



Monetary Policy Information Compendium

May 2016

Consolidated by

Statistics & DWH Department

STATE BANK OF PAKISTAN

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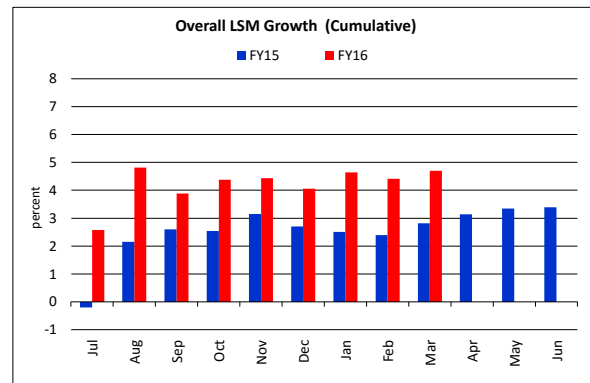
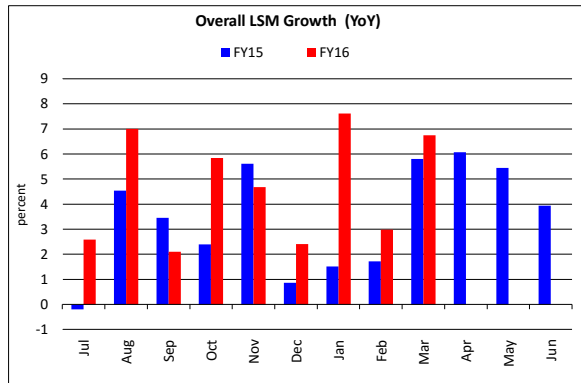


Growth

Cumulative growth of 4.7 percent has been recorded in the LSM sector for Jul-Mar FY16, compared to a growth of 2.8 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-16	Mar-15	FY16	FY15
Overall	70.2	6.7	5.8	4.7	2.8
Textile	20.9	↓ -0.8	↑ 0.6	↑ 0.6	↑ 1.0
Food, beverages and tobacco	12.4	↑ 17.8	↑ 8.8	↑ 3.7	↓ -0.8
Petroleum products	5.4	↓ -9.2	↑ 9.5	↑ 4.3	↑ 3.2
Iron and steel products	5.4	↓ -11.6	↑ 44.9	↓ -7.5	↑ 35.6
Non-metallic mineral products	5.4	↑ 20.6	↓ -9.0	↑ 10.2	↑ 2.7
Automobile	4.6	↓ -1.8	↑ 30.7	↑ 23.4	↑ 17.1
Fertilizer	4.4	↑ 14.9	↑ 6.0	↑ 15.9	↑ 1.0
Pharmaceuticals	3.6	↑ 8.5	↑ 14.1	↑ 7.2	↑ 6.8
Paper and board	2.3	↑ 9.3	↓ -11.2	↓ -2.9	↓ -5.7
Electronics	2.0	↓ -21.8	↓ -0.2	↓ -10.0	↑ 8.5
Chemicals	1.7	↑ 0.8	↑ 13.8	↑ 10.0	↑ 6.7
Leather products	0.9	↑ 17.7	↑ 2.4	↑ 12.2	↑ 9.1
Wood products	0.6	↓ -96.9	↓ -83.4	↓ -58.0	↓ -78.5
Engineering products	0.4	↓ -24.4	↓ -33.1	↓ -17.7	↓ -10.7
Rubber products	0.3	↑ 12.0	↑ 3.7	↑ 11.7	↑ 1.9



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
	FY16 ¹	FY15	FY14		FY15	FY14	FY15 over FY14		FY15	FY14	
Cotton ¹	15.5	14.0	12.8	↑ 9.3	3.0	2.8	↑ 5.5		801	774	↑ 3.6
Sugarcane	68.0	62.7	67.5	↓ -7.1	1.1	1.2	↓ -2.7		54,910	57,511	↓ -4.5
Rice	6.9	7.0	6.8	↑ 3.0	2.9	2.8	↑ 3.7		2,423	2,437	↓ -0.6
Wheat	26.0	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.

¹: Target

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



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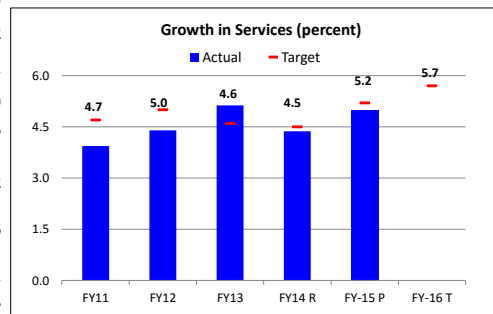
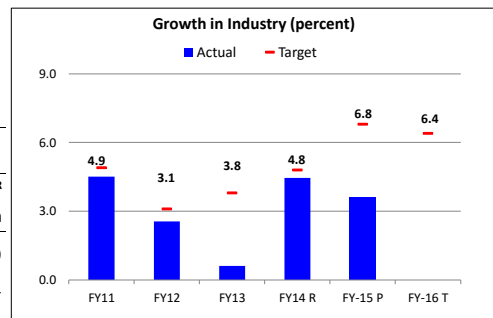
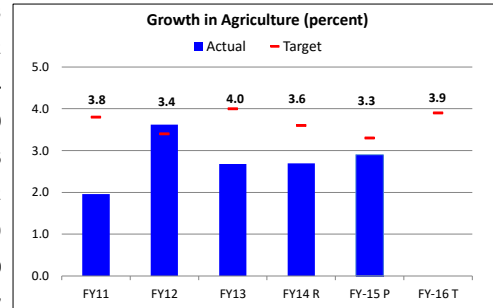
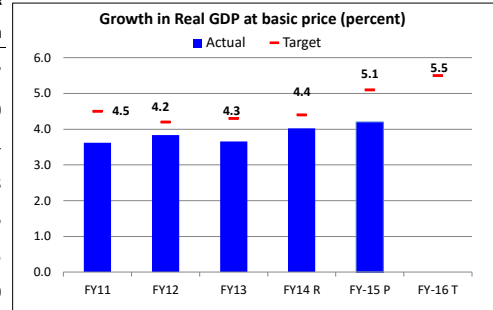
Real GDP (Provisional) shows growth of 4.2 percent during FY15, lower than the target of 5.1 percent.

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

	FY15 ^P			FY14 ^R Growth
	Growth	Shares	Contribution ³	
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	Contribution ⁵	
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		5.9	1.0	
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 FY16, shown in the graphs are based on FY00 prices (as base year).

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

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

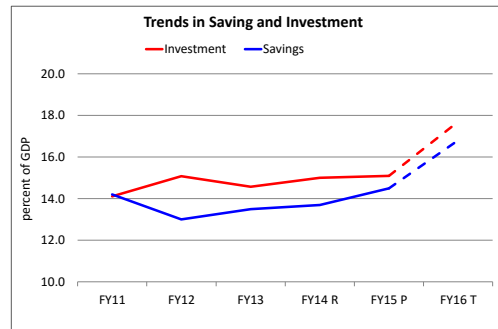


Saving and Investment

Savings-investment gap in FY15 improved significantly since the national savings as percent of GDP increased to 14.5 in FY15 from 13.7 percent in FY14.

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

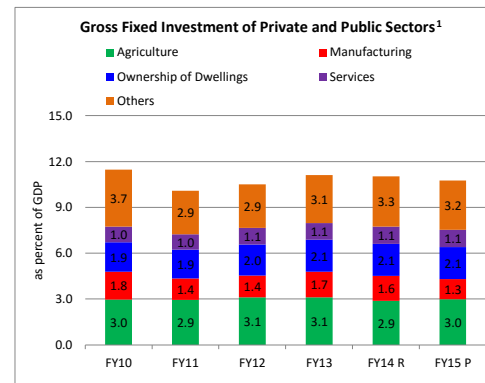
	FY16	Actual	
	Target	FY15 ^P	FY14 ^R
A. Investment	17.7	15.1	15.0
Gross fixed investment	16.1	13.5	13.4
Private sector	12.2	9.7	10.0
Public including general public	4.0	3.9	3.4
Change in capital stocks	1.6	1.6	1.6
B. National savings	16.8	14.5	13.7
C. Domestic savings	-	-	-
Saving investment gap (B - A)	-1.0	-0.6	-1.3



Gross fixed investment in the Manufacturing and Transport & communication sectors as percent of GDP 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,

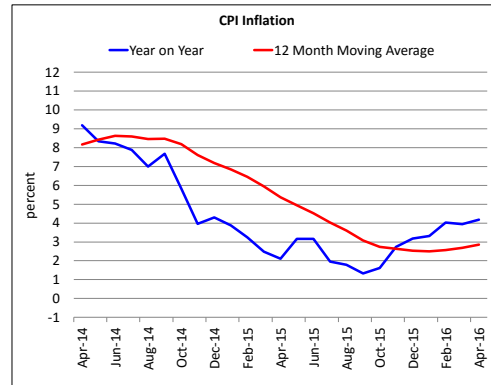


Inflation

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

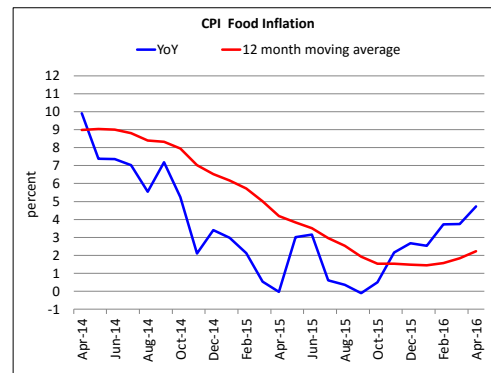
Headline CPI inflation (YoY) increased to 4.2 percent in April 2016 from 3.9 percent in the previous month.

Consumer Price Index (CPI) (percent change)				12M moving average ⁴
	MoM ¹	MoM SA ²	YoY ³	
Apr-15	1.3	0.4	2.1	5.4
May-15	0.8	1.0	3.2	4.9
Jun-15	0.6	0.7	3.2	4.5
Jul-15	0.5	-0.5	1.9	4.0
Aug-15	0.2	-0.1	1.8	3.6
Sep-15	-0.1	0.0	1.3	3.1
Oct-15	0.5	0.3	1.6	2.7
Nov-15	0.6	0.9	2.7	2.6
Dec-15	-0.6	0.6	3.2	2.5
Jan-16	0.2	0.0	3.3	2.5
Feb-16	-0.3	0.6	4.0	2.6
Mar-16	0.1	0.1	3.9	2.7
Apr-16	1.5	0.6	4.2	2.9
3-year average for April	1.5	0.6	5.2	



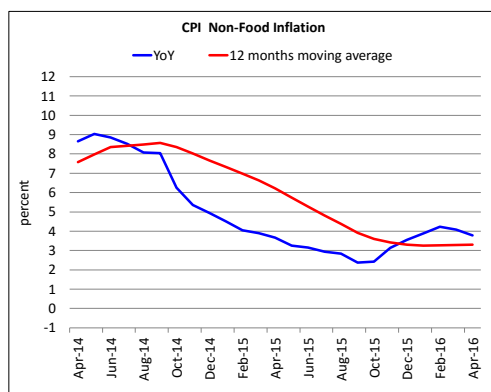
Food inflation (YoY) increased to 4.7 percent in April 2016 from 3.7 percent in the previous month.

CPI - Food (37.48 % weight in basket) (percent change)				
Apr-15	1.4	0.1	0.0	4.2
May-15	1.8	2.1	3.0	3.8
Jun-15	1.2	1.3	3.2	3.5
Jul-15	0.1	-1.7	0.6	3.0
Aug-15	0.3	-0.4	0.4	2.5
Sep-15	-0.4	-0.3	-0.1	1.9
Oct-15	0.4	0.4	0.5	1.5
Nov-15	1.2	1.2	2.2	1.5
Dec-15	-1.6	0.6	2.7	1.5
Jan-16	-0.6	-0.4	2.5	1.4
Feb-16	-0.7	0.9	3.7	1.6
Mar-16	0.5	0.0	3.7	1.8
Apr-16	2.4	1.0	4.7	2.2
3-year average for April	1.9	0.6	4.9	



Non-food inflation (YoY) decreased to 3.8 percent in April 2016 from 4.1 percent in the previous month.

CPI - Non Food (62.52 % weight in basket) (percent change)				
Apr-15	1.3	0.6	3.7	6.2
May-15	0.0	0.3	3.3	5.7
Jun-15	0.2	0.3	3.2	5.3
Jul-15	0.8	0.4	2.9	4.8
Aug-15	0.1	0.1	2.8	4.4
Sep-15	0.1	0.2	2.4	3.9
Oct-15	0.5	0.2	2.4	3.6
Nov-15	0.2	0.6	3.1	3.4
Dec-15	0.2	0.5	3.6	3.3
Jan-16	0.8	0.4	3.9	3.3
Feb-16	0.0	0.3	4.2	3.3
Mar-16	-0.1	0.2	4.1	3.3
Apr-16	1.0	0.2	3.8	3.3
3-year average for April	1.2	0.5	5.4	



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.

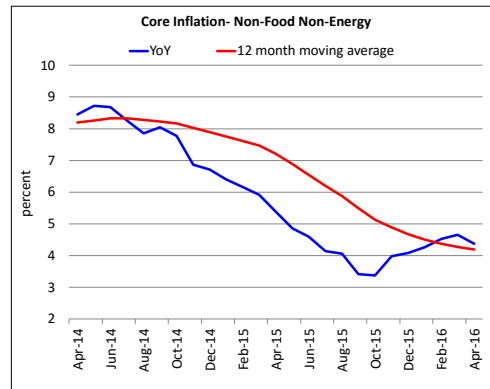


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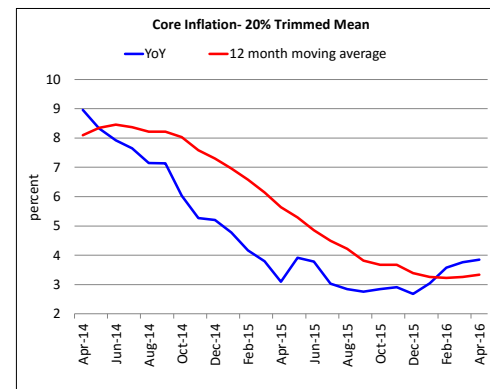
The non-food non-energy (NFNE) core inflation (YoY) decreased to 4.4 percent in April 2016 from 4.7 percent in the previous month.

	MoM	YoY	12M moving average
Apr-15	1.4	5.4	7.2
May-15	0.0	4.9	6.9
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
3-year average for April	1.4	6.1	



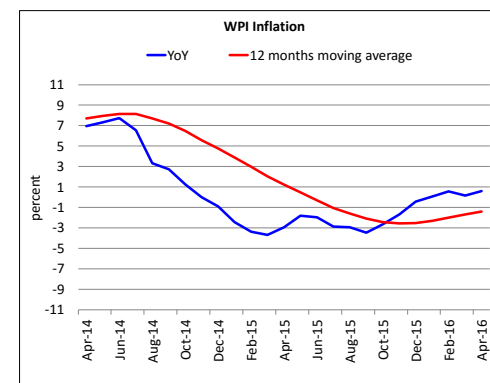
The 20 percent trimmed mean measure of core inflation (YoY) remained at level of 3.8 percent in April 2016 as in the previous month.

	MoM	YoY	12M moving average
Apr-15	0.6	3.1	5.6
May-15	0.1	3.9	5.3
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
3-year average for April	0.7	5.3	



The WPI inflation (YoY) stood at 0.6 percent in April 2016 compared to 0.2 percent in the previous month.

	MoM	MoM SA	YoY	12M moving average
Apr-15	0.9	0.2	-2.9	1.2
May-15	1.1	1.0	-1.8	0.5
Jun-15	1.2	0.5	-2.0	-0.3
Jul-15	-0.4	-0.5	-2.9	-1.1
Aug-15	-0.6	-0.9	-2.9	-1.6
Sep-15	-0.4	-0.2	-3.5	-2.1
Oct-15	0.5	0.4	-2.7	-2.4
Nov-15	0.0	0.6	-1.7	-2.6
Dec-15	-0.6	0.5	-0.4	-2.5
Jan-16	-0.5	-0.6	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	0.6	0.6	-1.4
3-year average for April	0.8	0.1	1.5	



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

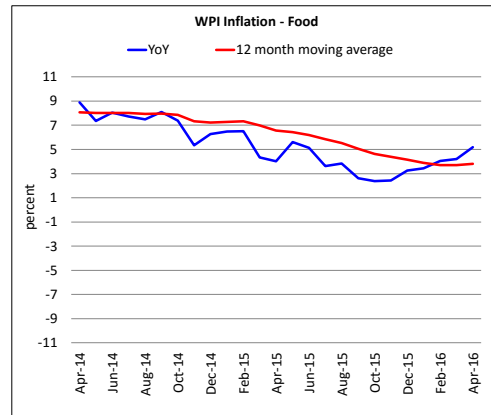


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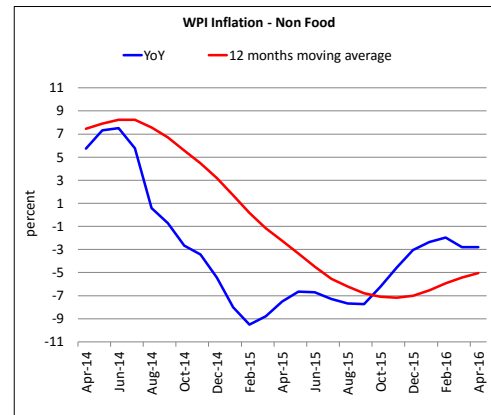
WPI food inflation (YoY) increased to 5.2 percent in April 2016 from 4.2 percent in the previous month.

WPI -Food (38.82% weight in basket) (percent change)				
	MoM	MoM SA	YoY	12M moving average
Apr-15	1.5	0.2	4.0	6.6
May-15	1.2	1.2	5.6	6.4
Jun-15	1.9	0.8	5.1	6.2
Jul-15	0.6	-0.5	3.6	5.8
Aug-15	1.0	0.5	3.8	5.5
Sep-15	-0.7	-0.5	2.6	5.1
Oct-15	0.0	0.1	2.4	4.6
Nov-15	-0.7	0.3	2.4	4.4
Dec-15	-0.9	0.7	3.2	4.1
Jan-16	0.2	0.5	3.4	3.9
Feb-16	0.0	0.9	4.0	3.7
Mar-16	0.1	-0.1	4.2	3.7
Apr-16	2.4	1.1	5.2	3.8
3-year average for April	1.9	0.7	6.0	



WPI non-food inflation (YoY) stood at level of -2.8 percent in April 2016 as in the previous month.

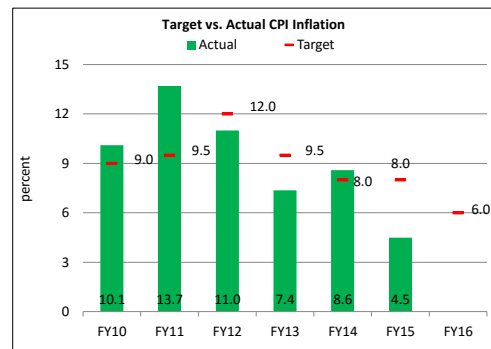
WPI - Non Food (61.18% weight in basket) (percent change)				
	MoM	MoM SA	YoY	12M moving average
Apr-15	0.4	0.1	-7.5	-2.2
May-15	1.0	0.9	-6.6	-3.4
Jun-15	0.7	0.3	-6.7	-4.5
Jul-15	-1.1	-0.5	-7.3	-5.5
Aug-15	-1.7	-1.8	-7.7	-6.2
Sep-15	-0.2	0.0	-7.7	-6.8
Oct-15	0.9	0.6	-6.2	-7.1
Nov-15	0.6	0.7	-4.6	-7.2
Dec-15	-0.5	0.3	-3.0	-7.0
Jan-16	-1.1	-1.5	-2.4	-6.6
Feb-16	-1.1	-1.1	-2.0	-5.9
Mar-16	-0.8	-0.9	-2.8	-5.4
Apr-16	0.4	0.2	-2.8	-5.1
3-year average for April	-0.1	-0.3	-1.5	



Average CPI inflation is recorded at 2.8 percent during Jul-Apr FY16 compared to 4.8 percent in the same period of FY15.

Average CPI and WPI Inflation (percent change)				
	CPI			WPI
	Headline	Food	Non Food	
FY-15	4.5	3.5	5.3	-0.3
Jul-Apr FY15	4.8	3.6	5.7	0.0
Jul-Apr FY16	2.8	2.1	3.3	-1.3

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) increased in April 2016 due to increase of food inflation.

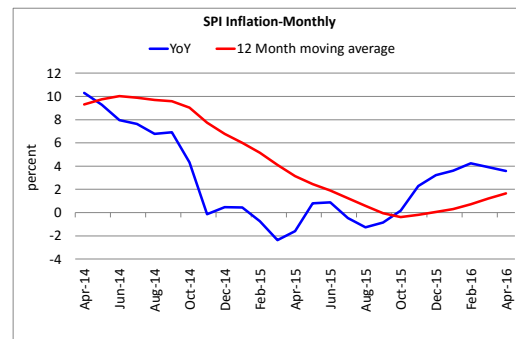
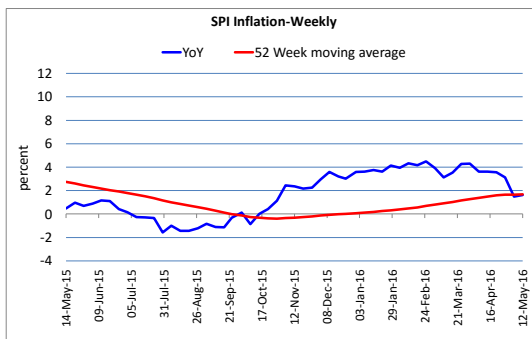
Group-Wise CPI Inflation

Groups	Weights	Apr-16			Mar-16		
		MoM	YoY	12m MA ¹	MoM	YoY	12m MA ¹
I. Food group	37.5	2.4	4.7	2.2	0.5	3.7	1.8
Food and non-alcoholic beverages	34.8	2.5	3.5	1.2	0.5	2.5	0.8
Alcoholic beverages and tobacco	1.4	1.6	29.0	21.3	0.4	27.1	20.5
Restaurant & hotels	1.2	0.0	5.7	4.8	0.9	5.9	4.7
II. Non-food group	62.5	1.0	3.8	3.3	-0.1	4.1	3.3
Clothing and footwear	7.6	0.6	4.9	5.0	0.6	5.3	5.2
Housing, water, electricity, gas fuels	29.4	0.9	5.3	5.1	0.0	5.1	5.1
Furnishing & household equipment maintenance etc.	4.2	0.3	4.3	4.1	0.3	4.6	4.1
Health	2.2	0.9	5.1	3.4	0.8	4.8	3.3
Transport	7.2	0.6	-4.2	-7.6	-3.3	-3.9	-8.1
Communication	3.2	0.0	0.4	0.4	0.1	0.4	0.4
Recreation and culture	2.0	0.5	1.5	2.2	0.2	2.6	2.3
Education	3.9	5.0	5.9	9.0	0.4	9.6	9.6
Miscellaneous	2.8	0.2	4.0	3.1	1.0	4.5	3.1
Overall	100	1.5	4.2	2.9	0.1	3.9	2.7

SPI inflation (WoW) stood at -0.10 percent during the second week of May 2016 as compared to -0.27 percent in a week earlier.

Sensitive Price Indicator (SPI) (percent change)

Income groups	21-Apr-16	28-Apr-16	5-May-16	12-May-16	Apr-16		
	WoW ²				MoM	YoY	12m MA ¹
Up to Rs 8000	-0.30	-0.41	-0.41	-0.09	-0.1	2.9	1.4
Rs 8001-12000	-0.26	-0.40	-0.36	-0.09	0.1	3.6	1.7
Rs 12001-18000	-0.24	-0.40	-0.33	-0.11	0.2	2.5	1.2
Rs 18001-35000	-0.23	-0.39	-0.28	-0.11	0.3	4.0	2.1
Above Rs 35000	-0.12	-0.36	-0.21	-0.10	0.6	4.0	1.6
All	-0.19	-0.39	-0.27	-0.10	0.4	3.6	1.6



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\$ 1.52 billion during Jul-Apr FY16, compared to a deficit of US\$ 1.85 billion in the same period last year.

Balance of Payments Summary (million US\$)

Items	Jul-Apr		FY15	FY14
	FY16	FY15		
A) Current account balance (CAB)	-1,519	-1,846	-2,709	-3,130
Trade balance	-14,550	-14,228	-17,284	-16,701
Exports	18,178	20,095	24,083	25,068
Imports	32,728	34,323	41,367	41,769
Services (net); of which	-1,667	-2,047	-2,884	-2,551
CSF	937	1,452	1,452	1,050
Income (net)	-3,833	-3,662	-4,581	-3,943
Current transfers (net); of which	18,531	18,091	22,040	20,065
Remittances	16,034	15,236	18,721	15,837
B) Capital and financial (C&F) account balance ; of which	2,925	3,673	5,371	7,410
Foreign direct investment (net) ¹	1,002	893	850	1,572
Foreign portfolio investment (net)	-445	1,812	1,884	2,760
Other investment assets	101	23	89	211
Other investment liabilities	1,972	592	2,173	1,010
Of which : General government	2,300	481	1,400	1,610
of which: Disbursements	4,661	2,847	4,243	4,349
Amortization	2,361	2,364	2,841	2,734
C) Net Errors and omissions	-514	289	-16	-422
Overall balance (A+B+C)	892	2,116	2,646	3,858
SBP gross reserves²	17,223	13,919	14,836	10,509
SBP net liquid reserves³	15,905	12,517	13,525	9,097
As percent of GDP⁴				
Current account balance; of which			-1.0	-1.3
Exports			8.9	10.3
Imports			15.3	17.2
Capital and financial inflows; of which			2.0	3.0
FDI			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 FY14 revised, provisional GDP has been used and average exchange rate has been used to calculate GDP in US\$.

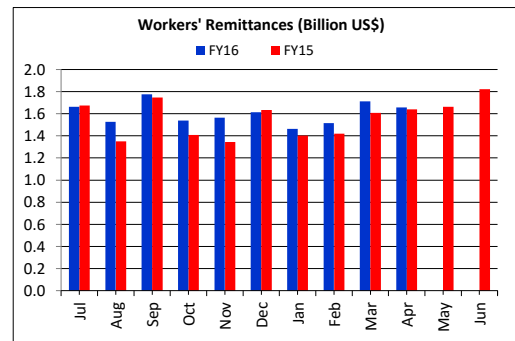
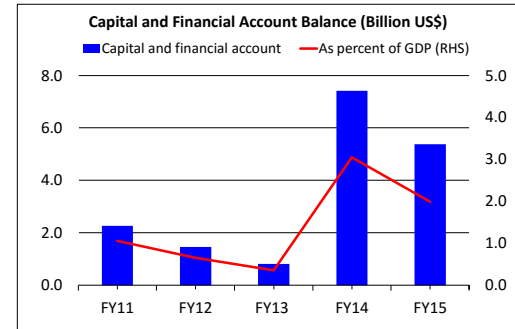
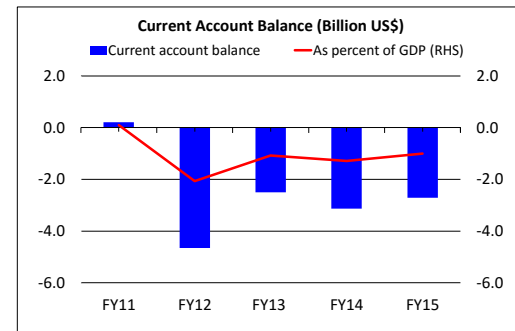
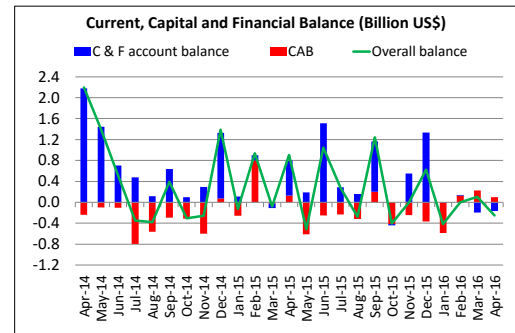
Workers' remittances registered a growth of 5.2 percent during Jul-Apr FY16.

Workers' Remittances⁵ (million US\$)

	Jul-Apr		FY15	YoY growth in Jul-Apr FY16
	FY16	FY15		
Total inflows	16,034	15,235	18,720	5.2
USA	2,088	2,223	2,703	-6.1
UK	2,022	1,934	2,376	4.6
Saudi Arabia	4,833	4,565	5,630	5.9
UAE	3,545	3,409	4,232	4.0
Other GCC ⁶	1,966	1,773	2,173	10.9
All others	1,580	1,331	1,606	18.7

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

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





Trade and Foreign Investment

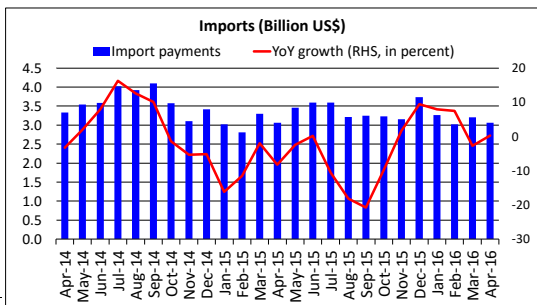
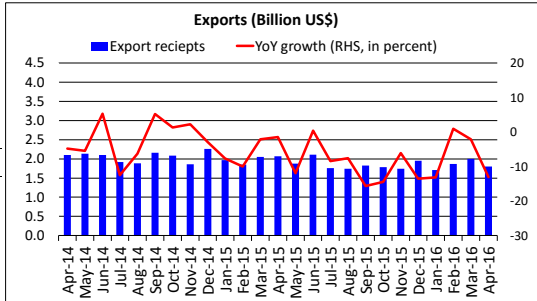
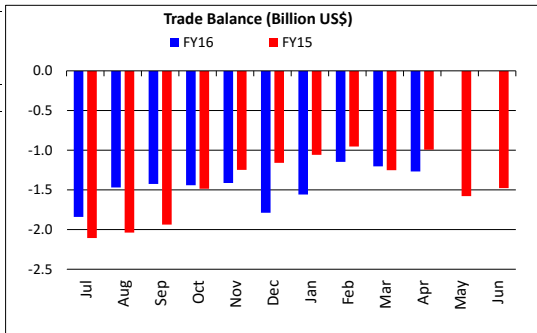
Trade Balance witnessed a deficit of US\$ 14.55 billion during Jul-Apr FY16, compared to a deficit of US\$ 14.23 in the same period last year.

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

	Jul-Apr		FY15	Shares ¹ Jul-Apr FY16
	FY16	FY15		
Exports	18,178	20,095	24,083	100
Textile group	10,652	11,294	13,540	59
Knitwear, bed wear	3,678	3,739	4,472	20
Cotton cloth	1,952	2,082	2,487	11
Cotton Yarn	1,098	1,508	1,818	6
Readymade garments	1,791	1,699	2,044	10
Other manufactures group	3,125	3,662	4,410	17
Chemical and pharma	851	1,028	1,250	5
Leather items ²	752	896	1,073	4
Cement	295	350	417	2
Engineering goods	179	231	275	1
Jewellery	6	9	11	0
Food group	3,086	3,683	4,402	17
Rice	1,514	1,721	2,038	8
All others	1,315	1,455	1,730	7
Imports	32,728	34,323	41,367	100
Petroleum group	6,377	10,361	12,167	19
Petroleum products	4,141	6,535	7,774	13
Petroleum crude	2,236	3,826	4,393	7
Machinery group	4,987	4,605	5,609	15
Telecom	922	1,044	1,225	3
Electrical machinery	1,055	744	935	3
Power machinery	859	610	814	3
Agriculture & other chemicals group	5,545	5,599	6,699	17
Plastic materials	1,465	1,458	1,772	4
Fertilizer manufactured	663	653	700	2
Food group	3,753	3,868	4,624	11
Palm oil	1,312	1,433	1,681	4
Tea	410	286	364	1
Metal group	2,920	2,696	3,247	9
Iron steel (IS) and IS scrap	2,356	2,234	2,675	7
All others	9,147	7,195	9,021	28
Trade Balance	-14,550	-14,228	-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-Apr FY16.

² Includes tanned and manufactured leather.

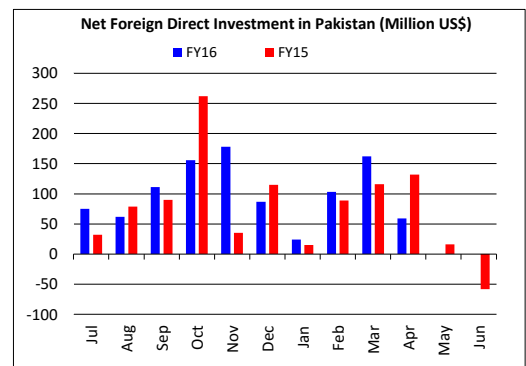


FDI (net) inflows registered an increase of 5.4 percent during Jul-Apr FY16.

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

	Jul-Apr		FY15	YoY growth in Jul-Apr FY16
	FY16	FY15		
Net inflows: Of which	1,016	964	923	5.4
Selected Countries				
USA	-76	182	209	-141.6
UAE	137	189	219	-27.5
UK	58	133	170	-56.6
China	550	218	257	152.3
Selected Sectors				
Communication	55	63	45	-13.2
Financial businesses	23	218	256	-89.4
Oil and gas exploration	235	230	299	2.0
Power	518	168	219	208.1
Trade	19	38	50	-51.1
Memorandum Item:				
Net overall FDI³	1002	893	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.

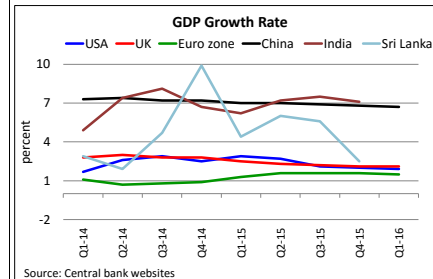
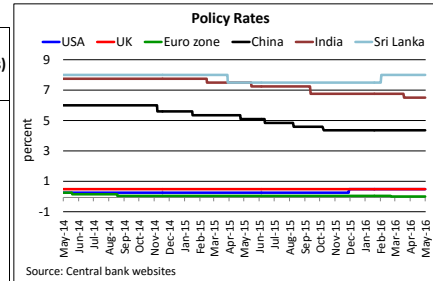


Global Economy

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	0.10	5-Oct-2010	0.30	↓ -20
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	3.25	10-Jul-2014	3.00	↑ 25
Indonesia	6.75	17-Mar-2016	7.00	↓ -25
Thailand	1.50	29-Apr-2015	1.75	↓ -25



Real GDP growth in the countries has shown mixed trend in Q1-CY16 as compared to Q1-CY15.

Key Macroeconomic Indicators

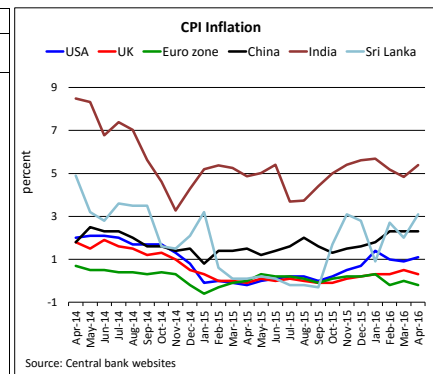
	Inflation (YoY) ¹ Apr-16	GDP growth ² Q1-2016	Current account balance ³	Fiscal balance ³	Reserves ⁵ (billion US\$) Mar-16	Lending rates ⁶	
			as a percent of GDP ⁴			Nominal	Real
USA	1.1	1.9	-2.7	-2.5	41.5	3.5	2.6
UK	0.3	2.1	-4.7	-3.6	107.7	0.5	0.2
Euro zone	-0.2	1.5	2.8	-1.9	249.3	7.0	7.2
Japan	-0.1	0.0	3.8	-6.2	1201.7	1.1	0.8
Australia	1.3	3.0	-4.1	-2.0	41.2	5.7	4.0
China	2.3	6.7	2.8	-3.0	3212.6	4.4	2.1
India	5.4	7.1	-1.0	-3.7	325.0	9.7	4.0
Sri Lanka	3.1	2.5	-	-	5.3	7.8	6.9
South Korea	1.0	2.7	7.3	0.5	356.7	3.5	2.7
Malaysia	2.6	4.2	2.7	-3.7	93.6	4.6	0.4
Indonesia	3.6	4.9	-2.4	-1.9	101.8	12.3	7.8
Thailand	0.1	3.2	2.3	-2.1	166.9	6.5	7.0

¹ Values of Inflation of Japan, Australia and Malaysia pertains to March 2016; ² Annual growth, measured as a percentage change over the same quarter of previous year, GDP growth of Australia, India and Sri Lanka pertains to Q4 of 2015; ³ Latest 12 months; ⁴ The Economist, Economic and Financial indicators, May 07, 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 3.2 percent in April 2016.

World Economic Outlook - Real GDP Growth

	2015 (IMF)	2016 Projections		
		IMF	World Bank	OECD
World output	3.1	3.2	2.9	3.3
Advanced	1.9	1.9	2.1	-
US	2.4	2.4	2.7	2.5
Euro area	1.6	1.5	1.7	1.8
Japan	0.5	0.5	1.3	1.0
UK	2.2	1.9	2.4	2.4
Emerging & Developing	4.0	4.1	4.8	-
Russia	-3.7	-1.8	-0.7	-0.4
China	6.9	6.5	6.7	6.5
India	7.3	7.5	7.8	7.3
ASEAN-5	4.7	4.8	-	-



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



Monetary Policy Information Compendium

May 2016

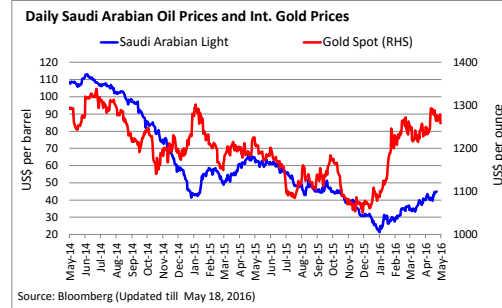
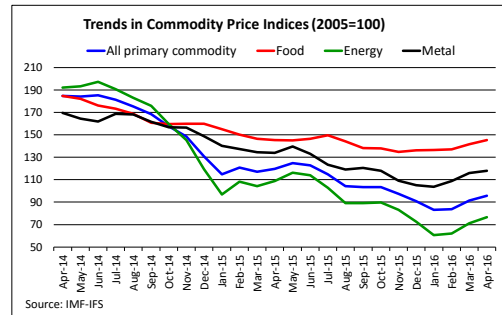
All commodity price index of IMF has registered an increase of 4.7 percent during April 2016 over the previous month.

World Commodity Price Indices (2005=100)

	Apr-16	Percent change since	
		Mar-16	End June - 15
All commodity price index	95.7	↑ 4.7	↓ -22.1
Food price index	145.2	↑ 2.4	↓ -0.8
Energy index	76.5	↑ 7.3	↓ -32.9
Non fuel price index	128.6	↑ 2.3	↓ -6.9
Metal price index	117.8	↑ 1.6	↓ -11.5
Crude oil price (\$/bbl) *	42.0	↑ 9.5	↓ -30.6
Cotton spot (US cents/ pound) *	64.0	↑ 0.7	↓ -8.5
Palm oil (\$/m. ton)	681.1	↑ 7.6	↑ 12.3
Soya bean Oil (\$/m. ton)	748.5	↑ 4.9	↑ 1.4
Wheat (\$/m. ton)	163.4	↓ -0.4	↓ -18.2
Gold spot (\$/Oz) *	1275.4	↑ 2.7	↑ 8.8
Sugar (US cents/pound)	27.9	↑ 6.0	↑ 12.7

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 18, 2016. The percentage changes have been calculated by taking average prices of current month with the previous month and end June prices.



Most of the Stock Price Indices under review have shown downward trend during May 2016 so far as compared to the previous month.

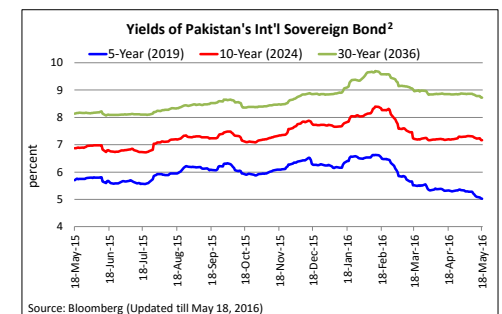
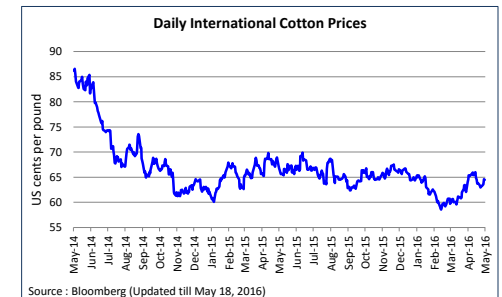
Capital Market Indices

	May-16	Percent change since	
		Apr-16	Jun-15
US (DJIA)	17697.2	↓ -0.8	↓ -1.3
DJ EURO STOXX	2957.9	↓ -2.4	↓ -16.0
UK (FTSE 100)	6141.8	↓ -2.1	↓ -9.5
Japan (Nikkei 225)	16443.7	↓ -0.6	↓ -19.4
China (SSEA)	3014.1	↓ -4.2	↓ -40.0
France (CAC 40)	4329.2	↓ -2.6	↓ -12.1
Germany (DAX)	9937.5	↓ -0.9	↓ -11.6
India (BSE)	25517.6	↑ 0.3	↓ -6.0
World dev'd (MSCI)	1649.1	↓ -0.8	↓ -6.9
Emerging Markets (MSCI)	807.4	↓ -3.4	↓ -17.7
World all (MSCI)	397.0	↓ -1.1	↓ -8.0

¹ Updated till May 18, 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)

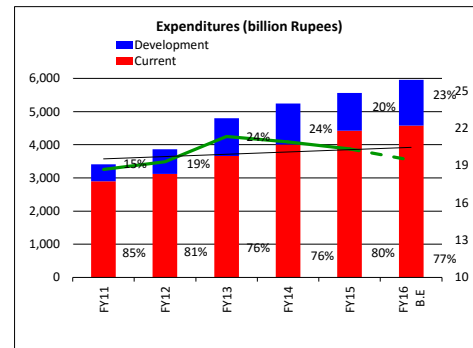
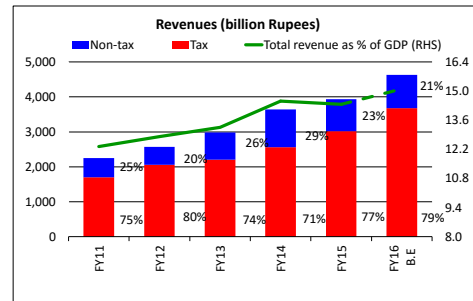
	FY16 BE ¹	Jul-Mar FY16	FY15	FY15
Total revenues	4,631	2,962	2,683	3,931
Tax revenue	3,681	2,481	2,063	3,018
Growth (YoY) %	22.0	20.3	15.5	17.7
of which: FBR revenues	3,104	2,103	1,775	2,588
Non-tax revenues	951	481	619	913
Growth (YoY) %	4.1	-22.4	-10.4	-14.9

Expenditures (billion Rs)

	FY16 BE ¹	Jul-Mar FY16	FY15	FY15
Total expenditures	5,960	3,971	3,732	5,388
Current	4,580	3,407	3,199	4,425
Growth (YoY) %	3.5	6.5	10.1	10.5
of which: Interest payments	1,280	1,079	975	1,304
Defence	781	483	486	698
Development Expenditure & net lending	1,380	710	594	1,141
Growth (YoY) %	21.0	19.6	6.9	-7.8
Unidentified Expenditure ²	-	-146	-61	-178

Overall Balance (billion Rs)

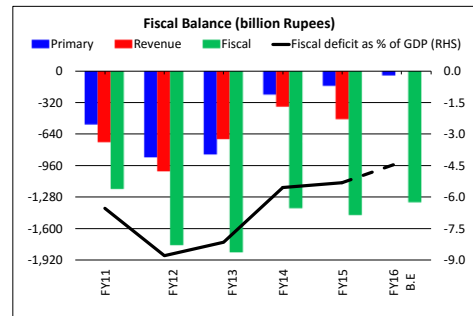
	FY16 BE ¹	Jul-Mar FY16	FY15	FY15
Fiscal balance³	-1,328	-1,009	-1,049	-1,457
Revenue balance ⁴	52	-445	-516	-494
Primary balance ⁵	-48	70	-74	-153
As percent of GDP⁶				
Fiscal balance	-4.3	-3.4	-3.6	-5.3
Revenue balance	0.1	-1.5	-1.8	-1.8
Primary balance	-0.2	0.2	-0.3	-0.6



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

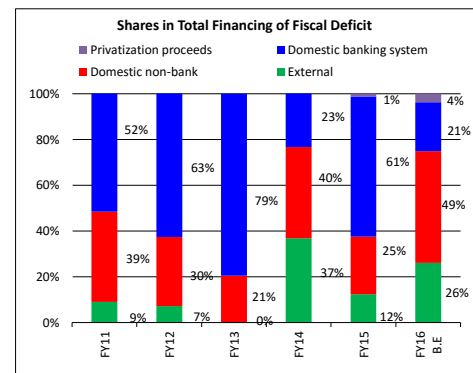
Financing of Fiscal Deficit (billion Rs)

	FY16 BE ¹	Jul-Mar FY16	FY15	FY15
Financing	1,328	1,009	1,049	1,457
1. External	346	223	138	181
2. Domestic ⁷ : of which	982	786	911	1,276
Non-bank	649	248	427	366
Banking system: of which	283	538	469	892
SBP	0	-526	-674	-434
Scheduled banks	283	1,064	1,144	1,323
Privatization proceeds	50	-	15.2	17



FBR Tax Collection⁸ (billion Rs)

	Direct	Sales	Customs	FED ⁹	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 2015-16, 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



Government Domestic Debt

Stock of government domestic debt has increased by Rs. 1,206 billion during Jul-Mar FY16.

Debt by Owner - end period stocks (billion Rs)

	Mar-16 ^P	Jun-15 ^P	Change since Jun-15
1.Bank	8,668	7,699	969
Commercial banks	6,603	5,415	1,188
SBP	2,065	2,284	-219
2.Non-bank	4,726	4,489	236
National saving schemes (NSS)	3,197	3,007	190
Others	1,528	1,482	46
3.Foreign currency instruments¹	5	5	0
Total(1+2+3)	13,398	12,193	1,206

Debt by Type - end period stocks (billion Rs)

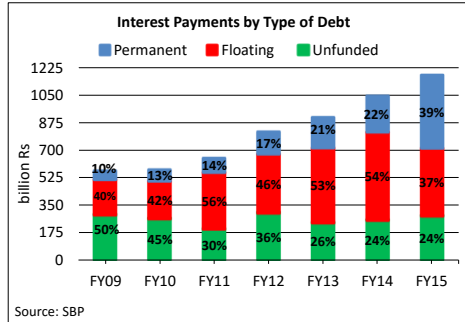
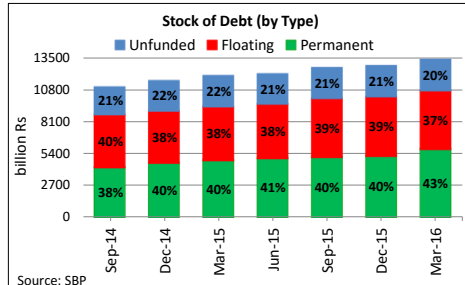
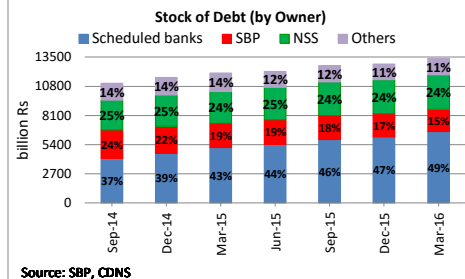
	Mar-16 ^P	Jun-15 ^P	Change since Jun-15
1.Permanent debt	5,762	5,008	754
PIBs	4,778	4,155	623
Prize bonds	617	523	94
Others ²	368	331	38
2. Floating debt	4,964	4,609	355
Bai Muajjal ³	213	0	213
MTBs	2,689	2,149	541
MRTBs-replenishment ⁴	2,062	2,460	-398
3.Unfunded debt⁵: of which	2,667	2,570	96
Saving schemes	2,514	2,417	96
4.Foreign currency instruments	5	5	0
Total(1+2+3+4)	13,398	12,193	1,206
Government domestic liabilities⁶	257	358	-101

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 2.3 percent during Jul-Mar FY16.

Debt Servicing (billion Rs)

	Jul-Mar		FY15	Percent change during FY16 over FY15
	FY16 ^P	FY15		
Permanent ⁷	488	437	463	11.9
Floating	270	312	432	-13.3
Unfunded	197	185	280	6.2
Total	955	934	1175	2.3

Indicators of Domestic Debt Sustainability

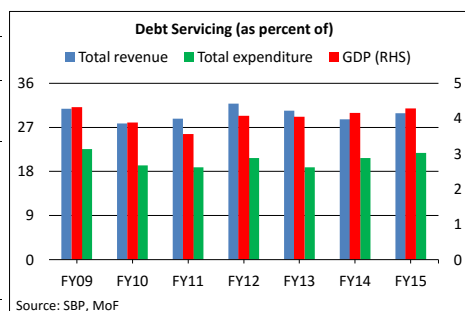
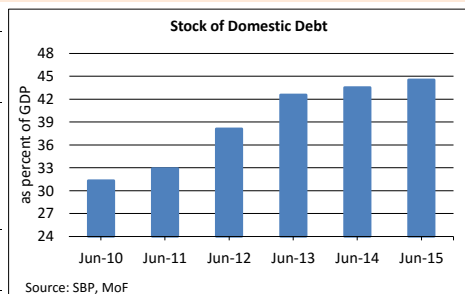
	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15
Debt stock as percent of GDP⁸	32.9	38.1	42.5	43.5	44.5
Debt servicing as percent of	FY11	FY12	FY13	FY14	FY15
GDP ⁸	3.6	4.1	4.1	4.2	4.3
Total revenue	28.8	31.8	30.4	28.7	29.9
Tax revenue	38.3	39.8	41.3	40.7	38.9
Total expenditure	18.8	20.8	18.8	20.7	21.8
Current expenditure	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 24.2 percent by the end of June 2015.

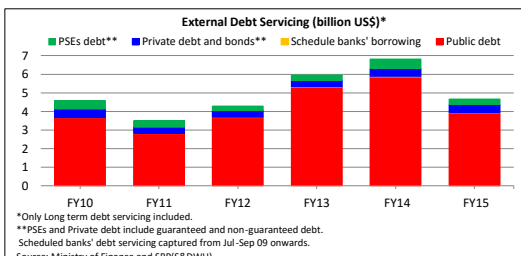
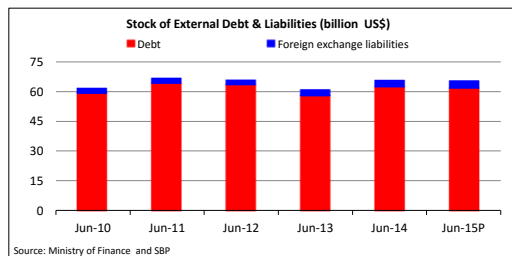
Indicators of External Debt Sustainability

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	25.7	24.2
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
GDP⁷	2.4	1.7	2.0	2.6	2.6	1.7
Reserves	24.6	18.5	28.1	54.1	46.2	25.0
Exports	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)

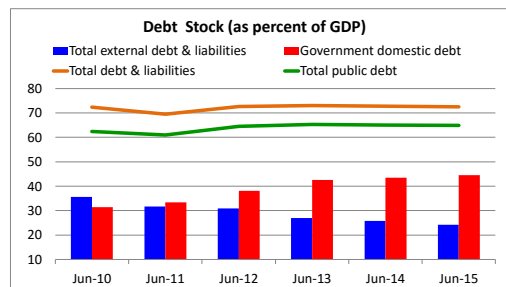
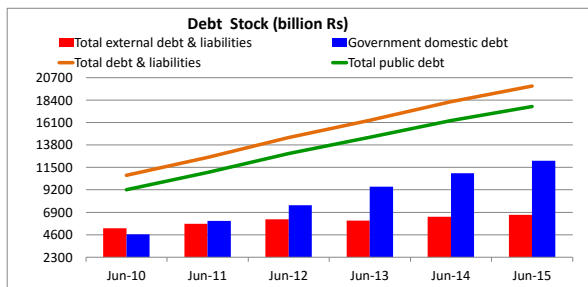
	Jul-Mar FY16 ^P	FY15	Share in Jul-Mar FY16 (percent)	Share in FY15 (percent)
Total Debt Servicing(A+B)	1334	1701	100.0	100.0
A. Total interest payment on debt and liabilities (I+II)	1083	1346	81.2	79.1
I. Interest payment on debt (a+b)	1045	1285	78.3	75.5
a. Domestic debt	955	1175	71.6	69.1
b. External 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	70.5	72.5	72.7
Total public debt	63.7	64.8	65.1
Total external debt and liabilities	23.8	24.2	25.7
Government domestic debt	43.7	44.5	43.5
PSEs debt and liabilities	4.0	4.7	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



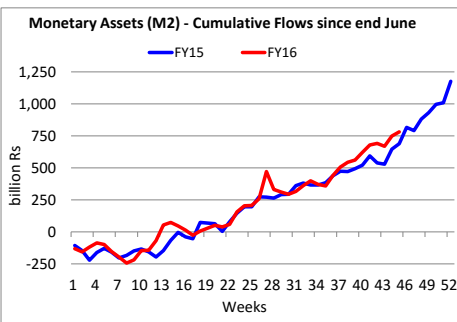
Monetary and Credit Aggregates

The contribution of NFA in monetary expansion has declined in FY16 so far as compared to the corresponding period last year.

Monetary Assets of the Banking System

(billion Rs)

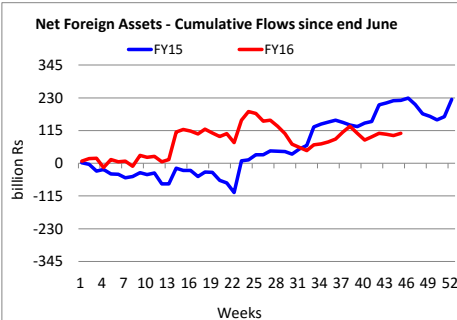
	End June 2015 stocks ^R	Cumulative flows since end-June		FY15 flows
		Latest week	A year ago	
		6-May-16	8-May-15	
NFA	812.7	105.2	222.3	219.7
NDA	10,469.4	676.6	467.6	1,095.9
Net government borrowings: of which	6,958.2	567.5	539.4	933.0
Net budgetary borrowing	6,403.6	643.0	560.8	861.0
Commodity operations	564.5	-75.0	-20.8	72.0
Non-government borrowings: of which	4,456.0	362.1	233.3	303.5
Private sector	4,003.1	311.7	171.2	223.8
PSEs	434.7	49.7	62.1	80.0
Other items (net)	-944.8	-253.0	-305.1	-140.6
M2	11,282.1	781.8	690.0	1,315.6



Monetary Liabilities of the Banking System

(billion Rs)

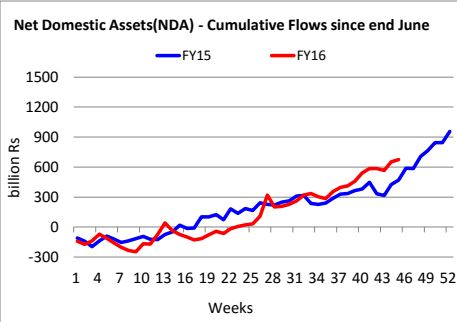
Currency in circulation	2,554.7	562.2	328.9	376.9
Total deposits with banks	8,713.6	213.8	358.5	936.6
Demand deposits with banks	7,396.8	264.5	308.6	891.0
Time deposits with banks	719.1	-45.9	44.3	47.3
RFCDs with banks	597.8	-4.8	5.6	-1.6
M2	11,282.1	781.8	690.0	1,315.6



Monetary Assets of the Banking System

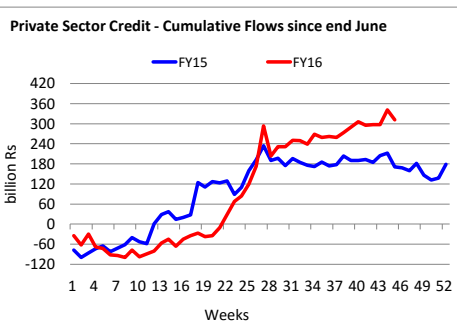
(percent growth)

	YoY (06-May-16)	Since end June		FY15
		Latest week	A year ago	
		6-May-16	8-May-15	
NFA	12.6	12.9	37.5	37.0
NDA	13.3	6.5	5.0	11.7
Government borrowings	14.6	8.2	9.0	15.5
Budgetary borrowing	15.5	10.0	10.1	15.5
Commodity operations	3.8	-13.3	-4.2	14.6
Non-government sector borrowings	9.9	8.1	5.6	7.3
Private sector	9.2	7.8	4.5	5.9
PSEs	16.2	11.4	17.5	22.5
Other items (Net)	-8.0	-26.8	-37.9	-17.5
M2	13.2	6.9	6.9	13.2



Memorandum Items

	Latest week	A year ago	FY15
	6-May-16	8-May-15	
Money multiplier	3.14	3.34	3.59
Currency to deposit ratio (percent)	34.91	30.81	29.32
M2 to GDP ratio (percent)	39.33	38.92	41.20
Private sector credit to GDP ratio (percent)	14.07	14.43	14.62



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



Monetary Policy Information Compendium

May 2016

The contribution of net foreign assets in reserve money has declined in FY16 so far as compared to the corresponding period last year.

Monetary Assets of SBP

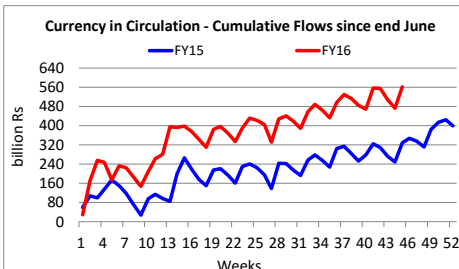
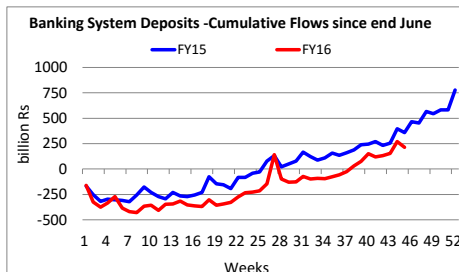
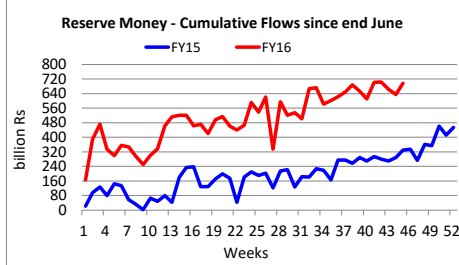
(billion Rs)

	End June 2015 stocks	Cumulative flows since end-June		FY15 Flows
		Latest week	A year ago	
		6-May-16	8-May-15	
NFA	722.4	126.4	246.9	240.7
NDA: of which	2,419.6	571.2	82.6	41.5
Budgetary borrowing	1,928.9	-59.8	-532.3	-474.1
Other items (net)	105.6	609.5	725.4	615.3
Net impact of OMOs/discounting	662.6	491.7	851.9	679.8
Reserve money	3,142.0	697.6	329.5	282.2

Monetary Liabilities of SBP

(billion Rs)

	End June 2015 stocks	Cumulative flows since end-June		FY15 Flows
		Latest week	A year ago	
		6-May-16	8-May-15	
Currency in circulation	2,554.7	562.2	328.9	376.9
Cash in tills	160.3	-14.8	-9.8	20.8
Bank deposits with SBP (reserves)	413.2	144.3	7.9	-117.5
Other deposits with SBP	13.7	5.8	2.5	2.1
	YoY (06-May-16)		(percent growth)	
NFA of the SBP	16.5	17.5	51.3	50.0
NDA of the SBP: of which	21.5	23.6	3.5	1.7
Budgetary borrowing	-0.1	-3.1	-22.2	-19.7
Reserve money	20.4	22.2	11.5	9.9



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

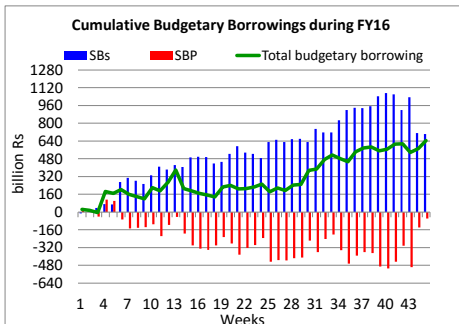
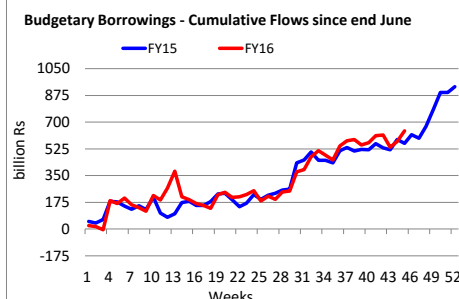
Details on Government Borrowing for Budgetary Support

(billion Rs)

	End June 2015 stocks	Cumulative flows since end-June		FY15 flows
		Latest week	A year ago	
		6-May-16	8-May-15	
Budgetary borrowing	6,403.6	643.0	560.8	861.0
Federal government	7,003.8	770.9	688.5	951.1
From SBP	2,098.6	30.5	-455.4	-462.2
SBP's holdings of MRTBs	2,281.4	6.2	-563.4	-570.9
From scheduled banks (SBs)	4,905.1	740.4	1,144.0	1,413.3
Provincial governments	-600.2	-127.9	-127.7	-90.1
From SBP ¹	-169.8	-90.3	-76.9	-11.9
From scheduled banks ²	-430.4	-37.6	-50.8	-78.2

Memorandum Items

Budgetary borrowing on cash basis	6,329.9	654.4	597.5	888.3
SBP	1,886.7	-46.0	-481.8	-434.2
Scheduled banks	4,443.3	700.4	1,079.2	1,322.6



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 AJK.

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. 323 billion during Jul-Mar FY16 compared to Rs. 217 billion during the same period of FY15.

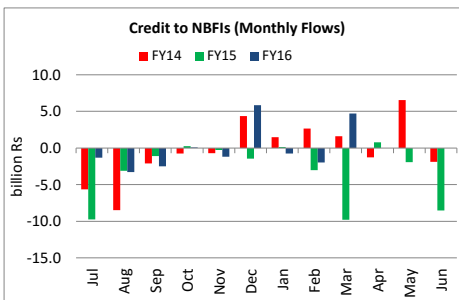
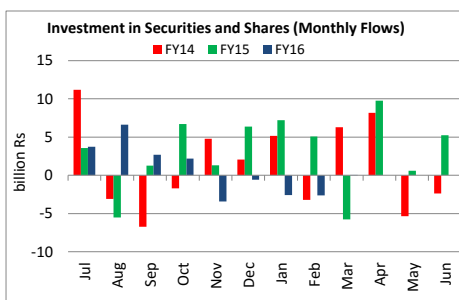
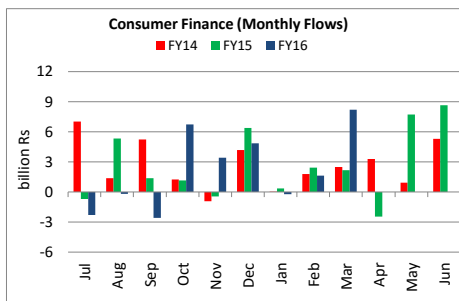
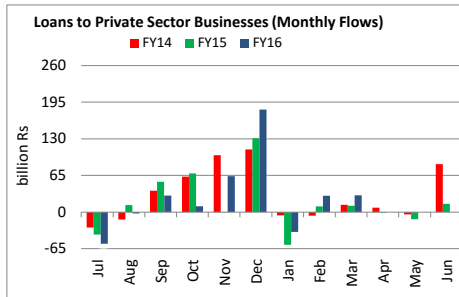
Credit to Private Sector

	End June 2015 stocks	Cumulative flows (billion Rs)		
		Jul-Mar FY16	Jul-Mar FY15	FY15
Total credit to private sector ¹	4,003.1	323.4	216.5	223.8
1. Loans to private sector businesses	3,015.5	249.0	187.6	187.7
By type				
Working capital: <i>of which</i>	1,952.0	110.9	99.9	56.6
Export finance	289.4	22.4	36.5	10.4
Import finance	181.6	20.9	17.3	24.5
Fixed investment	1,063.5	138.1	87.7	131.1
By Sectors: of which				
Agriculture	285.4	↓ -1.4	↑ 14.3	↑ 32.7
Manufacturing: of which	1,704.4	↑ 206.4	↑ 104.6	↑ 68.4
Textiles	549.7	↑ 82.5	↑ 29.5	↓ -8.4
Food products & beverages	429.7	↑ 68.7	↑ 56.8	↑ 15.3
Chemicals & products	209.7	↑ 33.1	↑ 1.9	↑ 17.9
Non-metallic mineral products	73.4	↓ -2.3	↓ -2.1	↑ 19.7
Wearing apparel, readymade gar.	53.7	↑ 3.9	↑ 0.2	↓ -0.3
Electricity, gas and water	267.2	↑ 39.8	↓ -3.2	↓ -11.4
Construction	66.0	↑ 26.7	↑ 11.0	↑ 13.6
Commerce and trade	237.0	↑ 11.3	↑ 11.1	↑ 13.7
Transport, storage and comm.	146.6	↑ 20.9	↑ 9.9	↑ 29.5
Services: of which	151.7	↑ 20.5	↑ 26.0	↑ 17.6
Real estate/renting & business act.	97.7	↑ 7.1	↑ 17.8	↑ 8.2
2. Personal: of which	383.1	↑ 18.2	↑ 24.8	↑ 45.0
Consumer financing	275.3	↑ 19.6	↑ 18.1	↑ 32.0
3. Investment in securities and shares	223.4	↑ 6.1	↑ 20.3	↑ 35.9
4. Others²: of which	381.1	↑ 50.0	↓ -16.1	↓ -44.8
Non-bank finance companies	117.3	↓ -0.3	↓ -25.7	↓ -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.

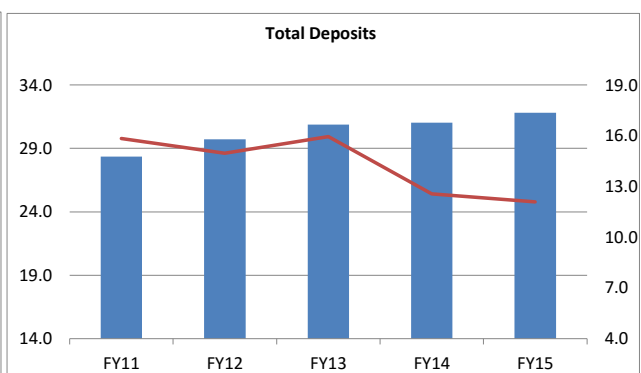
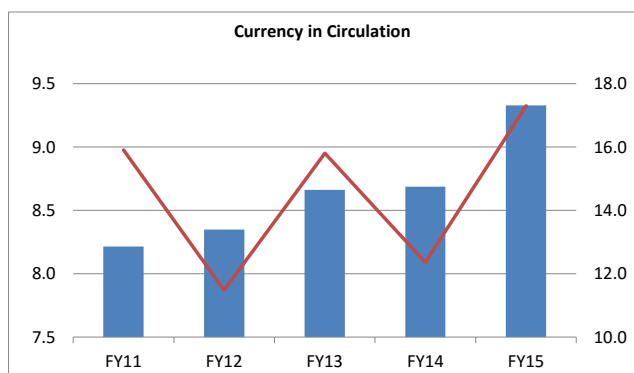
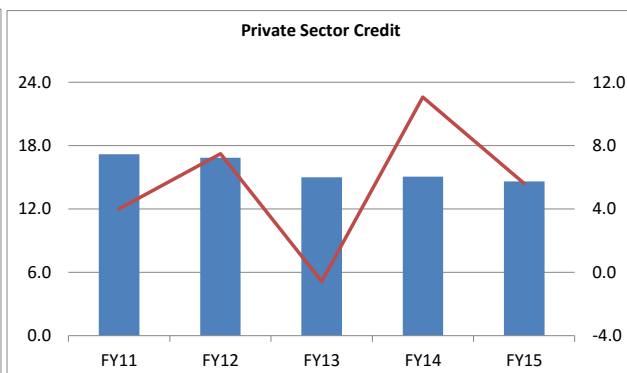
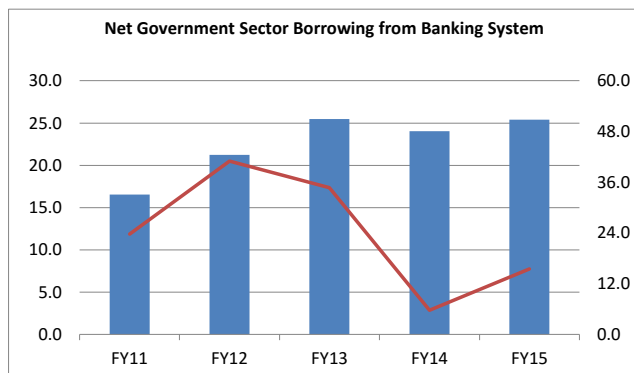
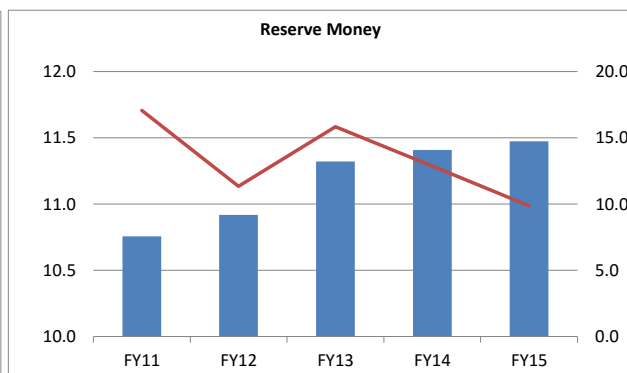
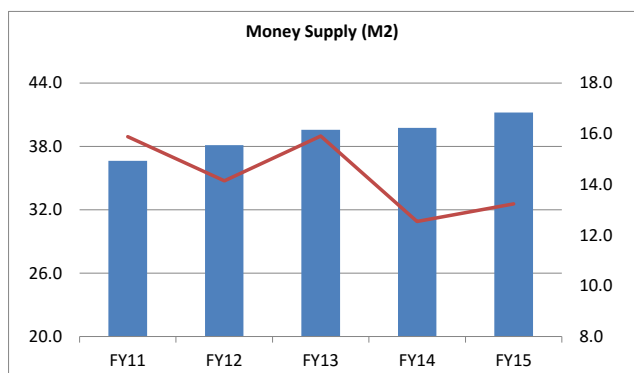




Key Indicators of Monetary Sector

■ As percent of GDP

— YoY growth (RHS)

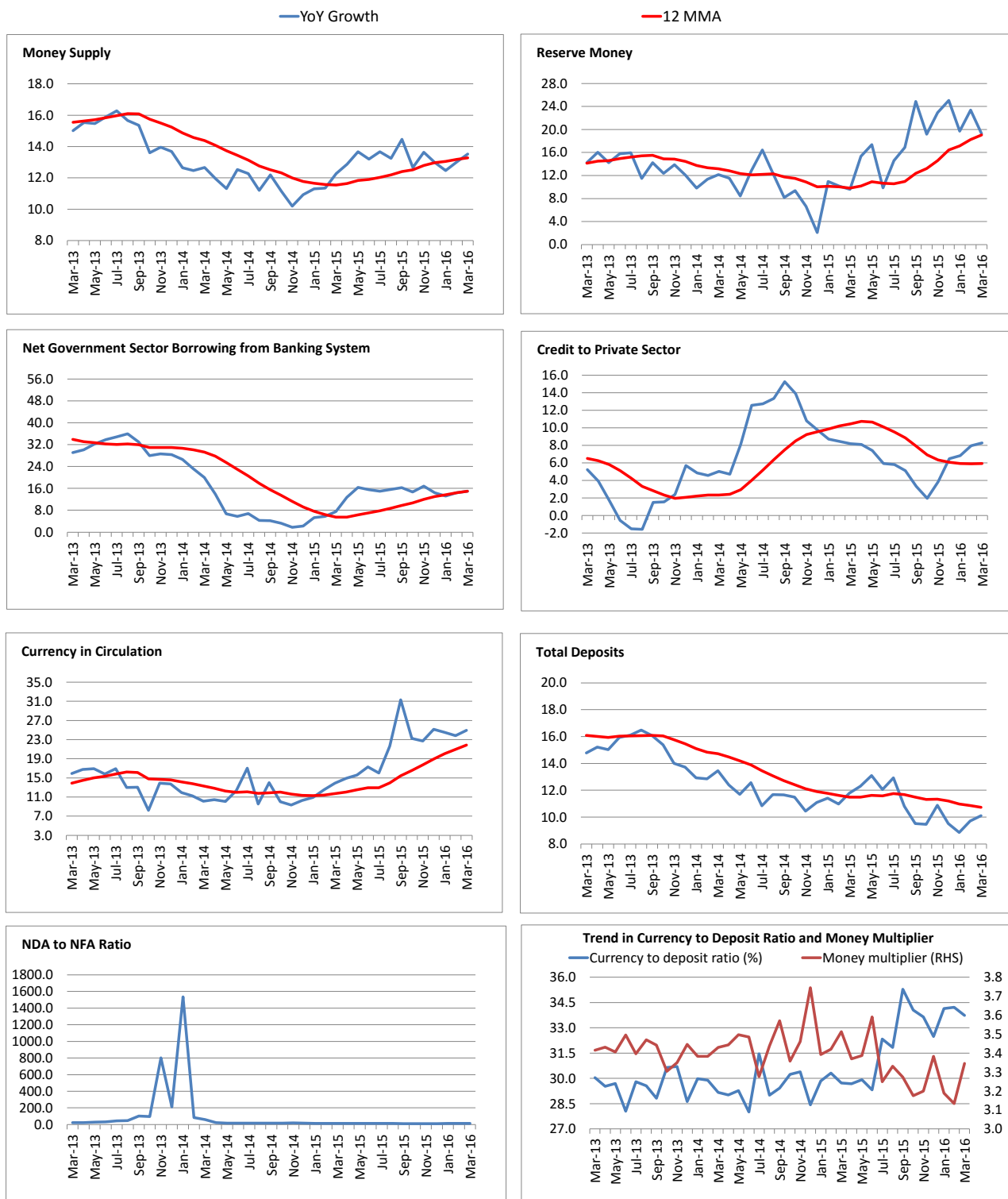


YoY growth of end June Stocks

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



Trends in Monetary Aggregates



Month end stocks data has been used.

YoY growth shows growth over same month last year.

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



Monetary Policy Information Compendium

May 2016

Money Market

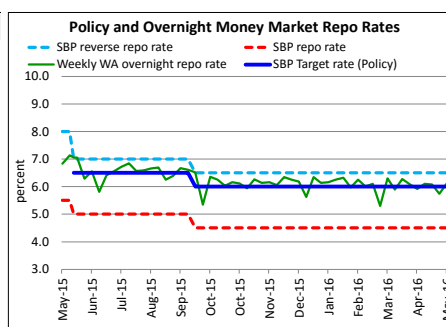
SBP kept its policy rate unchanged at 6.0 percent in April 2016 monetary policy decision.

Policy Instruments (percent)					
	Current	w.e.f	Previous	w.e.f	Change ¹
SBP Target rate (Policy) *	6.0	14-Sep-15	6.5	25-May-15	↓ -50
SBP reverse repo rate	6.5	14-Sep-15	7.0	25-May-15	↓ -50
SBP repo rate	4.5	14-Sep-15	5.0	25-May-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

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



Volatility in overnight repo rate has decreased in Q4-FY16 so far, compared to Q4-FY15.

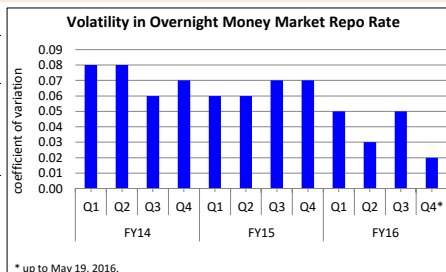
Weighted Average O/N Money Market Repo Rate (percent)					
	FY16				
	Q1	Q2	Q3	Q4*	Year
WA O/N repo rate ²	6.49	6.12	6.13	6.02	6.22
Standard deviation	0.35	0.16	0.28	0.13	0.32
CoV ³	0.05	0.03	0.05	0.02	0.05

* up to May 19, 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.



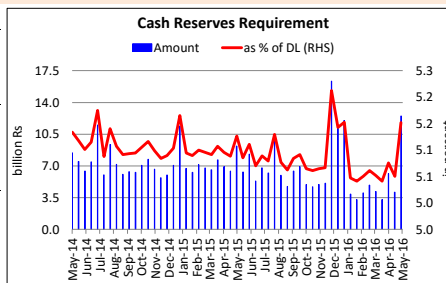
* up to May 19, 2016.

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	
	5-May-16	7-Apr-16	7-Apr-16 ⁵	
Cash required	411.6	408.3	↑	
Cash maintained	424.1	414.4	↑	
Excess cash reserves (per day)	12.5	6.2	↑	

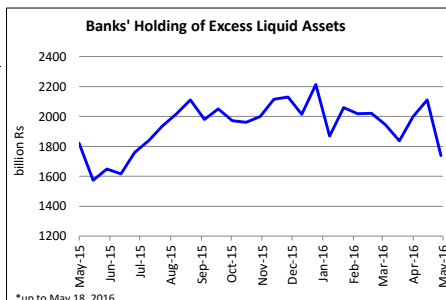
⁴ Bi-weekly CRR is the proportion of local currency time and demand liabilities (TDL) that scheduled banks are required to maintain with SBP in the form of cash on average during the reserve maintenance period.

⁵ As on Thursday preceding the last monetary policy decision.



Overall Reserve Requirement (billion Rs)				
	Maintenance period started as on		Change since Last MPS	
	6-May-16	8-Apr-16	8-Apr-16 ⁹	
Required reserves	1992.0	1963.9	↑	
for CRR	415.0	409.1	↑	
for SLR	1577.0	1554.8	↑	
Maintained⁶	3730.9	3962.8	↓	
Cash	593.5	605.0	↓	
Cash in tills	174.0	176.8	↓	
Balance with SBP	393.1	405.9	↓	
Balance with NBP	26.4	22.4	↑	
Securities	3118.9	3339.3	↓	
Others ⁷	18.5	18.5	↓	
Excess liquid assets⁸	1738.9	1998.9	↓	

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



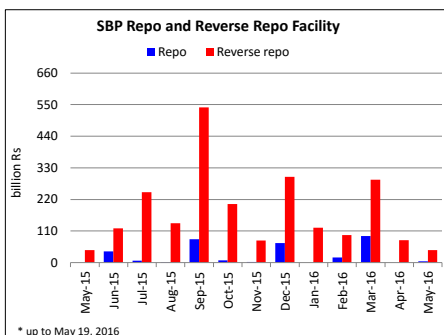
Monetary Policy Information Compendium

May 2016

Banks' use of SBP's reverse repo facility decreased in Q4-FY16 so far, compared to Q4-FY15.

	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
FY15	2,697.5	71	729.5	21
Q1	693.3	21	163.5	4
Q2	1,170.4	21	369.4	8
Q3	531.6	18	70.5	4
Q4	302.3	11	126.2	5
FY16¹	2,129.3	49.0	271.3	14
Q1	922.2	15	89.2	5
Q2	578.8	16	71.4	3
Q3	506.4	12	110.8	6
Q4 ¹	121.9	6	4.0	1

¹ Updated up to May 19, 2016



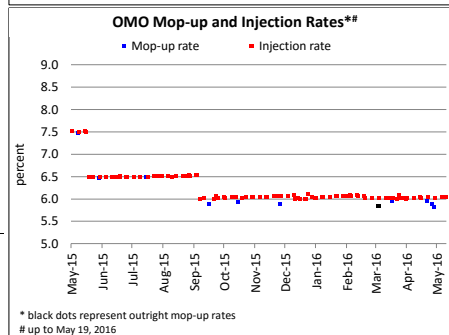
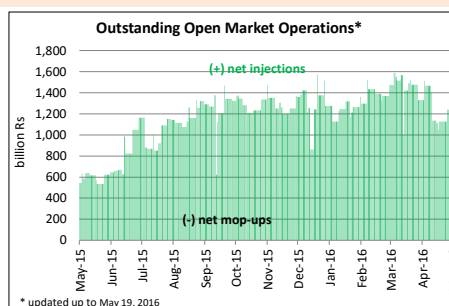
The level of average outstanding OMOs has shown positive trend in FY16 so far.

Outstanding Open Market Operations ² (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	-
FY15	418.6	624.8
Q1	63.0	0.0
Q2	281.0	0.0
Q3	683.2	718.4
Q4	744.1	624.8
FY16³	1,245.0	1,320.9
Q1	1,082.9	623.8
Q2	1,287.6	863.9
Q3	1,323.8	1,001.1
Q4 ³	1,323.2	1,320.9

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 19, 2016

Source: Domestic Markets & Monetary Management Department, SBP



Outright Open Market Operations (billion rupees)		
	Net Sale	End-period Outstanding
FY14	379.6	-
Q1	-	-
Q2	90.5	90.5
Q3	289.1	289.1
Q4	-	-
FY15	346.5	186.5
Q1	70.0	70.0
Q2	90.0	90.0
Q3	-	-
Q4	186.5	186.5
FY16⁴	-	-
Q1	-	-
Q2	-	-
Q3	-	-
Q4 ⁴	-	-

⁴ Updated up to May 19, 2016

Open Market Operations for GoP Ijara Sukuk - Outright ⁵ (billion rupees)		
	Bai-Muajjal Purchases	Ready Sales
FY15	179.9	179.9
Q1	-	-
Q2	90.4	90.4
Q3	89.5	89.5
Q4	-	-
FY16⁶	43.0	21.2
Q1	-	-
Q2	-	-
Q3	43.0	21.2
Q4 ⁶	-	-

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

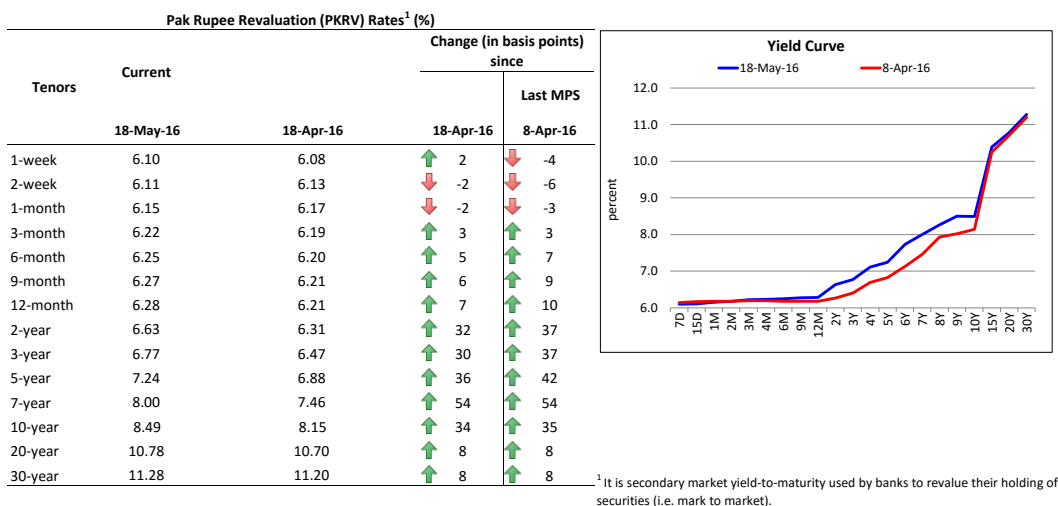
⁶ Updated up to May 19, 2016



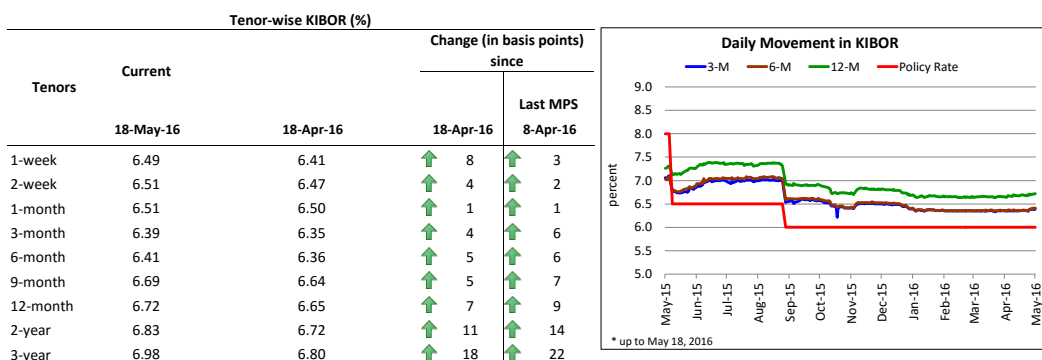
Monetary Policy Information Compendium

May 2016

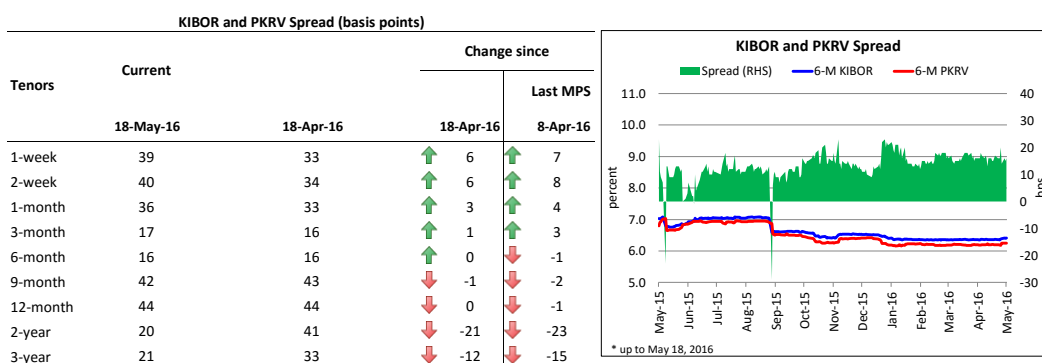
Secondary market yield of three month and above tenors have increased since the last monetary policy decision in April 2016.



KIBOR of all tenors have increased since the last monetary policy decision in April 2016.



Spreads between KIBOR and PKRV rates for six month and above tenors have decreased compared to their levels observed at the time of monetary policy announcement in April 2016.



Sources: SBP and Financial Market Association of Pakistan



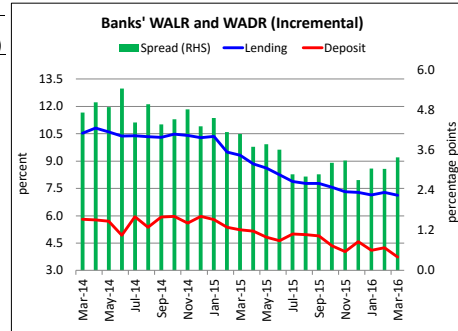
Monetary Policy Information Compendium

May 2016

Spread between incremental WALR and WADR stands at 339 bps in March 2016.

Months	Incremental ¹			Outstanding		
	WALR	WADR	Spread (bps)	WALR	WADR	Spread (bps)
Mar-15	9.31	5.22	408	10.47	4.55	591
Apr-15	8.85	5.15	370	9.95	4.38	558
May-15	8.61	4.83	377	9.85	4.26	559
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

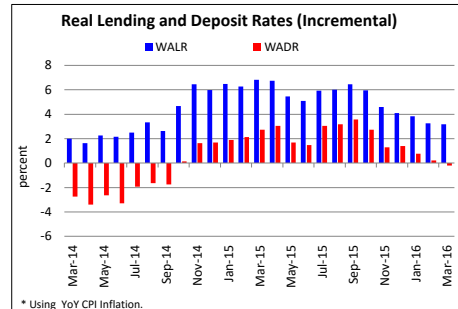
¹ Weighted average rates on incremental (fresh) loans and deposits (including interbank and zero markup) during a month.



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

Months	Real (based on 12-month MA inflation) ²		Real (based on YoY inflation) ³	
	WALR	WADR	WALR	WADR
Mar-15	3.36	-0.73	6.82	2.73
Apr-15	3.49	-0.21	6.74	3.04
May-15	3.67	-0.11	5.45	1.67
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

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



* Using YoY CPI Inflation.

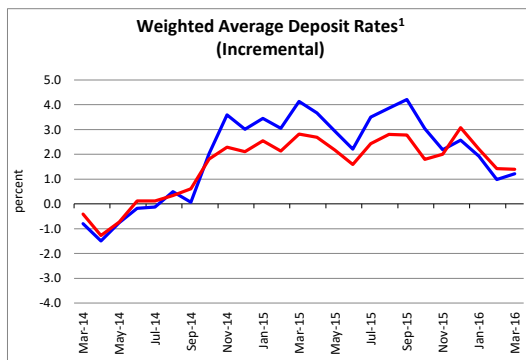
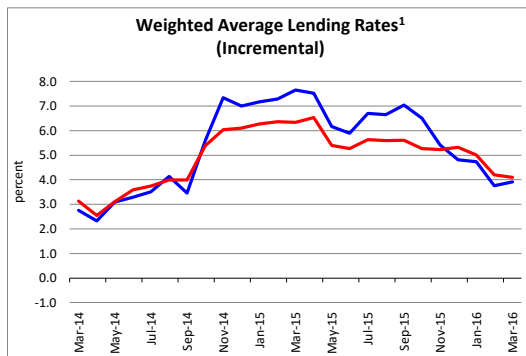
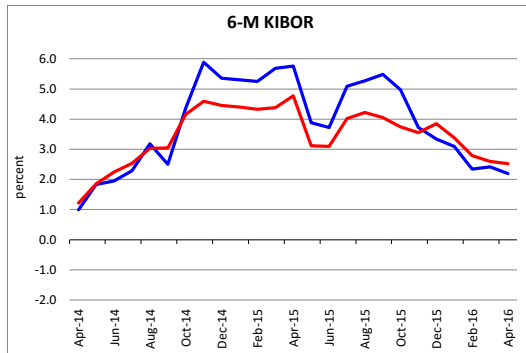
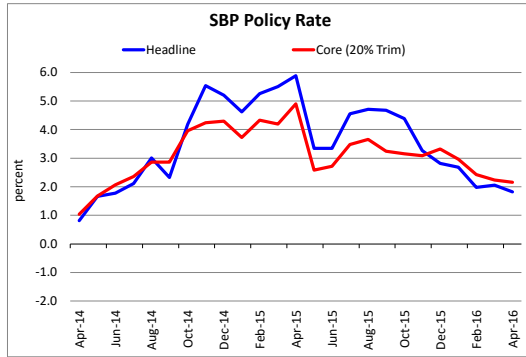
² Nominal rate less CPI inflation (12-month moving average).

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

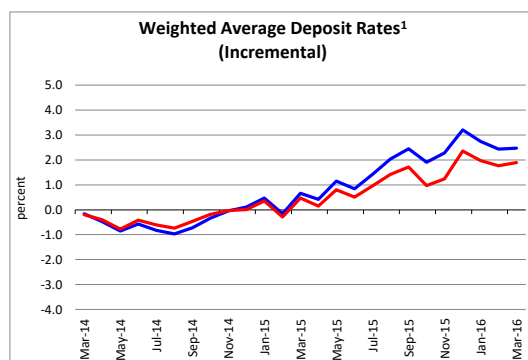
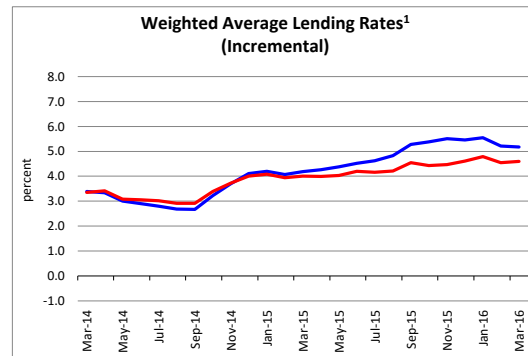
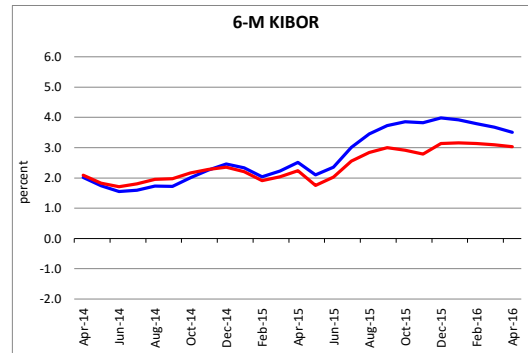
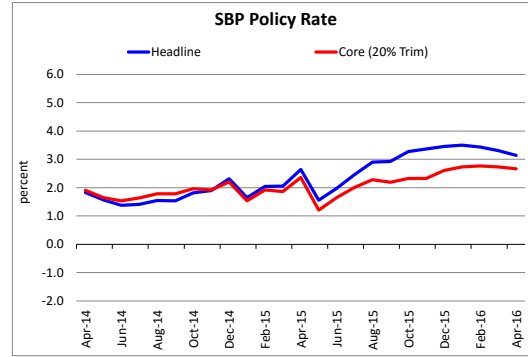


Real Interest Rates

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



In the T-bill auctions held in Q4-FY16 so far, government has raised less than the targeted amount.

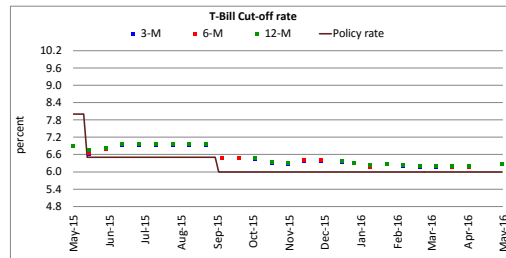
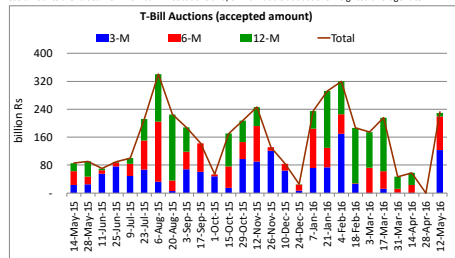
FY/Q/ Settlement	TOTAL				T-bill Auction (billion Rs (Realized value); rates in percent)			3-Month			6-Month			12-Month			Non-competitive
	Target	Maturity	Offered	Accepted ²	Offered	Accepted ²	Cut-off ³	Offered	Accepted ²	Cut-off ³	Offered	Accepted ²	Cut-off ³	Offered	Accepted ²	Cut-off ³	
FY14	8,425.0	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			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	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	-	292.5			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				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	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				87.0
FY16¹	4,800.0	4,330.1	7,311.7	3,886.9	2,253.7	1,203.4	-	2,106.5	1,198.7	-	2,951.4	1,481.8	-	233.9			233.9
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	-				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				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				83.3
Q4 ¹	725.0	732.2	1,006.7	289.8	296.2	123.2	6.26	326.7	119.2	6.27	383.9	44.4	6.28				25.6

¹ Up till May 19, 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 Q4-FY16 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
FY15	Cut-off rate⁶	8.1	9.0		R				
	Offered	1081.1	564.7	-	471.4	-	8.8	-	2125.8
	Accepted	471.6	274.7	-	210.9	-	8.0	-	965.2
	Cut-off rate	12.6	13.0		13.5		13.6		
Q1	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	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 rate⁶	8.1	9.0		R				
	Offered	163.3	112.1	-	51.8	-	-	-	327.2
	Accepted	93.4	31.4	-	19.1	-	-	-	143.8
FY16⁷	Cut-off rate⁶	R	R		R				
	Offered	1190.8	896.3	-	213.4	-	-	-	2300.4
	Accepted	443.1	380.5	-	57.2	-	-	-	880.8
	Cut-off rate	7.4	8.3		9.3				
Q1	Offered	465.3	272.0	-	55.4	-	-	-	792.6
	Accepted	130.3	67.9	-	4.5	-	-	-	202.7
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
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
Q4 ⁷	Cut-off rate	R	R		R				
	Offered	117.4	100.2	-	58.8	-	-	-	276.3
	Accepted	45.1	58.9	-	28.0	-	-	-	132.0

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

⁶ Excluding non-competitive bids and short-selling accommodation

⁷ Quarterly rate are for end-period.

⁸ Up till May 19, 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
FY14	49.5	113.7	49.5	-
Q1	-	-	-	-
Q2	-	-	-	-
Q3	-	-	-	-
Q4	49.5	113.7	49.5	(200)
FY15	-	-	-	-
Q1	-	-	-	-
Q2	-	-	-	-
Q3	-	-	-	-
Q4	-	-	-	-
FY16⁹	100.0	273.3	117.7	-
Q1	-	-	-	-
Q2	100.0	273.3	117.7	(50)
Q3	-	-	-	-
Q4 ⁹	-	-	-	-

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 May 19, 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 Sukuk ¹⁰ Auction (billion Rs)				
	Target	Total offered	Total accepted	Cut-off fixed rental rate ¹¹
FY16¹²	180.0	444.1	196.7	-
Q3	180.0	444.1	196.7	5.6
Q4 ¹²	-	-	-	-

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 May 19, 2016

Source: Domestic Markets & Monetary Management Department, SBP



Foreign Exchange Market

In FY16 so far, Pak rupee has depreciated by 2.83 percent against US Dollar.

	PKR against international currencies			% App/(Dep) of PKR
	Latest 18-May-16	Last MPS 08-Apr-16	Jun-15	Cumulative since Jun-15
USD	104.75	104.70	101.78	(2.83)
Euro	118.10	118.99	113.36	(4.01)
Sterling	151.02	147.15	159.99	5.94
JPY	0.96	0.96	0.83	(12.94)
USD Kerb	105.25	105.35	102.80	(2.33)
Premium (Rs)	0.50	0.66	1.02	-
Daily NEER	90.99	90.52	92.04	(1.14)

Source: SBP

	International exchange rates ²			% App/(Dep) of USD
	Latest 18-May-16	Last MPS 08-Apr-16	Jun-15	Cumulative since Jun-15
USD/EUR	1.13	1.14	1.11	(1.21)
USD/GBP	1.44	1.41	1.57	9.03
JPY/USD	109.37	108.65	122.07	(10.40)
INR/USD	66.96	66.62	63.76	5.01
CNY/USD	6.54	6.47	6.20	5.39
THB/USD	35.58	35.12	33.77	5.37
MYR/USD	4.05	3.90	3.77	7.28
SGD/USD	1.38	1.35	1.35	2.26

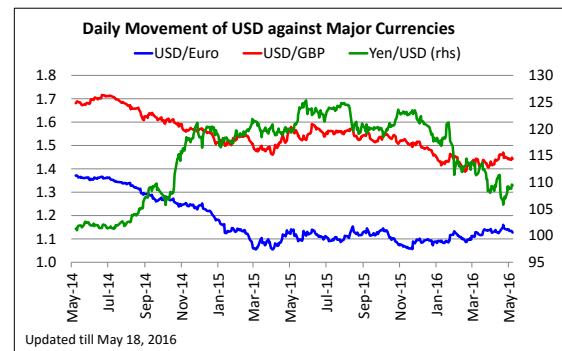
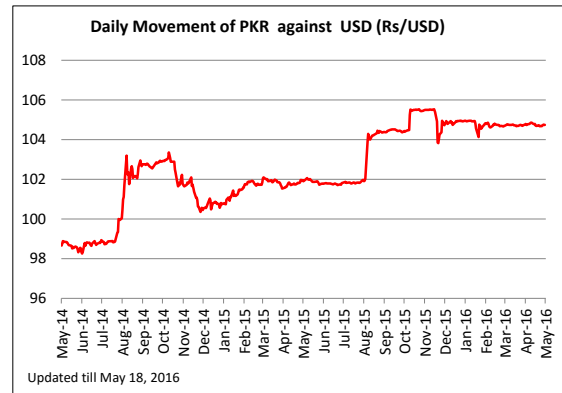
² The exchange rates are shown as per country practices

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	103.45	98.58	101.78	101.46	2.44
FY16 ⁴	106.10	101.69	104.75	104.33	1.74

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

⁴ Updated upto May 18, 2016



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	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 ⁴	104.87	104.62	104.75	104.74	0.53



Monetary Policy Information Compendium

May 2016

In Real terms, Pak rupee has depreciated by 1.3 percent during Q3FY16.

Changes in Nominal Effective Exchange Rate (NEER)

Base Year: CY2010

		NEER Index									
			2014				2015				2016
			Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec ^R	Mar ^P
2014	Mar	85.09	-	1.36	-0.18	5.29	9.17	8.11	8.01	8.80	7.72
	Jun	86.25	-	-	-1.53	3.87	7.70	6.65	6.55	7.34	6.27
	Sep	84.93	-	-	-	5.48	9.37	8.31	8.21	9.00	7.92
	Dec	89.59	-	-	-	-	3.68	2.68	2.58	3.34	2.31
2015	Mar	92.89	-	-	-	-	-	-0.97	-1.06	-0.33	-1.33
	Jun	91.99	-	-	-	-	-	-	-0.09	0.64	-0.36
	Sep	91.91	-	-	-	-	-	-	-	0.73	-0.27
	Dec ^R	92.58	-	-	-	-	-	-	-	-	-1.00
2016	Mar ^P	91.66	-	-	-	-	-	-	-	-	-

Changes in Relative price Index (RPI)

Base Year: CY2010

		RPI									
			2014				2015				2016
			Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec ^R	Mar ^P
2014	Mar	125.87	-	1.45	3.46	2.46	1.34	3.52	3.77	4.43	4.08
	Jun	127.69	-	-	1.98	0.99	-0.11	2.04	2.29	2.94	2.59
	Sep	130.22	-	-	-	-0.97	-2.04	0.06	0.30	0.94	0.60
	Dec	128.96	-	-	-	-	-1.09	1.04	1.28	1.93	1.58
2015	Mar	127.56	-	-	-	-	-	2.15	2.40	3.04	2.70
	Jun	130.30	-	-	-	-	-	-	0.24	0.88	0.54
	Sep	130.61	-	-	-	-	-	-	-	0.63	0.30
	Dec ^R	131.44	-	-	-	-	-	-	-	-	-0.34
2016	Mar ^P	131.00	-	-	-	-	-	-	-	-	-

Changes in Real Effective Exchange Rate (REER)

Base Year: CY2010

		REER Index									
			2014				2015				2016
			Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec ^R	Mar ^P
2014	Mar	107.10	-	2.84	3.27	7.87	10.63	11.92	12.08	13.62	12.11
	Jun	110.14	-	-	0.42	4.90	7.58	8.83	8.99	10.49	9.02
	Sep	110.60	-	-	-	4.46	7.13	8.37	8.54	10.03	8.56
	Dec	115.53	-	-	-	-	2.56	3.75	3.90	5.33	3.93
2015	Mar	118.49	-	-	-	-	-	1.16	1.31	2.70	1.34
	Jun	119.86	-	-	-	-	-	-	0.15	1.52	0.17
	Sep	120.04	-	-	-	-	-	-	-	1.37	0.03
	Dec ^R	121.69	-	-	-	-	-	-	-	-	-1.33
2016	Mar ^P	120.07	-	-	-	-	-	-	-	-	-

P: Provisional

Source: SBP



Capital Market

KSE-100 Index has increased by 4.6 percent and Market Capitalization by 5.1 percent during May 2016 so far.

Performance of Karachi Stock Exchange

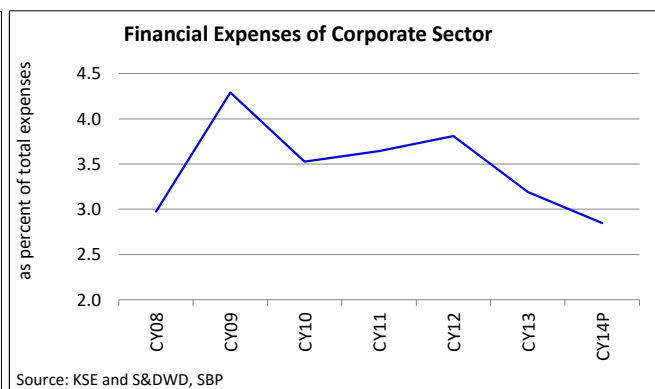
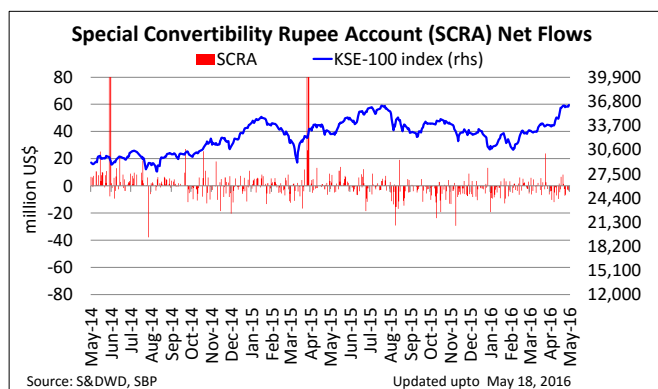
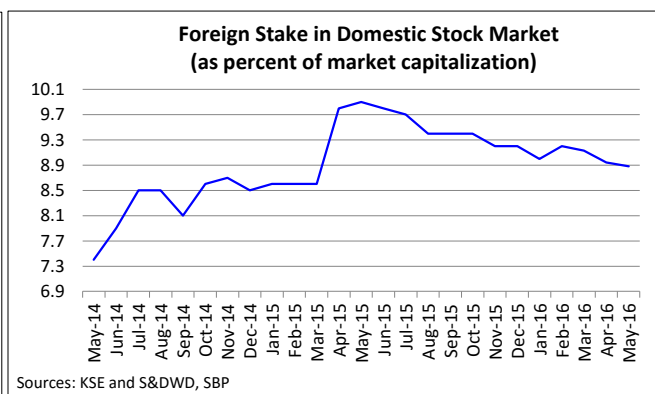
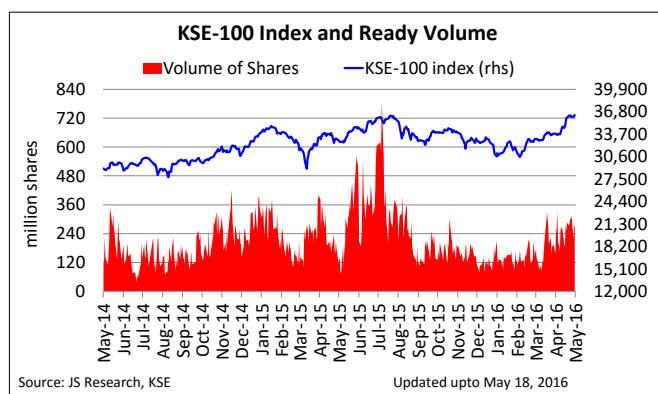
	FY16		FY-15	FY-14	Percentage change during		
	May-16 ¹	Apr-16			May FY16 ²	FY15	FY14
End-period KSE-100 index	36,318	34,719	34,399	29,653	4.6	16.0	41.2
End-period KSE-30 index	21,178	20,206	21,573	20,416	4.8	5.7	26.0
Market capitalization (billion Rs) ³	7,374	7,013	7,211	6,171	5.1	16.9	43.5
Ready volume (million shares) ³	264	235	220	216	-	-	-
SCRA flows (US\$ million) ⁴	-20.8	-28.7	826.7	689.1	-	-	-

¹ Upto May 18, 2016

² Reflects growth since end of the previous month

³ Average during the period

⁴ Cumulative net flow during the period upto May 18, 2016



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



Financial Soundness Indicators

Overall performance of the banking system has deteriorated during Q2-FY16 compared to the previous quarter.

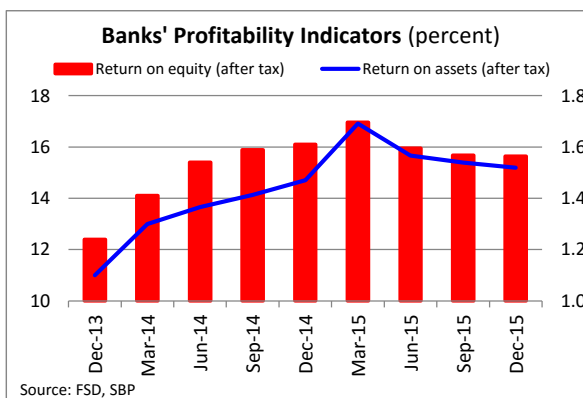
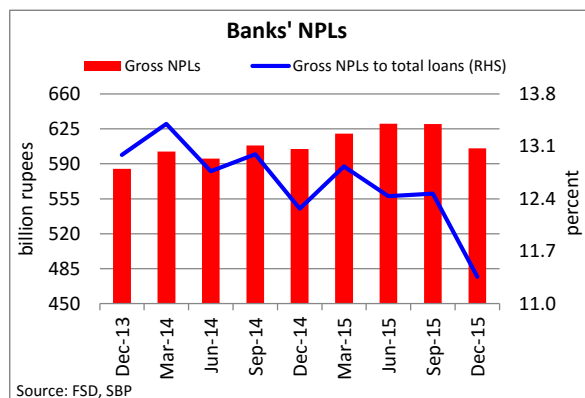
percent

	Dec 2014	Mar 2015	Jun 2015	Sep 2015	Dec 2015
Risk weighted CAR ¹	17.1	17.4	17.2	18.2	17.3
Gross NPLs to total loans	12.3	12.8	12.4	12.5	11.4
Provision to NPLs	79.8	80.2	80.8	81.8	84.9
Net NPLs to net loans	2.7	2.8	2.7	2.5	1.9
Returns on assets (before tax)	2.2	2.6	2.7	2.6	2.5
Return on assets (after tax)	1.5	1.7	1.6	1.5	1.5
ROE (before tax) ²	24.3	26.0	27.5	26.6	25.8
ROE (after tax) ²	16.1	17.0	15.9	15.7	15.6
Net interest income/gross income	71.3	68.4	67.5	69.1	70.4
Liquid assets/total assets	49.2	51.9	52.3	53.8	53.8
Liquid assets/total deposits	64.5	70.4	69.5	74.8	73.3
Advances/deposits	48.2	46.9	45.7	46.7	46.4

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