



# **Monetary Policy Information Compendium**

**January 2015**

Consolidated by

**Statistics & DWH Department**

**STATE BANK OF PAKISTAN**

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## Tables and Graphs

### [Real Sector](#)

• Growth .....	1
• Saving and Investment.....	3
• Inflation .....	4

### [External Sector](#)

• Balance of Payments .....	8
• Trade and Foreign Investment.....	9
• Global Economy .....	10

### [Fiscal Accounts and Debt](#)

• Revenues, Expenditures, and Fiscal Balances .....	12
• Government Domestic Debt .....	13
• External Debt .....	14
• Total Debt .....	15

### [Monetary Sector](#)

• Monetary and Credit Aggregates .....	16
• Private Sector Credit .....	18
• Key Indicators of Monetary Sector.....	19
• Trends In Monetary Aggregates.....	20

### [Financial Markets](#)

• Money Market .....	21
• Foreign Exchange Market .....	27
• Capital Market .....	29
• Financial Soundness Indicators .....	30

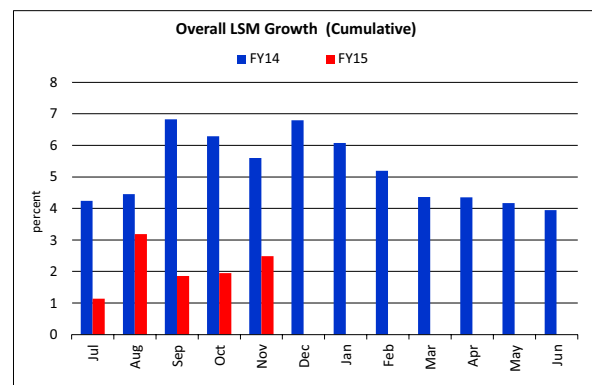
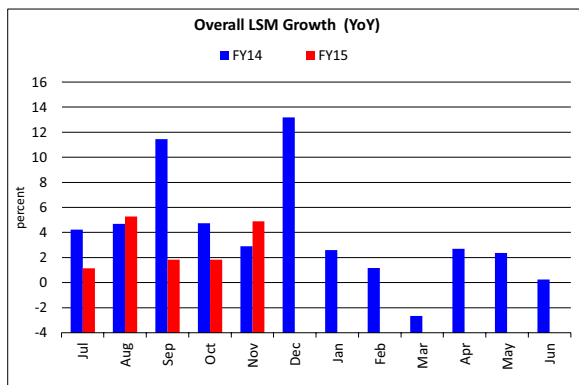


## Growth

*Significantly lower cumulative growth of 2.5 percent has been recorded in the LSM sector for Jul-Nov FY15, compared to a growth of 5.6 percent during the same period last year.*

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

Groups	Weights	YoY change				Cumulative change during Jul-Nov			
		Nov-14		Nov-13		FY15		FY14	
<b>Overall</b>	<b>70.2</b>	<b>4.9</b>	<b>2.9</b>			<b>2.5</b>	<b>5.6</b>		
Textile	20.9	↑ 0.5	↑ 1.1		↑ 0.7	↑ 1.9			
Food, beverages and tobacco	12.4	↓ -0.9	↑ 13.7		↑ 0.6	↑ 9.9			
Petroleum products	5.4	↓ -5.9	↑ 5.6		↑ 2.7	↑ 10.2			
Iron and steel products	5.4	↑ 60.8	↓ -7.5		↑ 24.6	↑ 4.4			
Non-metallic mineral products	5.4	↑ 12.5	↑ 0.8		↑ 3.5	↑ 0.0			
Automobile	4.6	↑ 19.5	↓ -0.3		↑ 13.5	↓ -2.5			
Fertilizer	4.4	↑ 4.7	↑ 6.1		↓ -2.5	↑ 32.8			
Pharmaceuticals	3.6	↑ 4.7	↓ -4.3		↑ 3.3	↑ 0.4			
Paper and board	2.3	↓ -0.8	↑ 12.0		↓ -1.0	↑ 16.9			
Electronics	2.0	↑ 11.9	↑ 14.9		↑ 8.6	↑ 23.7			
Chemicals	1.7	↑ 8.7	↑ 1.1		↑ 7.0	↑ 4.7			
Leather products	0.9	↑ 21.1	↓ -3.2		↑ 6.4	↑ 8.6			
Wood products	0.6	↓ -67.0	↓ -23.0		↓ -77.6	↓ -11.4			
Engineering products	0.4	↓ -6.5	↓ -14.5		↑ 0.3	↓ -23.1			
Rubber products	0.3	↓ -1.1	↑ 16.4		↑ 3.5	↑ 2.2			



*All major crops have shown improvement in FY14 except production of cotton.*

### Major Crops

	Production				Area under cultivation				Yield			
	(million tons)			percent change	(million hectares)		percent change	(Kg/hectare)		percent change		
	FY15 <sup>T</sup>	FY14 <sup>P</sup>	FY13 <sup>R</sup>	FY14 <sup>P</sup> over FY13 <sup>R</sup>	FY14 <sup>P</sup>	FY13 <sup>R</sup>	FY14 <sup>P</sup> over FY13 <sup>R</sup>	FY14 <sup>P</sup>	FY13 <sup>R</sup>	FY14 <sup>P</sup> over FY13 <sup>R</sup>		
Cotton <sup>1</sup>	15.1	12.8	13.0	↓ -2.0	2.8	2.9	↓ -2.5	774	769	↑ 0.5		
Sugarcane	65.5	66.5	63.7	↑ 4.3	1.2	1.1	↑ 3.9	56,690	56,476	↑ 0.4		
Rice	6.8	6.8	5.5	↑ 22.8	2.8	2.3	↑ 20.8	2,437	2,398	↑ 1.6		
Wheat	25.8	25.3	24.2	↑ 4.4	9.0	8.7	↑ 4.4	2,797	2,796	↑ 0.1		

<sup>1</sup> Cotton production is stated in thousand bales of 375 lbs each.

<sup>P</sup>: Provisional; <sup>T</sup>: Target; <sup>R</sup>: Revised

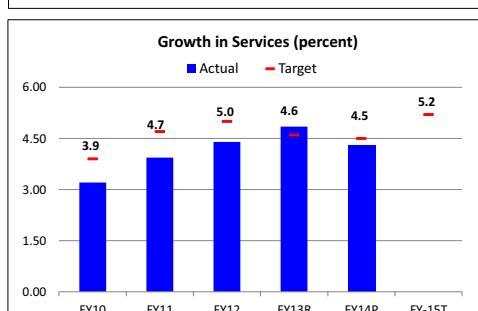
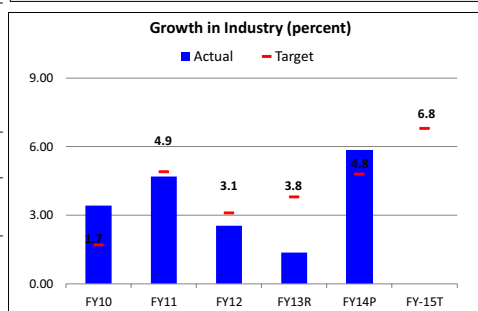
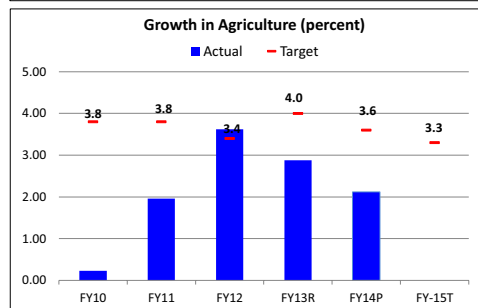
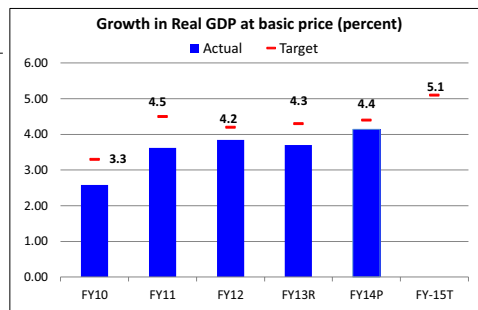
Sources: Pakistan Bureau of Statistics (PBS) and Planning Commission of Pakistan.



**Provisional estimates show Real GDP growth of 4.1 percent during FY14, which is lower than the target of 4.4 percent.**

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

	FY14 <sup>P</sup>			FY13 <sup>R</sup> Growth
	Growth	Shares	Contribution	
<b>Agriculture of which</b>	<b>2.1</b>	<b>21.0</b>	<b>0.5</b>	<b>2.9</b>
Important crops	3.7	5.4	0.2	1.2
Other crops	-3.5	2.5	-0.1	6.1
Livestock	2.9	11.8	0.3	3.5
<b>Industry of which</b>	<b>5.8</b>	<b>20.8</b>	<b>1.2</b>	<b>1.4</b>
Manufacturing	5.5	13.5	0.7	4.5
Large-scale <sup>1</sup>	5.3	10.9	0.6	4.1
Small-scale	8.4	1.7	0.1	8.3
Construction	11.3	2.4	0.3	-1.7
<b>Services of which</b>	<b>4.3</b>	<b>58.1</b>	<b>2.5</b>	<b>4.9</b>
Wholesale & retail trade	5.2	18.6	1.0	3.4
Transport Storage and Communications	3.0	13.0	0.4	2.9
Finance & insurance	5.2	3.1	0.2	9.0
General Government Services	2.2	7.0	0.2	11.3
<b>Real GDP (basic prices)</b>	<b>4.1</b>	<b>100.0</b>	<b>4.1</b>	<b>3.7</b>
<b>Real GDP (market prices)</b>	<b>5.4</b>	<b>104.8</b>	<b>5.6</b>	<b>4.4</b>
	<b>FY14<sup>P</sup></b>	<b>FY13<sup>R</sup></b>	<b>FY12</b>	
Real GDP (bp, billion Rs)	10,227	9,820	9,470	
Nominal GDP (mp, billion Rs)	25,402	22,489	20,047	
Nominal GDP (mp, billion US\$) <sup>2</sup>	247	232	225	



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

	FY14 <sup>P</sup>			FY13 <sup>R</sup> Growth
	Growth	Shares <sup>3</sup>	Contribution <sup>3</sup>	
<b>Consumption</b>	<b>6.8</b>	<b>89.8</b>	<b>5.8</b>	<b>3.4</b>
Private	5.9	78.1	4.5	2.5
Government	12.7	11.7	1.3	10.2
<b>Fixed capital formation</b>	<b>0.5</b>	<b>12.2</b>	<b>0.1</b>	<b>0.2</b>
Private	-1.6	9.1	-0.2	2.7
Public plus general government	7.3	3.1	0.2	-7.2
<b>Changes in stocks</b>	<b>5.4</b>	<b>1.6</b>	<b>0.1</b>	<b>4.4</b>
<b>Net exports of goods and nonfactor services</b>	<b>24.6</b>	<b>-3.6</b>	<b>-0.7</b>	<b>1.2</b>
Exports of goods and non-factor services	-1.4	11.4	-0.2	13.6
Imports of goods and non-factor services	3.7	15.0	0.6	1.6
<b>GDP (market prices)</b>	<b>5.4</b>	<b>100.0</b>	<b>5.4</b>	<b>4.4</b>
Indirect Taxes	15.7	5.6	0.8	-2.7
Subsidies	-35.3	1.1	-0.6	-34.7
<b>GDP (basic prices)</b>	<b>4.1</b>	<b>95.5</b>	<b>-</b>	<b>3.7</b>
<b>Total domestic demand<sup>4</sup></b>	<b>6.0</b>	<b>103.6</b>	<b>6.0</b>	<b>3.0</b>

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

<sup>1</sup> For FY14, LSM data pertains to July-Jun; <sup>2</sup> GDP in dollar terms is calculated using average exchange rate during the year.

<sup>3</sup> Shares and contributions in GDP growth are based on real GDP(mp).

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

Source: Pakistan Bureau of Statistics; <sup>R</sup>: Revised; <sup>P</sup>: 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.



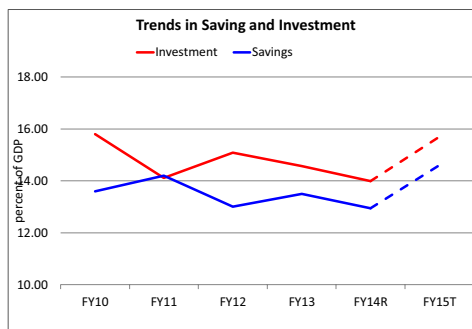
## Saving and Investment

*Both savings and investments declined in FY14, however, saving-investment gap remained same.*

**Saving and Investment** (at current market prices-2005-2006)

as percent of GDP

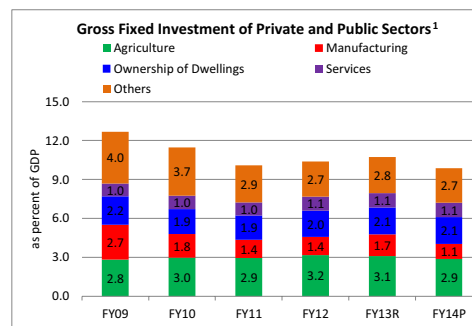
	FY15	Actual	
	Target	FY14 <sup>P</sup>	FY13 <sup>R</sup>
<b>A. Investment</b>	<b>15.7</b>	<b>14.0</b>	<b>14.6</b>
Gross fixed investment	14.1	12.4	13.0
Private sector	10.3	8.9	9.6
Public including general public	3.8	3.5	3.3
Change in capital stocks	1.6	1.6	1.6
<b>B. National savings</b>	<b>14.6</b>	<b>12.9</b>	<b>13.5</b>
<b>C. Domestic savings</b>	<b>-</b>	<b>7.5</b>	<b>8.3</b>
<b>Saving investment gap (B - A)</b>	<b>-1.1</b>	<b>-1.1</b>	<b>-1.1</b>



*Gross fixed investment in the Manufacturing sector as percent of GDP has declined in FY14.*

**Gross Fixed Investment of Private and Public Sectors<sup>1</sup> at Current Market prices**

	FY14 <sup>P</sup>		FY13 <sup>R</sup>
	As percent of GDP	Percent share in total	As percent of GDP
Agriculture	2.9	29.1	3.1
Mining and quarrying	0.3	2.9	0.2
Manufacturing	1.1	11.6	1.7
Construction	0.2	1.8	0.1
Electricity and gas	0.5	5.1	0.6
Transport and communication	1.2	12.7	1.4
Wholesale and retail trade	0.3	2.9	0.3
Finance and insurance	0.2	1.6	0.2
Ownership of dwellings	2.1	20.9	2.1
Services	1.1	11.2	1.1
<b>Total</b>	<b>9.9</b>	<b>100.0</b>	<b>10.7</b>



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

<sup>P</sup>: Provisional; <sup>R</sup>: Revised;

Source: Pakistan Bureau of Statistics and Planning Commission of Pakistan, Ministry of Finance, Economic Survey 2013-14



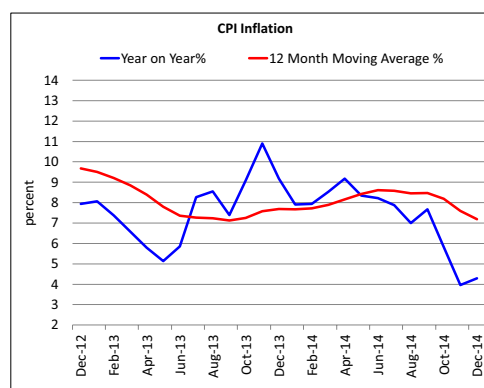
## Inflation

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

**Headline CPI inflation (YoY) has increased to 4.3 percent in December 2014 from 4.0 percent in the previous month.**

### Consumer Price Index (CPI) (percent change)

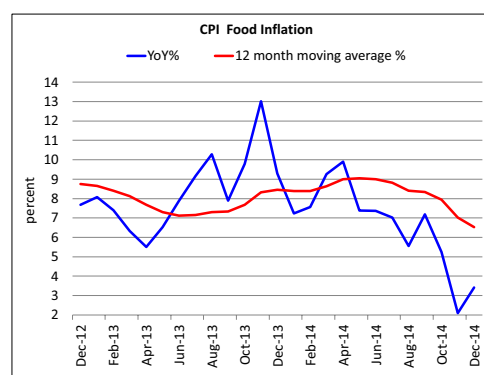
	MoM <sup>1</sup>	MoM SA <sup>2</sup>	YoY <sup>3</sup>	12M moving average <sup>4</sup>
Dec-13	-1.3	-0.1	9.2	7.7
Jan-14	0.5	0.1	7.9	7.7
Feb-14	-0.3	0.4	7.9	7.7
Mar-14	1.0	0.7	8.5	7.9
Apr-14	1.7	1.0	9.2	8.2
May-14	-0.3	0.2	8.3	8.4
Jun-14	0.6	0.6	8.2	8.6
Jul-14	1.7	0.9	7.9	8.6
Aug-14	0.3	-0.1	7.0	8.4
Sep-14	0.4	0.4	7.7	8.5
Oct-14	0.2	0.2	5.8	8.2
Nov-14	-0.5	-0.3	4.0	7.6
Dec-14	-1.0	0.2	4.3	7.2
3-year average for Dec.	-0.7	0.5	7.1	



**CPI food inflation (YoY) has sharply increased to 3.4 percent in December 2014 from 2.1 percent in the previous month.**

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

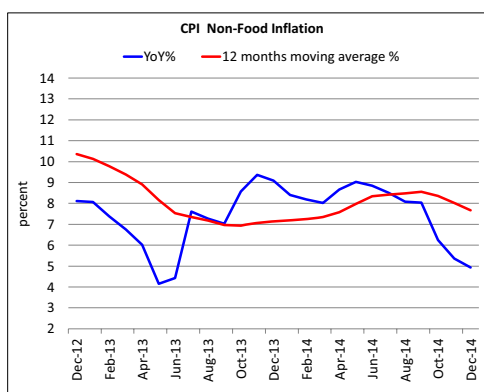
Dec-13	-3.3	-1.0	9.3	8.5
Jan-14	0.0	-0.4	7.2	8.4
Feb-14	-1.0	0.5	7.6	8.4
Mar-14	2.1	1.3	9.3	8.6
Apr-14	2.0	1.0	9.9	9.0
May-14	-1.2	-0.4	7.4	9.0
Jun-14	1.0	1.1	7.4	9.0
Jul-14	2.7	0.7	7.0	8.8
Aug-14	0.6	-0.3	5.6	8.4
Sep-14	0.0	0.0	7.2	8.3
Oct-14	-0.2	-0.1	5.2	7.9
Nov-14	-0.4	-0.3	2.1	7.0
Dec-14	-2.1	0.3	3.4	6.5
3-year average for Dec.	-1.8	0.6	6.8	



**CPI non-food inflation (YoY) has decreased to 4.9 percent in December 2014 from 5.4 percent in the previous month.**

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

Dec-13	0.2	0.5	9.1	7.1
Jan-14	0.9	0.5	8.4	7.2
Feb-14	0.2	0.4	8.2	7.2
Mar-14	0.2	0.3	8.0	7.4
Apr-14	1.5	1.0	8.7	7.6
May-14	0.4	0.7	9.0	8.0
Jun-14	0.3	0.3	8.9	8.3
Jul-14	1.0	1.0	8.5	8.4
Aug-14	0.2	0.0	8.1	8.5
Sep-14	0.6	0.7	8.0	8.6
Oct-14	0.5	0.3	6.2	8.4
Nov-14	-0.6	-0.4	5.4	8.0
Dec-14	-0.2	0.1	4.9	7.7
3-year average for Dec.	0.1	0.4	7.4	



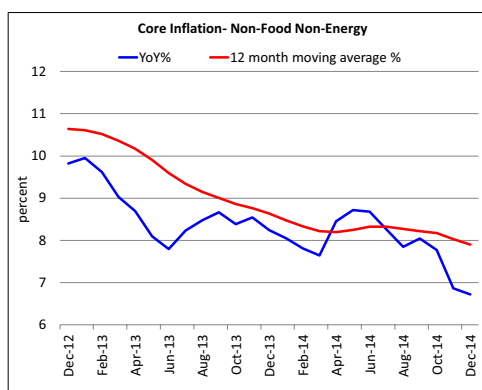
Source: Pakistan Bureau of Statistics, Statistics and Data Warehouse Department (S&DWD), SBP.

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



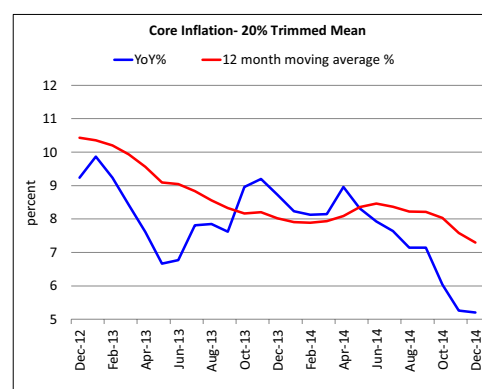
**The non-food non-energy (NFNE) core inflation (YoY) has decreased to 6.7 percent in December 2014 from 6.9 percent in the previous month.**

	Core Inflation - Non-food non-energy (53.52% weight in basket) (percent)		
	MoM	YoY	12M moving average
Dec-13	0.2	8.2	8.6
Jan-14	1.0	8.1	8.5
Feb-14	0.2	7.8	8.3
Mar-14	0.3	7.6	8.2
Apr-14	1.9	8.5	8.2
May-14	0.5	8.7	8.3
Jun-14	0.4	8.7	8.3
Jul-14	1.1	8.3	8.3
Aug-14	0.2	7.8	8.3
Sep-14	0.7	8.0	8.2
Oct-14	0.6	7.8	8.2
Nov-14	-0.5	6.9	8.0
Dec-14	0.1	6.7	7.9
<b>3-year average for Dec.</b>	<b>0.3</b>	<b>8.3</b>	



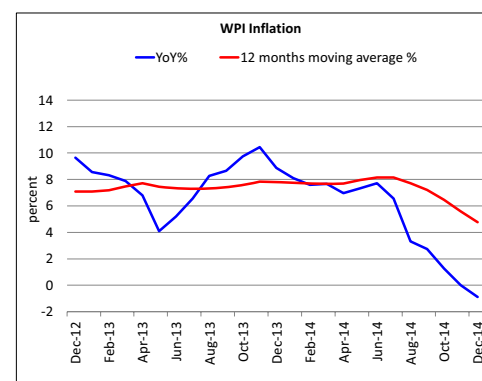
**The 20 percent trimmed mean measure of core inflation (YoY) has decreased to 5.2 percent in December 2014 from 5.3 percent in the previous month.**

	Core - 20% Trimmed (percent change)		
	MoM	YoY	12M moving average
Dec-13	0.4	8.7	8.0
Jan-14	0.6	8.2	7.9
Feb-14	0.2	8.1	7.9
Mar-14	0.3	8.1	7.9
Apr-14	0.9	9.0	8.1
May-14	0.3	8.3	8.4
Jun-14	0.3	7.9	8.5
Jul-14	0.8	7.6	8.4
Aug-14	0.2	7.1	8.2
Sep-14	0.2	7.1	8.2
Oct-14	0.4	6.0	8.0
Nov-14	0.1	5.3	7.6
Dec-14	0.0	5.2	7.3
<b>3-year average for Dec.</b>	<b>0.2</b>	<b>7.7</b>	



**The WPI inflation (YoY) has decreased to -0.9 percent in December 2014 from 0.02 percent in November 2014.**

	Wholesale Price Index (WPI) (percent change)		
	MoM	MoM SA	YoY
Dec-13	-1.0	0.2	8.9
Jan-14	0.5	-0.1	8.1
Feb-14	-0.1	0.0	7.6
Mar-14	0.3	-0.1	7.7
Apr-14	0.1	-0.3	7.0
May-14	-0.1	0.3	7.3
Jun-14	1.4	0.7	7.7
Jul-14	0.5	0.4	6.6
Aug-14	-0.5	-1.0	3.3
Sep-14	0.2	0.4	2.7
Oct-14	-0.3	-0.2	1.3
Nov-14	-1.0	-0.4	0.0
Dec-14	-1.9	-0.8	-0.9
<b>3-year average for Dec.</b>	<b>-0.8</b>	<b>0.4</b>	<b>5.9</b>



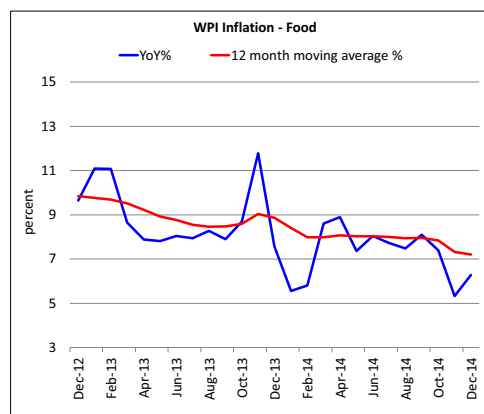
Source: Pakistan Bureau of Statistics, Statistics and Data Warehouse Department (S&DWD), SBP.



**WPI food inflation (YoY) has increased to 6.3 percent in December 2014 from 5.3 percent in November 2014.**

**WPI -Food (38.82% weight in basket) (percent change)**

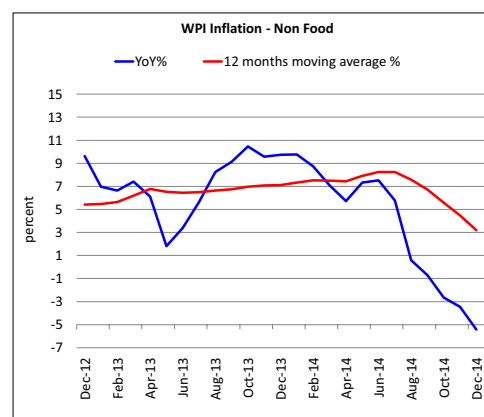
	MoM	MoM SA	YoY	12M moving average
Dec-13	-2.5	-0.8	7.6	8.9
Jan-14	-0.2	-0.3	5.6	8.4
Feb-14	-0.6	0.6	5.8	8.0
Mar-14	2.0	1.1	8.6	8.0
Apr-14	1.8	1.0	8.9	8.1
May-14	-0.3	0.1	7.4	8.0
Jun-14	2.4	1.2	8.0	8.0
Jul-14	2.0	1.0	7.7	8.0
Aug-14	0.8	0.3	7.5	7.9
Sep-14	0.5	0.5	8.1	8.0
Oct-14	0.3	0.5	7.4	7.8
Nov-14	-0.8	0.1	5.3	7.3
Dec-14	-1.7	0.1	6.3	7.2
3-year average for Dec.	<b>-1.0</b>	<b>0.8</b>	<b>7.8</b>	



**WPI non-food inflation (YoY) has further declined to -5.4 percent in December 2014 from -3.4 percent in November 2014.**

**WPI - Non Food (61.18% weight in basket) (percent change)**

	MoM	MoM SA	YoY	12M moving average
Dec-13	0.0	0.8	9.7	7.1
Jan-14	1.0	0.1	9.8	7.3
Feb-14	0.1	-0.3	8.7	7.5
Mar-14	-0.7	-0.9	7.1	7.5
Apr-14	-1.0	-1.1	5.7	7.4
May-14	0.1	0.4	7.3	7.9
Jun-14	0.7	0.4	7.5	8.2
Jul-14	-0.4	0.1	5.8	8.2
Aug-14	-1.3	-1.9	0.6	7.6
Sep-14	-0.1	0.4	-0.7	6.7
Oct-14	-0.7	-0.6	-2.7	5.6
Nov-14	-1.2	-0.8	-3.4	4.5
Dec-14	-2.0	-1.3	-5.4	3.2
3-year average for Dec.	<b>-0.7</b>	<b>0.1</b>	<b>4.6</b>	

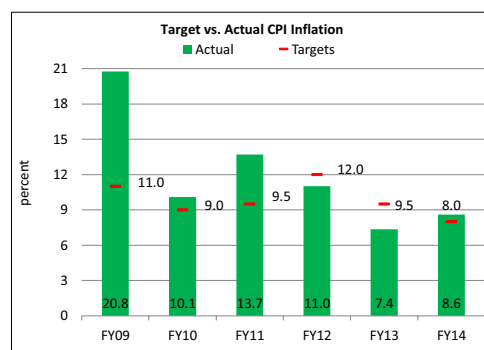


**Average CPI inflation is recorded at 6.1 percent in Jul-Dec FY15 compared to 8.9 percent in Jul-Dec FY14.**

**Average CPI and WPI Inflation (percent change)**

	CPI			WPI
	Headline	Food	Non Food	
FY-14	8.6	9.0	8.3	8.2
Jul-Dec FY-14	8.9	9.9	8.2	8.8
Jul-Dec FY-15	6.1	5.1	6.8	2.1

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 observed in December 2014 was mainly due to increase in food inflation.

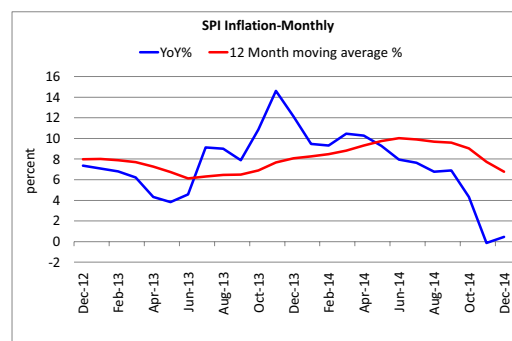
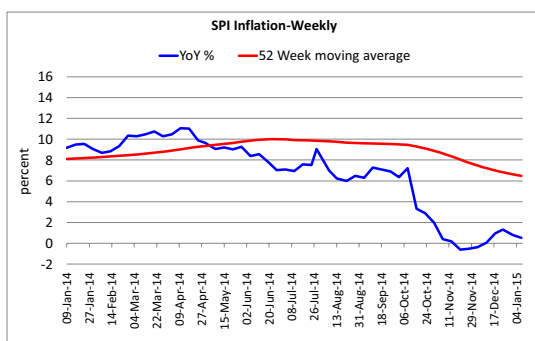
### Group-Wise CPI Inflation

Groups	Weights	Dec-14			Nov-14		
		MoM	YoY	12m MA <sup>1</sup>	MoM	YoY	12m MA <sup>1</sup>
<b>I. Food group</b>	<b>37.5</b>	<b>-2.1</b>	<b>3.4</b>	<b>6.5</b>	<b>-0.4</b>	<b>2.1</b>	<b>7.0</b>
Food and non-alcoholic beverages	34.8	-2.3	2.5	5.8	-0.5	1.1	6.3
Alcoholic beverages and tobacco	1.4	0.0	20.7	20.7	0.0	22.2	20.3
Restaurant & hotels	1.2	0.7	7.2	11.1	0.0	7.5	11.6
<b>II. Non-food group</b>	<b>62.5</b>	<b>-0.2</b>	<b>4.9</b>	<b>7.7</b>	<b>-0.6</b>	<b>5.4</b>	<b>8.0</b>
Clothing and footwear	7.6	0.4	8.8	10.2	0.9	8.5	10.5
Housing, water, electricity, gas fuels	29.4	0.0	5.8	8.4	0.4	5.9	8.7
Furnishing & household equipment maintenance etc.	4.2	0.3	6.6	8.6	0.4	7.3	8.8
Health	2.2	0.5	5.7	6.6	0.2	5.8	6.6
Transport	7.2	-2.8	-6.0	3.0	-7.0	-3.3	4.3
Communication	3.2	0.1	0.3	0.5	0.1	0.2	0.9
Recreation and culture	2.0	0.0	3.5	6.0	0.1	3.8	6.5
Education	3.9	0.0	14.3	13.5	0.0	14.6	13.1
Miscellaneous	2.8	0.2	4.9	5.8	0.0	5.1	5.8
<b>Overall</b>	<b>100</b>	<b>-1.0</b>	<b>4.3</b>	<b>7.2</b>	<b>-0.5</b>	<b>4.0</b>	<b>7.6</b>

SPI inflation decreased by 0.4 percent during the 2nd week of January 2015.

### Sensitive Price Indicator (SPI) (percent change)

Income groups	18-Dec-14	24-Dec-14	1-Jan-15	8-Jan-15	Dec-14		
	WoW <sup>2</sup>				MoM	YoY	12m MA <sup>1</sup>
<b>Up to Rs 8000</b>	0.04	0.03	-0.20	-0.26	-1.5	0.8	5.6
<b>Rs 8001-12000</b>	0.12	0.08	-0.20	-0.32	-1.4	1.0	5.4
<b>Rs 12001-18000</b>	0.17	0.11	-0.22	-0.35	-1.2	0.8	7.1
<b>Rs 18001-35000</b>	0.23	0.14	-0.27	-0.37	-1.2	0.6	7.4
<b>Above Rs 35000</b>	0.29	0.17	-0.48	-0.37	-1.2	0.0	6.8
<b>All</b>	<b>0.22</b>	<b>0.13</b>	<b>-0.33</b>	<b>-0.35</b>	<b>-1.3</b>	<b>0.5</b>	<b>6.8</b>



<sup>1</sup> Twelve month moving average inflation <sup>2</sup> WoW: Week on Week.  
Sources: Pakistan Bureau of Statistics

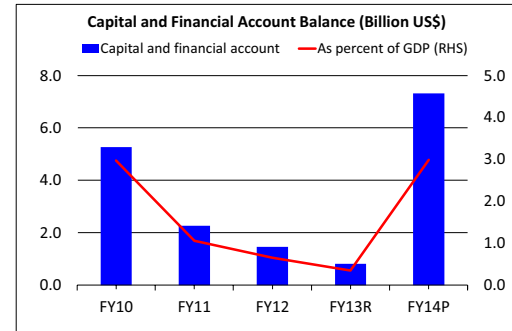
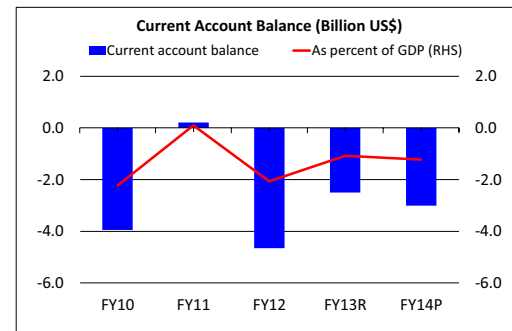
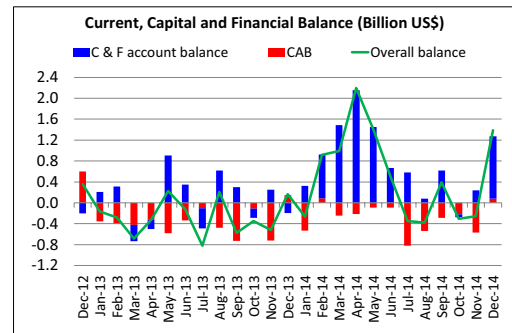


## Balance of Payments

**External current account balance witnessed a deficit of US\$ 2.36 billion during Jul-Dec FY15, compared to a deficit of US\$ 2.00 billion in the same period last year.**

### Balance of Payments Summary (million US\$)

Items	Jul-Dec		FY14	FY13
	FY15	FY14		
<b>A) Current account balance (CAB)</b>	<b>-2,362</b>	<b>-2,001</b>	<b>-3,096</b>	<b>-2,496</b>
Trade balance	-9,805	-8,701	-16,666	-15,431
Exports	12,220	12,461	25,065	24,795
Imports	22,025	21,162	41,731	40,226
Services (net); of which	-1,163	-1,450	-2,545	-1,472
CSF	735	322	1,050	1,806
Income (net)	-2,312	-2,004	-3,943	-3,685
Current transfers (net); of which	10,918	10,154	20,058	18,092
Remittances	8,982	7,792	15,837	13,922
<b>B) Capital and financial (C&amp;F) account balance ; of which</b>	<b>2,654</b>	<b>408</b>	<b>7,317</b>	<b>813</b>
Foreign direct investment (net) <sup>1</sup>	479	384	1,541	1,258
Foreign portfolio investment (net)	1,183	103	2,760	26
Other investment assets	200	60	211	-314
Other investment liabilities	540	-302	945	-421
Of which : General government	252	-30	1,545	248
of which: Disbursements	1,889	1,338	4,284	2,530
Amortization	1,637	1,368	2,734	2,282
<b>C) Net Errors and omissions</b>	<b>193</b>	<b>-303</b>	<b>-363</b>	<b>-309</b>
<b>Overall balance (A+B+C)</b>	<b>485</b>	<b>-1,896</b>	<b>3,858</b>	<b>-1,992</b>
<b>SBP gross reserves<sup>2</sup></b>	<b>11,944</b>	<b>4,862</b>	<b>10,509</b>	<b>7,197</b>
<b>SBP net liquid reserves<sup>3</sup></b>	<b>10,514</b>	<b>3,480</b>	<b>9,097</b>	<b>6,007</b>
<b>As percent of GDP<sup>4</sup></b>				
<b>Current account balance; of which</b>			<b>-1.3</b>	<b>-1.1</b>
Exports			10.2	10.7
Imports			16.9	17.3
<b>Capital and financial inflows; of which</b>			<b>3.0</b>	<b>0.3</b>
FDI			0.6	0.5



<sup>1</sup> Net FDI equals direct investment by foreigners in Pakistan less direct investment made by Pakistanis abroad.

<sup>2</sup> 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. <sup>3</sup> SBP reserves without CRR and foreign currency cash holding of SBP.

<sup>4</sup> For FY13 revised and for FY14, provisional GDP has been used and average exchange rate has been used to calculate GDP in US\$.

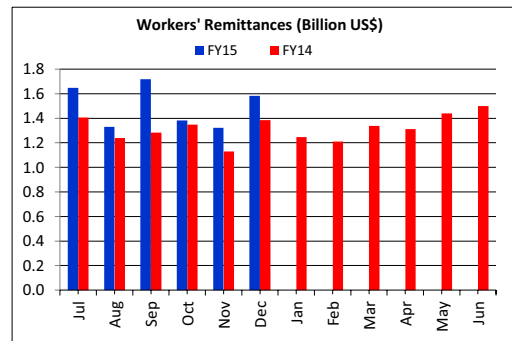
**Workers' remittances registered a growth of 15.3 percent during Jul-Dec FY15.**

### Workers' Remittances<sup>5</sup> (million US\$)

Share (in percent) is calculated as a ratio of cumulative flow of a group (item) to	Jul-Dec		FY-14	YoY growth in Jul-Dec FY15
	FY-15	FY14		
<b>Total inflows</b>	<b>8,982</b>	<b>7,792</b>	<b>15,838</b>	<b>15.3</b>
USA	1,307	1,249	2,468	4.6
UK	1,170	1,140	2,180	2.6
Saudi Arabia	2,650	2,204	4,729	20.2
UAE	1,974	1,572	3,110	25.5
Other GCC <sup>6</sup>	1,038	898	1,860	15.6
All others	844	729	1,491	15.7

<sup>5</sup> Only cash, <sup>6</sup> Kuwait, Qatar, Bahrain and Oman.

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



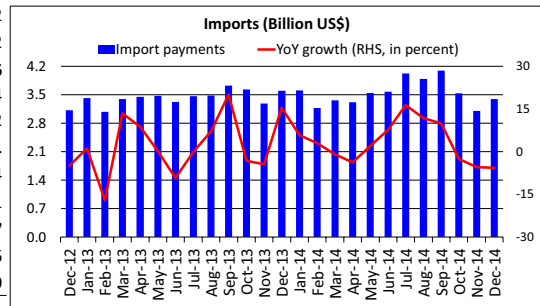
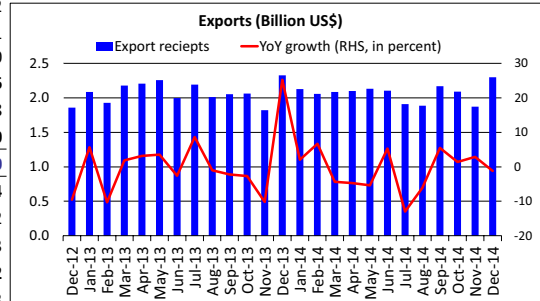
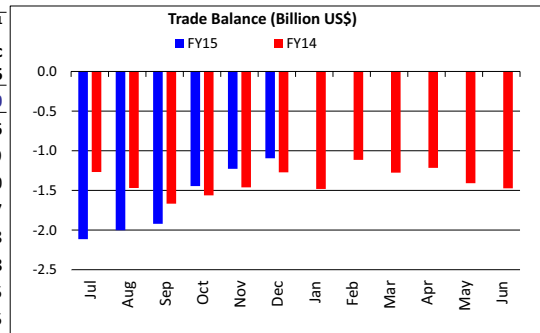


## Trade and Foreign Investment

**Trade Balance witnessed a deficit of US\$ 9.81 billion during Jul-Dec FY15, compared to a deficit of US\$ 8.70 billion in the same period last year.**

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

	Jul-Dec		FY14	Shares <sup>1</sup> Jul-Dec FY15
	FY15	FY14		
<b>Exports</b>	<b>12,220</b>	<b>12,461</b>	<b>25,065</b>	<b>100</b>
<b>Textile group</b>	<b>6,799</b>	<b>6,878</b>	<b>13,659</b>	<b>56</b>
Knitwear, bed wear	2,294	2,096	4,256	19
Cotton cloth	1,265	1,413	2,734	10
Cotton Yarn	874	1,127	2,053	7
Readymade garments	995	869	1,834	8
<b>Other manufactures group</b>	<b>2,247</b>	<b>2,186</b>	<b>4,479</b>	<b>18</b>
Chemical and pharma	626	531	1,138	5
Leather items <sup>2</sup>	556	529	1,084	5
Cement	228	255	487	2
Engineering goods	126	159	317	1
Jewellery	6	50	61	0
<b>Food group</b>	<b>1,954</b>	<b>1,841</b>	<b>4,241</b>	<b>16</b>
Rice	941	892	2,108	8
<b>All others</b>	<b>1,219</b>	<b>1,555</b>	<b>2,687</b>	<b>10</b>
<b>Imports</b>	<b>22,025</b>	<b>21,162</b>	<b>41,731</b>	<b>100</b>
<b>Petroleum group</b>	<b>7,588</b>	<b>7,751</b>	<b>14,774</b>	<b>34</b>
Petroleum products	4,832	4,983	9,020	22
Petroleum crude	2,756	2,768	5,755	13
<b>Machinery group</b>	<b>2,698</b>	<b>2,546</b>	<b>5,053</b>	<b>12</b>
Telecom	639	662	1,217	3
Electrical machinery	409	380	722	2
Power machinery	343	326	675	2
<b>Agriculture &amp; other chemicals group</b>	<b>3,458</b>	<b>3,457</b>	<b>6,862</b>	<b>16</b>
Plastic materials	909	805	1,680	4
Fertilizer manufactured	370	428	694	2
<b>Food group</b>	<b>2,482</b>	<b>2,129</b>	<b>4,147</b>	<b>11</b>
Palm oil	938	979	1,922	4
Tea	158	141	301	1
<b>Metal group</b>	<b>1,606</b>	<b>1,307</b>	<b>2,700</b>	<b>7</b>
Iron steel (IS) and IS scrap	1,331	1,047	2,142	6
<b>All others</b>	<b>4,193</b>	<b>3,971</b>	<b>8,195</b>	<b>19</b>
<b>Trade Balance</b>	<b>-9,805</b>	<b>-8,701</b>	<b>-16,666</b>	



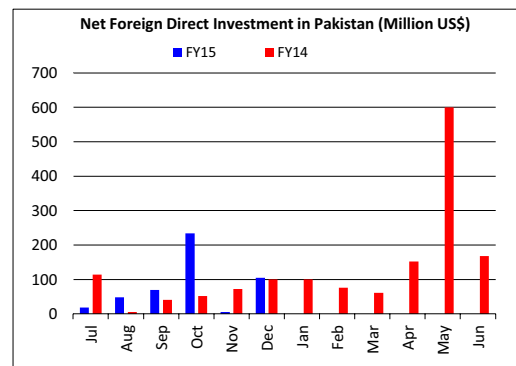
<sup>1</sup> Share (in percent) is calculated as a ratio of cumulative flow of a group (item) to cumulative flow of total exports/imports during Jul-Dec FY15.

<sup>2</sup> Includes tanned and manufactured leather.

**Net FDI inflows registered an increase of 18.9 percent during Jul-Dec FY15.**

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

	Jul-Dec		FY14	YoY growth in Jul-Dec FY15
	FY15	FY14		
<b>Net inflows: Of which</b>	<b>529</b>	<b>445</b>	<b>1,668</b>	<b>18.9</b>
<b>Selected Countries</b>				
USA	125	147	212	-15.1
UAE	103	-46	-78	322.7
UK	63	81	157	-21.9
China	148	-14.7	696	1,104.9
<b>Selected Sectors</b>				
Communication	82	-185	434	144.3
Financial businesses	97	82	162	19.1
Oil and gas exploration	159	230	502	-31.2
Power	52	17	71	211.9
Trade	27	-1	-3	1,957.3
<b>Memorandum Item:</b>				
<b>Net overall FDI<sup>3</sup></b>	<b>479</b>	<b>384</b>	<b>1,541</b>	



<sup>3</sup> 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.

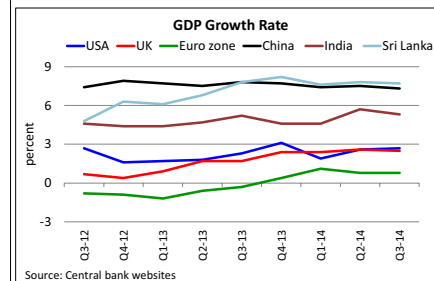
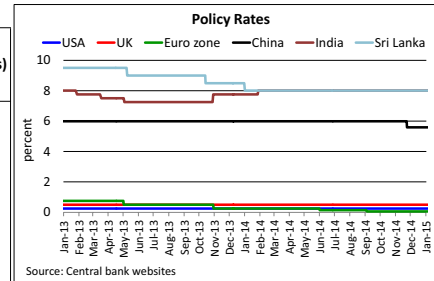


## Global Economy

*Most Central Banks kept policy rates unchanged in January 2015 except India so far.*

### 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	0.05	Sep 04 2014	0.15	-10
Japan	0.10	Oct 05 2010	0.10	0
Canada	1.25	Sept 08 2010	1.00	25
Australia	2.50	Aug 06 2013	2.75	-25
China	5.60	Nov 24 2014	6.00	-40
India	7.75	Jan 14 2015	8.00	-25
Sri Lanka	8.00	Jan 01 2014	8.50	-50
Malaysia	3.25	July 10 2014	3.00	25
Indonesia	7.75	Nov 18 2014	7.50	25
Thailand	2.00	Mar 12 2014	2.25	-25



*Real GDP growth in most of the countries has improved in Q3-CY14 as compared to Q2-CY14.*

### Key Macroeconomic Indicators

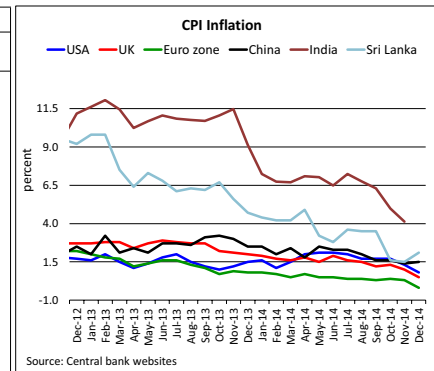
	Inflation (YoY) <sup>1</sup> Dec-14	GDP growth <sup>2</sup> Q3-2014	Current account balance <sup>3</sup>		Reserves <sup>5</sup> (billion US\$) Nov-14	Lending rates <sup>6</sup>		
			Fiscal balance <sup>3</sup>	as a percent of GDP <sup>4</sup>		Nominal	Real	
USA	0.8	2.7	-2.3	-2.8	42.8	3.3	2.0	
UK	0.5	2.5	-4.8	-5.1	76.8	0.5	-0.5	
Euro zone	-0.2	0.8	2.4	-2.5	225.7	7.5	7.2	
Japan	2.4	-1.3	0.3	-8.2	1208.1	1.2	-1.7	
Australia	2.3	2.7	-3.1	-2.6	42.9	6.0	3.7	
China	1.5	7.3	2.4	-3.0	3887.7	6.0	4.4	
India	4.1	5.3	-2.0	-4.3	290.4	10.3	6.2	
Sri Lanka	2.1	7.7	-	-	7.8	8.0	5.2	
South Korea	0.8	3.2	5.7	0.6	352.8	4.1	3.0	
Malaysia	3.0	5.6	5.7	-3.6	121.5	4.7	1.9	
Indonesia	8.4	5.0	-2.8	-2.3	105.4	12.8	8.0	
Thailand	0.6	0.6	2.6	-2.2	150.6	6.8	5.5	

<sup>1</sup> Values of Australia pertains to September 2014 and values of Japan, India and Malaysia pertains to November 2014 ; <sup>2</sup> Annualized growth, measured as a percentage change over the same quarter of previous year. Value of all countries pertains to Q3 of 2014 except China that pertains to Q4 of 2014 ; <sup>3</sup> Latest 12 months; <sup>4</sup> The Economist, Economic and Financial indicators, January 10, 2015; <sup>5</sup> IMF (IFS) Reserve position data pertains to November 2014 except for China & Sri Lanka pertains to September 2014 and India pertains to October 2014 ; <sup>6</sup> IMF (IFS) data pertains to November 2014 except for Euro Zone & South Korea values pertains to September 2014 and values of Japan, China, Malaysia & Indonesia pertains to October 2014 and Sri Lanka value pertains to June 2014.

*IMF's world output growth projections for 2015 is 3.5 percent in January 2015.*

### World Economic Outlook - Real GDP Growth

	2014 (IMF estimates)	2015 Projections		
		IMF <sup>1</sup>	World Bank <sup>2</sup>	OECD <sup>3</sup>
<b>World output</b>	<b>3.3</b>	<b>3.5</b>	<b>3.0</b>	-
<b>Advanced<sup>4</sup></b>	<b>1.8</b>	<b>2.4</b>	<b>2.2</b>	-
US	2.4	3.6	3.2	3.1
Euro area	0.8	1.2	1.1	1.1
Japan	0.1	0.6	1.2	0.8
UK	2.6	2.7	2.9	2.7
<b>Emerging &amp; Developing</b>	<b>4.4</b>	<b>4.3</b>	<b>4.8</b>	-
Russia	0.6	-3.0	-2.9	0.0
China	7.4	6.8	7.1	7.1
India	5.8	6.3	6.4	6.4
ASEAN-5	4.5	5.2	-	-



Sources: Bloomberg, World Bank, IMF, OECD, The Economist, World Economic Outlook, and Central Bank Websites. <sup>1</sup> IMF Projections of January 2015,

<sup>2</sup> World Bank Projection of January 2015, <sup>3</sup> OECD Projections of November 2014. <sup>4</sup> World Bank projections are for "high income" countries.

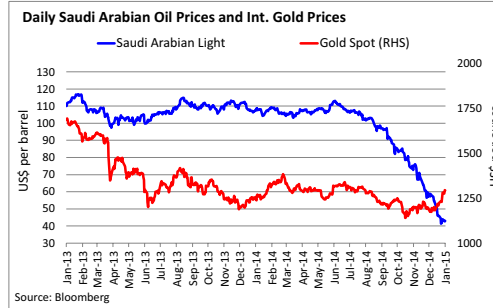
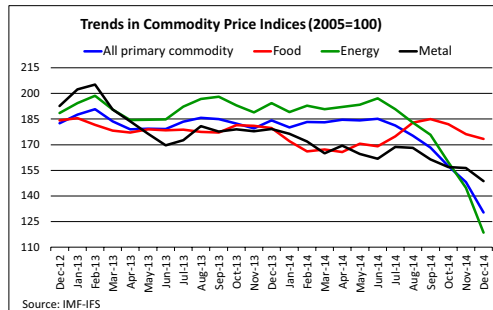


All commodity price index by IMF has registered a decline of 12.0 percent during December 2014.

### World Commodity Price Indices (2005=100)

	Dec-14	Percent change since	
		Nov-14	End June - 14
All commodity price index	130.4	↓ -12.0	↓ -29.6
Food price index	159.6	↓ -0.4	↓ -9.4
Energy index	118.6	↓ -18.1	↓ -39.9
Non fuel price index	150.6	↓ -2.2	↓ -8.5
Metal price index	148.7	↓ -4.9	↓ -8.1
Crude oil price (\$/bbl)	61.3	↓ -19.2	↓ -44.1
Cotton spot (US cents/ pound)	63.1	↓ -0.5	↓ -23.7
Palm oil (\$/m. ton)	624.5	↓ -5.7	↓ -17.7
Soya bean Oil (\$/m. ton)	705.6	↓ -2.2	↓ -19.0
Wheat (\$/m. ton)	269.6	↑ 4.2	↓ -12.0
Gold spot (\$/Oz)	1198.6	↑ 1.8	↓ -6.5
Sugar (US cents/pound)	24.8	↑ 0.8	↓ -4.4

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

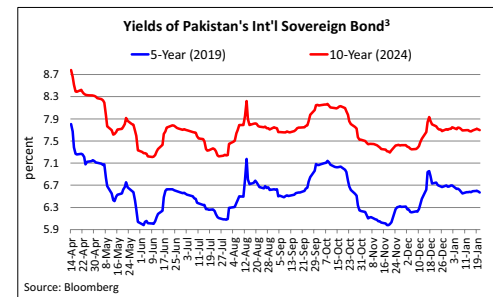
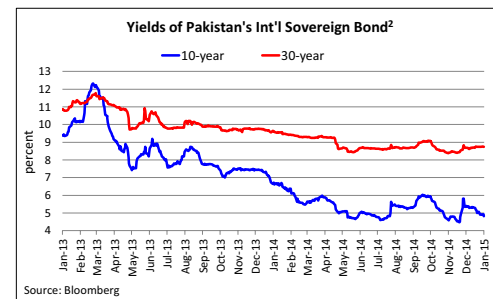
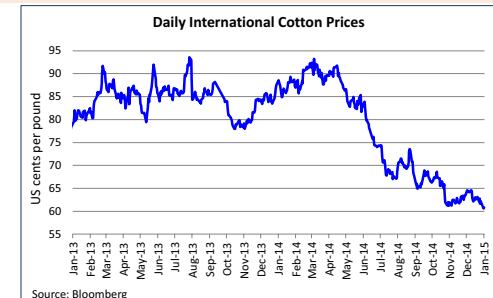


Major stock price indices have shown decreasing trends during January 2015 so far as compared to previous month.

### Capital Market Indices

	Jan-15	Percent change since	
		Dec-14	End June - 14
US (DJIA)	17578.4	↓ -1.0	↑ 4.4
DJ EURO STOXX	3127.0	↓ -1.0	↓ -4.5
UK (FTSE 100)	6516.9	↓ -0.4	↓ -4.3
Japan (Nikkei 225)	17088.3	↓ -2.6	↑ 13.1
China (SSEA)	3439.3	↑ 9.6	↑ 61.4
France (CAC 40)	4269.2	↑ 0.2	↓ -5.6
Germany (DAX)	9875.1	↑ 0.6	↓ -0.5
India (BSE)	27757.2	↑ 0.4	↑ 10.1
World dev'd (MSCI)	1680.0	↓ -1.9	↓ -3.1
Emerging Markets (MSCI)	954.7	↓ -0.1	↓ -8.7
World all (MSCI)	410.6	↓ -1.7	↓ -3.7

<sup>1</sup> Updated till January 21, 2015



<sup>2</sup> 30 Yr Bond = \$300 M (Coupon rate = 7.875%): Issued - Mar 24, 2006; Maturity -Mar 23, 2036  
<sup>10</sup> Yr Bond = \$500 M (Coupon rate = 7.125%): Issued - Mar 24, 2006; Maturity - Mar 23, 2016  
<sup>3</sup> 10 Yr Bond = \$1000 M (Coupon rate = 8.25%): Issued - April 8, 2014; Maturity - April 15, 2024  
<sup>5</sup> Yr Bond = \$1000 M (Coupon rate = 7.25%): Issued - April 8, 2014; Maturity - April 15, 2019

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

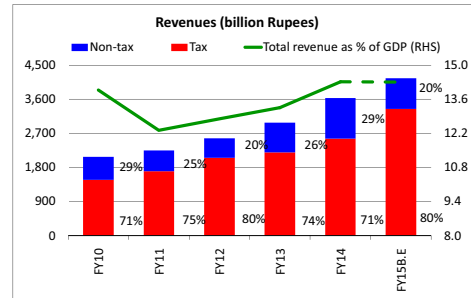


## Revenues, Expenditures and Fiscal Balances

**Fiscal deficit was recorded at 1.2 percent of GDP during Q1-FY15 compared to 1.1 percent in Q1-FY14.**

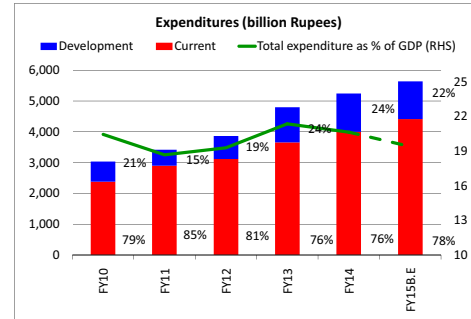
### Revenues (billion Rs)

	FY15 BE <sup>1</sup>	Jul-Sep		FY14
		FY15	FY14	
<b>Total revenues</b>	<b>4,216</b>	<b>840</b>	<b>830</b>	<b>3,637</b>
Tax revenue	3,344	627	537	2,565
<i>Growth (YoY) %</i>	30.4	16.7	19.0	16.6
<i>of which: FBR revenues</i>	2,810	538	469	2,266
<b>Non-tax revenues</b>	<b>816</b>	<b>213</b>	<b>293</b>	<b>1,073</b>
<i>Growth (YoY) %</i>	-23.9	-27.3	21.5	37.0



### Expenditures (billion Rs)

	FY15 BE <sup>1</sup>	Jul-Sep		FY14
		FY15	FY14	
<b>Total expenditures</b>	<b>5,638</b>	<b>1,177</b>	<b>1,117</b>	<b>5,026</b>
Current	4,417	1,050	868	4,005
<i>Growth (YoY) %</i>	10.3	20.9	6.9	9.4
<i>of which: Interest payments</i>	1,325	394	301	1,148
Defence	700	165	146	623
Development Expenditure	1,221	120	170	1,237
<i>Growth (YoY) %</i>	-1.2	-29.4	127.3	8.5
Unidentified Expenditure <sup>2</sup>	-	6	78	-215



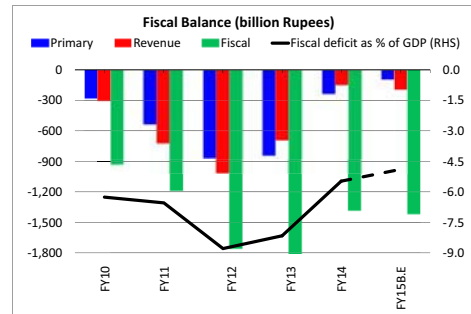
### Overall Balance (billion Rs)

	FY15 BE <sup>1</sup>	Jul-Sep		FY14
		FY15	FY14	
Fiscal balance <sup>3</sup>	-1,422	-337	-287	-1,389
Revenue balance <sup>4</sup>	-201	-210	-39	-367
Primary balance <sup>5</sup>	-97	58	14	-241
<i>As percent of GDP<sup>6</sup></i>				
Fiscal balance	-4.9	-1.2	-1.1	-5.5
Revenue balance	-0.7	-0.7	-0.2	-1.4
Primary balance	-0.3	0.2	0.1	-0.9

**During Q1-FY15, fiscal deficit was entirely financed through borrowings from domestic sources.**

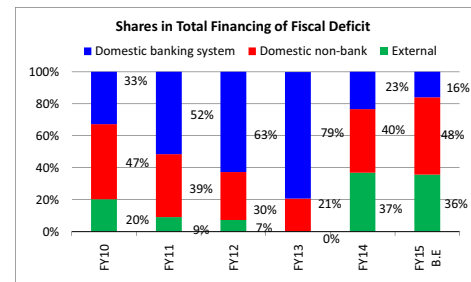
### Financing of Fiscal Deficit (billion Rs)

	FY15 BE <sup>1</sup>	Jul-Sep		FY14
		FY15	FY14	
<b>Financing</b>	<b>1,422</b>	<b>337</b>	<b>287</b>	<b>1,389</b>
1. External: <i>of which</i>	508	-13	-27	512
Privatization proceeds	198	-	-	-
2. Domestic: <i>of which</i>	914	350	314	877
Non-bank	686	210	116	553
Banking system: <i>of which</i>	228	140	198	324
Schedule banks	228	179	-155	160
SBP	0	-39	353	164



### FBR Tax Collection<sup>7</sup> (billion Rs)

	Direct	Sales	Customs	FED <sup>8</sup>	Total taxes
Q1	137	190	51	22	400
Q2	195	202	57	30	484
Q3	160	202	62	27	452
Q4	244	247	69	41	601
<b>FY13</b>	<b>736</b>	<b>841</b>	<b>240</b>	<b>119</b>	<b>1,936</b>
Q1	161	231	53	24	469
Q2	221	250	57	34	563
Q3	217	235	59	32	543
Q4	285	285	72	49	692
<b>FY14<sup>P</sup></b>	<b>884</b>	<b>1,002</b>	<b>241</b>	<b>139</b>	<b>2,266</b>
<b>Q1 - FY15<sup>P</sup></b>	<b>190</b>	<b>259</b>	<b>65</b>	<b>25</b>	<b>538</b>



<sup>1</sup> Budget Estimates; Estimated from Budget in Brief 2014-15, MoF; <sup>2</sup> In Fiscal Accounts, these expenditures are named as 'Statistical Discrepancy'; <sup>3</sup> Fiscal balance = total revenue - total expenditure; <sup>4</sup> Revenue balance = total revenue - current expenditure; <sup>5</sup> Primary balance = total revenue - total expenditure + interest payment; <sup>6</sup> GDP(mp) on new basis (2005-2006) has been used to calculate deficit to GDP ratios; <sup>7</sup> as reported in fiscal accounts; <sup>8</sup> 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. 469 billion during Jul-Nov FY15.*

### Debt by Owner - end period stocks (billion Rs)

	Nov-14 <sup>P</sup>	Jun-14 <sup>P</sup>	Change since Jun-14
<b>1. Bank</b>	<b>6,935</b>	<b>6,781</b>	<b>154</b>
Commercial banks	4,332	3,925	407
SBP	2,602	2,855	-253
<b>2. Non-bank</b>	<b>4,437</b>	<b>4,122</b>	<b>315</b>
National saving schemes (NSS)	2,843	2,670	173
Others	1,594	1,452	142
<b>3. Foreign currency instruments<sup>1</sup></b>	<b>5</b>	<b>4</b>	<b>0</b>
<b>Total(1+2+3)</b>	<b>11,376</b>	<b>10,907</b>	<b>469</b>

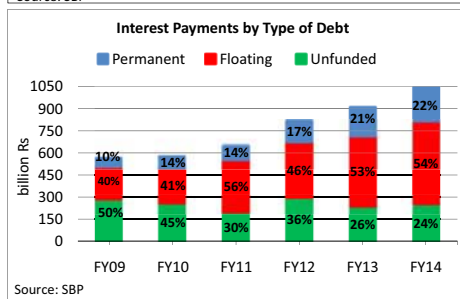
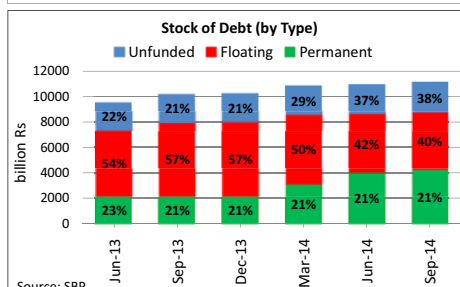
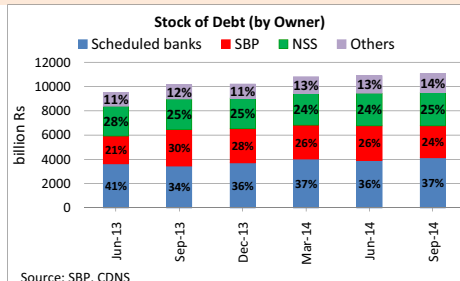
### Debt by Type - end period stocks (billion Rs)

	Nov-14 <sup>P</sup>	Jun-14 <sup>P</sup>	Change since Jun-14
<b>1. Permanent debt</b>	<b>4,456</b>	<b>3,999</b>	<b>457</b>
PIBs	3,657	3,222	435
Prize bonds	468	447	22
Others <sup>2</sup>	331	331	0
<b>2. Floating debt</b>	<b>4,460</b>	<b>4,600</b>	<b>-140</b>
MTBs	1,782	1,747	34
MRTBs-replenishment <sup>3</sup>	2,678	2,852	-174
<b>3. Unfunded debt<sup>4</sup>: of which</b>	<b>2,456</b>	<b>2,304</b>	<b>152</b>
Saving schemes	2,307	2,156	151
<b>4. Foreign currency instruments</b>	<b>5</b>	<b>4</b>	<b>0</b>
<b>Total(1+2+3+4)</b>	<b>11,376</b>	<b>10,907</b>	<b>469</b>
<b>Government domestic liabilities<sup>5</sup></b>	<b>260</b>	<b>270</b>	<b>-10</b>

<sup>1</sup> Includes FEBECs, FCBCs, DBCs and special USD bonds held by the residents.

<sup>2</sup> Includes market loans and GOP Ijara Sukuk 3 Years. <sup>3</sup> Includes Outright Sale of MRTBs

<sup>4</sup> Includes funds mobilized through NSS excluding prize bonds. <sup>5</sup> This reflects provincial governments' borrowings from banks for commodity operations.



*Interest payments on domestic debt have shown an annualized growth of 6.4 percent during Jul-Nov FY15.*

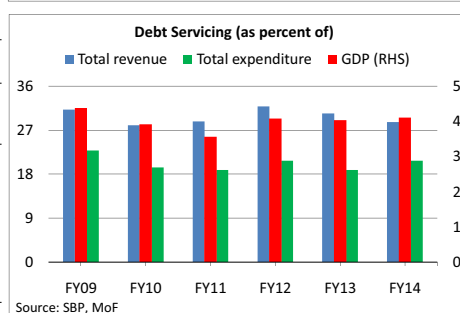
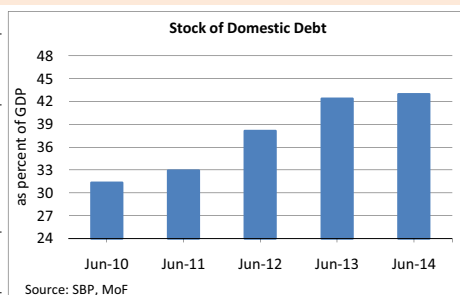
### Debt Servicing (billion Rs)

	Jul-Nov		FY14 <sup>R</sup>	Percent change during FY15 over FY14
	FY15 <sup>P</sup>	FY14		
Permanent <sup>6</sup>	205	99	229	108.1
Floating	180	265	562	-32.0
Unfunded	99	91	252	8.4
<b>Total</b>	<b>485</b>	<b>455</b>	<b>1043</b>	<b>6.4</b>

### Indicators of Domestic Debt Sustainability

	Jun-10	Jun-11	Jun-12	Jun-13	Jun-14
<b>Debt stock as percent of GDP</b>	31.3	32.9	38.1	42.3	42.9
<b>Debt servicing as percent of</b>					
GDP	FY10: 3.9	FY11: 3.6	FY12: 4.1	FY13: 4.0	FY14: 4.1
Total revenue	28.0	28.8	31.8	30.4	28.7
Tax revenue	39.5	38.3	39.8	41.3	40.7
Total expenditure	19.3	18.8	20.8	18.8	20.7
Current expenditure	24.4	22.4	26.2	24.8	26.0

<sup>6</sup> Includes prize bonds;  
<sup>R</sup>: Revised; <sup>P</sup>: 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\$ 1.5 billion during Jul-Sep FY15.**

### Debt & Liabilities<sup>1</sup> - end period stocks (million US\$)

Items	Sep-14 <sup>P</sup>	Jun-14	Change during Jul-Sep-FY15
<b>1. Public debt (a+b+c)</b>	<b>53,301</b>	<b>54,793</b>	<b>-1,492</b>
<b>a) Government debt</b>	<b>47,148</b>	<b>48,491</b>	<b>-1,343</b>
<b>i) Long term (&gt;1 year)</b>	<b>46,257</b>	<b>47,790</b>	<b>-1,532</b>
Paris club	12,756	13,607	-850
Multilateral	24,761	25,826	-1,065
Other bilateral	3,849	3,465	384
Euro/Sukuk global bonds	3,550	3,550	0
Military debt	36	36	0
Commercial loans/credits	150	150	0
Local currency Securities (PIBs)	15	16	-1
Saudi fund for development (SFD)	140	140	0
SAFE China deposits	1,000	1,000	0
NBP/BOC deposits	0	0	0
<b>ii) Short term (&lt;1 year)</b>	<b>891</b>	<b>701</b>	<b>189</b>
Of which: IDB	641	413	229
<b>b) From IMF</b>	<b>2,923</b>	<b>3,020</b>	<b>-97</b>
i) Federal government	661	919	-258
ii) Central bank	2,263	2,101	161
<b>c) Foreign exchange liabilities (FEL)<sup>2</sup></b>	<b>3,229</b>	<b>3,281</b>	<b>-52</b>
<b>2. Public sector enterprises (PSEs)</b>	<b>2,084</b>	<b>2,109</b>	<b>-25</b>
a) Guaranteed debt	453	459	-6
b) Non-guaranteed debt	1,631	1,650	-19
<b>3. Scheduled banks</b>	<b>2,169</b>	<b>1,989</b>	<b>180</b>
<b>a) borrowing</b>	<b>1,252</b>	<b>1,080</b>	<b>173</b>
i) Long term (>1 year)	30	33	-4
ii) Short term (<1 year)	1,223	1,046	176
<b>b) Nonresident deposit (LCY &amp; FCY)</b>	<b>916</b>	<b>909</b>	<b>8</b>
<b>4. Private sector</b>	<b>3,078</b>	<b>2,970</b>	<b>108</b>
<b>a) guaranteed debt</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>b) non-guaranteed debt</b>	<b>3,078</b>	<b>2,970</b>	<b>108</b>
i) Loans	2,045	1,934	112
ii) Private non-guaranteed bonds	12	12	0
iii) Trade credit and others liabilities	1,020	1,025	-4
<b>5. Debt liabilities to direct investors-intercompany debt</b>	<b>3,754</b>	<b>3,746</b>	<b>8</b>
<b>Total external debt (excl. FEL)</b>	<b>61,156</b>	<b>62,325</b>	<b>-1,169</b>
<b>Total external debt &amp; liabilities (1+2+3+4+5)</b>	<b>64,385</b>	<b>65,606</b>	<b>-1,221</b>

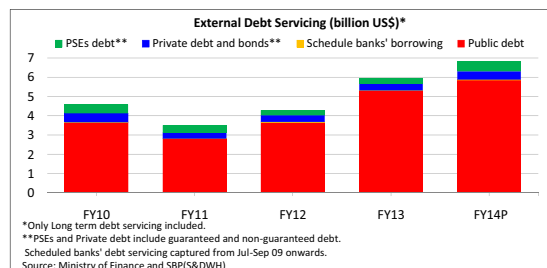
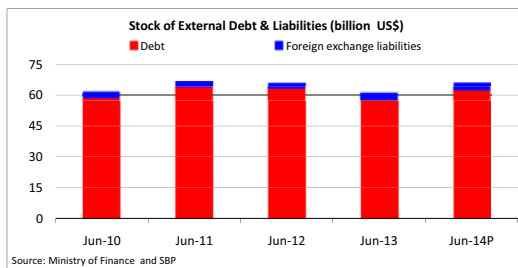
### Debt Servicing (million US\$)

Items	Jul-Sep-FY15 <sup>P</sup>	FY14
<b>1. Public debt (a+b+c)</b>	<b>1,166</b>	<b>5,847</b>
<b>a) Government debt<sup>3</sup></b>	<b>614</b>	<b>2,541</b>
Principal	439	1,834
Interest	175	707
<b>b) To IMF</b>	<b>533</b>	<b>3,182</b>
Principal	520	3,130
Interest	13	52
<b>c) Foreign exchange liabilities</b>	<b>19</b>	<b>124</b>
Principal	0	100
Interest	19	24
<b>2. PSEs guaranteed debt</b>	<b>13</b>	<b>301</b>
Principal	6	273
Interest	7	28
<b>3. PSEs non-guaranteed debt<sup>3</sup></b>	<b>65</b>	<b>199</b>
Principal	60	179
Interest	5	20
<b>4. Scheduled banks' borrowing<sup>3</sup></b>	<b>4</b>	<b>49</b>
Principal	4	48
Interest	0	1
<b>5. Private guaranteed debt</b>	<b>0</b>	<b>0</b>
<b>6. Private non-guaranteed debt<sup>3</sup></b>	<b>58</b>	<b>298</b>
Principal	40	239
Interest	18	59
<b>7. Private non-guaranteed bonds</b>	<b>0</b>	<b>117</b>
Principal	0	112
Interest	0	5
<b>Total Long term external debt servicing (1+2+3+4+5+6+7)</b>	<b>1,306</b>	<b>6,811</b>
Principal	<b>1,069</b>	<b>5,915</b>
Interest	<b>237</b>	<b>897</b>
<b>Memorandum Items</b>		
<b>Short term debt servicing-principal<sup>4</sup> (excluding item No.3 below)</b>	<b>146</b>	<b>173</b>
1. Government debt	<b>133</b>	<b>0</b>
2. PSEs non-guaranteed debt	<b>13</b>	<b>151</b>
3. Scheduled banks' borrowing	<b>7,852</b>	<b>28,559</b>
Net flows <sup>5</sup>	<b>231</b>	<b>413</b>
4. Private non-guaranteed debt	<b>0</b>	<b>22</b>

**Stock of external debt as percent of GDP decreased to 25.5 percent by the end of June 2014.**

### Indicators of External Debt Sustainability

	End period debt stock as percent of						External debt servicing as percent of					
	Jun-09	Jun-10	Jun-11	Jun-12	Jun-13	Jun-14 <sup>P</sup>	FY09	FY10	FY11	FY12	FY13	FY14 <sup>P</sup>
<b>GDP</b>	32.3	35.4	31.2	30.9	26.8	25.5	2.4	2.4	1.6	2.0	2.6	2.6
<b>Reserves</b>	407.5	364.2	347.2	426.8	550.8	461.5	30.8	24.4	18.3	27.9	53.9	47.9
<b>Exports</b>	273.6	312.8	261.7	264.9	245.5	261.6	20.7	21.0	13.8	17.3	24.0	27.2



R: Revised; P: Provisional; <sup>1</sup> 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>. <sup>2</sup> Allocation of SDR and Nonresident LCY deposits with central bank added to FEL; <sup>3</sup> Only long term debt servicing included. <sup>4</sup> 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; <sup>5</sup> 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. <sup>6</sup> Only long term debt servicing included from FY11 and onwards.

Sources: Economic Affairs Division and SBP(S&DWH)





## Total Debt

**Stock of total debt and liabilities increased by Rs. 292 billion during Jul-Sep FY15.**

### Total Debt Stock (billion Rs)

	Sep-14 <sup>P</sup>	Jun-14 <sup>R</sup>	Change during Jul-Sep FY15	Share in Sep- FY15 (percent)
I. Government domestic debt	11,096	10,907	189	59.9
II. Government external debt <sup>1</sup>	4,840	4,791	48	26.1
III. Debt from IMF	300	298	2	1.6
IV. External liabilities	331	324	7	1.8
V. Private sector external debt	539	490	49	2.9
VI. PSEs external debt	214	208	5	1.2
VII. PSEs domestic debt	366	366	0	2.0
VIII. Commodity operations <sup>2</sup>	469	492	-24	2.5
IX. Intercompany External Debt from Direct Investor abroad	385	370	15	2.1
<b>Total debt &amp; liabilities (I to IX)</b>	<b>18,540</b>	<b>18,248</b>	<b>292</b>	<b>100.0</b>
<b>Total public debt (I to IV)</b>	<b>16,568</b>	<b>16,321</b>	<b>247</b>	<b>89.4</b>
<b>Total external debt &amp; liabilities (II to VI &amp;+ IX)</b>	<b>6,609</b>	<b>6,482</b>	<b>127</b>	<b>35.6</b>
<b>Commodity operations &amp; PSEs debt (VI to VIII)</b>	<b>1,048</b>	<b>1,067</b>	<b>-19</b>	<b>5.7</b>

### Total Debt Servicing (billion Rs)

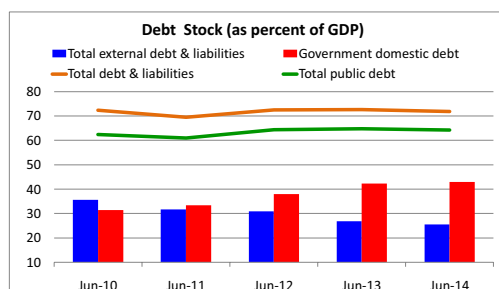
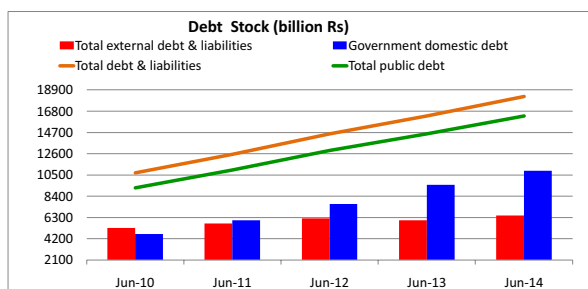
	Jul-Sep FY15 <sup>P</sup>	FY14 <sup>R</sup>	Share in Jul-Sep FY15 (percent)	Share in FY14 (percent)
<b>Total Debt Servicing(A+B)</b>	<b>520</b>	<b>1791</b>	<b>100.0</b>	<b>100.0</b>
<b>A. Total interest payment on debt and liabilities (I+II)</b>	<b>413</b>	<b>1183</b>	<b>79.3</b>	<b>66.0</b>
<b>I. Interest payment on debt (a+b)</b>	<b>398</b>	<b>1134</b>	<b>76.4</b>	<b>63.3</b>
a. Domestic debt	375	1043	72.1	58.2
b. External debt	23	91	4.4	5.1
<b>II. Interest payment on liabilities (a+b)</b>	<b>15</b>	<b>49</b>	<b>2.9</b>	<b>2.7</b>
a. Domestic liabilities	13	47	2.5	2.6
b. External liabilities <sup>1</sup>	2	3	0.4	0.1
<b>B. Principal repayment of external debt and liabilities<sup>3</sup></b>	<b>108</b>	<b>609</b>	<b>20.7</b>	<b>34.0</b>

### Debt stock (as percent of GDP)

	Sep-14 <sup>P</sup>	Jun-14 <sup>R</sup>	Jun-13
<b>Total debt and liabilities</b>	<b>63.8</b>	<b>71.8</b>	<b>72.7</b>
Total public debt	57.0	64.3	64.8
Total external debt and liabilities	22.7	25.5	26.8
Government domestic debt	38.2	42.9	42.3
PSEs debt and liabilities	3.6	4.2	4.4

### Debt Servicing (as percent of)

	FY14 <sup>P</sup>	FY13 <sup>R</sup>	FY12	FY11
GDP	7.1	6.8	6.3	5.6
Total revenue	49.3	51.6	49.3	45.0
Tax revenue	69.9	69.9	61.7	59.9
Total expenditure	35.6	31.9	32.2	29.4
Current expenditure	44.7	42.0	40.5	35.1



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

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

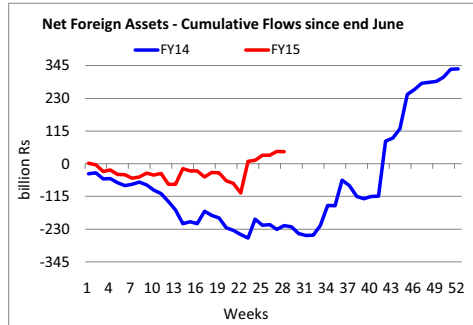
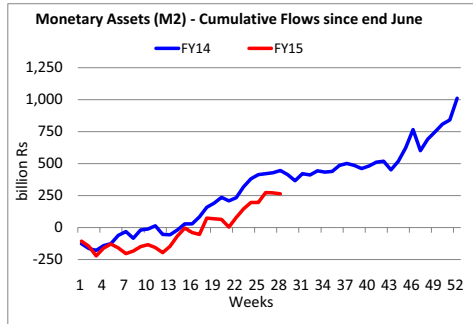


## Monetary and Credit Aggregates

Government Borrowings from the banking system and credit to private sector mainly contributed in monetary expansion during FY15 so far.

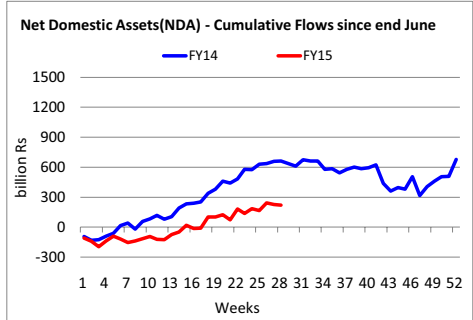
### Monetary Assets of the Banking System (billion Rs)

	End June 2014 stocks <sup>R</sup>	Cumulative flows since end-June		FY14 flows
		Latest week	A year ago	
		9-Jan-15	10-Jan-14	
<b>NFA</b>	<b>601.0</b>	<b>42.0</b>	<b>-217.7</b>	<b>332.2</b>
<b>NDA</b>	<b>9,367.0</b>	<b>221.6</b>	<b>663.1</b>	<b>778.1</b>
<b>Net government borrowings: of which</b>	<b>6,064.3</b>	<b>220.4</b>	<b>467.1</b>	<b>327.1</b>
Net budgetary borrowing	5,549.4	255.3	567.2	303.0
Commodity operations	492.4	-33.7	-98.2	24.7
<b>Non-government borrowings: of which</b>	<b>4,102.0</b>	<b>202.7</b>	<b>292.0</b>	<b>438.0</b>
Private sector	3,728.7	153.7	234.6	371.4
PSEs	354.7	49.3	57.6	66.6
<b>Other items (net)</b>	<b>-799.2</b>	<b>-201.5</b>	<b>-96.0</b>	<b>12.9</b>
<b>M2</b>	<b>9,968.0</b>	<b>263.6</b>	<b>445.4</b>	<b>1,110.2</b>



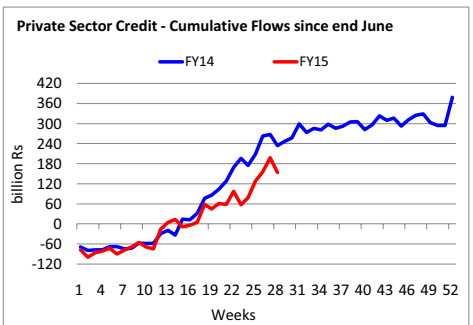
### Monetary Liabilities of the Banking System (billion Rs)

<b>Currency in circulation</b>	<b>2,177.9</b>	<b>244.1</b>	<b>270.8</b>	<b>239.7</b>
<b>Total deposits with banks</b>	<b>7,777.0</b>	<b>19.8</b>	<b>174.5</b>	<b>868.0</b>
Demand deposits with banks	6,505.8	-46.3	167.4	917.7
Time deposits with banks	671.8	46.6	-72.8	-134.1
RFCDs with banks	599.4	19.5	79.9	84.4
<b>M2</b>	<b>9,968.0</b>	<b>263.6</b>	<b>445.4</b>	<b>1,110.2</b>



### Monetary Assets of the Banking System (percent growth)

	YoY (9-Jan-15)	Since end June		FY14
		9-Jan-15	10-Jan-14	
<b>NFA</b>	<b>1158.2</b>	<b>7.0</b>	<b>-81.0</b>	<b>123.6</b>
<b>NDA</b>	<b>3.6</b>	<b>2.4</b>	<b>7.7</b>	<b>9.1</b>
<b>Government borrowings</b>	<b>1.3</b>	<b>3.6</b>	<b>8.1</b>	<b>5.7</b>
Budgetary borrowing	-0.2	4.6	10.8	5.8
Commodity operations	24.1	-6.9	-21.0	5.3
<b>Non-government sector borrowings</b>	<b>8.8</b>	<b>4.9</b>	<b>8.0</b>	<b>12.0</b>
Private sector	8.1	4.1	7.0	11.1
PSEs	16.9	13.9	20.0	23.1
<b>Other items (Net)</b>	<b>-10.2</b>	<b>-25.2</b>	<b>-11.8</b>	<b>1.6</b>
<b>M2</b>	<b>10.0</b>	<b>2.6</b>	<b>5.0</b>	<b>12.5</b>



### Memorandum Items

	Latest week	A year ago	FY14
	9-Jan-15	10-Jan-14	
Money multiplier	3.33	3.27	3.48
Currency to deposit ratio (percent)	31.06	31.19	28.00
M2 to GDP ratio (percent)	35.19	36.62	39.24
Private sector credit to GDP ratio (percent)	13.35	14.14	14.68

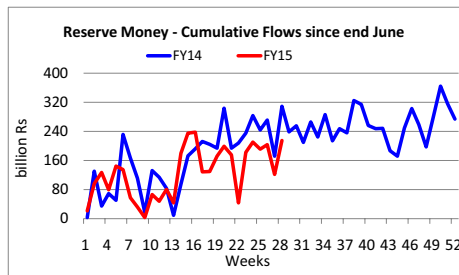
<sup>R</sup>; Revised (All weekly numbers are provisional); Source: Statistics & Data Warehouse Department (S&DWD), SBP



**Net liquidity injections by SBP remained the key driver of reserve money growth during FY15 so far.**

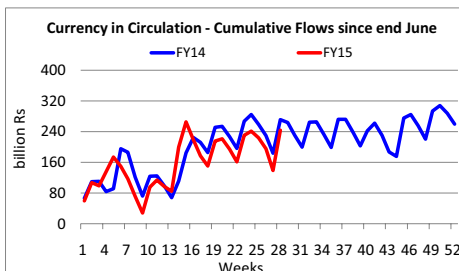
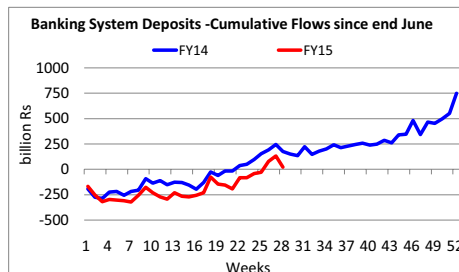
## Monetary Assets of SBP

	End June 2014 stocks	Cumulative flows since end-June		FY14 Flows
		Latest week	A year ago	
		9-Jan-15	10-Jan-14	
<b>NFA</b>	<b>489.6</b>	<b>56.0</b>	<b>-227.3</b>	<b>356.7</b>
<b>NDA: of which</b>	<b>2,371.6</b>	<b>158.6</b>	<b>535.8</b>	<b>-30.7</b>
Budgetary borrowing	2,409.8	-448.2	662.5	196.9
Other items (net)	-555.2	545.7	-209.9	-278.8
Net impact of OMOs/discounting	-17.2	698.1	-176.3	-216.0
<b>Reserve money</b>	<b>2,861.3</b>	<b>214.6</b>	<b>308.5</b>	<b>326.0</b>



## Monetary Liabilities of SBP

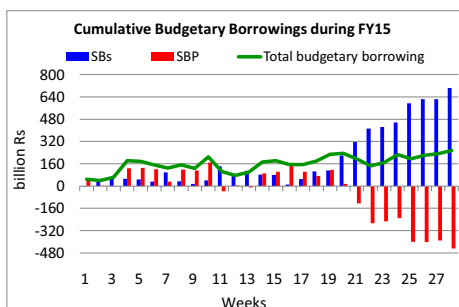
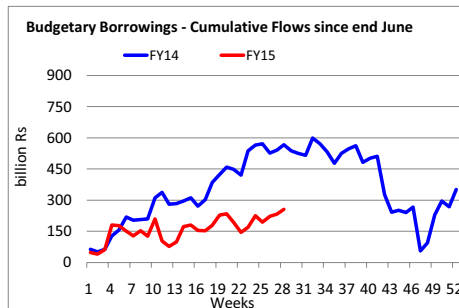
	End June 2014 stocks	Cumulative flows since end-June		FY14 Flows
		Latest week	A year ago	
		9-Jan-15	10-Jan-14	
Currency in circulation	2,177.9	244.1	270.8	239.7
Cash in tills	139.5	-25.2	-2.1	28.6
Bank deposits with SBP (reserves)	530.7	-4.0	39.8	55.1
Other deposits with SBP	13.1	-0.2	0.0	2.6
	<b>YoY</b>		<b>(percent growth)</b>	
<b>NFA of the SBP</b>	<b>678.1</b>	<b>11.4</b>	<b>-171.0</b>	<b>268.3</b>
<b>NDA of the SBP: of which</b>	<b>-13.9</b>	<b>6.7</b>	<b>22.3</b>	<b>-1.3</b>
Budgetary borrowing	-31.8	-18.6	29.9	8.9
<b>Reserve money</b>	<b>8.2</b>	<b>7.5</b>	<b>12.2</b>	<b>12.9</b>



**In FY15 so far, government borrowing needs are entirely met from Scheduled Banks.**

## Details on Government Borrowing for Budgetary Support

	End June 2014 stocks	Cumulative flows since end-June		FY14 flows
		Latest week	A year ago	
		9-Jan-15	10-Jan-14	
<b>Budgetary borrowing</b>	<b>5,549.4</b>	<b>255.3</b>	<b>567.2</b>	<b>303.0</b>
<b>Federal government</b>	<b>6,059.5</b>	<b>311.1</b>	<b>683.3</b>	<b>497.5</b>
From SBP	2,567.7	-391.8	732.9	326.6
SBP's holdings of MRTBs	2,852.3	-331.1	634.1	577.1
From scheduled banks (SBs)	3,491.8	702.8	-49.6	171.0
<b>Provincial governments</b>	<b>-510.1</b>	<b>-55.8</b>	<b>-116.1</b>	<b>-194.5</b>
From SBP <sup>1</sup>	-157.9	-56.5	-70.3	-129.7
From scheduled banks <sup>2</sup>	-352.3	0.6	-45.8	-64.9
<b>Memorandum Items</b>				
<b>Budgetary borrowing on cash basis</b>	<b>5,448.4</b>	<b>228.9</b>	<b>566.9</b>	<b>323.7</b>
SBP	2,327.7	-447.9	634.2	159.8
Scheduled banks	3,120.7	676.8	-67.2	163.9



<sup>1</sup> Current overdraft ceilings for provinces are: Rs37.2 billion for Punjab; Rs15 billion for Sindh; Rs10.1 billion for KPK; Rs7.1 billion for Baluchistan, Rs4.5 billion for AJK.

<sup>2</sup> The end-June 2014 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

Credit to private sector increased by Rs. 222 billion during July-Dec FY15 compared to Rs. 321 billion during same period of FY14.

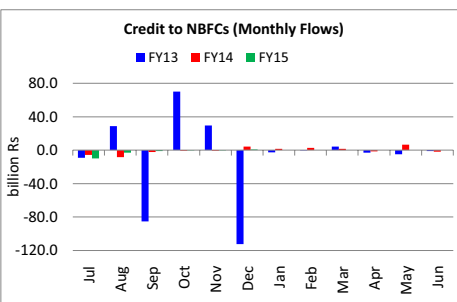
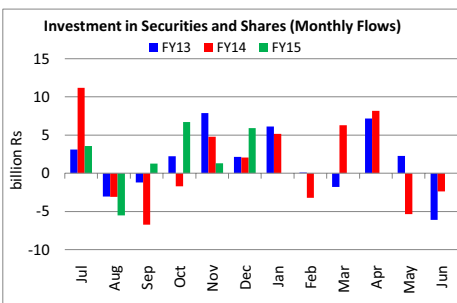
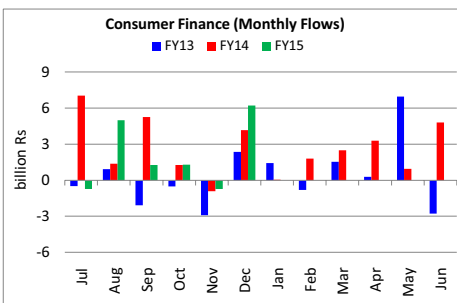
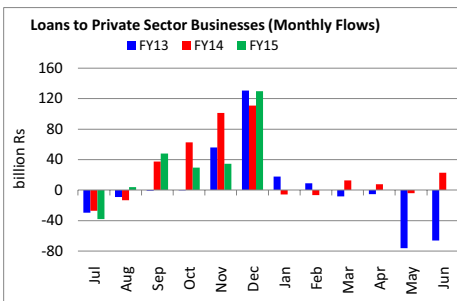
Credit to Private Sector

	End June 2014 stocks	Cumulative flows (billion Rs)		
		Jul-Dec FY15	Jul-Dec FY14	FY14
<b>Total credit to private sector <sup>1</sup></b>	<b>3,728.7</b>	<b>222.3</b>	<b>321.3</b>	<b>371.4</b>
<b>1. Loans to private sector businesses</b>	<b>2,765.2</b>	<b>207.6</b>	<b>271.8</b>	<b>298.0</b>
<b>ca type</b>				
Working capital: of which	1,841.5	165.5	221.9	228.3
Export finance	276.0	44.6	27.6	14.7
Import finance	157.1	41.5	27.5	24.5
Fixed investment	923.7	42.1	49.9	69.7
<b>ca Sectors: of which</b>				
<b>Agriculture</b>	<b>252.7</b>	<b>↑ 18.3</b>	<b>↑ 17.1</b>	<b>↑ 30.7</b>
<b>Manufacturing: of which</b>	<b>1,636.0</b>	<b>↑ 114.6</b>	<b>↑ 165.0</b>	<b>↑ 187.2</b>
Textiles	558.1	↑ 57.7	↑ 100.0	↑ 43.2
Food products & beverages	414.4	↑ 15.0	↑ 20.9	↑ 97.5
Chemicals & products	191.9	↑ 2.2	↓ -2.5	↑ 20.2
Non-metallic mineral products	53.7	↑ 5.0	↑ 0.7	↓ -13.2
Wearing apparel, readymade gar.	53.9	↑ 4.1	↓ -0.9	↓ -0.6
<b>Electricity, gas and water</b>	<b>278.6</b>	<b>↓ -4.4</b>	<b>↑ 31.5</b>	<b>↑ 49.8</b>
<b>Construction</b>	<b>52.3</b>	<b>↑ 11.8</b>	<b>↑ 1.5</b>	<b>↓ -1.1</b>
<b>Commerce and trade</b>	<b>223.3</b>	<b>↑ 18.3</b>	<b>↑ 34.1</b>	<b>↑ 16.4</b>
<b>Transport, storage and comm.</b>	<b>117.1</b>	<b>↑ 10.3</b>	<b>↑ 0.3</b>	<b>↑ 27.3</b>
<b>Services: of which</b>	<b>134.1</b>	<b>↑ 22.0</b>	<b>↑ 12.8</b>	<b>↓ -5.0</b>
Real estate/renting & business act.	89.5	↑ 14.0	↑ 9.7	↓ -10.4
<b>2. Personal: of which</b>	<b>337.6</b>	<b>↑ 17.9</b>	<b>↑ 18.0</b>	<b>↑ 31.9</b>
Consumer financing	242.8	↑ 12.3	↑ 18.1	↑ 31.5
<b>3. Investment in securities and shares</b>	<b>187.5</b>	<b>↑ 13.3</b>	<b>↑ 6.5</b>	<b>↑ 15.3</b>
<b>4. Others<sup>2</sup>: of which</b>	<b>438.4</b>	<b>↓ -16.5</b>	<b>↑ 25.0</b>	<b>↑ 26.2</b>
Non-bank finance companies	152.6	↓ -13.0	↓ -13.3	↓ -4.2

<sup>1</sup> From Weekly Monetary Survey's month end position.

<sup>2</sup> This also includes credit to some Public Sector Enterprises, and other categories.

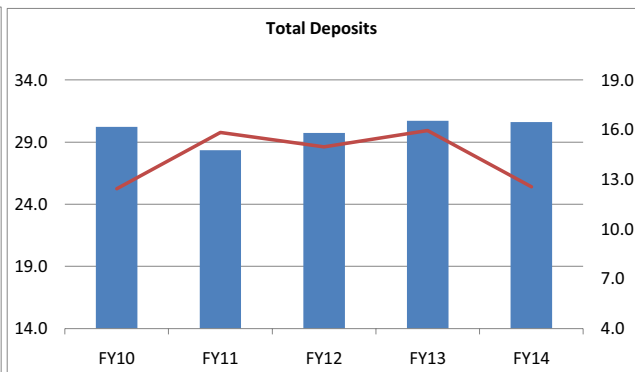
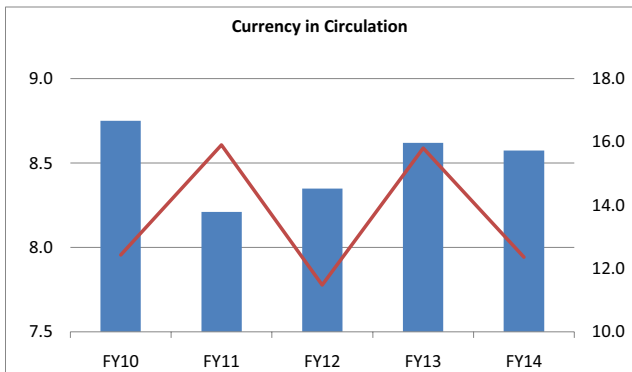
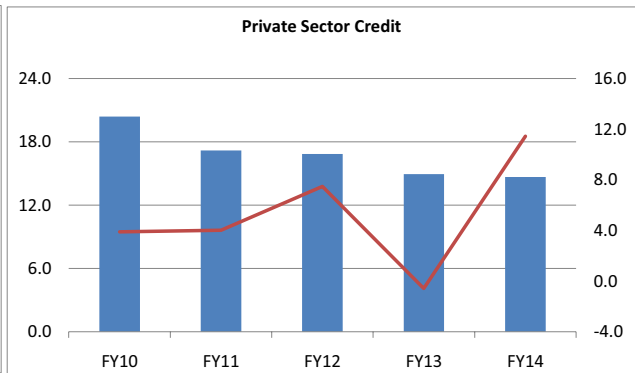
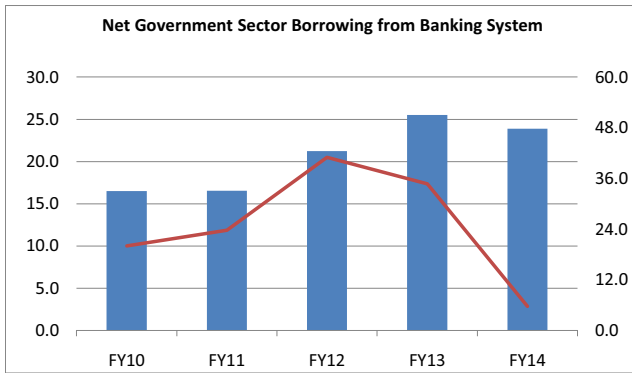
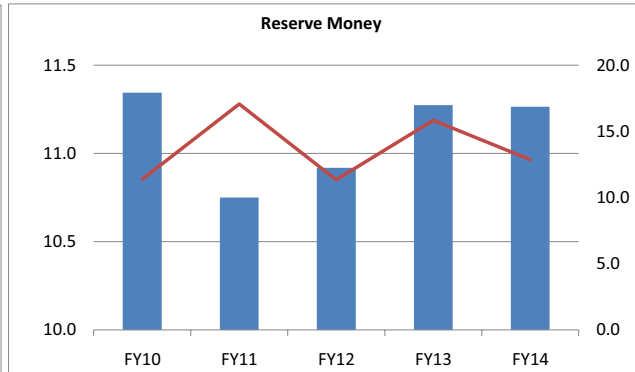
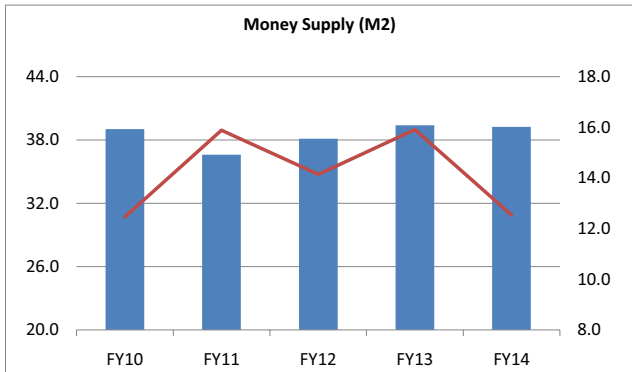
Source: Statistics and Data Warehouse Department (S&DWD), SBP.





## Key Indicators of Monetary Sector

■ As percent of GDP      — YoY growth (RHS)

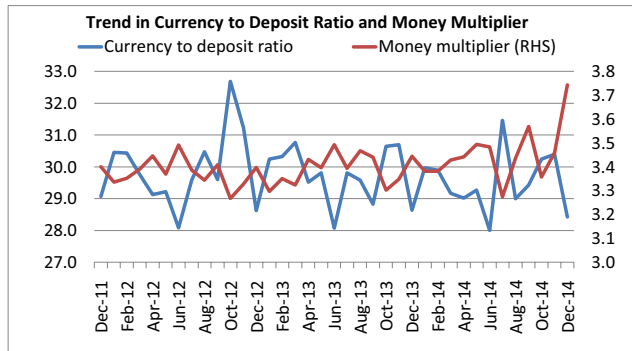
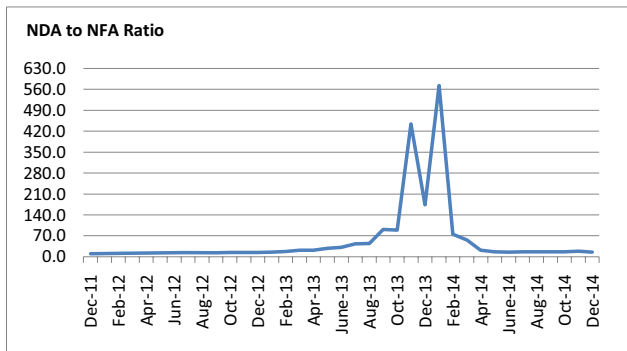
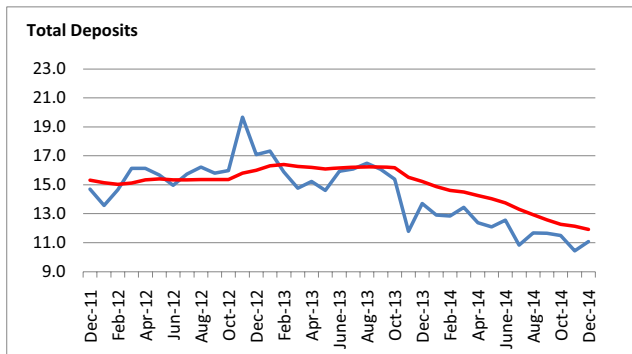
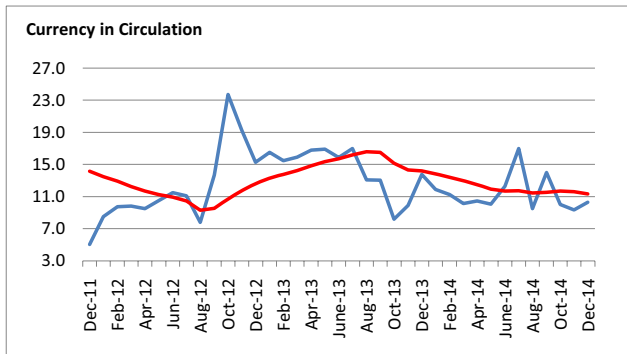
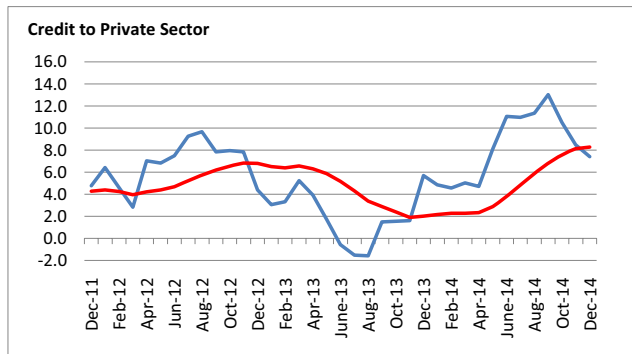
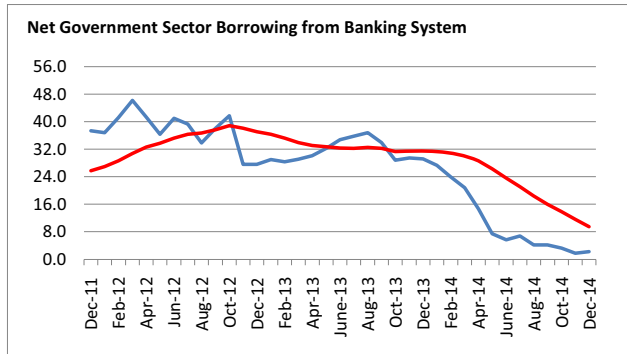
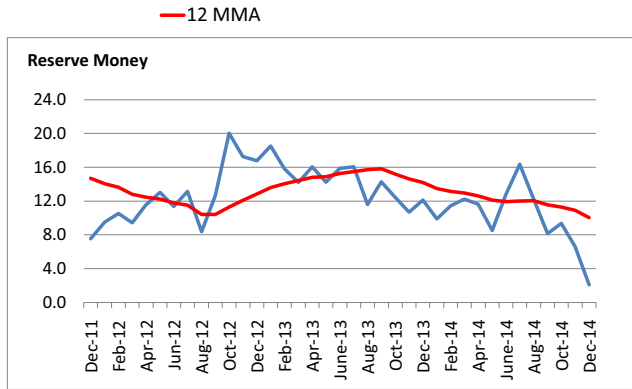
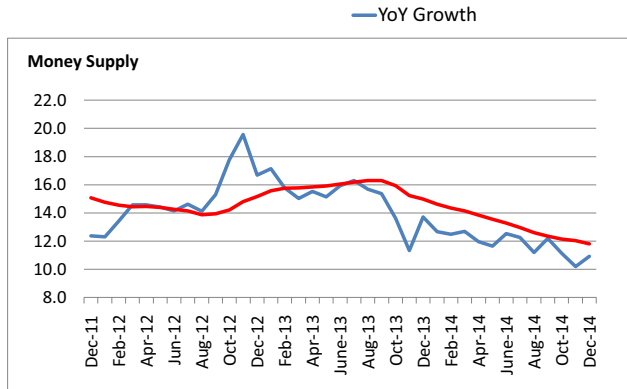


YoY growth of end June Stocks

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

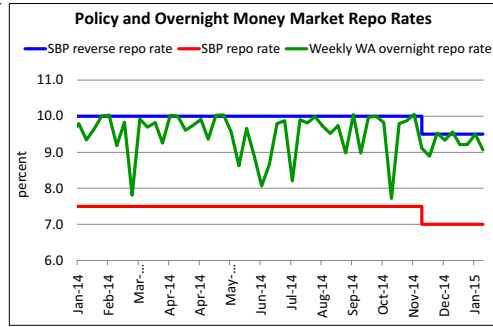
With effect from 17th November 2014, SBP has decreased the SBP reverse repo rate by 50 bps to 9.5 percent.

Policy Instruments (percent)

	Current	w.e.f	Previous	w.e.f	Change <sup>1</sup>
SBP reverse repo rate	9.5	17-Nov-14	10.0	18-Nov-13	↓ -50
SBP repo rate	7.0	17-Nov-14	7.5	18-Nov-13	↓ -50
Bi-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

<sup>1</sup> Basis points

DL: Demand Liabilities; TL: Time Liabilities



Volatility in overnight repo rate has decreased in Q3-FY15 so far, compared to Q2-FY15.

Weighted Average O/N Money Market Repo Rate (percent)

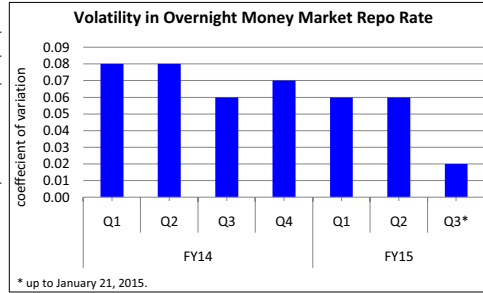
	FY14		FY15		Year
	Year	Q1	Q2	Q3*	
WA O/N repo rate <sup>2</sup>	9.15	9.60	9.38	9.31	9.47
Standard deviation	0.87	0.54	0.60	0.22	0.54
CoV <sup>3</sup>	0.10	0.06	0.06	0.02	0.06

\*up to Jan 21, 2015

YTD: Year to date

<sup>2</sup> Weekly Weighted Average O/N Repo Rate

<sup>3</sup> CoV (Coefficient of Variation) is a ratio and is unit free.



\* up to January 21, 2015.

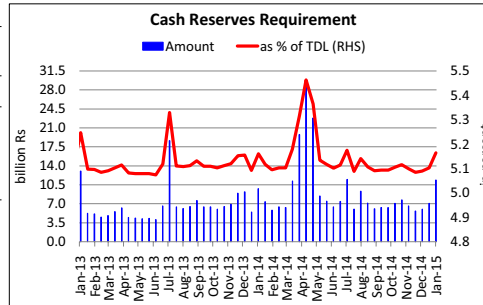
Banks' holding of government securities now stands at 81 percent of their total liquid assets maintained.

Bi-weekly Cash Reserves Requirement (CRR)<sup>4</sup> (billion Rs)

	Maintenance period ended as on		Change since Last MPS	
	1-Jan-15	4-Dec-14	4-Dec-14	6-Nov-14 <sup>5</sup>
Cash required	345.1	335.2	↑ 9.8	↑ 9.7
Cash maintained	356.4	341.2	↑ 15.2	↑ 14.5
Excess cash reserves (per day)	11.4	6.0	↑ 5.4	↑ 4.8

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

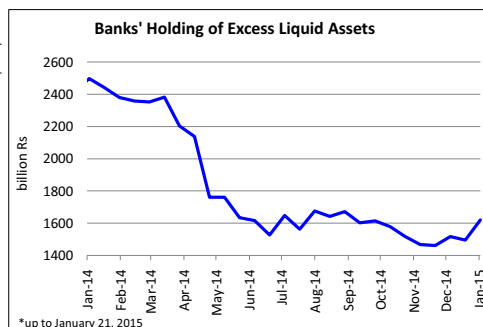
<sup>5</sup> As on Thursday preceding the last monetary policy decision.



Overall Reserve Requirement (billion Rs)

	Maintenance period started as on		Change since	
	2-Jan-15	5-Dec-14	5-Dec-14	7-Nov-14 <sup>9</sup>
<b>Required reserves</b>	<b>1705.4</b>	<b>1641.5</b>	↑ 63.9	↑ 85.3
for CRR	355.3	342.0	↑ 13.3	↑ 17.8
for SLR	1350.1	1299.5	↑ 50.6	↑ 67.5
<b>Maintained<sup>6</sup></b>	<b>3324.6</b>	<b>3158.2</b>	↑ 166.4	↑ 237.7
Cash	589.2	502.8	↑ 86.4	↑ 82.1
Cash in tills	152.6	150.3	↑ 2.3	↑ 1.4
Balance with SBP	373.2	332.1	↑ 41.1	↑ 44.6
Balance with NBP	63.4	20.3	↑ 43.1	↑ 36.1
Securities	2702.0	2621.2	↑ 80.8	↑ 156.5
Others <sup>7</sup>	33.5	34.2	↓ -0.8	↓ -0.8
<b>Excess liquid assets<sup>8</sup></b>	<b>1619.2</b>	<b>1516.7</b>	↑ 102.5	↑ 152.5

Source: Off-site Supervision and Enforcement Department, SBP



\* up to January 21, 2015

<sup>6</sup> Data corresponds to the balances as on that date

<sup>7</sup> Includes Section 13(3) deposits and share capital of MFBs.

<sup>8</sup> Includes excess securities + cash and other assets maintained.

<sup>9</sup> As on Friday preceding the last monetary policy decision

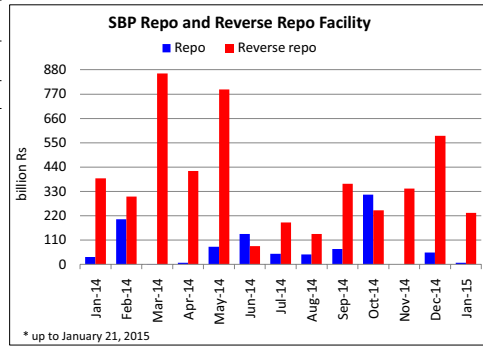


*Banks' use of SBP's reverse repo facility has decreased in Q3-FY15 so far, as compared to last quarter.*

Use of SBP's Standing Facilities

	SBP reverse repo		SBP repo	
	Amount	Days	Amount	Days
	billion Rs	No.	billion Rs	No.
<b>FY14</b>	<b>4,084.5</b>	<b>71</b>	<b>1,084.3</b>	<b>39</b>
Q1	250.6	11	419.0	13
Q2	977.6	16	199.8	6
Q3	1,559.1	26	239.9	6
Q4	1,297.2	18	225.6	14
<b>FY15<sup>1</sup></b>	<b>2,097.4</b>	<b>48</b>	<b>540.1</b>	<b>13</b>
Q1	693.3	21	163.5	4
Q2	1,170.4	21	369.4	8
Q3 <sup>1</sup>	233.7	6	7.3	1

<sup>1</sup> Updated up to January 21, 2015



*The level of average outstanding OMOs has remained positive in FY15 so far.*

Outstanding Open Market Operations<sup>2</sup> (billion rupees)

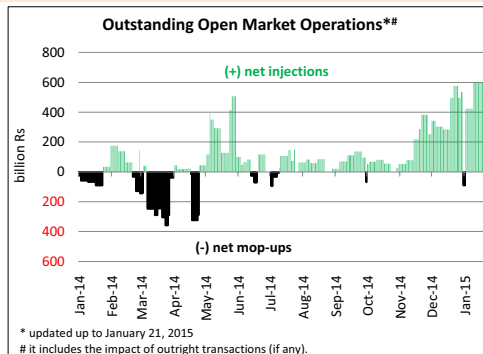
	Average Outstanding OMOs	End-period Outstanding OMOs
<b>FY13</b>	<b>460.9</b>	<b>207.6</b>
Q1	384.7	611.5
Q2	568.0	615.7
Q3	539.1	472.1
Q4	352.5	207.6
<b>FY14</b>	<b>(4.6)</b>	<b>0.0</b>
Q1	(34.7)	(40.0)
Q2	(13.8)	(24.5)
Q3	(58.9)	(39.1)
Q4	88.9	0.0
<b>FY15<sup>3</sup></b>	<b>172.0</b>	<b>436.7</b>
Q1	62.2	(70.0)
Q2	210.5	(90.0)
Q3 <sup>3</sup>	484.4	436.7

<sup>2</sup> It includes the impact of outright transactions (if any).

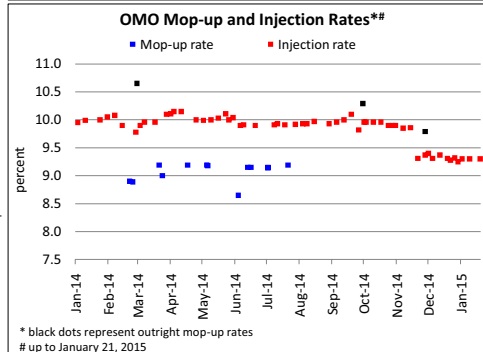
\*Note: (+) amount means net injection  
(-) amount means net mop-up

<sup>3</sup> Updated up to January 21, 2015

Source: Domestic Markets & Monetary Management Department, SBP



\* updated up to January 21, 2015  
# it includes the impact of outright transactions (if any).



\* black dots represent outright mop-up rates  
# up to January 21, 2015

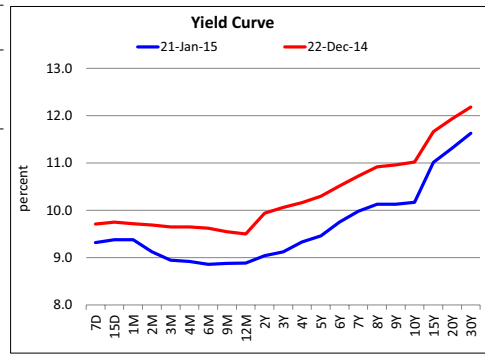




**Secondary market yields for all tenors have decreased since the last monetary policy decision in November 2014.**

**Pak Rupee Revaluation (PKRV) Rates<sup>1</sup> (%)**

Tenors	Current		Change (in basis points) since	
	21-Jan-15	22-Dec-14	22-Dec-14	Last MPS
	21-Jan-15	22-Dec-14	22-Dec-14	14-Nov-14
1-week	9.32	9.71	↓ -39	↓ -81
2-week	9.38	9.75	↓ -37	↓ -74
1-month	9.38	9.72	↓ -34	↓ -61
3-month	8.95	9.65	↓ -70	↓ -93
6-month	8.86	9.62	↓ -76	↓ -103
9-month	8.88	9.55	↓ -67	↓ -102
12-month	8.89	9.50	↓ -61	↓ -101
2-year	9.04	9.94	↓ -90	↓ -186
3-year	9.12	10.06	↓ -94	↓ -192
5-year	9.46	10.30	↓ -84	↓ -180
7-year	9.98	10.72	↓ -74	↓ -179
10-year	10.17	11.02	↓ -85	↓ -194
20-year	11.31	11.93	↓ -62	↓ -153
30-year	11.63	12.18	↓ -55	↓ -132

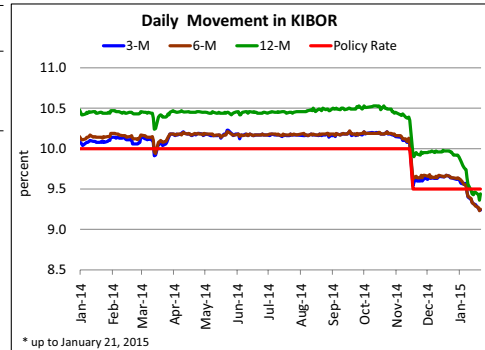


<sup>1</sup> It is secondary market yield-to-maturity used by banks to revalue their holding of securities (i.e. mark to market).

**KIBOR of all tenors have decreased since the last monetary policy decision in November 2014.**

**Tenor-wise KIBOR (%)**

Tenors	Current		Change (in basis points) since	
	21-Jan-15	22-Dec-14	22-Dec-14	Last MPS
	21-Jan-15	22-Dec-14	22-Dec-14	14-Nov-14
1-week	9.56	9.79	↓ -23	↓ -37
2-week	9.59	9.83	↓ -24	↓ -46
1-month	9.59	9.83	↓ -24	↓ -57
3-month	9.24	9.66	↓ -42	↓ -82
6-month	9.25	9.66	↓ -41	↓ -81
9-month	9.42	9.95	↓ -53	↓ -93
12-month	9.44	9.97	↓ -53	↓ -91
2-year	9.47	10.43	↓ -96	↓ -164
3-year	9.52	10.62	↓ -110	↓ -186

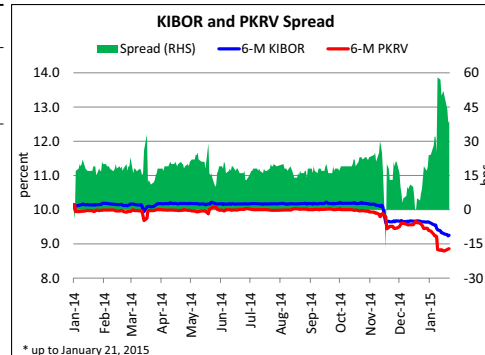


\* up to January 21, 2015

**Spreads between KIBOR and PKRV rates for all tenors have increased compared to their levels observed at the time of monetary policy announcement in November 2014.**

**KIBOR and PKRV Spread (basis points)**

Tenors	Current		Change since	
	21-Jan-15	22-Dec-14	22-Dec-14	Last MPS
	21-Jan-15	22-Dec-14	22-Dec-14	14-Nov-14
1-week	24	8	↑ 16	↑ 44
2-week	21	8	↑ 13	↑ 28
1-month	21	11	↑ 10	↑ 4
3-month	29	1	↑ 28	↑ 11
6-month	39	4	↑ 35	↑ 22
9-month	54	40	↑ 14	↑ 9
12-month	55	47	↑ 8	↑ 10
2-year	43	49	↓ 6	↑ 22
3-year	40	56	↓ -16	↑ 6



\* up to January 21, 2015

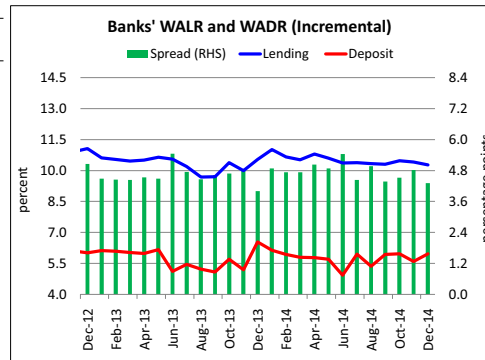
Sources: SBP and Financial Market Association of Pakistan



**Spread between incremental WALR and WADR stands at 431 bps in December 2014.**

Weighted average Lending and Deposit Rates (percent per annum)

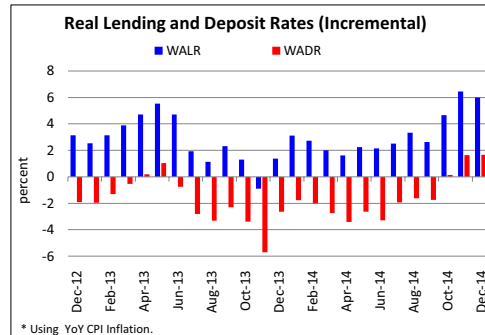
Months	Incremental <sup>1</sup>			Outstanding		
	WALR	WADR	Spread (bps)	WALR	WADR	Spread (bps)
Dec-13	10.54	6.54	400	11.07	5.05	602
Jan-14	11.02	6.14	488	11.17	5.19	598
Feb-14	10.66	5.93	473	11.19	5.14	605
Mar-14	10.53	5.80	473	11.10	5.05	605
Apr-14	10.81	5.78	503	11.10	5.04	605
May-14	10.59	5.70	489	11.15	5.05	611
Jun-14	10.37	4.93	544	11.10	4.75	635
Jul-14	10.38	5.95	443	11.06	5.11	595
Aug-14	10.33	5.36	497	10.92	5.17	575
Sep-14	10.30	5.93	437	11.00	5.12	588
Oct-14	10.48	5.96	452	10.92	5.11	581
Nov-14	10.41	5.59	482	10.93	5.11	581
Dec-14	10.28	5.97	431	10.92	4.90	602



<sup>1</sup> Weighted average rates on incremental (fresh) loans and deposits (including interbank and zero markup) during a month.

**Real lending rates, calculated on the basis of YoY inflation, decreased to 5.98 in December 2014 as compared to 6.44 in previous month.**

Months	Real (based on 12-month MA inflation) <sup>2</sup>		Real (based on YoY inflation) <sup>3</sup>	
	WALR	WADR	WALR	WADR
Dec-13	2.85	-1.15	1.36	-2.64
Jan-14	3.34	-1.54	3.11	-1.77
Feb-14	2.93	-1.80	2.72	-2.01
Mar-14	2.64	-2.09	2.00	-2.73
Apr-14	2.64	-2.39	1.63	-3.40
May-14	2.16	-2.73	2.25	-2.64
Jun-14	1.75	-3.69	2.15	-3.29
Jul-14	1.79	-2.64	2.50	-1.93
Aug-14	1.88	-3.09	3.34	-1.63
Sep-14	1.83	-2.54	2.62	-1.75
Oct-14	2.30	-2.22	4.66	0.14
Nov-14	2.81	-2.01	6.44	1.63
Dec-14	3.09	-1.22	5.98	1.67



<sup>4</sup> Using YoY CPI Inflation.

<sup>2</sup> Nominal rate less CPI inflation (12-month moving average).

<sup>3</sup> Nominal rate less CPI inflation (year on year).

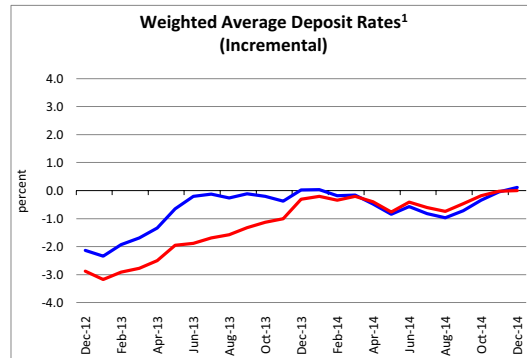
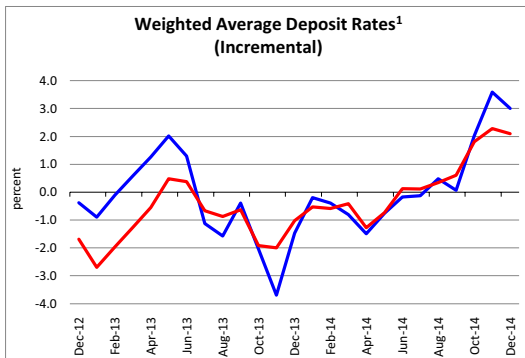
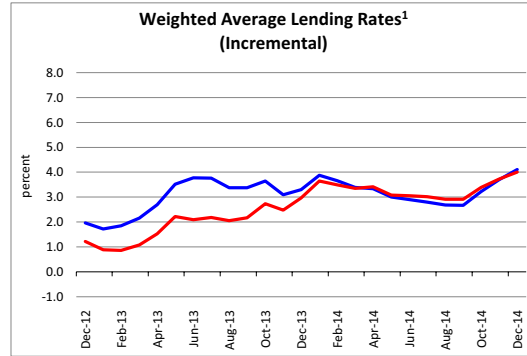
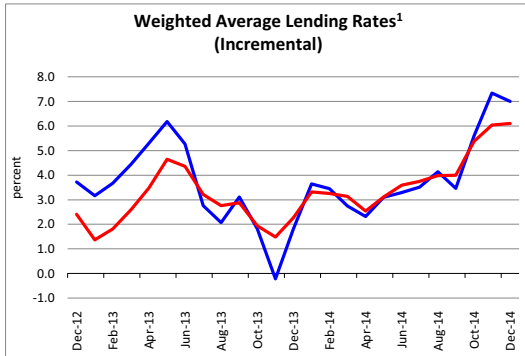
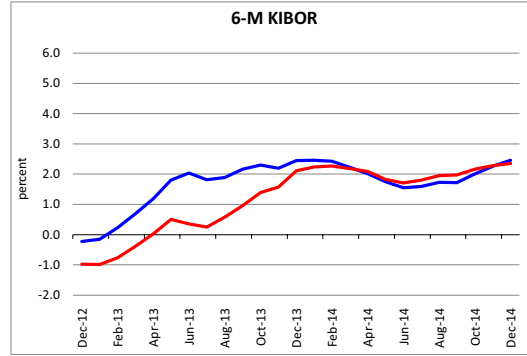
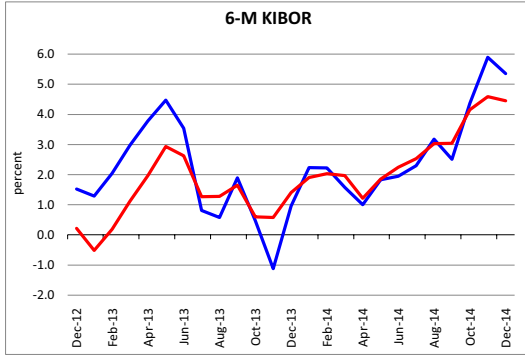
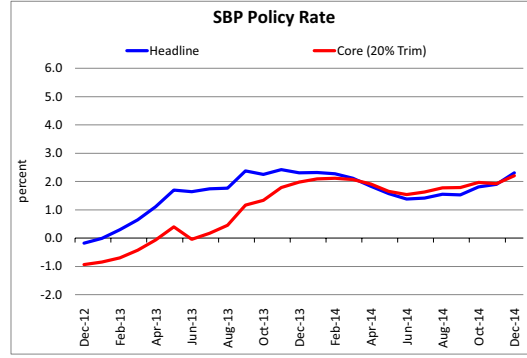
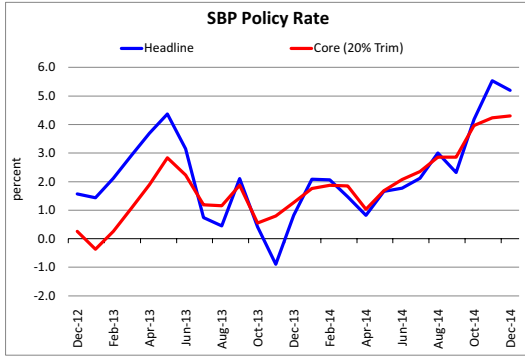
Sources: Statistics & Data Warehouse Department, SBP & Pakistan Bureau of Statistics



### Real Interest Rates

Using YoY CPI inflation

Using 12-month moving average CPI inflation



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

Sources: PBS and Statistics & Data Warehouse Department, SBP



# Monetary Policy Information Compendium

January 2015

**In the T-bill auctions held in Q3-FY15 so far, government has raised less than the targeted amount.**

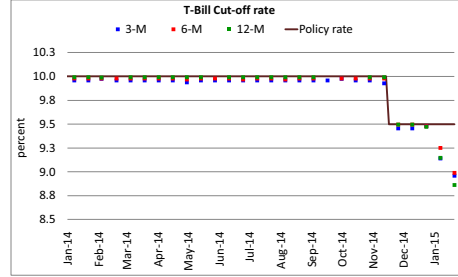
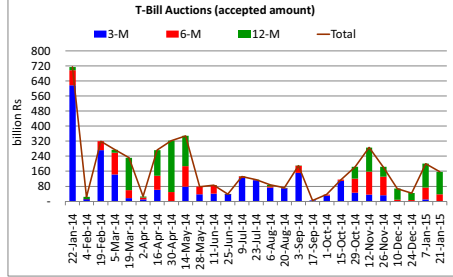
FY/Q/ Settlement date	T-bill Auction (billion Rs (Realized value); rates in percent)												Non-competitive bids <sup>4</sup>	
	TOTAL				3-Month			6-Month			12-Month			
	Target	Maturity	Offered	Accepted <sup>2</sup>	Offered	Accepted <sup>2</sup>	Cut-off <sup>3</sup>	Offered	Accepted <sup>2</sup>	Cut-off <sup>3</sup>	Offered	Accepted <sup>2</sup>		Cut-off <sup>3</sup>
<b>FY13</b>	<b>5,075.0</b>	<b>5,049.0</b>	<b>7,160.3</b>	<b>4,772.3</b>	<b>1,308.0</b>	<b>884.2</b>	-	<b>3,243.1</b>	<b>2,136.6</b>	-	<b>2,609.1</b>	<b>1,751.4</b>	-	<b>511.3</b>
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
<b>FY14</b>	<b>8,425.0</b>	<b>8,148.4</b>	<b>6,951.4</b>	<b>6,354.6</b>	<b>5,209.6</b>	<b>4,696.7</b>	-	<b>924.8</b>	<b>857.6</b>	-	<b>817.0</b>	<b>800.4</b>	-	<b>287.8</b>
Q1	1,600.0	1,594.6	1,446.6	1,276.7	1,200.3	1,057.4	9.41	230.6	210.0	9.45	15.7	9.3	8.98	72.2
Q2	2,100.0	2,248.8	2,591.3	2,259.2	2,560.6	2,244.7	9.96	29.9	14.5	9.98	0.8	-	-	87.9
Q3	2,450.0	2,360.2	1,728.3	1,646.0	1,177.3	1,129.2	9.96	325.3	300.7	9.98	225.6	216.1	9.99	72.7
Q4	2,275.0	1,944.7	1,185.3	1,172.7	271.4	265.4	9.96	339.0	332.4	9.97	575.0	575.0	9.99	55.0
<b>FY15<sup>1</sup></b>	<b>2,345.0</b>	<b>1,818.2</b>	<b>2,645.1</b>	<b>1,873.0</b>	<b>832.6</b>	<b>800.7</b>	-	<b>614.8</b>	<b>478.9</b>	-	<b>1,197.8</b>	<b>593.3</b>	-	<b>140.6</b>
Q1	700.0	630.1	603.3	601.2	535.8	534.9	9.96	56.1	54.9	9.98	11.4	11.4	9.99	39.4
Q2	1,245.0	978.9	976.0	915.4	262.7	255.7	9.48	324.1	323.2	9.48	389.2	336.6	9.47	60.0
Q3 <sup>2</sup>	400.0	209.2	1,065.8	356.4	34.0	10.2	8.96	234.6	100.8	8.99	797.2	245.4	8.86	41.2

<sup>1</sup> Up till January 22, 2015

<sup>2</sup> The amount does not include the non-competitive bids.

<sup>3</sup> Quarterly rate are for end-period.

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



**In the PIB auctions held in FY15 so far, government has raised greater amount than the target.**

PIB Auction (billion Rs (Face value); rates in percent) <sup>5</sup>										
		3-Year	5-Year	7-Year	10-Year	15-Year	20-Year	30-Year	Total	Target
<b>FY14</b>	<b>Cut-off rate<sup>6</sup></b>	<b>12.1</b>	<b>12.6</b>	-	<b>13.0</b>	-	<b>13.0</b>	-	<b>2212.0</b>	-
	<b>Offered</b>	<b>1221.7</b>	<b>459.9</b>	-	<b>508.1</b>	-	<b>22.3</b>	-	<b>2212.0</b>	-
	<b>Accepted</b>	<b>1161.6</b>	<b>420.7</b>	-	<b>416.0</b>	-	<b>20.3</b>	-	<b>2018.6</b>	<b>780.0</b>
Q1	Cut-off rate	11.7	12.2	-	12.6	-	-	-	82.7	-
	Offered	32.7	27.0	-	23.1	-	-	-	63.1	150.0
	Accepted	24.2	23.8	-	15.2	-	-	-	63.1	150.0
Q2	Cut-off rate	12.1	12.6	-	13.0	-	13.3	-	218.9	-
	Offered	51.7	43.0	-	123.6	-	0.5	-	100.9	150.0
	Accepted	29.5	12.5	-	58.4	-	0.5	-	100.9	150.0
Q3	Cut-off rate	12.1	12.6	-	12.9	-	12.9	-	1026.8	-
	Offered	527.5	249.6	-	237.0	-	12.8	-	978.9	180.0
	Accepted	503.2	245.4	-	218.6	-	11.8	-	978.9	180.0
Q4	Cut-off rate	12.1	12.6	-	13.0	-	13.0	-	883.6	-
	Offered	609.9	140.3	-	124.4	-	9.0	-	875.7	300.0
	Accepted	604.7	139.1	-	123.9	-	8.0	-	875.7	300.0
<b>FY15<sup>7</sup></b>	<b>Cut-off rate<sup>6</sup></b>	<b>10.6</b>	<b>10.8</b>	-	<b>11.7</b>	-	<b>8.3</b>	-	<b>1190.8</b>	-
	<b>Offered</b>	<b>688.7</b>	<b>209.1</b>	-	<b>284.8</b>	-	<b>8.3</b>	-	<b>642.3</b>	<b>450.0</b>
	<b>Accepted</b>	<b>340.6</b>	<b>127.2</b>	-	<b>167.1</b>	-	<b>7.5</b>	-	<b>642.3</b>	<b>450.0</b>
Q1	Cut-off rate	12.6	13.0	-	13.5	-	13.6	-	371.9	-
	Offered	207.6	64.1	-	92.7	-	7.5	-	302.0	300.0
	Accepted	162.4	57.4	-	74.6	-	7.5	-	302.0	300.0
Q2	Cut-off rate	10.6	10.8	-	11.7	-	-	-	819.0	-
	Offered	481.2	145.0	-	192.0	-	0.75	-	340.3	150.0
	Accepted	178.1	69.8	-	92.4	-	-	-	340.3	150.0
Q3 <sup>7</sup>	Cut-off rate	-	-	-	-	-	-	-	-	-
	Offered	-	-	-	-	-	-	-	-	-
	Accepted	-	-	-	-	-	-	-	-	-

<sup>6</sup> Either no bid received or bids were rejected.

<sup>5</sup> Excluding non-competitive bids and short-selling accommodation

<sup>7</sup> Quarterly rate are for end-period.

<sup>7</sup> Up till January 21, 2015

**Government had successfully raised the targeted amount in the Sukuk auctions held in Q4-FY14.**

3-year Ijarah Sukuk Auction (billion Rs; margin in bps)				
	Target	Total offered	Total accepted	Cut-off margin <sup>8</sup>
<b>FY13</b>	<b>88.0</b>	<b>196.9</b>	<b>90.0</b>	-
Q1	45.0	110.6	47.0	(25)
Q2	-	-	-	-
Q3	43.0	86.3	43.0	(30)
Q4	-	-	-	-
<b>FY14</b>	<b>49.5</b>	<b>113.7</b>	<b>49.5</b>	-
Q1	-	-	-	-
Q2	-	-	-	-
Q3	-	-	-	-
Q4	49.5	113.7	49.5	(200)
<b>FY15</b>	<b>0.0</b>	<b>0.0</b>	<b>0.0</b>	-
Q1	-	-	-	-
Q2	-	-	-	-
Q3	-	-	-	-

<sup>8</sup> 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



## Foreign Exchange Market

*In FY15 so far, Pak rupee has depreciated by 1.9 percent against US Dollar.*

PKR against international currencies	%			App/(Dep) of PKR Cumulative since Jun-14
	Latest 20-Jan-15	Last MPS 14-Nov-14	Jun-14	
USD	100.75	101.76	98.80	(1.93)
Euro	116.73	126.80	134.94	15.60
Sterling	152.52	159.60	168.15	10.25
JPY	0.85	0.87	0.97	14.36
USD Kerb	101.40	102.35	99.30	(2.07)
Premium (Rs)	0.65	0.59	0.50	-
Daily NEER	91.43	87.92	85.80	6.56

Source: SBP

International exchange rates <sup>2</sup>	%			App/(Dep) of USD Cumulative since Jun-14
	Latest 20-Jan-15	Last MPS 14-Nov-14	Jun-14	
USD/EUR	1.16	1.25	1.37	17.88
USD/GBP	1.51	1.57	1.70	12.43
JPY/USD	118.23	116.35	101.38	16.62
INR/USD	61.74	61.80	60.06	2.80
CNY/USD	6.21	6.13	6.20	0.16
THB/USD	32.72	32.85	32.46	0.80
MYR/USD	3.62	3.35	3.21	12.60
SGD/USD	1.34	1.30	1.25	7.19

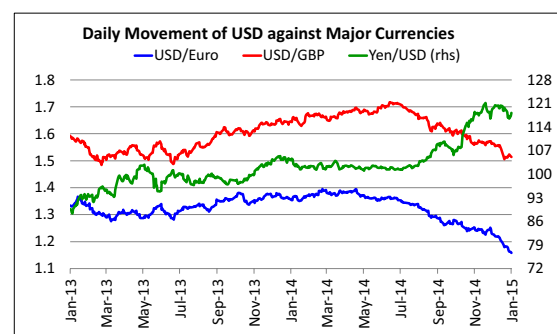
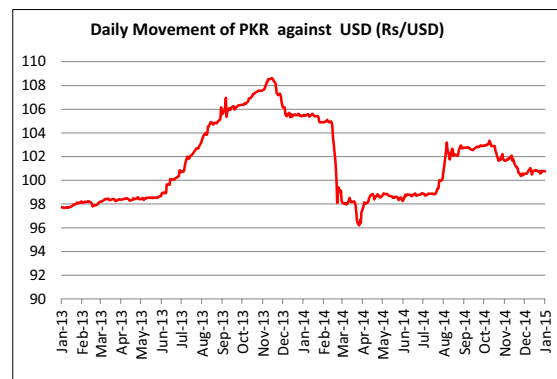
<sup>2</sup> The exchange rates are shown as per country practices

### PKR/USD Interbank Exchange Rate Trends on Fiscal Year Basis

	High	Low	Close	Average	Volatility C/C <sup>3</sup>
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	110.50	95.75	98.80	102.88	4.07
FY15 <sup>4</sup>	103.45	98.58	100.75	101.24	3.54

<sup>3</sup> Reuters: Average Close-to-Close Daily Volatility (in %)

<sup>4</sup> Updated upto 20th January, 2015.



### PKR/USD Interbank Exchange Rate Trends on Quarterly Basis

	High	Low	Close	Average	Volatility C/C <sup>3</sup>
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	110.50	99.55	106.06	103.06	3.45
Q2-FY14	108.75	105.10	105.32	107.01	3.03
Q3-FY14	105.70	97.12	98.53	103.48	5.63
Q4-FY14	98.96	95.75	98.80	98.31	4.14
Q1-FY15	103.27	98.58	102.63	100.70	4.32
Q2-FY15	103.45	100.23	100.48	101.88	2.92
Q3-FY15 <sup>4</sup>	100.98	100.53	100.75	100.76	2.82



**In real terms, Pak rupee has appreciated by 3.0 percent during Nov FY15.**

### Changes in Nominal Effective Exchange Rate (NEER)

Base Year: CY2010

		NEER Index	2012	2013				2014			
			Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep <sup>R</sup>	Nov <sup>P</sup>
2012	Dec	86.00	-	0.86	0.56	-5.74	-7.62	-1.05	0.30	-1.24	1.70
	Mar	86.74	-	-	-0.30	-6.55	-8.41	-1.90	-0.56	-2.08	0.83
2013	Jun	86.48	-	-	-	-6.27	-8.14	-1.61	-0.26	-1.79	1.13
	Sep	81.06	-	-	-	-	-2.00	4.97	6.41	4.78	7.90
	Dec	79.44	-	-	-	-	-	7.11	8.57	6.91	10.10
	Mar	85.09	-	-	-	-	-	-	1.36	-0.18	2.79
2014	Jun	86.25	-	-	-	-	-	-	-	-1.53	1.40
	Sep <sup>R</sup>	84.93	-	-	-	-	-	-	-	-	2.98
	Nov <sup>P</sup>	87.46	-	-	-	-	-	-	-	-	-

<sup>R</sup> Revised

### Changes in Relative price Index (RPI)

Base Year: CY2010

		RPI	2012	2013				2014			
			Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep <sup>R</sup>	Nov <sup>P</sup>
2012	Dec	117.14	-	0.91	3.01	5.11	7.00	7.45	9.01	11.17	11.18
	Mar	118.21	-	-	2.08	4.16	6.03	6.48	8.03	10.16	10.18
2013	Jun	120.67	-	-	-	2.03	3.87	4.31	5.83	7.92	7.93
	Sep	123.12	-	-	-	-	1.80	2.23	3.72	5.77	5.78
	Dec	125.34	-	-	-	-	-	0.42	1.88	3.90	3.91
	Mar	125.86	-	-	-	-	-	-	1.45	3.46	3.48
2014	Jun	127.69	-	-	-	-	-	-	-	1.98	1.99
	Sep <sup>R</sup>	130.22	-	-	-	-	-	-	-	-	0.01
	Nov <sup>P</sup>	130.24	-	-	-	-	-	-	-	-	-

<sup>P</sup> Provisional

### Changes in Real Effective Exchange Rate (REER)

Base Year: CY2010

		REER Index	2012	2013				2014			
			Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep <sup>R</sup>	Nov <sup>P</sup>
2012	Dec	100.74	-	1.78	3.59	-0.93	-1.16	6.32	9.34	9.79	13.08
	Mar	102.53	-	-	1.78	-2.66	-2.89	4.46	7.42	7.87	11.10
2013	Jun	104.35	-	-	-	-4.36	-4.58	2.63	5.55	5.99	9.16
	Sep	99.80	-	-	-	-	-0.23	7.31	10.36	10.82	14.14
	Dec	99.57	-	-	-	-	-	7.56	10.62	11.08	14.40
	Mar	107.10	-	-	-	-	-	-	2.84	3.27	6.36
2014	Jun	110.14	-	-	-	-	-	-	-	0.42	3.42
	Sep <sup>R</sup>	110.60	-	-	-	-	-	-	-	-	2.99
	Nov <sup>P</sup>	113.91	-	-	-	-	-	-	-	-	-

<sup>P</sup> Provisional

Source: SBP



## Capital Market

**KSE-100 Index and Market Capitalization have increased by 6.8 percent and 5.4 percent respectively upto 21st January in FY15, as compared to last month.**

### Performance of Karachi Stock Exchange

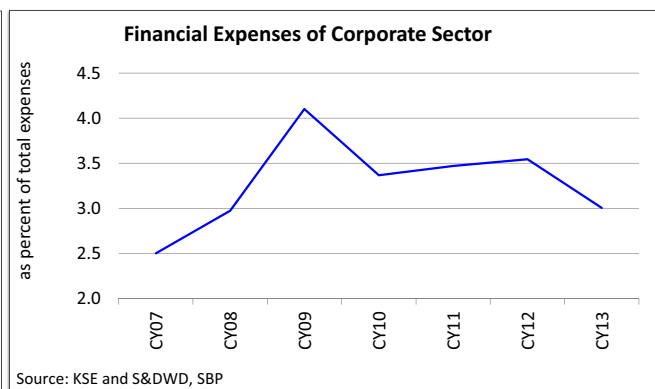
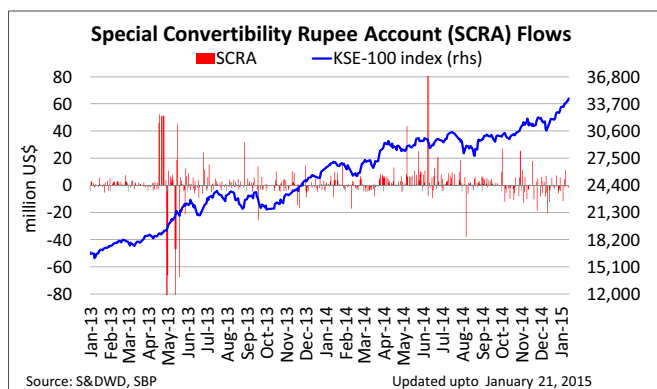
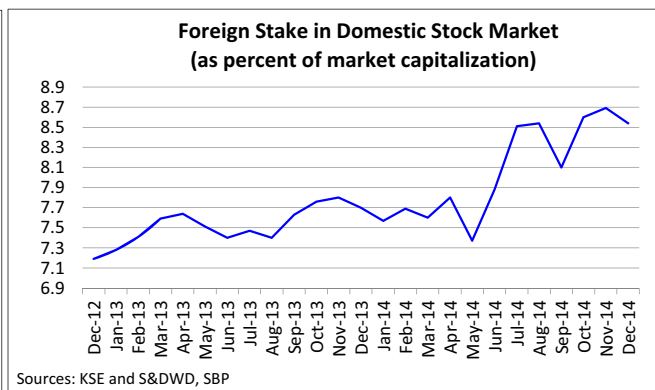
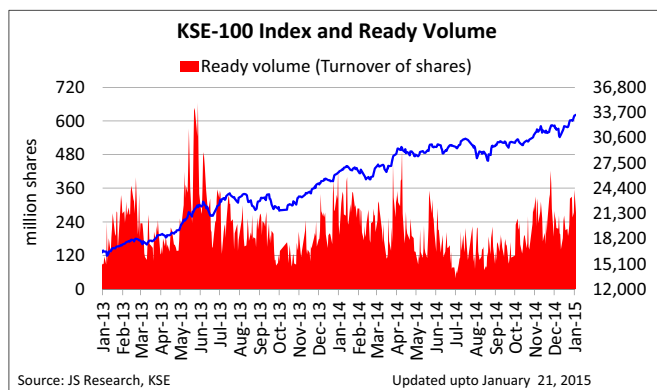
	FY15		FY-14	FY-13	Percentage change during		
	Jan-15 <sup>1</sup>	Dec-14			Jan FY15 <sup>2</sup>	FY14	FY13
End-period KSE-100 index	34,330	32,131	29,653	21,006	6.8	41.2	52.2
End-period KSE-30 index	22,315	20,772	20,416	16,208	7.4	26.0	35.9
Market capitalization (billion Rs) <sup>3</sup>	7,632	7,239	6,171	4,300	5.4	43.5	33.3
Ready volume (million shares) <sup>3</sup>	311	248	216	200	-	-	-
SCRA flows (US\$ million) <sup>4</sup>	-1.7	-57.7	689.1	187.8	-	-	-

<sup>1</sup> Upto 21<sup>st</sup> January 2015

<sup>2</sup> Reflects growth since end of the previous month

<sup>3</sup> Average during the period

<sup>4</sup> Cumulative flow during the period upto 20th January 2015



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



## Financial Soundness Indicators

*Profitability and Liquidity indicators of the banking system have improved in Q1-FY15 compared to the previous quarter.*

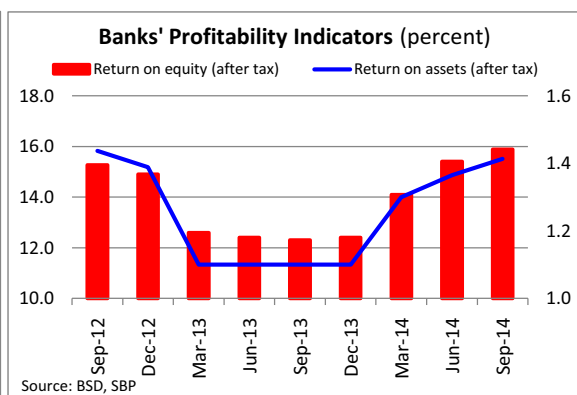
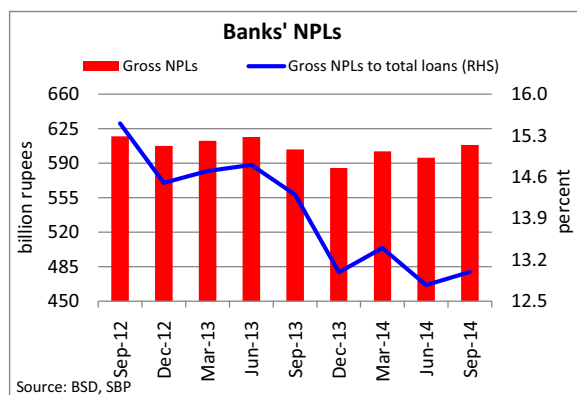
percent

	Sep 2013	Dec 2013	Mar 2014	Jun 2014	Sep 2014
Risk weighted CAR <sup>1</sup>	15.5	14.9	14.8	15.1	15.5
Gross NPLs to total loans	14.3	13.0	13.4	12.8	13.0
Provision to NPLs	76.5	78.4	77.8	79.5	77.6
Net NPLs to net loans	3.8	3.1	3.3	2.9	3.2
Returns on assets (before tax)	1.7	1.7	1.9	2.1	2.2
Return on assets (after tax)	1.1	1.1	1.3	1.4	1.4
ROE (before tax) <sup>2</sup>	18.4	18.4	21.3	23.5	24.2
ROE (after tax) <sup>2</sup>	12.3	12.4	14.1	15.4	15.9
Net interest income/gross income	70.3	70.3	69.9	70.5	71.4
Liquid assets/total assets	46.7	47.3	48.3	47.8	48.3
Liquid assets/total deposits	59.2	60.0	63.7	60.6	61.4
Advances/deposits	48.7	48.6	49.2	47.7	48.2

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

<sup>1</sup> Data from Dec-13 is based on Basel III while the rest is based on Basel II with the exception of the data of IDBL, PPCBL, and SME Bank, which is based on Basel I.

<sup>2</sup> Average equity and surplus.



Source: Banking Surveillance Department (BSD), SBP