



Monetary Policy Information Compendium

March 2015

Consolidated by

Statistics & DWH Department

STATE BANK OF PAKISTAN

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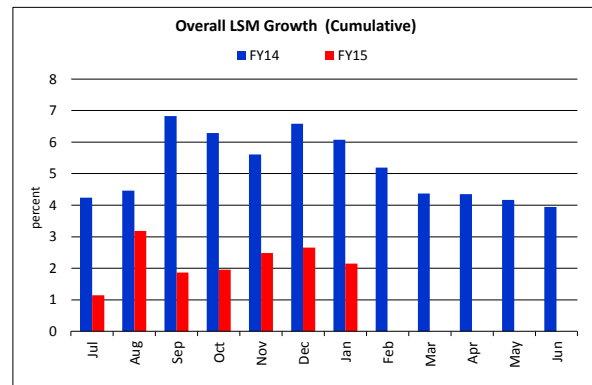
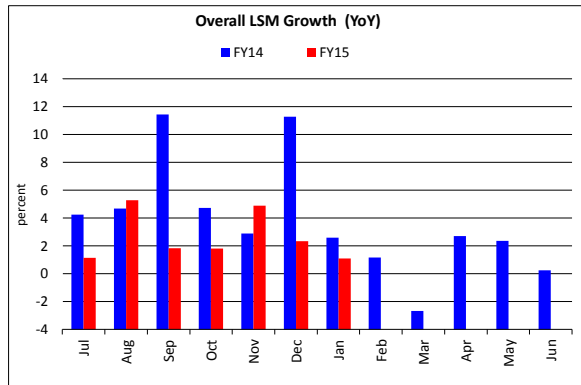
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Growth

Significantly lower cumulative growth of 2.2 percent has been recorded in the LSM sector for Jul-Jan FY15, compared to a growth of 6.1 percent during the same period last year.

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

Groups	Weights	YoY change				Cumulative change during Jul-Jan			
		Jan-15		Jan-14		FY15		FY14	
Overall	70.2	1.1	3.7			2.2		6.1	
Textile	20.9	↑	0.3	↑	0.8	↑	0.6	↑	1.6
Food, beverages and tobacco	12.4	↓	-4.4	↑	8.4	↓	-2.6	↑	15.2
Petroleum products	5.4	↑	2.4	↑	2.5	↑	1.1	↑	8.8
Iron and steel products	5.4	↑	43.9	↑	17.4	↑	32.7	↑	4.1
Non-metallic mineral products	5.4	↑	2.7	↑	0.1	↑	3.9	↑	1.1
Automobile	4.6	↑	18.6	↓	-1.0	↑	13.7	↓	-0.9
Fertilizer	4.4	↑	9.0	↑	5.7	↓	-0.3	↑	25.4
Pharmaceuticals	3.6	↑	10.3	↓	-0.6	↑	5.6	↓	-0.3
Paper and board	2.3	↑	2.0	↓	-15.1	↓	-2.3	↑	9.0
Electronics	2.0	↑	6.7	↓	-3.8	↑	9.3	↑	11.1
Chemicals	1.7	↓	-2.4	↑	17.2	↑	4.7	↑	7.3
Leather products	0.9	↓	-22.8	↑	18.1	↑	9.3	↑	12.1
Wood products	0.6	↓	-86.1	↑	26.9	↓	-77.5	↓	-9.1
Engineering products	0.4	↓	-16.3	↓	-25.1	↓	-4.9	↓	-24.8
Rubber products	0.3	↓	-1.8	↑	18.8	↑	2.0	↑	6.5



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 ^T	FY14 ^P	FY13 ^R		FY14 ^P	FY13 ^R			FY14 ^P	FY13 ^R		
Cotton ¹	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	

¹ Cotton production is stated in thousand bales of 375 lbs each.

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

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



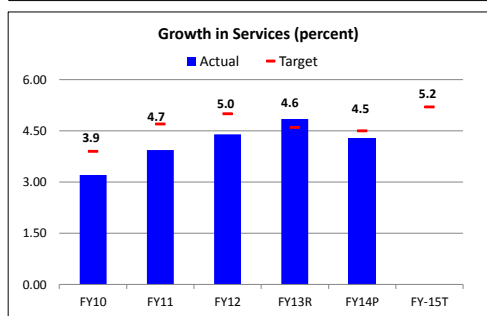
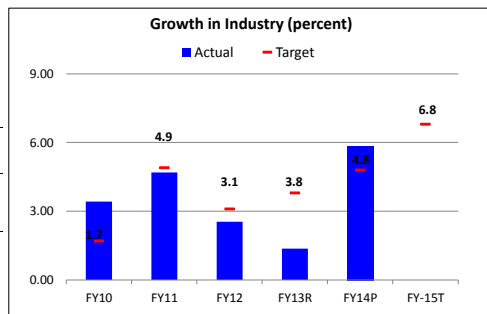
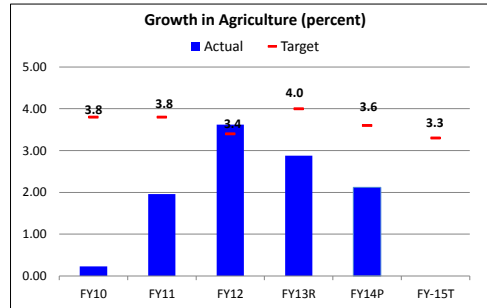
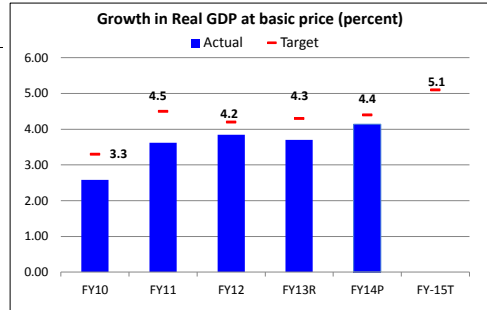
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Real GDP shows growth of 4.1 percent during FY14, which is lower than the target of 4.4 percent.

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

	FY14 ^P			FY13 ^R Growth
	Growth	Shares	Contribution	
Agriculture of which	2.1	21.0	0.5	2.9
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
Industry of which	5.8	20.8	1.2	1.4
Manufacturing	5.5	13.5	0.7	4.5
Large-scale ¹	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
Services of which	4.3	58.1	2.5	4.9
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
Real GDP (basic prices)	4.1	100.0	4.1	3.7
Real GDP (market prices)	5.4	104.8	5.6	4.4



	FY14 ^P	FY13 ^R	FY12
Nominal GDP (mp, billion Rs)	10,227	9,820	9,470
Nominal GDP (mp, billion US\$) ²	25,402	22,489	20,047
Nominal GDP (mp, billion US\$) ²	247	232	225

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

	FY14 ^P			FY13 ^R Growth
	Growth	Shares ³	Contribution ³	
Consumption	6.8	89.8	5.8	3.4
Private	5.9	78.1	4.5	2.5
Government	12.7	11.7	1.3	10.2
Fixed capital formation	0.5	12.2	0.1	0.2
Private	-1.6	9.1	-0.2	2.7
Public plus general government	7.3	3.1	0.2	-7.2
Changes in stocks	5.4	1.6	0.1	4.4
Net exports of goods and nonfactor services	24.6	-3.6	-0.7	1.2
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
GDP (market prices)	5.4	100.0	5.4	4.4
Indirect Taxes	15.7	5.6	0.8	-2.7
Subsidies	-35.3	1.1	-0.6	-34.7
GDP (basic prices)	4.1	95.5	-	3.7
Total domestic demand⁴	6.0	103.6	6.0	3.0

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

¹ For FY14, LSM data pertains to July-Jun; 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.

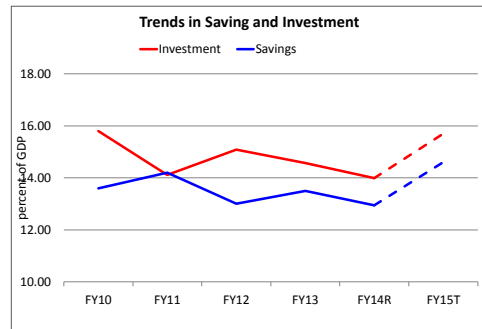


Saving and Investment

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

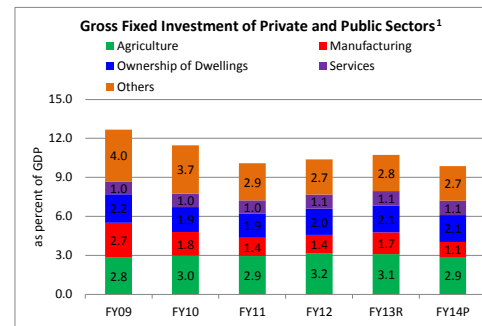
	FY15 Target	Actual	
		FY14 ^P	FY13 ^R
A. Investment	15.7	14.0	14.6
Gross fixed investment	14.1	12.4	13.0
Private sector	10.3	8.9	9.6
Public including general public	3.8	3.5	3.3
Change in capital stocks	1.6	1.6	1.6
B. National savings	14.6	12.9	13.5
C. Domestic savings	-	7.5	8.3
Saving investment gap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



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

Gross Fixed Investment of Private and Public Sectors¹ at Current Market prices

	FY14 ^P		FY13 ^R
	As percent of GDP	Percent share in total	As percent of GDP
	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
Total	9.9	100.0	10.7



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,
Ministry of Finance, Economic Survey 2013-14

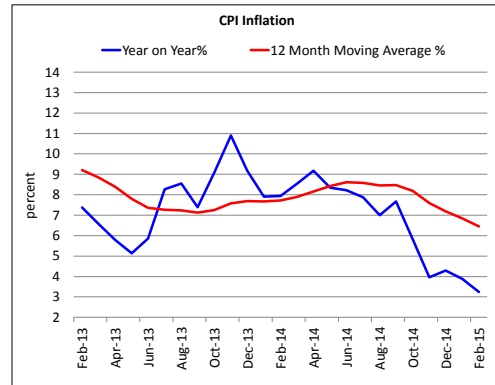


Inflation

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

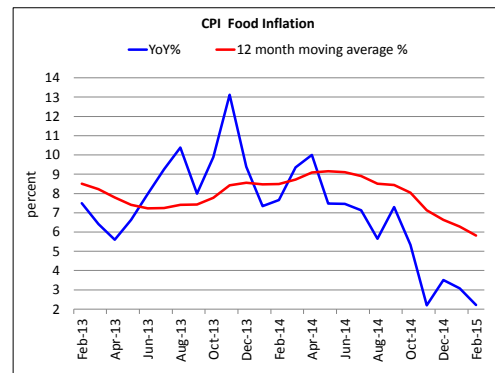
Headline CPI inflation (YoY) has decreased to 3.2 percent in February 2015 from 3.9 percent in the previous month.

Consumer Price Index (CPI) (percent change)				
	MoM ¹	MoM SA ²	YoY ³	12M moving average ⁴
Feb-14	-0.3	0.5	7.9	7.7
Mar-14	1.0	0.7	8.5	7.9
Apr-14	1.7	0.9	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	0.0	5.8	8.2
Nov-14	-0.5	-0.2	4.0	7.6
Dec-14	-1.0	0.1	4.3	7.2
Jan-15	0.1	-0.3	3.9	6.8
Feb-15	-0.9	-0.1	3.2	6.5
3-year average for Feb.	-0.5	0.3	6.2	



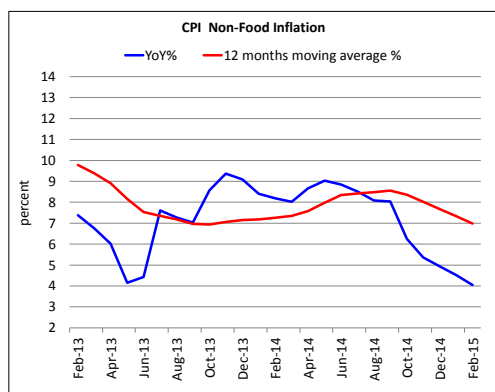
CPI food inflation (YoY) has decreased to 2.1 percent in February 2015 from 3.0 percent in the previous month.

CPI - Food (37.48 % weight in basket) (percent change)				
	MoM ¹	MoM SA ²	YoY ³	12M moving average ⁴
Feb-14	-1.0	0.7	7.6	8.4
Mar-14	2.1	1.2	9.3	8.6
Apr-14	2.0	0.9	9.9	9.0
May-14	-1.2	-0.5	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	-0.4	5.6	8.4
Sep-14	0.0	-0.1	7.2	8.3
Oct-14	-0.2	-0.1	5.2	7.9
Nov-14	-0.4	-0.2	2.1	7.0
Dec-14	-2.1	0.2	3.4	6.5
Jan-15	-0.5	-0.7	3.0	6.2
Feb-15	-1.8	-0.1	2.1	5.7
3-year average for Feb.	-1.4	0.4	5.7	



CPI non-food inflation (YoY) has decreased to 4.0 percent in February from 4.5 percent in the previous month.

CPI - Non Food (62.52 % weight in basket) (percent change)				
	MoM ¹	MoM SA ²	YoY ³	12M moving average ⁴
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	0.2	8.9	8.3
Jul-14	1.0	1.0	8.5	8.4
Aug-14	0.2	0.1	8.1	8.5
Sep-14	0.6	0.7	8.0	8.6
Oct-14	0.5	0.1	6.2	8.4
Nov-14	-0.6	-0.1	5.4	8.0
Dec-14	-0.2	0.1	4.9	7.7
Jan-15	0.5	0.0	4.5	7.3
Feb-15	-0.3	-0.1	4.0	7.0
3-year average for Feb.	0.1	0.3	6.5	



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.

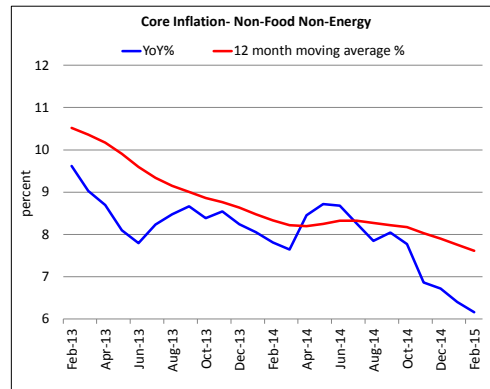


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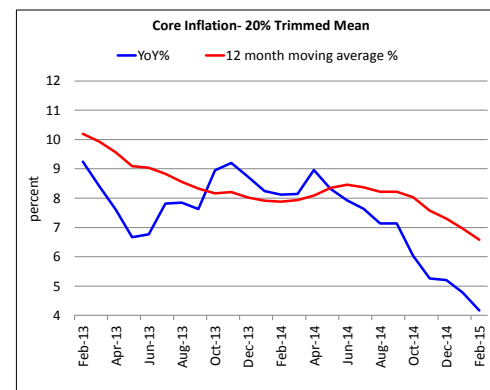
The non-food non-energy (NFNE) core inflation (YoY) has decreased to 6.2 percent in February 2015 from 6.4 percent in the previous month.

Core Inflation - Non-food non-energy (53.52% weight in basket) (percent)			
	MoM	YoY	12M moving average
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
Jan-15	0.7	6.4	7.8
Feb-15	0.0	6.2	7.6
3-year average for Feb.			
	0.2	7.9	



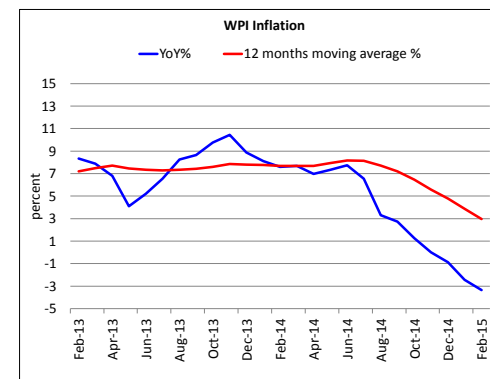
The 20 percent trimmed mean measure of core inflation (YoY) has decreased to 4.2 percent in February 2015 from 4.8 percent in the previous month.

Core - 20% Trimmed (percent change)			
	MoM	YoY	12M moving average
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
Jan-15	0.3	4.8	7.0
Feb-15	-0.2	4.2	6.6
3-year average for Feb.			
	0.1	7.2	



The WPI inflation (YoY) has decreased to -3.4 percent in February 2015 from -2.4 percent in previous month.

Wholesale Price Index (WPI) (percent change)				
	MoM	MoM SA	YoY	12M moving average
Feb-14	-0.1	0.1	7.6	7.7
Mar-14	0.3	-0.2	7.7	7.7
Apr-14	0.1	-0.3	7.0	7.7
May-14	-0.1	0.3	7.3	8.0
Jun-14	1.4	0.8	7.7	8.2
Jul-14	0.5	0.3	6.6	8.1
Aug-14	-0.5	-1.0	3.3	7.7
Sep-14	0.2	0.4	2.7	7.2
Oct-14	-0.3	-0.2	1.3	6.5
Nov-14	-1.0	-0.4	0.0	5.6
Dec-14	-1.9	-0.8	-0.9	4.8
Jan-15	-1.0	-1.3	-2.4	3.9
Feb-15	-1.1	-0.8	-3.4	3.0
3-year average for Feb.				
	-0.3	-0.02	4.2	



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

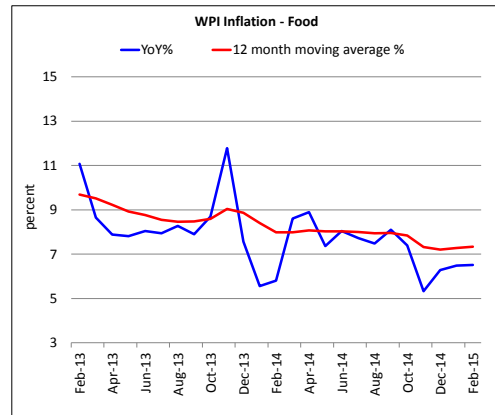


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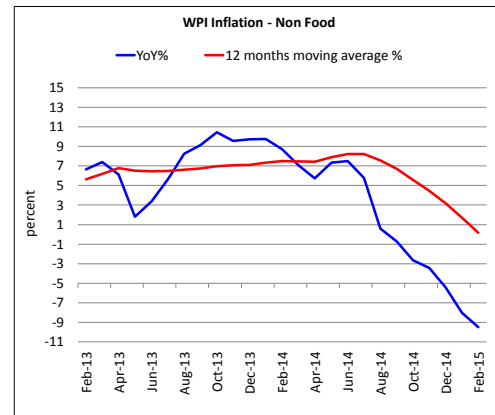
WPI food inflation (YoY) has remained the same at 6.5 percent in February 2015 as of the previous month

	WPI -Food (38.82% weight in basket) (percent change)			
	MoM	MoM SA	YoY	12M moving average
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	1.4	8.0	8.0
Jul-14	2.0	0.8	7.7	8.0
Aug-14	0.8	0.2	7.5	7.9
Sep-14	0.5	0.6	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	0.0	6.3	7.2
Jan-15	0.0	0.2	6.5	7.3
Feb-15	-0.5	0.6	6.5	7.3
3-year average for Feb.	-0.6	0.5	7.8	



WPI non-food inflation (YoY) has further declined to -9.5 percent in February 2015 from -8.0 percent in previous month.

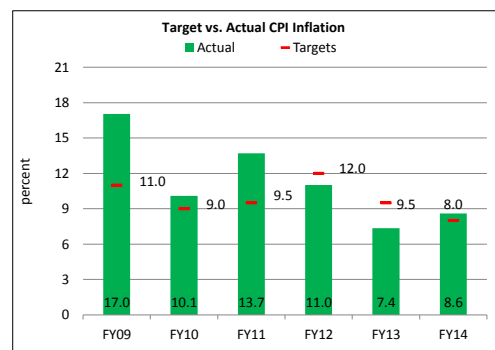
	WPI - Non Food (61.18% weight in basket) (percent change)			
	MoM	MoM SA	YoY	12M moving average
Feb-14	0.1	-0.2	8.7	7.5
Mar-14	-0.7	-1.0	7.1	7.5
Apr-14	-1.0	-1.2	5.7	7.4
May-14	0.1	0.4	7.3	7.9
Jun-14	0.7	0.5	7.5	8.2
Jul-14	-0.4	0.0	5.8	8.2
Aug-14	-1.3	-1.8	0.6	7.6
Sep-14	-0.1	0.2	-0.7	6.7
Oct-14	-0.7	-0.7	-2.7	5.6
Nov-14	-1.2	-0.8	-3.4	4.5
Dec-14	-2.0	-1.4	-5.4	3.2
Jan-15	-1.8	-2.4	-8.0	1.7
Feb-15	-1.5	-1.8	-9.5	0.2
3-year average for Feb.	-0.1	-0.4	2.0	



Average CPI inflation is recorded at 5.4 percent in Jul-Feb FY15 compared to 8.6 percent in Jul-Feb FY14.

	Average CPI and WPI Inflation (percent change)			WPI
	Headline	Food	Non Food	
FY-14	8.6	9.0	8.3	8.2
Jul-Feb FY-14	8.6	9.3	8.2	8.5
Jul-Feb FY-15	5.4	4.4	6.2	0.9

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





CPI and SPI Inflation by Groups

The YoY decrease in headline CPI inflation observed in February 2015 was due to decrease in both food & non-food inflation.

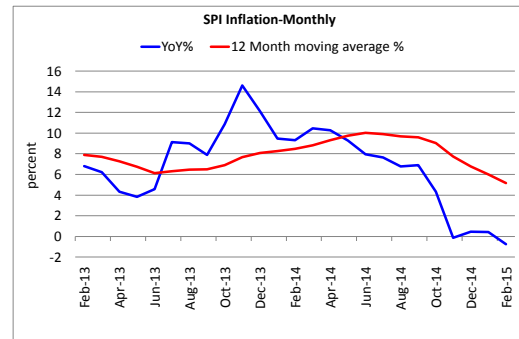
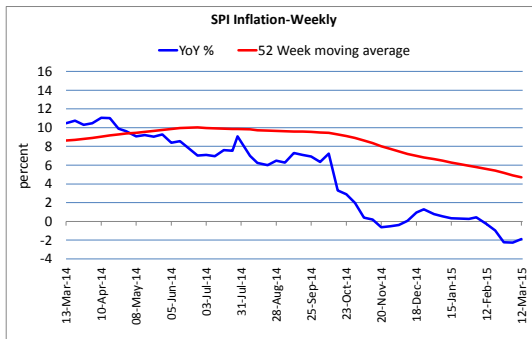
Group-Wise CPI Inflation

Groups	Weights	Feb-15			Jan-15		
		MoM	YoY	12m MA ¹	MoM	YoY	12m MA ¹
I. Food group	37.5	-1.8	2.1	5.7	-0.5	3.0	6.2
Food and non-alcoholic beverages	34.8	-2.0	1.2	4.9	-0.5	2.1	5.4
Alcoholic beverages and tobacco	1.4	0.0	20.2	21.3	0.0	20.2	21.0
Restaurant & hotels	1.2	0.5	5.5	9.9	0.1	6.0	10.5
II. Non-food group	62.5	-0.3	4.0	7.0	0.5	4.5	7.3
Clothing and footwear	7.6	0.1	7.7	9.6	0.2	8.1	9.9
Housing, water, electricity, gas fuels	29.4	0.0	5.7	7.8	1.4	5.7	8.1
Furnishing & household equipment maintenance etc.	4.2	0.2	6.0	8.1	0.3	6.4	8.4
Health	2.2	0.1	5.8	6.6	0.4	6.1	6.6
Transport	7.2	-3.2	-11.1	0.5	-2.1	-8.1	1.9
Communication	3.2	0.1	0.3	0.4	0.0	0.3	0.5
Recreation and culture	2.0	0.0	3.4	4.9	0.0	3.4	5.4
Education	3.9	0.0	14.2	14.5	0.0	14.2	14.0
Miscellaneous	2.8	0.7	4.9	5.8	0.3	4.8	5.8
Overall	100	-0.9	3.2	6.5	0.1	3.9	6.8

SPI inflation increased by 0.7 percent during the 2nd week of March 2015.

Sensitive Price Indicator (SPI) (percent change)

Income groups	19-Feb-15	26-Feb-15	5-Mar-15	12-Mar-15	Feb-15		
	WoW ²				MoM	YoY	12m MA ¹
Up to Rs 8000	-0.06	-0.48	0.24	0.63	-1.0	0.2	4.5
Rs 8001-12000	-0.07	-0.50	0.26	0.64	-1.1	0.3	4.4
Rs 12001-18000	-0.08	-0.52	0.29	0.65	-1.2	0.0	5.6
Rs 18001-35000	-0.09	-0.54	0.31	0.67	-1.4	-0.5	5.7
Above Rs 35000	-0.10	-0.53	0.33	0.65	-1.6	-1.7	5.0
All	-0.08	-0.52	0.30	0.65	-1.4	-0.7	5.2



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

Sources: Pakistan Bureau of Statistics



Balance of Payments

External current account balance witnessed a deficit of US\$ 1.61 billion during Jul-Feb FY15, compared to a deficit of US\$ 2.45 billion in the same period last year.

Balance of Payments Summary (million US\$)

Items	Jul-Feb		FY14	FY13
	FY15	FY14		
A) Current account balance (CAB)	-1,614	-2,453	-3,129	-2,496
Trade balance	-11,728	-11,303	-16,701	-15,431
Exports	16,070	16,646	25,068	24,795
Imports	27,798	27,949	41,769	40,226
Services (net); of which	-1,074	-1,739	-2,551	-1,472
CSF	1,452	675	1,050	1,806
Income (net)	-2,880	-2,483	-3,943	-3,685
Current transfers (net); of which	14,068	13,072	20,066	18,092
Remittances	11,751	10,248	15,837	13,922
B) Capital and financial (C&F) account balance ; of which	2,803	1,569	7,377	813
Foreign direct investment (net) ¹	561	560	1,541	1,258
Foreign portfolio investment (net)	1,221	133	2,760	26
Other investment assets	-118	-78	211	-314
Other investment liabilities	849	-10	1,010	-421
Of which : General government	372	55	1,610	248
of which: Disbursements	2,220	1,734	4,349	2,530
Amortization	1,848	1,679	2,734	2,282
C) Net Errors and omissions	107	-357	-390	-309
Overall balance (A+B+C)	1,296	-1,241	3,858	-1,992
SBP gross reserves²	12,596	5,321	10,509	7,197
SBP net liquid reserves³	11,207	3,919	9,097	6,007
As percent of GDP⁴				
Current account balance; of which			-1.3	-1.1
Exports			10.2	10.7
Imports			16.9	17.3
Capital and financial inflows; of which			3.0	0.3
FDI			0.6	0.5

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 and foreign currency cash holding of SBP.

⁴ For FY14 revised and for FY15, provisional GDP has been used and average exchange rate has been used to calculate GDP in US\$.

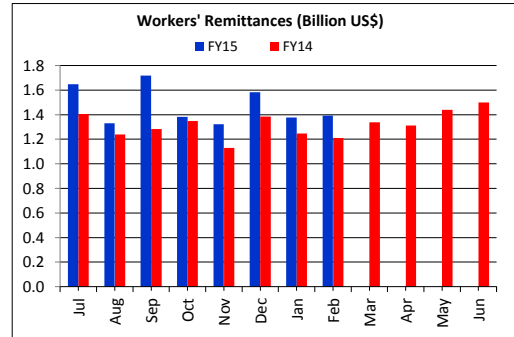
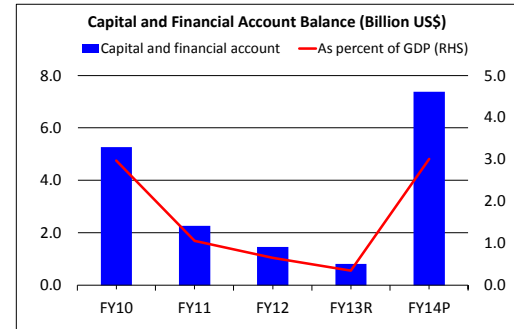
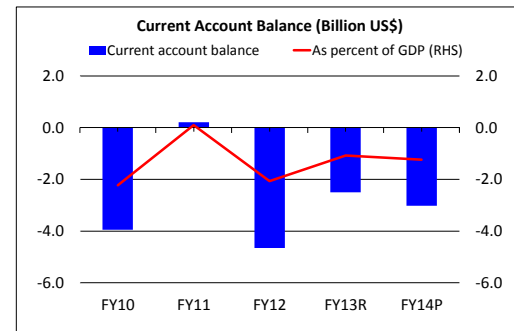
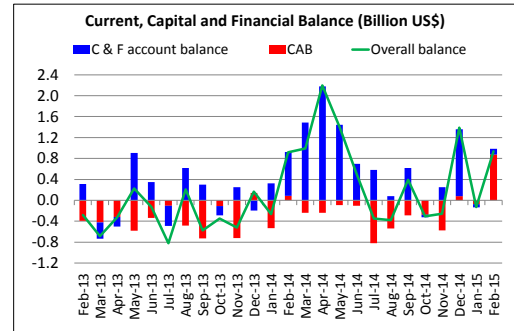
Workers' remittances registered a growth of 14.7 percent during Jul-Feb FY15.

Workers' Remittances⁵ (million US\$)

Share (in percent) is calculated as a ratio of cumulative flow of a group (item) to	Jul-Feb		FY-14	YoY growth in Jul-Feb FY15
	FY-15	FY14		
Total inflows	11,751	10,248	15,838	14.7
USA	1,672	1,627	2,468	2.8
UK	1,506	1,466	2,180	2.8
Saudi Arabia	3,556	2,966	4,729	19.9
UAE	2,537	2,027	3,110	25.2
Other GCC ⁶	1,365	1,194	1,860	14.3
All others	1,114	969	1,491	15.0

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

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





Trade and Foreign Investment

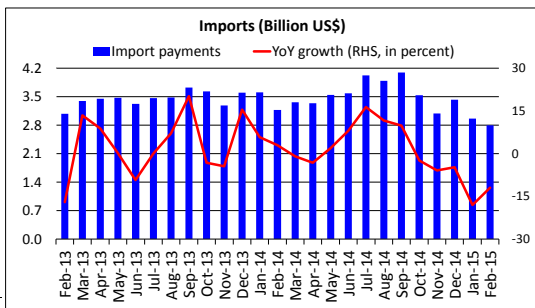
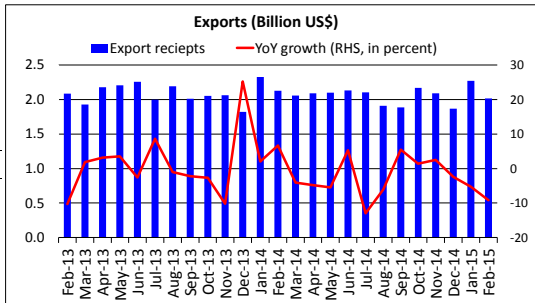
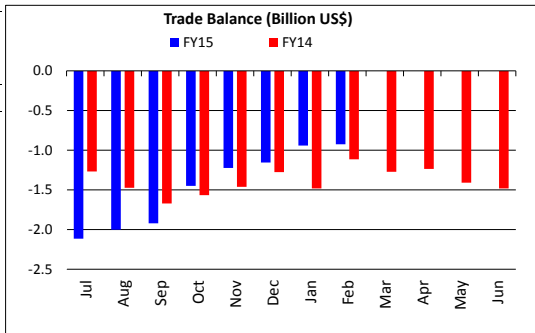
Trade Balance witnessed a deficit of US\$ 11.73 billion during Jul-Feb FY15, compared to a deficit of US\$ 11.30 billion in the same period last year.

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

	Jul-Feb		FY14	Shares ¹ Jul-Feb FY15
	FY15	FY14		
Exports	16,070	16,646	25,068	100
Textile group	9,011	9,056	13,659	56
Knitwear, bed wear	2,999	2,791	4,256	19
Cotton cloth	1,653	1,840	2,734	10
Cotton Yarn	1,167	1,430	2,053	7
Readymade garments	1,350	1,186	1,834	8
Other manufactures group	2,920	2,881	4,479	18
Chemical and pharma	815	705	1,138	5
Leather items ²	725	710	1,084	5
Cement	285	320	487	2
Engineering goods	174	202	317	1
Jewellery	8	55	61	0
Food group	2,808	2,692	4,241	17
Rice	1,337	1,347	2,108	8
All others	1,331	2,017	2,690	8
Imports	27,798	27,949	41,769	100
Petroleum group	8,949	10,149	14,774	32
Petroleum products	5,732	6,350	9,020	21
Petroleum crude	3,218	3,799	5,755	12
Machinery group	3,660	3,375	5,053	13
Telecom	823	833	1,217	3
Electrical machinery	579	483	722	2
Power machinery	472	462	675	2
Agriculture & other chemicals group	4,490	4,622	6,862	16
Plastic materials	1,161	1,082	1,680	4
Fertilizer manufactured	515	590	694	2
Food group	3,144	2,817	4,147	11
Palm oil	1,181	1,294	1,922	4
Tea	220	202	301	1
Metal group	2,157	1,707	2,700	8
Iron steel (IS) and IS scrap	1,797	1,353	2,142	6
All others	5,397	5,280	8,233	19
Trade Balance	-11,728	-11,303	-16,701	

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

² Includes tanned and manufactured leather.

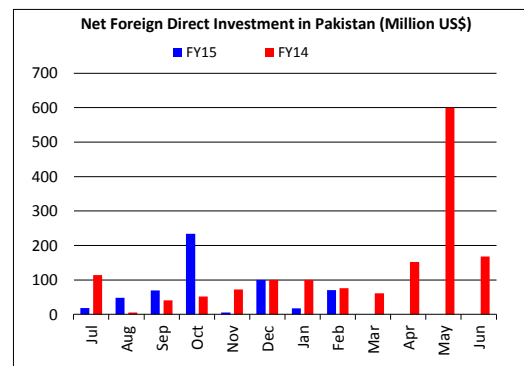


Net FDI inflows registered a decrease of 3.8 percent during Jul-Feb FY15.

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

	Jul-Feb		FY14	YoY growth in Jul-Feb FY15
	FY15	FY14		
Net inflows: Of which	615	640	1,668	-3.8
Selected Countries				
USA	117	165	212	-29.2
UAE	153	-61	-78	349.7
UK	64	106	157	-39.9
China	175	-14.4	696	1,318.0
Selected Sectors				
Communication	96	-218	434	144.0
Financial businesses	73	106	162	-30.9
Oil and gas exploration	192	321	502	-40.1
Power	77	46	71	66.3
Trade	29	-6	-3	633.0
Memorandum Item:				
Net overall FDI³	561	560	1,541	

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



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



Monetary Policy Information Compendium

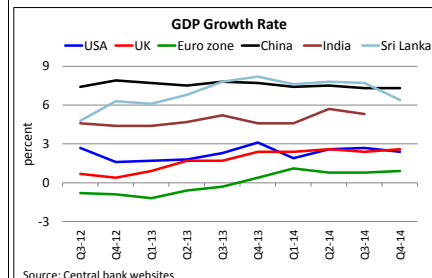
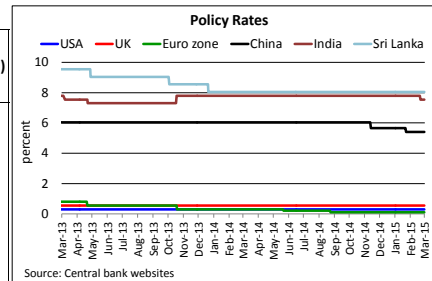
March 2015

Global Economy

Five Central Banks have reduced their Policy rates during the last two months.

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	1.00	Jan 21 2015	1.25	↓ -25
Australia	2.25	Feb 03 2015	2.50	↓ -25
China	5.35	Feb 27 2015	5.60	↓ -25
India	7.50	Mar 3 2015	7.75	↓ -25
Sri Lanka	8.00	Jan 01 2014	8.50	↓ -50
Malaysia	3.25	July 10 2014	3.00	↑ 25
Indonesia	7.50	Feb 17 2015	7.75	↓ -25
Thailand	2.00	Mar 12 2014	2.25	↓ -25



Real GDP growth in most of the countries showed an increase in Q4-CY14 as compared to Q3-CY14.

Key Macroeconomic Indicators

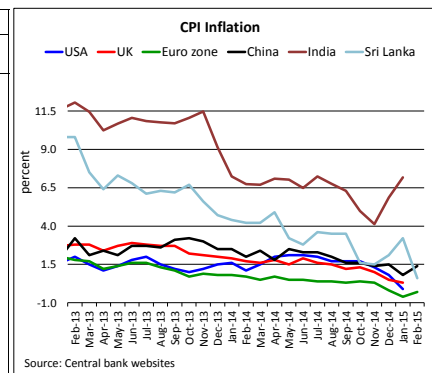
	Inflation (YoY) ¹ Feb-15	GDP growth ² Q4-2014	Current account balance ³	Fiscal balance ³	Reserves ⁵ (billion US\$) Jan-15	Lending rates ⁶	
			as a percent of GDP ⁴			Nominal	Real
USA	-0.1	2.4	-2.2	-2.5	40.5	3.3	3.4
UK	0.3	2.6	-4.3	-4.6	80.1	0.5	0.0
Euro zone	-0.3	0.9	2.4	-2.2	232.2	7.2	7.4
Japan	2.4	-0.8	1.7	-7.0	1200.3	1.2	-1.2
Australia	1.7	2.5	-2.8	-2.2	44.7	6.0	4.2
China	1.4	7.3	2.1	-2.9	3843.0	5.6	4.1
India	7.2	5.3	-1.6	-4.1	295.9	10.3	6.2
Sri Lanka	0.6	6.4	-	-	7.4	7.3	3.8
South Korea	0.5	2.7	5.7	0.5	353.6	3.9	2.9
Malaysia	1.0	5.8	3.8	-4.7	106.4	4.7	2.0
Indonesia	6.3	5.0	-2.6	-1.8	108.4	12.8	6.6
Thailand	-0.5	2.3	2.6	-1.6	146.9	6.8	7.2

¹ Values of Euro Zone, China, Sri Lanka, South Korea, Indonesia and Thailand pertain to February 2015 and the rest pertain to January 2015 except Australia pertain to December 2014; ² Annual growth, measured as a percentage change over the same quarter of previous year. Value of all countries pertain to Q4 of 2014 except India that pertain to Q3 of 2014; ³ Latest 12 months; ⁴ The Economist, Economic and Financial Indicators, March 14, 2015; ⁵ IMF (IFS) Reserve position data pertain to January 2015 except for Australia, China, India, South Korea pertain to December 2014 and Sri Lanka pertain to November 2014; ⁶ IMF (IFS) data pertain to January 2015 except for UK, Euro Zone, Australia, China & Malaysia pertain to December 2014 and Japan, India, Korea and Indonesia pertain to November 2014 and Sri Lanka pertain to August 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 ¹	World Bank ²	OECD ³
World output	3.3	3.5	3.0	-
Advanced⁴	1.8	2.4	2.2	-
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
Emerging & Developing	4.4	4.3	4.8	-
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. ¹ IMF Projections of January 2015.

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



Monetary Policy Information Compendium

March 2015

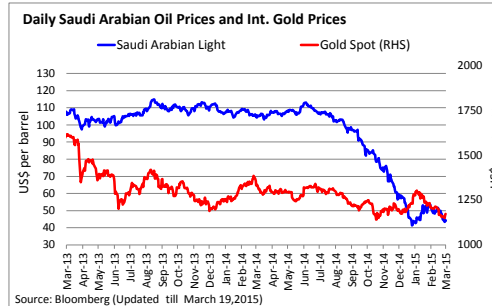
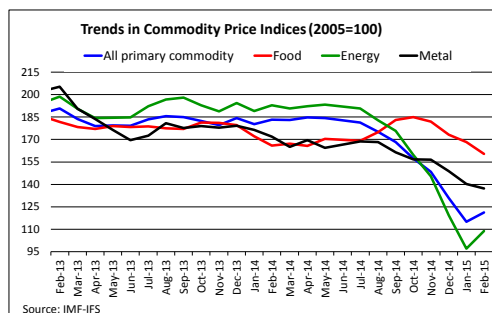
All commodity price index by IMF has registered a rise of 5.5 percent during February 2015.

World Commodity Price Indices (2005=100)

	Feb-15	Percent change since	
		Jan-15	End June - 14
All commodity price index	121.3	↑ 5.5	↓ -34.5
Food price index	149.8	↓ -3.3	↓ -14.9
Energy index	108.8	↑ 12.3	↓ -44.8
Non fuel price index	142.5	↓ -2.2	↓ -13.4
Metal price index	137.3	↓ -2.2	↓ -15.2
Crude oil price (\$/bbl) *	53.8	↓ -2.8	↓ -51.0
Cotton spot (US cents/ pound) *	64.4	↓ -2.4	↓ -22.1
Palm oil (\$/m. ton)	634.4	↓ -1.1	↓ -16.4
Soya bean Oil (\$/m. ton)	697.9	↓ -1.4	↓ -19.9
Wheat (\$/m. ton)	237.2	↓ -4.6	↓ -22.6
Gold spot (\$/Oz) *	1171.3	↓ -4.5	↓ -8.7
Sugar (US cents/pound)	24.6	↓ -2.4	↓ -5.1

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

* Average during the month upto March 19, 2015.

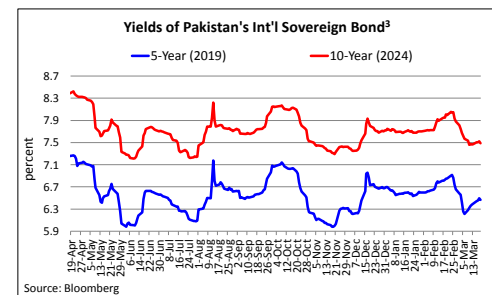
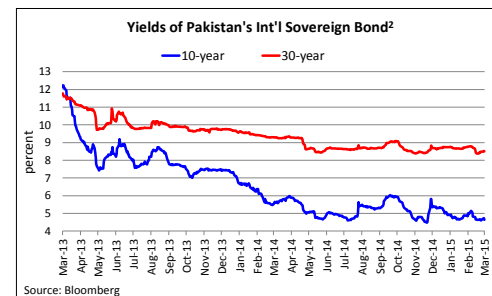


Major stock price indices have shown increasing trends during March 2015 so far as compared to previous month.

Capital Market Indices

	Mar-15	Percent change since	
		Feb-15	End June - 14
US (DJIA)	17955.8	↑ 0.1	↑ 6.7
DJ EURO STOXX	3628.7	↑ 5.1	↑ 11.0
UK (FTSE 100)	6855.3	↓ -0.3	↑ 0.8
Japan (Nikkei 225)	19049.0	↑ 5.5	↑ 26.1
China (SSEA)	3542.2	↑ 6.1	↑ 66.2
France (CAC 40)	4971.9	↑ 4.3	↑ 10.0
Germany (DAX)	11692.6	↑ 6.5	↑ 18.0
India (BSE)	28873.1	↓ -0.3	↑ 14.6
World dev'd (MSCI)	1743.4	↓ -0.07	↑ 0.6
Emerging Markets (MSCI)	960.1	↓ -2.1	↓ -8.2
World all (MSCI)	424.7	↓ -0.3	↓ -0.4

¹ Updated till March 19, 2015



² 30 Yr Bond = \$300 M (Coupon rate = 7.875%): Issued - Mar 24, 2006; Maturity - Mar 23, 2036
³ 10 Yr Bond = \$500 M (Coupon rate = 7.125%): Issued - Mar 24, 2006; Maturity - Mar 23, 2016
⁴ 10 Yr Bond = \$1000 M (Coupon rate = 8.25%): Issued - April 8, 2014; Maturity - April 15, 2024
⁵ 5 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 2.2 percent of GDP during Jul-Dec, FY15 compared to 2.1 percent in Jul-Dec, FY14.

Revenues (billion Rs)

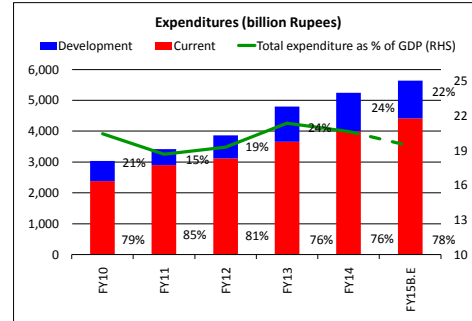
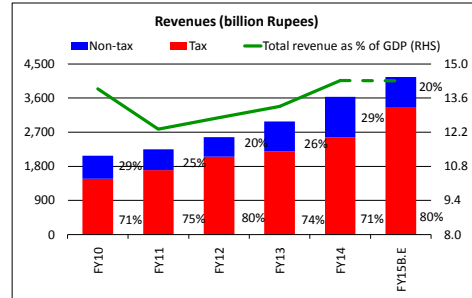
	FY15	Jul-Dec		FY14
	BE ¹	FY15	FY14	
Total revenues	4,216	1,749	1,665	3,637
Tax revenue	3,344	1,361	1,172	2,565
Growth (YoY) %	30.4	16.1	15.7	16.6
of which: FBR revenues	2,810	1,172	1,031	2,266
Non-tax revenues	816	388	493	1,073
Growth (YoY) %	-23.9	-21.4	9.9	37.0

Expenditures (billion Rs)

	FY15	Jul-Dec		FY14
	BE ¹	FY15	FY14	
Total expenditures	5,638	2,401	2,206	5,026
Current	4,417	1,989	1,888	4,005
Growth (YoY) %	10.3	5.4	9.6	9.4
of which: Interest payments	1,325	573	598	1,148
Defence	700	330	295	623
Development Expenditure	1,221	331	326	1,237
Growth (YoY) %	-1.2	1.5	17.4	8.5
Unidentified Expenditure ²	-	81	-8	-215

Overall Balance (billion Rs)

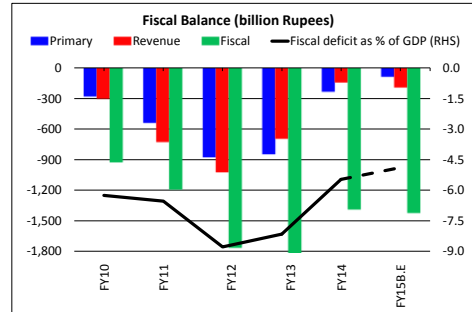
	FY15	Jul-Dec		FY14
	BE ¹	FY15	FY14	
Fiscal balance³	-1,422	-652	-540	-1,389
Revenue balance⁴	-201	-240	-222	-367
Primary balance⁵	-97	-79	58	-241
As percent of GDP⁶				
Fiscal balance	-4.9	-2.2	-2.1	-5.5
Revenue balance	-0.7	-0.8	-0.9	-1.4
Primary balance	-0.3	-0.3	0.2	-0.9



During Jul-Dec, FY15, fiscal deficit was mainly financed through borrowings from domestic sources.

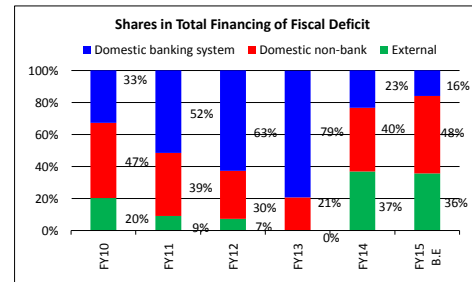
Financing of Fiscal Deficit (billion Rs)

	FY15	Jul-Dec		FY14
	BE ¹	FY15	FY14	
Financing	1,422	652	540	1,389
1. External: of which	508	142	-43	512
Privatization proceeds	198	15.2	-	-
2. Domestic ⁷ : of which	914	510	584	877
Non-bank	686	296	100	553
Banking system: of which	228	199	483	324
Scheduled banks	228	612	40	160
SBP	0	-413	443	164



FBR Tax Collection⁸ (billion Rs)

	Direct	Sales	Customs	FED ⁹	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
FY13	736	841	240	119	1,936
Q1	161	231	53	24	469
Q2	221	250	57	34	563
Q3	217	235	59	32	543
Q4	285	285	72	49	692
FY14^P	884	1,002	241	139	2,266
Q1	190	259	65	25	538
Q2	269	255	71	39	634
FY15^P	459	514	135	64	1,172



¹ Budget Estimates; Estimated from Budget in Brief 2014-15; MoF; ² In Fiscal Accounts, these expenditures are named as 'Statistical Discrepancy'; ³ Fiscal balance = total revenue - total expenditure; ⁴ Revenue balance = total revenue - current expenditure; ⁵ Primary balance = total revenue - total expenditure + interest payment; ⁶ GDP(mp) on new basis (2005-2006) has been used to calculate deficit to GDP ratios; ⁷ It includes the amount of Privatization Proceeds; 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. 788 billion during Jul-Jan FY15.

Debt by Owner - end period stocks (billion Rs)

	Jan-15 ^P	Jun-14 ^P	Change since Jun-14
1.Bank	7,213	6,781	432
Commercial banks	4,811	3,925	886
SBP	2,401	2,855	-454
2.Non-bank	4,599	4,243	356
National saving schemes (NSS)	2,900	2,670	230
Others	1,699	1,573	126
3.Foreign currency instruments¹	5	4	0
Total(1+2+3)	11,816	11,028	788

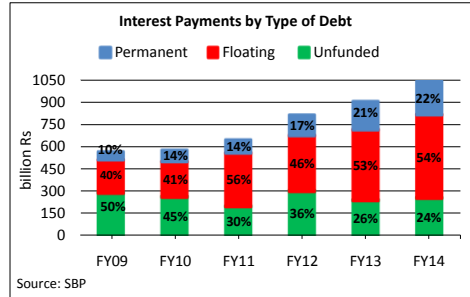
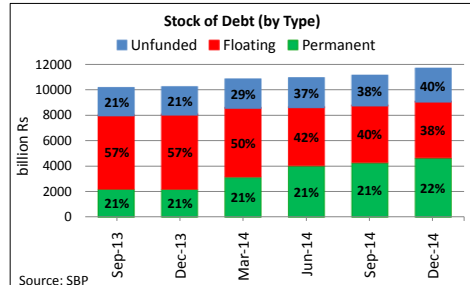
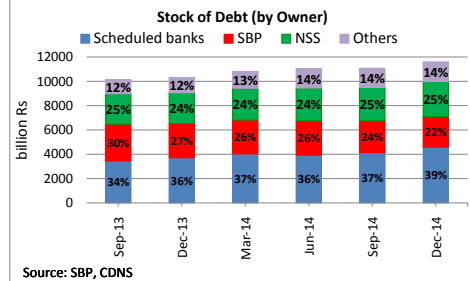
Debt by Type - end period stocks (billion Rs)

	Jan-15 ^P	Jun-14 ^P	Change since Jun-14
1.Permanent debt	4,696	3,999	697
PIBs	3,886	3,222	664
Prize bonds	480	447	33
Others ²	331	331	0
2. Floating debt	4,491	4,600	-108
MTBs	2,007	1,747	260
MRTBs-replenishment ³	2,484	2,852	-368
3.Unfunded debt⁴: of which	2,624	2,425	199
Saving schemes	2,353	2,156	197
4.Foreign currency instruments	5	4	0
Total(1+2+3+4)	11,816	11,028	788
Government domestic liabilities⁵	244	270	-26

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 Outright Sale of MRTBs

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



Interest payments on domestic debt have shown YoY growth of 18.2 percent during Jul-Jan FY15.

Debt Servicing (billion Rs)

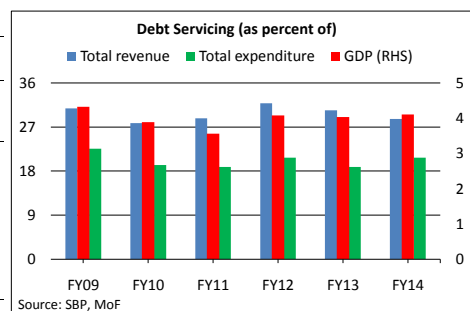
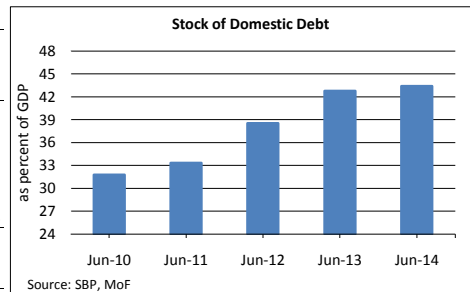
	Jul-Jan		FY14 ^R	Percent change during FY15 over FY14
	FY15 ^P	FY14		
Permanent ⁶	393	155	229	154.1
Floating	211	335	562	-37.1
Unfunded	143	142	252	0.7
Total	746	632	1043	18.2

Indicators of Domestic Debt Sustainability

	Jun-10	Jun-11	Jun-12	Jun-13	Jun-14
Debt stock as percent of GDP	31.8	33.3	38.5	42.8	43.4
Debt servicing as percent of	FY10	FY11	FY12	FY13	FY14
GDP	3.9	3.6	4.1	4.0	4.1
Total revenue	27.8	28.8	31.8	30.4	28.7
Tax revenue	39.2	38.3	39.8	41.3	40.7
Total expenditure	19.2	18.8	20.8	18.8	20.7
Current expenditure	24.2	22.4	26.2	24.8	26.0

⁶ 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).



Monetary Policy Information Compendium

March 2015

External Debt

Stock of public sector external debt has decreased by US\$ 1.3 billion during Jul-Dec FY15.

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

Items	Dec-14 ^P	Jun-14 ^R	Change during Jul-Dec-FY15
1. Public debt (a+b+c)	53,545	54,823	-1,278
a) Government debt	46,787	48,521	-1,734
i) Long term (>1 year)	46,188	47,820	-1,631
Paris club	12,063	13,607	-1,544
Multilateral	24,210	25,856	-1,647
Other bilateral	3,986	3,465	520
Euro/Sukuk global bonds	4,550	3,550	1,000
Military debt	36	36	0
Commercial loans/credits	200	150	50
Local currency Securities (PIBs)	24	16	8
Saudi fund for development (SFD)	120	140	-20
SAFE China deposits	1,000	1,000	0
NBP/BOC deposits	0	0	0
ii) Short term (<1 year)	599	701	-103
Of which: IDB	519	413	107
b) From IMF	3,568	3,020	548
i) Federal government	516	919	-402
ii) Central bank	3,052	2,101	950
c) Foreign exchange liabilities (FEL)²	3,190	3,281	-92
2. Public sector enterprises (PSEs)	2,425	2,109	315
a) Guaranteed debt	973	459	514
b) Non-guaranteed debt	1,451	1,650	-199
3. Scheduled banks	2,252	1,989	264
a) borrowing	1,356	1,080	276
i) Long term (>1 year)	20	33	-14
ii) Short term (<1 year)	1,336	1,046	289
b) Nonresident deposit (LCY & FCY)	896	909	-12
4. Private sector	3,064	2,970	94
a) guaranteed debt	0	0	0
b) non-guaranteed debt	3,064	2,970	94
i) Loans	2,038	1,934	105
ii) Private non-guaranteed bonds	12	12	0
iii) Trade credit and others liabilities	1,014	1,025	-11
5. Debt liabilities to direct investors-intercompany debt	3,053	3,746	-693
Total external debt (excl. FEL)	61,148	62,355	-1,206
Total external debt & liabilities (1+2+3+4+5)	64,338	65,636	-1,298

Debt Servicing (million US\$)

Items	Jul-Dec-FY15 ^P	FY14
1. Public debt (a+b+c)	2,186	5,847
a) Government debt³	1,264	2,541
Principal	810	1,834
Interest	454	707
b) To IMF	874	3,182
Principal	853	3,130
Interest	21	52
c) Foreign exchange liabilities	48	124
Principal	0	100
Interest	48	24
2. PSEs guaranteed debt	16	301
Principal	9	273
Interest	7	28
3. PSEs non-guaranteed debt³	127	199
Principal	116	179
Interest	11	20
4. Scheduled banks' borrowing³	16	49
Principal	16	48
Interest	0	1
5. Private guaranteed debt	0	0
6. Private non-guaranteed debt³	158	298
Principal	123	239
Interest	35	59
7. Private non-guaranteed bonds	0	117
Principal	0	112
Interest	0	5
Total Long term external debt servicing (1+2+3+4+5+6+7)	2,504	6,811
Principal	1,927	5,915
Interest	577	897
Memorandum Items		
Short term debt servicing-principal⁴ (excluding item No.3 below)	473	173
1. Government debt	443	0
2. PSEs non-guaranteed debt	30	151
3. Scheduled banks' borrowing	16,506	28,559
Net flows ⁵	344	413
4. Private non-guaranteed debt	0	22

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

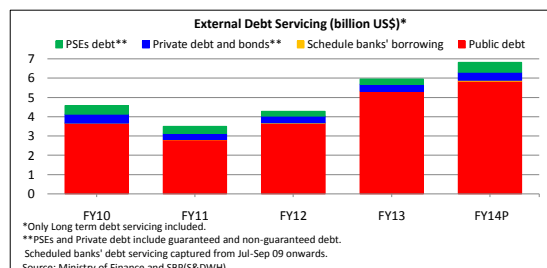
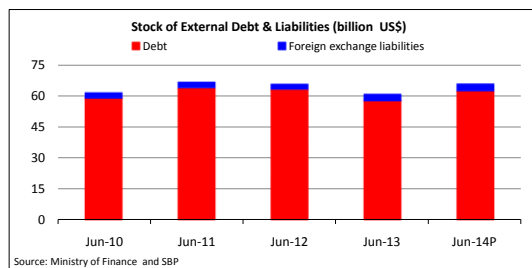
Indicators of External Debt Sustainability

End period debt stock as percent of

	Jun-09	Jun-10	Jun-11	Jun-12	Jun-13	Jun-14 ^P
GDP	32.3	35.4	31.2	30.9	26.8	25.5
Reserves	407.5	364.2	347.2	426.8	550.8	461.5
Exports	273.6	312.8	261.7	264.9	245.5	261.6

External debt servicing as percent of

	FY09	FY10	FY11	FY12	FY13	FY14 ⁶
GDP	2.4	2.4	1.6	2.0	2.6	2.6
Reserves	30.8	24.4	18.3	27.9	53.9	47.9
Exports	20.7	21.0	13.8	17.3	24.0	27.2



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; 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.

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



Total Debt

Stock of total debt and liabilities increased by Rs. 621 billion during Jul-Dec FY15.

Total Debt Stock (billion Rs)

	Dec-14 ^P	Jun-14 ^R	Change during Jul-Dec FY15	Share in Dec- FY15 (percent)
I. Government domestic debt	11,631	11,028	603	61.2
II. Government external debt ¹	4,700	4,794	-94	24.7
III. Debt from IMF	358	298	60	1.9
IV. External liabilities	320	324	-4	1.7
V. Private sector external debt	534	490	44	2.8
VI. PSEs external debt	244	208	35	1.3
VII. PSEs domestic debt	431	366	65	2.3
VIII. Commodity operations ²	467	492	-26	2.5
IX. Intercompany External Debt from Direct Investor abroad	307	370	-63	1.6
Total debt & liabilities (I to IX)	18,993	18,372	621	100.0
Total public debt (I to IV)	17,011	16,445	565	89.6
Total external debt & liabilities (II to VI &+ IX)	6,463	6,485	-22	34.0
Commodity operations & PSEs debt (VI to VIII)	1,142	1,067	75	6.0

Total Debt Servicing (billion Rs)

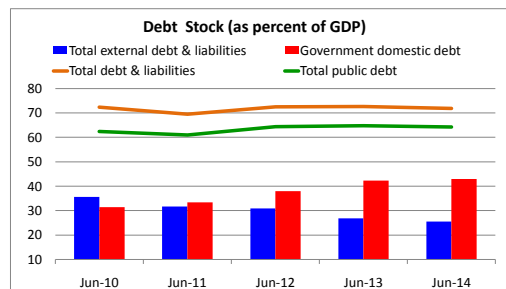
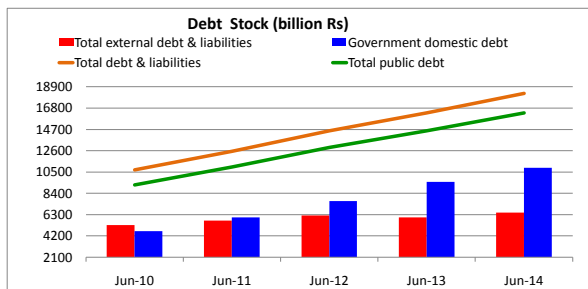
	Jul-Dec FY15 ^P	FY14 ^R	Share in Jul-Dec FY15 (percent)	Share in FY14 (percent)
Total Debt Servicing(A+B)	816	1791	100.0	100.0
A. Total interest payment on debt and liabilities (I+II)	621	1183	76.1	66.0
I. Interest payment on debt (a+b)	590	1134	72.3	63.3
a. Domestic debt	534	1043	65.5	58.2
b. External debt	56	91	6.8	5.1
II. Interest payment on liabilities (a+b)	31	49	3.8	2.7
a. Domestic liabilities	26	47	3.2	2.6
b. External liabilities ¹	5	3	0.6	0.1
B. Principal repayment of external debt and liabilities³	195	609	23.9	34.0

Debt stock (as percent of GDP)

	Dec-14 ^P	Jun-14 ^R	Jun-13
Total debt and liabilities	65.3	72.3	73.1
Total public debt	58.5	64.7	65.3
Total external debt and liabilities	22.2	25.5	26.8
Government domestic debt	40.0	43.4	42.8
PSEs debt and liabilities	3.9	4.2	4.4

Debt Servicing (as percent of)

	FY14 ^P	FY13 ^R	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; ¹ Rupee value of external debt and liabilities computed by applying the corresponding end period average exchange rate to the end-period stock; ² This includes borrowings from banks by provincial and Federal governments agencies for commodity operations; ³ This is excluding short term debt repayment;

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



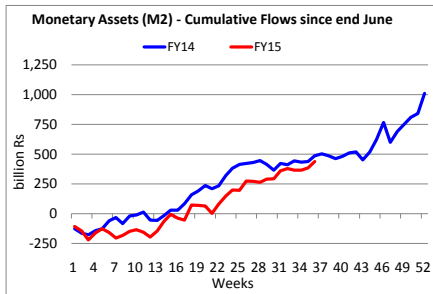
Monetary and Credit Aggregates

Contribution of net foreign assets in monetary expansion has substantially increased during FY15.

Monetary Assets of the Banking System

(billion Rs)

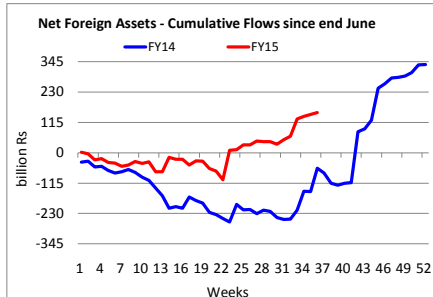
	End June 2014 stocks ^R	Cumulative flows since end-June		FY14 flows
		Latest week	A year ago	
		6-Mar-15	7-Mar-14	
NFA	601.0	151.7	-58.2	332.2
NDA	9,367.0	286.7	544.5	778.1
Net government borrowings: of which	6,064.3	455.5	391.3	327.1
Net budgetary borrowing	5,549.4	511.8	524.5	303.0
Commodity operations	492.4	-55.5	-133.4	24.7
Non-government borrowings: of which	4,102.0	201.1	350.6	438.0
Private sector	3,728.7	147.6	285.6	371.4
PSEs	354.7	53.6	65.1	66.6
Other items (net)	-799.2	-369.8	-197.4	12.9
M2	9,968.0	438.5	486.3	1,110.2



Monetary Liabilities of the Banking System

(billion Rs)

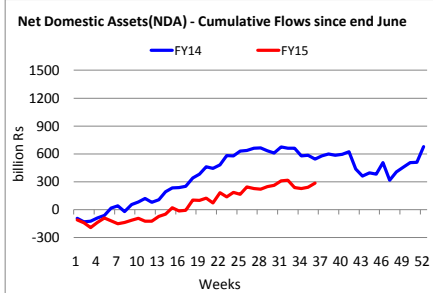
Currency in circulation	2,177.9	305.3	272.2	239.7
Total deposits with banks	7,777.0	133.2	213.6	868.0
Demand deposits with banks	6,505.8	92.9	236.8	917.7
Time deposits with banks	671.8	28.7	-102.8	-134.1
RFCDs with banks	599.4	11.6	79.6	84.4
M2	9,968.0	438.5	486.3	1,110.2



Monetary Assets of the Banking System

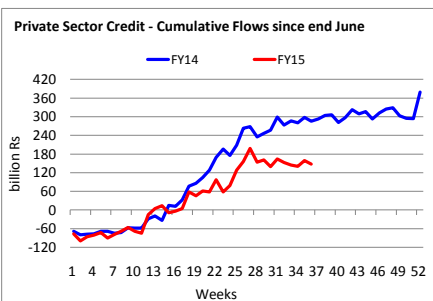
(percent growth)

	YoY (6-Mar-15)	Since end June		FY14
		6-Mar-15	7-Mar-14	
NFA	257.3	25.2	-21.6	123.6
NDA	5.7	3.1	6.3	9.1
Government borrowings	6.4	7.5	6.8	5.7
Budgetary borrowing	5.0	9.2	10.0	5.8
Commodity operations	30.7	-11.3	-28.5	5.3
Non-government sector borrowings	7.2	4.9	9.6	12.0
Private sector	6.4	4.0	8.5	11.1
PSEs	15.6	15.1	22.6	23.1
Other items (Net)	-15.8	-46.3	-24.3	1.6
M2	11.4	4.4	5.5	12.5



Memorandum Items

	Latest week	A year ago	FY14
	6-Mar-15	7-Mar-14	
Money multiplier	3.32	3.36	3.48
Currency to deposit ratio (percent)	31.39	31.03	28.00
M2 to GDP ratio (percent)	35.79	36.79	39.24
Private sector credit to GDP ratio (percent)	13.33	14.34	14.68



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



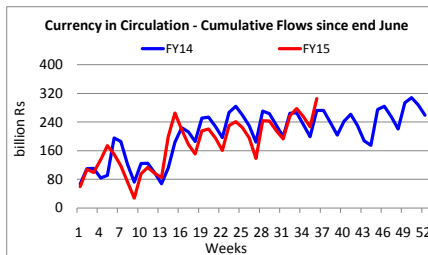
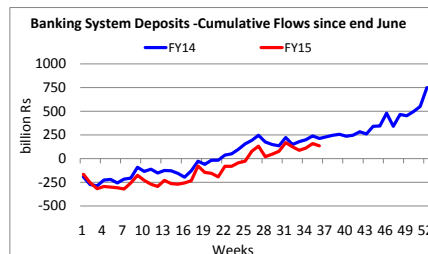
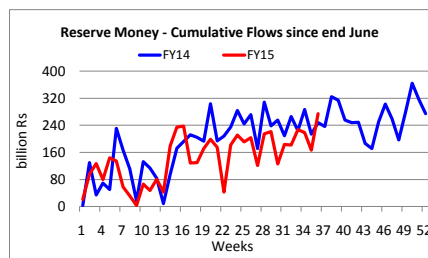
Net foreign assets of SBP remained the key driver of reserve money growth during FY15.

Monetary Assets of SBP

		Cumulative flows since end-June		FY14 Flows
	End June 2014 stocks	Latest week	A year ago	
		6-Mar-15	7-Mar-14	
NFA	489.6	169.9	-91.4	356.7
NDA: of which	2,371.6	104.3	338.8	-30.7
Budgetary borrowing	2,409.8	-514.5	502.5	196.9
Other items (net)	-555.2	565.6	-235.2	-278.8
Net impact of OMOs/discounting	-17.2	817.0	-156.4	-216.0
Reserve money	2,861.3	274.2	247.4	326.0

Monetary Liabilities of SBP

		Cumulative flows since end-June		
	End June 2014 stocks	Latest week	A year ago	FY14 Flows
		6-Mar-15	7-Mar-14	
Currency in circulation	2,177.9	305.3	272.2	239.7
Cash in tills	139.5	-23.4	-4.2	28.6
Bank deposits with SBP (reserves)	530.7	-7.7	-21.1	55.1
Other deposits with SBP	13.1	-0.1	0.6	2.6
	YoY (6-Mar-15)		(percent growth)	
NFA of the SBP	1488.5	34.7	-68.8	268.3
NDA of the SBP: of which	-9.7	4.4	14.1	-1.3
Budgetary borrowing	-30.2	-21.3	22.7	8.9
Reserve money	12.7	9.6	9.8	12.9



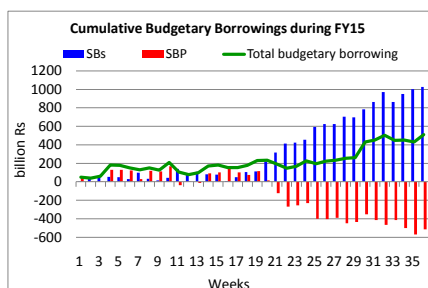
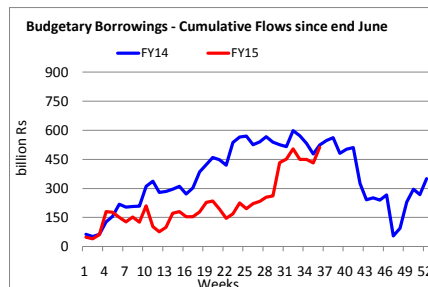
In FY15 so far, government borrowing needs are entirely met from Scheduled Banks.

Details on Government Borrowing for Budgetary Support

	End June 2014 stocks	Cumulative flows since end-June		FY14 flows
		Latest week	A year ago	
		6-Mar-15	7-Mar-14	
Budgetary borrowing	5,549.4	511.8	524.5	303.0
Federal government	6,059.5	606.4	689.9	497.5
From SBP	2,567.7	-435.6	641.4	326.6
SBP's holdings of MRTBs	2,852.3	-600.7	695.5	577.1
From scheduled banks (SBs)	3,491.8	1,042.0	48.5	171.0
Provincial governments	-510.1	-94.7	-165.4	-194.5
From SBP ¹	-157.9	-78.9	-138.9	-129.7
From scheduled banks ²	-352.3	-15.8	-26.5	-64.9

Memorandum Items

Budgetary borrowing on cash basis	5,448.4	504.9	556.6	323.7
SBP	2,327.7	-485.6	500.8	159.8
Scheduled banks	3,120.7	990.5	55.8	163.9



¹ 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 A.J.K.

² 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. 159 billion during Jul-Feb FY15 compared to Rs. 298 billion during same period of FY14.

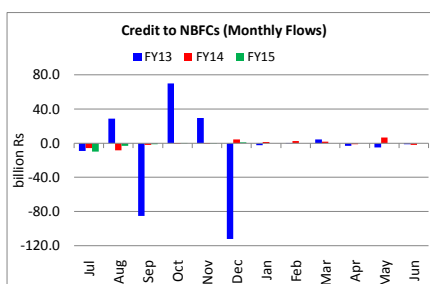
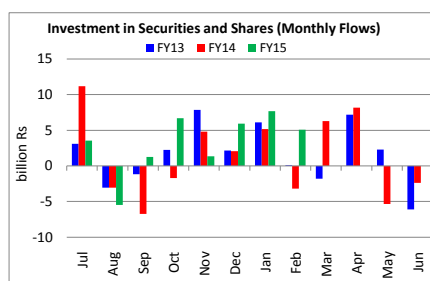
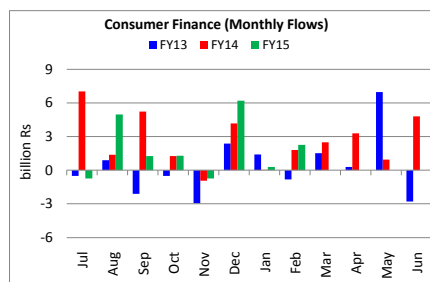
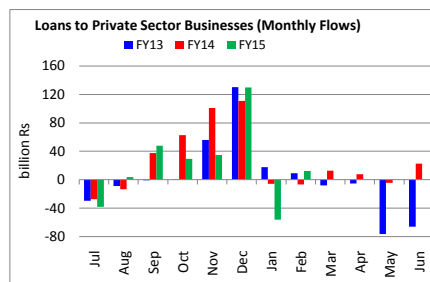
Credit to Private Sector

	End June 2014 stocks	Cumulative flows (billion Rs)		
		Jul-Feb FY15	Jul-Feb FY14	FY14
Total credit to private sector ¹	3,728.7	158.9	298.3	371.4
1. Loans to private sector businesses	2,765.2	164.0	259.1	298.0
By type				
Working capital: <i>of which</i>	1,841.5	79.8	208.8	228.3
Export finance	276.0	40.9	30.3	14.7
Import finance	157.1	23.5	14.3	24.5
Fixed investment	923.7	84.2	50.3	69.7
By Sectors: of which				
Agriculture	252.7	↑ 15.4	↑ 12.8	↑ 30.7
Manufacturing: of which	1,636.0	↑ 93.3	↑ 192.0	↑ 187.2
Textiles	558.1	↑ 37.8	↑ 87.5	43.2
Food products & beverages	414.4	↑ 40.6	↑ 75.5	97.5
Chemicals & products	191.9	↓ -2.6	↓ -6.7	20.2
Non-metallic mineral products	53.7	↓ -1.4	↓ -3.9	-13.2
Wearing apparel, readymade gar.	53.9	↑ 1.3	↓ -1.1	-0.6
Electricity, gas and water	278.6	↓ -2.9	↑ 32.1	↑ 49.8
Construction	52.3	↑ 11.3	↑ 0.7	↓ -1.1
Commerce and trade	223.3	↑ 3.8	↑ 26.3	↑ 16.4
Transport, storage and comm.	117.1	↑ 6.9	↓ -5.1	↑ 27.3
Services: of which	134.1	↑ 23.6	↑ 0.5	↓ -5.0
Real estate/renting & business act	89.5	↑ 15.8	↓ -3.7	-10.4
2. Personal: of which	337.6	↑ 21.5	↑ 19.6	↑ 31.9
Consumer financing	242.8	↑ 14.9	↑ 20.0	31.5
3. Investment in securities and shares	187.5	↑ 26.0	↑ 8.5	↑ 15.3
4. Others²: of which	438.4	↓ -52.6	↑ 11.1	↑ 26.2
Non-bank finance companies	152.6	↓ -15.9	↓ -9.2	-4.2

¹ From Weekly Monetary Survey's month end position.

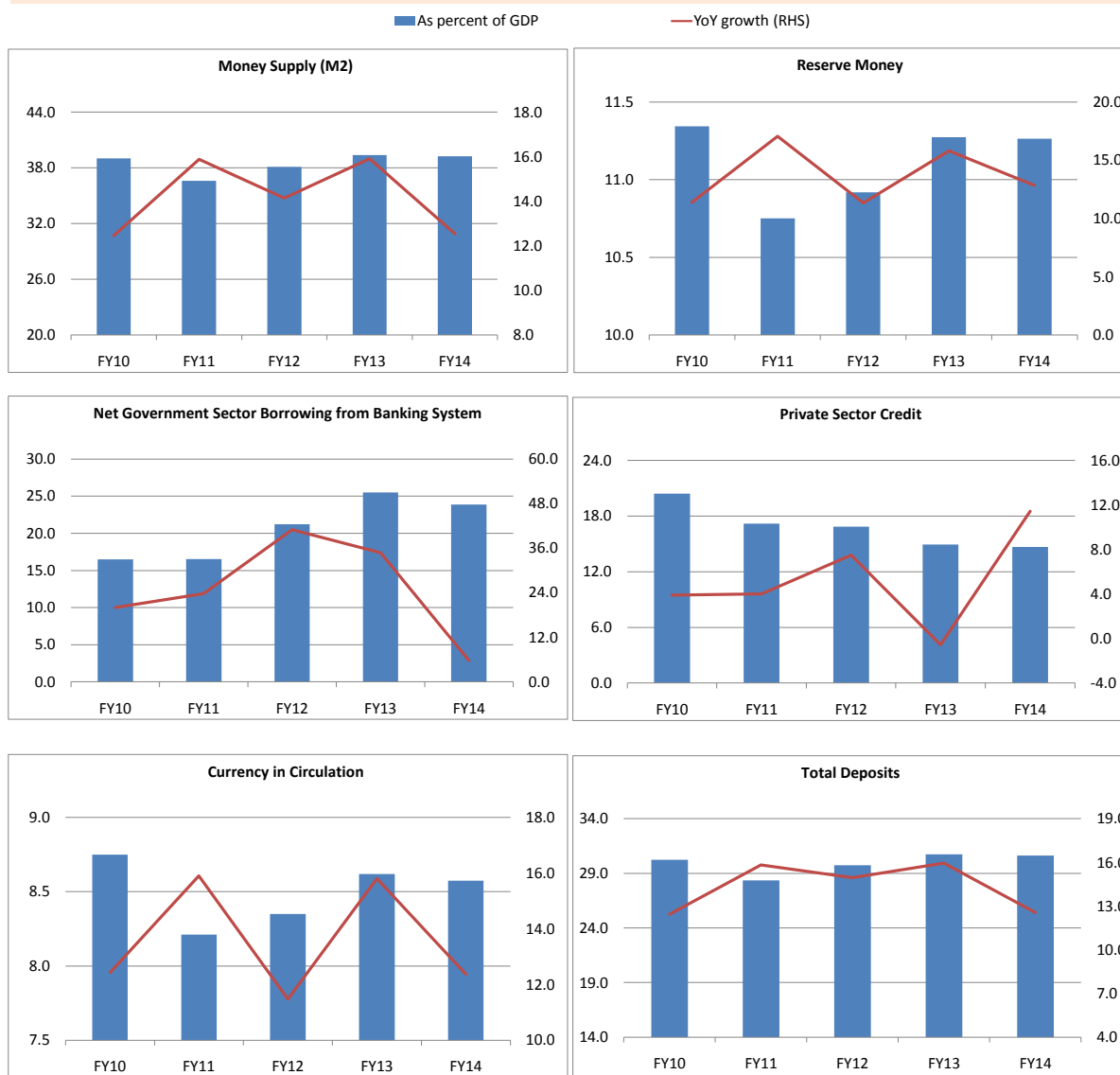
² This also includes credit to some Public Sector Enterprises, and other categories.

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





Key Indicators of Monetary Sector

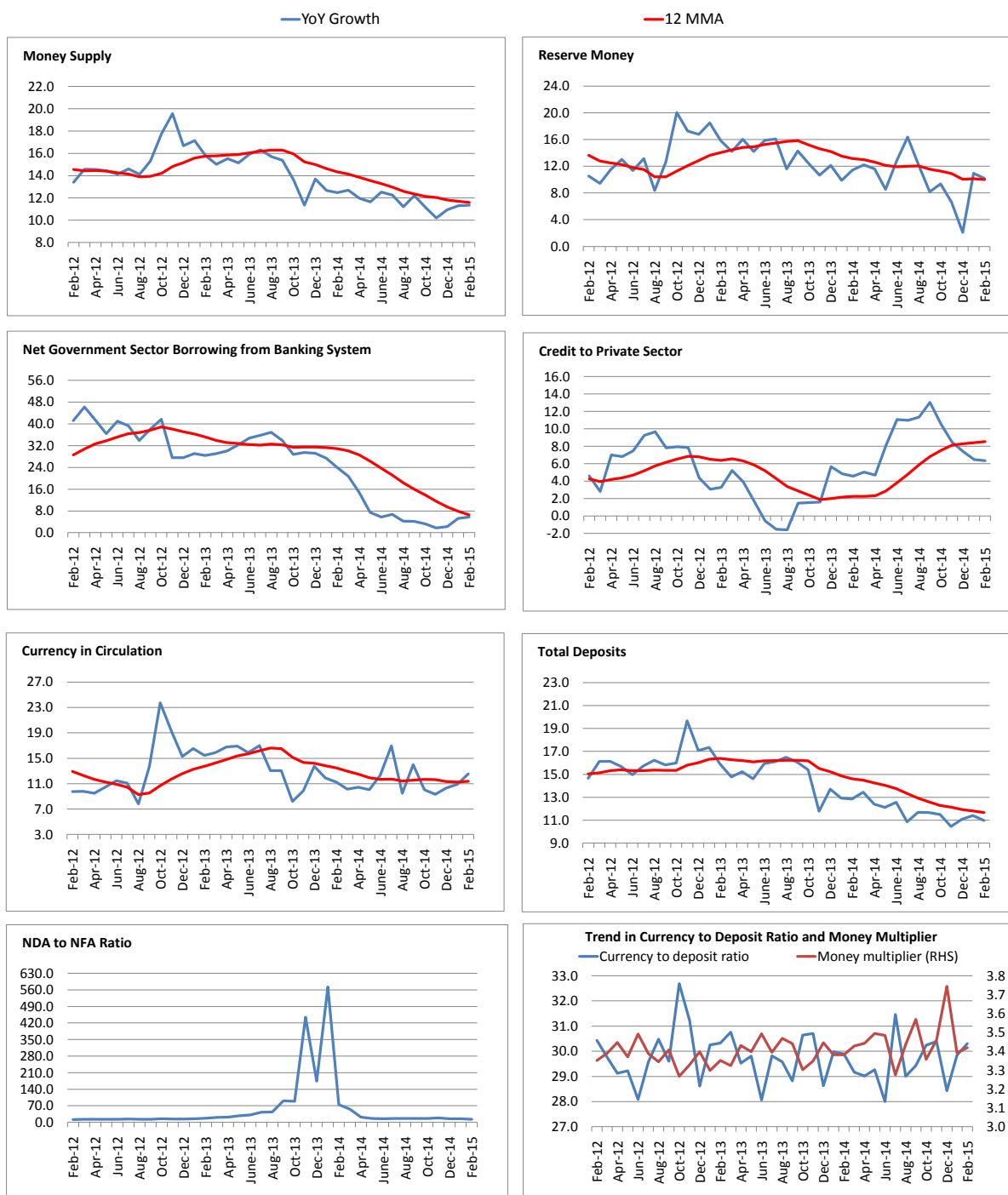


YoY growth of end June Stocks

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

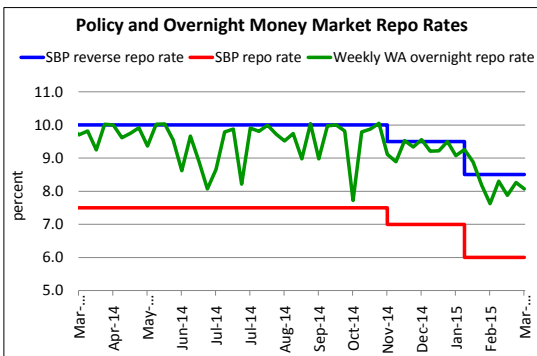
With effect from 26th January 2015, SBP has decreased the SBP reverse repo rate by 100 bps to 8.5 percent.

Policy Instruments (percent)

	Current	w.e.f	Previous	w.e.f	Change ¹
SBP reverse repo rate	8.5	26-Jan-15	9.5	17-Nov-14	↓ -100
SBP repo rate	6.0	26-Jan-15	7.0	17-Nov-14	↓ -100
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

¹ Basis points

DL: Demand Liabilities; TL: Time Liabilities



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

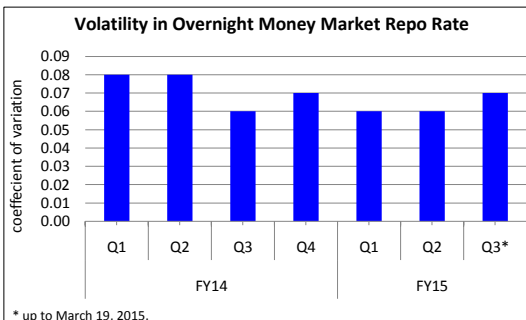
Weighted Average O/N Money Market Repo Rate (percent)

	FY14		FY15		
	Year	Q1	Q2	Q3*	Year
WA O/N repo rate ²	9.15	9.60	9.38	8.53	9.24
Standard deviation	0.87	0.54	0.60	0.61	0.74
CoV ³	0.10	0.06	0.06	0.07	0.08

* up to Mar 19, 2015 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 March 19, 2015.

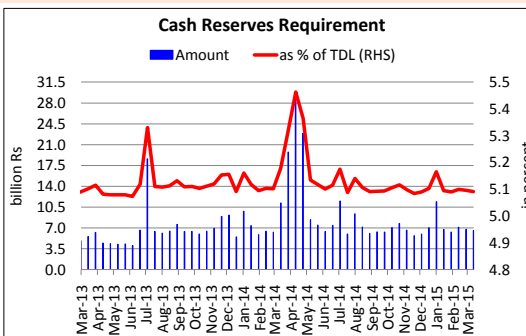
Banks' holding of government securities now stands at 84 percent of their total liquid assets maintained.

Bi-weekly Cash Reserves Requirement (CRR)⁴ (billion Rs)

	Maintenance period ended as on		Change since Last MPS	
	12-Mar-15	12-Feb-15	12-Feb-15	15-Jan-15 ⁵
Cash required	357.8	356.5	↑ 1.3	↑ 2.6
Cash maintained	364.4	363.7	↑ 0.7	↑ 2.4
Excess cash reserves (per day)	6.6	7.1	↓ -0.6	↓ -0.2

⁴ 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.

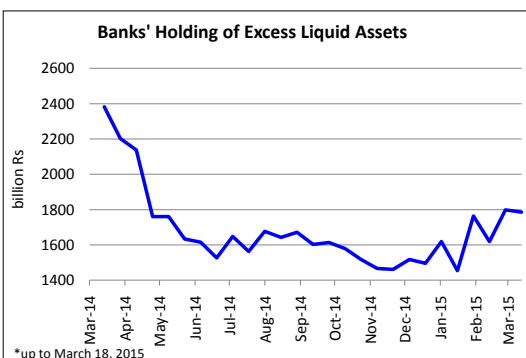
⁵ As on Thursday preceding the last monetary policy decision.



Overall Reserve Requirement (billion Rs)

	Maintenance period started as on		Change since	
	13-Mar-15	13-Feb-14	13-Feb-14	16-Jan-14 ⁹
Required reserves	1715.9	1694.2	↑ 21.7	↑ 37.6
for CRR	357.5	353.0	↑ 4.5	↑ 7.8
for SLR	1358.5	1341.2	↑ 17.2	↑ 29.7
Maintained⁶	3502.4	3313.9	↑ 188.4	↑ 369.8
Cash	519.0	508.7	↑ 10.3	↓ -20.5
Cash in tills	148.5	145.9	↑ 2.6	↑ 3.1
Balance with SBP	348.7	340.7	↑ 8.0	↓ -22.8
Balance with NBP	21.8	22.0	↓ -0.2	↓ -0.8
Securities	2949.9	2771.8	↑ 178.1	↑ 390.3
Others ⁷	33.5	33.5	↑ 0.0	↑ 0.0
Excess liquid assets⁸	1786.4	1619.7	↑ 166.7	↑ 332.2

Source: Off-site Supervision and Enforcement Department, SBP



⁶ Data corresponds to the balances as on that date

⁷ Includes Section 13(3) deposits and share capital of MFBs.

⁸ Includes excess securities + cash and other assets maintained.

⁹ As on Friday preceding the last monetary policy decision

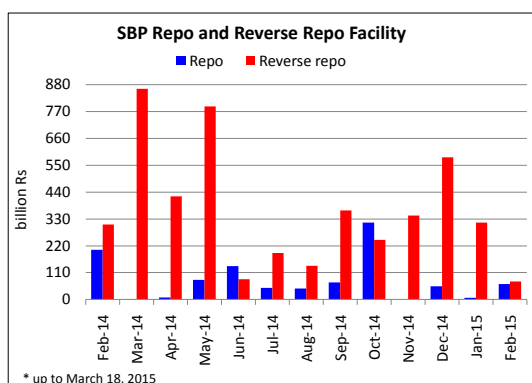


Banks' use of SBP's reverse repo facility has decreased in Q3-FY15 so far, as compared to last quarter.

Use of SBP's Standing Facilities

	SBP reverse repo		SBP repo	
	Amount	Days	Amount	Days
	billion Rs	No.	billion Rs	No.
FY14	4,084.5	71	1,084.3	39
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
FY15¹	2,252.7	57	603.3	16
Q1	693.3	21	163.5	4
Q2	1,170.4	21	369.4	8
Q3 ¹	389.0	15	70.5	4

¹ Updated up to March 18, 2015



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

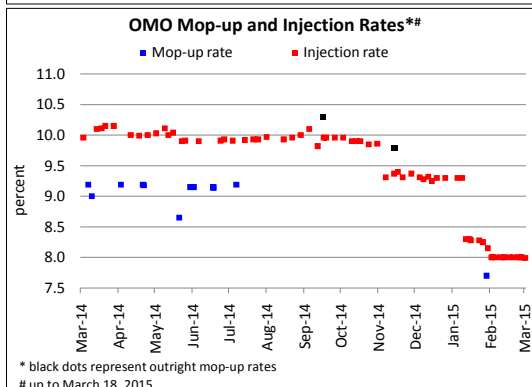
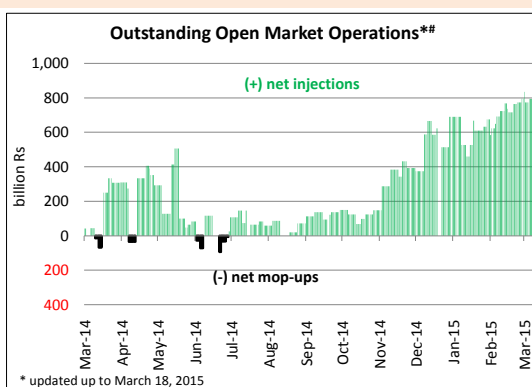
Outstanding Open Market Operations² (billion rupees)

	Average Outstanding OMOs	End-period Outstanding OMOs
FY13	464.5	207.6
Q1	384.7	611.5
Q2	568.0	615.7
Q3	540.3	510.0
Q4	365.4	207.6
FY14	53.9	-
Q1	(34.7)	(40.0)
Q2	(11.8)	66.1
Q3	67.0	250.0
Q4	196.9	-
FY15³	313.3	794.0
Q1	63.0	0.0
Q2	281.0	0.0
Q3 ³	650.9	794.0

² It does not include the impact of outright transactions. *Note: (+) amount means net injection
(-) amount means net mop-up

³ Updated up to March 18, 2015

Source: Domestic Markets & Monetary Management Department, SBP



Outright Open Market Operations (billion rupees)

	Net Sale	End-period Outstanding
FY13	37.9	-
Q1	-	-
Q2	-	-
Q3	37.9	37.9
Q4	-	-
FY14	379.6	-
Q1	-	-
Q2	90.5	90.5
Q3	289.1	289.1
Q4	-	-
FY15⁴	160.0	-
Q1	70.0	70.0
Q2	90.0	90.0
Q3 ⁴	-	-

⁴ Updated up to March 18, 2015

Open Market Operations for GoP Ijara Sukuk - Outright⁵
(billion rupees)

	Bai-Muajjal Purchases	Ready Sales
FY15	132.5	132.5
Q1	-	-
Q2	90.4	90.4
Q3 ⁶	42.1	42.1

⁵ As per DMMD Circular No. 17 of 2014 dated October 15, 2014.

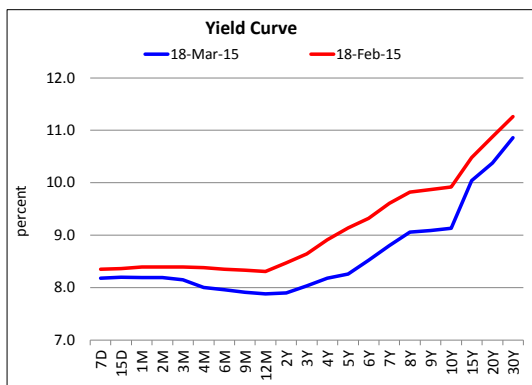
⁶ Updated up to March 18, 2015



Secondary market yields for all tenors have decreased since the last monetary policy decision in January 2015.

Pak Rupee Revaluation (PKRV) Rates¹ (%)

Tenors	Current		Change (in basis points) since	
	18-Mar-15	18-Feb-15	18-Feb-15	Last MPS
				23-Jan-15
1-week	8.18	8.35	↓ -17	↓ -125
2-week	8.20	8.36	↓ -16	↓ -109
1-month	8.19	8.39	↓ -20	↓ -97
3-month	8.15	8.39	↓ -24	↓ -67
6-month	7.96	8.35	↓ -39	↓ -77
9-month	7.91	8.33	↓ -42	↓ -81
12-month	7.88	8.31	↓ -43	↓ -85
2-year	7.90	8.47	↓ -57	↓ -98
3-year	8.03	8.64	↓ -61	↓ -99
5-year	8.26	9.14	↓ -88	↓ -99
7-year	8.80	9.61	↓ -81	↓ -101
10-year	9.13	9.92	↓ -79	↓ -103
20-year	10.38	10.88	↓ -50	↓ -85
30-year	10.86	11.26	↓ -40	↓ -65

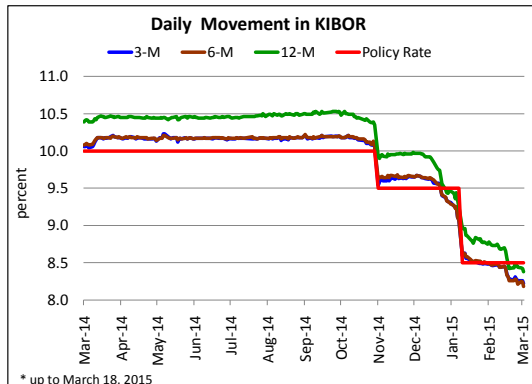


¹ It is secondary market yield-to-maturity used by banks to revalue their holding of securities (i.e. mark to market).

KIBOR of all tenors have decreased since the last monetary policy decision in January 2015.

Tenor-wise KIBOR (%)

Tenors	Current		Change (in basis points) since	
	18-Mar-15	18-Feb-15	18-Feb-15	Last MPS
				23-Jan-15
1-week	8.38	8.47	↓ -9	↓ -126
2-week	8.38	8.51	↓ -13	↓ -113
1-month	8.37	8.56	↓ -19	↓ -109
3-month	8.22	8.48	↓ -26	↓ -86
6-month	8.18	8.49	↓ -31	↓ -89
9-month	8.41	8.76	↓ -35	↓ -86
12-month	8.38	8.76	↓ -38	↓ -87
2-year	8.44	8.84	↓ -40	↓ -95
3-year	8.53	8.96	↓ -43	↓ -95

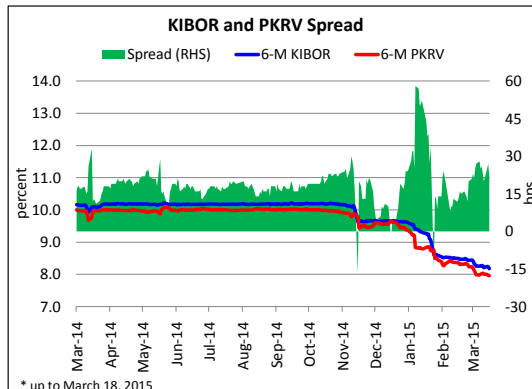


* up to March 18, 2015

Spreads between KIBOR and PKRV rates for all tenors except 2 and 3 year have decreased compared to their levels observed at the time of monetary policy announcement in January 2015.

KIBOR and PKRV Spread (basis points)

Tenors	Current		Change since	
	18-Mar-15	18-Feb-15	18-Feb-15	Last MPS
				23-Jan-15
1-week	20	12	↑ 8	↓ -1
2-week	18	15	↑ 3	↓ -4
1-month	18	17	↑ 1	↓ -12
3-month	7	9	↓ -2	↓ -19
6-month	22	14	↑ 8	↓ -12
9-month	50	43	↑ 7	↓ -5
12-month	50	45	↑ 5	↓ -2
2-year	54	37	↑ 17	↑ 3
3-year	50	32	↑ 18	↑ 4



* up to March 18, 2015

Sources: SBP and Financial Market Association of Pakistan

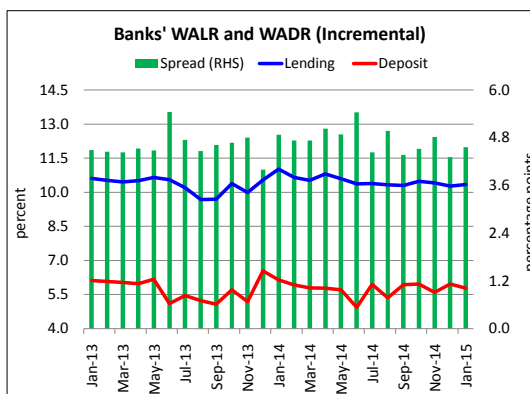


Spread between incremental WALR and WADR stands at 457 bps in January 2015.

Weighted average Lending and Deposit Rates (percent per annum)

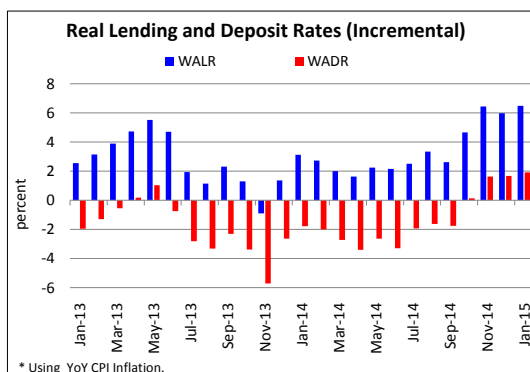
Months	Incremental ¹		Spread (bps)	Outstanding		Spread (bps)
	WALR	WADR		WALR	WADR	
Jan-14	11.02	6.14	488	11.17	5.19	597
Feb-14	10.66	5.93	473	11.19	5.14	605
Mar-14	10.53	5.80	473	11.10	5.05	605
Apr-14	10.81	5.78	503	11.10	5.04	605
May-14	10.59	5.70	489	11.15	5.05	611
Jun-14	10.37	4.93	543	11.10	4.75	636
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
Jan-15	10.35	5.78	457	10.73	4.94	579

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



Both real lending and deposit rates, calculated on the basis of YoY CPI inflation, have increased in January 2015.

Months	Real (based on 12-month MA inflation) ²		Real (based on YoY inflation) ³	
	WALR	WADR	WALR	WADR
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	2.14	-3.29
Jul-14	1.79	-2.64	2.49	-1.93
Aug-14	1.88	-3.08	3.33	-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
Jan-15	3.50	-1.06	6.47	1.91



* Using YoY CPI Inflation.

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

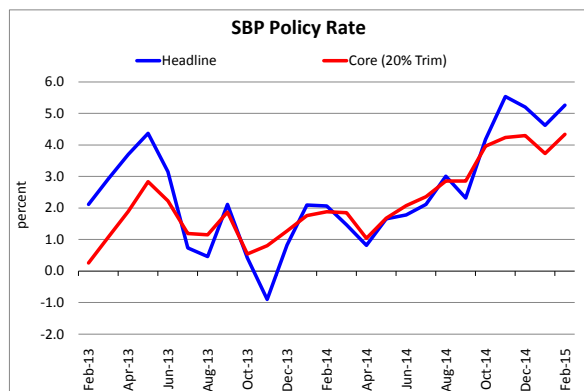
³ Nominal rate less CPI inflation (year on year).

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

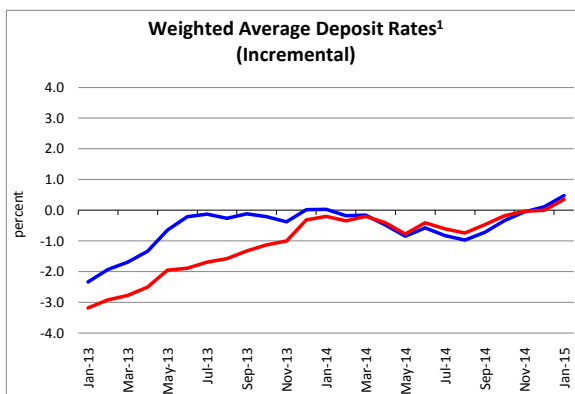
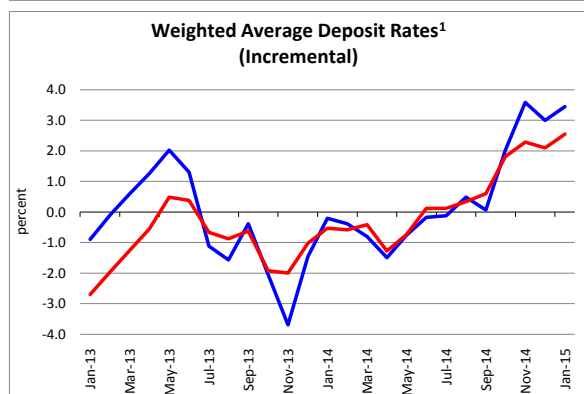
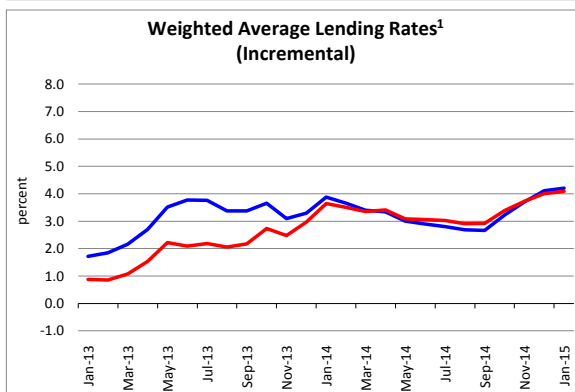
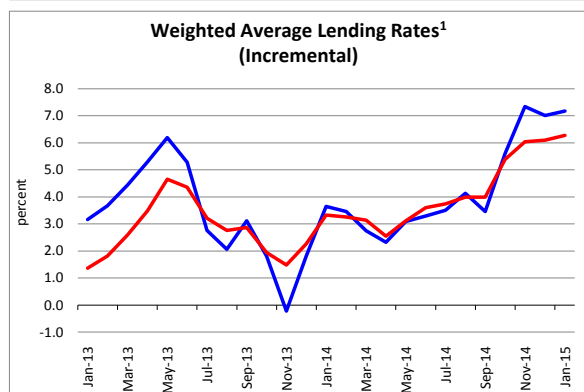
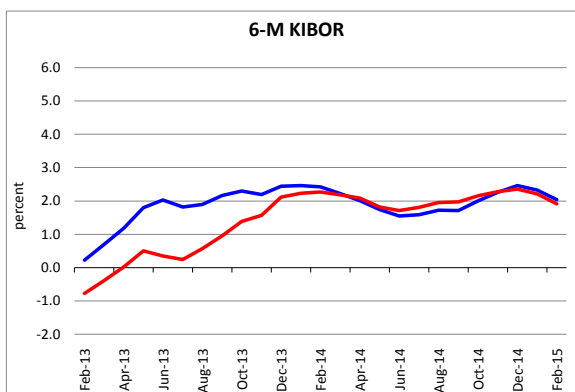
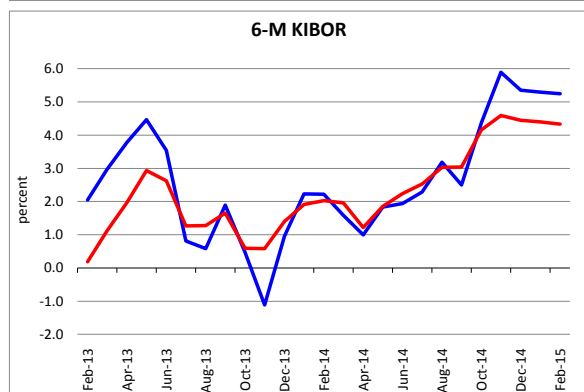
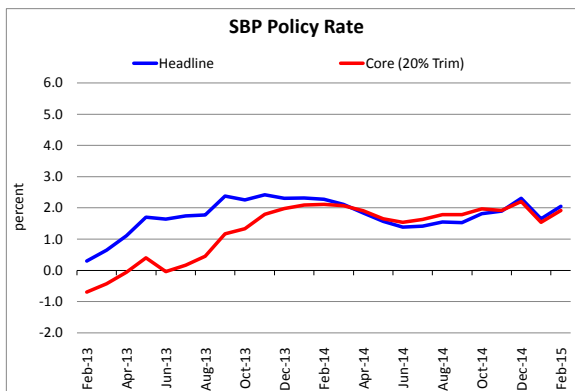


Real Interest Rates

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



Monetary Policy Information Compendium

March 2015

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

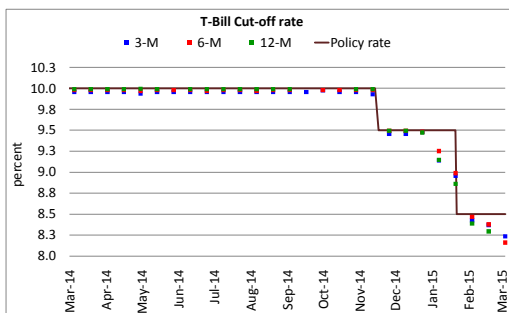
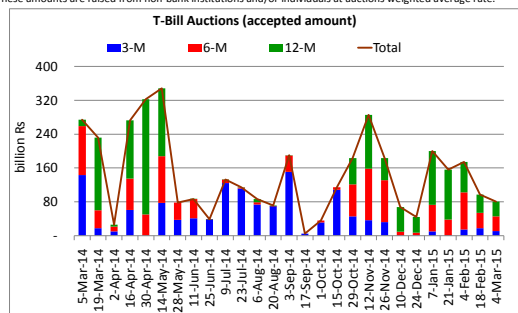
FY/Q/ Settlement date	T-Bill Auction (billion Rs (Realized value); rates in percent)												
	TOTAL				3-Month			6-Month			12-Month		
	Target	Maturity	Offered	Accepted ²	Offered	Accepted ²	Cut-off ³	Offered	Accepted ²	Cut-off ³	Offered	Accepted ²	Cut-off ³
FY13	5,075.0	5,049.0	7,160.3	4,772.3	1,308.0	884.2	-	3,243.1	2,136.6	-	2,609.1	1,751.4	-
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
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
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
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
FY14	8,425.0	8,148.4	6,951.4	6,354.6	5,209.6	4,696.7	-	924.8	857.6	-	817.0	800.4	-
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
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	-	8.79
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
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
FY15¹	2,620.0	1,986.3	3,512.4	2,224.8	890.9	843.9	-	916.7	637.1	-	1,704.8	743.8	-
Q1	700.0	630.1	603.3	601.2	535.8	503.9	9.96	56.1	54.9	9.98	11.4	11.4	9.99
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
Q3 ¹	675.0	377.3	1,933.0	708.2	92.3	53.4	8.24	536.4	258.9	8.16	1,304.3	395.9	7.99

¹ Up till March 18, 2015

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.



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) ⁵										
		3-Year	5-Year	7-Year	10-Year	15-Year	20-Year	30-Year	Total	Target
FY14	Cut-off rate⁶	12.1	12.6		13.0		13.0			
	Offered	1221.7	459.9	-	508.1	-	22.3	-	2212.0	-
	Accepted	1161.6	420.7	-	416.0	-	20.3	-	2018.6	780.0
Q1	Cut-off rate	11.7	12.2		12.6		-			
	Offered	32.7	27.0	-	23.1	-	-	-	82.7	-
	Accepted	24.2	23.8	-	15.2	-	-	-	63.1	150.0
Q2	Cut-off rate	12.1	12.6		13.0		13.3			
	Offered	51.7	43.0	-	123.6	-	0.5	-	218.9	-
	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			
	Offered	527.5	249.6	-	237.0	-	12.8	-	1026.8	-
	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			
	Offered	609.9	140.3	-	124.4	-	9.0	-	883.6	-
	Accepted	604.7	139.1	-	123.9	-	8.0	-	875.7	300.0
FY15⁷	Cut-off rate⁶	10.6	10.8		11.7		8.8		1702.5	-
	Offered	877.7	418.9	-	397.2	-	8.8	-	1702.5	-
	Accepted	358.6	228.2	-	181.0	-	8.0	-	775.7	550.0
Q1	Cut-off rate	12.6	13.0		13.5		13.6			
	Offered	207.6	64.1	-	92.7	-	7.5	-	371.9	-
	Accepted	162.4	57.4	-	74.6	-	7.5	-	302.0	300.0
Q2	Cut-off rate	10.6	10.8		11.7					
	Offered	481.2	145.0	-	192.0	-	0.8	-	819.0	-
	Accepted	178.1	69.8	-	92.4	-	-	-	340.3	150.0
Q3 ⁷	Cut-off rate	8.5	9.1		9.8		-			
	Offered	188.9	209.8	-	112.4	-	0.5	-	511.7	-
	Accepted	18.0	101.1	-	13.9	-	0.5	-	133.5	100.0

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 March 18, 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 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	49.5	113.7	49.5	-
Q1	-	-	-	-
Q2	-	-	-	-
Q3	-	-	-	-
Q4	49.5	113.7	49.5	(200)
FY15	0.0	0.0	0.0	-
Q1	-	-	-	-
Q2	-	-	-	-
Q3	-	-	-	-

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



Foreign Exchange Market

In FY15 so far, Pak rupee has depreciated by 3.0 percent against US Dollar.

	PKR against international currencies			App/(Dep) of PKR
	Latest 18-Mar-15	Last MPS 23-Jan-15	Jun-14	Cumulative since Jun-14
USD	101.84	100.97	98.80	(2.98)
Euro	108.00	113.70	134.94	24.94
Sterling	150.24	151.33	168.15	11.92
JPY	0.84	0.85	0.97	16.04
USD Kerb	102.70	101.90	99.30	(3.31)
Premium (Rs)	0.86	0.93	0.50	-
Daily NEER	93.91	92.31	85.80	9.45

Source: SBP

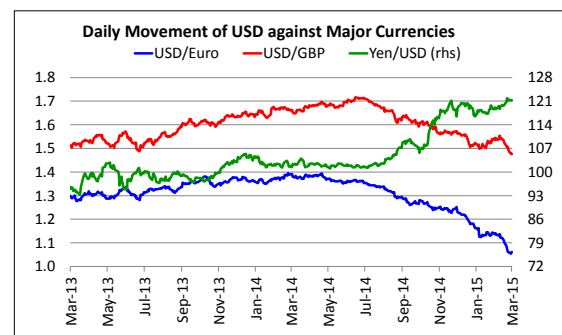
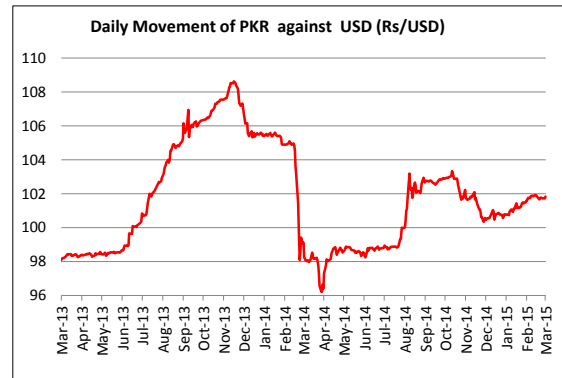
	International exchange rates ²			% App/(Dep) of USD
	Latest 18-Mar-15	Last MPS 23-Jan-15	Jun-14	Cumulative since Jun-14
USD/EUR	1.06	1.13	1.37	28.78
USD/GBP	1.48	1.50	1.70	15.36
JPY/USD	121.25	118.34	101.38	19.60
INR/USD	62.72	61.58	60.06	4.41
CNY/USD	6.23	6.23	6.20	0.41
THB/USD	32.91	32.61	32.46	1.39
MYR/USD	3.71	3.60	3.21	15.46
SGD/USD	1.39	1.34	1.25	11.51

² 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 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	110.50	95.75	98.80	102.88	4.07
FY15 ⁴	103.45	98.58	101.84	101.30	3.04

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

⁴ Updated upto 18th March 2015.



PKR/USD Interbank Exchange Rate Trends on Quarterly Basis

	High	Low	Close	Average	Volatility C/C ³
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 ⁴	102.00	100.53	101.84	101.33	1.73



In real terms, Pak rupee has appreciated by 7.8 percent during Jul-Jan FY15.

Changes in Nominal Effective Exchange Rate (NEER)

Base Year: CY2010

		NEER Index										
			2013				2014				2015	
			Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec ^R	Jan ^P	
2013	Mar	86.74	-	-0.30	-6.55	-8.41	-1.90	-0.56	-2.08	3.29	5.49	
	Jun	86.48	-	-	-6.27	-8.14	-1.61	-0.26	-1.79	3.60	5.81	
	Sep	81.06	-	-	-	-2.00	4.97	6.41	4.78	10.52	12.88	
	Dec	79.44	-	-	-	-	7.11	8.57	6.91	12.77	15.18	
2014	Mar	85.09	-	-	-	-	-	1.36	-0.18	5.29	7.53	
	Jun	86.25	-	-	-	-	-	-	-1.53	3.87	6.09	
	Sep	84.93	-	-	-	-	-	-	-	5.48	7.73	
	Dec ^R	89.59	-	-	-	-	-	-	-	-	2.13	
2015	Jan ^P	91.50	-	-	-	-	-	-	-	-	-	

^R Revised

Changes in Relative price Index (RPI)

Base Year: CY2010

		RPI										
			2013				2014				2015	
			Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec ^R	Jan ^P	
2013	Mar	118.21	-	2.08	4.16	6.03	6.48	8.03	10.16	9.10	9.75	
	Jun	120.67	-	-	2.03	3.87	4.31	5.83	7.92	6.87	7.51	
	Sep	123.12	-	-	-	1.80	2.23	3.72	5.77	4.74	5.37	
	Dec	125.34	-	-	-	-	0.42	1.88	3.90	2.89	3.50	
2014	Mar	125.86	-	-	-	-	-	1.45	3.46	2.46	3.07	
	Jun	127.69	-	-	-	-	-	-	1.98	0.99	1.59	
	Sep	130.22	-	-	-	-	-	-	-	-0.97	-0.38	
	Dec ^R	128.96	-	-	-	-	-	-	-	-	0.60	
2015	Jan ^P	129.73	-	-	-	-	-	-	-	-	-	

^P Provisional

Changes in Real Effective Exchange Rate (REER)

Base Year: CY2010

		REER Index										
			2013				2014				2015	
			Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec ^R	Jan ^P	
2013	Mar	102.53	-	1.78	-2.66	-2.89	4.46	7.42	7.87	12.68	15.77	
	Jun	104.35	-	-	-4.36	-4.58	2.63	5.55	5.99	10.72	13.75	
	Sep	99.80	-	-	-	-0.23	7.31	10.36	10.82	15.76	18.94	
	Dec	99.57	-	-	-	-	7.56	10.62	11.08	16.03	19.22	
2014	Mar	107.10	-	-	-	-	-	2.84	3.27	7.88	10.84	
	Jun	110.14	-	-	-	-	-	-	0.42	4.90	7.78	
	Sep	110.60	-	-	-	-	-	-	-	4.46	7.32	
	Dec ^R	115.53	-	-	-	-	-	-	-	-	2.74	
2015	Jan ^P	118.70	-	-	-	-	-	-	-	-	-	

^P Provisional

Source: SBP



Capital Market

KSE-100 Index and Market Capitalization have decreased by 6.3 percent and 4.8 percent respectively during March 2015 so far.

Performance of Karachi Stock Exchange

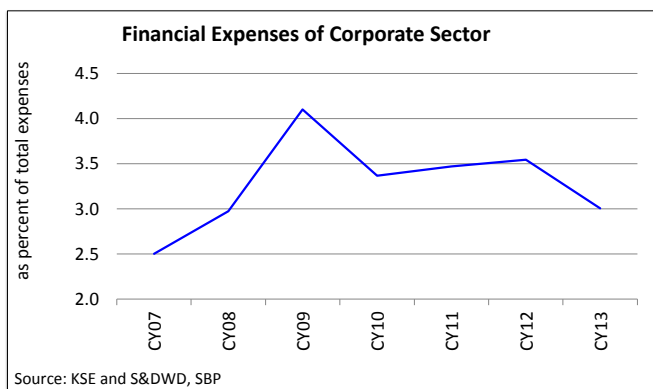
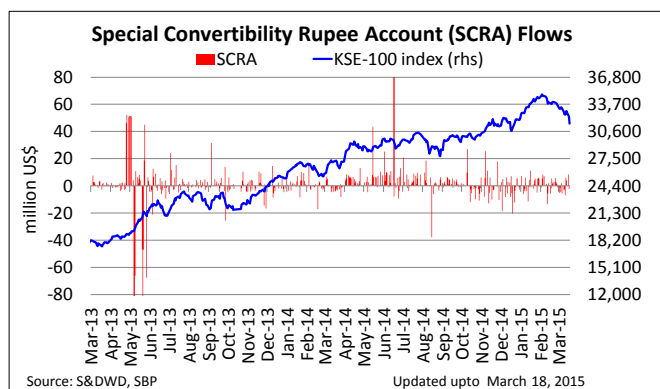
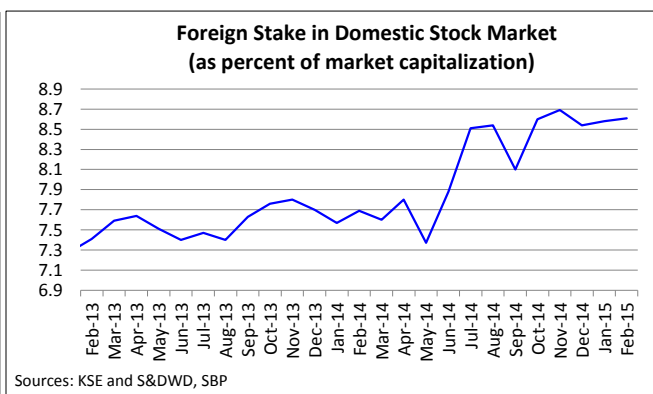
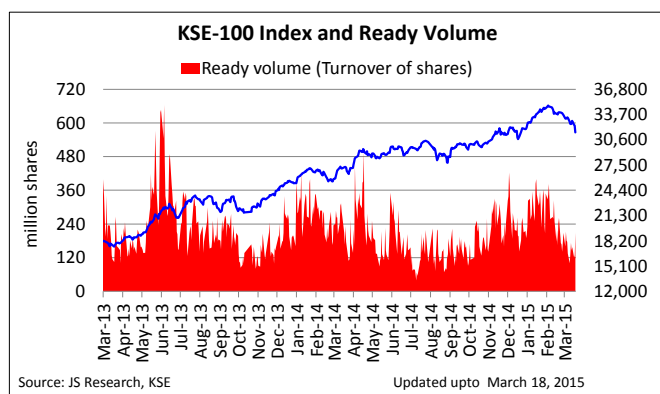
	FY15		FY-14	FY-13	Percentage change during		
	Mar-15 ¹	Feb-15			Mar FY15 ²	FY14	FY13
End-period KSE-100 index	31,525	33,632	29,653	21,006	-6.3	41.2	52.2
End-period KSE-30 index	20,139	21,917	20,416	16,208	-8.1	26.0	35.9
Market capitalization (billion Rs) ³	7,359	7,732	6,171	4,300	-4.8	43.5	33.3
Ready volume (million shares) ³	156	242	216	200	-	-	-
SCRA flows (US\$ million) ⁴	-48.0	18.0	689.1	187.8	-	-	-

¹ Upto 18th March 2015

² Reflects growth since end of the previous month

³ Average during the period

⁴ Cumulative flow during the period upto 17th March 2015



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



Financial Soundness Indicators

Liquidity indicators of the banking system have improved in Q2-FY15 compared to the previous quarter.

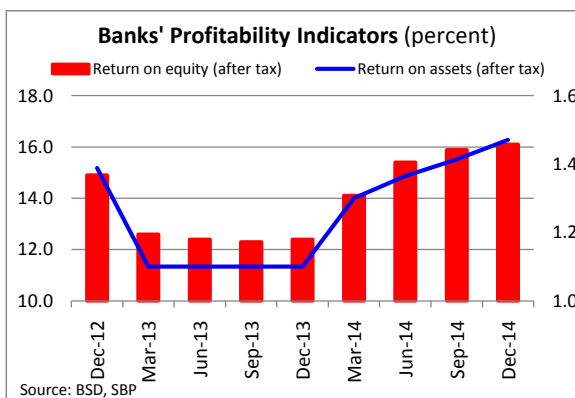
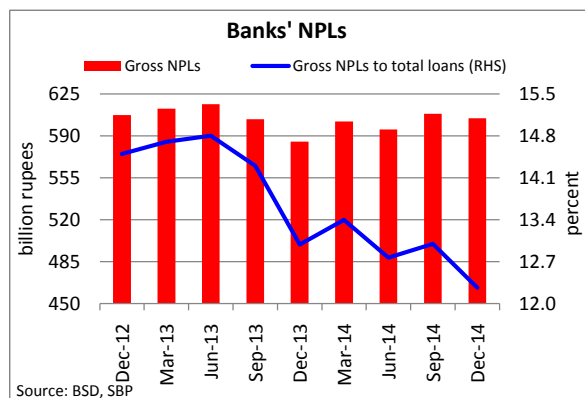
percent

	Dec 2013	Mar 2014	Jun 2014	Sep 2014	Dec 2014
Risk weighted CAR ¹	14.9	14.8	15.1	15.5	17.1
Gross NPLs to total loans	13.0	13.4	12.8	13.0	12.3
Provision to NPLs	78.4	77.8	79.5	77.6	79.8
Net NPLs to net loans	3.1	3.3	2.9	3.2	2.7
Returns on assets (before tax)	1.7	1.9	2.1	2.2	2.2
Return on assets (after tax)	1.1	1.3	1.4	1.4	1.5
ROE (before tax) ²	18.4	21.3	23.5	24.2	24.3
ROE (after tax) ²	12.4	14.1	15.4	15.9	16.1
Net interest income/gross income	70.3	69.9	70.5	71.4	71.3
Liquid assets/total assets	47.3	48.3	47.8	48.3	49.2
Liquid assets/total deposits	60.0	63.7	60.6	61.4	64.5
Advances/deposits	48.6	49.2	47.7	48.2	48.2

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.

² Average equity and surplus.



Source: Banking Surveillance Department (BSD), SBP