



Monetary Policy Information Compendium

May 2015

Consolidated by

Statistics & DWH Department

STATE BANK OF PAKISTAN

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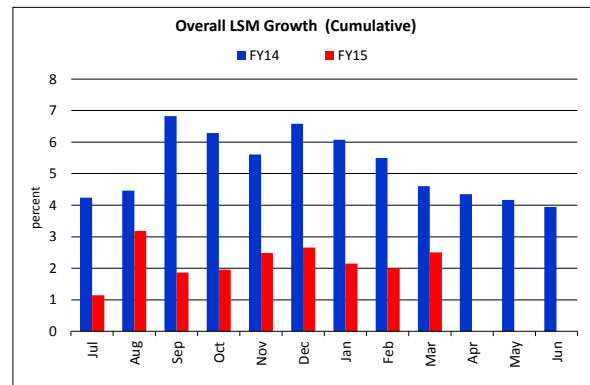
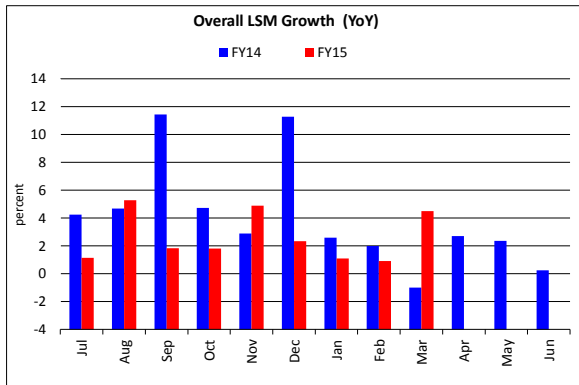


Growth

Significantly lower cumulative growth of 2.5 percent has been recorded in the LSM sector for Jul-Mar FY15, compared to a growth of 4.6 percent during the same period last year.

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

Groups	Weights	YoY change				Cumulative change during Jul-Mar			
		Mar-15		Mar-14		FY15		FY14	
Overall	70.2	4.5		-1.0		2.5		4.6	
Textile	20.9	↑	0.2	↑	1.2	↑	0.5	↑	1.4
Food, beverages and tobacco	12.4	↑	8.1	↓	-6.0	↓	-1.0	↑	8.5
Petroleum products	5.4	↑	9.5	↑	5.2	↑	2.5	↑	9.5
Iron and steel products	5.4	↑	44.9	↑	2.7	↑	35.6	↑	3.4
Non-metallic mineral products	5.4	↓	-10.0	↓	-5.4	↑	2.6	↑	0.3
Automobile	4.6	↑	30.2	↑	4.6	↑	17.0	↑	0.3
Fertilizer	4.4	↑	6.0	↑	4.1	↑	1.0	↑	21.6
Pharmaceuticals	3.6	↑	9.8	↓	-0.9	↑	6.4	↓	-0.4
Paper and board	2.3	↓	-24.3	↑	10.2	↓	-7.3	↑	9.3
Electronics	2.0	↓	-2.5	↑	4.4	↑	8.2	↑	7.2
Chemicals	1.7	↑	6.6	↓	-0.3	↑	5.9	↑	6.7
Leather products	0.9	↑	6.8	↑	12.4	↑	9.6	↑	12.4
Wood products	0.6	↓	-83.4	↓	-20.2	↓	-78.5	↓	-8.9
Engineering products	0.4	↓	-32.6	↓	-4.9	↓	-10.7	↓	-20.1
Rubber products	0.3	↓	-0.3	↑	20.2	↓	-0.6	↑	9.4



Major crops have shown mixed trend in FY15.

Major Crops

	Production					Area under cultivation				Yield			
	(million tons)			percent change		(million hectares)		percent change		(Kg/hectare)		percent change	
	FY15 ^T	FY15 ^P	FY14 ^R	FY15 ^P over FY14 ^R		FY15 ^P	FY14 ^R	FY15 ^P over FY14 ^R		FY15 ^P	FY14 ^R	FY15 ^P over FY14 ^R	
Cotton ¹	15.1	14.0	12.8	↑	9.5	3.0	2.8	↑	5.5	803	774	↑	3.8
Sugarcane	65.5	62.7	67.5	↓	-7.1	1.1	1.2	↓	-2.7	54,910	57,511	↓	-4.5
Rice	6.8	7.0	6.8	↑	3.0	2.9	2.8	↑	3.7	2,423	2,437	↓	-0.6
Wheat	25.8	25.5	26.0	↓	-1.9	9.2	9.2	↓	-0.2	2,775	2,824	↓	-1.7

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 (Provisional) shows growth of 4.2 percent during FY15, lower than the target of 5.1 percent.

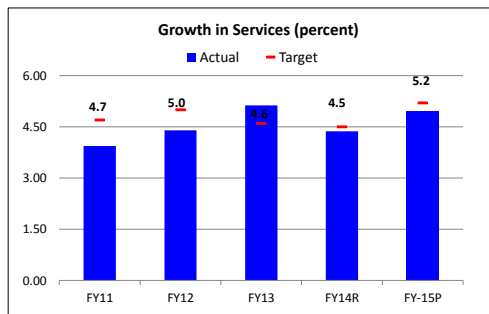
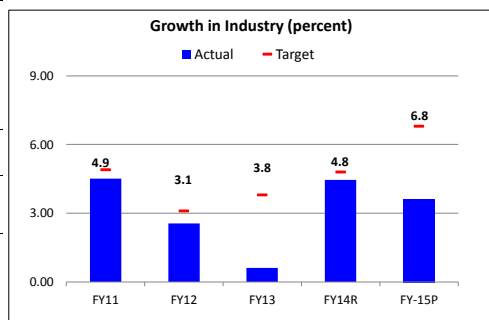
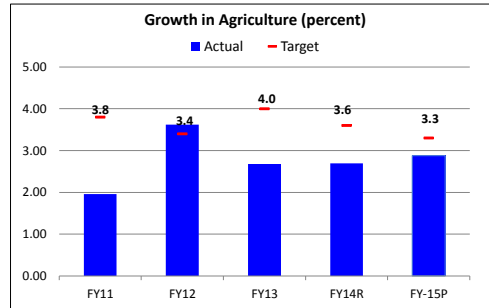
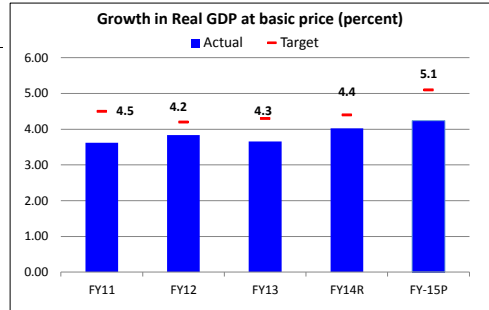
Production Approach - GDP at Constant Prices of 2005-06 (percent)

	FY15 ^P			FY14 ^R Growth
	Growth	Shares	Contribution	
Agriculture of which	2.9	20.9	0.6	2.7
Important crops	0.3	5.3	0.0	8.0
Other crops	1.1	2.3	0.0	-5.4
Livestock	4.1	11.8	0.5	2.8
Industry of which	3.6	20.3	0.7	4.5
Manufacturing	3.2	13.3	0.4	4.5
Large-scale ¹	2.4	10.6	0.3	4.0
Small-scale	8.2	1.7	0.1	8.3
Construction	7.0	2.4	0.2	7.2
Services of which	5.0	58.8	2.9	4.4
Wholesale & retail trade	3.4	18.3	0.6	4.0
Transport Storage and Communications	4.2	13.4	0.6	4.6
Finance & insurance	6.2	3.1	0.2	4.2
General Government Services	9.4	7.4	0.7	2.9
Real GDP (basic prices)	4.2	100.0	4.2	4.0
Real GDP (market prices)	5.5	105.5	5.8	4.7

	FY15 ^P	FY14 ^R	FY13
Real GDP (bp, billion Rs)	10,644	10,211	9,816
Nominal GDP (mp, billion Rs)	27,384	25,068	22,379
Nominal GDP (mp, billion US\$) ²	270	244	231

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

	FY15 ^P			FY14 ^R Growth
	Growth	Shares ³	Contribution ³	
Consumption	5.1	88.1	4.4	4.9
Private	3.6	76.4	2.7	5.4
Government	16.0	11.7	1.6	1.5
Fixed capital formation	8.3	13.4	1.0	4.2
Private	3.2	9.8	0.3	6.2
Public plus general government	25.1	3.6	0.7	-1.9
Changes in stocks	5.5	1.6	0.1	4.7
Net exports of goods and nonfactor services	4.2	-3.1	-0.1	-0.2
Exports of goods and non-factor services	-2.6	10.6	-0.3	-1.6
Imports of goods and non-factor services	-1.1	13.7	-0.2	0.2
GDP (market prices)	5.5	100.0	5.5	4.7
Indirect Taxes	18.7	5.9	1.0	7.8
Subsidies	-39.9	0.7	-0.5	-26.0
GDP (basic prices)	4.2	94.8	-	4.0
Total domestic demand⁴	5.5	103.1	5.5	4.8



Note: Targets, except for FY15, shown in the graphs are based on FY00 prices (as base year).

¹ For FY15, LSM data pertains to Jul-Mar; ² GDP in dollar terms is calculated using average exchange rate during the year and FY15 pertains to Jul-Apr

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.

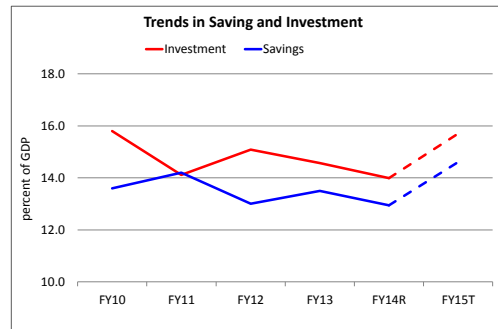


Saving and Investment

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

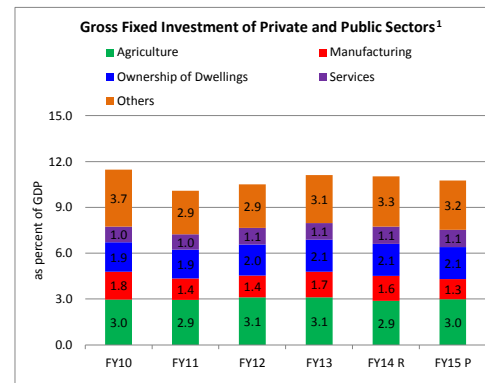
	FY15	Actual	
	Target	FY14 ^P	FY13 ^R
A. Investment	15.7	14.0	14.6
Gross fixed investment	14.1	12.4	13.0
Private sector	10.3	8.9	9.6
Public including general public	3.8	3.5	3.3
Change in capital stocks	1.6	1.6	1.6
B. National savings	14.6	12.9	13.5
C. Domestic savings	-	7.5	8.3
Saving investment gap (B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



Gross fixed investment in the Manufacturing and Transport & communication sectors as percent of GDP have declined in FY15.

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

	FY15 ^P		FY14 ^R
	As percent of GDP	Percent share in total	As percent of GDP
Agriculture	3.0	27.8	2.9
Mining and quarrying	0.3	2.8	0.3
Manufacturing	1.3	12.2	1.6
Construction	0.2	2.0	0.2
Electricity and gas	0.6	5.8	0.6
Transport and communication	1.6	15.1	1.8
Wholesale and retail trade	0.3	2.5	0.3
Finance and insurance	0.2	1.7	0.2
Ownership of dwellings	2.1	19.4	2.1
Services	1.1	10.6	1.1
Total	10.8	100.0	11.0



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

^P: Provisional; ^R: Revised;

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

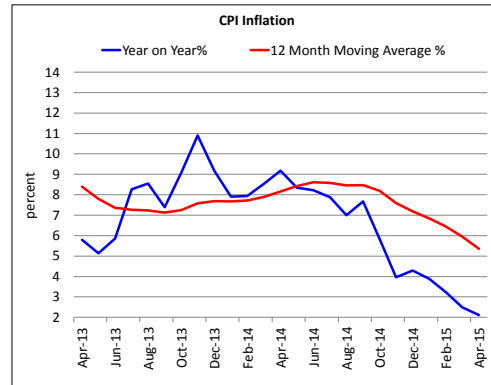


Inflation

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

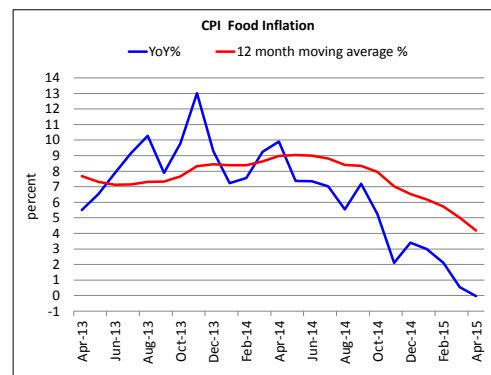
Headline CPI inflation (YoY) has decreased to 2.1 percent in April 2015 from 2.5 percent in the previous month.

Consumer Price Index (CPI) (percent change)			
	MoM ¹	MoM SA ²	YoY ³
			12M moving average ⁴
Apr-14	1.7	0.9	9.2
May-14	-0.3	0.2	8.3
Jun-14	0.6	0.6	8.2
Jul-14	1.7	0.9	7.9
Aug-14	0.3	-0.1	7.0
Sep-14	0.4	0.3	7.7
Oct-14	0.2	0.0	5.8
Nov-14	-0.5	-0.1	4.0
Dec-14	-1.0	0.1	4.3
Jan-15	0.1	-0.2	3.9
Feb-15	-0.9	0.0	3.2
Mar-15	0.2	0.0	2.5
Apr-15	1.3	0.5	2.1
3-year average for April.	1.4	0.6	5.7



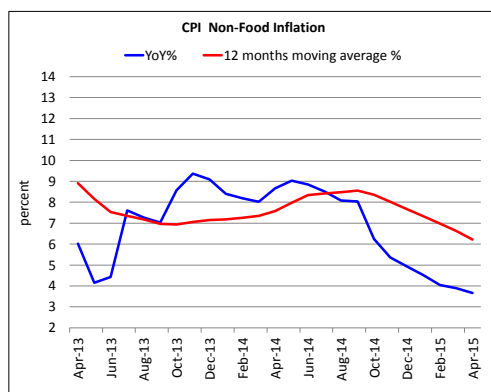
CPI food inflation (YoY) has decreased to -0.03 percent in April 2015 from 0.5 percent in the previous month.

CPI - Food (37.48 % weight in basket) (percent change)			
	MoM ¹	MoM SA ²	YoY ³
			12M moving average ⁴
Apr-14	2.0	0.8	9.9
May-14	-1.2	-0.5	7.4
Jun-14	1.0	1.1	7.4
Jul-14	2.7	0.7	7.0
Aug-14	0.6	-0.3	5.6
Sep-14	0.0	-0.1	7.2
Oct-14	-0.2	-0.2	5.2
Nov-14	-0.4	-0.2	2.1
Dec-14	-2.1	0.2	3.4
Jan-15	-0.5	-0.7	3.0
Feb-15	-1.8	-0.1	2.1
Mar-15	0.5	-0.2	0.5
Apr-15	1.4	0.3	-0.03
3-year average for April.	1.6	0.5	5.1



CPI non-food inflation (YoY) has decreased to 3.7 percent in April 2015 from 3.9 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
Apr-14	1.5	0.9	8.7
May-14	0.4	0.7	9.0
Jun-14	0.3	0.2	8.9
Jul-14	1.0	1.0	8.5
Aug-14	0.2	0.1	8.1
Sep-14	0.6	0.7	8.0
Oct-14	0.5	0.1	6.2
Nov-14	-0.6	-0.1	5.4
Dec-14	-0.2	0.1	4.9
Jan-15	0.5	0.1	4.5
Feb-15	-0.3	0.0	4.0
Mar-15	0.0	0.1	3.9
Apr-15	1.3	0.7	3.7
3-year average for April.	1.2	0.6	6.1



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.

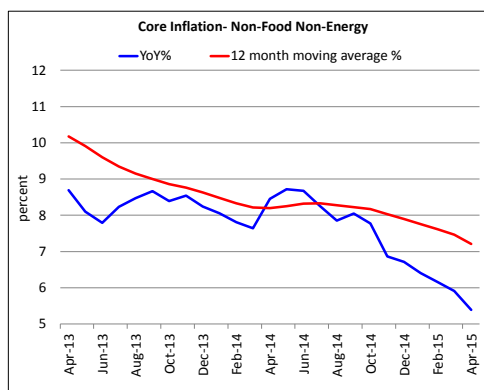


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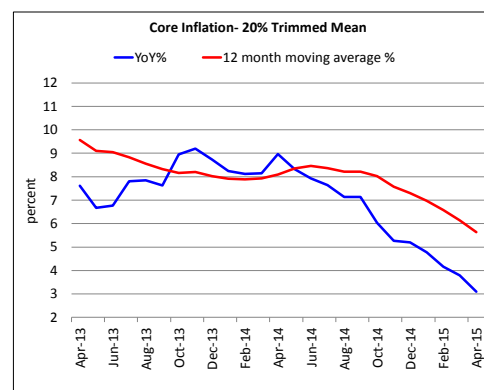
The non-food non-energy (NFNE) core inflation (YoY) has decreased to 5.4 percent in April 2015 from 5.9 percent in the previous month.

Core Inflation - Non-food non-energy (53.52% weight in basket) (percent)			
	MoM	YoY	12M moving average
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
Mar-15	0.0	5.9	7.5
Apr-15	1.4	5.4	7.2
3-year average for April.			
	1.4	7.5	



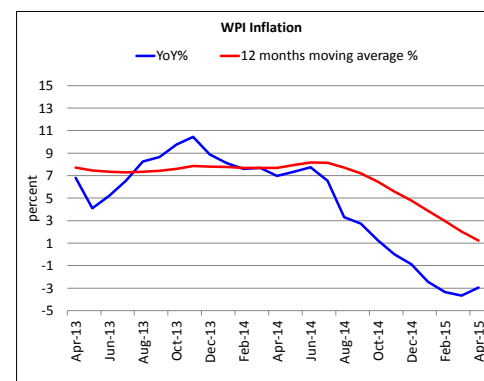
The 20 percent trimmed mean measure of core inflation (YoY) has decreased to 3.1 percent in April 2015 from 3.8 percent in the previous month.

Core - 20% Trimmed (percent change)			
	MoM	YoY	12M moving average
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
Mar-15	0.0	3.8	6.1
Apr-15	0.6	3.1	5.6
3-year average for April.			
	0.7	6.6	



The WPI inflation (YoY) stood at -2.9 percent in April 2015 compared to -3.7 percent in previous month.

Wholesale Price Index (WPI) (percent change)				
	MoM	MoM SA	YoY	12M moving average
Apr-14	0.1	-0.5	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	0.3	2.7	7.2
Oct-14	-0.3	-0.3	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
Mar-15	0.0	-0.3	-3.7	2.0
Apr-15	0.9	0.2	-2.9	1.2
3-year average for April.				
	0.6	-0.02	3.6	



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

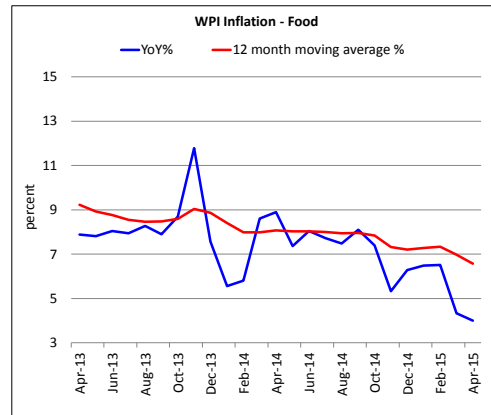


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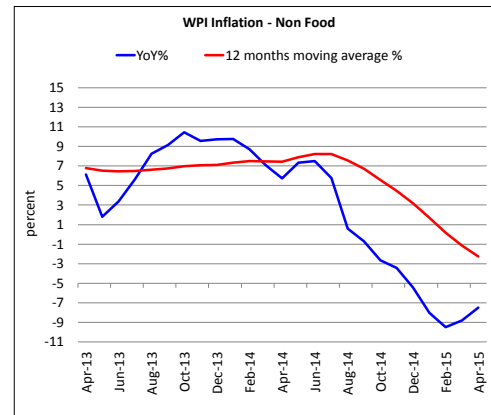
WPI food inflation (YoY) has decreased to 4.0 percent in April 2015 from 4.3 percent in previous month

	WPI -Food (38.82% weight in basket) (percent change)			
	MoM	MoM SA	YoY	12M moving average
Apr-14	1.8	0.9	8.9	8.1
May-14	-0.3	0.0	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	0.4	8.1	8.0
Oct-14	0.3	0.4	7.4	7.8
Nov-14	-0.8	0.2	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	0.4	6.5	7.3
Mar-15	-0.1	-0.5	4.3	7.0
Apr-15	1.5	0.5	4.0	6.6
3-year average for April.	1.6	0.7	6.9	



WPI non-food inflation (YoY) stood at -7.5 percent in April 2015 compared to -8.8 percent in previous month.

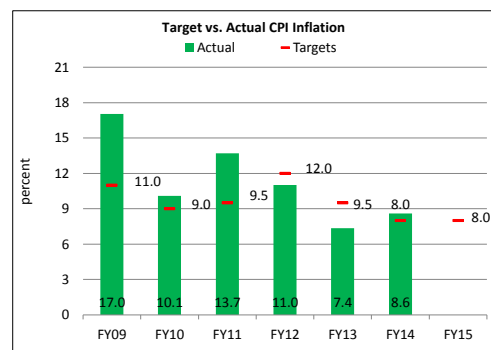
	WPI - Non Food (61.18% weight in basket) (percent change)			
	MoM	MoM SA	YoY	12M moving average
Apr-14	-1.0	-1.4	5.7	7.4
May-14	0.1	0.5	7.3	7.9
Jun-14	0.7	0.4	7.5	8.2
Jul-14	-0.4	-0.1	5.8	8.2
Aug-14	-1.3	-1.8	0.6	7.6
Sep-14	-0.1	0.2	-0.7	6.7
Oct-14	-0.7	-0.7	-2.7	5.6
Nov-14	-1.2	-0.7	-3.4	4.5
Dec-14	-2.0	-1.3	-5.4	3.2
Jan-15	-1.8	-2.3	-8.0	1.7
Feb-15	-1.5	-1.7	-9.5	0.2
Mar-15	0.1	-0.2	-8.8	-1.2
Apr-15	0.4	0.0	-7.5	-2.2
3-year average for April.	-0.1	-0.5	1.4	



Average CPI inflation is recorded at 4.8 percent in Jul-Apr FY15 compared to 8.7 percent in Jul-Apr FY14.

	Average CPI and WPI Inflation (percent change)			WPI
	Headline	Food	Non Food	
FY-14	8.6	9.0	8.3	8.2
Jul-Apr FY-14	8.7	9.3	8.2	8.3
Jul-Apr FY-15	4.8	3.6	5.7	0.0

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 April 2015 was due to decrease in both food & non-food Inflation.

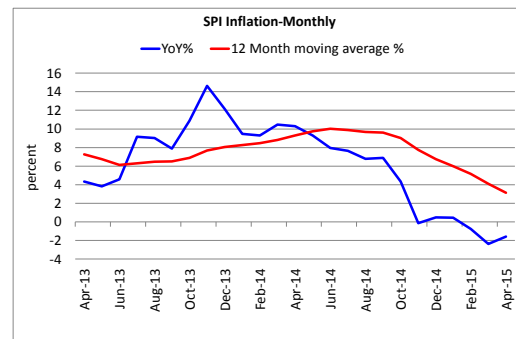
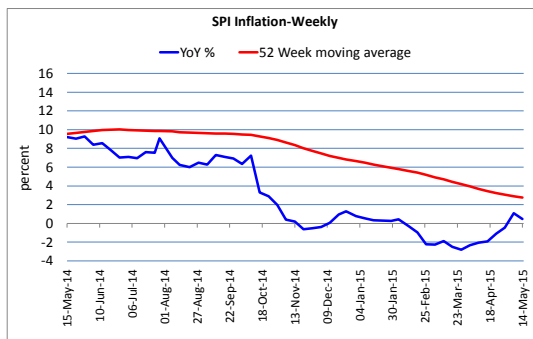
Group-Wise CPI Inflation

Groups	Weights	Apr-15			Mar-15		
		MoM	YoY	12m MA ¹	MoM	YoY	12m MA ¹
I. Food group	37.5	1.4	-0.03	4.2	0.5	0.5	5.0
Food and non-alcoholic beverages	34.8	1.5	-1.0	3.3	0.5	-0.5	4.2
Alcoholic beverages and tobacco	1.4	0.0	20.2	21.9	0.0	20.2	21.6
Restaurant & hotels	1.2	0.2	4.5	8.4	0.4	5.0	9.2
II. Non-food group	62.5	1.3	3.7	6.2	0.0	3.9	6.6
Clothing and footwear	7.6	1.0	7.1	8.9	0.3	7.4	9.2
Housing, water, electricity, gas fuels	29.4	0.7	4.9	7.1	0.0	5.7	7.5
Furnishing & household equipment maintenance etc.	4.2	0.6	5.0	7.5	0.1	5.6	7.9
Health	2.2	0.5	4.5	6.1	0.1	4.3	6.3
Transport	7.2	0.9	-9.7	-1.8	-0.1	-10.7	-0.7
Communication	3.2	0.0	0.4	0.3	0.0	0.3	0.4
Recreation and culture	2.0	1.5	2.5	4.2	0.1	3.3	4.6
Education	3.9	8.7	13.2	14.9	0.0	14.2	15.0
Miscellaneous	2.8	0.6	5.1	5.7	-0.1	3.8	5.7
Overall	100	1.3	2.1	5.4	0.2	2.5	5.9

SPI inflation decreased to 0.24 percent during the 2nd week of May 2015 from 1.35 percent in the previous week.

Sensitive Price Indicator (SPI) (percent change)

Income groups	23-Apr-15	30-Apr-15	7-May-15	14-May-15	Apr-15		
	WoW ²				MoM	YoY	12m MA ¹
Up to Rs 8000	-0.07	-0.04	1.34	-0.27	0.4	-1.6	2.7
Rs 8001-12000	-0.11	0.00	1.35	-0.26	0.5	-1.3	2.7
Rs 12001-18000	-0.13	0.02	1.38	-0.25	0.5	-1.2	3.5
Rs 18001-35000	-0.15	0.05	1.38	-0.24	0.7	-1.3	3.5
Above Rs 35000	-0.17	0.08	1.31	-0.20	0.8	-2.0	2.9
All	-0.14	0.04	1.35	-0.24	0.7	-1.6	3.1



¹ Twelve 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\$ 1.36 billion during Jul-Apr FY15, compared to a deficit of US\$ 2.93 billion in the same period last year.

Balance of Payments Summary (million US\$)

Items	Jul-Apr		FY14	FY13
	FY15	FY14		
A) Current account balance (CAB)	-1,364	-2,931	-3,130	-2,496
Trade balance	-13,910	-13,811	-16,701	-15,431
Exports	20,176	20,834	25,068	24,795
Imports	34,086	34,645	41,769	40,226
Services (net); of which	-1,632	-2,349	-2,551	-1,472
CSF	1,452	675	1,050	1,806
Income (net)	-3,576	-3,169	-3,943	-3,685
Current transfers (net); of which	17,754	16,398	20,065	18,092
Remittances	14,970	12,898	15,837	13,922
B) Capital and financial (C&F) account balance ; of which	3,182	5,263	7,410	813
Foreign direct investment (net) ¹	766	804	1,572	1,258
Foreign portfolio investment (net)	1,823	2,239	2,760	26
Other investment assets	-82	63	211	-314
Other investment liabilities	329	375	1,010	-421
Of which : General government	271	235	1,610	248
of which: Disbursements	2,634	2,320	4,349	2,530
Amortization	2,363	2,085	2,734	2,282
C) Net Errors and omissions	300	-382	-422	-309
Overall balance (A+B+C)	2,118	1,950	3,858	-1,992
SBP gross reserves²	13,922	8,848	10,509	7,197
SBP net liquid reserves³	12,520	7,414	9,097	6,007
As percent of GDP⁴				
Current account balance; of which			-1.3	-1.1
Exports			10.3	10.7
Imports			17.1	17.4
Capital and financial inflows; of which			3.0	0.4
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, provisional GDP has been used, as released by PBS on May 18, 2015 and average exchange rate has been used to calculate GDP in US\$.

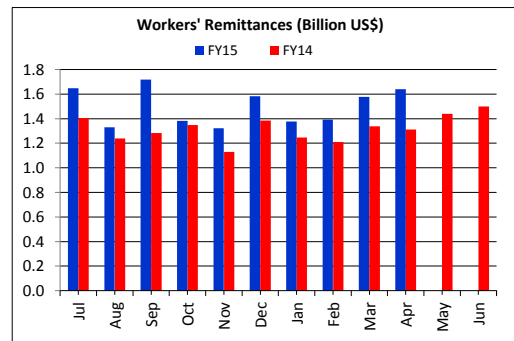
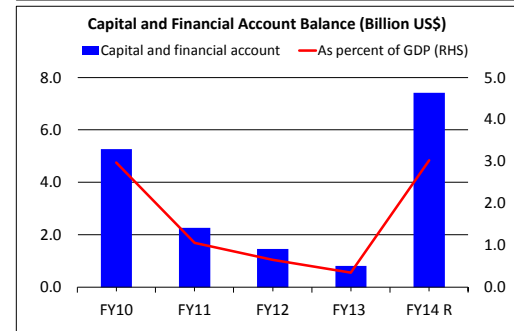
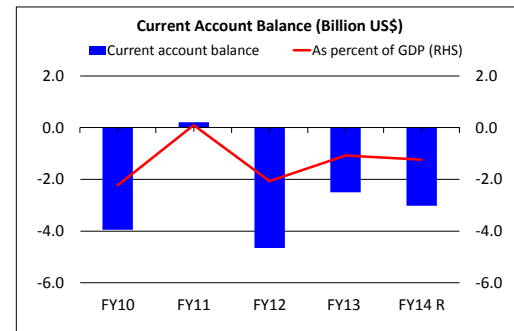
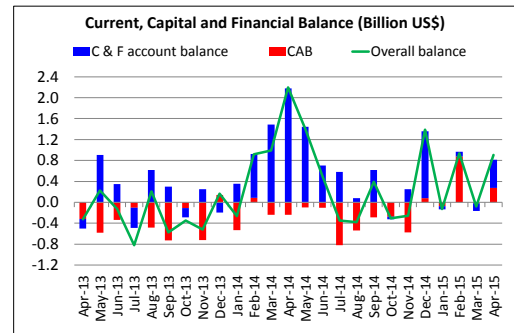
Workers' remittances registered a growth of 16.1 percent during Jul-Apr FY15.

Workers' Remittances⁵ (million US\$)

Share (in percent) is calculated as a ratio of cumulative flow of a group (item) to	Jul-Apr		FY-14	YoY growth in Jul-Apr FY15
	FY-15	FY14		
Total inflows	14,970	12,898	15,838	16.1
USA	2,105	2,028	2,468	3.8
UK	1,845	1,798	2,180	2.6
Saudi Arabia	4,565	3,806	4,729	19.9
UAE	3,384	2,523	3,110	34.1
Other GCC ⁶	1,751	1,527	1,860	14.7
All others	1,318	1,214	1,491	8.5

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

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





Trade and Foreign Investment

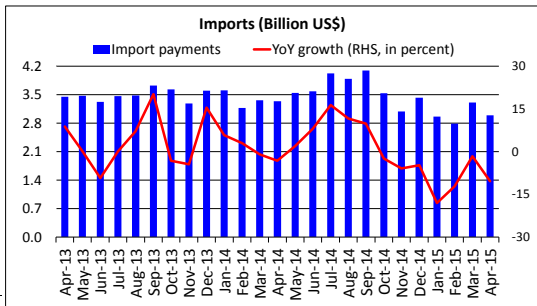
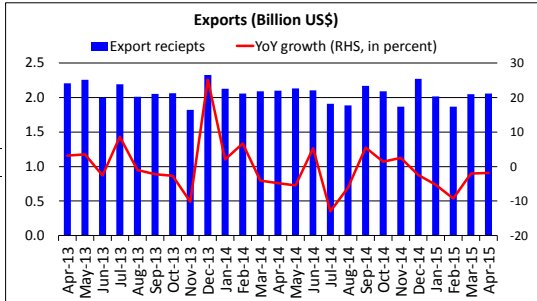
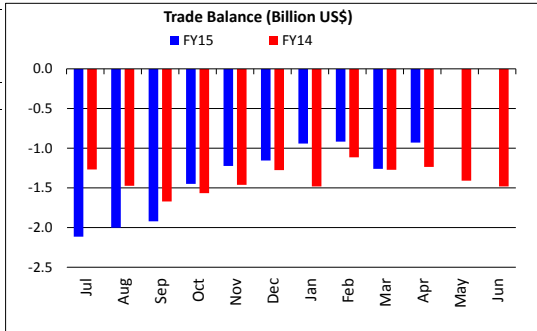
Trade Balance witnessed a deficit of US\$ 13.91 billion during Jul-Apr FY15, compared to a deficit of US\$ 13.81 billion in the same period last year.

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

	Jul-Apr		FY14	Shares ¹ Jul-Apr FY15
	FY15	FY14		
Exports	20,176	20,834	25,068	100
Textile group	11,319	11,365	13,659	56
Knitwear, bed wear	3,734	3,530	4,256	19
Cotton cloth	2,080	2,281	2,734	10
Cotton Yarn	1,507	1,736	2,053	7
Readymade garments	1,698	1,518	1,834	8
Other manufactures group	3,660	3,649	4,479	18
Chemical and pharma	1,026	915	1,138	5
Leather items ²	896	889	1,084	4
Cement	350	399	487	2
Engineering goods	231	255	317	1
Jewellery	9	57	61	0
Food group	3,679	3,466	4,241	18
Rice	1,719	1,740	2,108	9
All others	1,518	2,354	2,690	8
Imports	34,086	34,645	41,769	100
Petroleum group	10,351	12,312	14,774	30
Petroleum products	6,525	7,562	9,020	19
Petroleum crude	3,826	4,750	5,755	11
Machinery group	4,605	4,175	5,053	14
Telecom	1,044	1,017	1,217	3
Electrical machinery	744	590	722	2
Power machinery	610	550	675	2
Agriculture & other chemicals group	5,598	5,778	6,862	16
Plastic materials	1,458	1,377	1,680	4
Fertilizer manufactured	653	656	694	2
Food group	3,869	3,468	4,147	11
Palm oil	1,434	1,579	1,922	4
Tea	286	252	301	1
Metal group	2,696	2,185	2,700	8
Iron steel (IS) and IS scrap	2,235	1,728	2,142	7
All others	6,967	6,727	8,233	20
Trade Balance	-13,910	-13,811	-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-Apr FY15.

² Includes tanned and manufactured leather.

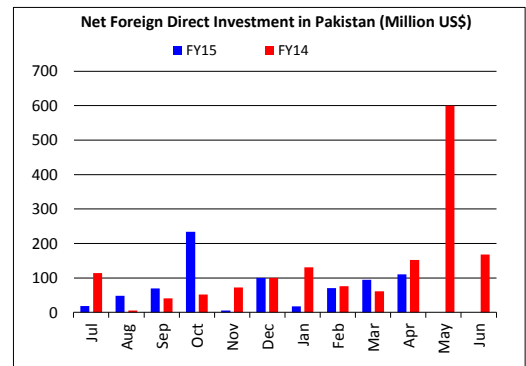


FDI (net) inflows registered a decrease of 8.0 percent during Jul-Apr FY15.

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

	Jul-Apr		FY14	YoY growth in Jul-Apr FY15
	FY15	FY14		
Net inflows: Of which	825	897	1,699	-8.0
Selected Countries				
USA	211	190	212	10.9
UAE	184	-44	-47	522.2
UK	87	129	157	-33.0
China	203	51	696	302.0
Selected Sectors				
Communication	109	-183	434	159.8
Financial businesses	98	166	193	-41.0
Oil and gas exploration	216	425	502	-49.1
Power	119	55	71	113.9
Trade	45	-7	-3	770.0
Memorandum Item:				
Net overall FDI³	766	804	1,572	

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.

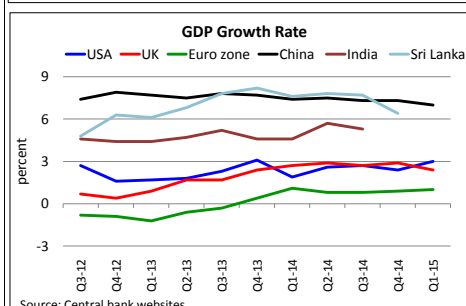
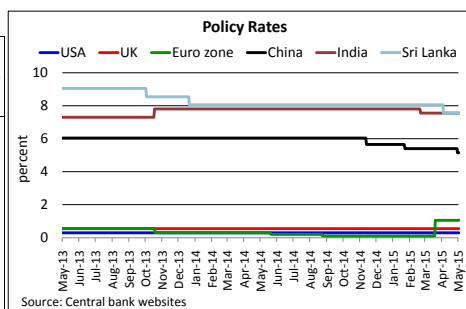


Global Economy

The three 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	2.00	May 05 2015	2.25	↓ -25
China	5.10	May 11 2015	5.35	↓ -25
India	7.50	Mar 3 2015	7.75	↓ -25
Sri Lanka	7.50	Apr 15 2014	8.00	↓ -50
Malaysia	3.25	July 10 2014	3.00	↑ 25
Indonesia	7.50	Feb 17 2015	7.75	↓ -25
Thailand	1.50	April 29 2015	1.75	↓ -25



Real GDP growth in most of the countries has decreased in Q1-CY15 as compared to Q4-CY14.

Key Macroeconomic Indicators

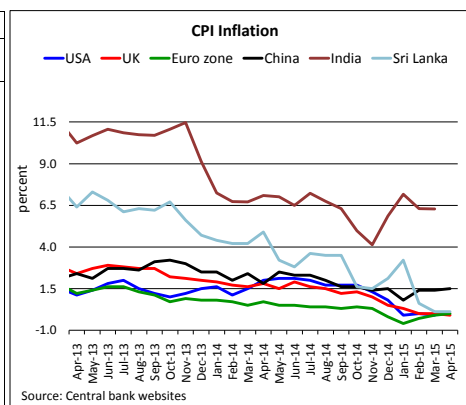
	Inflation (YoY) ¹ April-15	GDP growth ² Q1-2015	Current account balance ³	Fiscal balance ³	Reserves ⁵ (billion US\$) Mar-15	Lending rates ⁶	
			as a percent of GDP ⁴			Nominal	Real
USA	-0.1	3.0	-2.3	-2.5	39.0	3.3	3.4
UK	-0.1	2.4	-4.3	-4.4	84.7	0.5	0.2
Euro zone	0.0	1.0	2.6	-2.2	240.5	7.2	7.5
Japan	2.3	-1.4	1.9	-6.9	1188.4	1.2	-1.2
Australia	1.3	2.5	-3.2	-2.3	48.4	5.7	3.9
China	1.5	7.0	2.8	-2.8	3730.0	5.4	4.0
India	6.3	5.3	-0.9	-4.1	312.2	10.3	3.1
Sri Lanka	0.1	6.4	-	-	6.5	7.3	3.8
South Korea	0.4	2.4	6.7	0.5	352.5	3.9	3.1
Malaysia	1.8	5.6	3.4	-4.4	101.2	4.7	4.6
Indonesia	6.8	4.7	-3.1	-1.9	105.9	12.7	6.5
Thailand	-1.0	3.0	2.2	-1.9	148.5	6.6	7.2

¹ Values of Inflation of USA, Japan, Australia and India pertains to March 2015 ; ² Annual growth, measured as a percentage change over the same quarter of previous year. Value of all countries pertains to Q1 of 2015 except Australia, Sri Lanka pertains to Q4 of 2014 and India pertains to Q3 of 2014 ; ³ Latest 12 months ; ⁴ The Economist, Economic and Financial indicators, May 09, 2015 ; ⁵ IMF (IFS) Reserve position data pertains to March 2015 except for UK, India, Sri Lanka and South Korea pertains to February 2015 ; ⁶ IMF (IFS) data pertains to March 2015 except for Australia, Euro Zone, Malaysia and Indonesia pertains to February 2015, values for Japan, UK, India and South Korea pertains to January 2015 and Sri Lanka pertains to August 2014

IMF's world output growth projection for 2015 is 3.5 percent in April 2015.

World Economic Outlook - Real GDP Growth

	2014 (IMF estimates)	2015 Projections		
		IMF ¹	World Bank ²	OECD ³
World output	3.4	3.5	3.0	-
Advanced⁴	1.8	2.4	2.2	-
US	2.4	3.1	3.2	3.1
Euro area	0.9	1.5	1.1	1.1
Japan	-0.1	1.0	1.2	0.8
UK	2.6	2.7	2.9	2.7
Emerging & Developing	4.6	4.3	4.8	-
Russia	0.6	-3.8	-2.9	0.0
China	7.4	6.8	7.1	7.1
India	7.2	7.5	6.4	6.4
ASEAN-5	4.6	5.2	-	-



Sources: Bloomberg, World Bank, IMF, OECD, The Economist, World Economic Outlook, and Central Bank Websites. ¹ IMF Projections of April 2015 ,

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



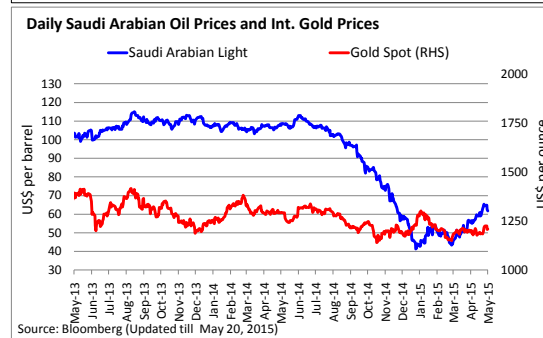
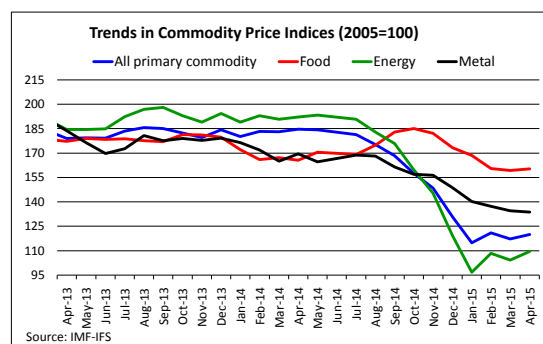
All commodity price index by IMF has registered a rise of 2.5 percent during April 2015.

World Commodity Price Indices (2005=100)

	Apr-15	Percent change since	
		Mar-15	End June - 14
All commodity price index	120.0	↑ 2.5	↓ -35.2
Food price index	145.0	↓ -0.7	↓ -17.7
Energy index	109.5	↑ 5.0	↓ -44.5
Non fuel price index	138.1	↓ -0.8	↓ -16.1
Metal price index	133.8	↓ -0.6	↓ -17.3
Crude oil price (\$/bbl) *	64.3	↑ 10.3	↓ -41.4
Cotton spot (US cents/ pound) *	67.8	↑ 0.8	↓ -18.0
Palm oil (\$/m. ton)	591.8	↓ -2.6	↓ -22.0
Soya bean Oil (\$/m. ton)	691.7	↑ 1.2	↓ -20.6
Wheat (\$/m. ton)	223.3	↓ -3.2	↓ -27.1
Gold spot (\$/Oz) *	1200.6	↑ 0.0	↓ -6.4
Sugar (US cents/pound)	24.4	↓ 0.0	↓ -6.1

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 May 20, 2015.



Stock price indices have shown mixed trend during May 2015 so far as compared to previous month.

Capital Market Indices

	May-15	Percent change since	
		Apr-15	End June - 14
US (DJIA)	18116.8	↑ 0.8	↑ 7.6
DJ EURO STOXX	3602.0	↓ -3.5	↑ 10.2
UK (FTSE 100)	6969.2	↓ -0.6	↑ 2.4
Japan (Nikkei 225)	19693.6	↓ -0.4	↑ 30.4
China (SSEA)	4534.1	↑ 3.4	↑ 113.1
France (CAC 40)	5026.6	↓ -2.8	↑ 11.3
Germany (DAX)	11555.0	↓ -3.4	↑ 16.6
India (BSE)	27283.7	↓ -2.9	↑ 8.2
World dev'd (MSCI)	1791.4	↑ 0.81	↑ 3.4
Emerging Markets (MSCI)	1038.5	↑ 0.4	↓ -0.6
World all (MSCI)	438.7	↑ 0.0	↑ 2.9

¹ Updated till May 20, 2015

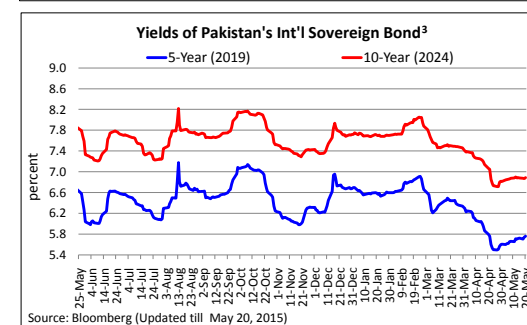
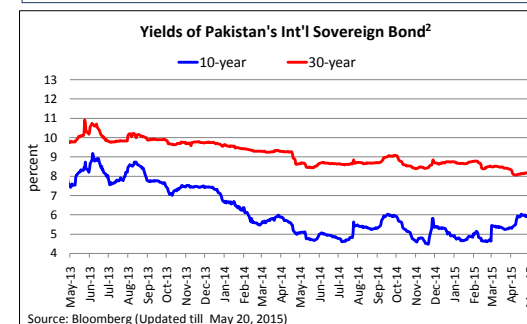
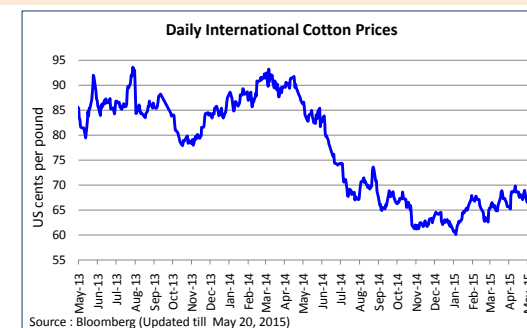
² 30 Yr Bond = \$300 M (Coupon rate = 7.875%): Issued - Mar 24, 2006: Maturity - Mar 23, 2036

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 3.6 percent of GDP during Jul-Mar, FY15 compared to 3.2 percent in Jul-Mar, FY14.

Revenues (billion Rs)

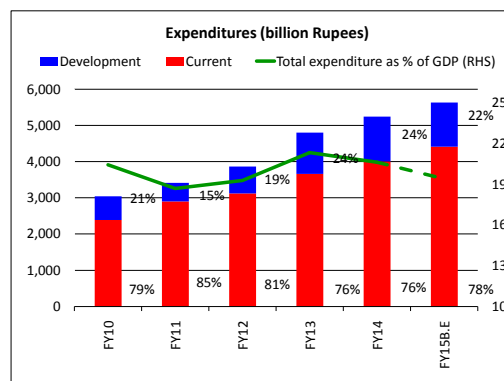
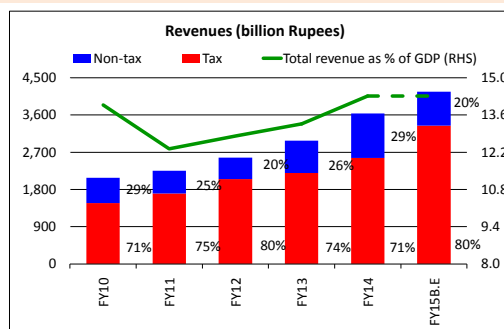
	FY15 BE ¹	Jul-Mar		FY14
		FY15	FY14	
Total revenues	4,216	2,683	2,477	3,637
Tax revenue	3,344	2,063	1,786	2,565
Growth (YoY) %	30.4	15.5	16.9	16.6
of which: FBR revenues	2,810	1,775	1,575	2,266
Non-tax revenues	816	619	691	1,073
Growth (YoY) %	-23.9	-10.4	15.8	37.0

Expenditures (billion Rs)

	FY15 BE ¹	Jul-Mar		FY14
		FY15	FY14	
Total expenditures	5,638	3,732	3,289	5,026
Current	4,417	3,199	2,905	4,005
Growth (YoY) %	10.3	10.1	9.9	9.4
of which: Interest payments	1,325	975	909	1,148
Defence	700	486	452	623
Development Expenditure & net lending	1,221	594	556	1,237
Growth (YoY) %	-1.2	6.9	24.7	8.5
Unidentified Expenditure ²	-	-61	-171	-215

Overall Balance (billion Rs)

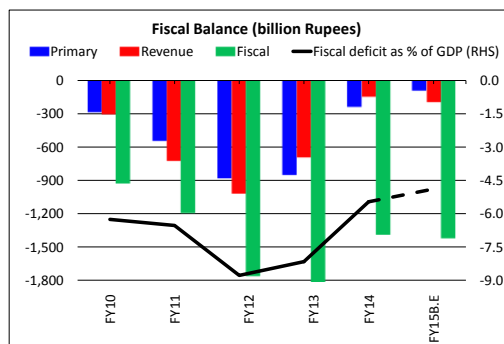
	FY15 BE ¹	Jul-Mar		FY14
		FY15	FY14	
Fiscal balance ³	-1,422	-1,049	-812	-1,389
Revenue balance ⁴	-201	-516	-427	-367
Primary balance ⁵	-97	-74	97	-241
<i>As percent of GDP⁶</i>				
Fiscal balance	-4.9	-3.6	-3.2	-5.5
Revenue balance	-0.7	-1.8	-1.7	-1.4
Primary balance	-0.3	-0.3	0.4	-0.9



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

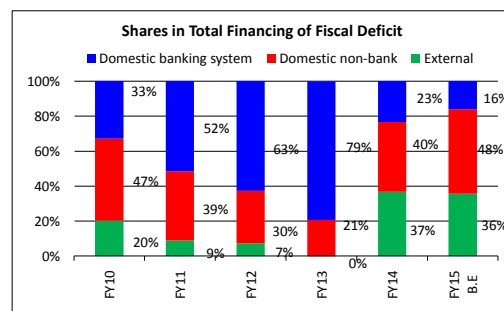
Financing of Fiscal Deficit (billion Rs)

	FY15 BE ¹	Jul-Mar		FY14
		FY15	FY14	
Financing	1,422	1,049	812	1,389
1. External: of which	508	138	-50	512
Privatization proceeds	198	15.2	-	-
2. Domestic ⁷ : of which	914	911	862	877
Non-bank	686	427	425	553
Banking system: of which	228	469	437	324
Scheduled banks	228	1,144	378	164
SBP	0	-674	59	160



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
Q3	243	247	74	40	603
FY15^P	702	760	209	104	1,775



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. 1,017 billion during Jul-Mar FY15.

Debt by Owner - end period stocks (billion Rs)

	Mar-15 ^P	Jun-14 ^P	Change since Jun-14
1.Bank	7,384	6,781	604
Commercial banks	5,134	3,925	1,208
SBP	2,250	2,855	-605
2.Non-bank	4,656	4,243	413
National saving schemes (NSS)	2,939	2,670	269
Others	1,717	1,573	144
3.Foreign currency instruments¹	5	4	0
Total(1+2+3)	12,045	11,028	1,017

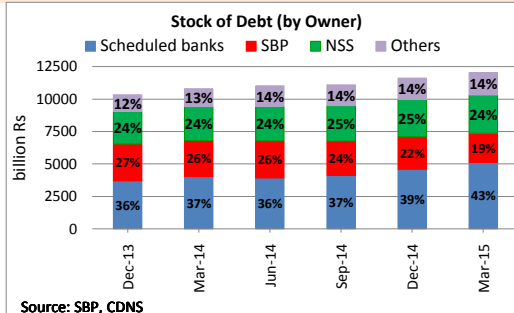
Debt by Type - end period stocks (billion Rs)

	Mar-15 ^P	Jun-14 ^P	Change since Jun-14
1.Permanent debt	4,829	3,999	830
PIBs	4,002	3,222	780
Prize bonds	496	447	50
Others ²	331	331	0
2. Floating debt	4,567	4,600	-33
MTBs	2,319	1,747	572
MRTBs-replenishment ³	2,248	2,852	-605
3.Unfunded debt⁴: of which	2,645	2,425	220
Saving schemes	2,375	2,156	219
4.Foreign currency instruments	5	4	0
Total(1+2+3+4)	12,045	11,028	1,017
Government domestic liabilities⁵	237	270	-33

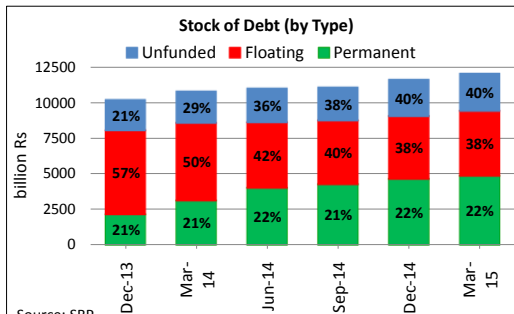
¹ Includes FEBCs, FCBCs, DBCs and special USD bonds held by the residents.

² Includes market loans and GOP Ijara Sukuk 3 Years. ³ Includes Outright Sale of MRTBs, if any.

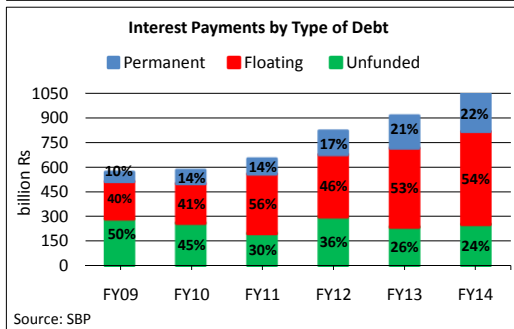
⁴ Includes funds mobilized through NSS excluding prize bonds. ⁵ This reflects provincial governments' borrowings from banks for commodity operations.



Source: SBP, CDNS



Source: SBP



Source: SBP

Interest payments on domestic debt have shown YoY growth of 12.6 percent during Jul-Mar FY15.

Debt Servicing (billion Rs)

	Jul-Mar		FY14 ^R	Percent change during FY15 over FY14
	FY15 ^P	FY14		
Permanent ⁶	437	202	229	115.9
Floating	312	437	562	-28.6
Unfunded	185	190	252	-2.3
Total	934	829	1043	12.6

Indicators of Domestic Debt Sustainability

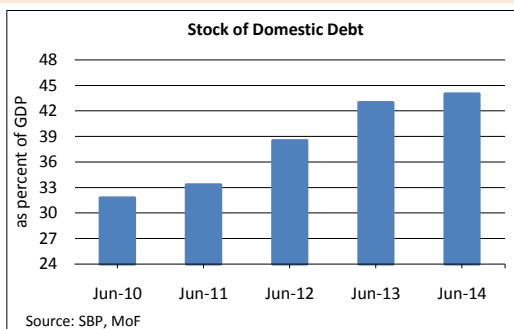
	Jun-10	Jun-11	Jun-12	Jun-13	Jun-14
Debt stock as percent of GDP⁷	31.8	33.3	38.5	43.0	44.0
Debt servicing as percent of	FY10	FY11	FY12	FY13	FY14
GDP ⁷	3.9	3.6	4.1	4.0	4.2
Total revenue	27.8	28.8	31.8	30.4	28.7
Tax revenue	39.2	38.3	39.8	41.3	40.7
Total expenditure	19.2	18.8	20.8	18.8	20.7
Current expenditure	24.2	22.4	26.2	24.8	26.0

⁶ Includes prize bonds;

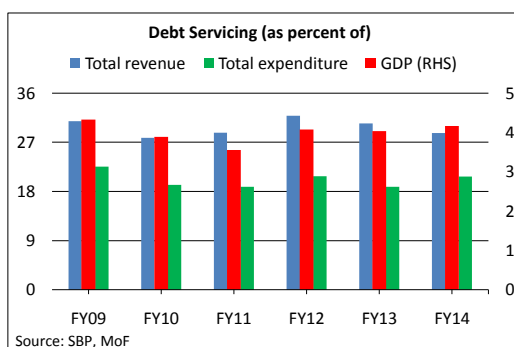
⁷ Based on revised GDP published by PBS on 18-05-2015.

^R: Revised; ^P: Provisional

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



Source: SBP, MoF



Source: SBP, MoF



External Debt

Stock of public sector external debt has decreased by US\$ 2.5 billion during Jul-Mar FY15.

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

Items	Mar-15 ^P	Jun-14 ^R	Change during Jul-Mar-FY15
1. Public debt (a+b+c)	52,305	54,793	-2,488
a) Government debt	45,464	48,491	-3,027
i) Long term (>1 year)	45,019	47,790	-2,771
Paris club	11,632	13,607	-1,975
Multilateral	23,245	25,826	-2,582
Other bilateral	4,212	3,465	746
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)	25	16	9
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)	445	701	-257
Of which: IDB	383	413	-29
b) From IMF	3,711	3,020	691
i) Federal government	143	654	-511
ii) Central bank	3,568	2,366	1,202
c) Foreign exchange liabilities (FEL)²	3,130	3,281	-151
2. Public sector enterprises (PSEs)	2,424	2,137	288
a) Guaranteed debt	1,066	486	579
b) Non-guaranteed debt	1,359	1,650	-291
3. Scheduled banks	2,176	1,989	187
a) borrowing	1,318	1,080	238
i) Long term (>1 year)	10	33	-23
ii) Short term (<1 year)	1,308	1,046	261
b) Non-resident deposit (LCY & FCY)	858	909	-51
4. Private sector	3,086	3,048	38
a) guaranteed debt	0	0	0
b) non-guaranteed debt	3,086	3,048	38
i) Loans	1,978	1,934	44
ii) Private non-guaranteed bonds	12	12	0
iii) Trade credit and others liabilities	1,096	1,102	-6
5. Debt liabilities to direct investors-intercompany debt	2,658	3,400	-741
Total external debt (excl. FEL)	59,519	62,083	-2,565
Total external debt & liabilities (1+2+3+4+5)	62,649	65,365	-2,716

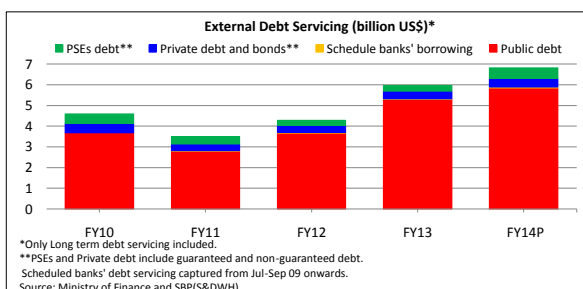
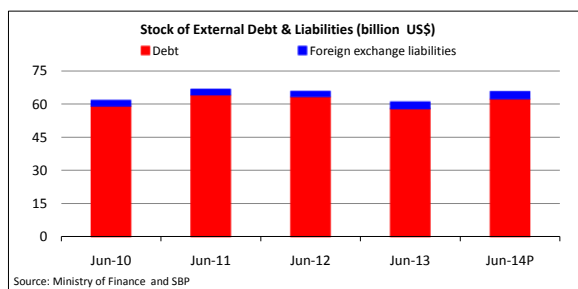
Debt Servicing (million US\$)

Items	Jul-Mar-FY15 ^P	FY14
1. Public debt (a+b+c)	2,987	5,847
a) Government debt³	1,845	2,541
Principal	1,235	1,834
Interest	609	707
b) To IMF	1,070	3,182
Principal	1,040	3,130
Interest	30	52
c) Foreign exchange liabilities	73	124
Principal	0	100
Interest	73	24
2. PSEs guaranteed debt	29	301
Principal	15	273
Interest	14	28
3. PSEs non-guaranteed debt³	182	199
Principal	167	179
Interest	15	20
4. Scheduled banks' borrowing³	18	49
Principal	18	48
Interest	0	1
5. Private guaranteed debt	0	0
6. Private non-guaranteed debt³	320	298
Principal	271	239
Interest	50	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)	3,536	6,811
Principal	2,745	5,915
Interest	791	897
Memorandum Items		
Short term debt servicing-principal⁴ (excluding item No.3 below)		
1. Government debt	546	173
2. PSEs non-guaranteed debt	40	151
3. Scheduled banks' borrowing	25,666	28,559
Net flows ⁵	316	413
4. Private non-guaranteed debt	63	22

Stock of external debt as percent of GDP decreased to 25.8 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 ^P	FY09	FY10	FY11	FY12	FY13	FY14 ⁶
GDP⁷	32.3	35.4	31.2	30.9	27.0	25.8	2.4	2.4	1.6	2.0	2.6	2.7
Reserves	407.5	364.2	347.2	426.8	550.8	459.8	30.8	24.4	18.3	27.9	53.9	47.9
Exports	273.6	312.8	261.7	264.9	245.5	260.7	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; ⁷ Based on revised GDP published by PBS on 18-05-2015.

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



Total Debt

Stock of total debt and liabilities increased by Rs. 954 billion during Jul-Mar FY15.

Total Debt Stock (billion Rs)

	Mar-15 ^P	Jun-14 ^R	Change during Jul-Mar FY15	Share in Mar-FY15 (percent)
I. Government domestic debt	12,045	11,028	1,017	62.4
II. Government external debt ¹	4,634	4,791	-158	24.0
III. Debt from IMF	378	298	80	2.0
IV. External liabilities	319	324	-5	1.7
V. Private sector external debt	536	498	39	2.8
VI. PSEs external debt	247	211	36	1.3
VII. PSEs domestic debt	432	366	66	2.2
VIII. Commodity operations ²	437	492	-56	2.3
IX. Intercompany External Debt from Direct Investor abroad	271	336	-65	1.4
Total debt & liabilities (I to IX)	19,299	18,346	954	100.0
Total public debt (I to IV)	17,376	16,442	934	90.0
Total external debt & liabilities (II to VI &+ IX)	6,385	6,459	-73	33.1
Commodity operations & PSEs debt (VI to VIII)	1,116	1,070	46	5.8

Total Debt Servicing (billion Rs)

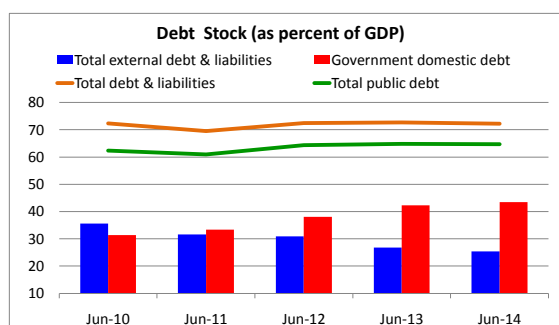
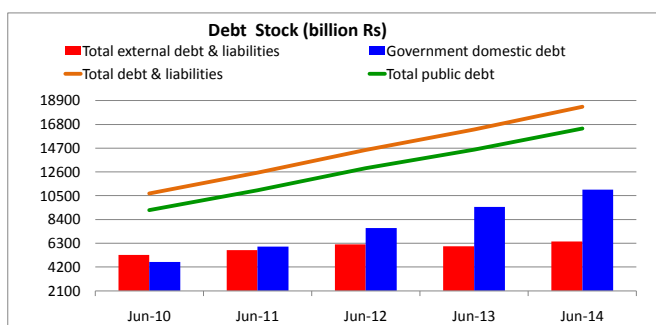
	Jul-Mar FY15 ^P	FY14 ^R	Share in Jul-Mar FY15 (percent)	Share in FY14 (percent)
Total Debt Servicing(A+B)	1331	1791	100.0	100.0
A. Total interest payment on debt and liabilities (I+II)	1053	1183	79.1	66.0
I. Interest payment on debt (a+b)	1009	1134	75.8	63.3
a. Domestic debt	934	1043	70.1	58.2
b. External debt	75	91	5.6	5.1
II. Interest payment on liabilities (a+b)	45	49	3.4	2.7
a. Domestic liabilities	37	47	2.8	2.6
b. External liabilities ¹	7	3	0.6	0.1
B. Principal repayment of external debt and liabilities³	278	609	20.9	34.0

Debt stock (as percent of GDP)

	Mar-15 ^P	Jun-14 ^{R4}	Jun-13 ⁴
Total debt and liabilities	66.4	73.2	73.5
Total public debt	59.8	65.6	65.6
Total external debt and liabilities	22.0	25.8	27.0
Government domestic debt	41.4	44.0	43.0
PSEs debt and liabilities	3.8	4.3	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; ⁴ Based on revised GDP published by PBS on 18-05-2015.

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

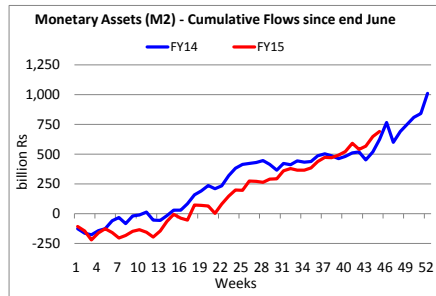


Monetary and Credit Aggregates

Contribution of net government borrowing in monetary expansion has substantially increased during FY15 so far.

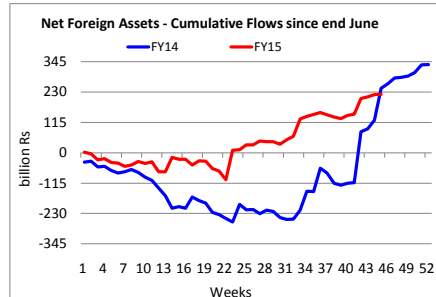
Monetary Assets of the Banking System (billion Rs)

	End June 2014 stocks ^R	Cumulative flows since end-June		FY14 flows
		Latest week	A year ago	
		8-May-15	9-May-14	
NFA	601.0	221.1	243.7	332.2
NDA	9,367.0	468.8	380.6	778.1
Net government borrowings: of which	6,064.3	539.4	175.1	327.1
Net budgetary borrowing	5,549.4	560.8	240.2	303.0
Commodity operations	492.4	-20.8	-65.0	24.7
Non-government borrowings: of which	4,102.0	222.9	348.1	438.0
Private sector	3,728.7	160.8	292.9	371.4
PSEs	354.7	62.1	55.1	66.6
Other items (net)	-799.2	-293.5	-142.5	12.9
M2	9,968.0	689.9	624.3	1,110.2



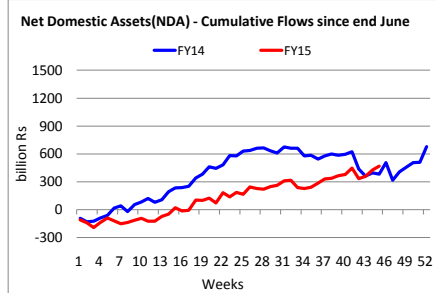
Monetary Liabilities of the Banking System (billion Rs)

Currency in circulation	2,177.9	328.9	275.2	239.7
Total deposits with banks	7,777.0	358.5	345.7	868.0
Demand deposits with banks	6,505.8	308.6	379.4	917.7
Time deposits with banks	671.8	44.3	-97.3	-134.1
RFCDs with banks	599.4	5.6	63.6	84.4
M2	9,968.0	689.9	624.3	1,110.2



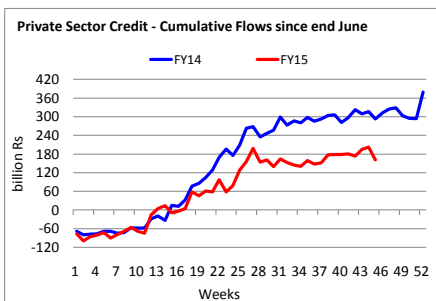
Monetary Assets of the Banking System (percent growth)

	YoY (8-May-15)	Since end June		FY14
		8-May-15	9-May-14	
NFA	60.4	36.8	90.7	123.6
NDA	9.7	5.0	4.4	9.1
Government borrowings	11.7	8.9	3.1	5.7
Budgetary borrowing	11.4	10.1	4.6	5.8
Commodity operations	17.1	-4.2	-13.9	5.3
Non-government sector borrowings	7.8	5.4	9.5	12.0
Private sector	6.6	4.3	8.7	11.1
PSEs	21.4	17.5	19.1	23.1
Other items (Net)	-14.5	-36.7	-17.5	1.6
M2	12.4	6.9	7.0	12.5



Memorandum Items

	Latest week	A year ago	FY14
	8-May-15	9-May-14	
Money multiplier	3.34	3.41	3.48
Currency to deposit ratio (percent)	30.81	30.51	28.00
M2 to GDP ratio (percent)	38.92	37.83	39.76
Private sector credit to GDP ratio (percent)	14.20	14.56	14.87



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



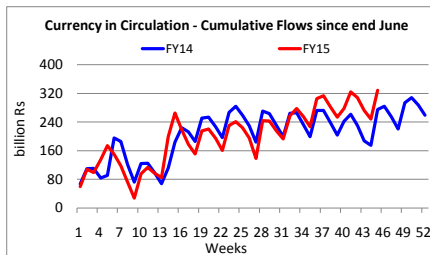
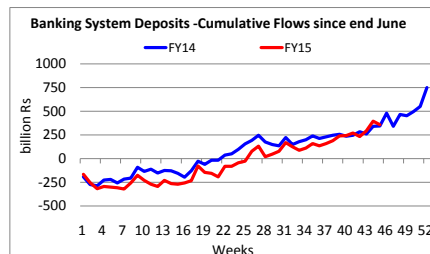
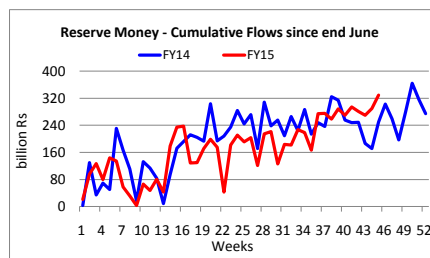
Net foreign assets of SBP remained the key driver of reserve money growth during FY15 so far.

Monetary Assets of SBP

				(billion Rs)
	End June 2014 stocks	Cumulative flows since end-June		FY14 Flows
		Latest week	A year ago	
		8-May-15	9-May-14	
NFA	489.6	245.7	219.8	356.7
NDA: of which	2,371.6	83.8	29.6	-30.7
Budgetary borrowing	2,409.8	-532.3	-10.5	196.9
Other items (net)	-555.2	726.6	-34.3	-278.8
Net impact of OMOs/discounting	-17.2	851.9	79.1	-216.0
Reserve money	2,861.3	329.5	249.4	326.0

Monetary Liabilities of SBP

		Cumulative flows since end-June		
	End June 2014 stocks	Latest week	A year ago	FY14 Flows
		8-May-15	9-May-14	
Currency in circulation	2,177.9	328.9	275.2	239.7
Cash in tills	139.5	-9.8	3.5	28.6
Bank deposits with SBP (reserves)	530.7	7.9	-32.8	55.1
Other deposits with SBP	13.1	2.5	3.5	2.6
	YoY (8-May-15)			(percent growth)
NFA of the SBP	108.4	50.2	165.4	268.3
NDA of the SBP: of which	1.0	3.5	1.2	-1.3
Budgetary borrowing	-14.8	-22.1	-0.5	8.9
Reserve money	14.6	11.5	9.8	12.9



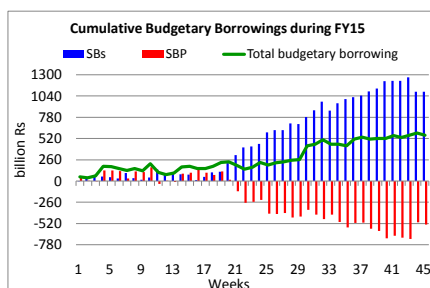
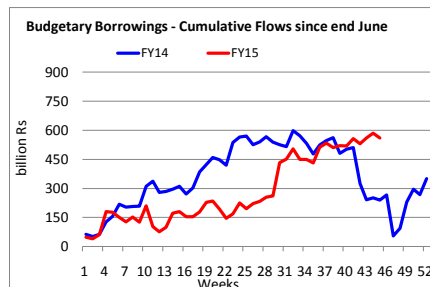
In FY15 so far, government borrowing needs are entirely met from Scheduled Banks.

Details on Government Borrowing for Budgetary Support

	End June 2014 stocks	Cumulative flows since end-June		FY14 flows
		Latest week	A year ago	
		8-May-15	9-May-14	
Budgetary borrowing	5,549.4	560.8	240.2	303.0
Federal government	6,059.5	688.5	434.1	497.5
From SBP	2,567.7	-455.4	160.3	326.6
SBP's holdings of MRTBs	2,852.3	-563.4	406.8	577.1
From scheduled banks (SBs)	3,491.8	1,144.0	273.9	171.0
Provincial governments	-510.1	-127.7	-193.9	-194.5
From SBP ¹	-157.9	-76.9	-170.7	-129.7
From scheduled banks ²	-352.3	-50.8	-23.2	-64.9
Memorandum Items				
Budgetary borrowing on cash basis	5,448.4	597.5	255.1	323.7
SBP	2,327.7	-481.8	-20.9	159.8
Scheduled banks	3,120.7	1,079.2	276.0	163.9

Memorandum Items

Budgetary borrowing on cash basis	5,448.4	597.5	255.1	323.7
SBP	2,327.7	-481.8	-20.9	159.8
Scheduled banks	3,120.7	1,079.2	276.0	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. 202 billion during Jul-Apr FY15 compared to Rs. 335 billion during same period of FY14.

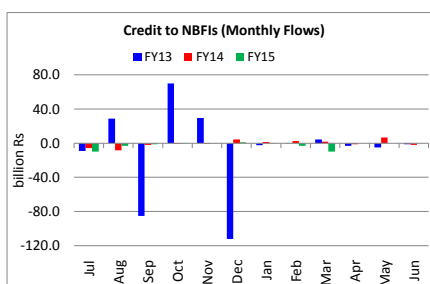
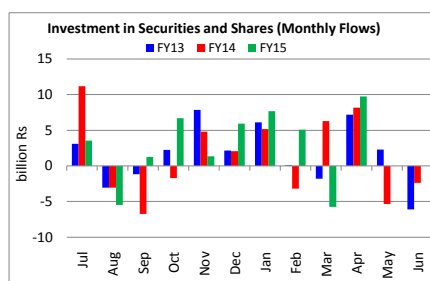
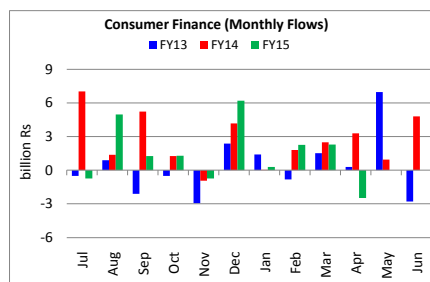
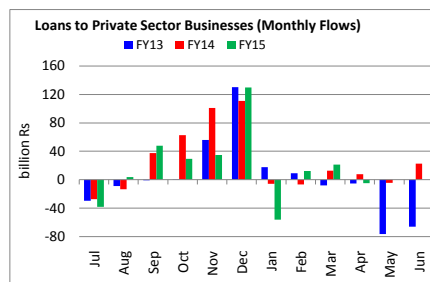
Credit to Private Sector

	End June 2014 stocks	Cumulative flows (billion Rs)		
		Jul-Apr FY15	Jul-Apr FY14	FY14
Total credit to private sector ¹	3,728.7	201.9	335.1	371.4
1. Loans to private sector businesses	2,765.2	180.2	279.5	298.0
By type				
Working capital: <i>of which</i>	1,841.5	75.5	230.7	228.3
Export finance	276.0	27.1	33.1	14.7
Import finance	157.1	12.1	19.3	24.5
Fixed investment	923.7	104.8	48.8	69.7
By Sectors: of which				
Agriculture	252.7	↑ 13.9	↑ 20.7	↑ 30.7
Manufacturing: of which	1,636.0	↑ 87.8	↑ 207.9	↑ 187.2
Textiles	558.1	↑ 23.0	↑ 59.2	↑ 43.2
Food products & beverages	414.4	↑ 29.4	↑ 115.9	↑ 97.5
Chemicals & products	191.9	↑ 4.2	↑ 10.0	↑ 20.2
Non-metallic mineral products	53.7	↑ 19.0	↓ -10.9	↓ -13.2
Wearing apparel, readymade gar.	53.9	↑ 1.1	↓ -2.7	↓ -0.6
Electricity, gas and water	278.6	↑ 6.5	↑ 40.6	↑ 49.8
Construction	52.3	↑ 11.5	↓ -3.6	↓ -1.1
Commerce and trade	223.3	↑ 14.6	↑ 12.3	↑ 16.4
Transport, storage and comm.	117.1	↑ 15.1	↑ 5.3	↑ 27.3
Services: of which	134.1	↑ 18.6	↓ -0.7	↓ -5.0
Real estate/renting & business act	89.5	↑ 11.6	↓ -4.9	↓ -10.4
2. Personal: of which	337.6	↑ 22.1	↑ 25.3	↑ 31.9
Consumer financing	242.8	↑ 14.7	↑ 25.8	↑ 31.5
3. Investment in securities and shares	187.5	↑ 30.0	↑ 23.0	↑ 15.3
4. Others²: of which	438.4	↓ -30.4	↑ 7.3	↑ 26.2
Non-bank finance companies	152.6	↓ -24.9	↓ -8.8	↓ -4.2

¹ From Weekly Monetary Survey's month end position.

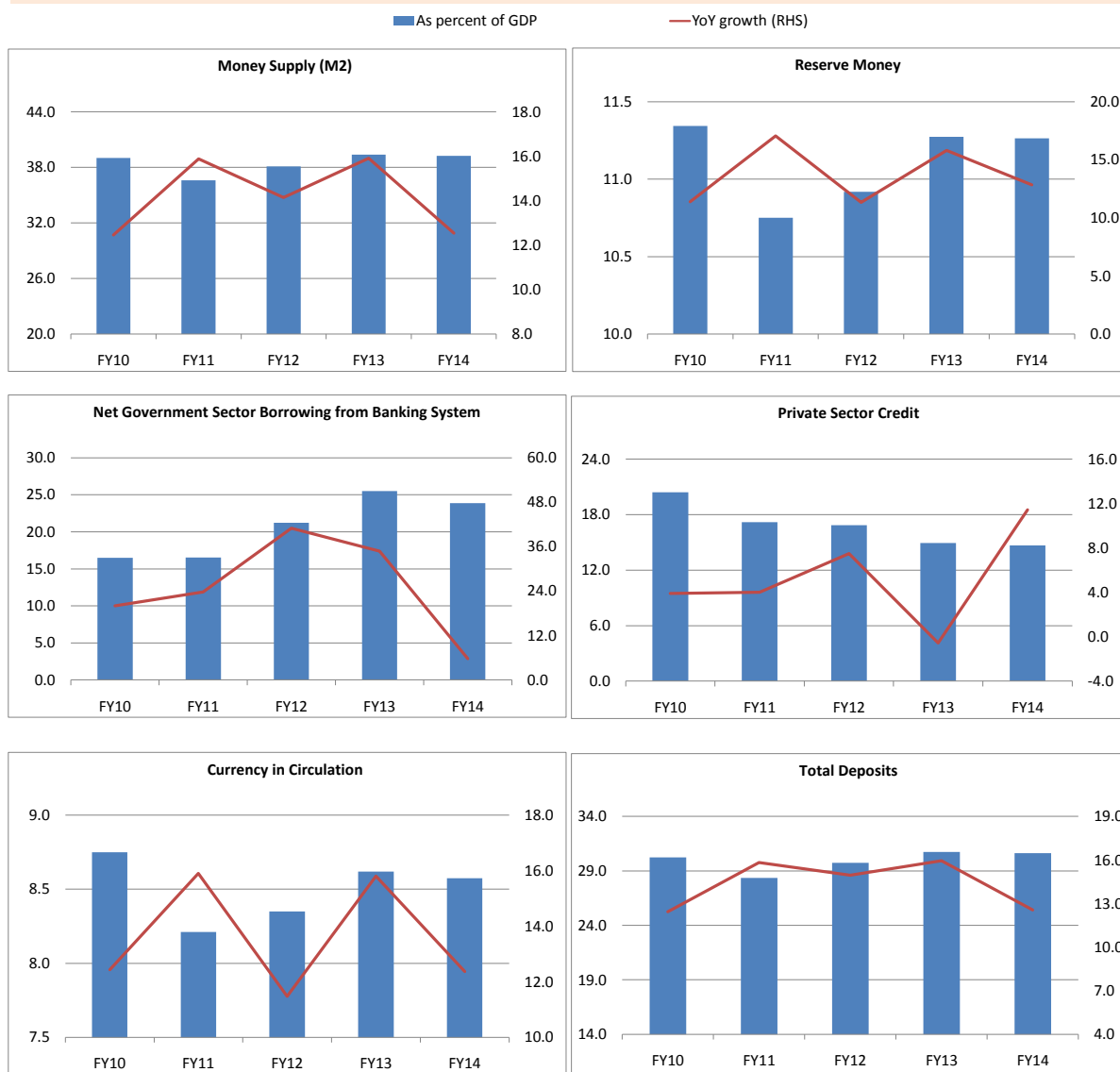
² This also includes credit to some Public Sector Enterprises, and other categories.

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





Key Indicators of Monetary Sector

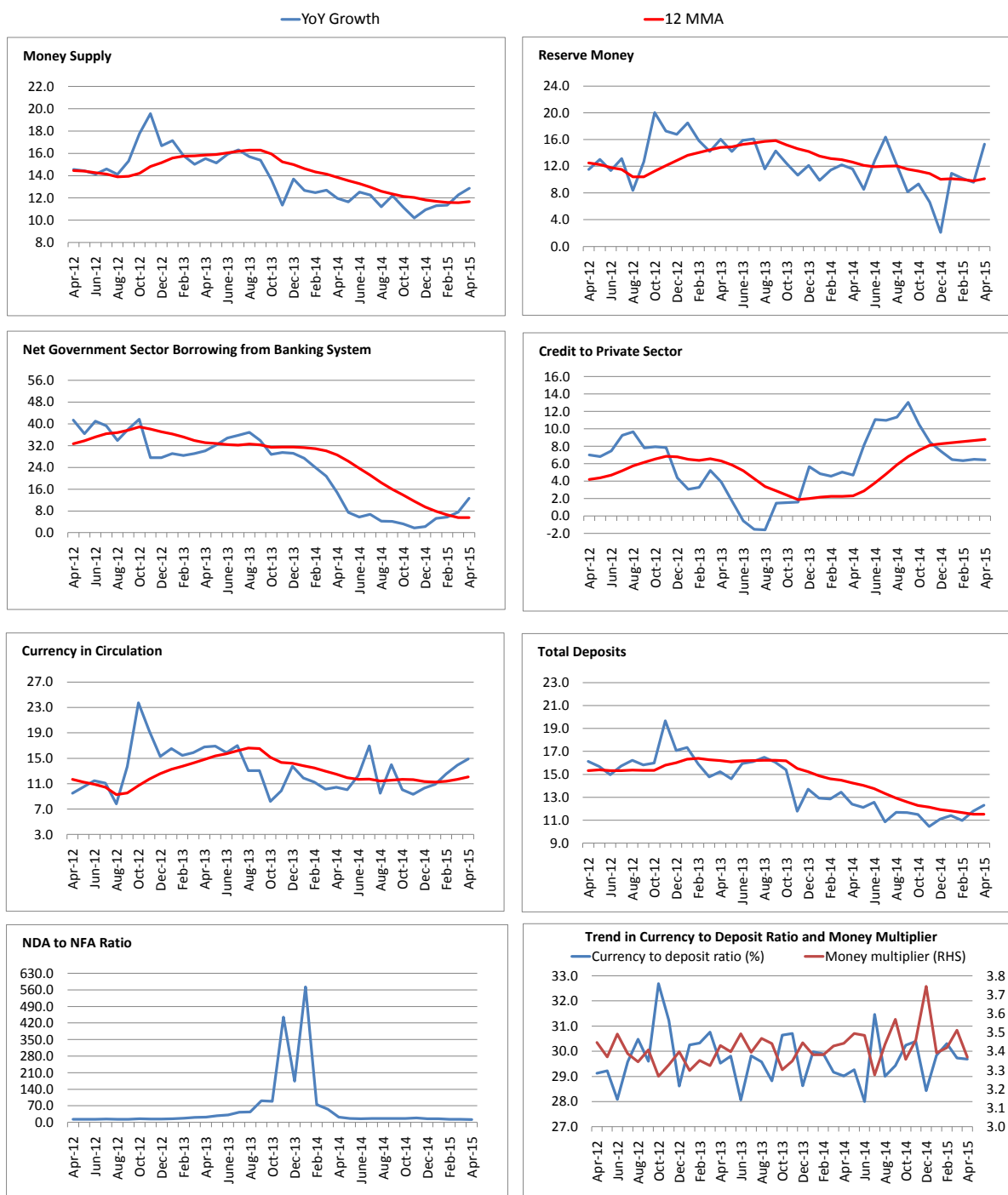


YoY growth of end June Stocks

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

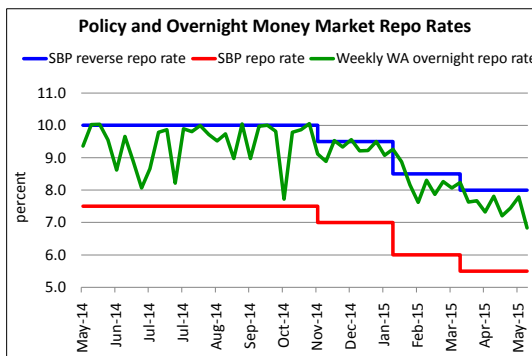
With effect from 24th March 2015, SBP decreased the SBP reverse repo rate by 50 bps to 8.0 percent.

Policy Instruments (percent)

	Current	w.e.f	Previous	w.e.f	Change ¹
SBP reverse repo rate	8.0	24-Mar-15	8.5	26-Jan-15	↓ -50
SBP repo rate	5.5	24-Mar-15	6.0	26-Jan-15	↓ -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

¹ Basis points

DL: Demand Liabilities; TL: Time Liabilities



Volatility in overnight repo rate has decreased in Q4-FY15 so far, compared to Q3-FY15.

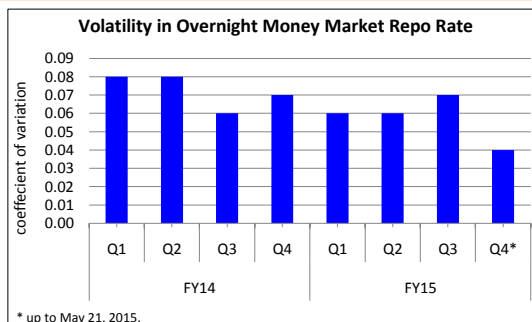
Weighted Average O/N Money Market Repo Rate (percent)

	FY15				Year
	Q1	Q2	Q3	Q4*	
WA O/N repo rate ²	9.60	9.38	8.30	7.26	8.77
Standard deviation	0.54	0.60	0.60	0.29	0.98
CoV ³	0.06	0.06	0.07	0.04	0.11

* up to May 21, 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 May 21, 2015.

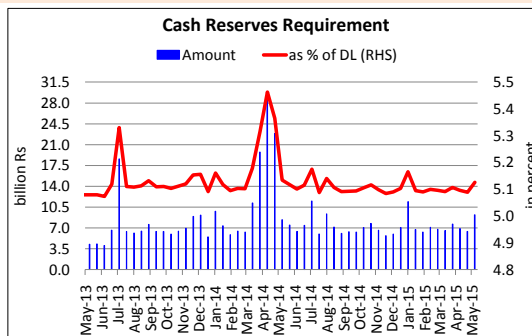
Banks' holding of government securities now stands at 84 percent of their total liquid assets maintained.

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

	Maintenance period ended as on		Change since Last MPS	
	7-May-15	9-Apr-15	9-Apr-15	12-Mar-15 ⁵
Cash required	363.9	361.6	↑ 2.3	↑ 6.1
Cash maintained	373.1	368.5	↑ 4.6	↑ 8.7
Excess cash reserves (per day)	9.2	6.9	↑ 2.3	↑ 2.6

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.

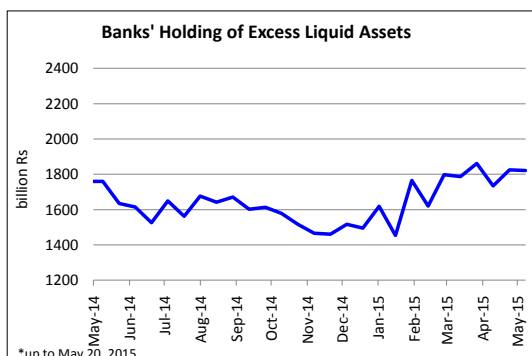
⁵ As on Thursday preceding the last monetary policy decision.



Overall Reserve Requirement (billion Rs)

	Maintenance period started as on		Change since	
	8-May-15	10-Apr-15	10-Apr-15	13-Mar-15 ⁹
Required reserves	1773.0	1740.4	↑ 32.6	↑ 57.1
for CRR	369.4	362.6	↑ 6.8	↑ 11.9
for SLR	1403.7	1377.8	↑ 25.8	↑ 45.2
Maintained ⁶	3594.6	3475.3	↑ 119.3	↑ 92.3
Cash	556.5	528.4	↑ 28.0	↑ 37.5
Cash in tills	155.2	151.0	↑ 4.3	↑ 6.7
Balance with SBP	374.9	357.5	↑ 17.3	↑ 26.1
Balance with NBP	26.4	19.9	↑ 6.5	↑ 4.6
Securities	3005.0	2913.7	↑ 91.3	↑ 55.1
Others ⁷	33.2	33.2	↑ 0.0	↓ -0.3
Excess liquid assets ⁸	1821.6	1734.9	↑ 86.7	↑ 35.2

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

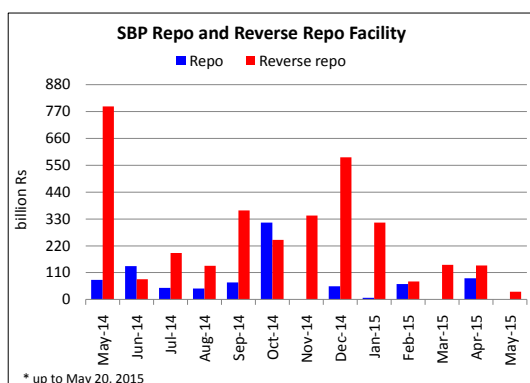


Banks' use of SBP's reverse repo facility has decreased in Q4-FY15 so far, as compared to last quarter.

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	2,567.1	67	690.6	18
Q1	693.3	21	163.5	4
Q2	1,170.4	21	369.4	8
Q3	531.6	18	70.5	4
Q4 ¹	171.9	7	87.3	2

¹ Updated up to May 20, 2015



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

Outstanding Open Market Operations² (billion rupees)

	Average Outstanding OMOs	End-period Outstanding OMOs
FY14	53.9	-
Q1	(34.7)	(40.0)
Q2	(11.8)	66.1
Q3	67.0	250.0
Q4	196.9	-
FY15³	418.6	544.0
Q1	63.0	0.0
Q2	281.0	0.0
Q3	683.2	718.4
Q4 ³	850.0	544.0

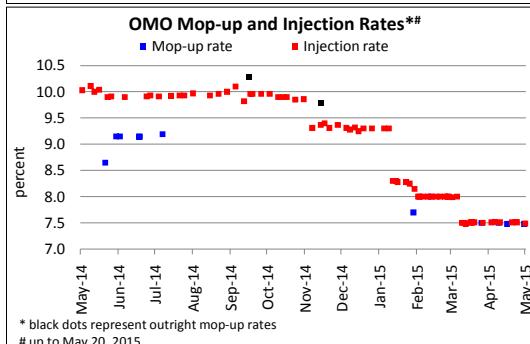
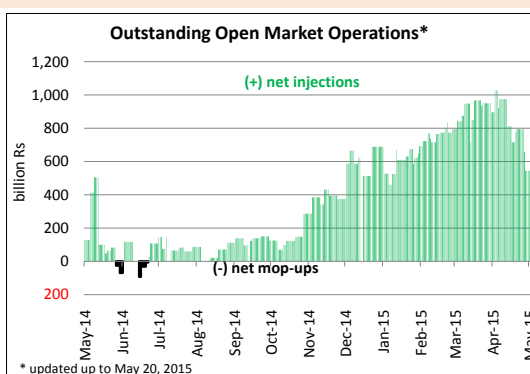
² It does not include the impact of outright transactions .

*Note: (+) amount means net injection

(-) amount means net mop-up

³ Updated up to May 20, 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	-	-
Q4 ³	-	-

⁴ Updated up to May 20, 2015

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

	Bai-Muajjal Purchases	Ready Sales
FY15	179.9	179.9
Q1	-	-
Q2	90.4	90.4
Q3	89.5	89.5
Q4 ⁶	-	-

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

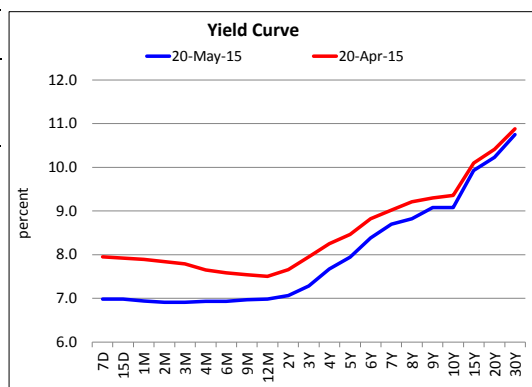
⁶ Updated up to May 20, 2015



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

Pak Rupee Revaluation (PKRV) Rates¹ (%)

Tenors	Current		Change (in basis points) since	
	20-May-15	20-Apr-15	20-Apr-15	Last MPS 20-Mar-15
1-week	6.98	7.95	↓ -97	↓ -124
2-week	6.98	7.92	↓ -94	↓ -124
1-month	6.94	7.89	↓ -95	↓ -127
3-month	6.91	7.79	↓ -88	↓ -121
6-month	6.93	7.58	↓ -65	↓ -93
9-month	6.97	7.54	↓ -57	↓ -86
12-month	6.98	7.50	↓ -52	↓ -80
2-year	7.06	7.66	↓ -60	↓ -79
3-year	7.28	7.95	↓ -67	↓ -70
5-year	7.94	8.46	↓ -52	↓ -30
7-year	8.70	9.02	↓ -32	↓ -5
10-year	9.08	9.36	↓ -28	↓ -5
20-year	10.23	10.41	↓ -18	↓ -13
30-year	10.75	10.88	↓ -13	↓ -5

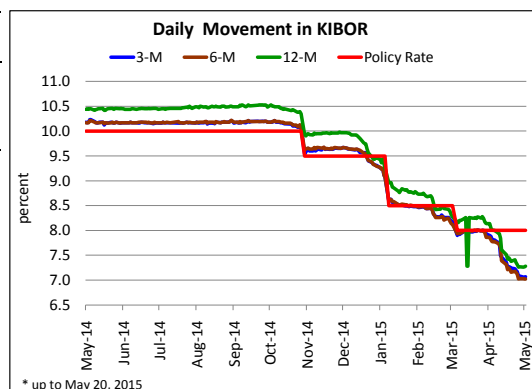


¹ It is secondary market yield-to-maturity used by banks to revalue their holding of securities (i.e. mark to market).

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

Tenor-wise KIBOR (%)

Tenors	Current		Change (in basis points) since	
	20-May-15	20-Apr-15	20-Apr-15	Last MPS 20-Mar-15
1-week	7.53	7.95	↓ -42	↓ -80
2-week	7.47	7.95	↓ -48	↓ -84
1-month	7.38	7.94	↓ -56	↓ -93
3-month	7.07	7.90	↓ -83	↓ -111
6-month	7.02	7.86	↓ -84	↓ -110
9-month	7.26	8.15	↓ -89	↓ -103
12-month	7.28	8.14	↓ -86	↓ -99
2-year	7.43	8.22	↓ -79	↓ -89
3-year	7.60	8.39	↓ -79	↓ -82

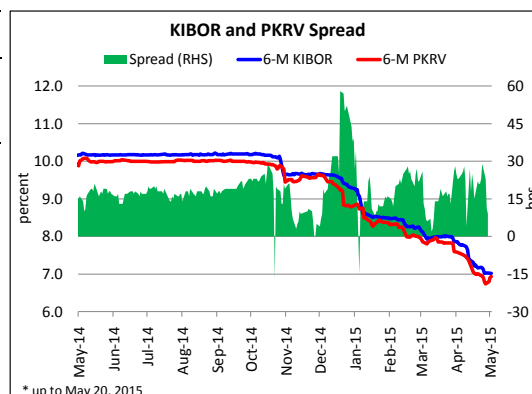


* up to May 20, 2015

Spreads between KIBOR and PKRV rates for 6-month and above tenors have decreased compared to their levels observed at the time of monetary policy announcement in March 2015.

KIBOR and PKRV Spread (basis points)

Tenors	Current		Change since	
	20-May-15	20-Apr-15	20-Apr-15	Last MPS 20-Mar-15
1-week	55	0	↑ 55	↑ 44
2-week	49	3	↑ 46	↑ 40
1-month	44	5	↑ 39	↑ 34
3-month	16	11	↑ 5	↑ 10
6-month	9	28	↓ -19	↓ -17
9-month	29	61	↓ -32	↓ -17
12-month	30	64	↓ -34	↓ -19
2-year	37	56	↓ -19	↓ -10
3-year	32	44	↓ -12	↓ -12



* up to May 20, 2015

Sources: SBP and Financial Market Association of Pakistan

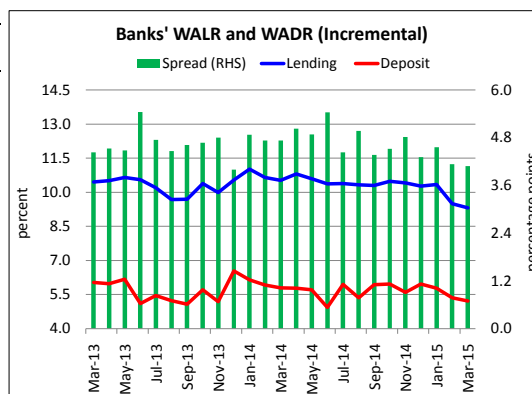


Spread between incremental WALR and WADR stands at 408 bps in March 2015.

Weighted average Lending and Deposit Rates (percent per annum)

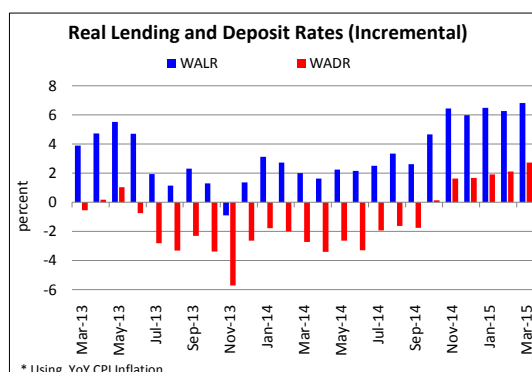
Months	Incremental ¹		Spread (bps)	Outstanding		Spread (bps)
	WALR	WADR		WALR	WADR	
Mar-14	10.53	5.80	473	11.10	5.05	605
Apr-14	10.81	5.78	503	11.10	5.04	605
May-14	10.59	5.70	489	11.15	5.05	611
Jun-14	10.37	4.93	543	11.10	4.75	636
Jul-14	10.38	5.95	443	11.06	5.11	595
Aug-14	10.33	5.36	497	10.92	5.17	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
Feb-15	9.50	5.36	414	10.55	4.66	589
Mar-15	9.31	5.22	408	10.47	4.55	591

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 March 2015.

Months	Real (based on 12-month MA inflation) ²		Real (based on YoY inflation) ³	
	WALR	WADR	WALR	WADR
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
Feb-15	3.05	-1.09	6.26	2.12
Mar-15	3.36	-0.73	6.82	2.73



* Using YoY CPI Inflation.

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

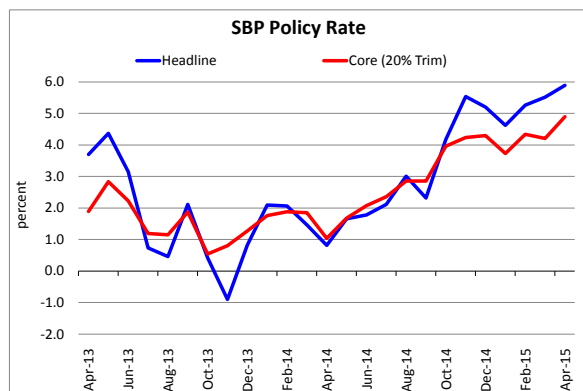
³ Nominal rate less CPI inflation (year on year).

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

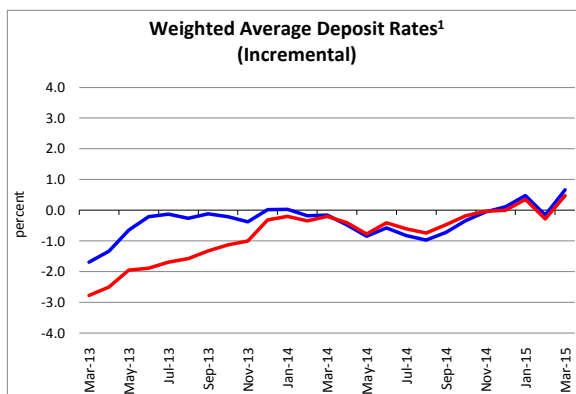
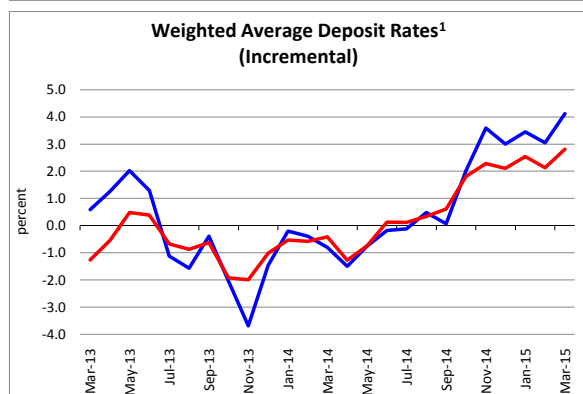
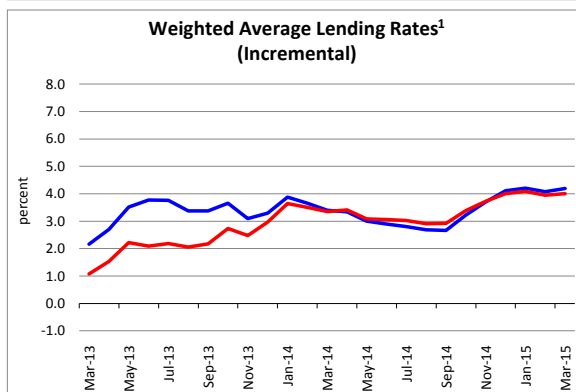
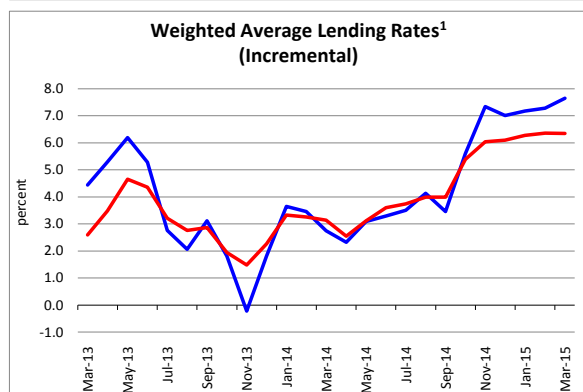
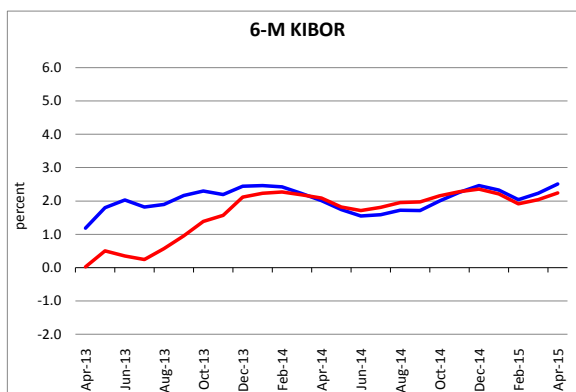
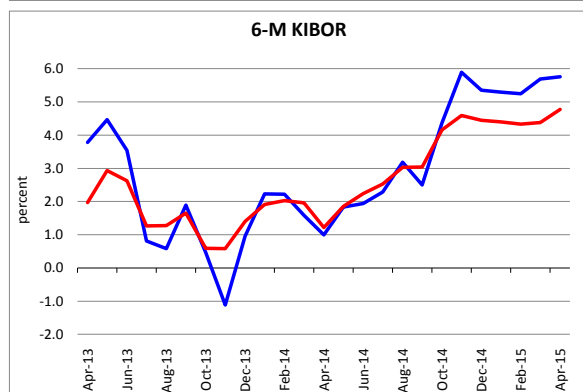
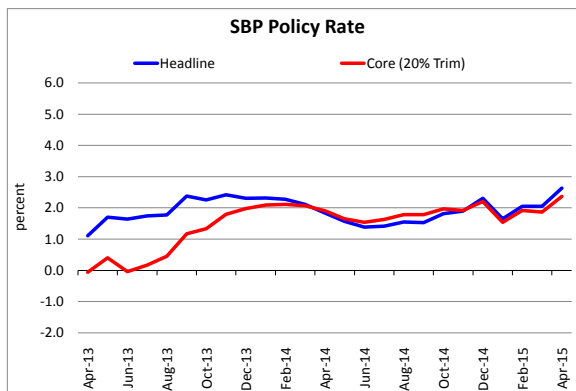


Real Interest Rates

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

May 2015

In the T-bill auctions held in Q4-FY15 so far, government has raised less than the targeted amount.

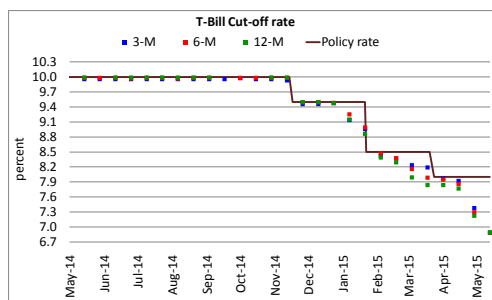
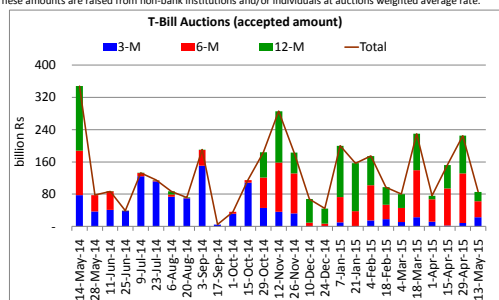
FY/Q/ Settlement date	T-bill Auction (billion Rs (Realized value); rates in percent)														Non- competitive bids ⁴
	TOTAL				3-Month			6-Month			12-Month				
	Target	Maturity	Offered	Accepted ²	Offered	Accepted ²	Cut-off ³	Offered	Accepted ²	Cut-off ³	Offered	Accepted ²	Cut-off ³		
FY13	5,075.0	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	-	511.3	
Q1	1,500.0	1,487.1	2,231.1	1,611.3	191.0	129.5	10.23	967.6	755.4	10.24	1,072.5	726.4	10.26	152.2	
Q2	1,125.0	1,148.9	2,012.2	956.5	191.2	81.6	9.28	1,174.3	543.0	9.30	646.7	331.8	9.36	128.3	
Q3	1,125.0	1,103.8	1,492.6	1,050.8	665.9	460.5	9.41	713.3	515.9	9.43	113.4	74.5	9.42	111.7	
Q4	1,325.0	1,309.2	1,424.4	1,153.6	259.9	212.5	8.96	388.0	322.4	8.97	776.5	618.7	8.98	119.0	
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	-	287.8	
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	
FY15 ¹	3,570.0	3,117.8	5,641.8	2,993.6	1,214.4	911.1	-	1,849.4	1,064.5	-	2,578.0	1,018.0	-	273.4	
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	925.0	569.8	2,394.1	937.8	121.6	75.8	8.19	750.9	375.6	7.99	1,521.6	486.4	7.84	106.2	
Q4 ¹	700.0	939.1	1,668.3	539.3	294.2	44.8	6.89	718.3	310.8	6.89	655.8	183.7	6.89	67.9	

¹ Up till May 20, 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 less than the targeted amount.

PIB Auction (billion Rs (Face value); rates in percent) ⁵									
		3-Year	5-Year	7-Year	10-Year	15-Year	20-Year	30-Year	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
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
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
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
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
FY15⁷	Cut-off rate⁶	7.6	8.1	-	9.3	-	8.8	-	2056.6
	Offered	1036.8	549.5	-	461.5	-	8.8	-	2056.6
	Accepted	430.3	265.5	-	210.9	-	8.0	-	914.8
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
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
Q3 ⁷	Cut-off rate	8.3	8.7	-	9.5	-	-	-	-
	Offered	229.0	243.5	-	134.8	-	0.5	-	607.8
	Accepted	37.7	116.2	-	24.7	-	0.5	-	179.1
Q4	Cut-off rate	7.6	8.1	-	9.3	-	-	-	-
	Offered	119.1	96.9	-	41.9	-	-	-	257.9
	Accepted	52.1	22.2	-	19.1	-	-	-	93.4

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 May 20, 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	-	-	-	-
Q1	-	-	-	-
Q2	-	-	-	-
Q3	-	-	-	-
Q4	-	-	-	-

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 3.1 percent against US Dollar.

	PKR against international currencies			% App/(Dep) of PKR
	Latest 20-May-15	Last MPS 20-Mar-15	Jun-14	Cumulative since Jun-14
USD	101.92	102.09	98.80	(3.06)
Euro	113.31	109.06	134.94	19.09
Sterling	158.21	150.59	168.15	6.28
JPY	0.84	0.84	0.97	15.60
USD Kerb	103.03	102.85	99.30	(3.62)
Premium (Rs)	1.10	0.76	0.50	-
Daily NEER	91.55	92.94	85.80	6.70

Source: SBP

	International exchange rates ²			% App/(Dep) of USD
	Latest 20-May-15	Last MPS 20-Mar-15	Jun-14	Cumulative since Jun-14
USD/EUR	1.11	1.07	1.37	22.85
USD/GBP	1.55	1.48	1.70	9.63
JPY/USD	120.88	121.09	101.38	19.24
INR/USD	63.83	62.53	60.06	6.27
CNY/USD	6.20	6.21	6.20	(0.00)
THB/USD	33.57	32.75	32.46	3.42
MYR/USD	3.61	3.73	3.21	12.55
SGD/USD	1.34	1.39	1.25	7.06

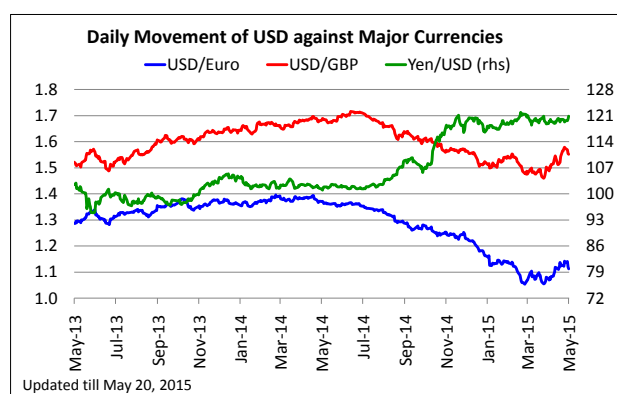
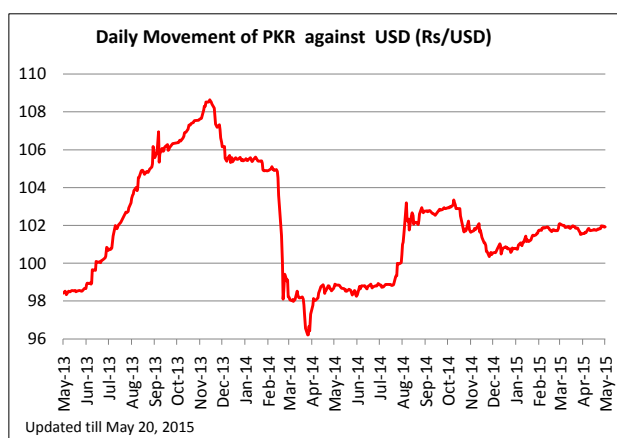
² The exchange rates are shown as per country practices

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	101.92	101.41	2.67

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

⁴ Updated upto 20th May 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	102.03	101.44	101.92	101.79	1.08



In real terms, Pak rupee has appreciated by 7.6 percent during Jul-Mar FY15.

Changes in Nominal Effective Exchange Rate (NEER) Base Year: CY2010

		NEER Index										
			2013				2014				2015	
			Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar ^P	
2013	Mar	86.74	-	-0.30	-6.55	-8.41	-1.90	-0.56	-2.08	3.29	7.09	
	Jun	86.48	-	-	-6.27	-8.14	-1.61	-0.26	-1.79	3.60	7.41	
	Sep	81.06	-	-	-	-2.00	4.97	6.41	4.78	10.52	14.59	
	Dec	79.44	-	-	-	-	7.11	8.57	6.91	12.77	16.93	
2014	Mar	85.09	-	-	-	-	-	1.36	-0.18	5.29	9.17	
	Jun	86.25	-	-	-	-	-	-	-1.53	3.87	7.70	
	Sep	84.93	-	-	-	-	-	-	-	5.48	9.37	
	Dec	89.59	-	-	-	-	-	-	-	-	3.68	
2015	Mar ^P	92.89	-	-	-	-	-	-	-	-	-	

^R Revised

Changes in Relative price Index (RPI) Base Year: CY2010

		RPI										
			2013				2014				2015	
			Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar ^P	
2013	Mar	118.21	-	2.08	4.16	6.03	6.48	8.03	10.16	9.09	7.96	
	Jun	120.67	-	-	2.03	3.87	4.31	5.83	7.92	6.87	5.76	
	Sep	123.12	-	-	-	1.80	2.23	3.72	5.77	4.74	3.65	
	Dec	125.34	-	-	-	-	0.42	1.88	3.90	2.89	1.82	
2014	Mar	125.86	-	-	-	-	-	1.45	3.46	2.46	1.39	
	Jun	127.69	-	-	-	-	-	-	1.98	0.99	-0.06	
	Sep	130.22	-	-	-	-	-	-	-	-0.97	-2.00	
	Dec	128.96	-	-	-	-	-	-	-	-	-1.04	
2015	Mar ^P	127.61	-	-	-	-	-	-	-	-	-	

^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	Mar ^P	
2013	Mar	102.53	-	1.78	-2.66	-2.89	4.46	7.42	7.87	12.68	15.62	
	Jun	104.35	-	-	-4.36	-4.58	2.63	5.55	5.99	10.71	13.60	
	Sep	99.80	-	-	-	-0.23	7.31	10.36	10.82	15.76	18.78	
	Dec	99.57	-	-	-	-	7.56	10.62	11.08	16.03	19.05	
2014	Mar	107.10	-	-	-	-	-	2.84	3.27	7.87	10.68	
	Jun	110.14	-	-	-	-	-	-	0.42	4.90	7.63	
	Sep	110.60	-	-	-	-	-	-	-	4.46	7.18	
	Dec	115.53	-	-	-	-	-	-	-	-	2.61	
2015	Mar ^P	118.54	-	-	-	-	-	-	-	-	-	

^P Provisional

Source: SBP



Capital Market

KSE-100 Index has decreased by 3.4 percent and Market Capitalization has increased by 1.2 percent respectively during May 2015 so far.

Performance of Karachi Stock Exchange

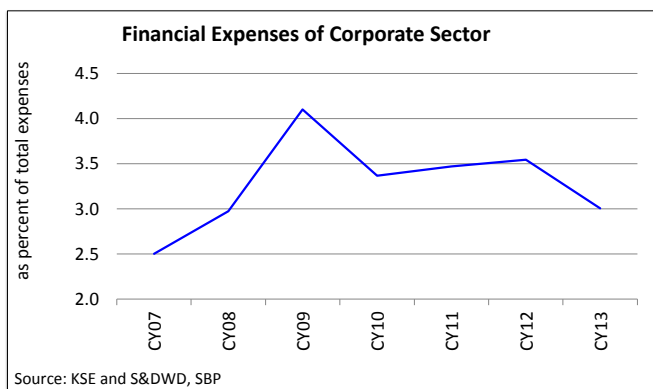
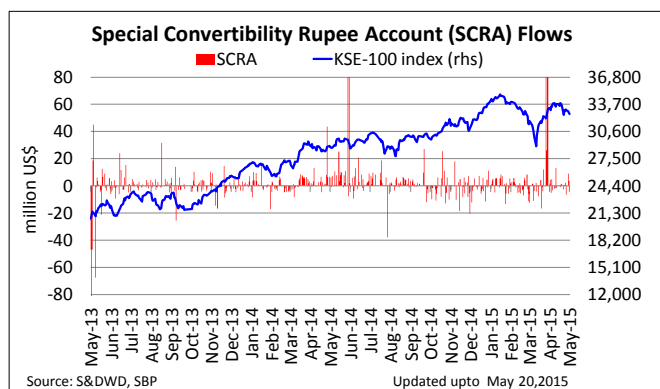
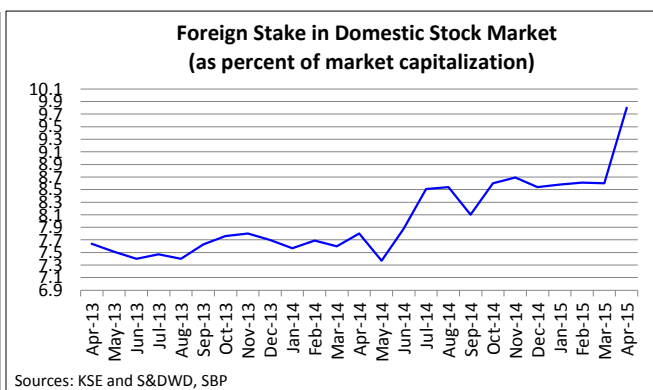
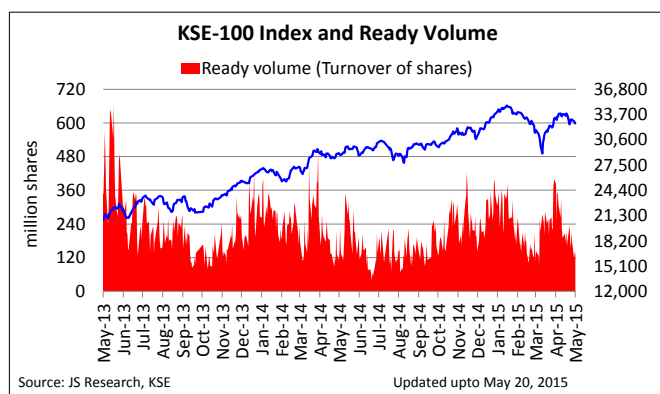
	FY15		FY-14	FY-13	Percentage change during		
	May-15 ¹	Apr-15			May FY15 ²	FY14	FY13
End-period KSE-100 index	32,599	33,730	29,653	21,006	-3.4	41.2	52.2
End-period KSE-30 index	20,739	21,674	20,416	16,208	-4.3	26.0	35.9
Market capitalization (billion Rs) ³	7,218	7,131	6,171	4,300	1.2	43.5	33.3
Ready volume (million shares) ³	175	276	216	200	-	-	-
SCRA flows (US\$ million) ⁴	6.8	762.9	689.1	187.8	-	-	-

¹ Upto 20 May 2015

² Reflects growth since end of the previous month

³ Average during the period

⁴ Cumulative flow during the period upto 20th May 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.

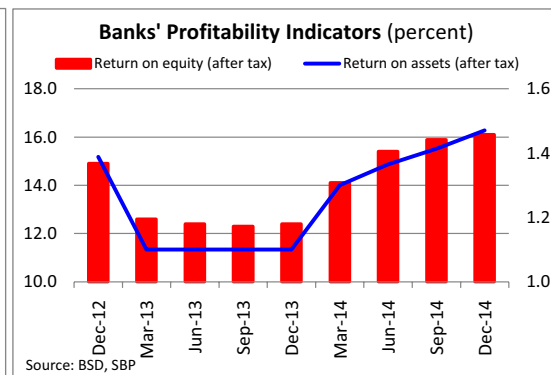
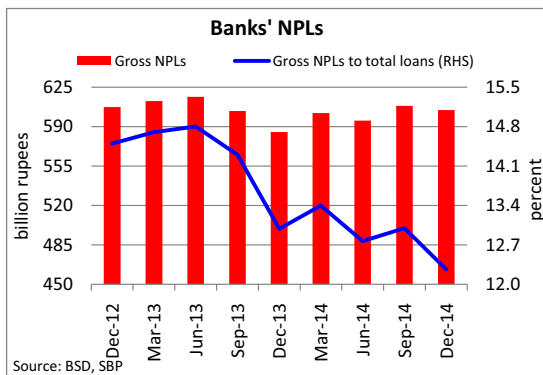
percent

	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