



Monetary Policy Information Compendium

July 2016

Consolidated by

Statistics & DWH Department

STATE BANK OF PAKISTAN

**Tables and Graphs****Real Sector**

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

External Sector

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

Fiscal Accounts and Debt

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

Monetary Sector

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

Financial Markets

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

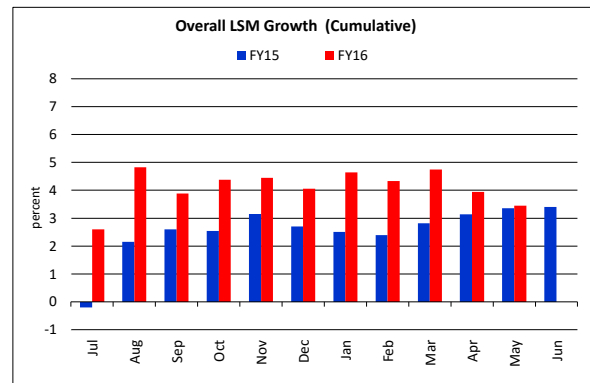
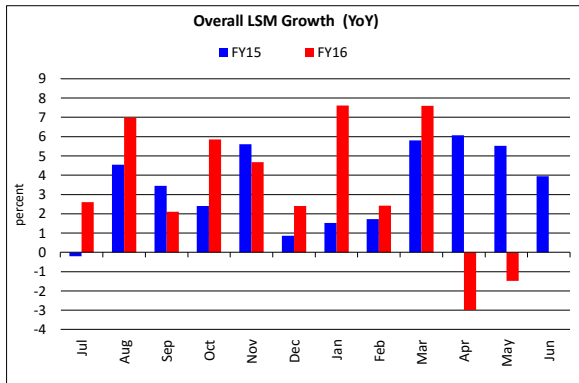


Growth

Cumulative growth of 3.5 percent has been recorded in the LSM sector for Jul-May FY16, compared to a growth of 3.4 percent during the same period last year.

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

Groups	Weights	YoY change				Cumulative change during Jul-May			
		May-16		May-15		FY16		FY15	
Overall	70.2	-1.5	5.5			3.5		3.4	
Textile	20.9	↓ -0.1	↑ 0.4			↑ 0.5	↑	0.9	
Food, beverages and tobacco	12.4	↓ -13.0	↑ 3.4			↑ 0.8	↓	-0.9	
Petroleum products	5.4	↓ -19.4	↑ 9.9			↓ -0.1	↑	5.7	
Iron and steel products	5.4	↓ -17.9	↑ 41.9			↓ -9.9	↑	36.5	
Non-metallic mineral products	5.4	↑ 13.4	↑ 3.1			↑ 10.7	↑	2.7	
Automobile	4.6	↑ 1.4	↑ 36.9			↑ 18.3	↑	21.6	
Fertilizer	4.4	↑ 7.0	↑ 14.0			↑ 14.7	↑	3.3	
Pharmaceuticals	3.6	↑ 7.6	↑ 7.1			↑ 6.4	↑	7.6	
Paper and board	2.3	↑ 11.5	↓ -23.1			↓ -0.6	↓	-8.8	
Electronics	2.0	↓ -1.0	↓ -2.0			↓ -3.0	↑	6.4	
Chemicals	1.7	↑ 3.3	↑ 10.2			↑ 8.7	↑	7.8	
Leather products	0.9	↑ 6.9	↓ -2.1			↑ 8.7	↑	7.6	
Wood products	0.6	↓ -97.4	↓ -36.2			↓ -62.8	↓	-76.9	
Engineering products	0.4	↓ -21.5	↓ -42.8			↓ -14.3	↓	-17.3	
Rubber products	0.3	↓ -5.0	↑ 4.0			↑ 6.9	↑	2.8	



Major crops have shown mixed trend in FY16.

Major Crops

	Production					Area under cultivation				Yield			
	(million tons)			percent change		(million hectares)		percent change		(Kg/hectare)		percent change	
	FY17 ^T	FY16	FY15	FY16 over FY15		FY16	FY15	FY16 over FY15		FY16	FY15	FY16 over FY15	
Cotton ¹	14.1	10.1	14.0	↓	-27.8	2.9	3.0	↓	-1.5	587	801	↓	-26.7
Sugarcane	67.5	65.5	62.8	↑	4.2	1.1	1.1	↓	-0.8	57,840	55,062	↑	5.0
Rice	6.8	6.8	7.0	↓	-2.7	2.7	2.9	↓	-4.9	2,479	2,422	↑	2.3
Wheat	27.4	25.5	25.1	↑	1.6	9.3	9.2	↑	0.6	2,752	2,726	↑	1.0

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

¹: Target

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



Real GDP (Provisional) shows growth of 4.7 percent during FY16, lower than the target of 5.5 percent.

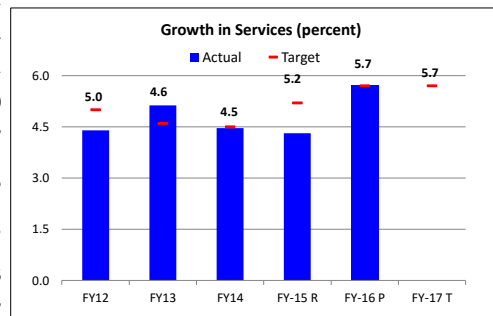
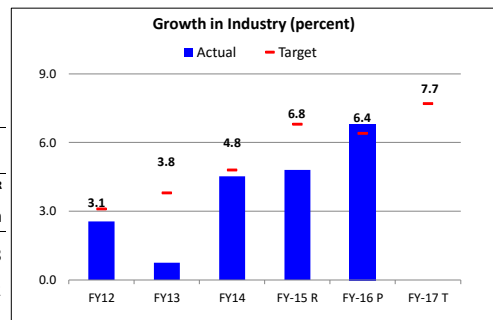
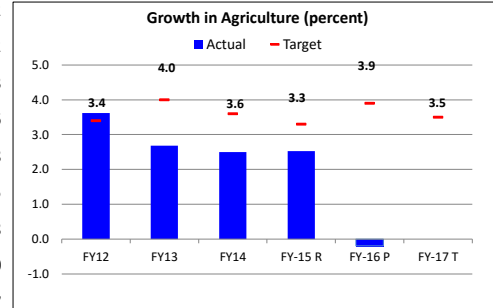
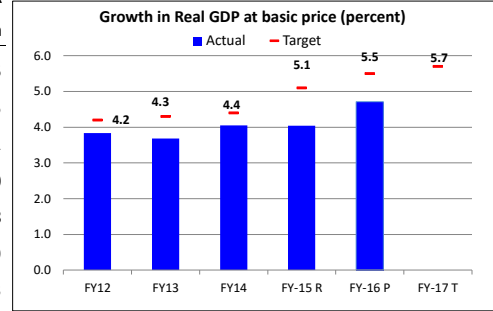
Production Approach - GDP at Constant Prices of 2005-06 (percent)

	FY16 ^P			FY15 ^R Growth
	Growth	Shares	Contribution ³	
Agriculture of which	-0.2	19.8	0.0	2.5
Important crops	-7.2	4.7	-0.4	-0.5
Other crops	-0.3	2.3	0.0	3.1
Livestock	3.6	11.6	0.4	4.0
Industry of which	6.8	21.0	1.4	4.8
Manufacturing	5.0	13.6	0.7	3.9
Large-scale ¹	4.6	10.9	0.5	3.3
Small-scale	8.2	1.8	0.1	8.2
Construction	13.1	2.6	0.3	6.2
Services of which	5.7	59.2	3.3	4.3
Wholesale & retail trade	4.6	18.3	0.8	2.6
Transport Storage and Communications	4.1	13.3	0.5	4.8
Finance & insurance	7.8	3.3	0.2	6.5
General Government Services	11.1	7.6	0.8	4.8
Real GDP (basic prices)	4.7	100.0	4.7	4.0
Real GDP (market prices)	5.7	105.8	6.0	4.7

	FY16 ^P	FY15 ^R	FY14
Real GDP (bp, billion Rs)	11,130	10,630	10,217
Nominal GDP (mp, billion Rs)	29,598	27,493	25,169
Nominal GDP (mp, billion US\$) ²	284	271	245

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

	FY16 ^P			FY15 ^R Growth
	Growth	Shares	Contribution ⁵	
Consumption	8.0	89.8	6.8	3.8
Private	7.0	77.8	5.2	3.2
Government	15.1	11.9	1.6	8.1
Fixed capital formation	5.7	14.0	0.8	14.1
Private	3.3	10.3	0.3	10.1
Public plus general government	12.9	3.7	0.4	28.0
Changes in stocks	5.7	1.6	0.1	4.7
Net exports of goods and nonfactor services	63.4	-5.4	-2.2	-0.5
Exports of goods and non-factor services	-4.8	9.3	-0.5	-6.3
Imports of goods and non-factor services	12.4	14.6	1.7	-1.6
GDP (market prices)	5.7	100.0	5.7	4.7
Indirect Taxes	16.3	6.1	0.9	10.7
Subsidies	-35.9	0.6	-0.3	-21.2
GDP (basic prices)	4.7	94.5	4.5	4.0
Total domestic demand⁴	7.7	105.4	7.7	5.0



Note: Targets, except for FY17, shown in the graphs are based on FY00 prices (as base year).

¹ For FY16, LSM data pertains to Jul-Apr; ² GDP in dollar terms is calculated using average exchange rate during the year.

³ Contributions in GDP growth are based on real GDP (bp). ⁴ Domestic demand is calculated as sum of consumption, fixed capital formation and change in stock expenditures on real GDP. ⁵ Contributions in GDP growth are based on total domestic demand except Indirect taxes and Subsidies.

^T: Target

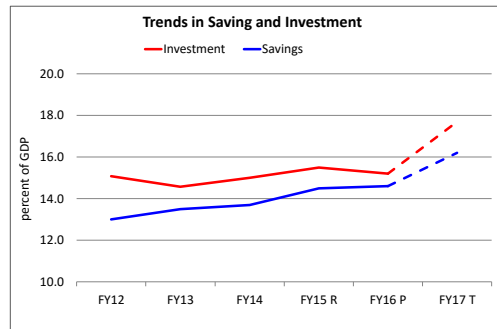


Saving and Investment

Savings-investment gap in FY16 improved since the national savings as percent of GDP increased to 14.6 in FY16 from 14.5 percent in FY15.

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

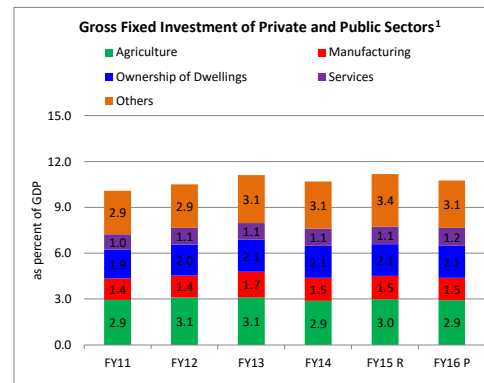
	FY17 Target	Actual	
		FY16 ^P	FY15 ^R
A. Investment	17.7	15.2	15.5
Gross fixed investment	16.1	13.6	13.9
Private sector	12.2	9.8	10.2
Public including general public	3.9	3.8	3.7
Change in capital stocks	1.6	1.6	1.6
B. National savings	16.2	14.6	14.5
C. Domestic savings	-	-	-
Saving investment gap (B - A)	-1.5	-0.6	-1.0



Gross fixed investment in the Agriculture, Electricity and Gas and Transport & communication sectors as percent of GDP declined in FY16.

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

	FY16 ^P		FY15 ^R
	As percent of GDP	Percent share in total	As percent of GDP
Agriculture	2.9	27.3	3.0
Mining and quarrying	0.3	3.0	0.2
Manufacturing	1.5	13.5	1.5
Construction	0.2	1.6	0.1
Electricity and gas	0.6	5.2	0.8
Transport and communication	1.6	15.0	1.8
Wholesale and retail trade	0.3	2.4	0.3
Finance and insurance	0.2	1.6	0.2
Ownership of dwellings	2.1	19.6	2.1
Services	1.2	10.8	1.1
Total	10.8	100.0	11.2



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,

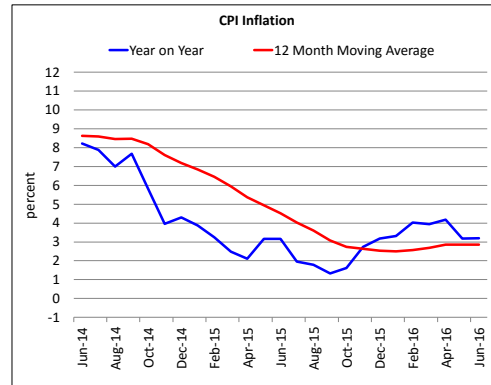


Inflation

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

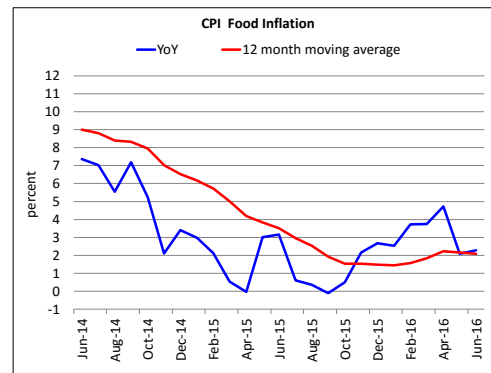
Headline CPI inflation (YoY) remained at level of 3.2 percent in June 2016 as in the previous month.

Consumer Price Index (CPI) (percent change)			
	MoM ¹	MoM SA ²	YoY ³
			12M moving average ⁴
Jun-15	0.6	0.6	3.2
Jul-15	0.5	-0.4	1.9
Aug-15	0.2	-0.1	1.8
Sep-15	-0.1	0.0	1.3
Oct-15	0.5	0.3	1.6
Nov-15	0.6	0.9	2.7
Dec-15	-0.6	0.5	3.2
Jan-16	0.2	0.0	3.3
Feb-16	-0.3	0.6	4.0
Mar-16	0.1	0.1	3.9
Apr-16	1.5	0.5	4.2
May-16	-0.2	0.1	3.2
Jun-16	0.6	0.6	3.2
3-year average for June	0.6	0.6	4.9



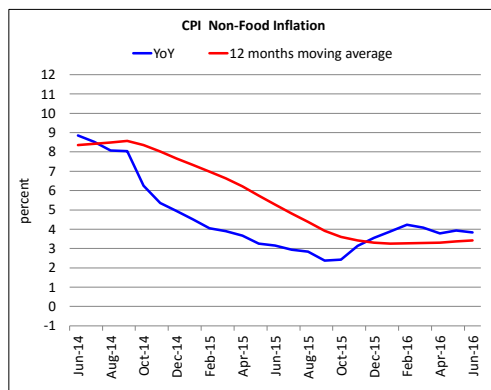
Food inflation (YoY) increased to 2.3 percent in June 2016 from 2.1 percent in the previous month.

CPI - Food (37.48 % weight in basket) (percent change)			
	MoM ¹	MoM SA ²	YoY ³
			12M moving average ⁴
Jun-15	1.2	1.0	3.2
Jul-15	0.1	-1.6	0.6
Aug-15	0.3	-0.3	0.4
Sep-15	-0.4	-0.3	-0.1
Oct-15	0.4	0.4	0.5
Nov-15	1.2	1.2	2.2
Dec-15	-1.6	0.5	2.7
Jan-16	-0.6	-0.5	2.5
Feb-16	-0.7	0.9	3.7
Mar-16	0.5	0.0	3.7
Apr-16	2.4	1.0	4.7
May-16	-0.7	-0.3	2.1
Jun-16	1.4	1.2	2.3
3-year average for June	1.2	1.0	4.3



Non-food inflation (YoY) decreased to 3.8 percent in June 2016 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
Jun-15	0.2	0.3	3.2
Jul-15	0.8	0.4	2.9
Aug-15	0.1	0.1	2.8
Sep-15	0.1	0.2	2.4
Oct-15	0.5	0.2	2.4
Nov-15	0.2	0.6	3.1
Dec-15	0.2	0.6	3.6
Jan-16	0.8	0.4	3.9
Feb-16	0.0	0.3	4.2
Mar-16	-0.1	0.2	4.1
Apr-16	1.0	0.2	3.8
May-16	0.2	0.4	3.9
Jun-16	0.1	0.2	3.8
3-year average for June	0.2	0.3	5.3



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.

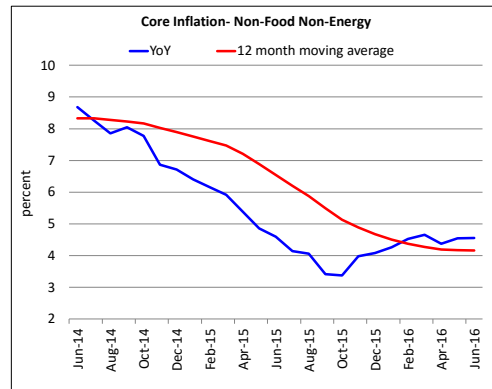


Monetary Policy Information Compendium

July 2016

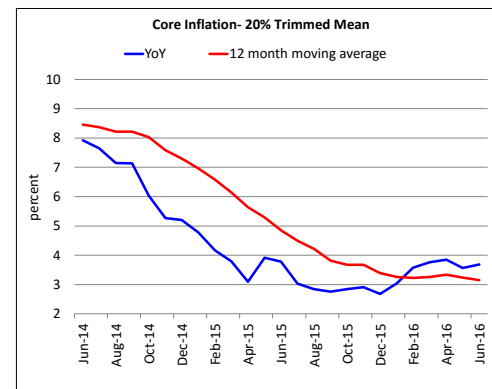
The non-food non-energy (NFNE) core inflation (YoY) increased to 4.6 percent in June 2016 from 4.5 percent in the previous month.

Core Inflation - Non-food non-energy (53.52% weight in basket) (percent)			
	MoM	YoY	12M moving average
Jun-15	0.1	4.6	6.5
Jul-15	0.6	4.1	6.2
Aug-15	0.1	4.1	5.9
Sep-15	0.1	3.4	5.5
Oct-15	0.6	3.4	5.1
Nov-15	0.1	4.0	4.9
Dec-15	0.2	4.1	4.7
Jan-16	0.9	4.3	4.5
Feb-16	0.2	4.5	4.4
Mar-16	0.2	4.7	4.3
Apr-16	1.1	4.4	4.2
May-16	0.2	4.5	4.2
Jun-16	0.1	4.6	4.2
3-year average for June	0.2	5.9	



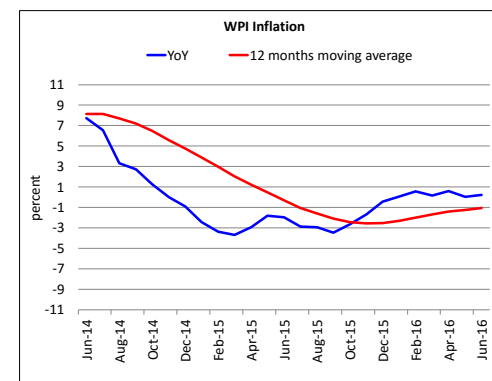
The 20 percent trimmed mean measure of core inflation (YoY) increased to 3.7 percent in June 2016 from 3.6 percent in the previous month.

Core - 20% Trimmed (percent change)			
	MoM	YoY	12M moving average
Jun-15	0.2	3.8	4.9
Jul-15	0.5	3.0	4.5
Aug-15	0.1	2.8	4.2
Sep-15	0.1	2.8	3.8
Oct-15	0.4	2.8	3.7
Nov-15	0.2	2.9	3.7
Dec-15	0.2	2.7	3.4
Jan-16	0.6	3.0	3.3
Feb-16	0.1	3.6	3.2
Mar-16	0.2	3.8	3.3
Apr-16	0.6	3.8	3.3
May-16	0.2	3.6	3.2
Jun-16	0.2	3.7	3.1
3-year average for June	0.3	5.1	



The WPI inflation (YoY) increased to 0.2 percent in June 2016 compared to negligible increase in the previous month.

Wholesale Price Index (WPI) (percent change)				
	MoM	MoM SA	YoY	12M moving average
Jun-15	1.2	0.3	-2.0	-0.3
Jul-15	-0.4	-0.5	-2.9	-1.1
Aug-15	-0.6	-0.8	-2.9	-1.6
Sep-15	-0.4	-0.2	-3.5	-2.1
Oct-15	0.5	0.5	-2.7	-2.4
Nov-15	0.0	0.5	-1.7	-2.6
Dec-15	-0.6	0.2	-0.4	-2.5
Jan-16	-0.5	-0.3	0.1	-2.3
Feb-16	-0.6	-0.2	0.6	-2.0
Mar-16	-0.4	-0.5	0.2	-1.7
Apr-16	1.3	0.7	0.6	-1.4
May-16	0.6	0.4	0.0	-1.2
Jun-16	1.4	0.5	0.2	-1.1
3-year average for June	1.3	0.5	2.0	



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

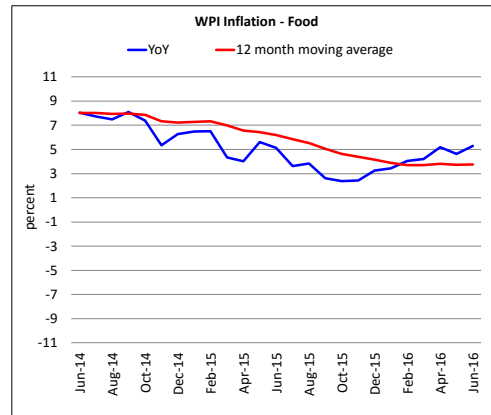


Monetary Policy Information Compendium

July 2016

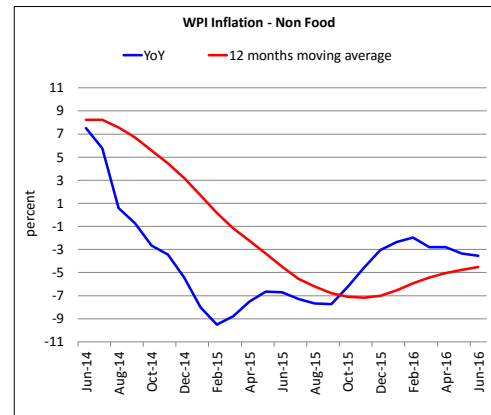
WPI food inflation (YoY) increased to 5.3 percent in June 2016 from 4.6 percent in the previous month.

WPI -Food (38.82% weight in basket) (percent change)				
	MoM	MoM SA	YoY	12M moving average
Jun-15	1.9	0.5	5.1	6.2
Jul-15	0.6	-0.4	3.6	5.8
Aug-15	1.0	0.6	3.8	5.5
Sep-15	-0.7	-0.4	2.6	5.1
Oct-15	0.0	0.2	2.4	4.6
Nov-15	-0.7	0.2	2.4	4.4
Dec-15	-0.9	0.7	3.2	4.1
Jan-16	0.2	0.6	3.4	3.9
Feb-16	0.0	0.9	4.0	3.7
Mar-16	0.1	0.0	4.2	3.7
Apr-16	2.4	1.2	5.2	3.8
May-16	0.7	0.6	4.6	3.7
Jun-16	2.5	1.0	5.3	3.7
3-year average for June	2.3	0.8	6.2	



WPI non-food inflation (YoY) stood at -3.5 percent in June 2016 as compared to -3.3 percent in the previous month.

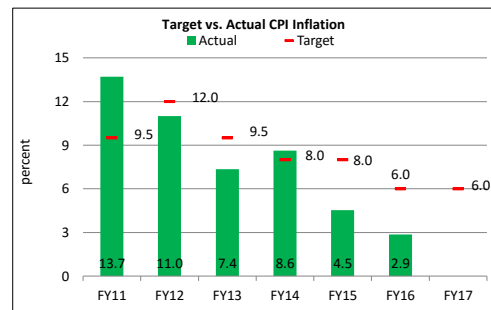
WPI - Non Food (61.18% weight in basket) (percent change)				
	MoM	MoM SA	YoY	12M moving average
Jun-15	0.7	0.3	-6.7	-4.5
Jul-15	-1.1	-0.5	-7.3	-5.5
Aug-15	-1.7	-1.9	-7.7	-6.2
Sep-15	-0.2	0.0	-7.7	-6.8
Oct-15	0.9	0.7	-6.2	-7.1
Nov-15	0.6	0.7	-4.6	-7.2
Dec-15	-0.5	-0.1	-3.0	-7.0
Jan-16	-1.1	-1.0	-2.4	-6.6
Feb-16	-1.1	-1.0	-2.0	-5.9
Mar-16	-0.8	-0.8	-2.8	-5.4
Apr-16	0.4	0.2	-2.8	-5.1
May-16	0.5	0.3	-3.3	-4.8
Jun-16	0.4	0.0	-3.5	-4.5
3-year average for June	0.6	0.2	-0.9	



Average CPI inflation is recorded at 2.9 percent during FY16 compared to 4.5 percent in FY15.

Average CPI and WPI Inflation (percent change)				
	CPI			WPI
	Headline	Food	Non Food	
FY15	4.5	3.5	5.3	-0.3
FY16	2.9	2.1	3.4	-1.1

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





CPI and SPI Inflation by Groups

Compared to the previous month, the headline CPI inflation (YoY) remained at level of 3.2 percent in June 2016.

Group-Wise CPI Inflation

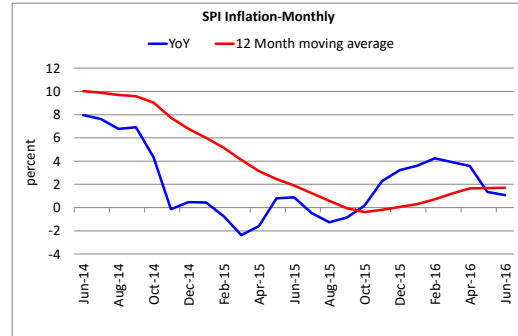
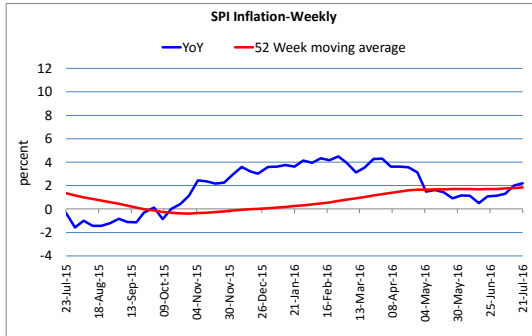
Groups	Weights	Jun-16			May-16		
		MoM	YoY	12m MA ¹	MoM	YoY	12m MA ¹
I. Food group	37.5	1.4	2.3	2.1	-0.7	2.1	2.2
Food and non-alcoholic beverages	34.8	1.2	1.2	1.0	-0.9	0.6	1.1
Alcoholic beverages and tobacco	1.4	4.2	18.4	22.0	0.6	28.7	22.0
Restaurant & hotels	1.2	0.1	5.7	5.0	0.5	5.9	4.9
II. Non-food group	62.5	0.1	3.8	3.4	0.2	3.9	3.4
Clothing and footwear	7.6	0.5	4.9	4.8	0.2	4.9	4.9
Housing, water, electricity, gas fuels	29.4	0.0	5.3	5.2	0.0	5.3	5.1
Furnishing & household equipment maintenance etc.	4.2	0.3	4.7	4.2	0.3	4.7	4.1
Health	2.2	0.1	5.1	3.7	0.1	5.2	3.5
Transport	7.2	0.0	-5.2	-6.9	0.0	-4.2	-7.2
Communication	3.2	0.1	0.4	0.4	0.0	0.4	0.4
Recreation and culture	2.0	0.0	1.4	2.1	0.1	1.5	2.1
Education	3.9	0.2	7.4	8.5	1.2	7.2	8.6
Miscellaneous	2.8	0.0	4.5	3.2	0.2	4.7	3.1
Overall	100	0.6	3.2	2.9	-0.2	3.2	2.9

SPI inflation (WoW) stood at 0.25 percent during the third week of July 2016 as compared to 0.90 percent in previous week.

Sensitive Price Indicator (SPI) (percent change)

Income groups	30-Jun-16	7-Jul-16	14-Jul-16	21-Jul-16	Jun-16		
	WoW ²				MoM	YoY	12m MA ¹
Up to Rs 8000	0.38	0.00	1.17	0.37	1.1	0.7	1.3
Rs 8001-12000	0.36	0.00	1.05	0.32	1.0	1.2	1.8
Rs 12001-18000	0.36	0.00	1.00	0.30	1.1	0.1	1.0
Rs 18001-35000	0.35	0.00	0.91	0.25	1.0	1.4	2.1
Above Rs 35000	0.32	0.00	0.76	0.18	1.0	1.3	1.9
All	0.35	0.00	0.90	0.25	1.0	1.1	1.7

Note: Prices of 30-06-2016 were repeated during the week ended 07-07-2016 due to Eid ul Fitr holidays.



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

Source: Pakistan Bureau of Statistics



Balance of Payments

External current account balance witnessed a deficit of US\$ 2.52 billion during Jul-Jun FY16, compared to a deficit of US\$ 2.71 billion in the same period last year.

Balance of Payments Summary (million US\$)

Items	Jul-Jun		
	FY16	FY15	FY14
A) Current account balance (CAB)	-2,525	-2,709	-3,130
Trade balance	-18,563	-17,284	-16,701
Exports	22,001	24,083	25,068
Imports	40,564	41,367	41,769
Services (net); of which	-2,314	-2,884	-2,551
CSF	937	1,452	1,050
Income (net)	-4,770	-4,581	-3,943
Current transfers (net); of which	23,122	22,040	20,065
Remittances	19,915	18,721	15,837
B) Capital and financial (C&F) account balance ; of which	5,132	5,371	7,410
Foreign direct investment (net) ¹	1,267	850	1,572
Foreign portfolio investment (net)	-408	1,884	2,760
Other investment assets	-63	89	211
Other investment liabilities	3,994	2,173	1,010
Of which : General government	3,611	1,400	1,610
of which : Disbursements	6,329	4,243	4,349
Amortization	2,718	2,841	2,734
C) Net Errors and omissions	32	-16	-422
Overall balance (A+B+C)	2,639	2,646	3,858
SBP gross reserves²	19,433	14,836	10,509
SBP net liquid reserves³	18,130	13,525	9,097
As percent of GDP⁴			
Current account balance; of which	-0.9	-1.0	-1.3
Exports	7.8	8.9	10.2
Imports	14.3	15.3	17.1
Capital and financial inflows; of which	1.8	2.0	3.0
FDI	0.4	0.3	0.6

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

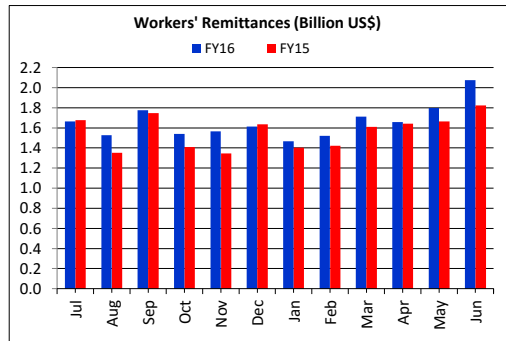
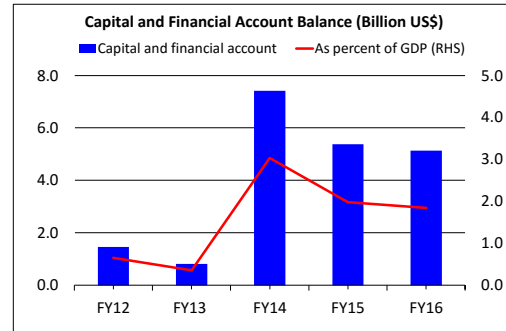
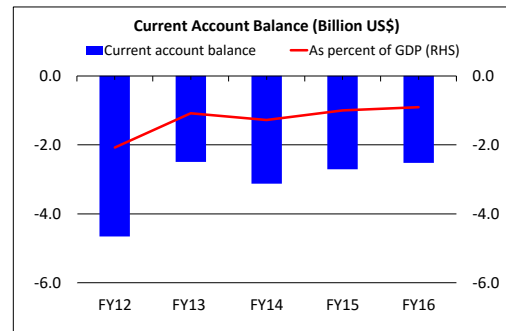
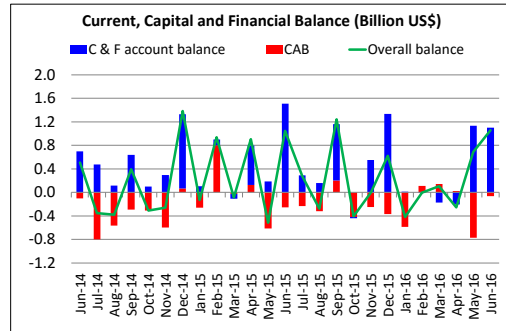
Workers' remittances registered a growth of 6.4 percent during Jul-Jun FY16.

Workers' Remittances⁵ (million US\$)

	Jul-Jun		YoY growth in Jul-Jun FY16
	FY16	FY15	
Total inflows	19,915	18,720	6.4
USA	2,523	2,703	-6.7
UK	2,579	2,376	8.5
Saudi Arabia	5,968	5,630	6.0
UAE	4,365	4,232	3.2
Other GCC ⁶	2,423	2,173	11.5
All others	2,056	1,606	28.1

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

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





Monetary Policy Information Compendium

July 2016

Trade and Foreign Investment

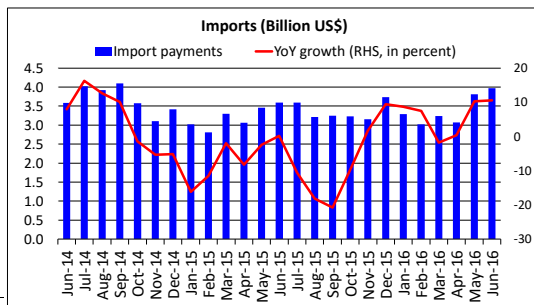
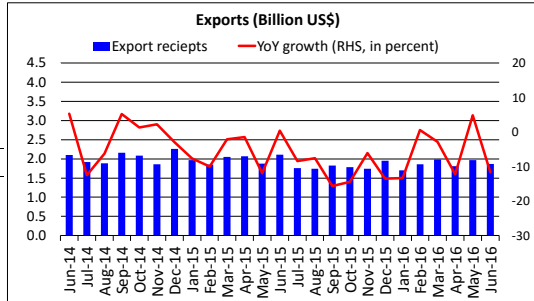
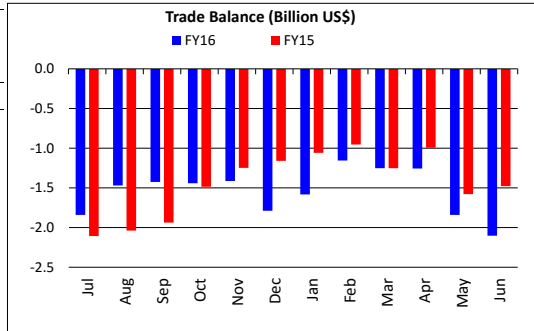
Trade Balance witnessed a deficit of US\$ 18.56 billion during Jul-Jun FY16, compared to a deficit of US\$ 17.28 in the same period last year.

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

	Jul-Jun		Shares ¹ Jul-Jun FY16
	FY16	FY15	
Exports	22,001	24,083	100
Textile group	12,772	13,540	58
Knitwear, bed wear	4,437	4,472	20
Cotton cloth	2,338	2,487	11
Cotton Yarn	1,266	1,818	6
Readymade garments	2,161	2,044	10
Other manufactures group	3,797	4,410	17
Chemical and pharma	1,053	1,250	5
Leather items ²	903	1,073	4
Cement	347	417	2
Engineering goods	214	275	1
Jewellery	7	11	0
Food group	3,712	4,402	17
Rice	1,842	2,038	8
All others	1,720	1,730	8
Imports	40,564	41,367	100
Petroleum group	7,668	12,167	19
Petroleum products	5,098	7,774	13
Petroleum crude	2,570	4,393	6
Machinery group	6,164	5,609	15
Telecom	1,102	1,225	3
Electrical machinery	1,251	935	3
Power machinery	1,005	814	2
Agriculture & other chemicals group	6,716	6,699	17
Plastic materials	1,792	1,772	4
Fertilizer manufactured	734	700	2
Food group	4,601	4,624	11
Palm oil	1,600	1,681	4
Tea	490	364	1
Metal group	3,643	3,247	9
Iron steel (IS) and IS scrap	2,911	2,675	7
All others	11,773	9,021	29
Trade Balance	-18,563	-17,284	

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-Jun FY16.

² Includes tanned and manufactured leather.

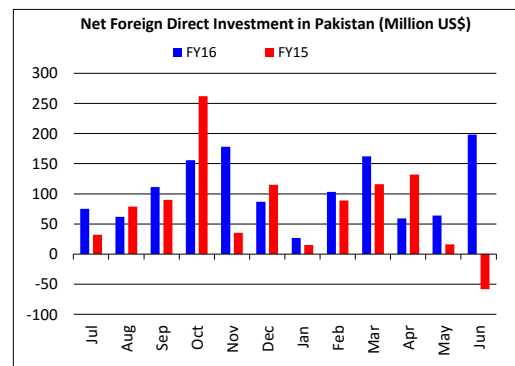


FDI (net) inflows registered an increase of 38.8 percent during Jul-Jun FY16.

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

	Jul-Jun		YoY growth in Jul-Jun FY16
	FY16	FY15	
Net inflows: Of which	1,281	923	38.8
Selected Countries			
USA	-65	209	-131.3
UAE	164	219	-25.0
UK	80	170	-52.9
China	594	257	131.3
Selected Sectors			
Communication	195	45	332.7
Financial businesses	28	256	-89.0
Oil and gas exploration	262	299	-12.5
Power	567	219	158.4
Trade	30	50	-39.8
Memorandum item:			
Net overall FDI ³	1267	850	

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

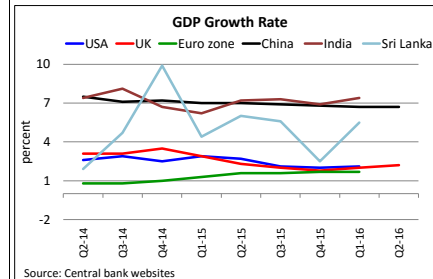
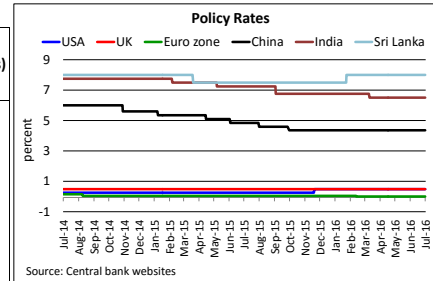
July 2016

Global Economy

Two Central Banks have Changed Policy rate during the last two months.

Policy Rates in Major Economies

Major economies	Current		Previous policy rate	Change (bps)
	Policy rate	w.e.f		
USA	0.50	16-Dec-2015	0.25	↑ 25
UK	0.50	5-Mar-2009	1.00	↓ -50
Euro zone	0.00	10-Mar-2016	0.05	↓ -5
Japan	0.00	1-Feb-2016	0.10	↓ -10
Canada	0.75	15-Jul-2015	1.00	↓ -25
Australia	1.75	3-May-2016	2.00	↓ -25
China	4.35	26-Oct-2015	4.60	↓ -25
India	6.50	5-Apr-2016	6.75	↓ -25
Sri Lanka	8.00	19-Feb-2016	7.50	↑ 50
Malaysia	3.00	13-Jul-2016	3.25	↓ -25
Indonesia	6.50	16-Jun-2016	6.75	↓ -25
Thailand	1.50	29-Apr-2015	1.75	↓ -25



Real GDP growth in the countries has shown mixed trend in Q2-CY16 as compared to same previous period.

Key Macroeconomic Indicators

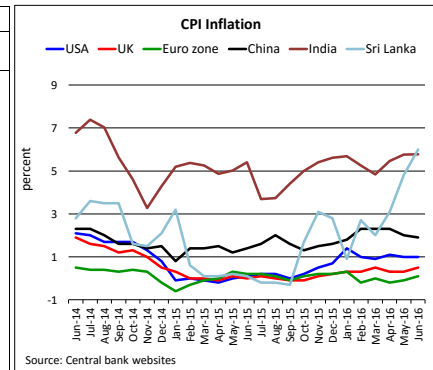
	Inflation (YoY) ¹ Jun-16	GDP growth ² Q2-2016	Current account balance ³	Fiscal balance ³	Reserves ⁵ (billion US\$) Mar-16	Lending rates ⁶	
			as a percent of GDP ⁴			Nominal	Real
USA	1.0	2.1	-2.6	-2.9	41.5	3.5	2.6
UK	0.5	2.2	-5.0	-4.0	107.7	0.5	0.2
Euro zone	0.1	1.7	3.0	-1.9	249.3	7.0	7.2
Japan	-0.4	0.1	3.4	-5.0	1201.7	1.1	0.8
Australia	1.0	3.1	-4.3	-2.2	41.2	5.7	4.0
China	1.9	6.7	2.8	-3.5	3212.6	4.4	2.1
India	5.8	7.4	-1.2	-3.8	325.0	9.7	4.0
Sri Lanka	6.0	5.5	-	-	5.3	7.8	6.9
South Korea	0.8	3.2	7.3	-1.1	356.7	3.5	2.7
Malaysia	1.6	4.2	2.7	-3.4	93.6	4.6	0.4
Indonesia	3.5	4.9	-2.4	-2.1	101.8	12.3	7.8
Thailand	0.4	3.2	7.1	-2.6	166.9	6.5	7.0

¹ Values of Inflation of Japan pertains to May 2016; ² Annual growth, measured as a percentage change over the same quarter of previous year, GDP growth of USA, Euro zone, Japan, Australia, India, Sri Lanka, Malaysia, Indonesia and Thailand pertains to Q1 of 2016; ³ Latest 12 months; ⁴ The Economist, Economic and Financial indicators, July 23, 2016; ⁵ IMF (IFS) Reserve position data pertains to March 2016 while India and South Korea pertains to February 2016; ⁶ IMF (IFS) data pertains to March 2016 except for UK, Euro Zone and Malaysia pertains to February 2016, India, Sri Lanka and South Korea pertains to January 2016, Australia pertains to December 2015 and Japan pertains to November 2015.

IMF's world output growth projection for CY16 is 3.1 percent in July 2016.

World Economic Outlook - Real GDP Growth

	2015 (IMF)	2016 Projections		
		IMF	World Bank	OECD
World output	3.1	3.1	2.4	3.0
Advanced	1.9	1.8	1.7	-
US	2.4	2.2	1.9	1.8
Euro area	1.7	1.6	1.6	1.6
Japan	0.5	0.3	0.5	0.7
UK	2.2	1.7	2.0	1.7
Emerging & Developing	4.0	4.1	3.5	-
Russia	-3.7	-1.2	-1.2	-1.7
China	6.9	6.6	6.7	6.5
India	7.6	7.4	7.6	7.4
ASEAN-5	4.8	4.8	-	-



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



Monetary Policy Information Compendium

July 2016

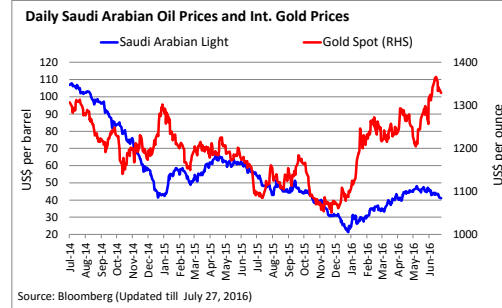
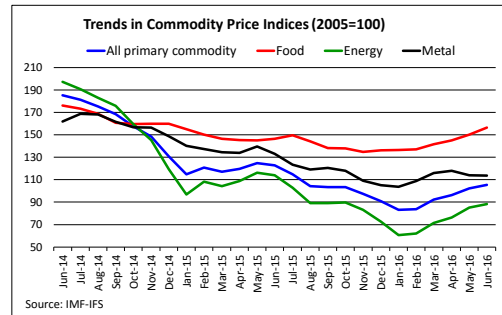
All commodity price index of IMF has registered an increase of 3.1 percent during June 2016 over the previous month.

World Commodity Price Indices (2005=100)

	Jun-16	Percent change since	
		May-16	End June - 15
All commodity price index	105.4	↑ 3.1	↓ -14.3
Food price index	156.4	↑ 4.1	↑ 6.8
Energy index	88.2	↑ 3.7	↓ -22.6
Non fuel price index	134.7	↑ 2.3	↓ -2.5
Metal price index	113.6	↓ -0.3	↓ -14.7
Crude oil price (\$/bbl) *	43.6	↓ -5.6	↓ -27.9
Cotton spot (US cents/ pound) *	72.9	↑ 9.2	↑ 4.3
Palm oil (\$/m. ton)	618.5	↓ -4.1	↑ 2.0
Soya bean Oil (\$/m. ton)	703.6	↓ -0.5	↓ -4.7
Wheat (\$/m. ton)	156.6	↓ -0.6	↓ -21.6
Gold spot (\$/Oz) *	1339.5	↑ 5.0	↑ 14.3
Sugar (US cents/pound)	27.4	↑ 0.5	↑ 10.6

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

* Average during the running month upto July 27, 2016. The percentage changes have been calculated by taking average prices of current month with the previous month and end June prices.



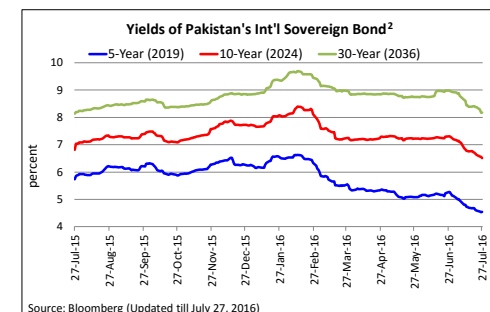
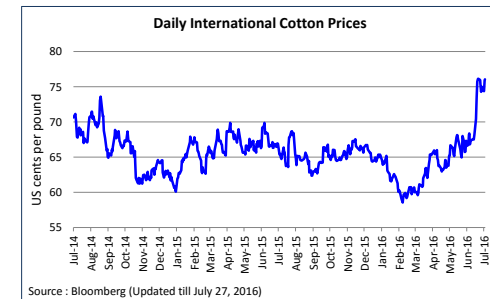
All Stock Price Indices under review have shown upward trend during July 2016 so far as compared to the previous month.

Capital Market Indices

	Jul-16	Percent change since	
		Jun-16	Jun-15
US (DJIA)	18329.7	↑ 3.2	↑ 2.2
DJ EURO STOXX	2912.8	↑ 0.1	↓ -17.3
UK (FTSE 100)	6648.8	↑ 7.7	↓ -2.0
Japan (Nikkei 225)	16128.9	↑ 0.4	↓ -21.0
China (SSEA)	3161.4	↑ 4.2	↓ -37.1
France (CAC 40)	4305.8	↑ 0.3	↓ -12.6
Germany (DAX)	9924.1	↑ 0.7	↓ -11.7
India (BSE)	27667.1	↑ 3.6	↑ 2.0
World dev'd (MSCI)	1685.1	↑ 1.9	↓ -4.9
Emerging Markets (MSCI)	854.9	↑ 4.5	↓ -12.8
World all (MSCI)	407.2	↑ 2.1	↓ -5.7

¹ Updated till July 27, 2016

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



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



Revenues, Expenditures and Fiscal Balances

Fiscal deficit was recorded at 3.4 percent of GDP during Jul-Mar FY16 compared to 3.6 percent in Jul-Mar FY15.

Revenues (billion Rs)

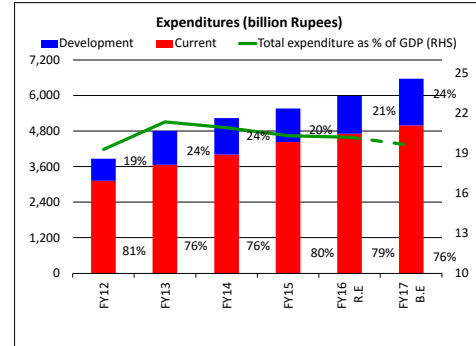
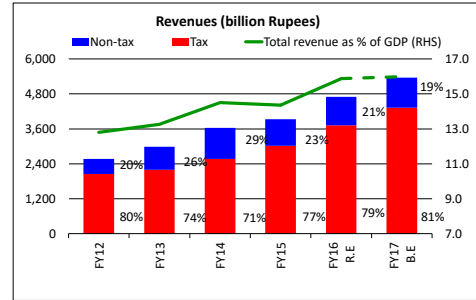
	FY17 BE ¹	Jul-Mar FY16	FY15	FY16 RE ²
Total revenues	5,359	2,962	2,683	4,700
Tax revenue	4,320	2,481	2,063	3,724
Growth (YoY) %	16.0	20.3	15.5	23.4
of which: FBR revenues	3,621	2,103	1,775	3,104
Non-tax revenues	1,039	481	619	977
Growth (YoY) %	6.4	-22.4	-10.4	6.9

Expenditures (billion Rs)

	FY17 BE ¹	Jul-Mar FY16	FY15	FY16 RE ²
Total expenditures	6,635	3,971	3,732	5,979
Current	4,993	3,407	3,199	4,706
Growth (YoY) %	6.1	6.5	10.1	6.4
of which: Interest payments	1,360	1,079	975	1,270
Defence	860	483	486	776
Development Expenditure & net lending	1,575	710	594	1,273
Growth (YoY) %	23.7	19.6	6.9	11.6
Unidentified Expenditure ³	-	-146	-61	-

Overall Balance (billion Rs)

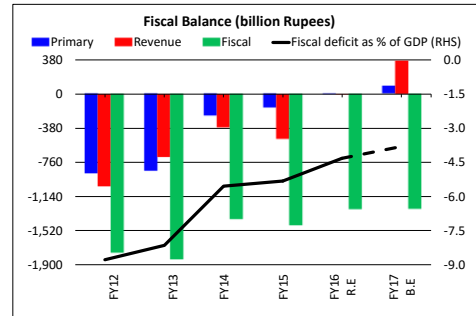
	FY17 BE ¹	Jul-Mar FY16	FY15	FY16 RE ²
Fiscal balance⁴	-1,276	-1,009	-1,049	-1,278
Revenue balance ⁵	366	-445	-516	-6
Primary balance ⁶	84	70	-74	-8
<i>As percent of GDP⁷</i>				
Fiscal balance	-3.8	-3.4	-3.6	-4.3
Revenue balance	0.9	-1.5	-1.8	-0.02
Primary balance	0.3	0.2	-0.3	-0.03



During Jul-Mar FY16, fiscal deficit was mainly financed through borrowings from domestic sources.

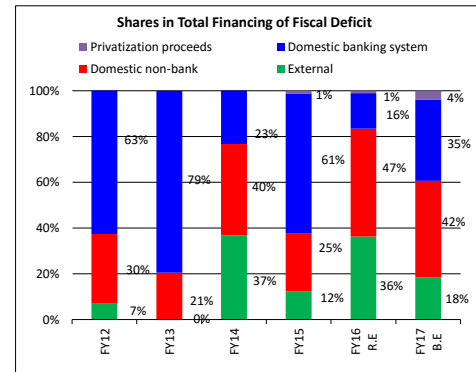
Financing of Fiscal Deficit (billion Rs)

	FY17 BE ¹	Jul-Mar FY16	FY15	FY16 RE ²
Financing	1,276	1,009	1,049	1,278
1. External	234	223	138	465
2. Domestic ⁸ : of which	1,042	786	911	814
Non-bank	539	248	427	601
Banking system: of which	453	538	469	199
SBP	0	-526	-674	-
Scheduled banks	453	1,064	1,144	-
Privatization proceeds	50	-	15	14



FBR Tax Collection⁹ (billion Rs)

	Direct	Sales	Customs	FED ¹⁰	Total taxes
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	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
Q4	328	328	97	60	813
FY15	1,029	1,089	306	164	2,588
Q1	240	253	80	27	600
Q2	301	338	100	46	785
Q3 ^P	253	303	121	41	718
FY16^P	794	894	300	115	2,103



¹ Budget Estimates; Estimated from Budget in Brief 2016-17, MoF; ² Revised Estimates FY16 are taken from Budget documents 2016-17, MoF. Source:

http://www.finance.gov.pk/budget/Budget_in_Brief_2016_17.pdf; ³ In Fiscal Accounts, these expenditures are named as 'Statistical Discrepancy'; ⁴ Fiscal balance = total revenue - total expenditure; ⁵ Revenue balance = total revenue - current expenditure; ⁶ Primary balance = total revenue - total expenditure + interest payment; ⁷ GDP(m) on new basis (2005-2006) has been used to calculate deficit to GDP ratios; ⁸ It includes the amount of Privatization Proceeds; ⁹ as reported in fiscal accounts; ¹⁰ Federal excise duty; P Provisional



Government Domestic Debt

Stock of government domestic debt has increased by Rs. 1,236 billion during Jul-May FY16.

Debt by Owner - end period stocks (billion Rs)

	May-16 ^P	Jun-15 ^P	Change since Jun-15
1.Bank	8,671	7,699	972
Commercial banks	6,519	5,415	1,104
SBP	2,152	2,284	-132
2.Non-bank	4,753	4,489	263
National saving schemes (NSS)	3,222	3,007	215
Others	1,531	1,482	49
3.Foreign currency instruments¹	5	5	0
Total(1+2+3)	13,428	12,193	1,236

Debt by Type - end period stocks (billion Rs)

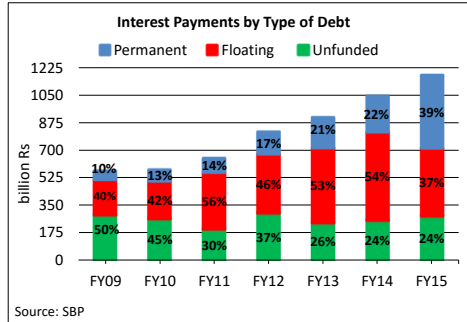
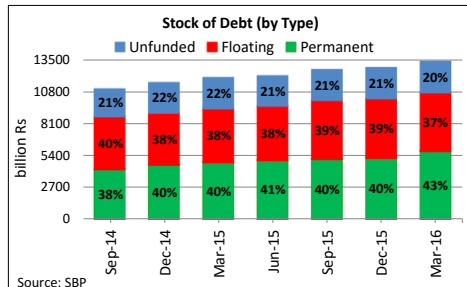
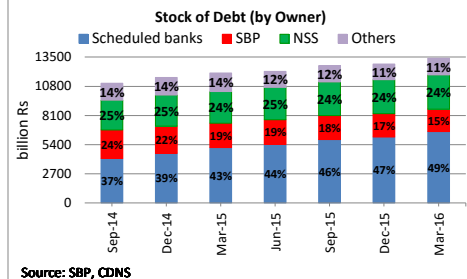
	May-16 ^P	Jun-15 ^P	Change since Jun-15
1.Permanent debt	5,879	5,008	870
PIBs	4,876	4,155	721
Prize bonds	634	523	112
Others ²	368	331	38
2. Floating debt	4,871	4,609	262
Bai Muajjal ³	213	0	213
MTBs	2,509	2,149	361
MRTBs-replenishment ⁴	2,149	2,460	-312
3.Unfunded debt⁵: of which	2,674	2,570	104
Saving schemes	2,520	2,417	103
4.Foreign currency instruments	5	5	0
Total(1+2+3+4)	13,428	12,193	1,236
Government domestic liabilities⁶	405	358	47

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 Rs. 0.013 billion of Treasury Bills on Tap.

⁴ Includes Outright Sale of MRTBs, if any. ⁵ Includes funds mobilized through NSS excluding prize bonds.

⁶ This reflects provincial governments' borrowings from banks for commodity operations.



Interest payments on domestic debt have shown YoY growth of -4.7 percent during Jul-May FY16.

Debt Servicing (billion Rs)

	Jul-May		FY15	Percent change during FY16 over FY15
	FY16 ^P	FY15		
Permanent ⁷	502	449	463	11.7
Floating	327	419	432	-22.0
Unfunded	238	251	280	-5.1
Total	1067	1119	1175	-4.7

Indicators of Domestic Debt Sustainability

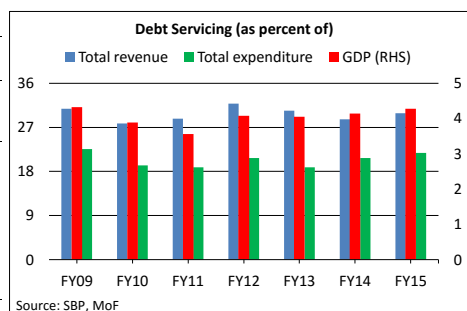
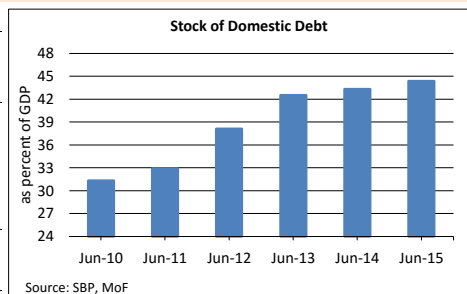
	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15
Debt stock as percent of GDP⁸	32.9	38.1	42.5	43.3	44.3
Debt servicing as percent of	FY11	FY12	FY13	FY14	FY15
GDP ⁸	3.6	4.1	4.1	4.1	4.3
Total revenue	28.8	31.8	30.4	28.7	29.9
Tax revenue	38.3	39.8	41.3	40.7	38.9
Total expenditure	18.8	20.8	18.8	20.7	21.8
Current expenditure	22.4	26.2	24.8	26.0	26.5

⁷ Includes prize bonds;

⁸ 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).





External Debt

Stock of public sector external debt has increased by US\$ 4.1 billion during Jul-Mar FY16.

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

Items	Mar-16 ^p	Jun-15	Change during Jul-Mar FY16
1. Public debt (a+b+c)	58,728	54,674	4,054
a) Government debt	49,500	46,861	2,639
i) Long term (>1 year)	48,087	45,849	2,237
Paris club	12,228	11,664	564
Multilateral	25,193	24,262	931
Other bilateral	4,126	3,941	184
Euro/Sukuk global bonds	4,550	4,550	0
Military debt	0	0	0
Commercial loans/credits	908	300	608
Local currency Securities (PIBs)	2	32	-30
Saudi fund for development (SFD)	80	100	-20
SAFE China deposits	1,000	1,000	0
NBP/BOC deposits	0	0	0
ii) Short term (<1 year)	1,413	1,012	401
Of which: Multilateral	837	983	-146
b) From IMF	5,579	4,103	1,476
i) Federal government	0	52	-52
ii) Central bank	5,579	4,051	1,528
c) Foreign exchange liabilities (FEL)²	3,649	3,709	-60
2. Public sector enterprises (PSEs)	2,812	2,482	330
a) Guaranteed debt	1,304	970	333
b) Non-guaranteed debt	1,508	1,512	-4
3. Scheduled banks	2,177	2,286	-109
a) borrowing	1,086	1,334	-248
i) Long term (>1 year)	19	10	9
ii) Short term (<1 year)	1,066	1,324	-257
b) Non-resident deposit (LCY & FCY)	1,092	952	139
4. Private sector	3,104	2,996	107
a) guaranteed debt	0	0	0
b) non-guaranteed debt	3,104	2,996	107
i) Loans	2,098	1,945	153
ii) Private non-guaranteed bonds	12	12	0
iii) Trade credit and others liabilities	994	1,040	-46
5. Debt liabilities to direct investors-intercompany debt	2,737	2,702	35
Total external debt (excl. FEL)	65,909	61,432	4,477
Total external debt & liabilities (1+2+3+4+5)	69,558	65,141	4,417

Debt Servicing (million US\$)

Items	Jul-Mar-FY16 ^p	FY15
1. Public debt (a+b+c)	2,820	3,931
a) Government debt³	2,674	2,577
Principal	2,005	1,663
Interest	669	914
b) To IMF	89	1,264
Principal	53	1,226
Interest	36	39
c) Foreign exchange liabilities	57	90
Principal	0	0
Interest	57	90
2. PSEs guaranteed debt	56	32
Principal	41	17
Interest	15	15
3. PSEs non-guaranteed debt³	172	242
Principal	158	221
Interest	14	20
4. Scheduled banks' borrowing³	3	18
Principal	3	18
Interest	0	0
5. Private guaranteed debt	0	0
6. Private non-guaranteed debt³	205	419
Principal	151	354
Interest	55	65
7. Private non-guaranteed bonds	0	0
Principal	0	0
Interest	0	0
Total Long term external debt servicing (1+2+3+4+5+6+7)	3,255	4,641
Principal	2,410	3,499
Interest	845	1,142
Memorandum Items		
Short term debt servicing-principal⁴ (excluding item No.3 below)	885	745
1. Government debt	735	612
2. PSEs non-guaranteed debt	46	64
3. Scheduled banks' borrowing	33,100	36,798
Net flows ⁵	1,358	277
4. Private non-guaranteed debt	104	69

Stock of external debt as percent of GDP decreased to 24.1 percent by the end of June 2015.

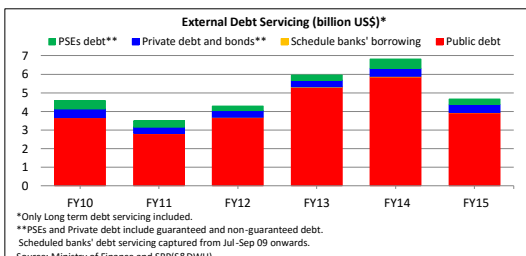
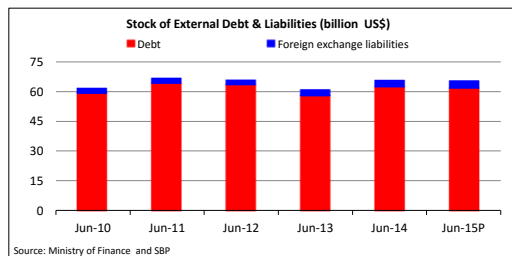
Indicators of External Debt Sustainability

End period debt stock as percent of

	Jun-10	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15 ^p
GDP⁷	35.4	31.2	30.9	27.0	25.6	24.1
Reserves	364.2	347.1	426.8	550.8	459.1	348.2
Exports	312.8	261.6	264.9	245.5	260.3	269.8

External debt servicing as percent of

	FY10	FY11	FY12	FY13	FY14	FY15 ⁶
	2.4	1.7	2.0	2.6	2.6	1.7
	24.6	18.5	28.1	54.1	46.2	25.0
	21.1	13.9	17.4	24.1	26.2	19.4



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 principal 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. 1,773 billion during Jul-Mar FY16.

Total Debt Stock (billion Rs)

	Mar-16 ^P	Jun-15	Change during Jul-Mar FY16	Share in Mar-FY16 (percent)
I. Government domestic debt	13,398	12,193	1,206	62.0
II. Government external debt ¹	5,185	4,770	415	24.0
III. Debt from IMF	584	418	167	2.7
IV. External liabilities	382	378	5	1.8
V. Private sector external debt	553	538	15	2.6
VI. PSEs external debt	295	253	42	1.4
VII. PSEs domestic debt	471	459	12	2.2
VIII. Commodity operations ²	464	564	-100	2.1
IX. Intercompany External Debt from Direct Investor abroad	287	275	12	1.3
Total debt & liabilities (I to IX)	21,620	19,846	1,773	100.0
Total public debt (I to IV)	19,550	17,758	1,792	90.4
Total external debt & liabilities (II to VI & IX)	7,287	6,631	656	33.7
Commodity operations & PSEs debt (VI to VIII)	1,229	1,276	-46	5.7

Total Debt Servicing (billion Rs)

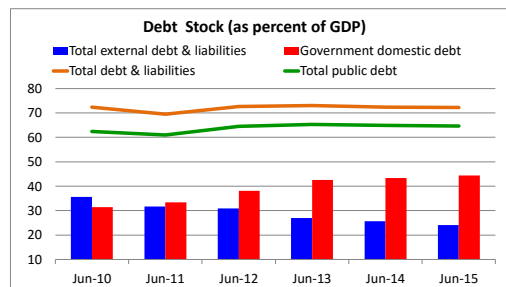
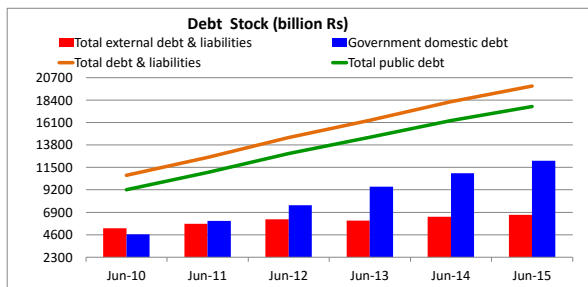
	Jul-Mar FY16 ^P	FY15	Share in Jul-Mar FY16 (percent)	Share in FY15 (percent)
Total Debt Servicing(A+B)	1334	1701	100.0	100.0
A. Total interest payment on debt and liabilities (I+II)	1083	1346	81.2	79.1
I. Interest payment on debt (a+b)	1045	1285	78.3	75.5
a. Domestic debt	955	1175	71.6	69.1
b. External debt	90	110	6.7	6.5
II. Interest payment on liabilities (a+b)	38	61	2.8	3.6
a. Domestic liabilities	32	52	2.4	3.1
b. External liabilities ¹	6	9	0.4	0.5
B. Principal repayment of external debt and liabilities³	251	355	18.8	20.9

Debt stock (as percent of GDP)

	Mar-16 ^P	Jun-15	Jun-14
Total debt and liabilities	73.0	72.2	72.4
Total public debt	66.1	64.6	64.8
Total external debt and liabilities	24.6	24.1	25.6
Government domestic debt	45.3	44.3	43.3
PSEs debt and liabilities	4.2	4.6	4.2

Debt Servicing (as percent of)

	FY15 ^P	FY14 ^P	FY13	FY12
GDP	6.2	7.0	6.9	6.3
Total revenue	43.3	48.5	51.6	49.3
Tax revenue	56.4	68.8	69.9	61.7
Total expenditure	31.6	35.1	31.9	32.2
Current expenditure	38.4	44.1	42.0	40.5



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

Monetary contraction during FY17 so far mainly owes to NDA.

Monetary Assets of the Banking System

(billion Rs)

	End June 2016 stocks ^P	Cumulative flows since end-June		FY16 flows
		Latest week	A year ago	
		15-Jul-16	17-Jul-15	
NFA	1,006.2	-18.2	17.7	193.4
NDA	11,818.6	-124.2	-137.8	1,349.2
Net government borrowings: of which	7,805.3	31.0	-9.2	847.1
Net budgetary borrowing	7,194.7	34.1	-5.4	791.2
Commodity operations	622.4	-1.4	-1.3	58.0
Non-government borrowings: of which	5,026.7	-127.2	-31.1	570.7
Private sector	4,463.7	-132.3	-29.3	460.6
PSEs	543.8	4.7	-1.4	109.1
Other items (net)	-1,013.5	-28.0	-97.5	-68.7
M2	12,824.8	-142.4	-120.2	1,542.6

Monetary Liabilities of the Banking System

(billion Rs)

Currency in circulation	3,333.7	74.2	255.1	778.9
Total deposits with banks	9,472.3	-216.5	-375.0	758.7
Demand deposits with banks	8,197.0	-199.2	-378.6	800.2
Time deposits with banks	688.1	-17.3	3.6	-31.0
RFCDs with banks	587.3	0.0	0.0	-10.5
M2	12,824.8	-142.4	-120.2	1,542.6

Monetary Assets of the Banking System

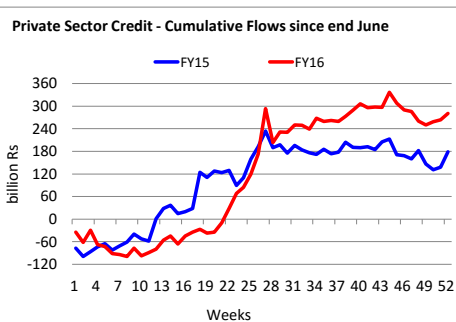
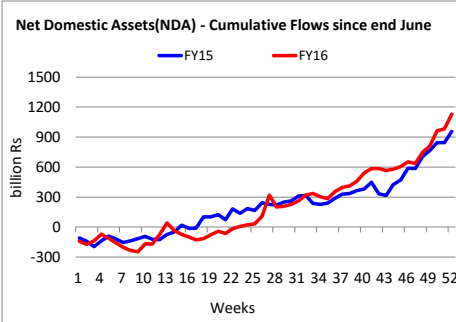
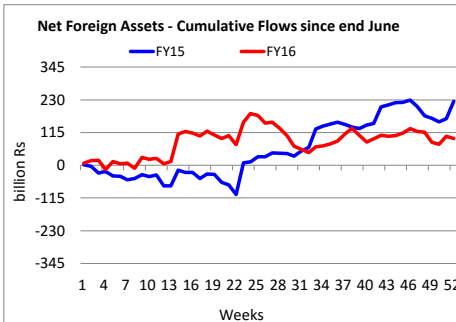
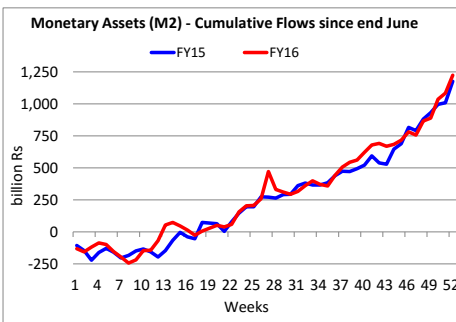
(percent growth)

	YoY (15-Jul-16)	Since end June		FY16
		15-Jul-16	17-Jul-15	
NFA	19.0	-1.8	2.2	23.8
NDA	13.2	-1.1	-1.3	12.9
Government borrowings	12.8	0.4	-0.1	12.2
Budgetary borrowing	13.0	0.5	-0.1	12.4
Commodity operations	10.3	-0.2	-0.2	10.3
Non-government sector borrowings	10.7	-2.5	-0.7	12.8
Private sector	9.0	-3.0	-0.7	11.5
PSEs	26.6	0.9	-0.3	25.1
Other items (Net)	0.1	-2.8	-10.3	-7.3
M2	13.6	-1.1	-1.1	13.7

Memorandum Items

	Latest week	A year ago	FY16
	15-Jul-16	17-Jul-15	
Money multiplier	3.02	3.09	3.23
Currency to deposit ratio (percent)	36.82	33.70	35.19
M2 to GDP ratio (percent)	37.85	37.71	43.33
Private sector credit to GDP ratio (percent)	12.93	13.43	15.08

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





Net Monetary Injections by SBP has declined in FY17 so far as compared to the corresponding period last year.

Monetary Assets of SBP

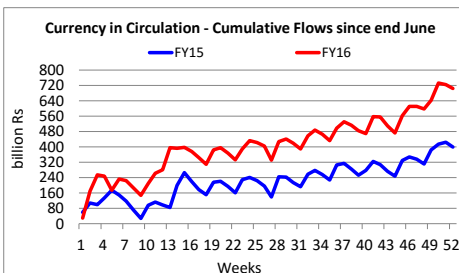
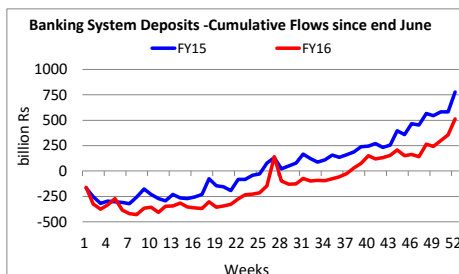
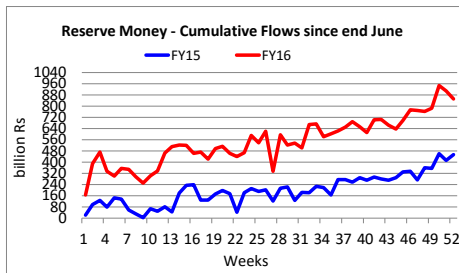
(billion Rs)

	End June 2016 stocks	Cumulative flows since end-June		FY16 Flows
		Latest week	A year ago	
		15-Jul-16	17-Jul-15	
NFA	1,031.6	-7.2	5.5	309.2
NDA: of which	2,941.9	227.6	466.4	522.3
Budgetary borrowing	1,442.2	-240.9	-42.0	-486.7
Other items (net)	1,109.3	472.8	512.5	1,003.6
Net impact of OMOs/discounting	1,533.3	467.7	534.6	870.7
Reserve money	3,973.5	220.4	471.8	831.5

Monetary Liabilities of SBP

(billion Rs)

	End June 2016 stocks	Cumulative flows since end-June		FY16 Flows
		Latest week	A year ago	
		15-Jul-16	17-Jul-15	
Currency in circulation	3,333.7	74.2	255.1	778.9
Cash in tills	229.3	-38.8	41.6	69.0
Bank deposits with SBP (reserves)	391.8	185.2	175.4	-21.5
Other deposits with SBP	18.8	-0.1	-0.3	5.0
	YoY			
	(15-Jul-16)		(percent growth)	
NFA of the SBP	40.7	-0.7	0.8	42.8
NDA of the SBP: of which	9.8	7.7	19.3	21.6
Budgetary borrowing	-36.3	-16.7	-2.2	-25.2
Reserve money	16.1	5.5	15.0	26.5



In FY16, government borrowing needs are entirely met from Scheduled Banks.

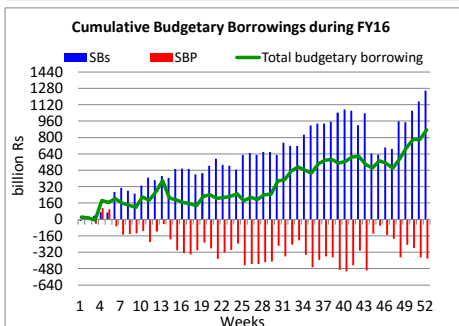
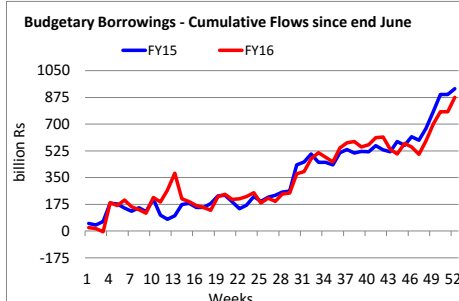
Details on Government Borrowing for Budgetary Support

(billion Rs)

	End June 2016 stocks	Cumulative flows since end-June		FY16 flows
		Latest week	A year ago	
		15-Jul-16	17-Jul-15	
Budgetary borrowing	7,194.7	34.1	-5.4	791.2
Federal government	8,000.3	-5.1	-30.6	996.5
From SBP	1,730.2	-280.1	-67.2	-368.4
SBP's holdings of MRTBs	2,017.6	29.7	25.4	-263.7
From scheduled banks (SBs)	6,270.0	275.0	36.6	1,364.9
Provincial governments	-805.5	39.2	25.1	-205.3
From SBP ¹	-288.1	39.2	25.1	-118.3
From scheduled banks ²	-517.5	0.0	0.0	-87.0

Memorandum Items

Budgetary borrowing on cash basis	7,116.9	26.6	-20.3	787.0
SBP	1,411.7	-246.7	-52.3	-475.0
Scheduled banks	5,705.3	273.3	32.0	1,262.0



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 2015 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. 461 billion during FY16 compared to Rs. 224 billion during FY15.

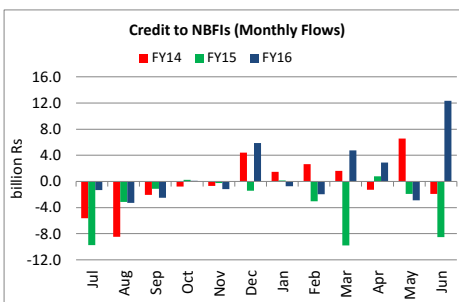
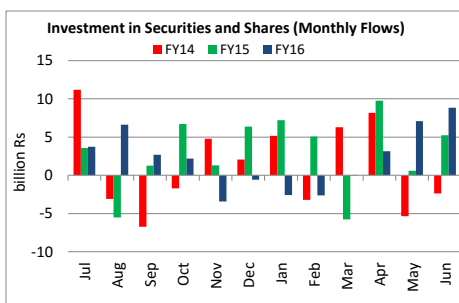
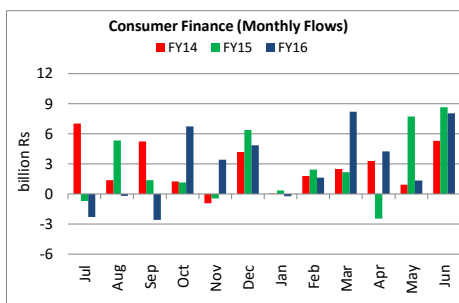
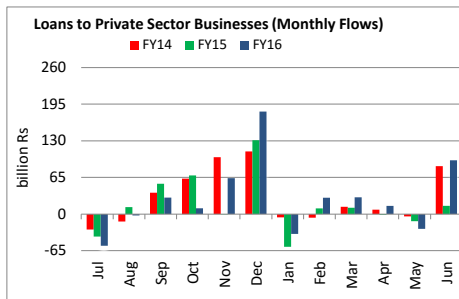
Credit to Private Sector

	End June 2016 stocks	Cumulative flows (billion Rs)	
		FY16	FY15
Total credit to private sector ¹	4,463.7	460.6	223.8
1. Loans to private sector businesses	3,347.8	332.4	187.7
By type			
Working capital: <i>of which</i>	2,112.2	160.2	56.6
Export finance	302.3	12.9	10.4
Import finance	208.0	26.4	24.5
Fixed investment	1,235.6	172.2	131.1
By Sectors: of which			
Agriculture	293.1	↑ 7.7	↑ 32.7
Manufacturing: of which	1,915.3	↑ 210.9	↑ 68.4
Textiles	612.3	↑ 62.7	↓ -8.4
Food products & beverages	476.4	↑ 46.7	↑ 15.3
Chemicals & products	270.4	↑ 60.7	↑ 17.9
Non-metallic mineral products	69.2	↓ -4.2	↑ 19.7
Wearing apparel, readymade gar.	59.3	↑ 5.7	↓ -0.3
Electricity, gas and water	312.8	↑ 45.6	↓ -11.4
Construction	97.5	↑ 31.6	↑ 13.6
Commerce and trade	266.3	↑ 29.3	↑ 13.7
Transport, storage and comm.	182.2	↑ 35.6	↑ 29.5
Services: of which	191.5	↑ 39.8	↑ 17.6
Real estate/renting & business act.	114.1	↑ 16.4	↑ 8.2
2. Personal: of which	423.0	↑ 39.9	↑ 45.0
Consumer financing	308.5	↑ 33.2	↑ 32.0
3. Investment in securities and shares	248.6	↑ 25.2	↑ 35.9
4. Others²: of which	444.3	↑ 63.1	↓ -44.8
Non-bank finance companies	129.3	↑ 12.0	↓ -35.3

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

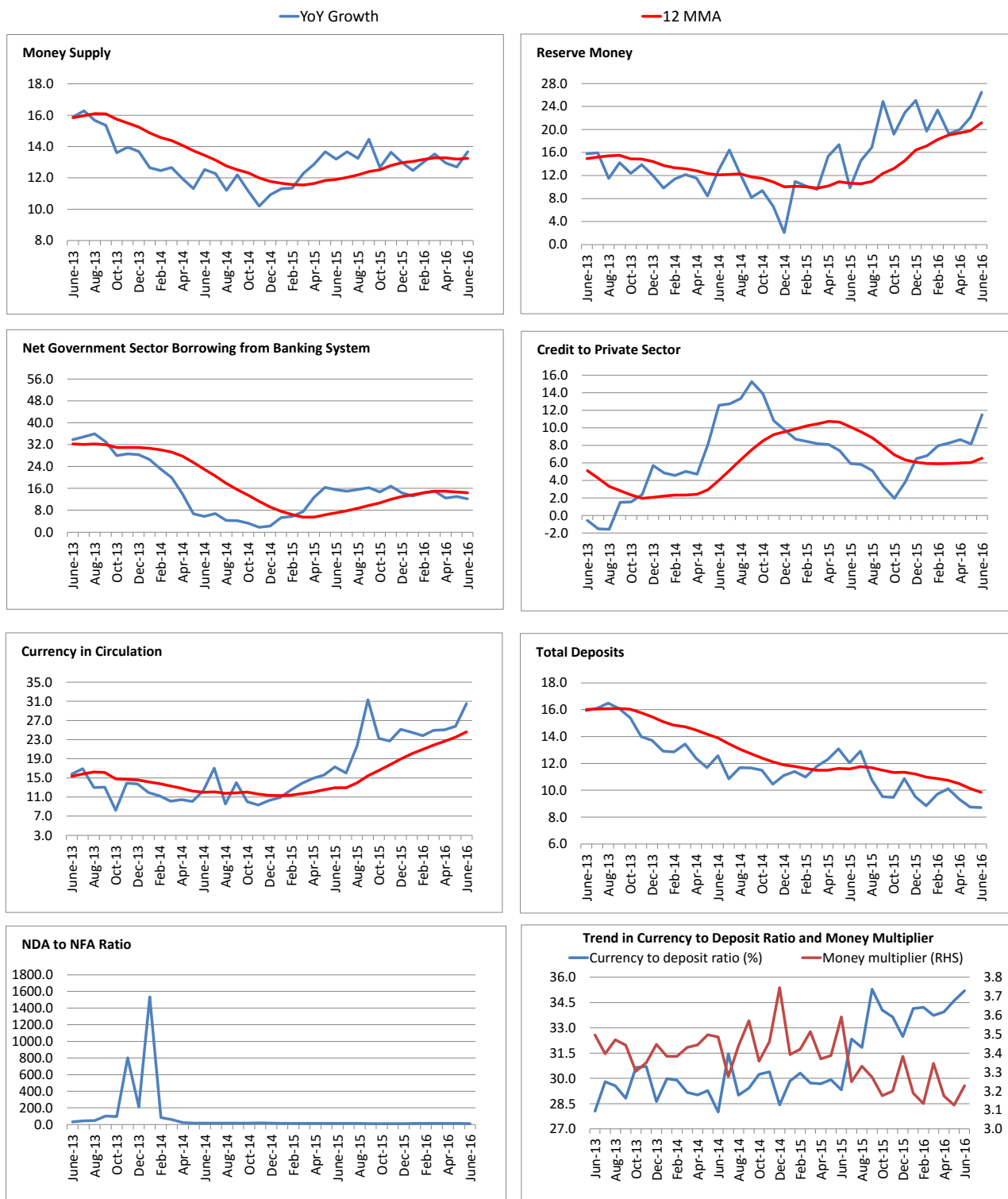


YoY growth of end June Stocks

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.



Monetary Policy Information Compendium

July 2016

Money Market

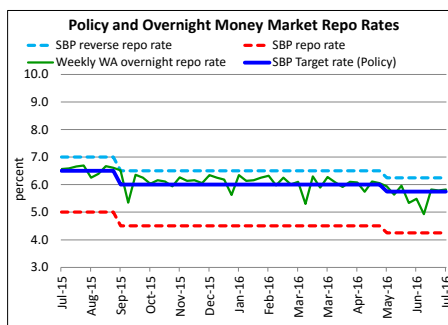
With effect from 23rd May 2016, SBP decreased the SBP policy rate by 25 bps to 5.75 percent.

Policy Instruments (percent)					
	Current	w.e.f	Previous	w.e.f	Change ¹
SBP Target rate (Policy) *	5.75	23-May-16	6.0	14-Sep-15	↓ -25
SBP reverse repo rate	6.25	23-May-16	6.5	14-Sep-15	↓ -25
SBP repo rate	4.25	23-May-16	4.5	14-Sep-15	↓ -25
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

* Vide DMM circular No. 9 dated May 23, 2015



Volatility in overnight repo rate has decreased in Q1-FY17 so far, compared to Q1-FY16.

Weighted Average O/N Money Market Repo Rate (percent)					
	FY16			FY17	
	Q2	Q3	Q4	Year	Q1*
WA O/N repo rate ²	6.12	6.13	5.83	6.15	5.88
Standard deviation	0.16	0.28	0.25	0.35	0.07
CoV ³	0.03	0.05	0.04	0.06	0.01

* up to July 28, 2016

YTD: Year to date

² Weekly Weighted Average O/N Repo Rate

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



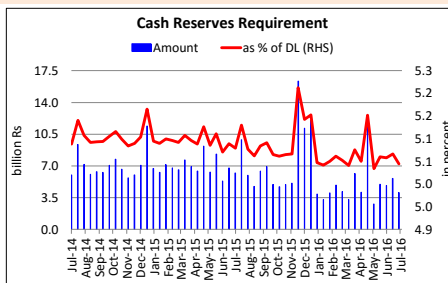
* up to July 28, 2016.

Banks' holding of government securities stands at 82 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		
	14-Jul-16	16-Jun-16	16-Jun-16	19-May-16 ⁵	
Cash required	453.3	417.3	↑	36.0	39.0
Cash maintained	457.3	422.1	↑	35.2	40.3
Excess cash reserves (per day)	4.1	4.8	↓	-0.8	1.2

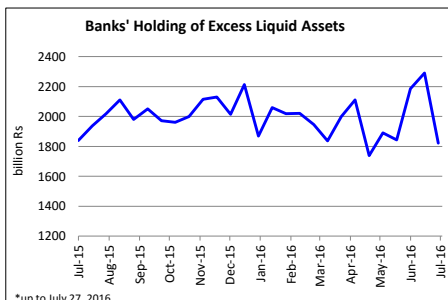
⁴ Bi-weekly CRR is the proportion of local currency time and demand liabilities (TDL) that scheduled banks are required to maintain with SBP in the form of cash on average during the reserve maintenance period.

⁵ As on Thursday preceding the last monetary policy decision.



Overall Reserve Requirement (billion Rs)					
	Maintenance period started as on		Change since Last MPS		
	15-Jul-16	17-Jun-16	17-Jun-16	20-May-16 ⁹	
Required reserves	2101.1	2029.5	↑	71.6	112.8
for CRR	437.7	422.5	↑	15.3	23.9
for SLR	1663.4	1607.0	↑	56.4	88.9
Maintained⁶	3924.0	4216.9	↓	-292.9	45.0
Cash	676.3	653.8	↑	22.5	52.7
Cash in tills	218.4	194.4	↑	24.0	36.9
Balance with SBP	414.5	425.3	↓	-10.8	5.3
Balance with NBP	43.4	34.1	↑	9.3	10.5
Securities	3229.2	3544.5	↓	-315.3	-7.7
Others ⁷	18.4	18.5	↓	-0.1	-0.1
Excess liquid assets⁸	1822.9	2186.9	↓	-364.1	-67.4

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.

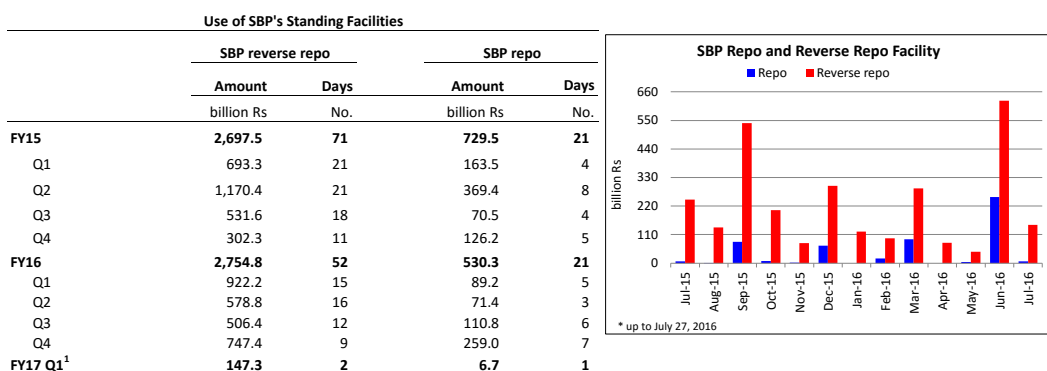
⁹ As on Friday preceding the last monetary policy decision



Monetary Policy Information Compendium

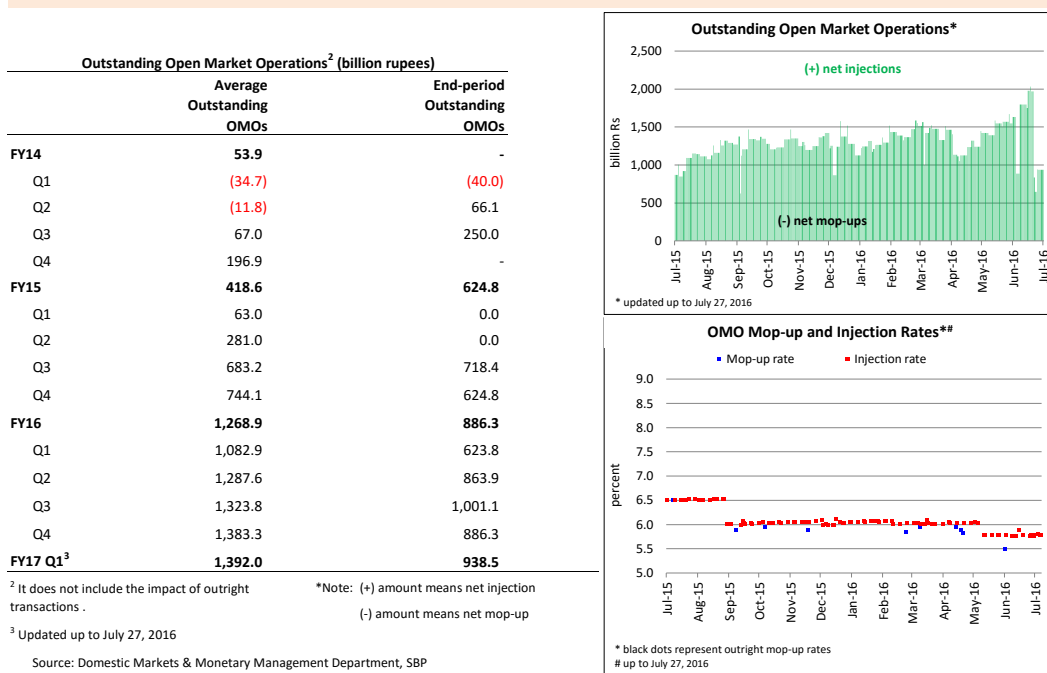
July 2016

Banks' use of SBP's reverse repo facility decreased in Q1-FY17 so far, compared to Q1-FY16.



¹ Updated up to July 27, 2016

The level of average outstanding OMOs has shown positive trend in FY17 so far.



Outright Open Market Operations (billion rupees)			Open Market Operations for GoP Ijara Sukuk - Outright ⁵ (billion rupees)		
	Net Sale	End-period Outstanding		Bai-Muajjal Purchases	Ready Sales
FY15	346.5	186.5	FY15	179.9	179.9
Q1	70.0	70.0	Q1	-	-
Q2	90.0	90.0	Q2	90.4	90.4
Q3	-	-	Q3	89.5	89.5
Q4	186.5	186.5	Q4	-	-
FY16	-	-	FY16	43.0	21.2
Q1	-	-	Q1	-	-
Q2	-	-	Q2	-	-
Q3	-	-	Q3	43.0	21.2
Q4	-	-	Q4	-	-
FY17 Q1⁴	-	-	FY17 Q1⁶	-	-

⁴ Updated up to July 27, 2016

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

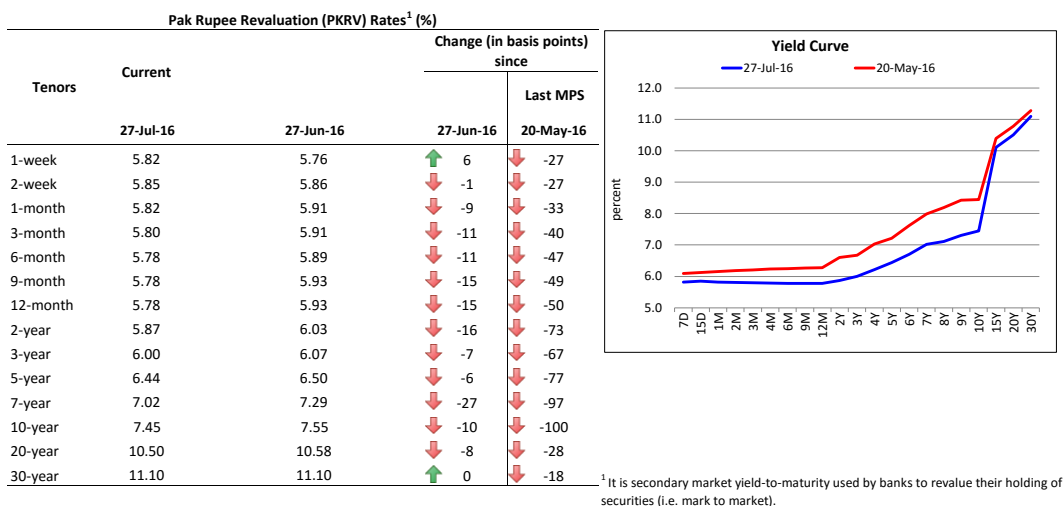
⁶ Updated up to July 27, 2016



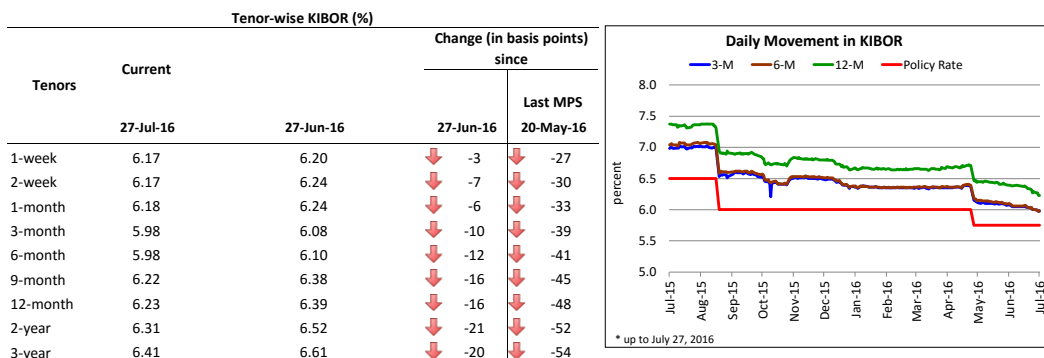
Monetary Policy Information Compendium

July 2016

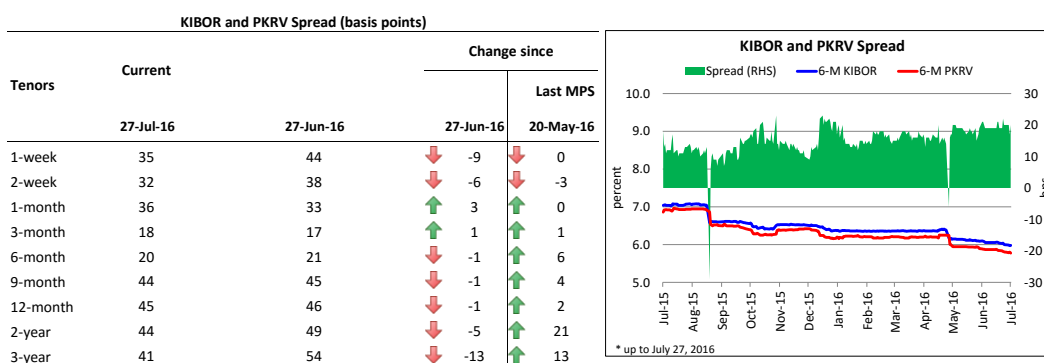
Secondary market yield of all tenors have decreased since the last monetary policy decision in May 2016.



KIBOR of all tenors have decreased since the last monetary policy decision in May 2016.



Spreads between KIBOR and PKRV rates for one month & above tenors have increased compared to their levels observed at the time of monetary policy announcement in May 2016.



Sources: SBP and Financial Market Association of Pakistan



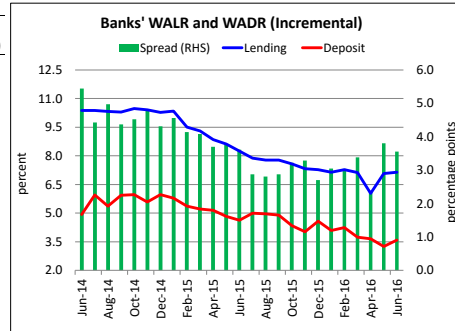
Monetary Policy Information Compendium

July 2016

Spread between incremental WALR and WADR stands at 356 bps in June 2016.

Months	Incremental ¹			Outstanding		
	WALR	WADR	Spread (bps)	WALR	WADR	Spread (bps)
Jun-15	8.24	4.63	362	9.63	3.89	574
Jul-15	7.88	5.00	287	9.42	3.95	547
Aug-15	7.78	4.97	281	9.36	3.85	551
Sep-15	7.78	4.90	288	9.18	3.80	538
Oct-15	7.57	4.35	322	8.96	3.62	533
Nov-15	7.32	4.03	329	8.78	3.49	528
Dec-15	7.28	4.58	270	8.67	3.48	519
Jan-16	7.15	4.10	305	8.59	3.47	512
Feb-16	7.28	4.25	304	8.55	3.41	514
Mar-16	7.13	3.74	339	8.53	3.30	523
Apr-16	6.03	3.65	238	8.42	3.33	509
May-16	7.07	3.26	380	8.50	3.28	523
Jun-16	7.15	3.59	356	8.44	3.14	530

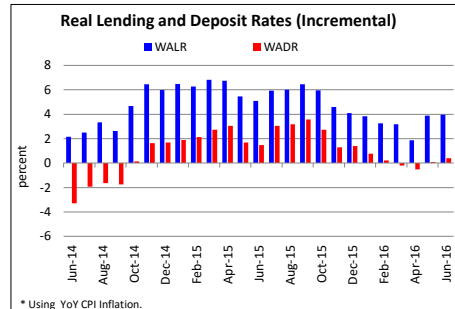
¹ Weighted average rates on incremental (fresh) loans and deposits (including interbank and zero markup) during a month.



Both real lending and deposit rates, calculated on the basis of YoY CPI inflation, have increased in June 2016.

Months	Real (based on 12-month MA inflation) ²		Real (based on YoY inflation) ³	
	WALR	WADR	WALR	WADR
Jun-15	3.72	0.10	5.08	1.47
Jul-15	3.84	0.97	5.93	3.05
Aug-15	4.18	1.37	5.99	3.18
Sep-15	4.70	1.82	6.45	3.57
Oct-15	4.84	1.62	5.96	2.74
Nov-15	4.69	1.40	4.59	1.29
Dec-15	4.74	2.03	4.09	1.39
Jan-16	4.65	1.60	3.83	0.78
Feb-16	4.72	1.68	3.26	0.22
Mar-16	4.44	1.06	3.19	-0.20
Apr-16	3.18	0.79	1.86	-0.52
May-16	4.21	0.40	3.90	0.09
Jun-16	4.29	0.72	3.96	0.40

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



* Using YoY CPI Inflation.

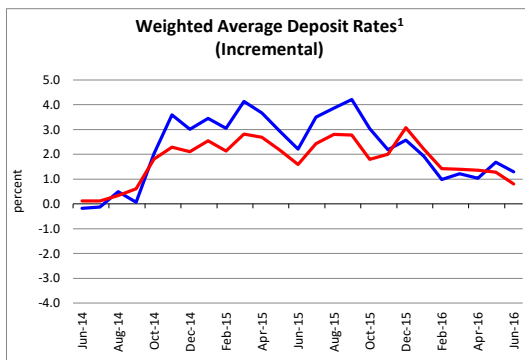
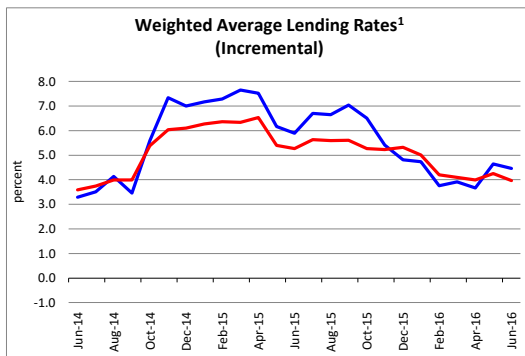
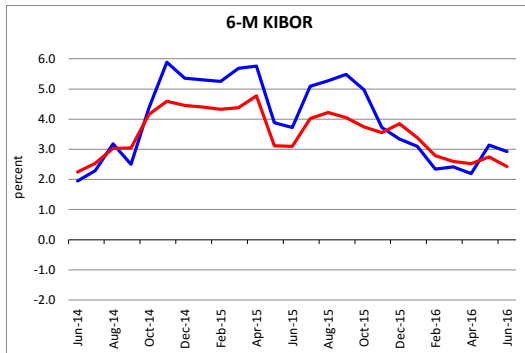
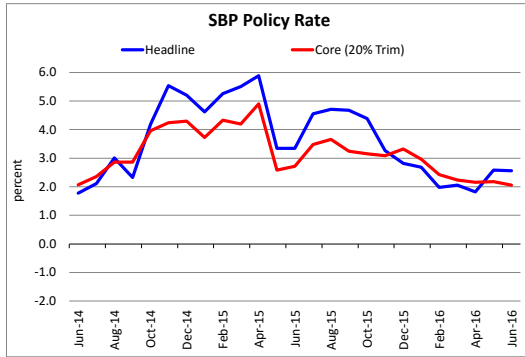
² Nominal rate less CPI inflation (12-month moving average).

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

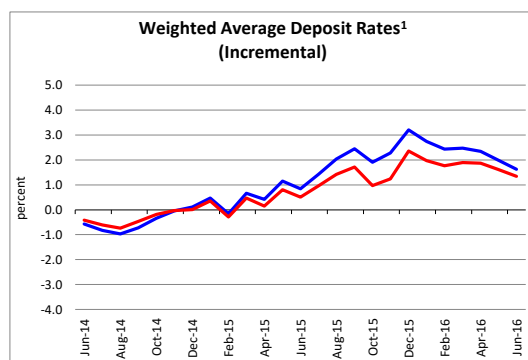
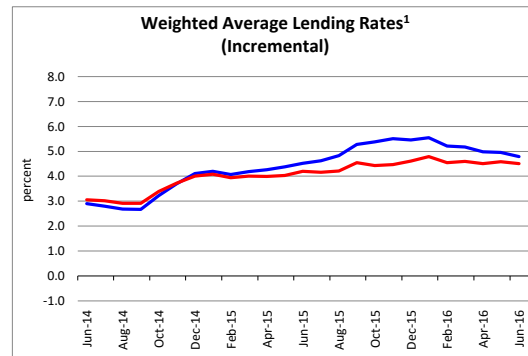
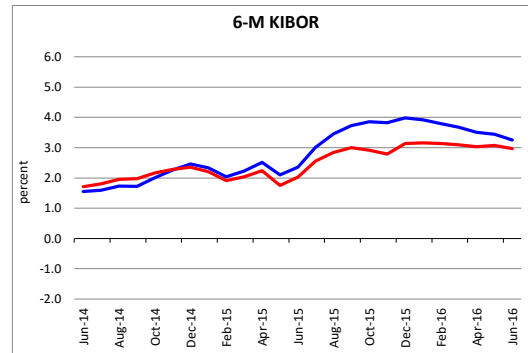
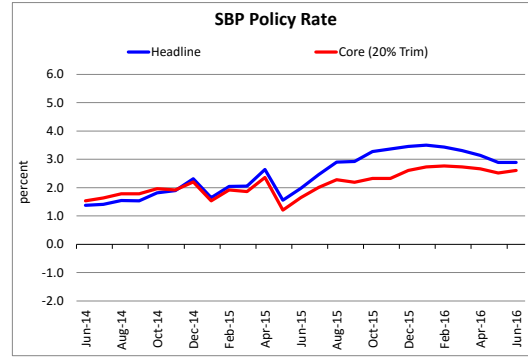


Real Interest Rates

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

July 2016

In the T-bill auctions held in Q1-FY17 so far, government has raised greater than the targeted amount.

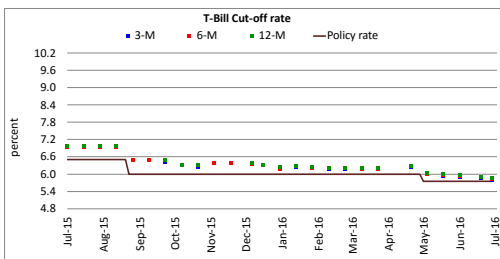
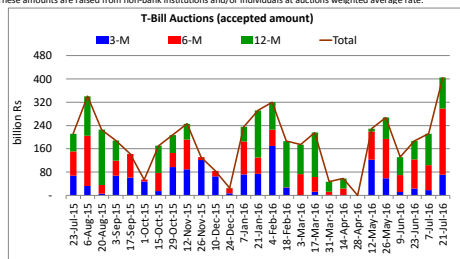
FY/Q/ Settlement	TOTAL				T-bill Auction (billion Rs (Realized value); rates in percent)			3-Month			6-Month			12-Month			Non-competitive
	Target	Maturity	Offered	Accepted ²	Offered	Accepted ²	Cut-off ³	Offered	Accepted ²	Cut-off ³	Offered	Accepted ²	Cut-off ³	Offered	Accepted ²	Cut-off ³	
FY15	3,745.0	3,305.3	6,167.0	3,244.2	1,525.6	1,068.0	-	1,977.3	1,107.3	-	2,664.0	1,069.0	-	2,664.0	1,069.0	-	292.5
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	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	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	1,521.6	486.4	7.84	106.2
Q4	875.0	1,126.6	2,193.5	789.9	605.4	201.6	6.93	846.2	353.6	6.95	741.8	234.7	6.97	741.8	234.7	6.97	87.0
FY16	5,100.0	4,469.6	8,636.7	4,470.1	2,541.1	1,296.4	-	2,693.9	1,492.7	-	3,401.6	1,680.9	-	3,401.6	1,680.9	-	258.1
Q1	1,200.0	862.6	1,328.5	1,208.0	309.8	282.4	6.48	482.4	454.0	6.48	536.3	471.5	-	536.3	471.5	-	59.0
Q2	1,225.0	1,146.4	1,996.4	918.3	897.7	443.1	6.34	582.0	264.7	6.36	516.7	210.4	6.39	516.7	210.4	6.39	66.0
Q3	1,650.0	1,588.9	2,980.0	1,470.9	750.1	354.7	6.17	715.4	360.8	6.18	1,514.5	755.4	6.21	1,514.5	755.4	6.21	83.3
Q4	1,025.0	871.6	2,331.8	873.0	583.6	216.2	5.90	914.1	413.2	5.93	834.1	243.5	5.96	834.1	243.5	5.96	49.8
FY17 Q1¹	400.0	277.2	1,113.3	616.6	194.3	87.8	5.81	470.0	313.6	5.84	448.9	215.2	5.86	448.9	215.2	5.86	26.0

¹ Up till July 21, 2016

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 Q1-FY17 so far, government has raised greater 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	Total	Target		
FY15	Cut-off rate ⁶ Offered Accepted	8.1 1081.1 471.6	9.0 564.7 274.7	-	R 471.4 210.9	-	8.8 - 8.0	-	2125.8 - 965.2	750.0		
		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	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	150.0	
Q4	Cut-off rate ⁶	8.1	9.0		R							
	Offered	163.3	112.1	-	51.8	-	-	-	327.2			
	Accepted	93.4	31.4	-	19.1	-	-	-	143.8	150.0		
FY16	Cut-off rate ⁶ Offered Accepted	6.41 1303.8 473.3	6.91 963.7 389.0	-	8.02 253.0 61.7	-	-	-	2520.4 - 924.1	775.0		
		Q1	Cut-off rate	7.4	8.3		9.3					
			Offered	465.3	272.0	-	55.4	-	-	-	792.6	
	Accepted		130.3	67.9		4.5	-	-	-	202.7	200.0	
	Q2	Cut-off rate	7.0	8.0		9.1						
		Offered	260.8	165.1	-	11.9	-	-	-	437.8		
		Accepted	109.1	63.6		0.9				173.6	150.0	
	Q3	Cut-off rate	6.3	7.0		8.2						
		Offered	347.3	359.1		87.4				793.7		
		Accepted	158.6	190.2		23.8				372.6	225.0	
Q4	Cut-off rate	6.41	6.91		8.02							
	Offered	230.3	167.6		98.4				496.3			
	Accepted	75.3	67.4		32.6				175.3	200.0		
FY17 Q1 ⁷	Cut-off rate ⁶ Offered Accepted	6.2 151.4 87.6	6.7 131.3 73.0		7.8 97.6 62.1		R 2.5		382.7 - 222.7	100.0		

⁶ Either no bid received or bids were rejected.

⁷ Up till July 20, 2016

Government has raised greater than the targeted amount in the auctions held in Q2-FY16.

3-year Variable Rental Rate GOP Ijarah Sukuk Auction (billion Rs; margin in bps)

	Target	Total offered	Total accepted	Cut-off margin ⁸
FY15	-	-	-	-
Q1	-	-	-	-
Q2	-	-	-	-
Q3	-	-	-	-
Q4	-	-	-	-
FY16	100.0	273.3	117.7	-
Q1	-	-	-	-
Q2	100.0	273.3	117.7	(50)
Q3	-	-	-	-
Q4	-	-	-	-
FY17 Q1⁹	-	-	-	-

⁸ This cut-off margin, with the benchmark of 6-Month MTB Auction Weighted Average Yield, is applicable to all accepted bids. ⁹ Up till July 20, 2016

Source: Domestic Markets & Monetary Management Department, SBP

Government has introduced Fixed Rental Rate GOP Ijarah Sukuk in February 2016, and raised greater than the targeted amount in the auctions held in Q3-FY16

3-year Fixed Rental Rate GOP Ijarah Sukuk¹⁰ Auction (billion Rs)

	Target	Total offered	Total accepted	Cut-off fixed rental rate ¹¹
FY16	180.0	444.1	196.7	-
Q3	180.0	444.1	196.7	5.6
Q4	-	-	-	-
FY17 Q1¹²	-	-	-	-

¹⁰ DMMMD Circular No. 02 of 2016 dated February 03, 2016

¹¹ Fixed rental rate will be applicable to entire bids, and for the entire tenor of fixed rental rate. ¹² Up till July 20, 2016

Source: Domestic Markets & Monetary Management Department, SBP



Foreign Exchange Market

In FY17 so far, Pak rupee has slightly depreciated against US Dollar.

	PKR against international currencies			% App/(Dep) of PKR
	Latest 27-Jul-16	Last MPS 20-May-16	Jun-16	
USD	104.85	104.82	104.83	(0.02)
Euro	115.37	117.56	116.80	1.24
Sterling	137.33	152.59	141.43	2.99
JPY	0.99	0.95	1.02	2.54
USD Kerb	105.75	105.55	105.05	(0.66)
Premium (Rs)	0.90	0.73	0.22	-
Daily NEER	91.90	91.27	91.29	0.68

Source: SBP

	International exchange rates ²			% App/(Dep) of USD
	Latest 27-Jul-16	Last MPS 20-May-16	Jun-16	
USD/EUR	1.10	1.12	1.11	1.26
USD/GBP	1.31	1.46	1.35	3.00
JPY/USD	105.42	110.31	102.79	2.56
INR/USD	67.17	67.45	67.50	(0.50)
CNY/USD	6.67	6.55	6.64	0.41
THB/USD	35.00	35.69	35.15	(0.43)
MYR/USD	4.08	4.08	4.03	1.33
SGD/USD	1.36	1.38	1.35	0.91

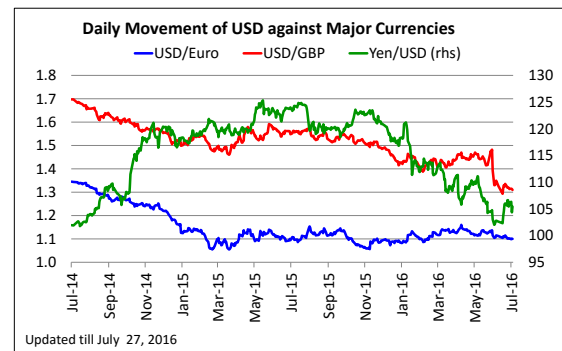
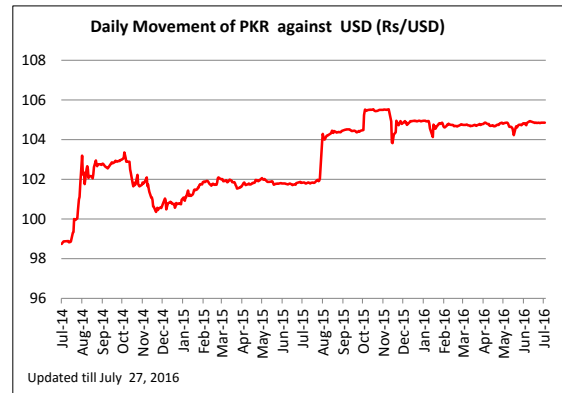
² The exchange rates are shown as per country practices

PKR/USD Interbank Exchange Rate Trends on Fiscal Year Basis

	High	Low	Close	Average	Volatility C/C ³
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	103.45	98.58	101.78	101.46	2.44
FY16	106.10	101.69	104.83	104.38	1.70
FY17 ⁴	104.95	104.82	104.85	104.86	0.68

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

⁴ Updated upto July 27, 2016



PKR/USD Interbank Exchange Rate Trends on Quarterly Basis

	High	Low	Close	Average	Volatility C/C ³
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	102.24	100.53	101.94	101.41	1.74
Q4-FY15	102.18	101.44	101.78	101.83	0.87
Q1-FY16	104.56	101.69	104.51	102.92	2.02
Q2-FY16	106.10	103.54	104.74	104.97	2.47
Q3-FY16	104.99	104.07	104.75	104.79	1.40
Q4-FY16	104.90	104.12	104.83	104.73	0.96
Q1-FY17 ⁴	104.95	104.82	104.85	104.86	0.68



Monetary Policy Information Compendium

July 2016

In Real terms, Pak rupee has depreciated by 0.7 percent during Q4FY16 so far.

Changes in Nominal Effective Exchange Rate (NEER)

Base Year: CY2010

		NEER Index	2014			2015				2016	
			Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar ^R	May ^P
2014	Jun	86.25	-	-1.53	3.87	7.70	6.65	6.55	7.34	6.27	5.18
	Sep	84.93	-	-	5.48	9.37	8.31	8.21	9.00	7.92	6.81
	Dec	89.59	-	-	-	3.68	2.68	2.58	3.34	2.31	1.26
2015	Mar	92.89	-	-	-	-	-0.97	-1.06	-0.33	-1.33	-2.34
	Jun	91.99	-	-	-	-	-	-0.09	0.64	-0.36	-1.38
	Sep	91.91	-	-	-	-	-	-	0.73	-0.27	-1.29
	Dec	92.58	-	-	-	-	-	-	-	-1.00	-2.01
2016	Mar ^R	91.66	-	-	-	-	-	-	-	-	-1.02
	May ^P	90.72	-	-	-	-	-	-	-	-	-

Changes in Relative price Index (RPI)

Base Year: CY2010

		RPI	2014			2015				2016	
			Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar ^R	May ^P
2014	Jun	127.69	-	1.98	0.99	-0.11	2.04	2.29	2.94	2.58	2.93
	Sep	130.22	-	-	-0.97	-2.04	0.06	0.30	0.94	0.59	0.93
	Dec	128.96	-	-	-	-1.09	1.04	1.28	1.93	1.58	1.92
2015	Mar	127.56	-	-	-	-	2.15	2.40	3.04	2.69	3.04
	Jun	130.30	-	-	-	-	-	0.24	0.88	0.53	0.87
	Sep	130.61	-	-	-	-	-	-	0.63	0.29	0.63
	Dec	131.44	-	-	-	-	-	-	-	-0.34	-0.01
2016	Mar ^R	130.99	-	-	-	-	-	-	-	-	0.34
	May ^P	131.44	-	-	-	-	-	-	-	-	-

Changes in Real Effective Exchange Rate (REER)

Base Year: CY2010

		REER Index	2014			2015				2016	
			Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar ^R	May ^P
2014	Jun	110.14	-	0.42	4.90	7.58	8.83	8.99	10.49	9.01	8.26
	Sep	110.60	-	-	4.46	7.13	8.37	8.54	10.03	8.56	7.81
	Dec	115.53	-	-	-	2.56	3.75	3.90	5.33	3.92	3.21
2015	Mar	118.49	-	-	-	-	1.16	1.31	2.70	1.33	0.63
	Jun	119.86	-	-	-	-	-	0.15	1.52	0.17	-0.52
	Sep	120.04	-	-	-	-	-	-	1.37	0.02	-0.67
	Dec ^R	121.69	-	-	-	-	-	-	-	-1.34	-2.01
2016	Mar ^R	120.06	-	-	-	-	-	-	-	-	-0.69
	May ^P	119.24	-	-	-	-	-	-	-	-	-

P: Provisional
Source: SBP



Capital Market

KSE-100 Index has increased by 4.4 percent and Market Capitalization by 3.6 percent during July 2016 so far.

Performance of Karachi Stock Exchange

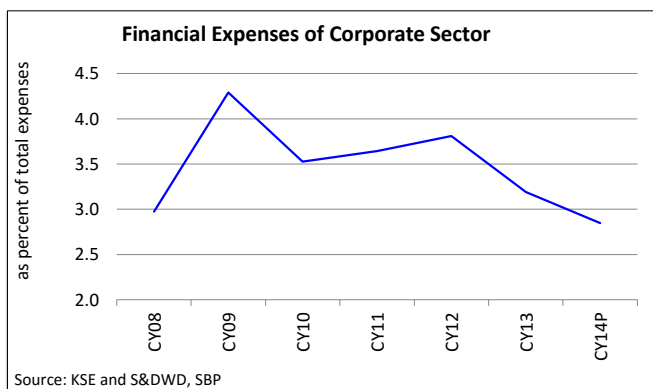
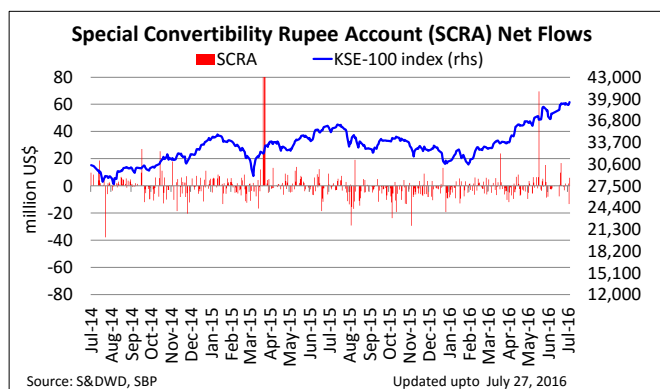
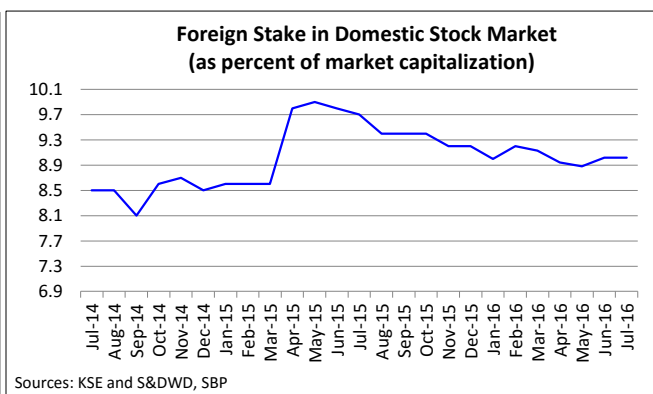
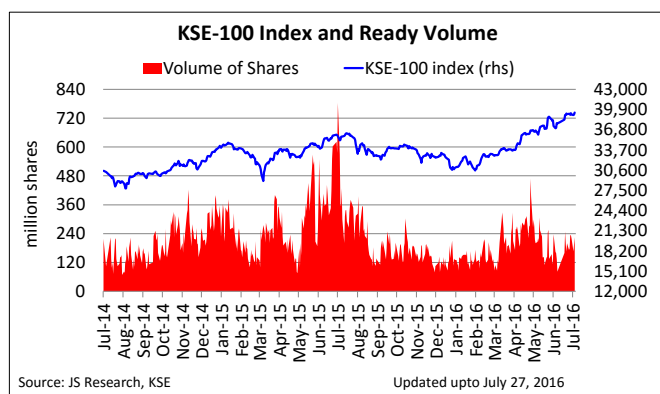
	July-16 ¹	Jun-16	FY-16	FY-15	Percentage change during		
					July FY17 ²	FY16	FY15
End-period KSE-100 index	39,435	37,784	37,784	34,399	4.4	9.8	16.0
End-period KSE-30 index	22,759	21,653	21,653	21,573	5.1	0.4	5.7
Market capitalization (billion Rs) ³	7,813	7,545	7,158	7,211	3.6	-0.7	16.9
Ready volume (million shares) ³	193	171	208	220	-	-	-
SCRA flows (US\$ million) ⁴	11.8	77.8	-517.2	826.7	-	-	-

¹ Upto July 27, 2016

² Reflects growth since end of the previous month

³ Average during the period

⁴ Cumulative net flow during the period upto July 27, 2016



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 Q3-FY16 compared to the previous quarter.

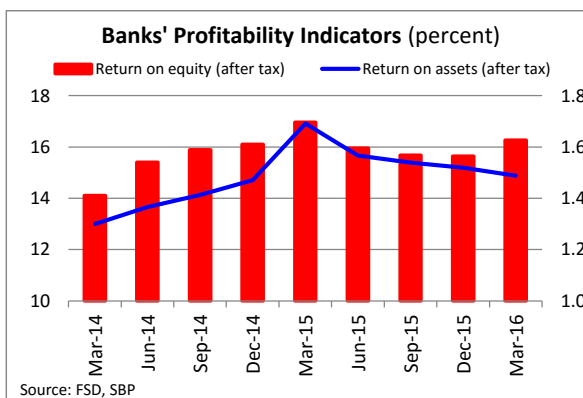
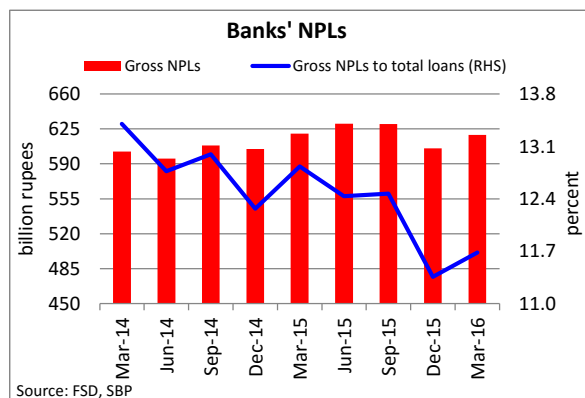
percent

	Mar 2015	Jun 2015	Sep 2015	Dec 2015	Mar 2016
Risk weighted CAR ¹	17.4	17.2	18.2	17.3	16.3
Gross NPLs to total loans	12.8	12.4	12.5	11.4	11.7
Provision to NPLs	80.2	80.8	81.8	84.9	83.6
Net NPLs to net loans	2.8	2.7	2.5	1.9	2.1
Returns on assets (before tax)	2.6	2.7	2.6	2.5	2.3
Return on assets (after tax)	1.7	1.6	1.5	1.5	1.5
ROE (before tax) ²	26.0	27.5	26.6	25.8	25.1
ROE (after tax) ²	17.0	15.9	15.7	15.6	16.3
Net interest income/gross income	68.4	67.5	69.1	70.4	70.0
Liquid assets/total assets	51.9	52.3	53.8	53.8	55.9
Liquid assets/total deposits	70.4	69.5	74.8	73.3	77.3
Advances/deposits	46.9	45.7	46.7	46.4	46.3

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: Financial Stability Department (FSD), SBP