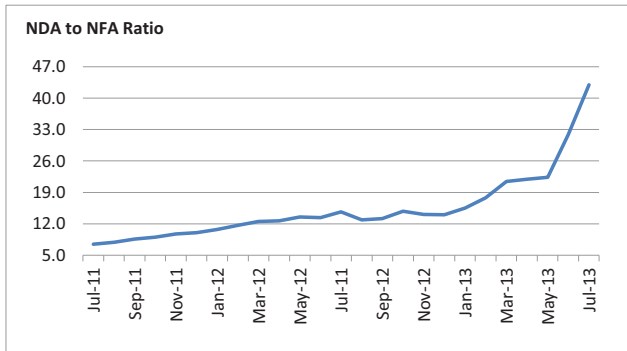
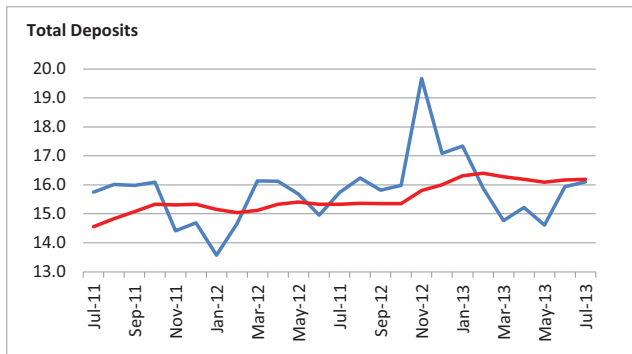
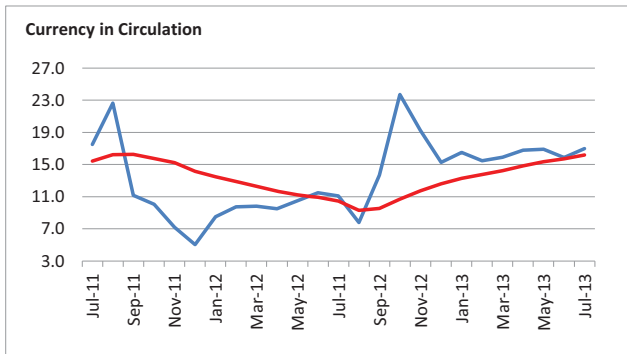
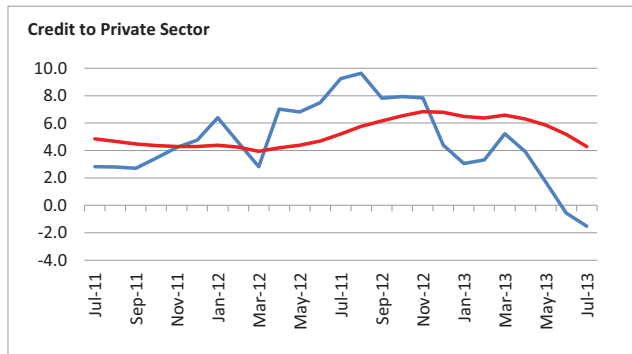
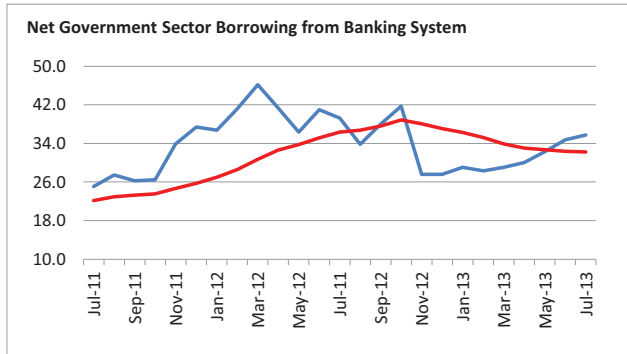
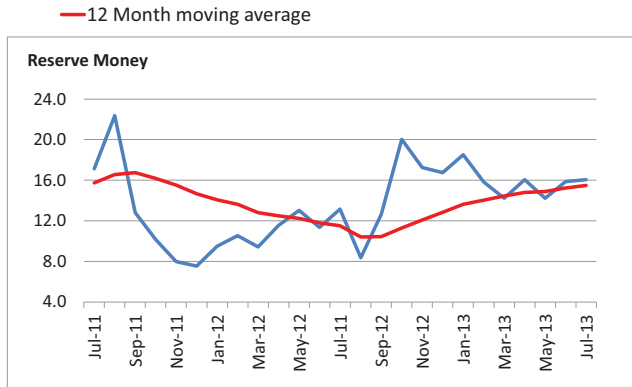
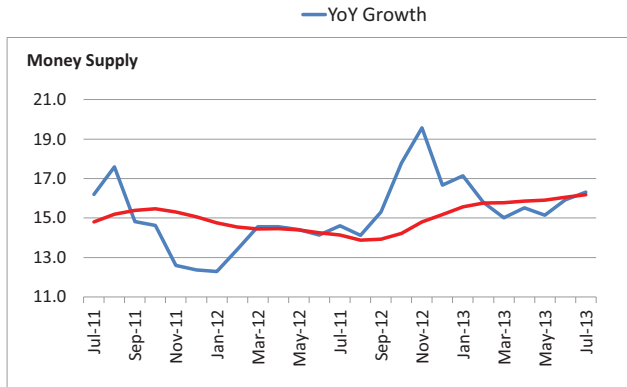


YoY growth of end June Stocks

Source: Statistics and Data Warehouse Department (S&DWD), SBP.



Trends in Monetary Aggregates



Month end stocks data has been used.
 YoY growth shows growth over same month last year.
 Source: Statistics and Data Warehouse Department (S&DWD), SBP.



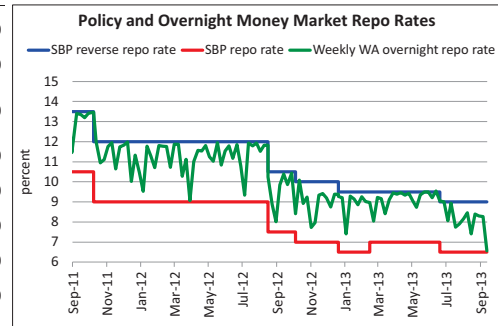
Money Market

With effect from 24th June 2013, SBP has decreased the SBP reverse repo rate by 50 bps to 9.0 percent.

Policy Instruments (percent)					
	Current	w.e.f	Previous	w.e.f	Change ¹
SBP reverse repo rate	9.0	24-Jun-13	9.5	17-Dec-12	↓ -50
SBP repo rate	6.5	24-Jun-13	7.0	11-Feb-13	↓ -50
Weekly average CRR on DL and TL < 1 year	5.0	1-Nov-08	6.0	18-Oct-08	↓ -100
Daily minimum CRR on DL and TL < 1 year	3.0	12-Oct-12	4.0	1-Nov-08	↓ -100
CRR on TL > 1 year	0.0	4-Aug-07	3.0	22-Jul-06	↓ -300
SLR on DL and TL < 1 year	19.0	24-May-08	18.0	22-Jul-06	↑ 100
Islamic banks	19.0	3-Jun-11	14.0	1-Apr-11	↑ 500
SLR on TL > 1 year	0.0	18-Oct-08	19.0	24-May-08	↓ -1900
Islamic banks	0.0	18-Oct-08	9.0	24-May-08	↓ -900

¹ Basis points

DL: Demand Liabilities; TL: Time Liabilities



Volatility in overnight repo rate has increased in Q1-FY14 so far, compared to H2-FY13.

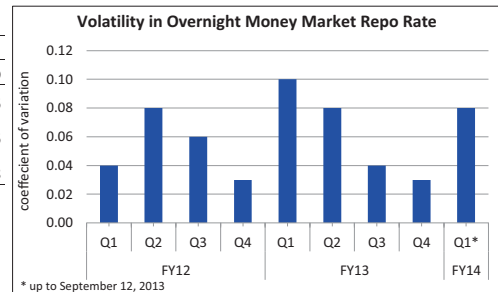
	Weighted Average O/N Money Market Repo Rate (percent)				YTD
	FY13		FY14		
	Q2	Q2	Q4	Q1 *	
WA O/N repo rate ²	8.21	8.89	9.04	7.86	7.86
Standard deviation	0.45	0.73	0.38	0.66	0.66
CoV ³	0.05	0.08	0.03	0.08	0.08

*up to September 12, 2013

YTD: Year to date

² Weekly Weighted Average O/N Repo Rate

³ CoV (Coefficient of Variation) is a ratio and is unit free.



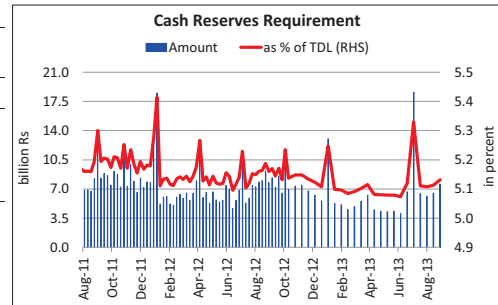
* up to September 12, 2013

Banks' holding of government securities now stands at 87 percent of their total liquid assets maintained.

	Bi-weekly Cash Reserves Requirement (CRR) ⁴ (billion Rs)			
	Maintenance period ended as on		Change since Last MPS	
	29-Aug-13	1-Aug-13	1-Aug-13	20-Jun-13 ⁵
Cash required	288.1	285.7	↑ 2.4	↑ 9.7
Cash maintained	295.7	291.9	↑ 3.8	↑ 10.6
Excess cash reserves (per day)	7.6	6.2	↑ 1.4	↑ 1.0

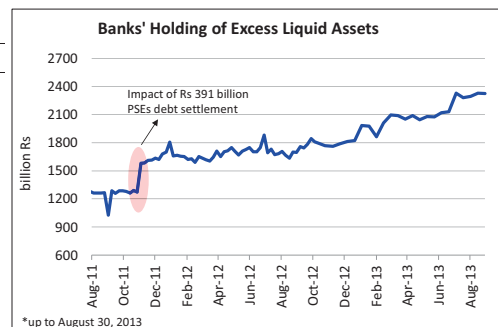
⁴ Bi-weekly CRR is the proportion of local currency time and demand liabilities (TDL) that schedule banks are required to maintain with SBP in the form of cash on average during the reserve maintenance period.

⁵ As on Thursday preceding the last monetary policy decision.



	Overall Reserve Requirement (billion Rs)			
	Maintenance period started as on		Change since	
	30-Aug-13	2-Aug-13	2-Aug-13	4-Oct-08
Required reserves	1409.0	1379.6	↑ 29.4	↑ 446.6
for CRR	293.5	287.4	↑ 6.1	↑ 17.5
for SLR	1115.5	1092.2	↑ 23.3	↑ 429.1
Maintained⁶	3733.3	3675.1	↑ 58.2	↑ 2714.5
Cash	452.7	438.9	↑ 13.8	↑ 63.8
Cash in tills	151.3	144.8	↑ 6.5	↑ 63.2
Balance with SBP	249.6	274.0	↓ -24.4	↓ -39.0
Balance with NBP	51.8	20.1	↑ 31.7	↑ 39.6
Securities	3238.9	3194.5	↑ 44.4	↑ 2625.7
Others ⁷	41.8	41.7	↑ 0.1	↑ 25.0
Excess liquid assets⁸	2324.3	2295.4	↑ 28.8	↑ 2268.0

Source: Off-site Supervision and Enforcement Department, SBP



* up to August 30, 2013

⁷ Data corresponds to the balances as on that date

⁸ Includes Section 13(3) deposits and share capital of MFBs.

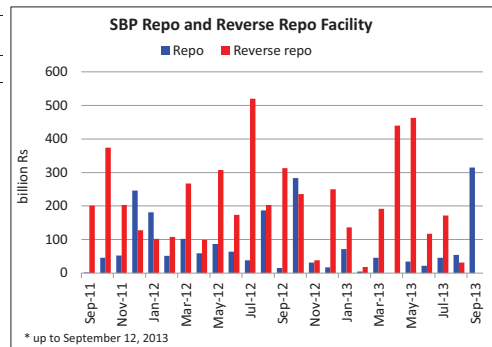
⁹ Includes excess securities + cash and other assets maintained.



Banks' use of SBP's reverse repo facility has significantly decreased in FY14 so far.

Use of SBP's Standing Facilities

	SBP reverse repo		SBP repo	
	Amount	Days	Amount	Days
	billion Rs	No.	billion Rs	No.
FY12	2,477.2	119	948.1	47
Q1	716.0	41	56.3	7
Q2	704.9	26	346.9	15
Q3	476.5	25	335.0	13
Q4	579.8	27	209.9	12
FY13	2,927.8	88	748.0	33
Q1	1,035.7	32	239.9	11
Q2	524.0	14	331.2	13
Q3	347.7	14	121.6	5
Q4	1,020.4	28	55.3	4
FY14¹	202.9	9	414.3	11
Q1 ¹	202.9	9	414.3	11

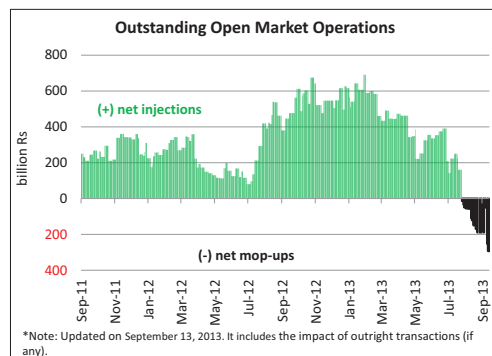


¹ Updated up to September 12, 2013

The level of outstanding OMOs has declined in FY14 so far.

Outstanding Open Market Operations² (billion rupees)

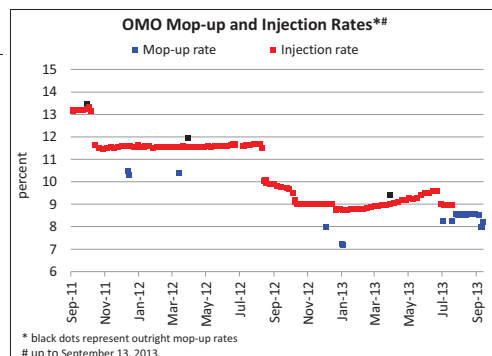
	Average Outstanding OMOs	End-period Outstanding OMOs
FY12	208.5	79.9
Q1	120.7	221.9
Q2	289.6	224.0
Q3	281.6	172.1
Q4	143.2	79.9
FY13	460.9	207.6
Q1	384.7	611.5
Q2	568.0	615.7
Q3	539.1	472.1
Q4	352.5	207.6
FY14³	(18.2)	(295.8)
Q1 ³	(18.2)	(295.8)



² It includes the impact of outright transactions (if any).

*Note: (+) amount means net injection
(-) amount means net mop-up

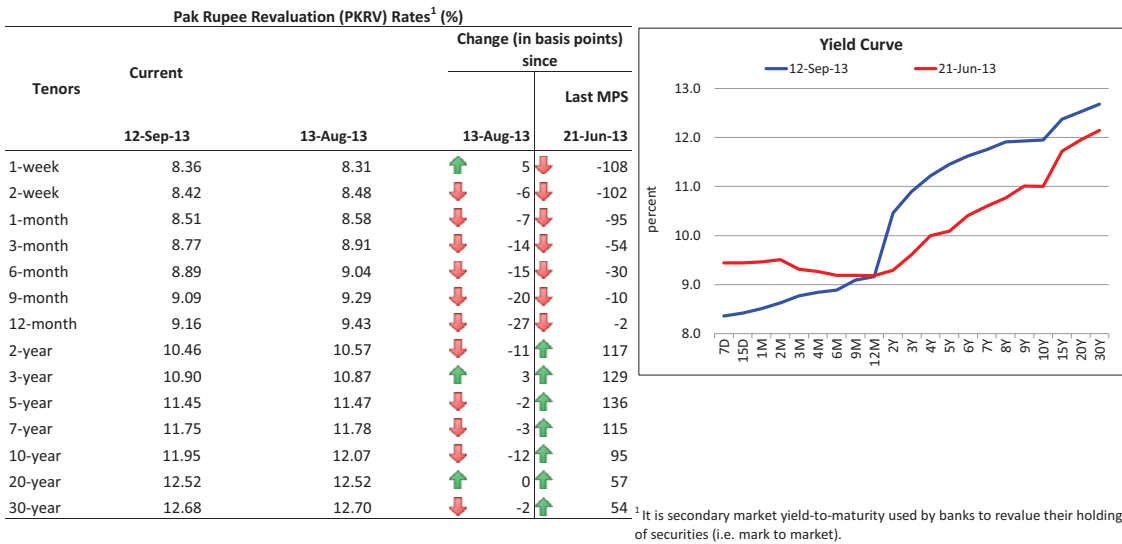
³ Updated up to September 13, 2013



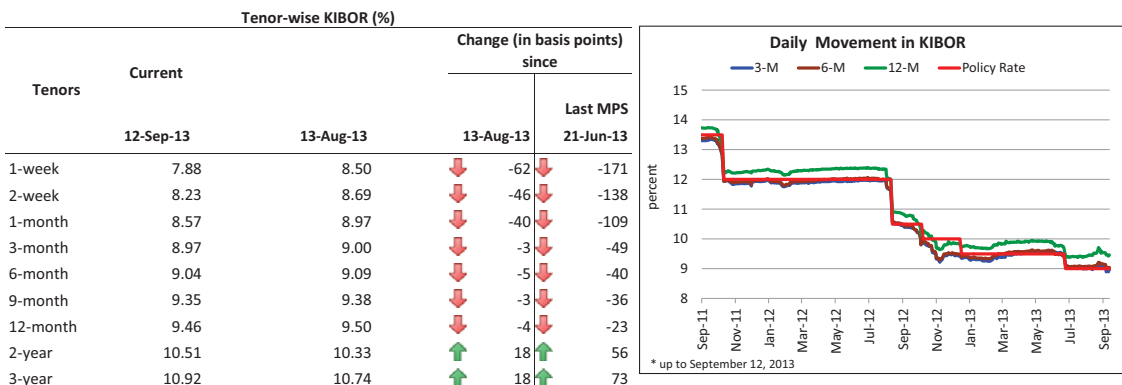
Source: Domestic Markets & Monetary Management Department, SBP



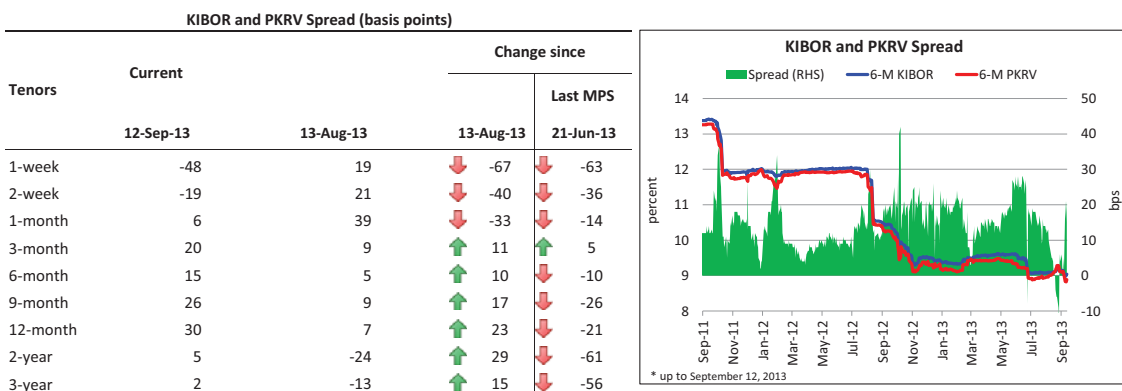
Secondary market yields for tenors above 12-month have increased since the last monetary policy decision in June 2013.



KIBOR of 12-month and below tenors has declined since the last monetary policy decision in June 2013.



Spreads between KIBOR and PKRV rates for most of the tenors have decreased compared to their levels observed at the time of monetary policy announcement in June 2013.

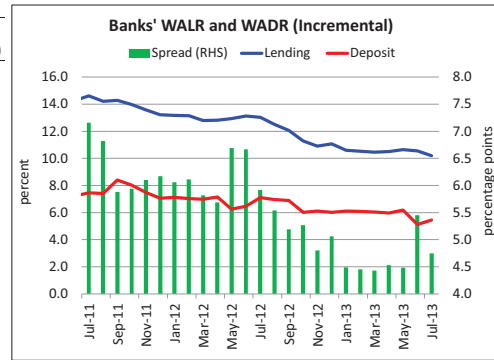


Sources: SBP and Financial Market Association of Pakistan



Spread between incremental WALR and WADR stands at 475 bps in July 2013.

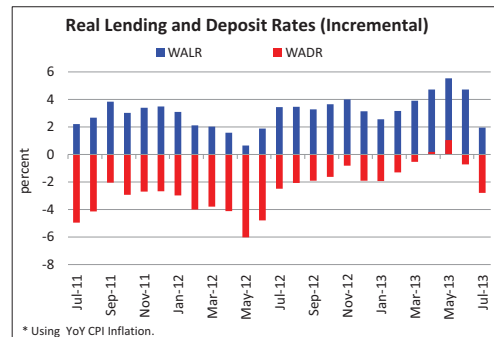
Months	Weighted average Lending and Deposit Rates (percent per annum)					
	Incremental ¹			Outstanding		
	WALR	WADR	Spread (bps)	WALR	WADR	Spread (bps)
Jul-12	13.03	7.11	592	12.93	5.88	705
Aug-12	12.51	6.97	554	12.82	5.87	695
Sep-12	12.07	6.88	519	12.65	5.75	690
Oct-12	11.29	6.02	527	12.41	5.64	677
Nov-12	10.91	6.11	480	12.25	5.58	667
Dec-12	11.07	6.01	506	11.97	5.43	654
Jan-13	10.61	6.12	449	11.60	5.39	621
Feb-13	10.53	6.08	445	11.52	5.34	618
Mar-13	10.46	6.03	443	11.50	5.26	624
Apr-13	10.51	5.98	453	11.42	5.23	619
May-13	10.65	6.17	448	11.49	5.15	634
Jun-13	10.56	5.11	545	11.36	5.01	635
Jul-13	10.20	5.45	475	11.28	4.97	631



¹ Weighted average rates on incremental (fresh) loans and deposits (including interbank and zero marup) during a month.

Both real lending and deposit rates, calculated on the basis of YoY CPI inflation, have declined since May 2013.

Months	Real (based on 12-month MA inflation) ²		Real (based on YoY inflation) ³	
	WALR	WADR	WALR	WADR
	Jul-12	2.26	-3.66	3.43
Aug-12	1.95	-3.59	3.46	-2.08
Sep-12	1.66	-3.53	3.28	-1.91
Oct-12	1.16	-4.11	3.63	-1.64
Nov-12	1.07	-3.73	3.98	-0.82
Dec-12	1.39	-3.67	3.14	-1.92
Jan-13	1.10	-3.39	2.54	-1.95
Feb-13	1.33	-3.12	3.15	-1.30
Mar-13	1.61	-2.82	3.89	-0.54
Apr-13	2.12	-2.41	4.71	0.18
May-13	2.85	-1.63	5.52	1.04
Jun-13	3.20	-2.25	4.71	-0.74
Jul-13	2.94	-1.81	1.94	-2.81



* Using YoY CPI Inflation.

² Nominal rate less CPI inflation (12-month moving average).

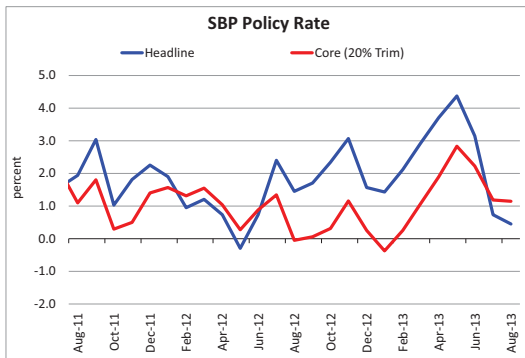
³ Nominal rate less CPI inflation (year on year).

Sources: Statistics & Data Warehouse Department, SBP & Federal Bureau of Statistics

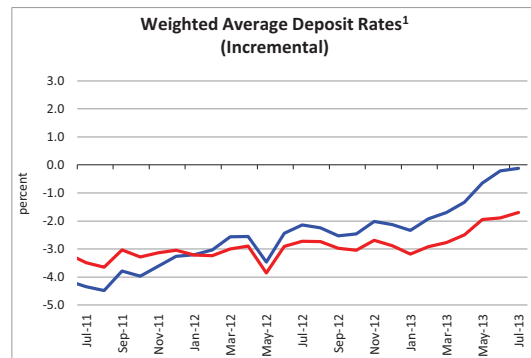
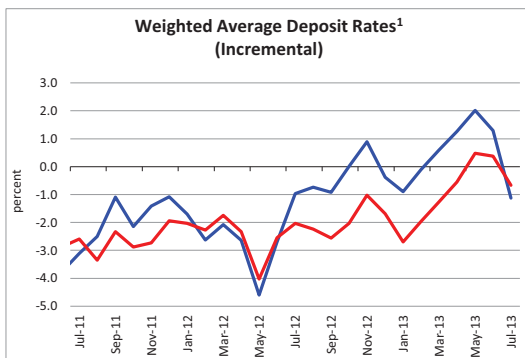
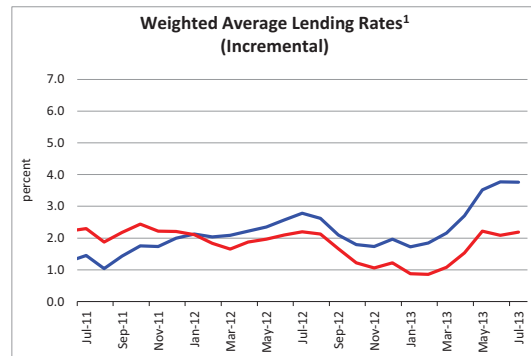
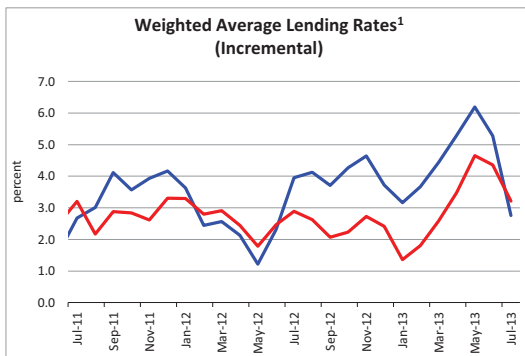
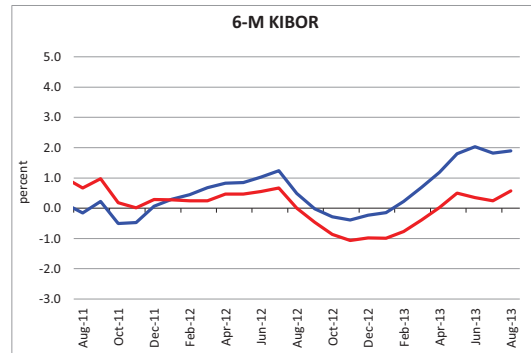
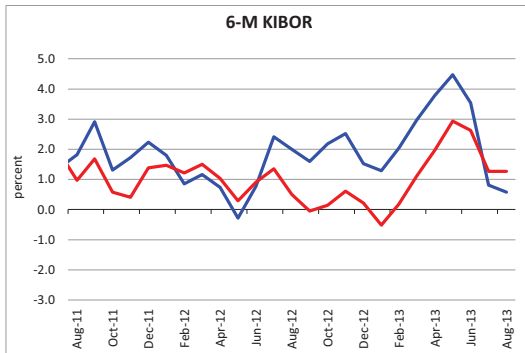
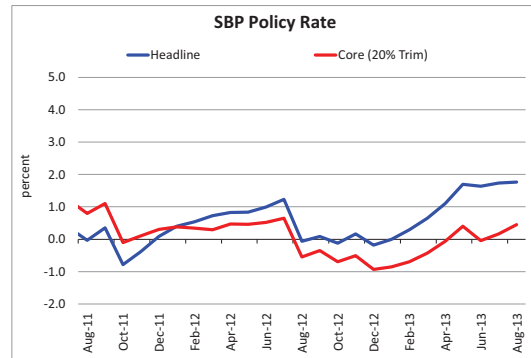


Real Interest Rates

Using YoY CPI inflation



Using 12-month moving average CPI inflation



¹ Weighted average lending and deposit rates excluding transactions in the interbank and on zero markup.

Sources: PBS and Statistics & Data Warehouse Department, SBP



In the T-bill auctions held in Q1-FY14 so far, government has raised less than the targeted amount.

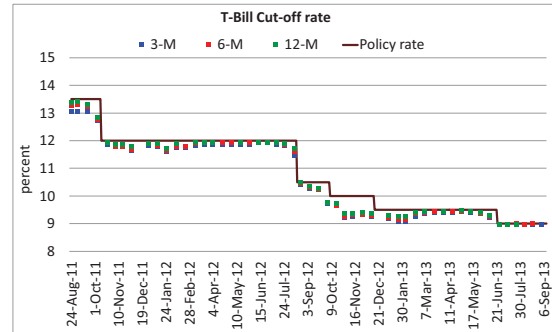
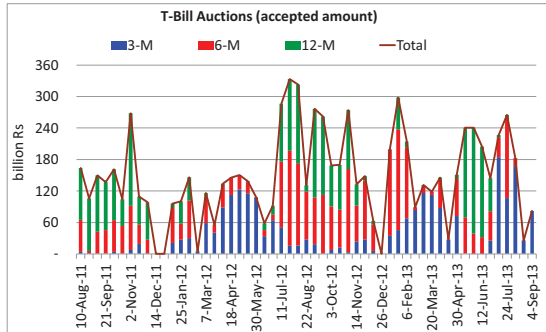
FY/Q/ Settlement date	T-bill Auction (billion Rs (Realized value); rates in percent)												Non- competitive bids ⁶	
	TOTAL				3-Month			6-Month			12-Month			
	Target	Maturity	Offered	Accepted ²	Offered	Accepted	Cut-off ³	Offered	Accepted	Cut-off ³	Offered	Accepted		Cut-off ³
FY13	5,075.0	5,049.0	7,160.3	4,772.3	1,308.0	884.2	-	3,243.1	2,136.6	-	2,609.1	1,751.4	-	511.3
Q1	1,500.0	1,487.1	2,231.1	1,611.3	191.0	129.5	10.23	967.6	755.4	10.24	1,072.5	726.4	10.26	152.2
Q2	1,125.0	1,148.9	2,012.2	956.5	191.2	81.6	9.28	1,174.3	543.0	9.30	646.7	331.8	9.36	128.3
Q3	1,125.0	1,103.8	1,492.6	1,050.8	665.9	460.5	9.41	713.3	515.9	9.43	113.4	74.5	9.42	111.7
Q4	1,325.0	1,309.2	1,424.4	1,153.6	259.9	212.5	8.96	388.0	322.4	8.97	776.5	618.7	8.98	119.0
FY14¹	1,350.0	1,384.3	812.3	781.3	586.2	565.9	-	210.4	206.1	-	15.7	9.3	-	51.6
Q1 ¹	1,350.0	1,384.3	812.3	781.3	586.2	565.9	8.96	210.4	206.1	8.99	15.7	9.3	8.98	51.6

¹ Up till September 11, 2013

² The amount does not include the non-competitive bids.

³ Quarterly rate are for end-period.

⁴ These amounts are raised from non-bank institutions and/or individuals at auctions weighted average rate.



Government has raised less than targeted amount in the PIBs auction held during Q1-FY14 so far.

	PIB Auction (billion Rs (Face value); rates in percent) ⁵									
	3-Year	5-Year	7-Year	10-Year	15-Year	20-Year	30-Year	Total	Target	
FY13	Cut-off rate⁶	9.69	10.15	-	11.05	-	-	-	-	
	Offered	310.7	167.4	-	141.9	-	6.1	-	626.1	
	Accepted	126.9	72.1	-	44.3	-	5.1	-	248.5	
Q1	Cut-off rate	10.63	11.17	-	11.60	-	13.35	-	-	
	Offered	94.1	72.2	-	76.9	-	6.1	-	249.4	
	Accepted	43.3	45.6	-	21.8	-	5.1	-	115.8	
Q2	Cut-off rate	10.40	10.93	-	11.42	-	-	-	-	
	Offered	66.1	34.1	-	25.7	-	-	-	125.9	
	Accepted	29.7	11.8	-	9.4	-	-	-	50.9	
Q3	Cut-off rate	-	-	-	-	-	-	-	-	
	Offered	39.8	16.8	-	11.2	-	-	-	67.7	
	Accepted	-	-	-	-	-	-	-	0.0	
	Bids rejected									
Q4	Cut-off rate	9.69	10.15	-	11.05	-	-	-	-	
	Offered	110.7	44.4	-	28.1	-	-	-	183.2	
	Accepted	53.9	14.8	-	13.1	-	-	-	81.8	
FY14⁷	Cut-off rate⁶	11.15	11.65	-	12.00	-	-	-	-	
	Offered	19.2	20.4	-	14.3	-	-	-	53.9	
	Accepted	18.6	19.4	-	9.0	-	-	-	47.1	
Q1 ⁷	Cut-off rate	11.15	11.65	-	12.00	-	-	-	-	
	Offered	19.2	20.4	-	14.3	-	-	-	53.9	
	Accepted	18.6	19.4	-	9.0	-	-	-	47.1	
Q2	Cut-off rate	-	-	-	-	-	-	-	-	
	Offered	-	-	-	-	-	-	-	-	
	Accepted	-	-	-	-	-	-	-	-	
Q3	Cut-off rate	-	-	-	-	-	-	-	-	
	Offered	-	-	-	-	-	-	-	-	
	Accepted	-	-	-	-	-	-	-	-	
Q4	Cut-off rate	-	-	-	-	-	-	-	-	
	Offered	-	-	-	-	-	-	-	-	
	Accepted	-	-	-	-	-	-	-	-	

⁵ -: Either no bid received or bids were rejected.

⁶ Excluding non-competitive bids and short-selling accommodation

⁷ Quarterly rate are for end-period.

⁸ Up till September 11, 2013

Government had successfully raised the targeted amount in the Sukuk auctions held in Q3-FY13.

	3-year Ijarah Sukuk Auction (billion Rs; margin in bps)			
	Target	Total offered	Total accepted	Cut-off margin ⁸
FY13	88.0	196.9	90.0	-
Q1	45.0	110.6	47.0	(25)
Q2	-	-	-	-
Q3	43.0	86.3	43.0	(30)
Q4	-	-	-	-
FY14	-	-	-	-
Q1	-	-	-	-

⁸ This cut-off margin, with the benchmark of 6-Month MTB Auction Weighted Average Yield, is applicable to all accepted bids

Source: Domestic Markets & Monetary Management Department, SBP

Government issued 5-year PIBs for partial settlement of power sector circular debt on June 28, 2013

PIB Auction (billion Rs (Face value); rates in percent)		
Amount Issued	Yield	
FY13	115.9	10.0504

Source: Domestic Markets & Monetary Management Department, SBP



Foreign Exchange Market

Upto 13th September in FY14, Pak rupee has depreciated by 5.06 percent against US\$.

	PKR against international currencies			% App/(Dep) of PKR
	Latest 13-Sept-13	Last MPS 21-June-13	Jun-13	Cumulative since Jun-13
USD	104.98	98.95	99.66	(5.06)
Euro	139.49	130.87	130.18	(6.68)
Sterling	165.96	153.20	151.80	(8.53)
JPY	1.05	1.01	1.01	(4.44)
USD Kerb ¹	105.38	100.13	100.53	(4.60)
Premium (Rs)	0.40	1.18	0.87	-
Daily NEER ¹	53.57	56.76	56.85	(5.77)

¹ Data updated up to 12th September 2013

Source: SBP

	International exchange rates ²			% App/(Dep) of USD
	Latest 13-Sept-13	Last MPS 21-June-13	Jun-13	Cumulative since Jun-13
USD/EUR	1.33	1.32	1.31	(1.70)
USD/GBP	1.58	1.55	1.52	(3.65)
JPY/USD	99.66	97.49	99.02	0.65
INR/USD	63.53	59.20	59.26	7.22
CNY/USD	6.12	6.13	6.14	(0.31)
THB/USD	31.88	31.01	31.02	2.77
MYR/USD	3.29	3.20	3.16	4.13
SGD/USD	1.27	1.27	1.27	0.32

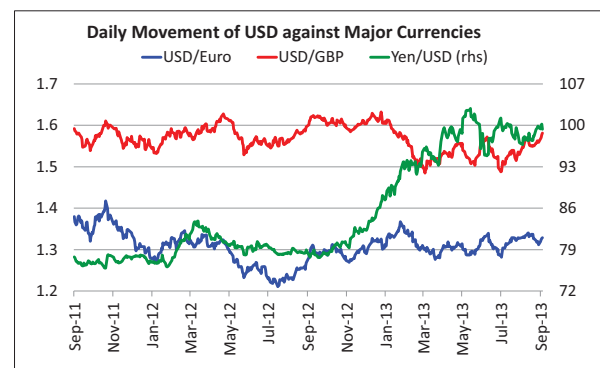
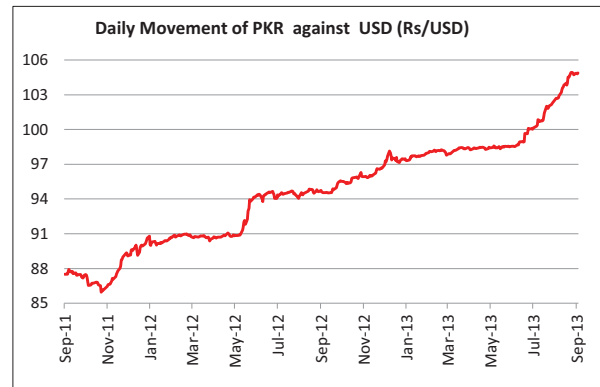
² The exchange rates are shown as per country practices

PKR/USD Interbank Exchange Rate Trends on Fiscal Year Basis

	High	Jul ^p	185.646679	Average	Volatility C/C ³
FY10	85.58	81.40	85.51	83.89	3.02
FY11	86.50	83.93	85.97	85.56	2.40
FY12	94.69	85.79	94.55	89.27	2.48
FY13	99.80	93.70	99.66	96.85	1.67
FY14 ⁴	104.99	99.55	104.89	102.39	2.85

³ Reuters: Average Close-to-Close Daily Volatility (in %)

Source: SBP



PKR/USD Interbank Exchange Rate Trends on Quarterly Basis

	High	Low	Close	Average	Volatility C/C ³
Q1-FY12	87.94	85.79	87.48	86.78	1.86
Q2-FY12	90.05	85.89	89.95	87.85	3.12
Q3-FY12	91.32	89.67	90.66	90.60	2.46
Q4-FY12	94.69	90.15	94.55	92.16	2.60
Q1-FY13	95.00	93.70	94.81	94.53	2.21
Q2-FY13	98.35	94.87	97.15	96.25	2.21
Q3-FY13	98.53	97.22	98.44	97.92	1.30
Q4-FY13	99.80	98.24	99.66	98.52	1.03
Q1-FY14 ⁴	104.99	99.55	104.89	102.39	2.85



Monetary Policy Information Compendium

September 2013

In real terms, Pak rupee has depreciated by 0.32 percent during FY13.

Changes in Nominal Effective Exchange Rate (NEER)

Base Year: CY2005

		NEER Index	2011								2012		2013	
			2011		2012		2013		2013		2013			
			Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun-13 ^P				
2011	Jun	61.75	-0.20	-0.41	-2.41	-3.92	-5.90	-8.71	-7.92	-9.27				
	Sep	61.63	-	-0.21	-2.21	-3.72	-5.70	-8.53	-7.74	-9.09				
	Dec	61.50	-	-	-2.00	-3.52	-5.51	-8.34	-7.54	-8.90				
2012	Mar	60.27	-	-	-	-1.55	-3.58	-6.46	-5.65	-7.04				
	Jun	59.33	-	-	-	-	-2.06	-4.99	-4.17	-5.57				
	Sep	58.11	-	-	-	-	-	-2.99	-2.15	-3.59				
	Dec	56.37	-	-	-	-	-	-	0.87	-0.61				
2013	Mar ^R	56.86	-	-	-	-	-	-	-	-1.47				
	Jul ^P	56.03	-	-	-	-	-	-	-	-				

^R Revised

^P Provisional

Changes in Relative price Index (RPI)

Base Year: CY2005

Latest 13-Sep-13		RPI	2011								2012		2013	
			2011		2012		2013		2013		2013			
			Sep	Dec	Mar	Jun	Sep	Dec	Mar ^R	Jun ^P				
2011	Jun	161.60	3.00	3.70	5.76	8.83	9.33	9.47	10.48	14.88				
	Sep	166.44	-	0.68	2.68	5.67	6.15	6.28	7.27	11.54				
	Dec	167.58	-	-	1.98	4.95	5.43	5.56	6.54	10.78				
2012	Mar	170.90	-	-	-	2.91	3.38	3.51	4.47	8.63				
	Jun	175.87	-	-	-	-	0.46	0.59	1.51	5.56				
	Sep	176.68	-	-	-	-	-	0.12	1.05	5.07				
	Dec	176.90	-	-	-	-	-	-	0.92	4.94				
2013	Mar ^R	178.53	-	-	-	-	-	-	-	3.98				
	Jul ^P	185.65	-	-	-	-	-	-	-	-				

^R Revised

^P Provisional

Changes in Real Effective Exchange Rate (REER)

Base Year: CY2005

Latest 13-Sep-13		REER Index	2011								2012		2013	
			2011		2012		2013		2013		2013			
			Sep	Dec	Mar	Jun	Sep	Dec	Mar ^R	Jun ^P				
2011	Jun	99.79	2.79	3.27	3.21	4.57	2.89	-0.07	1.73	4.23				
	Sep	102.58	-	0.47	0.41	1.73	0.10	-2.78	-1.03	1.40				
	Dec	103.06	-	-	-0.06	1.25	-0.37	-3.24	-1.50	0.93				
2012	Mar	103.00	-	-	-	1.31	-0.31	-3.18	-1.44	0.98				
	Jun	104.35	-	-	-	-	-1.61	-4.43	-2.72	-0.32				
	Sep	102.67	-	-	-	-	-	-2.87	-1.13	1.30				
	Dec	99.72	-	-	-	-	-	-	1.80	4.30				
2013	Mar ^R	101.52	-	-	-	-	-	-	-	2.46				
	Jul ^P	104.01	-	-	-	-	-	-	-	-				

^R Revised

^P Provisional

Source: SBP



Capital Market

Since end June 2013, KSE-100 index and market capitalization has increased by 10.6 percent and 29.1 percent respectively.

Performance of Karachi Stock Exchange

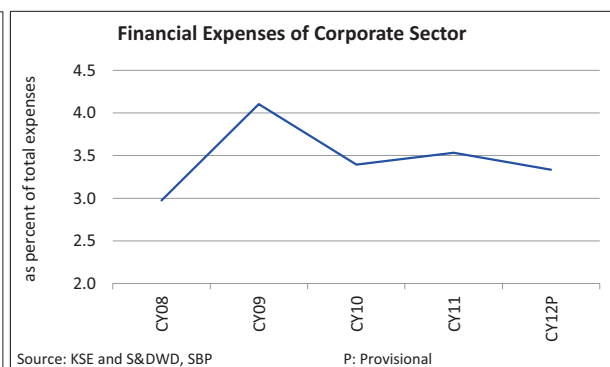
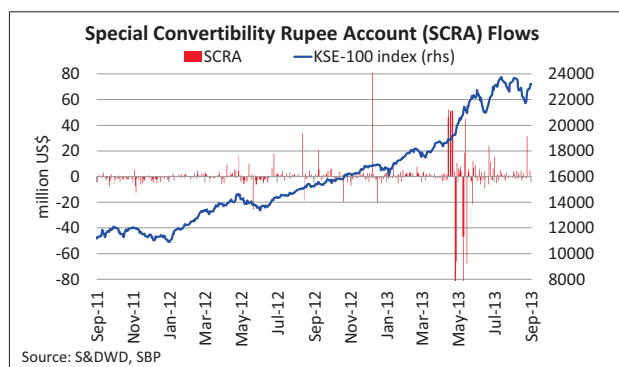
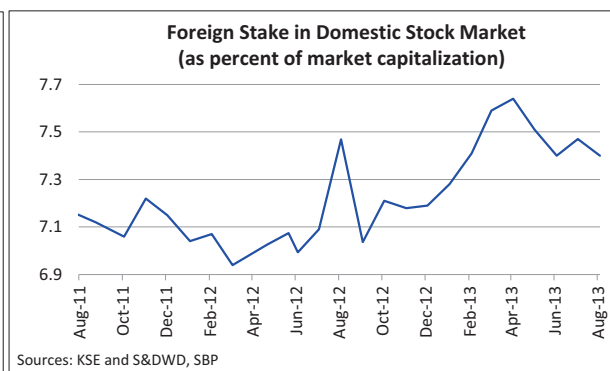
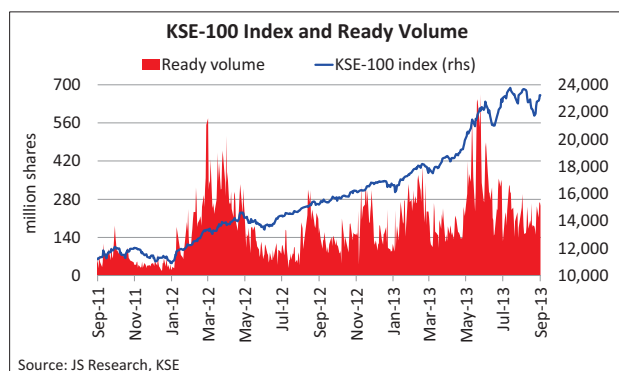
	FY14			FY13	Percentage change during		
	Sep-13 ¹	Aug-13	Jul-Sep		Sep FY14 ²	FY14	FY13
End-period KSE-100 index	23,222	22,161	23,222	21,006	4.8	10.6	52.2
End-period KSE-30 index	17,936	17,250	17,936	16,208	4.0	10.7	35.9
Market capitalization (billion Rs) ³	5,559	5,669	5,615	4,307	-1.9	29.1	33.3
Ready volume (million shares) ³	219	201	230	200	-	-	-
SCRA flows (US\$ million) ⁴	35.0	14.7	95.5	187.8	-	-	-

¹ Up to 12th September 2013

² Reflects growth since end of the previous month

³ Average during the period

⁴ Cumulative flow during the period



Sources: Karachi Stock Exchange (KSE), Statistics & Data Warehouse Department (S&DWD), SBP and JR Research.



Financial Soundness Indicators

Advances to deposits ratio continued its declining trend and reached 48.1 percent during Q4-FY13.

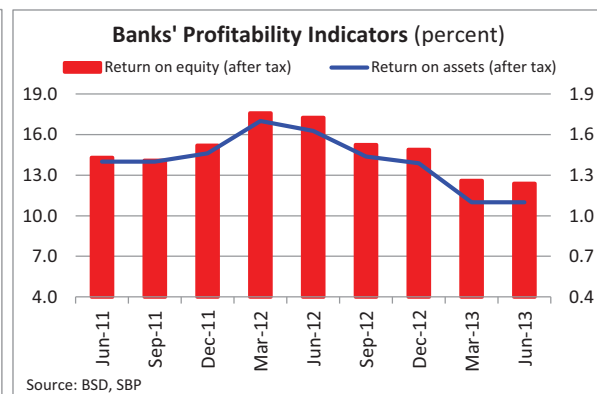
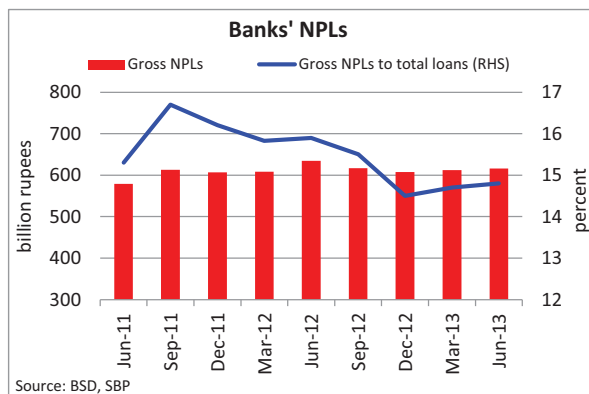
percent

	Mar 2012	Jun 2012	Sep 2012	Dec 2012	Mar 2013	Jun 2013
Risk weighted CAR ¹	14.7	15.1	16.0	15.4	15.1	15.5
Gross NPLs to total loans	15.8	15.9	15.5	14.5	14.7	14.8
Provision to NPLs	68.5	66.3	70.0	71.8	71.9	73.2
Net NPLs to net loans	5.6	6.0	5.2	4.6	4.6	4.4
Returns on assets (before tax)	2.5	2.4	2.2	2.1	1.7	1.7
Return on assets (after tax)	1.7	1.6	1.4	1.4	1.1	1.1
ROE (before tax) ²	26.3	25.9	23.4	22.9	19.0	18.5
ROE (after tax) ²	17.6	17.3	15.3	14.9	12.6	12.4
Net interest income/gross income	73.4	72.3	71.6	71.1	71.6	70.0
Liquid assets/total assets	44.0	42.7	46.5	47.4	47.4	49.0
Liquid assets/total deposits	58.5	54.3	62.8	63.3	63.8	63.7
Advances/deposits	54.3	52.5	52.6	51.5	51.6	48.1

Note: Figures are based on unaudited Quarterly Report of Condition (QRC) submitted by banks.

¹ Data of IDBP, PPCBL, and SME is based on Basel I, while for the rest data is based on Basel II.

² Average equity and surplus.



Source: Banking Surveillance Department (BSD), SBP