



Monetary Policy Information Compendium

April 2012

Consolidated by

Monetary Policy Department

STATE BANK OF PAKISTAN



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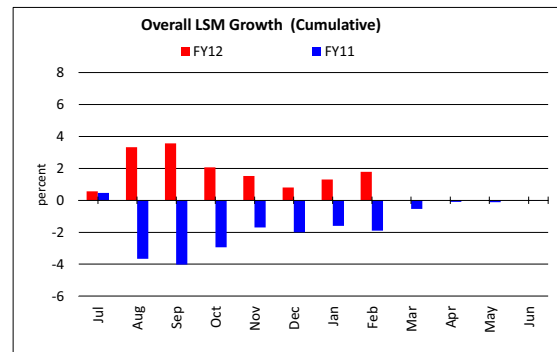
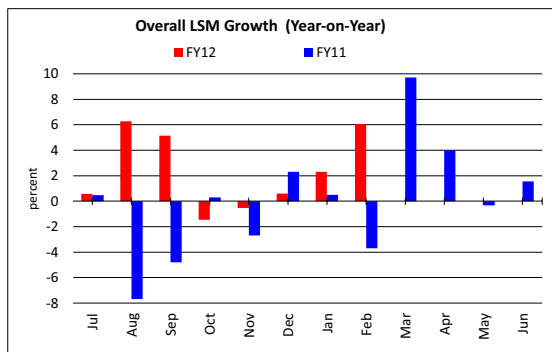
Real Sector

Large-scale manufacturing index grew sharply by 6 percent (year-on-year) in February 2012.

Growth in Large Scale Manufacturing (LSM) Sector

Groups	Weights	YoY changes		Cumulative change during Jul-Feb	
		Feb-12	Feb-11	FY12	FY11
Overall	70.3	6.0	-1.3	1.8	-0.5
Textile	21.0	↑ 0.7	↑ 3.1	↑ 0.9	↑ 0.7
Food, beverages & tobacco	12.4	↑ 19.2	↓ -2.8	↑ 10.2	↑ 5.3
Petroleum products	5.5	↓ -9.7	↑ 6.5	↑ 0.0	↓ -4.6
Iron & Steel Products	5.4	↓ -16.7	↓ -9.2	↓ -29.5	↓ -11.1
Non-metallic mineral products	5.4	↑ 0.0	↓ -5.4	↑ 2.9	↓ -10.1
Automobile	4.6	↑ 11.9	↑ 14.2	↓ -0.6	↑ 11.5
Fertilizer	4.4	↓ -10.6	↓ -8.0	↓ -2.4	↓ -7.9
Pharmaceuticals	3.6	↑ 10.6	↓ -1.2	↑ 11.1	↑ 2.1
Paper & Board	2.3	↑ 20.5	↓ -6.9	↑ 10.3	↓ -1.6
Electronics	2.0	↓ -9.3	↓ -18.9	↓ -7.2	↓ -11.6
Chemicals	1.7	↓ -4.0	↓ -7.7	↓ -5.9	↓ -0.6
Leather products	0.9	↓ -4.4	↑ 21.5	↑ 4.0	↑ 16.7
Wood products	0.6	↑ 44.3	↓ -33.1	↑ 8.2	↑ 8.2
Engineering industries	0.4	↑ 4.4	↓ -30.6	↓ -9.7	↓ -6.6
Rubber products	0.3	↓ -14.6	↑ 7.8	↓ -24.9	↑ 6.1

Sources: Federal Bureau of Statistics (FBS)



All major crops, except wheat, are estimated to show significant growth over last year.

Crops	Production (million tons)				Area Under Cultivation (million hectares)			Yield (Kg/hectare)		
	FY11 ^P	FY12 ^T	FY12 ^E	% change in FY12 ^E over FY11 ^P	FY11 ^P	FY12 ^E	% change in FY12 ^E over FY11 ^P	FY11 ^P	FY12 ^E	% change in FY12 ^E over FY11 ^P
Cotton*	11.6	12.8	12.8	↑ 10.7	2.6	-	-	724	-	-
Sugarcane	55.3	57.6	69.9	↑ 26.4	1.0	1.3	↑ 29.4	55,997	54,665	↓ -2.4
Rice	4.8	6.6	7.2	↑ 48.9	2.3	3.1	↑ 32.5	2,039	2,321	↑ 13.8
Wheat	24.2	25.0	24.0	↓ -0.9	8.8	9.2	↑ 4.6	2,764	2,606	↓ -5.7

* Cotton production is stated in million bales of 170 kg each.

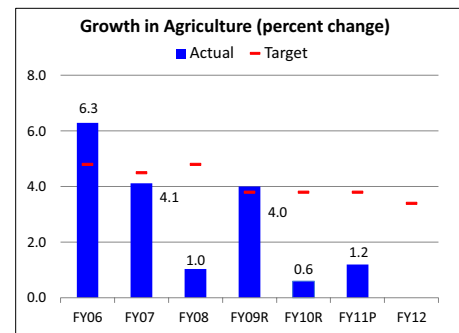
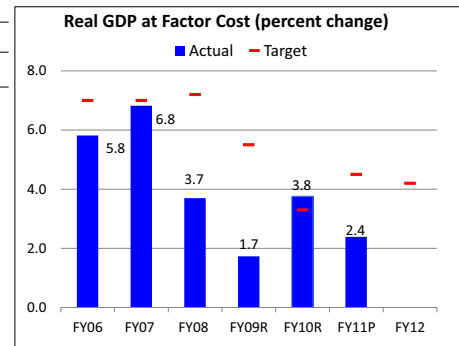
P: Provisional (Source:); T: Target; E: Estimates

Sources: Planning Commission and Annual Plan FY12 for targets; Pakistan Space and Upper Atmosphere Research Commission (SUPARCO) for latest estimates.

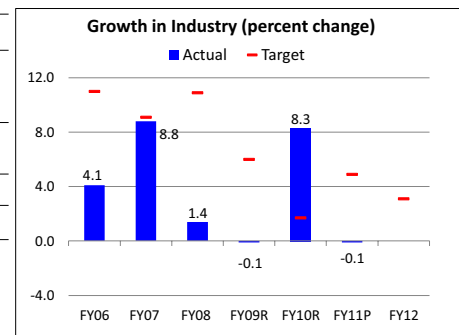


Real GDP (fc) growth moderated to 2.4 percent in FY11 mainly due to lackluster performance of industrial sector affected by infrastructural constraints and unfavorable law & order situation in the country.

	FY10 (R)	FY11 (P)		
		Growth	Shares	Contribution
Agriculture of which	0.6	1.2	20.9	0.3
Major crops	-2.4	-4.0	6.5	-0.3
Minor crops	-7.8	4.8	2.3	0.11
Livestock	4.3	3.7	11.5	0.4
Industry of which	8.3	-0.1	25.8	-0.02
Manufacturing	5.5	3.0	18.7	0.6
Large-scale	4.9	1.0	12.1	0.1
Small-scale	7.5	7.5	5.1	0.4
Construction	28.4	0.8	2.5	0.02
Services of which	2.9	4.1	53.3	2.2
Transport & communication	2.8	1.3	10.0	0.1
Wholesale & retail trade	4.6	3.9	17.2	0.7
Finance & insurance	-11.3	-6.3	4.5	-0.3
Public administration & defence	2.5	13.2	2.7	0.8
Real GDP (fc)	3.8	2.4	-	-
Real GDP (mp)	4.1	2.4	-	-

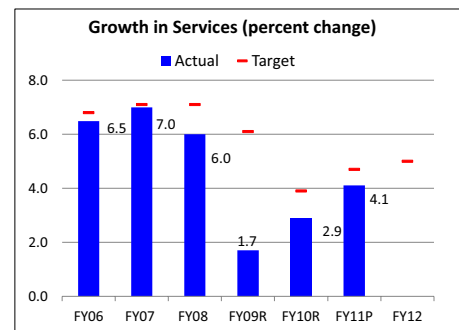


	FY09	FY10(R)	FY11(P)
Real GDP (fc, billion Rs)	5,476	5,682	5,817
Real GDP (fc, billion US\$)	69.3	67.5	67.9



Expenditure Approach - GDP at Constant Prices of 1999-00, % changes

	FY10 (R)	FY11 (P)		
		Growth	Shares	Contribution
Consumption	3.9	7.0	85.8	6.1
Private	4.0	7.0	76.8	5.4
Government	2.2	7.5	9.0	0.7
Fixed capital formation	-6.1	-0.4	13.3	-0.1
Private	-5.7	-3.1	9.7	-0.3
Public plus general government	-7.3	7.7	3.6	2.8
Changes in Stocks	4.1	2.4	1.6	0.04
Net exports of goods and non-factor services	196.6	-127.8	-0.7	-3.6
Exports of goods and non-factor	15.8	-14.2	14.6	-2.6
Imports of goods and non-factor	4.4	6.1	15.3	1.0
GDP (market prices)	4.1	2.4	100.0	-
Less Indirect taxes plus subsidies	11.4	1.7	-5.7	-0.1
GDP (fc)	3.8	2.4	105.7	-
Total Domestic Demand*	2.3	5.9	-	-



*Domestic demand is calculated as sum of consumption and investment expenditures on real GDP; ^ GDP in dollar terms is calculated using average exchange rate during the year.

Source: Federal Bureau of Statistics; Note: LSM data pertains to Jul-Feb FY11; R: Revised; P: Provisional; T: Target



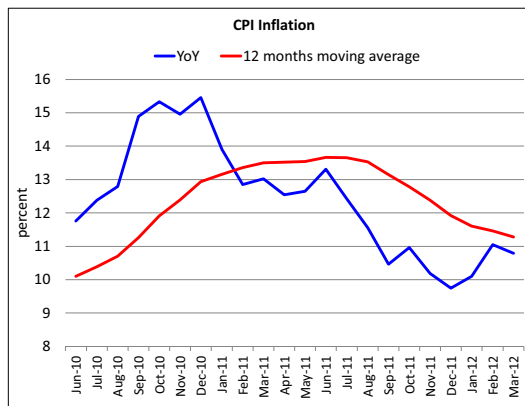
Inflation

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

Headline CPI inflation (YoY) at 10.8 percent in March 2012 was slightly lower from previous month's level.

Consumer Price Index (CPI) (percent change)

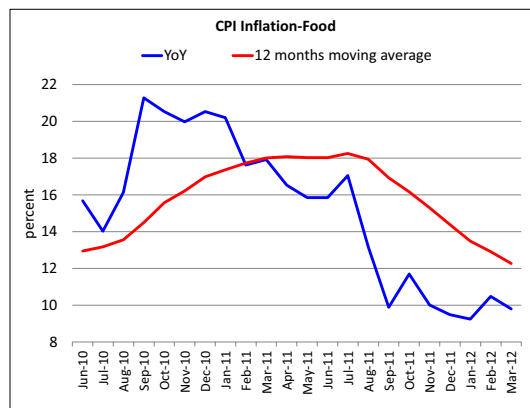
	MoM*	MoM SA**	YoY#	12M moving average
Mar-11	1.4	1.5	13.0	13.5
Apr-11	1.4	0.9	12.5	13.5
May-11	0.2	0.6	12.6	13.5
Jun-11	1.0	1.0	13.3	13.7
Jul-11	1.3	0.5	12.4	13.7
Aug-11	1.4	0.9	11.6	13.5
Sep-11	1.0	0.9	10.5	13.2
Oct-11	1.4	1.3	11.0	12.8
Nov-11	0.3	0.6	10.2	12.4
Dec-11	-0.7	0.5	9.7	11.9
Jan-12	1.5	0.9	10.1	11.6
Feb-12	0.3	0.8	11.0	11.5
Mar-12	1.2	1.2	10.8	11.3
3-year average for March	1.3	1.3	11.7	



Food inflation (YoY) decreased to 9.8 percent in March 2012 from 10.5 percent in the previous month.

CPI - Food (37.47% weight in basket) (percent change)

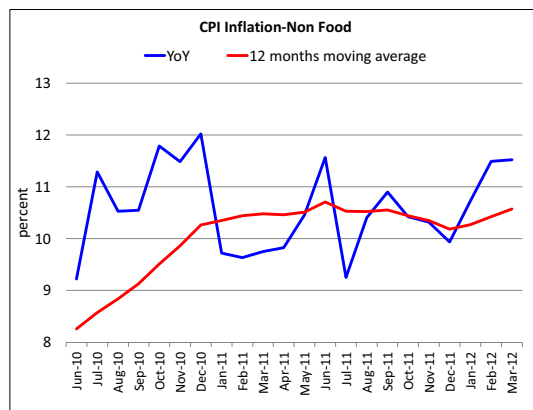
Mar-11	2.2	1.6	17.9	18.0
Apr-11	1.3	0.4	16.5	18.1
May-11	-0.3	0.5	15.8	18.0
Jun-11	0.7	0.8	15.9	18.0
Jul-11	2.9	1.0	17.1	18.2
Aug-11	1.4	0.4	13.2	17.9
Sep-11	1.6	1.2	9.9	16.9
Oct-11	1.6	1.4	11.7	16.2
Nov-11	0.1	0.5	10.0	15.3
Dec-11	-2.2	0.4	9.5	14.4
Jan-12	1.5	0.9	9.2	13.5
Feb-12	-0.7	1.1	10.5	12.9
Mar-12	1.5	0.9	9.8	12.3
3-year average for March	1.9	1.3	14.0	



Non-food inflation (YoY) remained unchanged at 11.5 percent in March 2012.

CPI - Non Food (62.53% weight in basket) (percent change)

Mar-11	0.9	1.0	9.8	10.5
Apr-11	1.5	1.0	9.8	10.5
May-11	0.6	0.8	10.5	10.5
Jun-11	1.2	1.2	11.6	10.7
Jul-11	0.1	-0.2	9.2	10.5
Aug-11	1.4	1.3	10.4	10.5
Sep-11	0.6	0.8	10.9	10.6
Oct-11	1.3	1.4	10.4	10.4
Nov-11	0.4	0.7	10.3	10.4
Dec-11	0.4	1.0	9.9	10.2
Jan-12	1.6	0.9	10.7	10.3
Feb-12	1.0	1.1	11.5	10.4
Mar-12	0.9	1.1	11.5	10.6
3-year average for March	0.9	1.0	10.2	



* Month-on-Month

** Seasonally Adjusted Month-on-Month

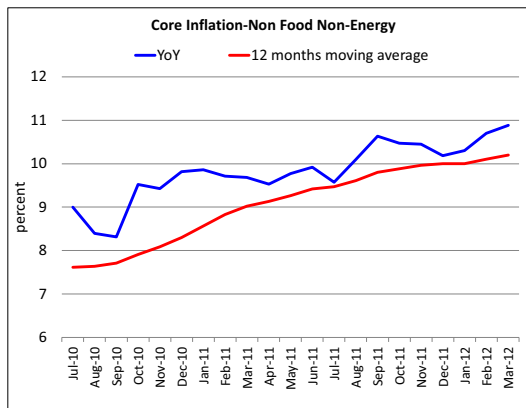
Year-on-Year

Source: Federal Bureau of Statistics, SBP.



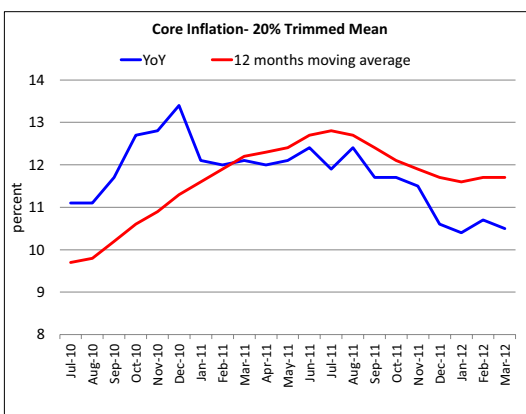
The non-food non-energy (NFNE) measure of core inflation (YoY) recorded a slight increase in March 2012.

Core - Non-food non-energy (53.52% weight in basket) (percent change)			
	MoM	YoY	12M moving average
Mar-11	0.8	9.7	9.0
Apr-11	1.4	9.5	9.1
May-11	0.5	9.8	9.3
Jun-11	0.5	9.9	9.4
Jul-11	1.2	9.6	9.5
Aug-11	0.8	10.1	9.6
Sep-11	0.7	10.6	9.8
Oct-11	1.4	10.5	9.9
Nov-11	0.6	10.4	10.0
Dec-11	0.5	10.2	10.0
Jan-12	1.1	10.3	10.0
Feb-12	0.7	10.7	10.1
Mar-12	1.0	10.9	10.2
2-year average for March	0.9	10.3	



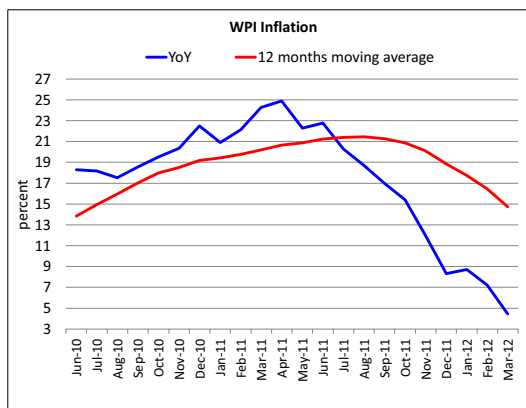
The 20% trimmed mean measure of core inflation (YoY) edged down in March 2012.

Core - 20% Trimmed (percent change)			
	MoM	YoY	12M moving average
Mar-11	1.0	12.1	12.2
Apr-11	1.0	12.0	12.3
May-11	0.5	12.1	12.4
Jun-11	0.7	12.4	12.7
Jul-11	1.1	11.9	12.8
Aug-11	0.7	12.4	12.7
Sep-11	0.6	11.7	12.4
Oct-11	1.0	11.7	12.1
Nov-11	0.5	11.5	11.9
Dec-11	0.3	10.6	11.7
Jan-12	0.8	10.4	11.6
Feb-12	0.5	10.7	11.7
Mar-12	0.8	10.5	11.7
2-year average for March	0.9	11.3	



The WPI inflation (YoY) declined sharply to 4.5 percent in March 2012.

Wholesale Price Index (WPI) (percent change)				
	MoM [†]	MoM SA ^{**}	YoY [#]	12M moving average
Mar-11	3.3	3.2	24.3	20.2
Apr-11	2.4	1.8	24.9	20.7
May-11	-1.0	-1.0	22.3	20.9
Jun-11	0.6	0.8	22.8	21.2
Jul-11	-0.4	-0.4	20.3	21.4
Aug-11	0.6	0.2	18.7	21.4
Sep-11	0.2	0.4	17.0	21.3
Oct-11	0.4	0.6	15.4	20.9
Nov-11	-0.5	-0.2	12.0	20.1
Dec-11	-1.3	-1.1	8.3	18.8
Jan-12	2.3	2.2	8.7	17.7
Feb-12	0.6	0.5	7.2	16.4
Mar-12	0.7	0.5	4.5	14.7
3-year average for March	1.8	1.7	16.1	

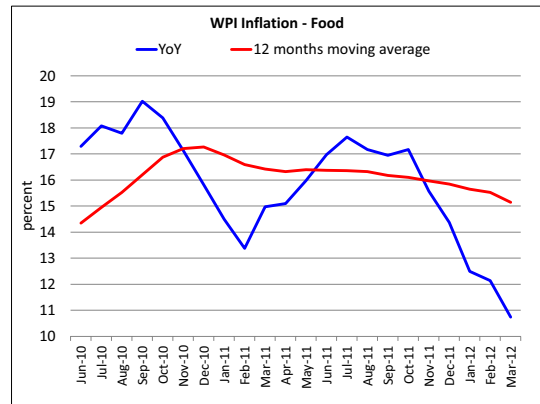


Source: Federal Bureau of Statistics



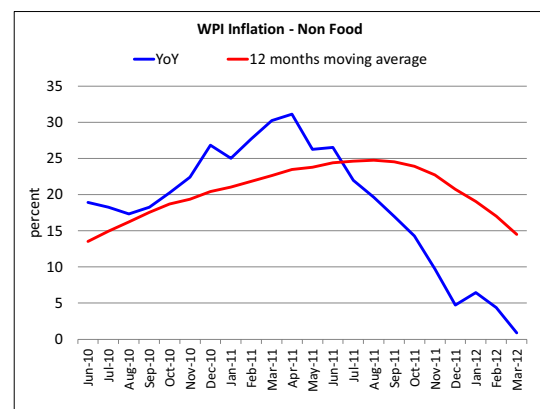
WPI food inflation (YoY) declined to 10.7 percent in March 2012.

WPI - Food (38.82% weight in basket) (percent change)				
	MoM*	MoM SA**	YoY#	12M moving average
Mar-11	2.9	2.6	15.0	16.4
Apr-11	1.6	1.1	15.1	16.3
May-11	1.0	0.9	16.0	16.4
Jun-11	3.0	2.8	17.0	16.4
Jul-11	1.9	1.6	17.6	16.4
Aug-11	1.8	1.1	17.2	16.3
Sep-11	1.8	1.5	16.9	16.2
Oct-11	0.5	1.0	17.2	16.1
Nov-11	-0.7	-0.2	15.6	16.0
Dec-11	-1.8	-0.1	14.4	15.8
Jan-12	0.4	-0.2	12.5	15.7
Feb-12	-0.8	-0.3	12.1	15.5
Mar-12	1.6	1.2	10.7	15.1
3-year average for March	2.0	1.7	14.2	



WPI non-food inflation (YoY) fell sharply, below one percent, in March 2012.

WPI - Non Food (61.18% weight in basket) (percent change)				
	MoM*	MoM SA**	YoY#	12M moving average
Mar-11	3.5	3.1	30.3	22.7
Apr-11	3.0	2.4	31.1	23.5
May-11	-2.1	-2.1	26.3	23.8
Jun-11	-0.8	-0.8	26.5	24.4
Jul-11	-1.8	-2.0	22.0	24.6
Aug-11	-0.2	-0.3	19.7	24.7
Sep-11	-0.7	-0.1	17.0	24.5
Oct-11	0.3	0.7	14.3	23.9
Nov-11	-0.4	-0.1	9.7	22.7
Dec-11	-1.1	-0.1	4.7	20.7
Jan-12	3.5	2.9	6.5	19.1
Feb-12	1.4	0.7	4.4	17.0
Mar-12	0.1	-0.3	0.9	14.5
3-year average for March	1.7	1.3	17.4	



Average CPI inflation declined to 10.8 percent in July-March FY12 compared to 14.0 percent in the corresponding period of last year.

	CPI					WPI			SPI
	Headline	Food	Non Food	Trimmed Mean	NFNE	Overall	Food	Non Food	Overall
FY10	10.1	12.9	8.3	9.5	7.6	13.8	14.3	13.5	13.5
FY11	13.7	18.0	10.7	12.7	9.4	21.2	16.4	24.4	17.3
Jul-Mar FY10	9.4	12.0	7.8	9.2	7.4	12.0	13.7	11.0	12.1
Jul-Mar FY11	14.0	18.7	10.7	12.5	9.3	20.5	16.5	23.1	18.5
Jul-Mar FY12	10.8	11.1	10.6	11.4	10.4	12.2	14.9	10.5	8.4

Sources: Federal Bureau of Statistics



CPI Inflation (YoY) by Groups

Decrease in headline CPI inflation (YoY) in March 2012 was primarily contributed by food group.

Groups	Weights	Mar-12			Feb-12		
		MoM	YoY	12m MA*	MoM	YoY	12m MA*
I. Food Group	37.5	1.5	9.8	12.9	-0.7	10.5	12.9
Food & Non-Alcoholic Bev	34.8	1.5	9.8	12.4	-0.8	10.6	13.0
Alcoholic Bev & Tobacco	1.4	1.4	8.0	6.9	-0.3	6.5	6.8
Restaurant & Hotels	1.2	1.5	11.2	15.1	1.9	11.5	15.8
II. Non-Food Group	62.5	0.9	11.5	10.4	1.0	11.5	10.4
Clothing & Footwear	7.6	3.3	16.6	14.7	0.4	15.0	14.4
Housing Water, Elec, Gas Fuels	29.4	0.0	7.5	8.0	0.1	7.7	8.1
Furnishing & Household Equip. Maintenance etc	4.2	0.8	19.6	15.5	1.6	21.3	14.8
Health	2.2	1.0	12.0	10.5	0.8	11.4	10.2
Transport	7.2	1.9	19.1	14.7	3.9	18.8	13.7
Communication	3.2	0.1	-0.6	1.1	0.0	-0.6	2.1
Recreation & Culture	2.0	1.0	6.5	5.4	0.7	6.0	5.2
Education	3.9	0.9	11.9	11.8	1.9	11.9	11.5
Misc	2.8	1.0	20.1	19.5	2.2	21.7	19.1
Overall	100	1.2	10.8	11.3	0.3	11.0	11.5

SPI inflation (WoW) recorded a sharp increase in the first week of April 2012 for all income groups.

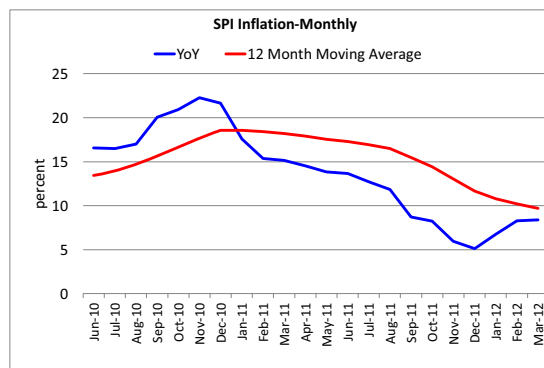
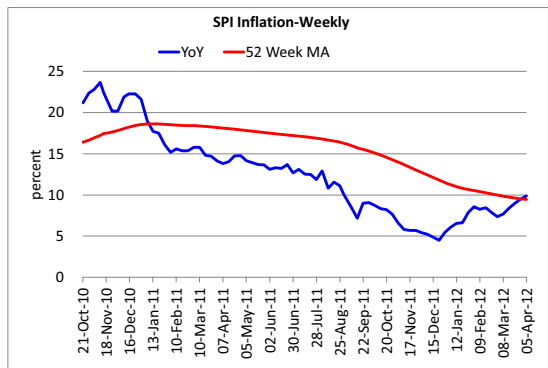
Sensitive Price Indicator (SPI) (percent change)

Income Groups	Percent change (WoW)				Mar-12		
	Current	Last week	Two weeks ago	Three weeks ago	MoM	YoY	12m MA*
	5-Apr-12	29-Mar-12	22-Mar-12	15-Mar-12			
Up to Rs 8000	0.95	0.22	0.18	0.44	1.5	6.1	8.2
Rs 8001-12000	0.95	0.24	0.22	0.39	1.4	6.8	8.9
Rs 12001-18000	0.99	0.25	0.24	0.36	1.3	7.0	8.6
Rs 18001-35000	1.01	0.24	0.25	0.28	1.2	8.5	9.9
Above Rs 35000	1.11	0.23	0.24	0.18	1.0	10.0	10.6
All	1.05	0.24	0.23	0.28	1.2	8.4	9.7

Sources: Federal Bureau of Statistics

WoW: Week on Week

*These changes are calculated on the basis of 12 month average of CPI over the 12 month average of preceding year.



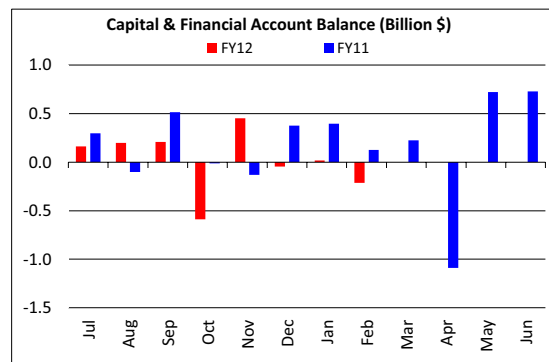
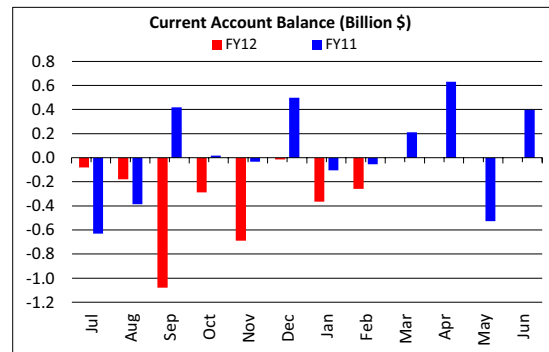
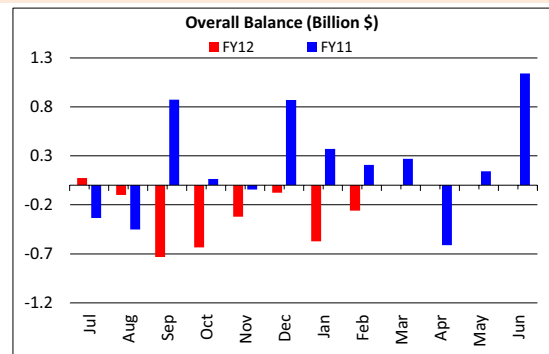


Balance of Payments

Despite widening of trade deficit, the external current account deficit narrowed in February 2012 as improvement in current transfers offset some of the increase in trade deficit.

Balance of Payments Summary (million \$)

Items	Feb-12	Jul-Feb		FY11
		FY12	FY11	
A) Current account	-260	-2,952	-194	214
1. Trade balance	-1,410	-10,515	-7,349	-10,516
Exports	2,152	16,251	15,408	25,356
Imports	3,562	26,766	22,757	35,872
2. Services (net)	-270	-1,921	-772	-1,940
Receipts	351	3,252	4,044	5,768
Payments	621	5,173	4,816	7,708
3. Income (net)	-199	-1,946	-1,898	-3,017
Receipts	41	600	446	716
Payments	240	2,546	2,344	3,733
4. Current transfers (net)	1,619	11,430	9,825	15,687
Receipts: of which	1,623	11,518	9,935	15,863
Remittances	1,157	8,593	6,963	11,201
Payments	4	88	110	176
B) Capital and financial account: of which	-212	187	1,578	2,262
1. Foreign investment	-13	386	1,241	1,929
FDI (net) ¹	-25	515	1,012	1,591
FPI	12	-129	229	338
2. Foreign long term loans	-84	155	480	864
Disbursements	30	1,253	1,720	2,846
Amortization	114	1,098	1,240	1,982
C) Errors & omissions	211	138	166	16
Overall balance (A+B+C)	-261	-2,627	1,550	2,492
SBP gross reserves²	13,250	13,250	15,663	16,614
SBP net liquid reserves³	11,962	11,962	14,076	14,784



¹ Net FDI inflows equals direct investment in Pakistan less direct investment made by Pakistanis abroad.

² These include sinking funds (earmarked for specific purposes) and foreign currency holdings of SBP, and exclude claims on RBI.

³ SBP gross reserves excluding foreign currency holdings of SBP and commercial banks deposits with SBP for CRR.

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

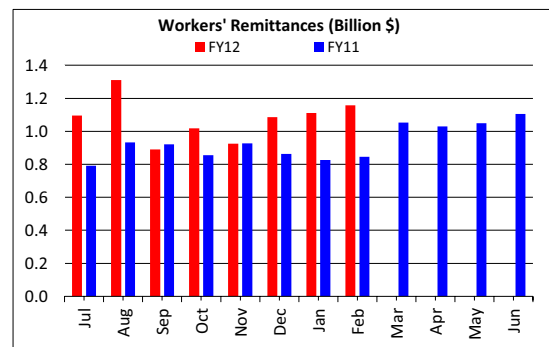
Workers' remittances were recorded at \$1.16 billion in February 2012.

Workers' Remittances⁴ (million \$)

	Feb-12	Jul-Feb		FY11
		FY12	FY11	
Total: of which	1,157	8,593	6,963	11,201
USA	197	1,525	1,298	2,069
UK	138	991	771	1,200
Saudi Arabia	318	2,326	1,563	2,670
UAE	260	1,904	1,627	2,598
GCC ⁵	124	969	820	1,306
Others	121	877	884	1,359

⁴ Only cash, ⁵ Kuwait, Qatar, Bahrain and Oman

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



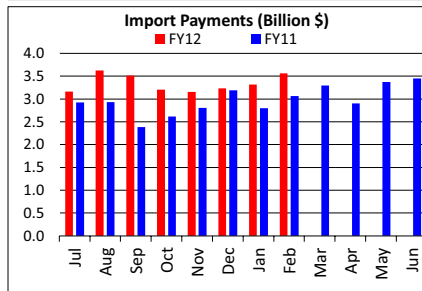
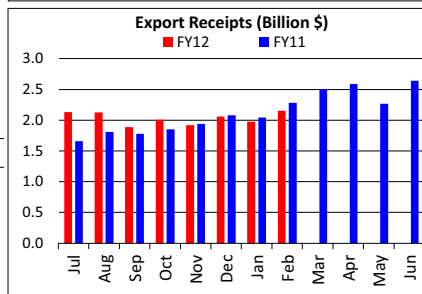
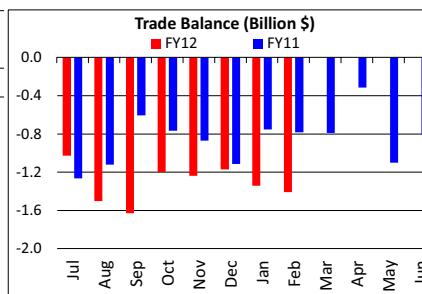


Trade

A relatively higher increase in import payments than export receipts resulted into a widening of trade deficit in February 2012

Trade in Goods - Major Groups (million \$)

	Feb-12	Jul-Feb		Shares ¹
		FY12	FY11	
Exports	2,152	16,251	15,407	100
Textile group	1,039	8,656	7,972	53
Cotton cloth	197	1,723	1,474	11
Knitwear, bed wear	309	2,895	3,010	18
Readymade garments	125	933	662	6
Other manufactures group	407	2,940	2,586	18
Leather items ²	71	613	569	4
Chemical and pharma	112	813	624	5
Cement	35	318	307	2
Engineering goods	28	237	272	1
Food group	330	2,437	2,275	15
Rice	194	1,332	1,376	8
All Others	376	2,217	2,574	14
Imports	3,562	26,766	22,757	100
Petroleum group	1,678	-212	187	1,578
Petroleum products	1,270	6,903	5,111	26
Petroleum crude	408	2,971	2,246	11
Machinery group	273	2,424	2,691	9
Power machinery	26	302	492	1
Electrical machinery	35	305	349	1
Agri. & other chemicals group	463	4,672	3,516	17
Fertilizer manufactured	41	889	320	3
Plastic materials	125	975	885	4
Food group	380	3,310	3,325	12
Palm oil	159	1,701	1,219	6
Sugar	0	8	644	0
Metal group	174	1,510	1,337	6
Iron steel (IS) & IS scrap	138	1,210	1,050	5
All Others	594	15,063	11,701	56

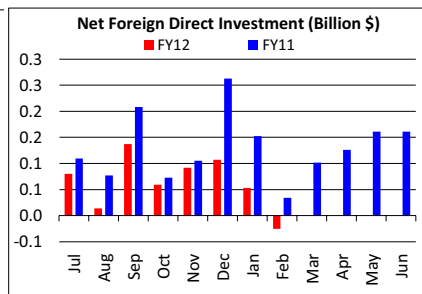


¹ Share is calculated as cumulative flow of a group(item) divided by cumulative flow of total imports during FY12; ² Include tanned and manufactured leather

There was an outflow of \$36 million in gross FDI in February 2012.

Foreign Direct Investment inflows in Pakistan (million \$)³

	Feb-12 ^R	Jul-Feb		FY11
		FY12 ⁴	FY11	
Total: Of which	-36	558	1,046	1,635
Major countries				
USA	18	163	151	238
Norway	-125	-228	0	284
UK	8	159	138	207
China	38	103	6	47
Major sectors				
Communication	-108	-224	7	-34
Financial services	0	45	172	247
Oil & gas exploration	24	386	325	512
Power	-2	-34	122	156
Trade	3	19	31	53



³ The numbers in this table show gross FDI inflows and therefore may not match with the numbers in Balance of Payments table.

⁴ From FY12, reporting procedure for country-wise FDI inflows has been changed. However, comparable numbers for the previous year(s) are not available.

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



Global Economy

Most central banks maintained policy rates in their latest monetary policy review meetings.

Policy Rates in Major Economies

Major Economies	Current Policy Rate	Previous	Previous	Change (bps)
USA*	0.25	1.00	Dec 16 2008	↓ -75
UK	0.50	1.00	Mar 05 2009	↓ -50
ECB	1.00	1.25	Dec 08 2011	↓ -25
Japan*	0.10	0.30	Dec 20 2008	↓ -20
Canada	1.00	0.75	Sep 08 2010	↑ 25
Australia	4.25	4.50	Dec 06 2011	↓ -25
China	6.56	6.31	Jul 07 2011	↑ 25
India	8.50	8.25	Oct 25 2011	↑ 25
South Korea	3.25	3.00	Jun 10 2011	↑ 25
Malaysia	3.00	2.75	May 05 2011	↑ 25
Indonesia	5.75	6.00	Feb 09 2012	↓ -25
Thailand	3.00	3.25	Jan 25 2012	↓ -25

* US Federal Reserve and Bank of Japan are currently operating under an interest rate bands of 0 to 0.25 percent and 0 to 0.1 percent respectively.

Most of the economies have witnessed fall in GDP growth in the 4th quarter of 2011.

Key Macroeconomic Indicators

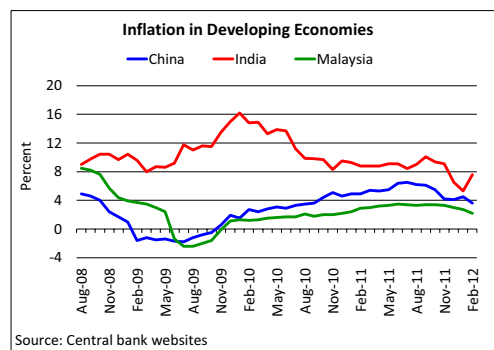
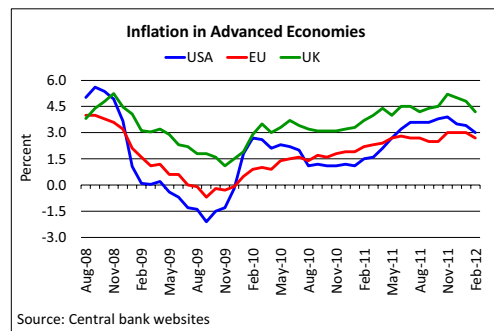
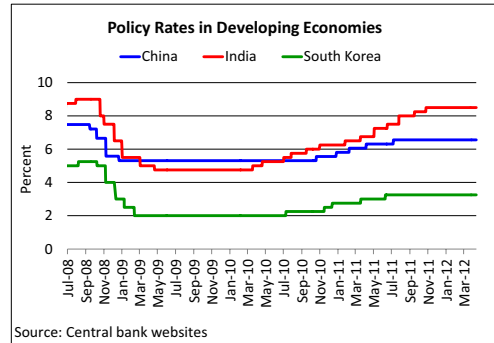
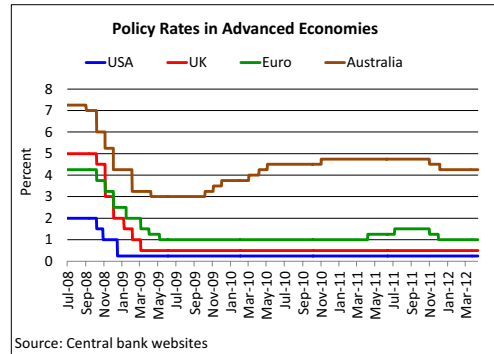
	Inflation (YoY) ¹	GDP Growth ²	Current Account Balance	Fiscal Balance
	Feb-12	Q4-2011	as a percentage of GDP (Q4-2011)	
USA	2.9	1.6	-3.1	-7.8
UK	3.4	0.6	-2.5	-8.8
Euro Area	2.7	0.7	-0.5	-0.5
Japan	0.3	-0.6	1.7	-8.3
Australia	3.1 (Jan'12)	2.3	-2.7	-0.5
China	3.6 (Mar'12)	8.9	2.1	2.1
India	7.6	6.1	-2.8	-5.8
Sri Lanka	5.44 (Mar'12)	8.4 (Q3-11)	-	-
South Korea	2.6 (Mar'12)	3.4	1.1	2.8
Malaysia	2.2	5.2	12.1	-5.3
Indonesia	3.97 (Mar'12)	6.5	0.5	-1.5
Thailand	3.45 (Mar'12)	-9.0	-0.1	-2.5

In their recent assessments in January 2012, both the IMF and World Bank have scaled down projections for the overall global growth in 2012.

World Economic Outlook - Real GDP Growth

	2011 (IMF Estimated)	2012 Projections		
		IMF (Jan-12)	World Bank (Jan-12)	OECD (Nov-11)
World output	5.1	3.8	2.5	-
Advance	3.0	1.6	1.4	-
US	2.9	1.8	2.2	1.7
Euro area	1.8	1.6	-0.3	1.6
Japan	4	-0.9	1.9	-0.3
UK	1.3	0.9	-	0.9
Emerging & Developing	7.4	6.2	5.4	-
Russia	4.0	4.1	3.5	4.0
China	10.3	9.2	8.4	9.3
India	10.4	7.4	6.5	7.7
ASEAN-5	6.9	4.8	-	-

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





International commodity prices, except metals, sugar and gold, have shown an escalation in the month of March 2012.

World Commodity Price Indices (2005=100)

	Mar-12	% change since	
		Last month	End Jun-11
Global CPI	201.5	↑ 2.73	↑ 3.25
Food CPI	174.0	↑ 2.18	↓ -5.63
Commodity non-fuel CPI	175.9	↑ 1.11	↓ -9.31
Metal CPI	207.0	↑ 2.51	↓ -12.13
Crude Oil (\$/bbl)	117.8	↑ 4.52	↑ 9.80
Palm oil (\$/m. ton)	1105.7	↑ 5.54	↑ 2.77
Soya bean Oil (\$/m. ton)	1197.5	↑ 2.33	↓ -4.20
Wheat (\$/m. ton)	292.3	↑ 5.22	↓ -10.47
Gold spot (\$/Oz)	1668.4	↓ -1.68	↑ 11.20
Sugar (US cents/pound)	33.3	↓ -1.39	↓ -5.27

Source: IMF-IFS

The recent fall in major global stock markets reflects investors' concerns over global economic prospects.

Capital Market Indices

	Latest - April 12, 2012	% change since	
		Last month	End Dec-11
US (DJIA)	12986.6	↓ -1.7	↑ 8.8
DJ EURO STOXX	2352.2	↓ -5.0	↓ -80.3
UK (FTSE 100)	5710.5	↓ -1.0	↓ -52.2
Japan (Nikkei 225)	9624.1	↓ -4.6	↓ -19.4
China (SSEA)	2351.4	↓ -3.6	↓ -80.3
France (CAC 40)	3269.8	↓ -4.5	↓ -72.6
Germany (DAX)	6743.2	↓ -2.9	↓ -43.5
India (BSE)	17364.8	↓ -0.23	↑ 45.5
World dev'd (MSCI) ³	1316.9	↑ 0.3	↑ 11.3
Emerging Markets (MSCI) ³	1055.6	↑ 1.1	↑ 14.2
World all (MSCI) ³	355.0	↑ 0.4	↑ 11.6

¹ Inflation is YoY percent changes in CPI.

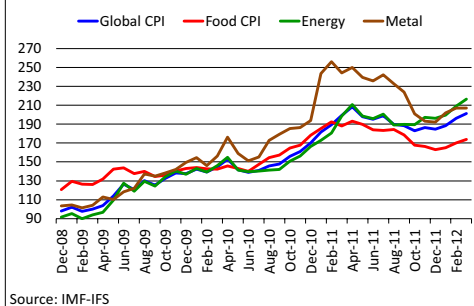
² Growth is measured as percentage change over the same quarter of previous year.

³ Mar 28, 2012

⁴ **30 Yr Bond** = \$300 M (30 Yr US T bill+302 bps=>**7.875%**): Issued - Mar 24, 2006; Maturity - Mar 23, 2036

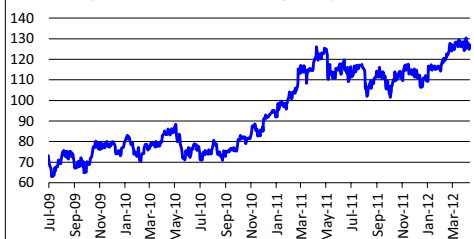
Sources: Bloomberg, IMF, OECD, The Economist and Central Bank Websites

Trends in Commodity Price Indices (2005=100)



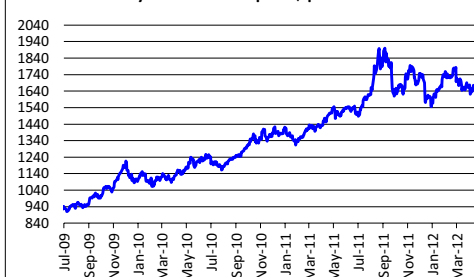
Source: IMF-IFS

Daily Price of Saudi Arabian Light - \$ per barrel



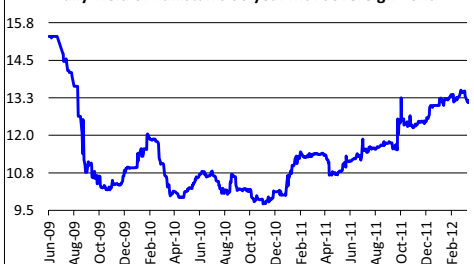
Source: Energy Information Administration

Daily Price of Gold Spot - \$ per Oz.



Source: Bloomberg

Daily Yield of Pakistan's 30 year Int'l Sovereign Bond⁴



Source: Bloomberg



Revenues, Expenditures and Fiscal Balances

Fiscal deficit is recorded at 2.5 percent of GDP in H1-FY12.

Revenues (billion Rs)

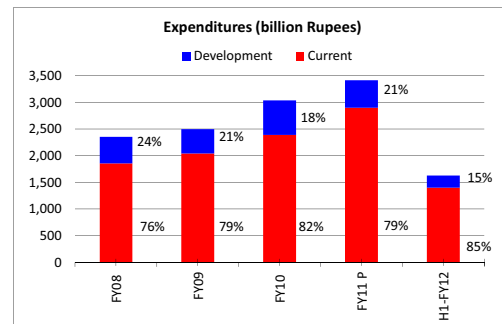
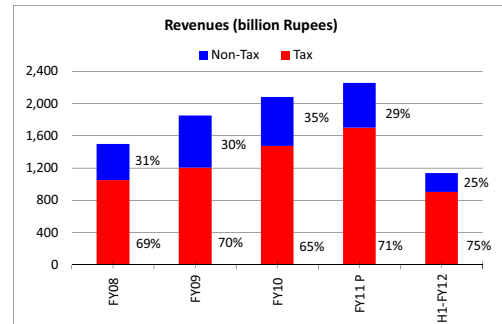
	FY12		FY11
	BE ¹	(Jul-Dec)	
Total revenues	2870	1135	2253
Tax revenue	2176	905	1699
Growth (YoY) %	25.2	25.4	15.4
of which: FBR revenues	1952	845	1550
Non-tax revenues	694	231	554
Growth (YoY) %	32.7	-14.0	-8.6

Expenditures (billion Rs)

	FY12		FY11
	BE ¹	(Jul-Dec)	
Total expenditures	3711	1668	3447
Current ²	3053	1437	2933
Growth (YoY) %	4.1	12.9	23.2
Interest payments	791	397	698
Defence	495	243	451
Development & net lending	658	231	514
Growth (YoY) %	28.0	11.1	-21.3

Overall Balance (billion Rs)

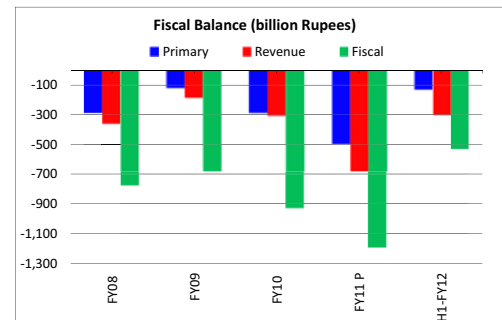
	FY12		FY11
	BE ¹	(Jul-Dec)	
Fiscal Balance³	-841	-533	-1,194
Revenue Balance ⁴	-183	-302	-680
Primary Balance ⁵	-50	-135	-496



A significant portion of the fiscal deficit in H1-FY12 was financed through borrowing from the banking system

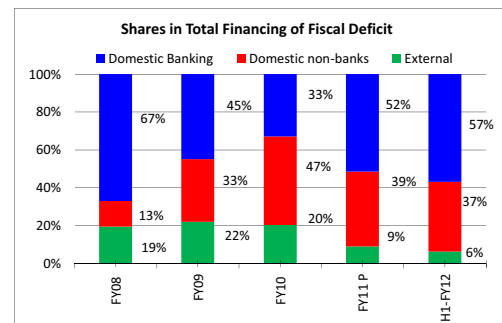
Financing of Fiscal Deficit (billion Rs)

	FY12		FY11
	BE ¹	(Jul-Dec)	
Financing	841	533	1194
1. External	65	34	108
2. Domestic: of which	706	499	1087
Non-bank	413	196	472
Banking system: of which	293	303	615
Schedule Banks	293	124	647
SBP	0	178	-32
Privatization proceeds	70	-	-



FBR Tax Collection (billion Rs)

	FY12				Total taxes
	Direct	Sales	Customs	FED ⁶	
Mar-11	67	48	18	11	144
Apr-11	50	52	15	13	130
May-11	47	79	18	16	160
Jun-11	124	80	26	19	249
Jul-11	29	62	12	10	112
Aug-11	32	64	14	10	121
Sep-11	64	59	16	9	148
Oct-11	40	64	15	9	126
Nov-11	46	61	16	10	132
Dec-11	103	71	21	7	202
Jan-12	42	66	17	12	136
Feb-12	51	58	17	7	133
Jul-Feb FY12⁷	405	505	128	72	1110
Jul-Feb FY11	315	374	108	78	876



Sources: Ministry of Finance (MoF), Federal Board of Revenue (FBR) and State Bank of Pakistan (SBP)

¹ Budget Estimates (Source: Ministry of Finance); ² Inclusive of unidentified expenditures; ³ Fiscal balance = total revenue - total expenditure; ⁴ Revenue balance = total revenue - current expenditure (note current expenditure are inclusive of unidentified expenditure); ⁵ Primary balance = total revenue - total expenditure + interest payment; ⁶ Federal excise duty; ⁷ Provisional Figures.

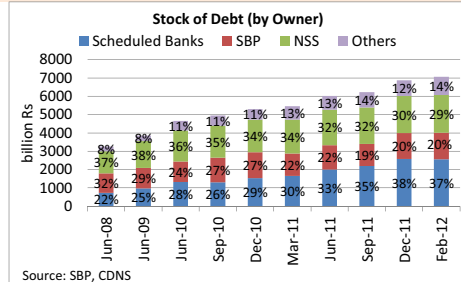


Government Domestic Debt

Government's domestic debt has increased by over Rs1 trillion in FY12 so far.

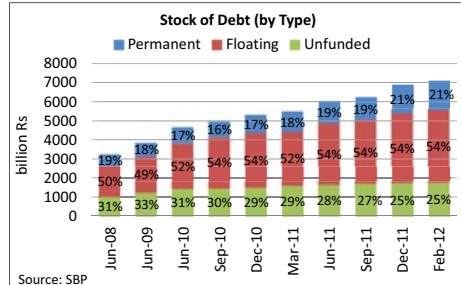
Debt by Owner - end period stocks (billion Rs)

	Feb-12	Jun-11	Change since Jun-11
Bank	4,000.9	3,328.1	672.8
Commercial banks	2,568.5	2,007.5	561.0
SBP	1,432.5	1,320.6	111.8
Non-bank	3,064.2	2,687.5	376.7
National Saving Schemes (NSS)	2,070.5	1,932.9	137.6
Others	993.7	754.6	239.1
Foreign Currency Instruments ¹	1.4	1.4	0
Total	7,066.5	6,017.0	1,049.5



Debt by Type - end period stocks (billion Rs)

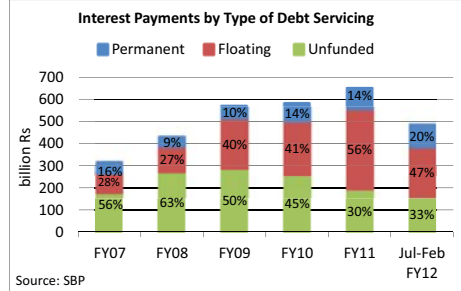
	Feb-12	Jun-11	Change since Jun-11
Long term	3,256.0	2,780.2	475.8
Permanent: of which	1,499.6	1,124.4	375.2
PIBs	898.9	618.5	280.4
Prize bonds	314.2	277.1	37.1
Unfunded: of which	1,756.4	1,655.8	100.6
NSS ²	1,642.0	1,544.3	97.6
Short term (floating): of which	3,809.1	3,235.4	573.7
MTBs	2,379.8	1,917.9	461.9
MRTBs-replenishment	1,429.3	1,317.5	111.8
Foreign Currency Instruments ¹	1.4	1.4	0
Total	7,066.5	6,017.0	1,049.5
Government Domestic Liabilities*	148.8	214.2	-65.4



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

² NSS includes certificates and saving accounts only.

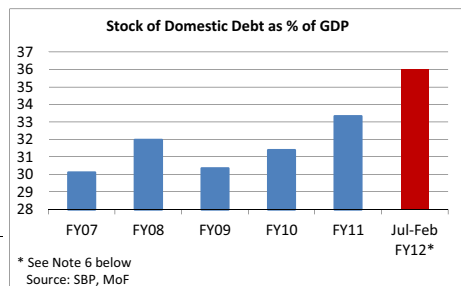
*This reflects provincial governments' borrowings from banks for commodity operations.



Interest payments on permanent debt has increased by 83 percent during July-February FY12 compared to the corresponding period of last year.

Debt Servicing (billion Rs)

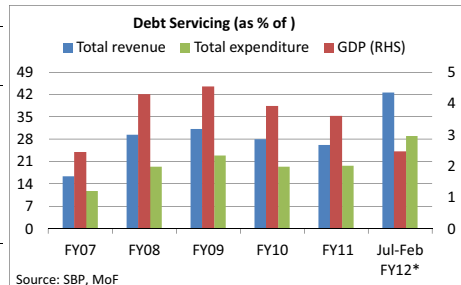
	Jul-Feb FY12	FY11	Change from Jul-Feb FY11 (%)
Permanent ³	97.5	91.8	83.3
Floating	225.3	361.4	5.2
Unfunded	161.3	197.1	27.5
Total	484.1	650.3	22.9



Indicators of Domestic Debt Sustainability

	FY08	FY09	FY10 ⁴	FY11 ⁵	FY12 ⁶
Debt Stock as % of GDP	32.0	30.3	31.4	33.3	36.0
Debt Servicing as % of					
GDP	4.3	4.5	3.9	3.6	2.5
Total revenue	29.4	31.2	28.0	26.2	42.6
Tax revenue	41.9	48.0	39.5	34.5	53.0
Total expenditure	19.3	22.8	19.3	19.7	29.0
Current expenditure	23.8	28.3	24.4	22.3	33.2

* See Note 6 below
Source: SBP, MoF



³ Includes prize bonds; ⁴ The table only takes into account the Q1-FY12 data

⁵ Debt stock (as on June 2011) as percent of provisional GDP for FY11.

⁶ Average of projected GDP at current market prices of FY12 and actual FY11 GDP has been used to calculate Domestic Debt/GDP ratio. The fiscal data for H1-FY12 has been used to calculate the ratios.

Sources: Central Directorate of National Savings (CDNS), SBP and Ministry of Finance (MoF) ^P: Provisional figures



External Debt

Stock of external debt and liabilities decreased by \$710 million in H1-FY12 mainly due to scheduled repayment to IMF.

Debt & Liabilities - end period stocks (million \$)

Items	Jun-11 ^R	Dec-11	Change since Jun-11
1. Public debt (a+b+c)	57,896	56,982	-914
a) Government Debt	46,374	46,020	-354
i) Medium and long term (>1 yr)	45,734	45,469	-265
Paris club	15,462	15,298	-164
Multilateral	25,837	25,447	-390
Other bilateral	1,925	2,339	414
Euro/Sukuk global bonds	1,550	1,550	0
Military debt	135	135	0
Commercial loans/credits	0	0	0
Local currency bonds (TBs & PIBs)	25	0	-25
Saudi fund for development. (SFD)	200	200	0
SAFE China deposits	500	500	0
NBP/BOC deposits	100	0	-100
ii) Short term (<1 yr)	640	551	-89
IDB	608	543	-65
b) From IMF	8,940	8,444	-496
i) Federal government	1,997	1,916	-81
ii) Central bank	6,943	6,528	-415
c) Foreign exchange liabilities (FEL)	2,582	2,518	-64
2. PSE guaranteed debt	84	176	92
3. PSE non-guaranteed debt	975	935	-40
4. Scheduled banks' borrowing	386	604	218
i) Medium and long term (>1 yr)	104	97	-7
ii) Short term (<1 year)	282	507	225
5. Private guaranteed debt	0	0	0
6. Pvt. non-guaranteed debt (>1 yr)	2,379	2,313	-66
7. Private non-guaranteed bonds	124	124	0
Total external debt (excl. FEL)	59,262	58,616	-646
Total external debt & liabilities (1+2+3+4+5+6+7)	61,844	61,134	-710

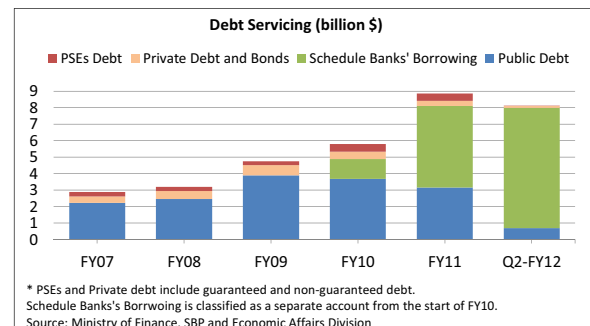
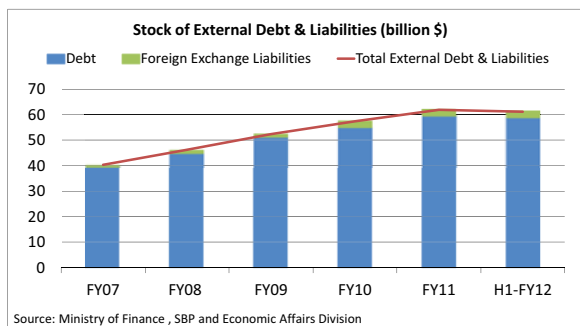
Debt Servicing (million \$)

Items	Jun-11 ^P	Dec-11
1. Public debt (a+b+c)	3,152	690
a) Government debt	2,573	564
Principal	1,816	321
Interest	756	243
b) To IMF	442	123
Principal	268	81
Interest	174	43
c) Foreign exchange liabilities	137	3
Principal	122	0
Interest	15	3
2. PSEs guaranteed debt	158	10
Principal	141	10
Interest	17	1
3. PSEs non-guaranteed debt	290	142
Principal	260	134
Interest	30	8
4. Scheduled banks' borrowing	4,937	7,292
Principal	4,931	7,291
Interest	6	1
5. Private guaranteed debt	0	0
6. Private non-guaranteed debt	311	119
Principal	247	101
Interest	64	18
7. Private non-guaranteed bonds	5	0
Principal	0	0
Interest	5	0
Total external debt servicing (1+2+3+4+5+6+7)	8,855	8,254
Principal	7,786	7,938
Interest	1,069	317

Debt stock as percent of GDP has declined in Dec-12.

Indicators of External Debt Sustainability

	Debt Stock as % of						Debt Servicing as % of				
	FY07	FY08	FY09	FY10	FY11	Dec-11 ¹	FY07	FY08	FY09	FY10	FY11
GDP	28.1	30.8	33.5	33.0	29.4	28.0	2.0	2.1	3.0	3.3	4.3
Reserves	257.7	405.0	421.2	342.5	339.0	359.1	18.4	27.9	38.2	34.5	48.8
Exports	233.4	226.0	273.7	291.6	243.1	504.2	16.6	15.6	24.8	29.4	35.0



R: Revised; P Provisional; Allocation of SDR added to FEL; ¹ Average of projected GDP at current market prices of FY12 and actual FY11 GDP has been used to calculate External Debt/GDP ratio for July 2011 to onward. End Period Total Liquid Reserves are used, whereas Exports during Jul-Dec-11 is used.

Sources: Economic Affairs Division and SBP



Total Debt

Increase in stock of total debt and liabilities in H1-FY12 was contributed by increase in domestic debt as well as exchange rate depreciation.

Total Debt Stock (billion Rs)

	Dec-11	Jun-11	Change since Jun-11	Share
Total Debt & Liabilities (I to VIII)	12,832.2	12,146.1	686.2	100.0
Total Public Debt (I to IV)	11,992.8	10,995.5	997.3	93.5
Total External Debt & Liabilities (II to VI)	5,500.1	5,318.0	182.1	42.9
Commodity Operations & PSEs Debt (VI to VIII)	565.8	902.1	-336.3	4.4
<i>I. Government Domestic Debt</i>	6,866.3	6,017.0	849.2	53.5
<i>II. Government External Debt ¹</i>	4,140.3	3,987.8	152.6	32.3
<i>III. Debt from IMF</i>	759.69	768.75	-9.1	5.9
<i>IV. External Liabilities</i>	226.5	222.0	4.5	1.8
<i>V. Private Sector External Debt</i>	273.6	-	248.4	2.1
<i>VI. PSEs External Debt</i>	99.9	91.1	8.9	0.8
<i>VII. PSEs Domestic Debt</i>	130.0	411.5	-281.5	1.0
<i>VIII. Commodity Operations Debt ²</i>	335.9	399.5	-63.6	2.6

Total Debt Servicing (billion Rs)

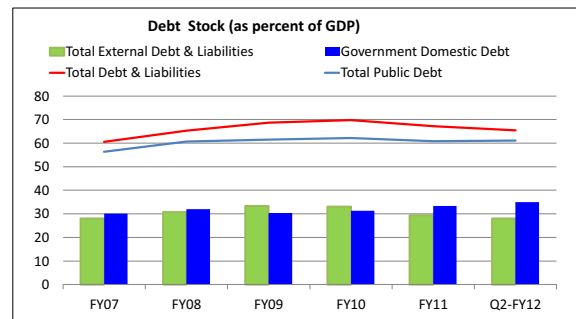
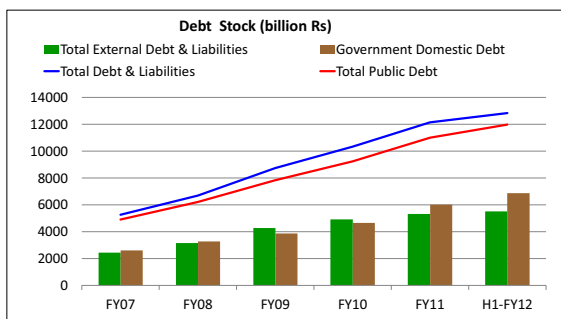
	Dec-11	FY11	Share
Total Debt Servicing	924.1	1472.3	100.0
Total Interest Payment	227.1	806.3	24.6
<i>Domestic Debt</i>	185.9	649.9	20.1
<i>External Debt</i>	27.6	90.2	3.0
<i>External Liabilities ³</i>	0.2	1.3	0.0
<i>Domestic Liabilities</i>	13.4	65.0	1.4
Principal Repayment of External Debt & Liabilities	697.0	666.0	75.4

Debt stock (as percent of GDP)

	FY09	FY10	FY11	Dec-11 ⁴
Total Debt & Liabilities	68.7	69.7	67.2	65.4
Total Public Debt	61.6	62.2	60.9	61.1
Total External Debt & Liabilities	33.5	33.0	29.4	28.0
Government Domestic Debt	30.3	31.4	33.3	35.0
PSEs Debt & Liabilities	5.6	6	5.0	2.9

Debt Servicing (as percent of)

	FY09	FY10	FY11	Dec-11 ⁵
Tax revenue	80.5	73.5	78.3	101.1
Total revenue	52.4	52.1	59.3	81.3
Total expenditure	38.3	36.0	44.7	55.4
Current expenditure	47.5	45.4	50.6	63.4
GDP	7.6	7.3	8.2	4.7



Note: ¹ Rupee value of external debt computed by applying the corresponding end period average exchange rate to the end-period stock; ² This includes borrowings from banks by provincial governments and PSEs for commodity operations; ³ Rupee value of external liabilities computed by applying the corresponding period average exchange; ⁴ Average of projected GDP at current market prices of FY12 and actual FY11 GDP has been used to calculate Debt/GDP ratio for July 2011 to onward. Actual GDP of FY12 will be used when it becomes available in June 2012; ⁵ The data of H1-FY12 of Fiscal is used only.

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



Monetary and Credit Aggregates

Deceleration in broad money (M2) growth is primarily due to sharp contraction in NFA of the banking system.

Monetary Assets of the Banking System

	End June 2011 Stocks	Cumulative Flows since end June		FY11
		Latest week	A year ago	
		30-Mar-12	2-Apr-11	
NFA	780.4	-225.0	160.9	235.1
NDA	5914.8	808.8	365.6	682.9
Government borrowings: of wh.	3020.5	889.9	220.5	579.6
Budgetary borrowing	2601.6	982.1	341.0	590.2
Commodity operations	397.5	-92.9	-124.4	-15.7
Non-govt. sect. borrowings: of wh.	3546.8	54.9	240.6	158.0
Private sector	3141.2	223.6	209.9	121.3
PSEs	387.6	-169.3	30.4	36.3
Other items (net)	-652.6	-136.0	-95.5	-54.8
M2	6695.2	583.8	526.4	918.0

Monetary Liabilities of the Banking System

Currency in circulation	1501.4	156.9	215.9	206.0
Total deposits with banks	5183.6	428.1	306.4	708.5
Demand deposits with banks	4123.5	270.4	214.9	529.5
Time deposits with banks	685.2	121.5	68.7	149.5
RFCDs with banks	374.9	36.2	22.8	29.5
M2	6695.2	583.8	526.4	918.0

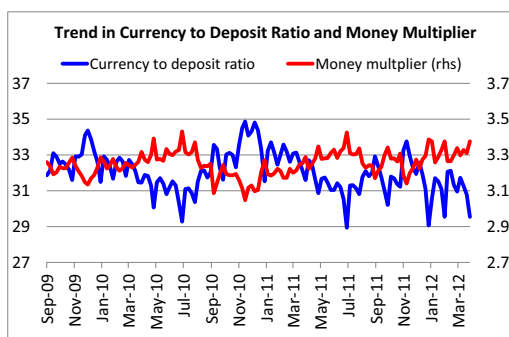
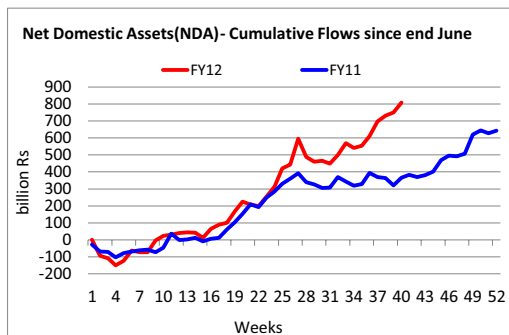
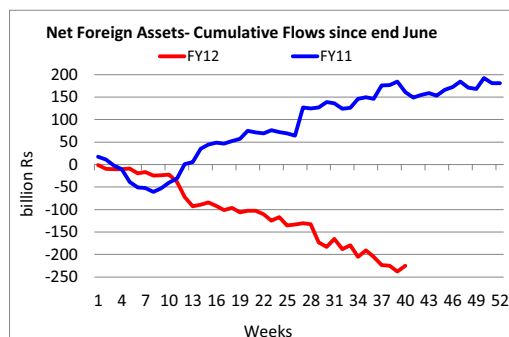
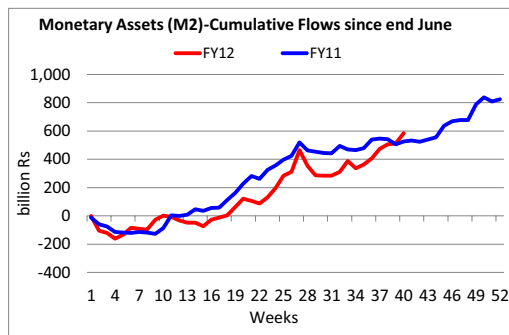
Percent Growth in Monetary Assets of the Banking System

	YoY (30-Mar-12)	Since end June		FY11
		30-Mar-12	2-Apr-11	
NFA	-21.4	-28.8	29.5	43.1
NDA	20.1	13.7	7.0	13.1
Government borrowings	46.9	29.5	9.0	23.7
Budgetary borrowing	52.3	37.7	17.0	29.3
Commodity operations	5.5	-23.4	-30.1	-3.8
Non-government sector borrowings	-0.7	1.5	7.1	4.7
Private sector	4.2	7.1	6.9	4.0
PSEs	-42.8	-43.7	8.6	10.3
Other items (Net)	13.8	20.8	16.0	9.2
M2	15.5	8.7	9.1	15.9

Memorandum Items

	(billion Rs)		
	Latest week	A year ago	FY11
	30-Mar-12	2-Apr-11	
Money multiplier	3.4	3.3	3.4
Currency to deposit ratio	29.5	31.6	29.0
M2 to GDP ratio	34.8	34.9	37.1
Private sector credit to GDP ratio	16.1	17.9	17.4

*All FY11 numbers are provisional; Source: Statistics & Data Warehouse Department (S&DWD), SBP





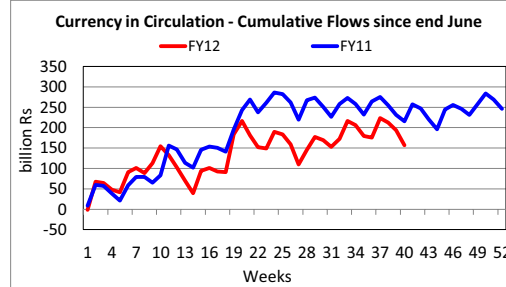
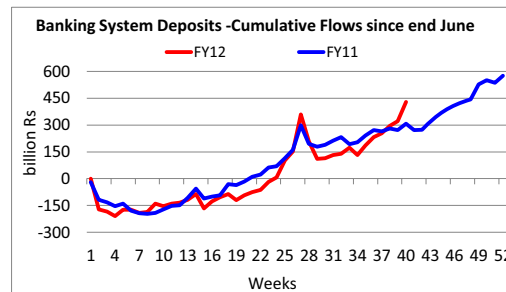
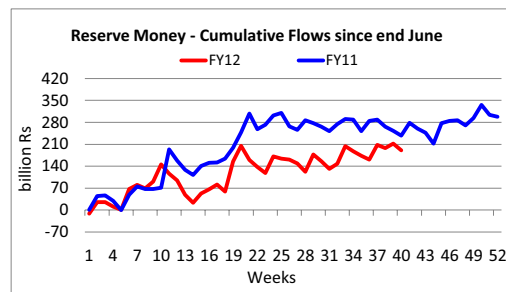
Growth in reserve money also decelerated due to significant contraction in NFA of SBP.

Monetary Assets of SBP

	(billion Rs)			
	End June 2011 Stocks	Cumulative Flows		FY11 (Provisional)
		Latest week 30-Mar-12	A year ago 2-Apr-11	
NFA	614.1	-199.9	166.7	235.4
NDA: of which	1351.7	390.5	70.7	51.1
Budgetary borrowing	1200.7	217.6	9.8	-8.0
Other items (net)	-179.7	183.1	44.5	51.3
Net Impact of OMOs/Discounting	63.7	211.9	52.9	55.9
Reserve money	1965.8	190.6	237.4	286.6

Monetary Liabilities of SBP

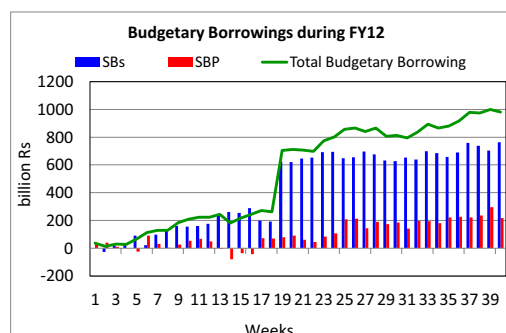
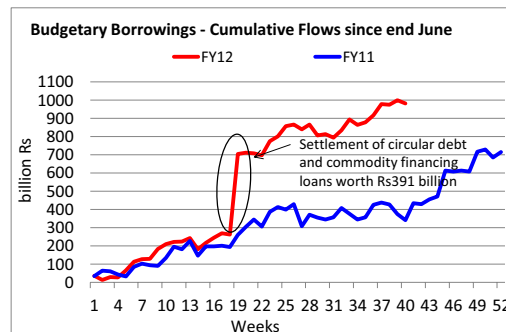
	(billion Rs)			
	End June 2011 Stocks	Cumulative Flows		FY11
		Latest week 30-Mar-12	A year ago 2-Apr-11	
Currency in circulation	1501.4	156.9	215.9	206.0
Cash in tills	104.9	-1.2	-1.8	17.2
Bank deposits with SBP (reserves)	349.4	36.1	19.2	59.9
Other deposits with SBP	10.1	-1.2	4.1	3.5
	YoY (30-Mar-12)	Percent growth		
NFA of the SBP	-24.1	-32.6	44.0	62.2
NDA of the SBP: of which	27.1	28.9	5.4	3.9
Budgetary borrowing	16.4	18.1	0.8	-0.7
Other items (net)	-101.6	-101.7	-19.3	-22.2
Reserve money	12.5	9.7	14.1	17.1



Government borrowing from the banking system for budgetary support remains substantial.

Details on Government Borrowing for Budgetary Support

	(billion Rs)			
	End June 2011 Stocks	Cumulative Flows		FY11
		Latest week 30-Mar-12	A year ago 2-Apr-11	
Budgetary Borrowing	2601.6	982.1	341.0	590.2
Federal government	2903.5	1044.9	438.7	714.8
From SBP	1239.8	294.0	112.7	98.0
SBP's Holdings of MRTBs	1317.5	167.3	91.4	192.6
From SBs	1663.7	750.9	326.0	616.7
Provincial governments	-301.9	-62.8	-97.7	-124.6
From SBP ¹	-39.1	-76.4	-102.9	-106.0
From SBs ²	-262.8	13.6	5.2	-18.6
Memorandum Items				
Cash basis	2523.3	925.7	353.3	588.7
SBP	1154.5	214.1	7.1	-16.9
SBs	1368.8	711.5	346.2	605.7



¹ Current overdraft ceilings for provinces are: Rs37 billion for Punjab; Rs15 billion for Sindh; Rs10.1 billion for KPK; Rs7.1 billion for Balochistan, Rs2.7 billion for A.J.K.

² The end-June 2011 net stock of borrowings was negative as provincial governments' deposits with scheduled banks exceeded their borrowings.



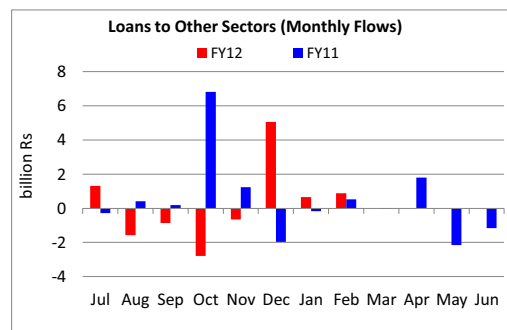
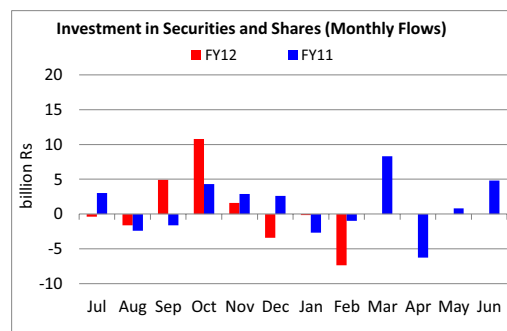
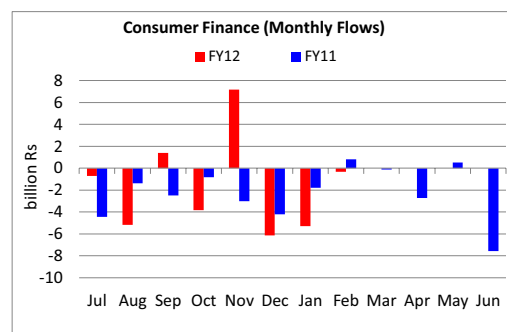
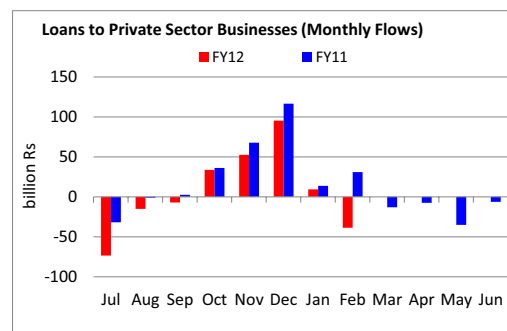
Credit to private sector businesses increased by only Rs56.8 billion during Jul-Feb FY12 compared to a hefty increase of Rs235 billion in the corresponding period of last year.

Credit to Private Sector

	End June 2011 Stocks	Flows during Jul-Feb (billion Rs)		
		Jul-Feb FY12	Jul Feb FY11	FY11
Total credit to private sector	3141.2	243.3^P	215.9	121.3
1. Loans to private sector businesses	2431.8	56.8	235.0	173.2
By type				
Working capital: of which	1582.2	51.8	229.7	163.5
Export finance	266.8	17.9	37.5	27.0
Import finance	134.7	-17.7	30.5	29.7
Fixed investment	849.6	5.0	5.3	9.7
By Sectors: of which				
Agriculture	180.5	↑ 10.5	↑ 2.3	↑ 11.0
Manufacturing: of which	1385.4	↑ 84.7	↑ 206.3	↑ 121.9
Textiles	514.7	↑ 34.9	↑ 119.6	↑ 44.5
Food products & beverages	275.3	↑ 8.6	↑ 69.4	↑ 61.0
Chemicals & products	158.1	↑ 7.9	↓ -7.3	↑ 1.3
Non-metallic mineral products	94.8	↓ -3.8	↑ 6.9	↓ -7.9
Wearing apparel, readymade gar	50.0	↑ 0.9	↑ 5.1	↑ 1.8
Electricity, gas and water	269.4	↓ -17.4	↑ 25.9	↑ 53.9
Construction	67.7	↓ -9.3	↑ 1.1	↑ 0.6
Commerce and trade	213.7	↓ -2.7	↓ -15.8	↓ -16.0
Transport, storage and comm.	106.2	↑ 2.7	↑ 2.4	↑ 1.1
Services: of which	153.9	↓ -6.0	↑ 8.8	↓ -7.3
Real estate/renting & business ac	111.0	↓ -4.5	↑ 13.1	↓ -2.2
2. Personal: of which	294.0	↓ -7.9	↓ -16.7	↓ -27.5
Consumer financing	217.6	↓ -12.9	↓ -17.3	↓ -27.2
3. Investment in securities and shares	158.0	↑ 4.4	↑ 5.3	↑ 13.0
4. Others¹	257.4	↑ 190.0	↓ -7.7	↓ -37.4

P= Provisional

¹ This includes credit to Non-Bank Finance Companies, some Public Sector Enterprises, and other categories.





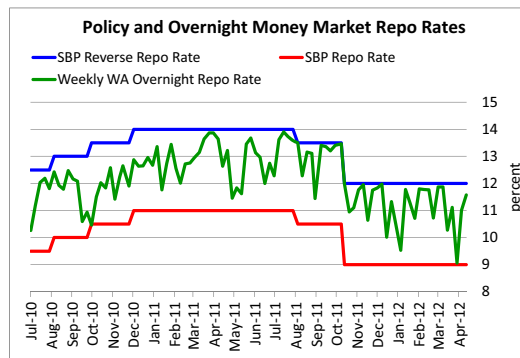
Money Market

Volatility in overnight repo rate increased in FY12 (YTD) due to unpredictable liquidity flows in the money market.

Policy Instruments (%)					
	Current	w.e.f	Previous	w.e.f	Change ¹
SBP reverse repo rate	12.0	10-Oct-11	13.5	1-Aug-11	↓-150
SBP repo rate	9.0	10-Oct-11	10.5	1-Aug-10	↓-150
CRR on DL and TL < 1 year	5.0	1-Nov-08	6.0	18-Oct-08	↓-100
CRR on TL > 1 year	0.0	4-Aug-07	3.0	19-Jan-07	↓-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



Banks' excess cash reserves with the SBP almost doubled during the week ending on April 5, 2012 compared to last month.

	Weekly Cash Reserve Requirements ¹ (billion Rs)			
	Week Ended		Change since	
	Current	Last month	8-Mar-12	6-Oct-11 ²
	5-Apr-12	8-Mar-12		
Cash Required	228.4	224.6	↑3.9	↑12.5
Cash Maintained	240.6	231.0	↑9.6	↑15.6
Excess Cash Reserves (per day)	12.2	6.5	↑5.7	↑3.1

¹ Weekly CRR is the proportion of total time and demand liabilities that schedule banks are required to maintain with SBP in the form of cash on average during the week (Friday to Thursday). The data is reported by Off-site Supervision and Enforcement Department with a lag of about 1-2 weeks.

² As on Friday preceding the monetary policy decision of a change in policy rate.

	Weighted Average O/N Money Market Repo Rate (%)				
	01 Jul 2011 - 12 Apr 2012				
	Q1	Q2	Q3	Q4	YTD
WA O/N Repo Rate ¹	13.31	11.55	11.09	11.18	11.85
Standard Deviation	0.48	0.89	0.68	0.4	1.14
CoV ²	0.04	0.08	0.06	0.04	0.10

	01 Jul 2010 - 30 June 2011				
	Q1	Q2	Q3	Q4	FY11
	WA O/N Repo Rate ¹	11.68	12.1	13.01	12.67
Standard Deviation	0.61	0.61	0.63	0.76	0.8
CoV ²	0.05	0.05	0.05	0.06	0.07

¹ Weekly Weighted Average O/N Repo Rate

² Coefficient of Variation

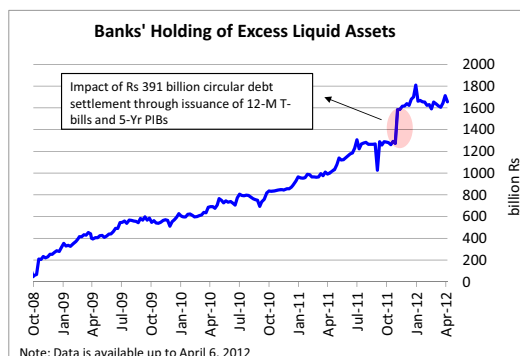
Banks' holding of government securities now stands at 85 percent of their total liquid assets maintained.

	Overall Reserve Requirement (billion Rs)			
	Last Month		Change since	
	Current	9-Mar-11	9-Mar-11	4-Oct-08
	6-Apr-12			
Required Reserves	1123.7	1088.0	↑35.7	↑161.2
Cash ¹	234.1	226.7	↑7.4	↓-42.0
Securities ²	889.6	861.3	↑28.3	↑203.2
Maintained	2777.8	2705.4	↑72.5	↑1759.1
Cash	365.8	350.4	↑15.4	↓-23.0
Cash in Tills	107.4	108.6	↓-1.2	↑19.3
Balance with SBP	237.3	222.4	↑14.9	↓-51.3
Balance with NBP	21.1	19.4	↑1.7	↑9.0
Securities	2371.6	2314.5	↑57.1	↑1758.5
Others ³	40.4	40.4	↓0.0	↑23.6
Excess of Liquid Assets⁴	1654.1	1617.4	↑36.7	↑1597.8

Source: Off-site Supervision and Enforcement Department, SBP

¹ Required under weekly average CRR

² Required under SLR



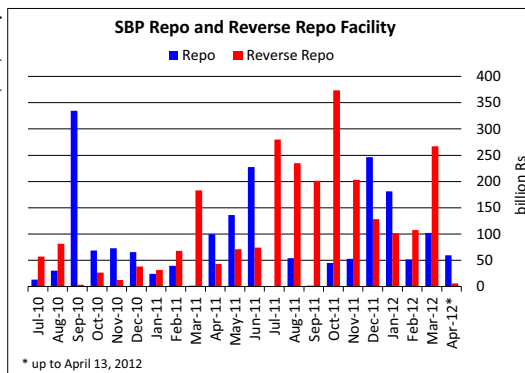
³ Includes Section 13(3) deposits and share capital of MFBS.

⁴ Includes excess securities + cash and other assets maintained.



Banks' increased use of both SBP reverse repo and repo facilities reflects the volatile liquidity flows in the money market.

	SBP Reverse Repo		SBP Repo	
	Amount	Days	Amount	Days
	billion Rs	No.	billion Rs	No.
FY11	691.3	53	1,138.8	83
Q1	142.2	13	402.3	21
Q2	77.1	10	207.2	26
Q3	283.0	16	65.4	11
Q4	189.1	14	463.9	25
FY12	1,903.7	95	797.4	39
Q1	716.0	41	56.3	7
Q2	704.9	26	346.9	15
Q3	476.5	25	335.0	13
Apr*	6.3	3	59.3	4

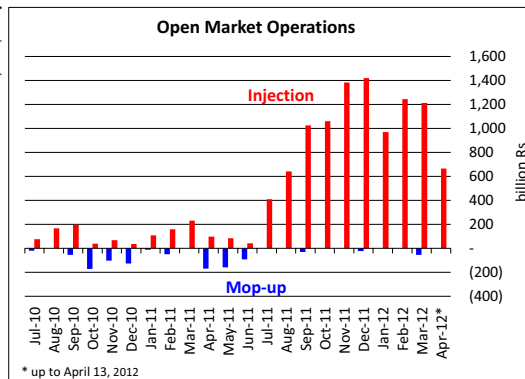


* Updated up to April 13, 2012

Source: Domestic Markets & Monetary Management Department, SBP

Volumes of net OMO injections by the SBP are considerably higher compared to the historical levels.

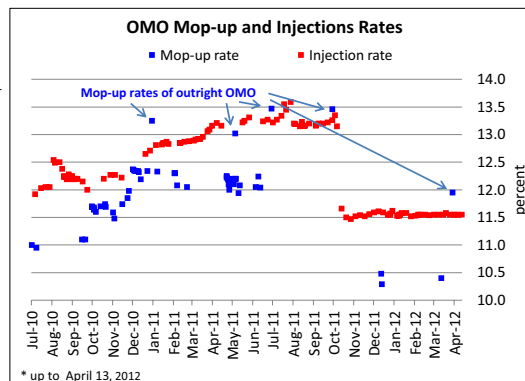
	Open Market Operations (billion rupees)			Outstanding OMOs	
	Mop-up	Injection	Net Mop-up*	Amount	Maturity
FY11	961.3	1,252.8	(291.5)	-	-
Q1	74.9	436.2	(361.3)	-	-
Q2	402.6	138.5	264.1	-	-
Q3	62.7	457.1	(394.4)	-	-
Q4	421.2	221.0	200.2	-	-
FY12	110.4	9,600.0	(9,489.6)	-	-
Q1	32.4	2,074.0	(2,041.6)	-	-
Q2	24.0	3,859.0	(3,835.0)	-	-
Q3	54.0	3,424.5	(3,370.5)	-	-
02-Apr	-	242.5	(242.5)	-	-
06-Apr	-	222.8	(222.8)	-	-
13-Apr	-	200.0	(200.0)	(200.0)	20-Apr
				51.0	20-Apr



Source: Domestic Markets & Monetary Management Department, SBP

* Updated up to April 13, 2012

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

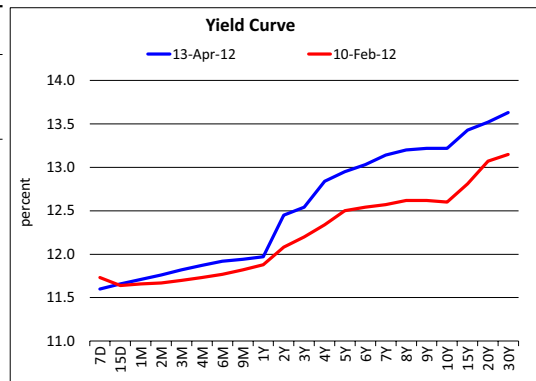




The yield curve has steepened since the last monetary policy decision mainly due to increase in long term interest rates.

Pak Rupee Revaluation (PKRV) Rates¹ (%)

Tenors	Current	last month	Change (in basis points) since	
			Last month	Last MPS
			13-Mar-12	10-Feb-12
	13-Apr-12	13-Mar-12		
1-week	11.60	11.34	↑ 26	↓ -13
2-week	11.66	11.53	↑ 13	↑ 2
1-month	11.71	11.65	↑ 6	↑ 5
3-month	11.82	11.77	↑ 5	↑ 12
6-month	11.92	11.88	↑ 4	↑ 15
9-month	11.94	11.91	↑ 3	↑ 12
1-year	11.97	11.92	↑ 5	↑ 9
2-year	12.45	12.36	↑ 9	↑ 37
3-year	12.54	12.50	↑ 4	↑ 34
5-year	12.95	12.88	↑ 7	↑ 45
7-year	13.14	13.01	↑ 13	↑ 57
10-year	13.22	13.07	↑ 15	↑ 62
20-year	13.52	13.42	↑ 10	↑ 45
30-year	13.63	13.51	↑ 12	↑ 48



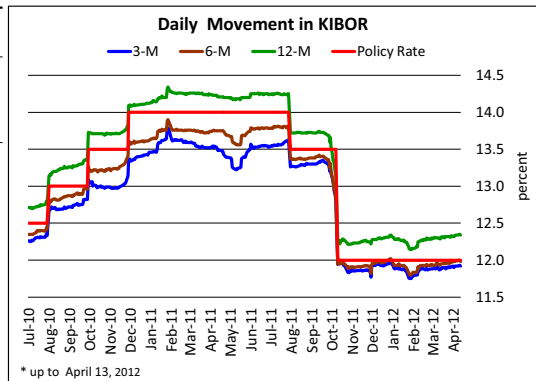
Source: Financial Market Association of Pakistan

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

KIBOR of 6 and 12 month tenor have also been rising, though gradually, since the last monetary policy review.

Tenor-wise KIBOR (%)

Tenors	Current	last month	Change (in basis points) since	
			Last month	Last MPS
			13-Mar-12	10-Feb-12
	13-Apr-12	13-Mar-12		
1-week	11.85	11.38	↑ 47	↓ -16
2-week	11.97	11.78	↑ 19	↓ -5
1-month	12.02	11.93	↑ 9	↑ 1
3-month	11.92	11.87	↑ 5	↑ 7
6-month	11.98	11.93	↑ 5	↑ 9
9-month	12.28	12.23	↑ 5	↑ 9
12-month	12.34	12.29	↑ 5	↑ 9
2-year	12.42	12.37	↑ 5	↑ 9
3-year	12.47	12.44	↑ 3	↑ 7

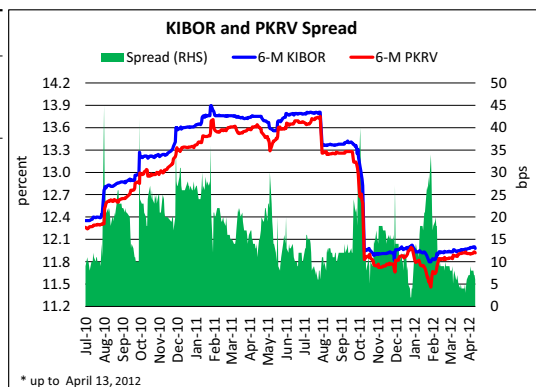


Source: SBP and Financial Market Association of Pakistan

The spread between 6-month KIBOR and 6-month PKRV rates has narrowed considerably compared to the level seen at the time of last monetary policy review.

KIBOR and PKRV Spread (basis points)

Tenors	Current	last month	Change (in basis points) since	
			Last month	Last MPS
			13-Mar-12	10-Feb-12
	13-Apr-12	13-Mar-12		
1-week	25	4	↑ 21	↓ -3
2-week	31	25	↑ 6	↓ -7
1-month	31	28	↑ 3	↓ -4
3-month	10	10	↑ 0	↓ -5
6-month	6	5	↑ 1	↓ -6
9-month	34	32	↑ 2	↓ -3
12-month	37	37	↑ 0	↑ 0
2-year	-3	1	↓ -4	↓ -28
3-year	-7	-6	↓ -1	↓ -27

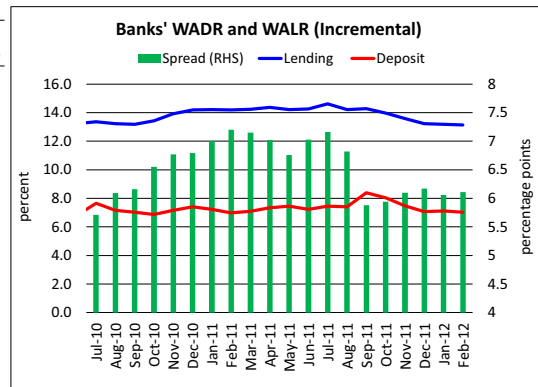


Sources: SBP



The decline in weighted average lending and deposit rates has slowed in the last couple of months.

Months	Weighted average Lending and Deposit Rates (percent per annum)					
	Incremental ¹			Outstanding		
	WALR	WADR	Spread (bps)	WALR	WADR	Spread (bps)
Jan-11	14.22	7.22	700	13.62	6.02	760
Feb-11	14.19	6.99	720	13.55	6.04	751
Mar-11	14.24	7.09	715	13.55	5.97	758
Apr-11	14.37	7.35	702	13.55	6.03	752
May-11	14.21	7.45	676	13.65	6.00	765
Jun-11	14.25	7.22	703	13.78	5.92	786
Jul-11	14.62	7.46	716	13.76	5.88	788
Aug-11	14.22	7.40	682	13.65	6.06	759
Sep-11	14.28	8.40	588	13.81	6.18	763
Oct-11	13.97	8.03	594	13.68	6.01	767
Nov-11	13.58	7.48	610	13.52	5.99	753
Dec-11	13.23	7.06	617	13.46	5.88	758
Jan-12	13.18	7.12	606	13.25	5.88	737
Feb-12	13.14	7.03	611	13.15	5.85	730



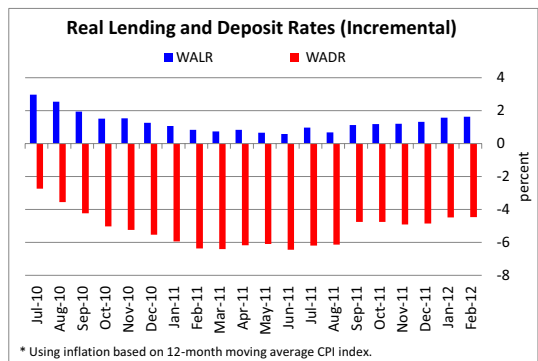
Source: Statistics & Data Warehouse Department, SBP

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

The real lending rate has slightly increased in March 2012, while real deposit rate stayed at the same level as in the previous month.

Months	Real (based on 12-month MA inflation) ¹		Real (based on YoY inflation) ²	
	WALR	WADR	WALR	WADR
	Jan-11	1.07	-5.93	0.31
Feb-11	0.83	-6.37	1.34	-5.86
Mar-11	0.74	-6.41	1.22	-5.93
Apr-11	0.84	-6.18	1.83	-5.19
May-11	0.67	-6.09	1.56	-5.20
Jun-11	0.59	-6.44	0.94	-6.09
Jul-11	0.97	-6.19	2.19	-4.97
Aug-11	0.69	-6.13	2.66	-4.16
Sep-11	1.13	-4.75	3.82	-2.06
Oct-11	1.18	-4.76	3.00	-2.94
Nov-11	1.20	-4.90	3.39	-2.71
Dec-11	1.31	-4.86	3.48	-2.69
Jan-12	1.58	-4.48	3.08	-2.98
Feb-12	1.64	-4.47	2.14	-3.97

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



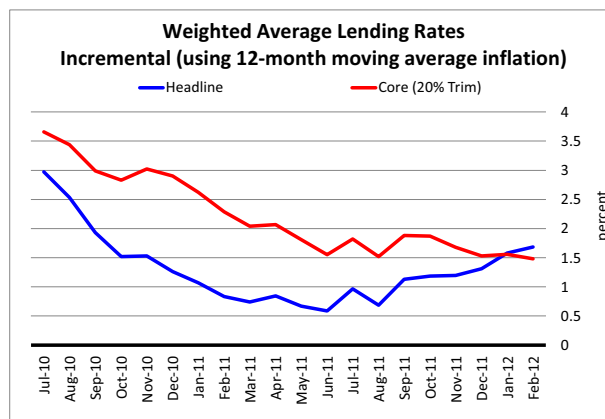
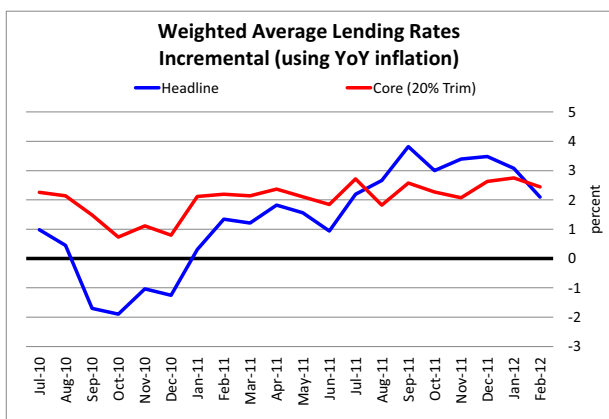
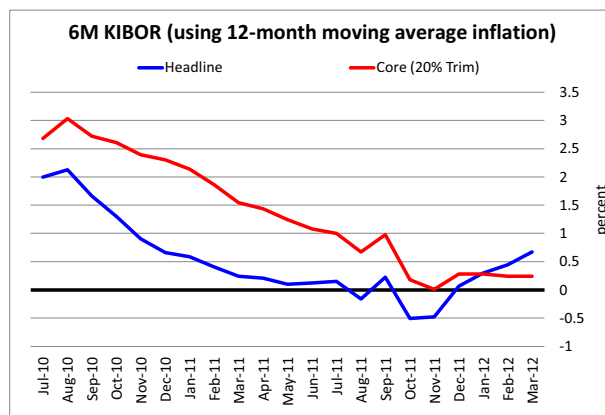
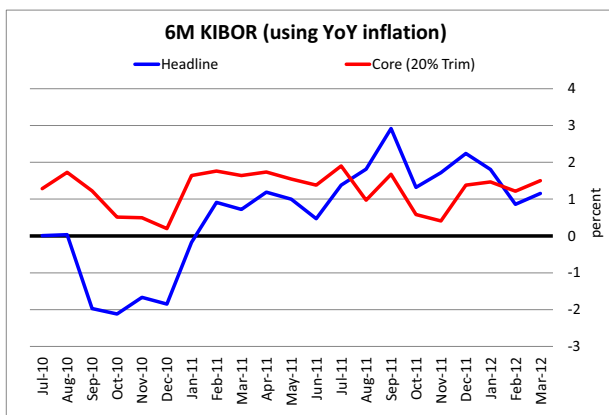
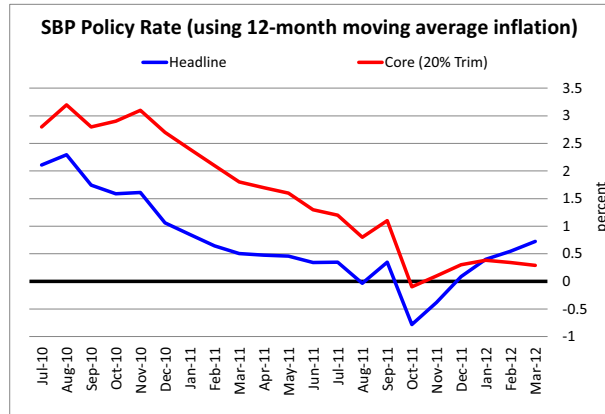
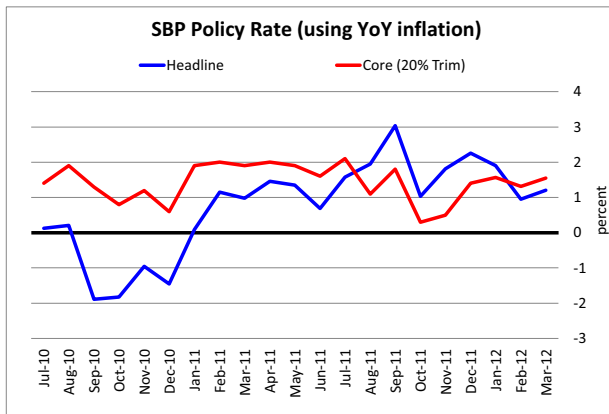
* Using inflation based on 12-month moving average CPI index.

¹ Nominal rate less CPI inflation (12-month moving average).

² Nominal rate less CPI inflation (year on year).



Real Interest Rates



Sources: FBS and Statistics & Data Warehouse Department, SBP



Government has raised Rs595billion in MTB auctions during Q3-FY12 against the targeted amount of Rs575 billion.

Amounts in billion Rs (Realized value) ; rates in percent

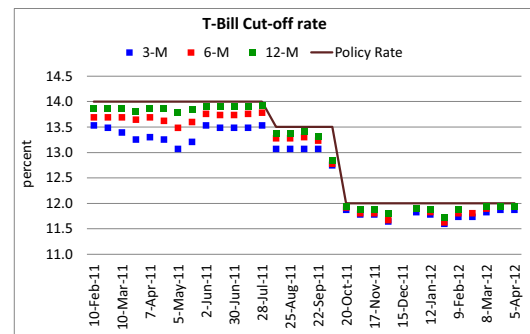
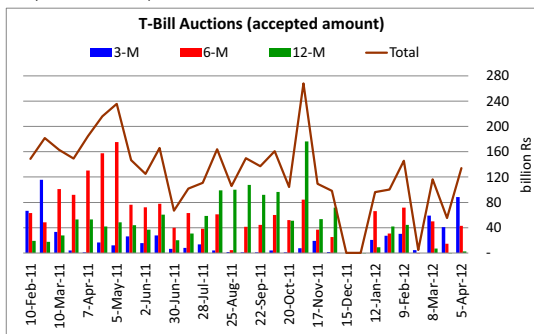
FY/Q/ Settlement Date	TOTAL				3-Month			6-Month			12-Month			Non- competitive bids (Accepted)#
	Target	Maturity	Offered	Accepted	Offered	Accepted	Cut-off*	Offered	Accepted	Cut-off*	Offered	Accepted	Cut-off*	
FY11	3,350.0	3,285.6	5,291.9	3,336.6	2,520.1	1,385.4	-	1,995.4	1,446.8	-	776.4	504.4	-	349.5
Q1	535.0	532.0	840.9	542.9	492.0	349.5	12.75	226.0	148.2	12.85	122.9	45.3	12.79	43.9
Q2	685.0	704.0	1,262.1	711.0	811.1	440.0	13.25	380.2	242.2	13.46	70.9	28.8	13.78	66.5
Q3	980.0	883.8	1,512.5	942.2	942.7	490.2	13.25	385.2	326.9	13.64	184.6	125.1	13.80	100.2
Q4	1,150.0	1,165.8	1,676.3	1,140.5	274.3	105.8	13.49	1,004.0	729.5	13.74	398.0	305.2	13.91	138.9
FY12	2,510.0	2,199.6	3,842.3	2,162.7	664.8	333.4	-	1,379.9	787.5	-	1,797.5	1,041.9	-	274.9
Q1	750.0	594.7	1,090.9	769.2	82.5	29.0	13.07	336.1	252.5	13.23	672.3	487.7	13.31	81.3
Q2	1,025.0	936.5	1,581.6	741.1	110.7	33.2	11.83	586.6	258.7	11.67	884.2	449.1	11.90	98.9
Q3	575.0	505.5	984.7	518.5	348.1	182.5	11.87	403.0	233.5	11.94	233.5	102.5	11.94	76.8
5-Apr	160.0	162.9	185.1	133.9	123.5	88.6	11.87	54.1	42.8	11.94	7.53	2.5	11.94	17.8

Source: Domestic Markets & Monetary Management Department, SBP

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

R: Bids rejected; N: No bids received

*Quarterly rate are for end-period.



Government successfully raised the targeted amount in Q3-FY12 through PIB auctions.

Yields in % and Face Value in billion Rs #

Settlement Date	Target	3-Year	5-Year	7-Year	10-Year	15-Year	20-Year	30-Year	Total
15-Mar-12	Cut-off rate	-	12.59	12.94	-	13.20	-	-	-
	Offered	-	7.90	15.43	-	9.74	-	-	33.07
	Accepted	25.00	5.30	12.30	-	7.49	-	-	25.09
16-Feb-12	Cut-off rate	-	12.45	12.81	-	12.91	-	-	-
	Offered	-	17.63	10.03	-	11.71	-	-	39.37
	Accepted	25.00	11.91	6.35	-	6.63	-	-	24.88
22-Dec-11	Cut-off rate	-	12.45	12.70	-	12.70	-	-	-
	Offered	-	6.95	2.70	0.20	2.83	-	-	12.68
	Accepted	15.00	4.25	1.50	R	0.05	-	-	5.80
24-Nov-11	Cut-off rate	-	12.22	-	-	12.32	-	-	-
	Offered	-	9.10	3.02	0.20	7.35	-	-	19.67
	Accepted	15.00	4.90	R	R	4.95	-	-	9.85
13-Oct-11	Cut-off rate	-	12.16	12.19	-	12.24	-	-	-
	Offered	-	9.33	2.90	0.25	11.98	-	-	24.46
	Accepted	15.00	4.94	2.45	R	10.13	-	-	17.52

*N=No bids; R=Bids rejected

Excluding non-competitive bids and short-selling accommodation

Source: Domestic Markets & Monetary Management Department, SBP

The government raised substantially lower amount than the target in the last Sukuk auction held on 23rd February 2012.

Auction Date #	Settlement Date	Target	Total Offered	Total Accepted	Cut-off Margin*
23-Feb-12	2-Mar-12	50.00	55.72	38.12	0.00
20-Dec-11	26-Dec-11	50.00	84.17	70.27	0.00
9-May-11	16-May-11	45.00	51.25	45.80	0.00
1-Mar-11	7-Mar-11	45.00	56.84	47.54	0.00
13-Dec-10	20-Dec-10	40.00	57.75	37.17	0.00

* This cut-off margin is applicable to all accepted bids. The benchmark is 06-Month MTB Auction Weighted Average Yield.

The Tenor for Sukuk Auction is fixed for 3 years with a bi-annual coupon payment



Foreign Exchange Market

Pak rupee has depreciated by 5.15 percent against US\$ during 1st July 2011 to 13th April 2012.

	PKR against International Currencies			% App/(Dpp) of PKR
	Latest 13 th Apr 12	Last MPS 10 Feb 11	Jun-11	Cumulative since Jun-11
	USD	90.63	90.68	85.97
Euro	119.22	120.40	124.54	4.46
Sterling	144.35	143.50	137.35	(4.85)
JPY	1.12	1.17	1.07	(4.51)
USD Kerb	91.20	90.70	86.03	(5.67)
Premium (Rs)	0.57	0.02	0.06	-
Daily NEER* [#]	60.48	59.50	61.46	(1.58)

* Nominal Effective Exchange Rate [#] As on 12th Apr 2012

Source: SBP

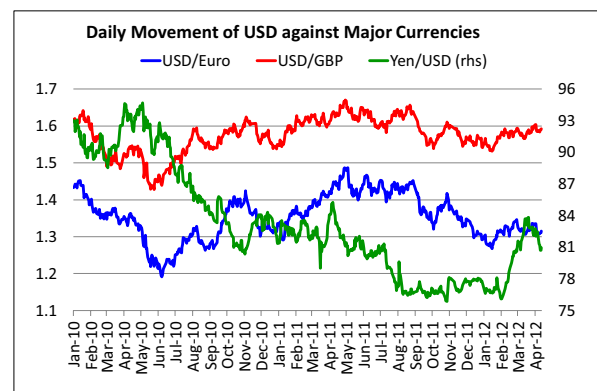
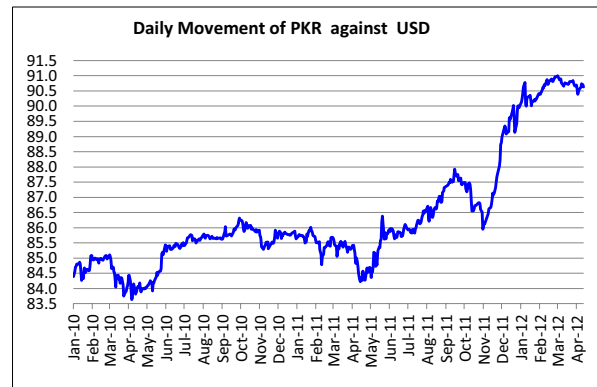
	International Exchange Rates			% App/(Dpp) of USD
	Latest 13 th Apr 12	Last MPS 10 Feb 11	Jun-11	Cumulative since Jun-11
	EUR/USD	1.32	1.33	1.45
GBP/USD	1.59	1.58	1.60	0.31
USD/JPY	80.94	77.64	80.40	0.68
USD/INR	51.49	49.63	44.69	15.24
USD/CNY	6.30	6.30	6.46	(2.49)
USD/THB	30.74	30.83	30.76	(0.07)
USD/MYR	3.06	3.03	3.02	1.25
USD/SGD	1.25	1.26	1.23	1.49

Source: SBP

USD/PKR Interbank Exchange Rate Trends on Fiscal Year Basis

	High	Low	Close	Average	Volatility C/C ¹
FY10	85.58	81.40	85.51	83.89	3.02
FY11	86.50	83.93	85.97	85.56	2.40
FY12*	91.32	85.79	90.63	88.44	2.40

¹ Reuters: Average Close-to-Close Daily Volatility (in %) *Updated up to 13th April 2012



USD/PKR Interbank Exchange Rate Trends on Quarterly Basis

	High	Low	Close	Average	Volatility C/C ¹
Q1-FY11	86.35	85.40	86.32	85.73	1.53
Q2-FY11	86.34	85.13	85.64	85.79	1.93
Q3-FY11	86.08	84.75	85.36	85.52	2.41
Q4-FY11	86.50	83.93	85.97	85.29	3.45
Q1-FY12	87.94	85.79	87.48	86.78	1.86
Q2-FY12	90.05	85.89	89.95	87.85	3.12
Q3-FY12	91.32	89.67	90.66	90.60	2.46
Q4-FY12*	90.78	90.15	90.63	90.61	1.55

¹ Reuters: Average Close-to-Close Daily Volatility (in %) *Updated up to 13th April 2012



In real terms, PKR has appreciated by 1.9 percent during July-February FY12, mainly due to higher domestic inflation vis-à-vis our trading partners and competitor countries.

Changes in Real Effective Exchange Rate (REER) Base Year: CY2005

		REER Index	2009											2010											2011											2012										
			2009		2010				2011				2012				2009		2010				2011				2012																			
			Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec ^P	Feb ^P	Sep	Dec	Mar	Jun	Sep	Dec ^P	Feb ^P	Sep	Dec	Mar	Jun	Sep	Dec ^P	Feb ^P																			
2009	Jun	94.04	-1.32	-2.82	2.07	6.55	7.82	7.55	6.30	6.13	9.06	9.57	8.13																																	
	Sep	92.80	-	-1.53	3.43	7.97	9.26	8.99	7.72	7.55	10.52	11.04	9.57																																	
	Dec	91.38	-	-	5.04	9.65	10.96	10.68	9.39	9.22	12.23	12.76	11.27																																	
2010	Mar	95.99	-	-	-	4.39	5.64	5.37	4.14	3.98	6.85	7.35	5.93																																	
	Jun	100.20	-	-	-	-	1.19	0.94	-0.24	-0.39	2.35	2.84	1.48																																	
	Sep	101.39	-	-	-	-	-	-0.25	-1.41	-1.57	1.15	1.62	0.28																																	
	Dec	101.14	-	-	-	-	-	-	-1.16	-1.32	1.40	1.88	0.54																																	
2011	Mar	99.96	-	-	-	-	-	-	-	-0.16	2.60	3.08	1.72																																	
	Jun	99.80	-	-	-	-	-	-	-	-	2.76	3.24	1.88																																	
	Sep	102.56	-	-	-	-	-	-	-	-	-	0.47	-0.85																																	
	Dec ^P	103.04	-	-	-	-	-	-	-	-	-	-	-1.32																																	
2012	Feb ^P	101.68	-	-	-	-	-	-	-	-	-	-	-																																	

^P Provisional

Changes in Exchange Rate (Rs/USD) Weighted Average (Mid Rates) End Period

		WA Exchange Rate	2009											2010											2011											2012	
			2009		2010				2011				2012				2009		2010				2011				2012										
			Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	13-Apr											
2009	Jun	81.39	-2.15	-3.41	-3.31	-4.77	-5.67	-5.04	-4.60	-5.35	-6.99	-9.53	-10.27	-10.21																							
	Sep	83.18	-	-1.29	-1.19	-2.68	-3.60	-2.96	-2.50	-3.27	-4.94	-7.55	-8.30	-8.24																							
	Dec	84.26	-	-	0.10	-1.40	-2.34	-1.69	-1.23	-2.01	-3.70	-6.34	-7.10	-7.04																							
2010	Mar	84.18	-	-	-	-1.50	-2.44	-1.79	-1.33	-2.10	-3.80	-6.43	-7.19	-7.13																							
	Jun	85.46	-	-	-	-	-0.95	-0.29	0.18	-0.61	-2.33	-5.01	-5.78	-5.72																							
	Sep	86.29	-	-	-	-	-	0.67	1.14	0.34	-1.39	-4.09	-4.87	-4.81																							
	Dec	85.71	-	-	-	-	-	-	0.47	-0.32	-2.05	-4.73	-5.50	-5.44																							
2011	Mar	85.31	-	-	-	-	-	-	-	-0.79	-2.50	-5.18	-5.94	-5.88																							
	Jun	85.99	-	-	-	-	-	-	-	-	-1.73	-4.42	-5.20	-5.14																							
	Sep	87.50	-	-	-	-	-	-	-	-	-	-2.74	-3.53	-3.47																							
	Dec	89.97	-	-	-	-	-	-	-	-	-	-	-0.81	-0.75																							
2012	Mar	90.70	-	-	-	-	-	-	-	-	-	-	-	0.06																							
	13-Apr	90.65	-	-	-	-	-	-	-	-	-	-	-	-																							



Capital Market

Stock market showed a strong performance with KSE-100 index registering 21 percent growth in calendar year 2012 so far.

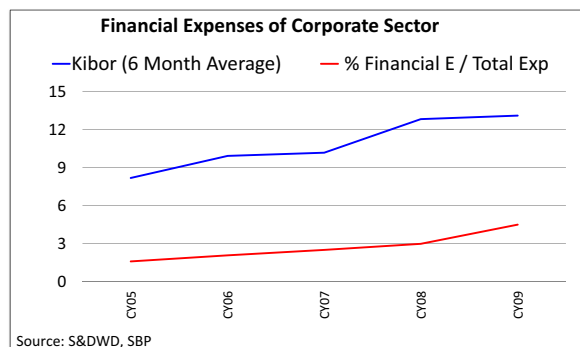
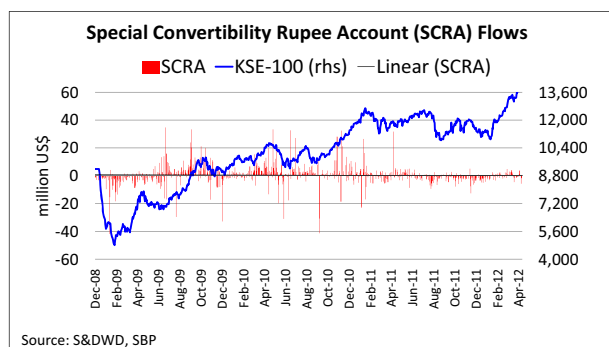
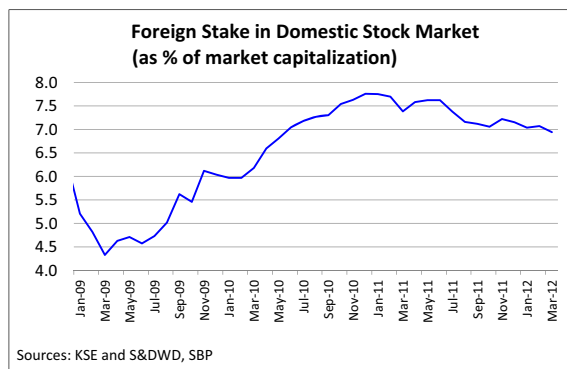
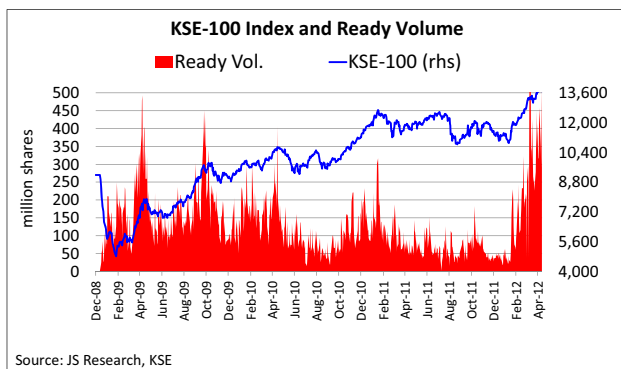
Performance of Karachi Stock Exchange

	FY12		H1-FY12	FY11	Change (%)			
	Apr-12 ¹	Mar-12			April 12 ¹ over March 12	April 12 ¹ over H1-FY12	FY11 over FY10	FY10 over FY09
KSE-100 Index	13,693.7	13,761.8	11,347.7	12,496.0	-0.5	20.7	25.4	35.7
KSE-30 Index	11,931.0	12,114.1	10,179.0	11,586.5	-1.5	17.2	21.0	26.2
Market Capitalization (billion Rs.)	3,515.5	3,528.1	2,945.8	3,288.7	-0.4	19.3	17.9	28.8
Ready Volume (million shares-avg.)	340.5	413.9	62.6	95.0	-17.7	444.2	-66.6	54.3
SCRA flows (US\$ million)	-3.5	7.1	-208.7	237.6	-149.2	N/A*	-107.6	205.9

¹ As of 12th April 2012, except SCRA flows which is updated till 11th April 2012.

* Growth cannot be calculated due to negative flows in H1-FY12.

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





Financial Soundness Indicators

The inclination of scheduled banks to invest in government securities has increased their ratio of liquid assets to total deposits whereas the advances to total deposits has continued to fall.

percent

	2008	2009	2010	Jun 2011	Sep 2011	Dec 2011
Risk weighted CAR*	12.2	14.0	14.0	14.1	14.9	14.6
NPLs to total loans	10.5	12.6	14.7	15.3	16.7	16.2
Provision to NPLs	69.6	69.9	66.7	67.9	65.8	66.8
Returns on assets (before tax)	1.2	1.3	1.7	2.1	2.1	2.2
Return on assets (after tax)	0.8	0.9	1.0	1.4	1.4	1.5
ROE (before tax)**	11.4	13.2	16.7	21.8	21.5	23.4
ROE (after tax)**	7.8	8.9	9.8	14.3	14.1	15.2
Net interest income/gross income	70.3	72.4	74.7	75.9	76.5	75.7
Liquid assets/total assets	28.2	32.7	35.0	38.2	40.5	44.4
Liquid assets/total deposits	37.7	44.5	45.9	49.5	54.5	58.4
Advances/deposits	75.2	67.7	61.4	56.7	56.6	53.6

Source: Banking Surveillance Department, SBP

Note: FSIs are prepared on the basis of annual audited accounts except for quarter ended Dec-10, Mar-11 and Jun -11 which are based on unaudited Quarterly Report of Condition (QRC) submitted by banks.

*Data of IDBP, PPCBL, and SME is based on Basel I.

**Average equity and surplus.

