



Monetary Policy Information Compendium

June 2012

Consolidated by

Monetary Policy Department

STATE BANK OF PAKISTAN



Tables and Graphs

Real Sector

- Growth 1
- Inflation 3

External Sector

- Balance of Payments 7
- Trade 8
- Global Economy 9

Fiscal Accounts and Debt

- Revenues, Expenditures and Fiscal Balances 11
- Domestic Debt 12
- External Debt 13
- Total Debt 14

Monetary Aggregates

- Monetary Assets and Liabilities of the Banking System 15
- Monetary Assets and Liabilities of SBP 16
- Government Borrowings 16
- Private Sector Credit 17

Financial Markets

- Money Markets 18
- Foreign Exchange Markets 24
- Capital Markets 26
- Financial Soundness Indicator 27



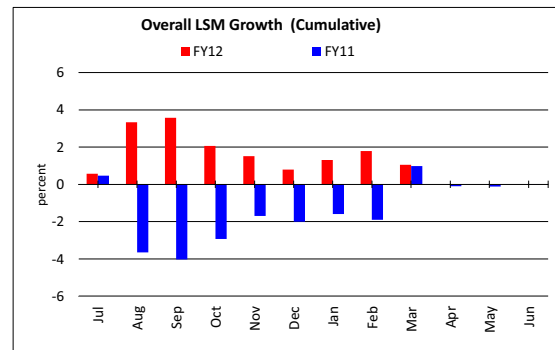
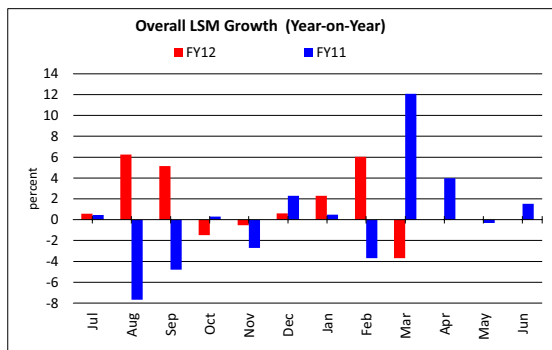
Real Sector

Large-scale manufacturing index recorded a decline of 3.7 percent (year-on-year) in March 2012.

Growth in Large Scale Manufacturing (LSM) Sector

Groups	Weights	YoY changes		Cumulative change during Jul-Mar	
		Mar-12	Mar-11	FY12	FY11
Overall	70.3	-3.7	12.1	1.0	1.0
Textile	21.0	↑ 0.2	↑ 1.1	↑ 0.8	↑ 0.7
Food, beverages & tobacco	12.4	↓ -11.4	↑ 86.2	↑ 6.5	↑ 14.0
Petroleum products	5.5	↓ -18.0	↑ 0.4	↑ 0.0	↓ -4.1
Iron & Steel Products	5.4	↓ -20.0	↓ -3.9	↓ -28.5	↓ -10.3
Non-metallic mineral products	5.4	↑ 3.5	↓ -6.4	↑ 2.9	↓ -9.6
Automobile	4.6	↓ -2.9	↑ 14.5	↓ -0.8	↑ 11.9
Fertilizer	4.4	↑ 16.1	↓ -18.5	↓ -0.4	↓ -9.2
Pharmaceuticals	3.6	↑ 9.0	↓ -5.2	↑ 10.9	↑ 1.3
Paper & Board	2.3	↑ 5.7	↓ -7.2	↑ 8.4	↓ -2.3
Electronics	2.0	↓ -10.8	↓ -31.1	↓ -7.9	↓ -14.4
Chemicals	1.7	↑ 4.1	↓ -16.5	↓ -4.7	↓ -2.5
Leather products	0.9	↓ -9.7	↑ 22.7	↑ 1.8	↑ 17.4
Wood products	0.6	↑ 1.8	↓ -1.3	↑ 7.4	↑ 6.9
Engineering industries	0.4	↓ -14.9	↓ -25.9	↓ -10.2	↓ -9.5
Rubber products	0.3	↓ -22.5	↑ 36.0	↓ -24.6	↑ 9.2

Sources: Pakistan Bureau of Statistics (PBS)



Except wheat, production of all major crops increased during FY12.

Crops	Production (million tons)				Area Under Cultivation (million hectares)				Yield (Kg/hectare)			
	FY11 ^R	FY12 ^P	FY13 ^T	% change in FY12 ^P over FY11 ^R	FY11 ^R	FY12 ^P	% change in FY12 ^P over FY11 ^R	FY11 ^R	FY12 ^P	% change in FY12 ^P over FY11 ^R		
Cotton*	11.5	13.6	14.5	↑ 18.6	2.7	2.8	↑ 5.4	724	815	↑ 12.6		
Sugarcane	55.3	58.0	58.5	↑ 4.9	1.0	1.0	↑ 5.9	55,997	55,486	↓ -0.9		
Rice	4.8	6.2	6.9	↑ 27.7	2.4	2.6	↑ 8.7	2,039	2,396	↑ 17.5		
Wheat	25.2	23.5	25.8	↓ -6.7	8.9	8.7	↓ -2.6	2,833	2,714	↓ -4.2		

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

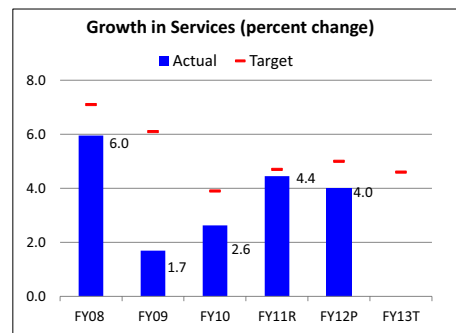
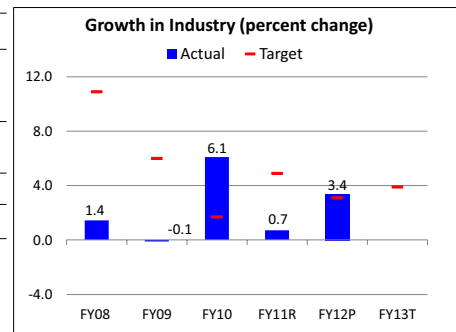
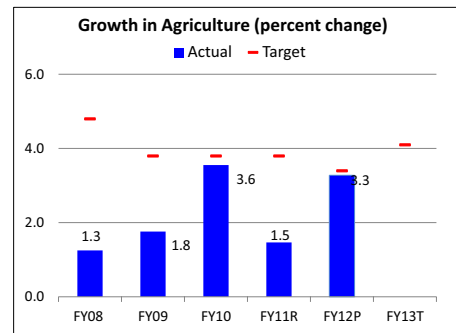
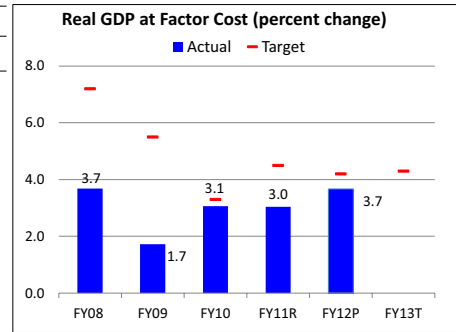
P: Provisional; T: Target; R: Revised

Sources: Production: Pakistan Bureau of Statistics; Targets: Annual Plan.



Provisional estimates show moderate recovery in growth during FY12.

	FY11 (R)	FY12 (P)		
		Growth	Shares	Contribution
Agriculture of which	2.4	3.1	21.1	0.7
Major crops	-0.2	3.2	6.7	0.2
Minor crops	2.7	-1.3	2.1	-0.03
Livestock	4.0	4.0	11.6	0.5
Industry of which	0.7	3.4	25.4	0.9
Manufacturing	3.1	3.6	18.6	0.7
Large-scale	1.1	1.8	11.9	0.2
Small-scale	7.5	7.5	5.3	0.4
Construction	-7.1	6.5	2.2	0.1
Services of which	4.4	4.0	53.5	2.1
Transport & communication	0.9	1.3	9.6	0.1
Wholesale & retail trade	3.5	3.6	17.1	0.6
Finance & insurance	-1.4	6.5	4.8	0.3
Public administration & defence	14.2	2.6	6.6	0.2
Real GDP (fc)	3.0	3.7	-	-
Real GDP (mp)	3.0	4.2	-	-
	FY10	FY11(R)	FY12(P)	
Real GDP (fc, billion Rs)	5,644	5,815	6,029	
Real GDP (fc, billion US\$)*	67.2	67.9	68.2	
Expenditure Approach - GDP at Constant Prices of 1999-00, % changes				
	FY11 (R)	FY12 (P)^		
		Growth	Shares	Contribution
Consumption	3.9	11.1	93.8	9.7
Private	3.7	11.6	80.0	8.6
Government	5.2	8.2	13.8	1.1
Fixed capital formation	-5.6	-10.2	11.5	-1.4
Private	-6.7	-13.0	8.4	-1.3
Public plus general government	-1.8	-1.6	3.0	-0.1
Changes in Stocks	3.0	4.2	1.7	0.07
Net exports of goods and non-factor services	16.4	-125.6	-0.8	-4.0
Exports of goods and non-factor services	2.4	-13.4	15.4	-2.5
Imports of goods and non-factor services	-0.1	10.0	16.2	1.5
GDP (market prices)	3.0	4.2	106.2	-
Less Indirect taxes plus subsidies	1.5	13.2	-6.2	-0.8
GDP (fc)	3.0	3.7	100.0	3.7
Total Domestic Demand**	2.6	8.2	-	-



* GDP in dollar terms is calculated using average exchange rate during the year, and for FY12 the average of Jul-Mar has been used; Shares and contributions in GDP growth are based on GDP(fc); **Domestic demand is calculated as sum of consumption and investment expenditures on real GDP; Note: The growth numbers may not tally due to separate rounding off.

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



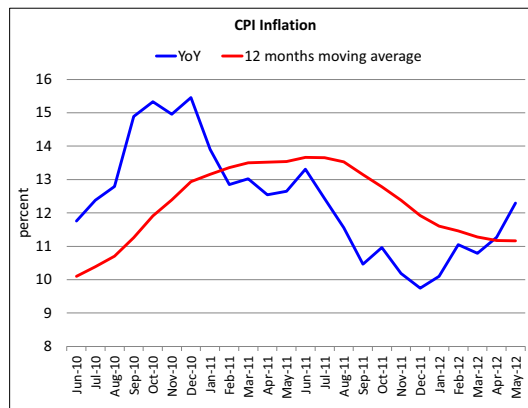
Inflation

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

Headline CPI inflation (YoY) increased sharply to 12.3 percent in May 2012 from 11.3 percent in April 2012.

Consumer Price Index (CPI) (percent change)

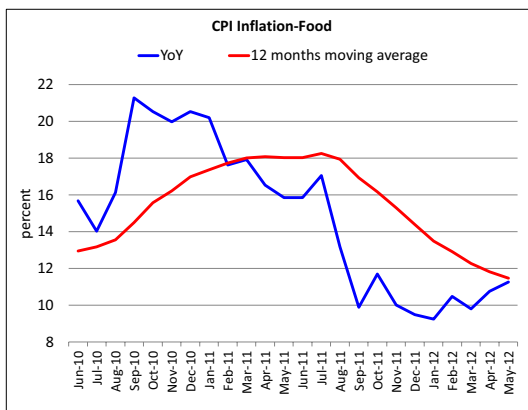
	MoM*	MoM SA**	YoY#	12M moving average
May-11	0.2	0.5	12.6	13.5
Jun-11	1.0	1.0	13.3	13.7
Jul-11	1.3	0.6	12.4	13.7
Aug-11	1.4	0.9	11.6	13.5
Sep-11	1.0	1.0	10.5	13.2
Oct-11	1.4	1.0	11.0	12.8
Nov-11	0.3	0.7	10.2	12.4
Dec-11	-0.7	0.6	9.7	11.9
Jan-12	1.5	1.0	10.1	11.6
Feb-12	0.3	0.8	11.0	11.5
Mar-12	1.2	1.3	10.8	11.3
Apr-12	1.8	1.3	11.3	11.2
May-12	1.2	1.4	12.3	11.2
3-year average for May	0.5	0.8	12.4	



Food inflation (YoY) increased to 11.3 percent in May 2012 from 10.7 percent in the previous month.

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

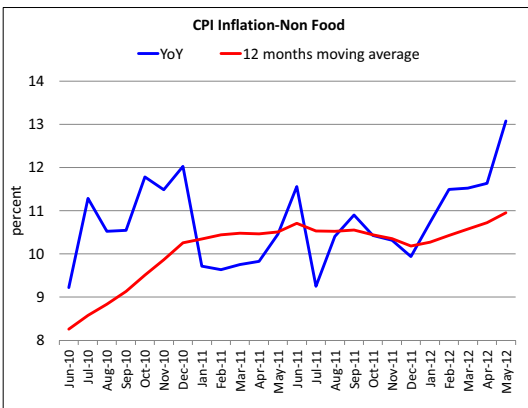
	MoM*	MoM SA**	YoY#	12M moving average
May-11	-0.3	0.6	15.8	18.0
Jun-11	0.7	0.8	15.9	18.0
Jul-11	2.9	0.9	17.1	18.2
Aug-11	1.4	0.4	13.2	17.9
Sep-11	1.6	1.2	9.9	16.9
Oct-11	1.6	1.3	11.7	16.2
Nov-11	0.1	0.5	10.0	15.3
Dec-11	-2.2	0.5	9.5	14.4
Jan-12	1.5	0.9	9.2	13.5
Feb-12	-0.7	1.1	10.5	12.9
Mar-12	1.5	0.9	9.8	12.3
Apr-12	2.2	1.3	10.7	11.8
May-12	0.2	1.1	11.3	11.5
3-year average for May	0.1	0.9	14.4	



Non-food inflation (YoY) increased relatively much sharply to 13.1 percent in May 2012 from 11.6 percent in previous month.

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

	MoM*	MoM SA**	YoY#	12M moving average
May-11	0.6	0.7	10.5	10.5
Jun-11	1.2	1.0	11.6	10.7
Jul-11	0.1	0.1	9.2	10.5
Aug-11	1.4	1.4	10.4	10.5
Sep-11	0.6	0.7	10.9	10.6
Oct-11	1.3	1.3	10.4	10.4
Nov-11	0.4	0.5	10.3	10.4
Dec-11	0.4	0.6	9.9	10.2
Jan-12	1.6	1.6	10.7	10.3
Feb-12	1.0	0.8	11.5	10.4
Mar-12	0.9	1.2	11.5	10.6
Apr-12	1.6	1.2	11.6	10.7
May-12	1.9	2.0	13.1	11.0
3-year average for May	0.8	0.9	11.1	



* Month-on-Month

** Month-on-month changes in seasonally adjusted series

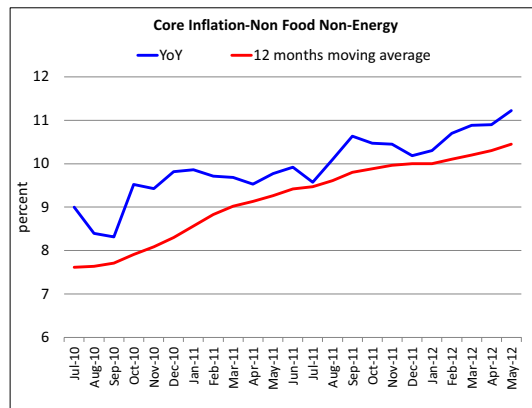
Year-on-Year

Source: Pakistan Bureau of Statistics, SBP.



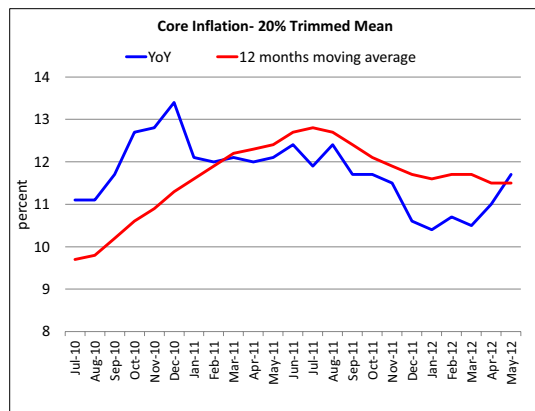
The non-food non-energy (NFNE) measure of core inflation (YoY) also edged up in May 2012.

	Core - Non-food non-energy (53.52% weight in basket) (percent change)		
	MoM	YoY	12M moving average
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
Apr-12	1.4	10.9	10.3
May-12	0.8	11.2	10.5
2-year average for May	0.7	10.5	



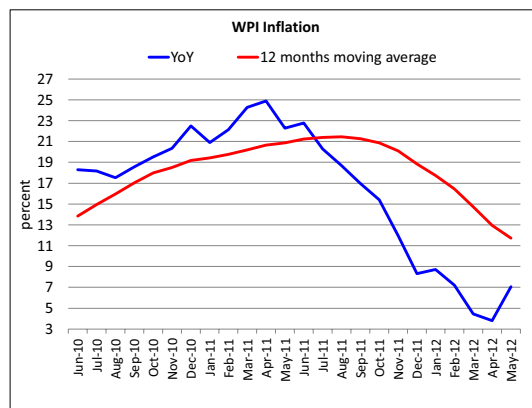
The 20% trimmed mean measure of core inflation (YoY) increased to 11.7 percent in May 2012.

Core - 20% Trimmed (percent change)			
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
Apr-12	1.3	11.0	11.5
May-12	0.5	11.7	11.5
2-year average for May	0.5	11.9	



The WPI inflation (YoY) increased sharply to 7.1 percent in May 2012 after falling to lowest of 3.8 percent in April 2012.

	Wholesale Price Index (WPI) (percent change)			
	MoM [*]	MoM SA ^{**}	YoY [#]	12M moving average
May-11	-1.0	-1.4	22.3	20.9
Jun-11	0.6	0.5	22.8	21.2
Jul-11	-0.4	-0.5	20.3	21.4
Aug-11	0.6	0.3	18.7	21.4
Sep-11	0.2	0.5	17.0	21.3
Oct-11	0.4	0.7	15.4	20.9
Nov-11	-0.5	-0.1	12.0	20.1
Dec-11	-1.3	-0.1	8.3	18.8
Jan-12	2.3	1.9	8.7	17.7
Feb-12	0.6	0.4	7.2	16.4
Mar-12	0.7	0.5	4.5	14.7
Apr-12	1.8	1.1	3.8	13.0
May-12	2.1	1.7	7.1	11.7
3-year average for May	0.8	0.3	16.3	

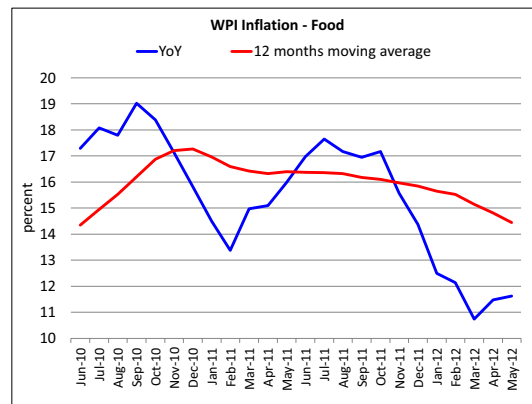


Source: Pakistan Bureau of Statistics



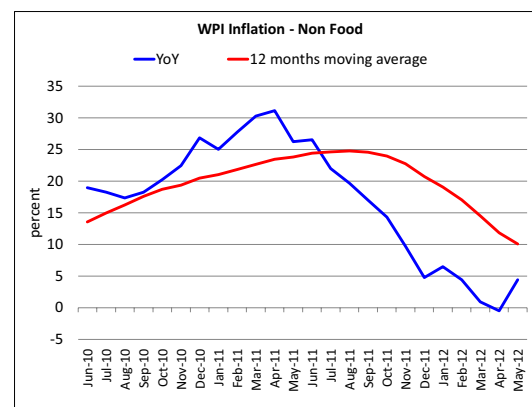
WPI food inflation (YoY) increased slightly 11.6 percent in May 2012 to from 11.5 percent in April 2012.

WPI - Food (38.82% weight in basket) (percent change)				
	MoM*	MoM SA**	YoY#	12M moving average
May-11	1.0	0.7	16.0	16.4
Jun-11	3.0	2.8	17.0	16.4
Jul-11	1.9	1.7	17.6	16.4
Aug-11	1.8	1.0	17.2	16.3
Sep-11	1.8	1.4	16.9	16.2
Oct-11	0.5	0.9	17.2	16.1
Nov-11	-0.7	-0.2	15.6	16.0
Dec-11	-1.8	0.2	14.4	15.8
Jan-12	0.4	-0.2	12.5	15.7
Feb-12	-0.8	0.4	12.1	15.5
Mar-12	1.6	0.8	10.7	15.1
Apr-12	2.2	1.5	11.5	14.8
May-12	1.1	0.8	11.6	14.4
3-year average for May	0.8	0.5	14.2	



WPI non-food (YoY) increased sharply to 4.4 percent after recording deflation in April 2012.

WPI - Non Food (61.18% weight in basket) (percent change)				
	MoM*	MoM SA**	YoY#	12M moving average
May-11	-2.1	-2.5	26.3	23.8
Jun-11	-0.8	-0.7	26.5	24.4
Jul-11	-1.8	-2.0	22.0	24.6
Aug-11	-0.2	-0.2	19.7	24.7
Sep-11	-0.7	0.1	17.0	24.5
Oct-11	0.3	0.6	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	2.7	6.5	19.1
Feb-12	1.4	1.4	4.4	17.0
Mar-12	0.1	-0.6	0.9	14.5
Apr-12	1.5	1.0	-0.5	11.8
May-12	2.8	2.2	4.4	10.1
3-year average for May	0.8	0.3	17.7	



Average CPI inflation declined to 11.0 percent in July-May FY12 compared to 13.7 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-May FY10	9.9	12.7	8.2	9.4	7.5	13.4	14.1	13.0	13.2
Jul-May FY11	13.7	18.2	10.6	12.6	9.4	21.1	16.3	24.2	17.6
Jul-May FY12	11.0	11.1	10.9	11.4	10.5	10.8	14.2	8.8	8.7

Sources: Pakistan Bureau of Statistics



CPI Inflation (YoY) by Groups

Increase in headline CPI inflation (YoY) in May 2012 was largely contributed by non-food group.

Groups	Weights	May-12			Apr-12		
		MoM	YoY	12m MA*	MoM	YoY	12m MA*
I. Food group	37.5	0.2	11.3	11.5	2.2	10.7	11.8
Food & non-alcoholic beverages	34.8	0.2	11.2	11.5	2.2	10.7	11.9
Alcoholic Beverages & Tobacco	1.4	0.3	11.6	7.9	3.2	11.4	7.4
Restaurant & hotels	1.2	0.5	11.1	13.9	0.6	11.4	14.5
II. Non-food group	62.5	1.9	13.1	11.0	1.6	11.6	10.7
Clothing & footwear	7.6	1.0	16.0	15.0	1.5	15.5	14.8
Housing water, electricity, gas fuels	29.4	2.8	10.8	7.9	1.0	7.9	7.8
Furnishing & household equipment maintenance etc.	4.2	1.6	21.5	17.3	1.1	20.3	16.3
Health	2.2	1.6	12.1	11.0	0.5	11.5	10.8
Transport	7.2	0.0	17.2	16.0	4.2	19.4	15.7
Communication	3.2	0.0	-1.1	0.6	0.0	-0.6	0.9
Recreation & culture	2.0	11.9	19.0	6.8	1.5	7.3	5.6
Education	3.9	0.0	12.2	12.2	4.3	12.9	12.0
Miscellaneous	2.8	-0.3	15.3	19.3	0.1	17.7	19.5
Overall	100	1.2	12.3	11.2	1.8	11.3	11.2

SPI inflation (WoW) recorded a slight decrease in the last week of May 2012 for all income groups.

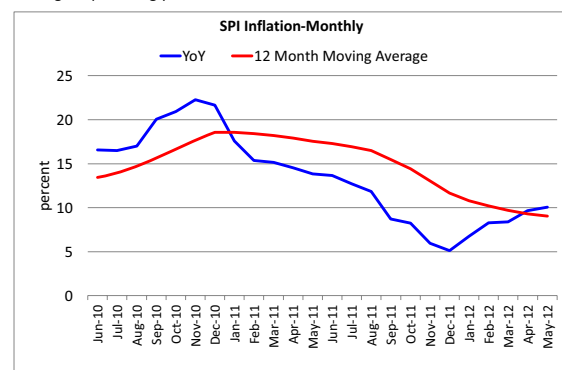
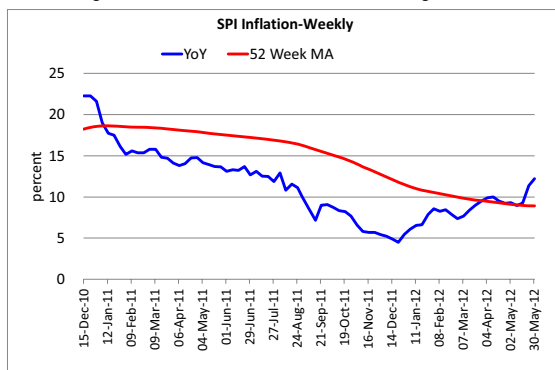
Sensitive Price Indicator (SPI) (percent change)

Income Groups	Percent change (WoW)				May-12		
	Current	Last week	Two weeks ago	Three weeks ago	MoM	YoY	12m MA*
	31-May-12	24-May-12	17-May-12	10-May-12			
Up to Rs 8000	-0.05	0.75	0.09	-0.06	-0.1	8.1	7.3
Rs 8001-12000	-0.05	2.66	0.14	-0.06	0.7	9.4	8.1
Rs 12001-18000	-0.08	2.06	0.17	-0.04	0.5	9.2	8.1
Rs 18001-35000	-0.08	1.63	0.18	-0.02	0.3	10.2	9.1
Above Rs 35000	-0.10	1.70	0.19	0.02	0.5	11.1	10.1
All	-0.09	1.86	0.18	-0.02	0.5	10.1	9.0

Sources: Pakistan 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

The overall balance of payments turned into a surplus in April 2012 as improved financial inflows offset increase in the current account deficit.

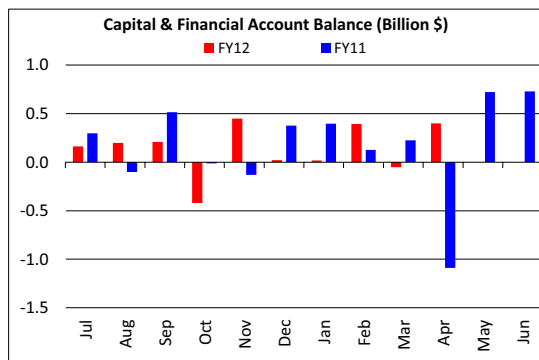
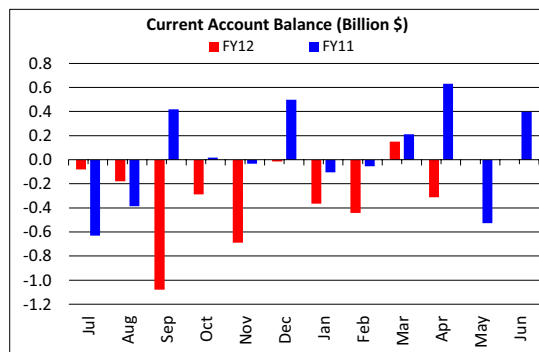
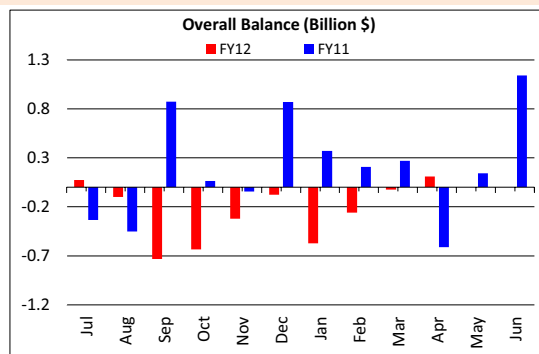
Balance of Payments Summary (million \$)

Items	Apr-12	Jul-Apr		FY11
		FY12	FY11	
A) Current account	-313	-3,394	466	214
1. Trade balance	-1,003	-12,683	-8,499	-10,516
Exports	2,144	20,474	20,460	25,356
Imports	3,147	33,157	28,959	35,872
2. Services (net)	-275	-2,347	-1,225	-1,940
Receipts	341	4,101	4,917	5,768
Payments	616	6,448	6,142	7,708
3. Income (net)	-389	-2,655	-2,465	-3,017
Receipts	41	668	563	716
Payments	430	3,323	3,028	3,733
4. Current transfers (net)	1,354	14,291	12,655	15,687
Receipts: <i>of which</i>	1,371	14,400	12,798	15,863
Remittances	1,141	10,877	9,046	11,201
Payments	17	109	143	176
B) Capital and financial account: <i>of which</i>	400	1,367	772	2,262
1. Foreign investment	12	-189	243	1,929
FDI (net) ¹	-7	-63	-52	1,591
FPI	19	-126	295	338
2. Foreign long term loans	-19	394	465	864
Disbursements	95	1,866	2,079	2,846
Amortization	114	1,472	1,614	1,982
C) Errors & omissions	22	-515	-29	16
Overall balance (A+B+C)	109	-2,542	1,209	2,492
SBP gross reserves²	13,282	13,282	15,471	16,614
SBP net liquid reserves³	12,040	12,040	13,704	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.

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



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

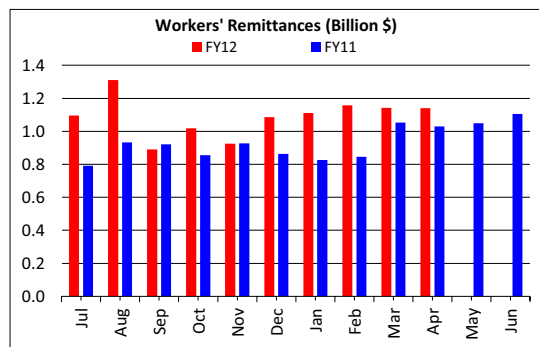
Workers' remittances in April 2012 remained close to the levels observed in previous two months.

Workers' Remittances⁴ (million \$)

	Apr-12	Jul-Apr		FY11
		FY12	FY11	
Total: <i>of which</i>	1,141	10,877	9,047	11,201
USA	198	1,922	1,678	2,069
UK	132	1,264	991	1,200
Saudi Arabia	332	2,988	2,086	2,670
UAE	245	2,386	2,091	2,598
GCC ⁵	127	1,227	1,063	1,306
Others	106	1,090	1,137	1,359

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

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



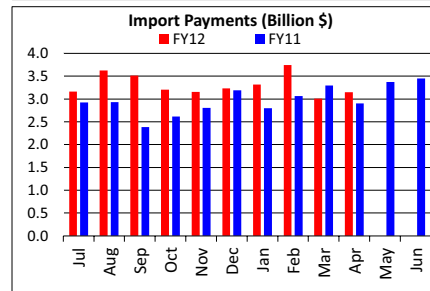
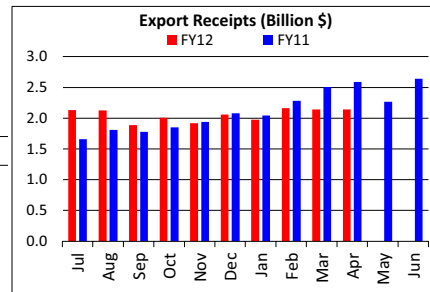
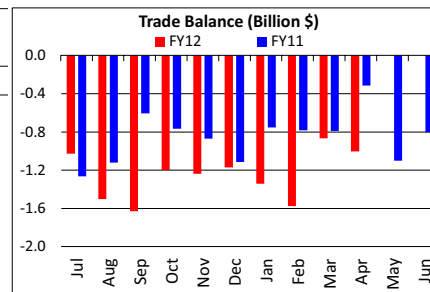


Trade

Trade deficit has narrowed in last two months relative to previous months of the FY12.

Trade in Goods - Major Groups (million \$)

	Apr-12	Jul-Apr		Shares ¹
		FY12	FY11	
Exports	2,144	20,474	20,459	100
Textile group	1,059	10,815	10,497	53
Cotton cloth	199	2,129	1,946	10
Knitwear, bed wear	307	3,526	3,855	17
Readymade garments	111	1,160	875	6
Other manufactures group	423	3,772	3,420	18
Leather items ²	69	753	726	4
Chemical and pharma	117	1,037	852	5
Cement	52	408	402	2
Engineering goods	40	313	355	2
Food group	350	3,134	3,252	15
Rice	194	1,739	1,755	8
All Others	312	2,752	3,291	13
Imports	3,147	33,157	28,959	100
Petroleum group	1,247	12,042	9,673	36
Petroleum products	741	8,256	6,555	25
Petroleum crude	506	3,785	3,118	11
Machinery group	314	3,065	3,322	9
Power machinery	42	397	597	1
Electrical machinery	39	383	429	1
Agri. & other chemicals group	498	5,701	4,545	17
Fertilizer manufactured	43	987	406	3
Plastic materials	124	1,241	1,138	4
Food group	322	3,922	3,947	12
Palm oil	144	1,955	1,526	6
Sugar	1	9	646	0
Metal group	204	1,881	1,680	6
Iron steel (IS) & IS scrap	164	1,505	1,303	5
All Others	562	6,545	5,794	20

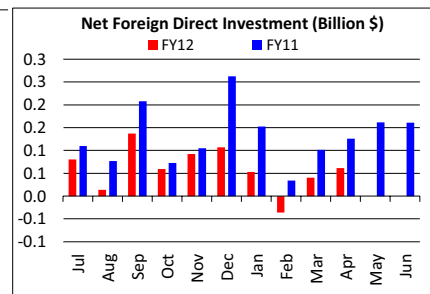


¹ Share is calculated as cumulative flow of a group(item) divided by cumulative flow of total imports during FY12; ² Include tanned and manufactured leather

FDI remains significantly lower compared to last year, although it is higher than last month.

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

	Apr-12 ^R	Jul-Apr		FY11
		FY12 ⁴	FY11	
Total: Of which	-36	667	1,293	1,635
Major countries				
USA	19	196	174	238
U.A.E.	-12	45	246	284
UK	13	171	165	207
China	7	113	10	47
Major sectors				
Communication	-14	-293	-24	-34
Financial services	9	54	223	310
Oil & gas exploration	37	465	412	512
Power	-9	-22	134	156
Trade	1	20	45	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

While most of the central banks preferred to maintain their policy rates in recent months, while the central banks of Australia and China lowered their policy rates.

Policy Rates in Major Economies

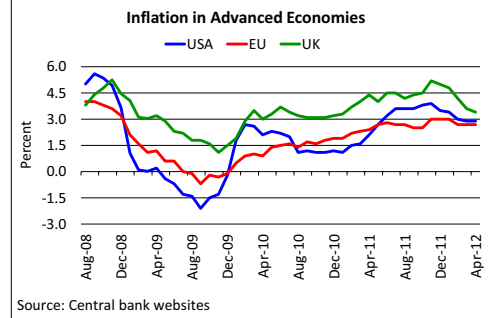
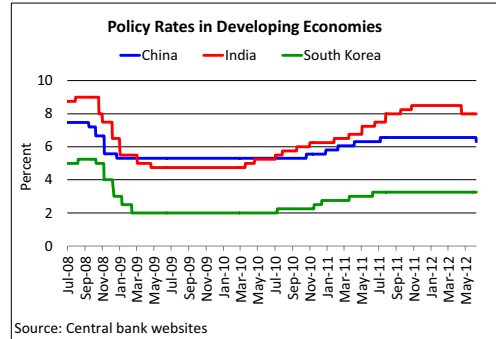
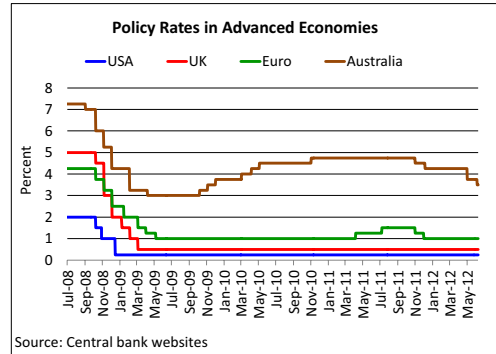
Major Economies	Current Policy Rate	Previous	Previous	Change (bps)
USA*	0.25	1.00	Dec 16 2008	↓ -75
UK	0.50	1.00	Mar 05 2009	↓ -50
ECB	1.00	1.25	Dec 08 2011	↓ -25
Japan*	0.10	0.30	Dec 20 2008	↓ -20
Canada	1.00	0.75	Sep 08 2010	↑ 25
Australia	3.50	3.75	Jun 05 2012	↓ -25
China	6.31	6.56	Jun 08 2012	↓ -25
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.

Growth in most of the economies decelerated during the first quarter of 2012 .

Key Macroeconomic Indicators

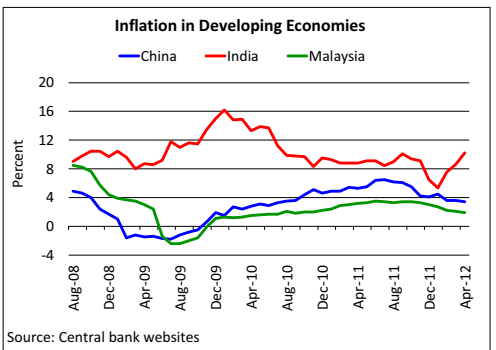
	Inflation (YoY) ¹	GDP Growth ²	Current Account Balance	Fiscal Balance
	Apr-12	Q1-2012	as a percentage of GDP (Q1-2012)	
USA	2.3	2.0	-3.2	-7.6
UK	3.0	-0.1	-1.6	-7.7
Euro Area	2.6	-0.1	-0.1	-3.5
Japan	0.4	2.8	1.6	1.6
Australia	1.6 (Mar'12)	4.3	-2.9	-0.7
China	3.4	8.1	2.3	-2.1
India	10.2	5.3	-3.1	-5.7
Sri Lanka	6.1	8.3 (Q4'11)	-	-
South Korea	2.5	2.8	1.9	2.7
Malaysia	1.9	4.7	12.6	-5.3
Indonesia	4.5	6.3	0.2	-2.2
Thailand	2.5	0.3	-0.2	-2.5



Latest assessment by IMF and OECD shows a slightly better growth outlook for developed economies but a slowdown in case of emerging economies.

World Economic Outlook - Real GDP Growth

	2011 (IMF Estimated)	2012 Projections		
		IMF (Apr-12)	World Bank (Jan-12)	OECD (May-12)
World output	5.1	3.7	2.5	-
Advance	3.0	1.6	1.4	-
US	2.9	2.0	2.2	2.4
Euro area	1.8	-0.2	-0.3	-0.1
Japan	4	2.0	1.9	2.0
UK	1.3	1.5	-	0.5
Emerging & Developing	7.4	6.3	5.4	-
Russia	4.0	3.9	3.5	4.5
China	10.3	8.4	8.4	8.2
India	10.4	6.9	6.5	7.3
ASEAN-5	6.9	8.5	-	-



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



The international commodity prices recorded a considerable decline in May 2012.

World Commodity Price Indices (2005=100)

	May-12	% change since	
		Last month	End Jun-11
Global CPI	184.9	↓ -5.95	↓ -5.24
Food CPI	169.9	↓ -2.65	↓ -8.12
Commodity non-fuel CPI	169.0	↓ -3.42	↓ -12.87
Metal CPI	193.3	↓ -4.99	↓ -17.98
Crude Oil (\$/bbl)	104.2	↓ -8.43	↑ 6.00
Palm oil (\$/m. ton)	1031.1	↓ -10.91	↑ 7.58
Soya bean Oil (\$/m. ton)	1134.6	↓ -7.95	↓ -1.40
Wheat (\$/m. ton)	264.4	↓ -0.74	↓ -18.42
Gold spot (\$/Oz)	1563.6	↓ -6.05	↑ 4.22
Sugar (US cents/pound)	30.4	↓ -4.64	↓ -13.47

Source: IMF-IFS

Global stock markets came under stress in recent months due to renewed worries about euro zone economies.

Capital Market Indices

	Latest - Jun 07, 2012	% change since	
		Last month	End Dec-11
US (DJIA)	12461.0	↑ 0.3	↑ 4.4
DJ EURO STOXX	2143.1	↑ 1.3	↓ -82.0
UK (FTSE 100)	5447.8	↑ 2.8	↓ -54.4
Japan (Nikkei 225)	8463.8	↓ -0.8	↓ -29.1
China (SSEA)	2296.2	↓ -3.4	↓ -80.8
France (CAC 40)	3071.2	↑ 1.8	↓ -74.3
Germany (DAX)	6144.2	↓ -2.2	↓ -48.5
India (BSE)	16606.4	↑ 2.99	↑ 39.1
World dev'd (MSCI) ³	1187.4	↓ -0.3	↑ 0.0
Emerging Markets (MSCI) ³	897.0	↑ 0.6	↓ -2.3
World all (MSCI) ³	299.7	↓ -0.2	↓ -0.3

¹ Inflation is YoY percent changes in CPI.

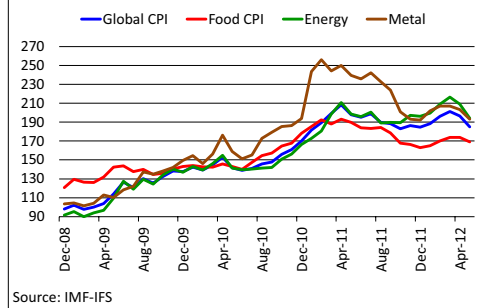
² Growth is measured as percentage change over the same quarter of previous year.

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)



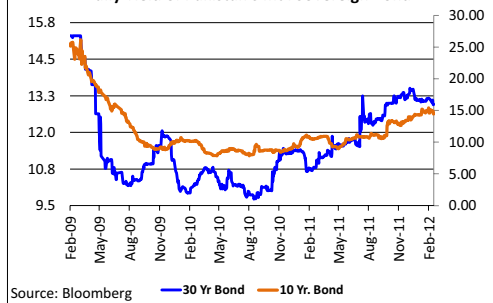
Daily Price of Saudi Arabian Light - \$ per barrel



Daily Price of Gold Spot - \$ per Oz.



Daily Yield of Pakistan's Int'l Sovereign Bond⁴





Revenues, Expenditures and Fiscal Balances

Fiscal deficit for Jul-Mar FY12 is recorded at 4.3 percent of GDP.

Revenues (billion Rs)

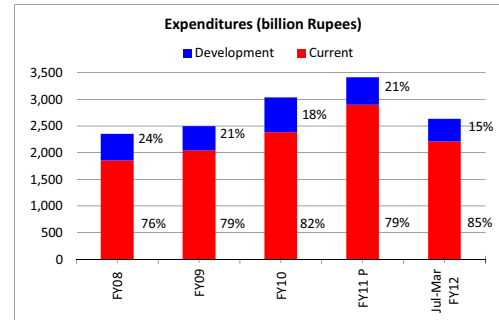
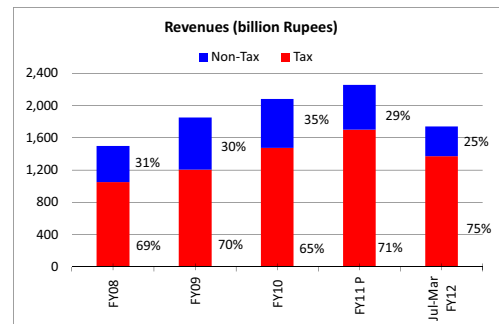
	FY12		FY11
	BE ¹	(Jul-Mar)	
Total revenues	2870	1739	2253
Tax revenue	2176	1372	1699
Growth (YoY) %	25.2	22.7	15.4
of which: FBR revenues	1952	1273	1550
Non-tax revenues	694	368	554
Growth (YoY) %	32.7	-2.6	-8.6

Expenditures (billion Rs)

	FY12		FY11
	BE ¹	(Jul-Mar)	
Total expenditures	3711	2634	3447
Current ²	3053	2206	2933
Growth (YoY) %	4.1	-24.8	23.2
Interest payments	791	624	698
Defence	495	348	451
Development & net lending	658	428	514
Growth (YoY) %	28.0	21.3	-21.3

Overall Balance (billion Rs)

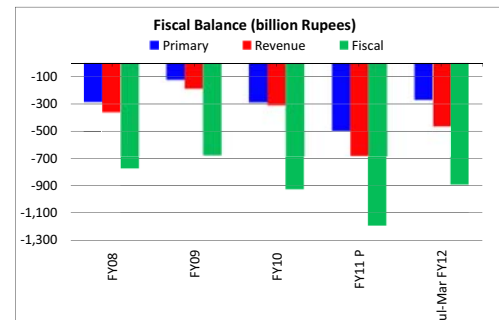
	FY12		FY11
	BE ¹	(Jul-Mar)	
Fiscal Balance³	-841	-895	-1,194
Revenue Balance ⁴	-183	-467	-680
Primary Balance ⁵	-50	-270	-496



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

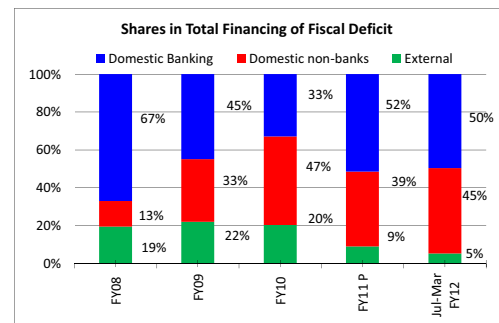
Financing of Fiscal Deficit (billion Rs)

	FY12		FY11
	BE ¹	(Jul-Mar)	
Financing	841	895	1194
1. External	65	47	108
2. Domestic: of which	706	848	1087
Non-bank	413	404	472
Banking system: of which	293	444	615
Schedule Banks	293	249	647
SBP	0	196	-32
Privatization proceeds	70	-	-



FBR Tax Collection (billion Rs)

	Direct	Sales	Customs	FED ⁶	Total taxes
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
Mar-12	73	65	21	11	170
Apr-12	50	67	18	11	146
Jul-Apr FY12⁷	524	631	166	90	1,426
Jul-Apr FY11	431	475	141	102	1,150



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.

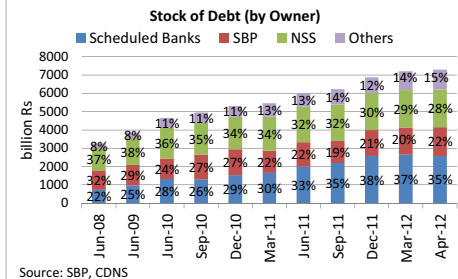


Government Domestic Debt

Government's domestic debt has increased by 21.3 percent during Jul-Apr FY12.

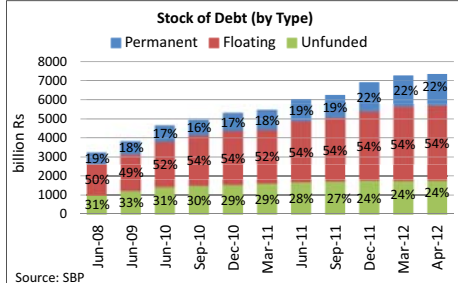
Debt by Owner - end period stocks (billion Rs)

	Apr-12	Jun-11	Change since Jun-11
Bank	4,155.3	3,328.1	827.2
Commercial banks	2,585.5	2,007.5	578.0
SBP	1,569.8	1,320.6	249.2
Non-bank	3,140.1	2,687.5	452.6
National Saving Schemes (NSS)	2,049.3	1,932.9	116.4
Others	1,090.8	754.6	336.2
Foreign Currency Instruments ¹	1.4	1.4	0
Total	7,296.8	6,017.0	1,279.8



Debt by Type - end period stocks (billion Rs)

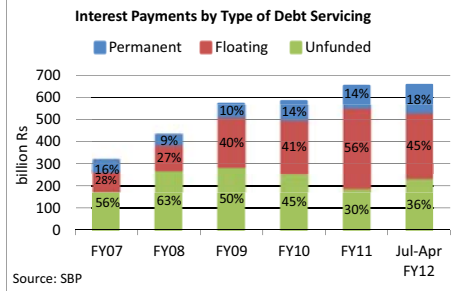
	Apr-12	Jun-11	Change since Jun-11
Long term	3,308.7	2,780.2	528.5
Permanent: of which	1,579.9	1,124.4	455.4
PIBs	920.4	618.5	301.9
Prize bonds	320.5	277.1	43.4
Unfunded: of which	1,728.8	1,655.8	73.0
NSS ²	1,611.5	1,544.3	67.2
Short term (floating): of which	3,986.7	3,235.4	751.3
MTBs	2,420.0	1,917.9	502.1
MRTBs-replenishment	1,566.7	1,317.5	249.2
Foreign Currency Instruments ¹	1.4	1.4	0
Total	7,296.8	6,017.0	1,279.8
Government Domestic Liabilities*	140.6	214.2	-73.7



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

² NSS includes certificates and saving accounts only.

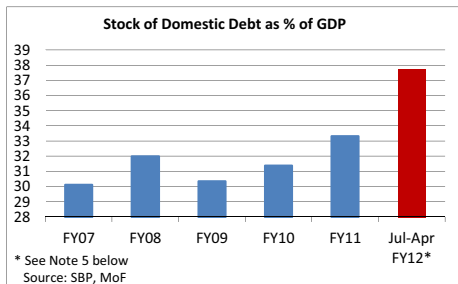
*This reflects provincial governments' borrowings from banks for commodity operations.



Interest payments on permanent debt have increased by 63.5 percent during July-Apr FY12.

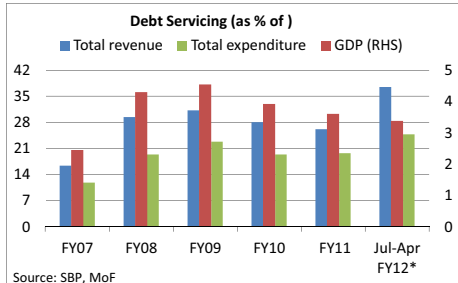
Debt Servicing (billion Rs)

	Jul-Apr FY12	FY11	Change from Jul-Apr FY11 (%)
Permanent ³	118.2	91.8	63.5
Floating	296.2	361.4	2.4
Unfunded	237.8	197.1	46.5
Total	652	650	24



Indicators of Domestic Debt Sustainability

	Debt Stock as % of GDP					
	FY08	FY09	FY10	FY11 ⁴	FY12 ⁵	
	32.0	30.3	31.4	33.3	37.7	
Debt Servicing as % of	FY08	FY09	FY10	FY11 ⁴	FY12 ⁵	
	GDP	4.3	4.5	3.9	3.6	3.4
	Total revenue	29.4	31.2	28.0	26.2	37.5
	Tax revenue	41.9	48.0	39.5	34.5	47.6
	Total expenditure	19.3	22.8	19.3	19.7	24.8
Current expenditure	23.8	28.3	24.4	22.3	29.6	



³ Includes prize bonds;

⁴ Debt stock (as on June 2011) as percent of provisional GDP for FY11.

⁵ 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 Jul-Mar 12 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 declined by \$1.6 billion during Jul-Mar FY12.

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

Items	Jun-11 ^R	Mar-12	Change since Jun-11
1. Public debt (a+b+c)	57,896	56,032	-1,864
a) Government Debt	46,374	45,435	-939
i) Medium and long term (>1 yr)	45,734	45,028	-706
Paris club	15,462	14,935	-527
Multilateral	25,837	25,280	-557
Other bilateral	1,925	2,428	503
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	407	-233
IDB	608	400	-208
b) From IMF	8,940	8,066	-874
i) Federal government	1,997	1,942	-55
ii) Central bank	6,943	6,124	-819
c) Foreign exchange liabilities (FEL)	2,582	2,531	-51
2. PSE guaranteed debt	84	236	152
3. PSE non-guaranteed debt	975	919	-56
4. Scheduled banks' borrowing	386	697	311
i) Medium and long term (>1 yr)	104	101	-3
ii) Short term (<1 year)	282	596	314
5. Private guaranteed debt	0	0	0
6. Pvt. non-guaranteed debt (>1 yr)	2,379	2,274	-105
7. Private non-guaranteed bonds	124	124	0
Total external debt (excl. FEL)	59,262	57,752	-1,510
Total external debt & liabilities (1+2+3+4+5+6+7)	61,844	60,283	-1,561

Debt Servicing (million \$)

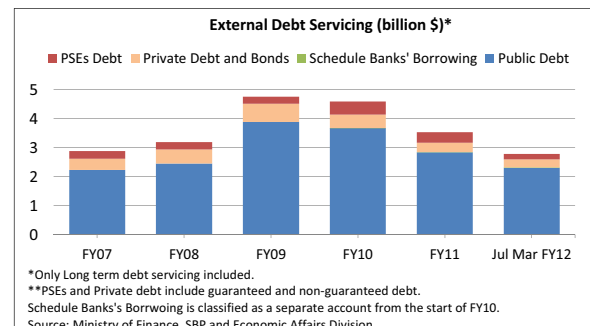
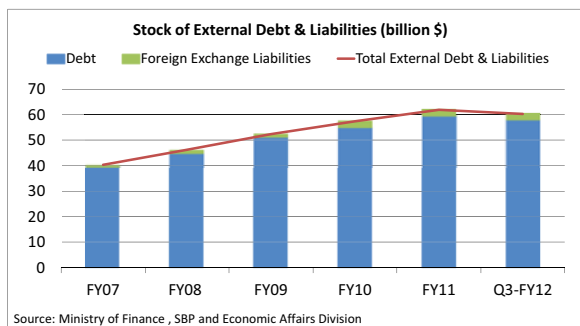
Items	Jun-11 ^R	Jul-Mar FY12
1. Public debt (a+b+c)	2,827	2,296
a) Government debt*	2,248	1,570
Principal	1,491	1,083
Interest	756	487
b) To IMF	442	717
Principal	268	587
Interest	174	130
c) Foreign exchange liabilities	137	9
Principal	122	0
Interest	15	9
2. PSEs guaranteed debt	160	30
Principal	141	22
Interest	19	8
3. PSEs non-guaranteed debt*	199	164
Principal	169	143
Interest	30	21
4. Scheduled banks' borrowing*	21	17
Principal	15	14
Interest	6	3
5. Private guaranteed debt	0	0
6. Private non-guaranteed debt	311	269
Principal	247	212
Interest	64	57
7. Private non-guaranteed bonds	5	5
Principal	0	0
Interest	5	5
Total external debt servicing (1+2+3+4+5+6+7)	3,523	2,778
Principal	2,454	2,060
Interest	1,069	718

* Only long term debt servicing included (Revised)

Stock of external debt, as percent of GDP, has declined to 28.3 in March 2012.

Indicators of External Debt Sustainability

	Debt Stock as % of						Debt Servicing as % of				
	FY07	FY08	FY09	FY10	FY11	Mar-12 ¹	FY07	FY08	FY09	FY10	FY11
GDP	28.1	30.8	33.5	33.0	29.4	28.3	2.0	2.1	3.0	3.3	4.3
Reserves	257.7	405.0	421.2	342.5	339.0	364.2	18.4	27.9	38.2	34.5	48.8
Exports	233.4	226.0	273.7	291.6	243.1	328.9	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



Monetary Policy Information Compendium

June 2012

Total Debt

Increase in stock of total debt and liabilities, Rs1.1 billion, during Jul-Mar FY12 was mainly contributed by domestic debt.

Total Debt Stock (billion Rs)

	Mar-12	Jun-11	Change since Jun-11	Share
Total Debt & Liabilities (I to VIII)	13,248.8	12,146.1	1,102.7	100.0
Total Public Debt (I to IV)	12,289.5	10,995.5	1,294.0	92.8
Total External Debt & Liabilities (II to VI)	5,467.8	5,318.0	149.8	41.3
Commodity Operations & PSEs Debt (VI to VIII)	678.6	902.1	-223.5	5.1
<i>I. Government Domestic Debt</i>	7,207.2	6,017.0	1,190.2	54.4
<i>II. Government External Debt ¹</i>	4,121.1	3,987.8	133.3	31.1
<i>III. Debt from IMF</i>	731.61	768.75	-37.1	5.5
<i>IV. External Liabilities</i>	229.6	222.0	7.5	1.7
<i>V. Private Sector External Debt</i>	280.7	248.4	32.3	2.1
<i>VI. PSEs External Debt</i>	104.8	91.1	13.7	0.8
<i>VII. PSEs Domestic Debt</i>	267.3	411.5	-144.3	2.0
<i>VIII. Commodity Operations Debt ²</i>	306.5	399.5	-93.0	2.3

Total Debt Servicing (billion Rs)

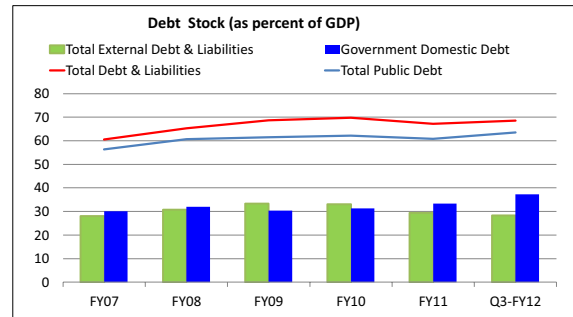
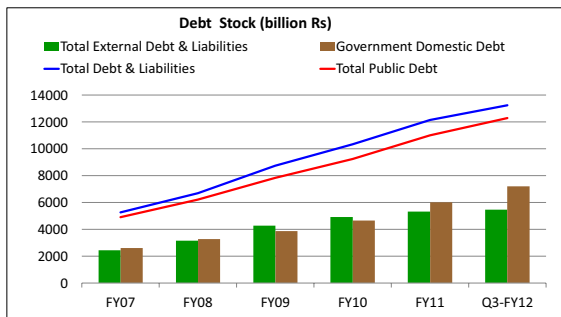
	Jul-Mar FY12	FY11	Share
Total Debt Servicing	864.1	1016.2	100.0
Total Interest Payment	681.3	806.3	78.8
<i>Domestic Debt</i>	577.2	649.9	66.8
<i>External Debt</i>	62.5	90.2	7.2
<i>External Liabilities ³</i>	0.8	1.3	0.1
<i>Domestic Liabilities</i>	40.8	65.0	4.7
Principal Repayment of External Debt & Liabilities*	182.8	209.9	21.2

Debt stock (as percent of GDP)

	FY09	FY10	FY11	Mar-12 ⁴
Total Debt & Liabilities	68.7	69.7	67.2	68.5
Total Public Debt	61.6	62.2	60.9	63.5
Total External Debt & Liabilities	33.5	33.0	29.4	28.3
Government Domestic Debt	30.3	31.4	33.3	37.3
PSEs Debt & Liabilities	5.6	6	5.0	3.5

Debt Servicing (as percent of)

	FY09	FY10	FY11	Mar-12 ⁵
Tax revenue	80.5	73.5	78.3	63.0
Total revenue	52.4	52.1	59.3	49.7
Total expenditure	38.3	36.0	44.7	32.8
Current expenditure	47.5	45.4	50.6	39.2
GDP	7.6	7.3	8.2	4.5



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. * Short term debt Excluded.

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

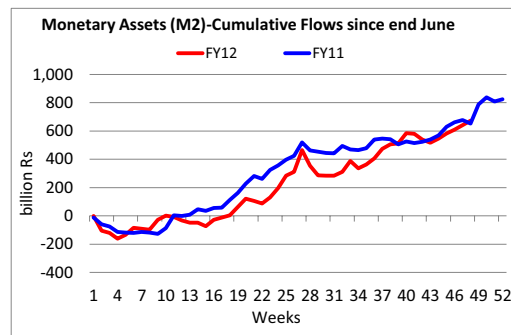


Monetary and Credit Aggregates

Deceleration in broad money (M2) growth during July 1 to May 25 FY12 is mainly due to a significant contraction in NFA of the banking system.

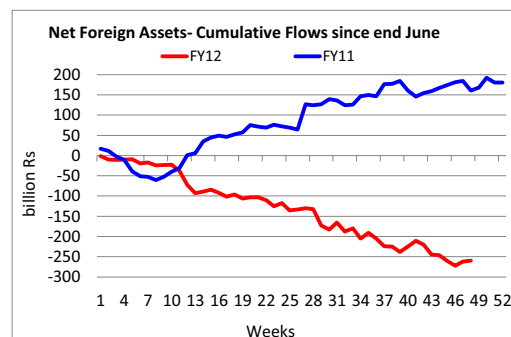
Monetary Assets of the Banking System

	End June 2011 Stocks	Cumulative Flows since end June		FY11
		Latest week	A year ago	
		25-May-12	28-May-11	
NFA	780.4	-259.6	160.5	235.1
NDA	5914.8	933.2	492.5	682.9
Government borrowings: of which	3020.5	1076.5	539.0	579.6
Budgetary borrowing	2601.6	1097.9	584.2	590.2
Commodity operations	397.5	-21.9	-49.5	-15.7
Non-government borrowings: of which	3546.8	80.3	121.4	158.0
Private sector	3141.2	209.5	102.8	121.3
PSEs	387.6	-129.8	18.1	36.3
Other items (net)	-652.6	-223.6	-167.8	-54.8
M2	6695.2	673.6	652.9	918.0



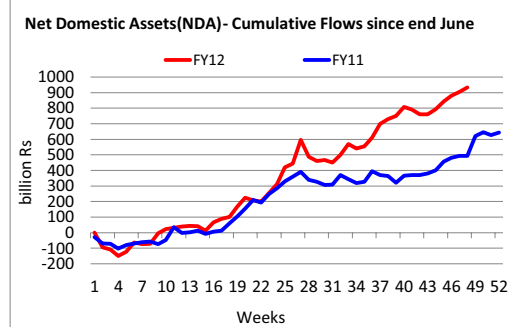
Monetary Liabilities of the Banking System

Currency in circulation	1501.4	191.2	231.4	206.0
Total deposits with banks	5183.6	483.2	417.9	708.5
Demand deposits with banks	4123.5	326.4	249.1	529.5
Time deposits with banks	685.2	119.5	143.5	149.5
RFCDs with banks	374.9	37.3	25.3	29.5
M2	6695.2	673.6	652.9	918.0



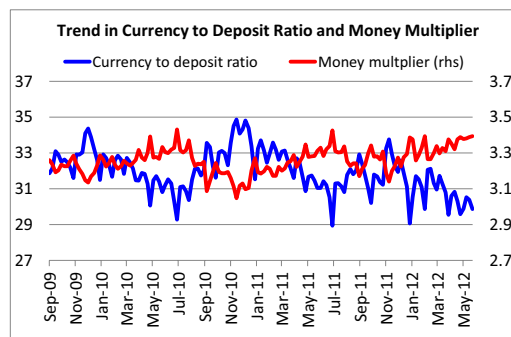
Percent Growth in Monetary Assets of the Banking System

	YoY (25-May-12)	Since end June		FY11
		25-May-12	28-May-11	
NFA	-26.2	-33.3	29.4	43.1
NDA	19.6	15.8	9.4	13.1
Government borrowings	37.5	35.6	22.1	23.7
Budgetary borrowing	42.5	42.2	29.0	29.3
Commodity operations	3.3	-5.5	-12.0	-3.8
Non-government sector borrowings	3.3	2.3	3.6	4.7
Private sector	7.3	6.7	3.4	4.0
PSEs	-30.2	-33.5	5.1	10.3
Other items (Net)	14.5	34.2	28.1	9.2
M2	14.6	10.1	11.3	15.9



Memorandum Items

	(billion Rs)		
	Latest week	A year ago	FY11
	25-May-12	28-May-11	
Money multiplier	3.4	3.3	3.4
Currency to deposit ratio	29.9	31.2	29.0
M2 to GDP ratio	35.7	35.6	37.1
Private sector credit to GDP ratio	16.2	17.3	17.4



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



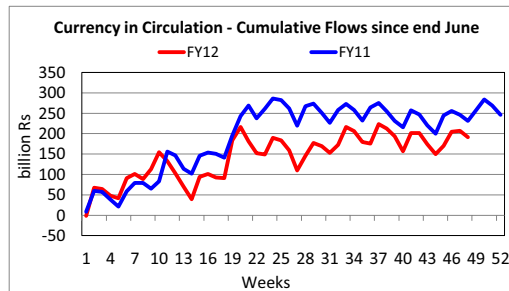
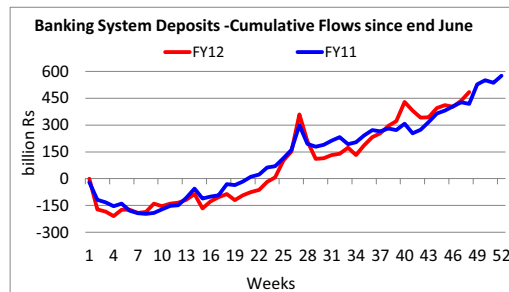
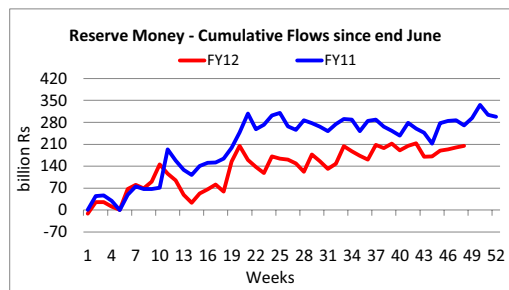
Deceleration in reserve money growth is primarily due to significant contraction in NFA of SBP.

Monetary Assets of SBP

	(billion Rs)			
	End June 2011 Stocks	Cumulative Flows		FY11 (Provisional)
		Latest week 25-May-12	A year ago 28-May-11	
NFA	614.1	-178.2	147.4	235.4
NDA: of which	1351.7	383.6	122.8	51.1
Budgetary borrowing	1200.7	402.4	129.5	-8.0
Other items (net)	-179.7	5.8	-20.6	51.3
Net Impact of OMOs/Discounting	63.7	83.8	17.2	55.9
Reserve money	1965.8	205.4	270.2	286.6

Monetary Liabilities of SBP

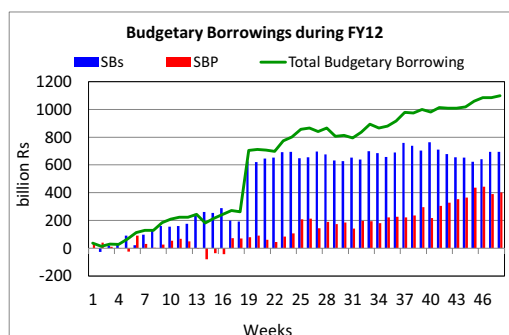
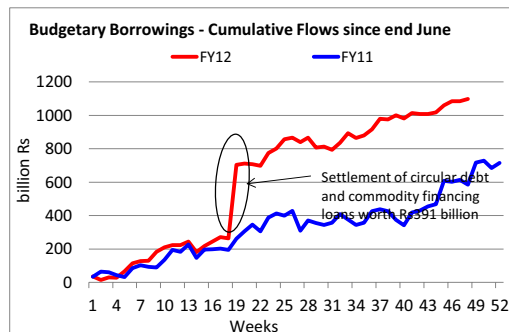
	(billion Rs)			
	End June 2011 Stocks	Cumulative Flows		FY11
		Latest week 25-May-12	A year ago 28-May-11	
Currency in circulation	1501.4	191.2	231.4	206.0
Cash in tills	104.9	-6.0	2.1	17.2
Bank deposits with SBP (reserves)	349.4	21.0	33.1	59.9
Other deposits with SBP	10.1	-0.8	3.6	3.5
	YoY (25-May-12)	Percent growth		
NFA of the SBP	-17.2	-29.0	38.9	62.2
NDA of the SBP: of which	21.9	28.4	9.4	3.9
Budgetary borrowing	19.8	33.5	10.7	-0.7
Other items (net)	-30.7	-3.2	8.9	-22.2
Reserve money	11.4	10.4	16.1	17.1



Besides substantial borrowing from scheduled banks, government's reliance on SBP borrowing has increased in recent months.

Details on Government Borrowing for Budgetary Support

	(billion Rs)			
	End June 2011 Stocks	Cumulative Flows		FY11
		Latest week 25-May-12	A year ago 28-May-11	
Budgetary Borrowing	2601.6	1097.9	584.2	590.2
Federal government	2903.5	1079.3	656.1	714.8
From SBP	1239.8	394.1	202.4	98.0
SBP's Holdings of MRTBs	1317.5	299.5	256.6	192.6
From SBs	1663.7	685.2	453.7	616.7
Provincial governments	-301.9	18.6	-71.8	-124.6
From SBP ¹	-39.1	8.3	-72.9	-106.0
From SBs ²	-262.8	10.3	1.1	-18.6



Memorandum Items

Cash basis	2523.3	1057.8	622.1	588.7
SBP	1154.5	413.5	132.6	-16.9
SBs	1368.8	644.3	489.6	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 AJK.

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



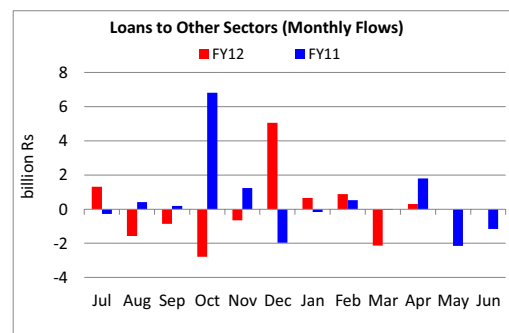
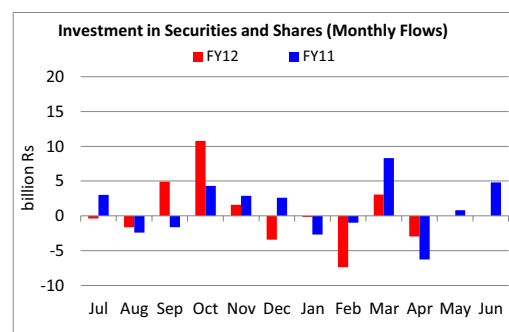
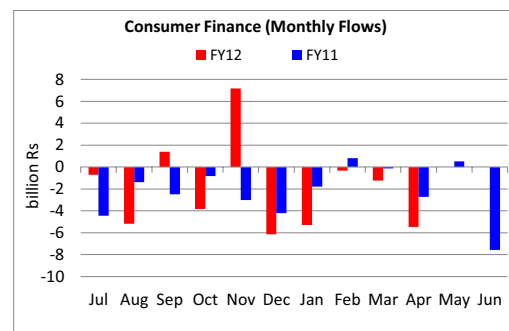
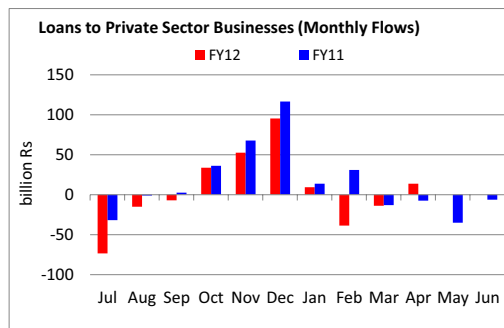
Overall loans to the private sector businesses are significantly lower during Jul-Apr FY12.

Credit to Private Sector

	End June 2011 Stocks	Flows during(billion Rs)		
		Jul-Apr FY12	Jul-Apr FY11	FY11
Total credit to private sector	3141.2	252.5^P	151.1	121.3
1. Loans to private sector businesses	2431.8	56.9	214.6	173.2
By type				
Working capital: of which	1582.2	45.3	219.3	163.5
Export finance	266.8	-6.3	34.6	27.0
Import finance	134.7	-4.4	33.5	29.7
Fixed investment	849.6	11.6	-4.7	9.7
By Sectors: of which				
Agriculture	180.5	↑ 13.2	↑ 5.7	↑ 11.0
Manufacturing: of which	1385.4	↑ 58.7	↑ 189.5	↑ 121.9
Textiles	514.7	↑ 0.8	↑ 93.0	↑ 44.5
Food products & beverages	275.3	↑ 25.7	↑ 81.8	↑ 61.0
Chemicals & products	158.1	↑ 17.6	↓ -0.9	↑ 1.3
Non-metallic mineral products	94.8	↓ -12.4	↓ -1.2	↓ -7.9
Wearing apparel, readymade gar.	50.0	↓ -0.5	↑ 3.8	↑ 1.8
Electricity, gas and water	269.4	↑ 2.4	↑ 42.1	↑ 53.9
Construction	67.7	↓ -14.0	↓ -1.0	↑ 0.6
Commerce and trade	213.7	↓ -9.6	↓ -21.6	↓ -16.0
Transport, storage and comm.	106.2	↓ -0.9	↑ 3.5	↑ 1.1
Services: of which	153.9	↓ -5.5	↓ -10.0	↓ -7.3
Real estate/renting & business act.	111.0	↓ -2.2	↓ -2.9	↓ -2.2
2. Personal: of which	294.0	↓ -11.6	↓ -20.6	↓ -27.5
Consumer financing	217.6	↓ -19.6	↓ -20.2	↓ -27.2
3. Investment in securities and shares	158.0	↑ 4.6	↑ 7.3	↑ 13.0
4. Others¹	257.4	↑ 202.7	↓ -50.3	↓ -37.4

P= Provisional

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





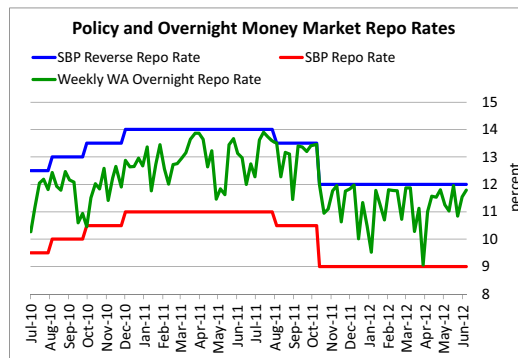
Money Market

Overnight repo rate remained volatile 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 SBP slightly increased during the week ending on 24th May 2012 compared to last month.

	Weekly Cash Reserve Requirements ¹ (billion Rs)			
	Week Ended		Change since	
	Current	Last month	26-Apr-12	6-Oct-11 ²
	24-May-12	26-Apr-12		
Cash Required	237.1	233.0	↑4.1	↑21.2
Cash Maintained	242.8	238.2	↑4.5	↑17.7
Excess Cash Reserves (per day)	5.7	5.3	↑0.4	↓-3.4

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 - 07 Jun 2012				
	Q1	Q2	Q3	Q4	YTD
WA O/N Repo Rate ¹	13.31	11.55	11.09	11.41	11.78
Standard Deviation	0.48	0.89	0.68	0.38	1.07
CoV ²	0.04	0.08	0.06	0.03	0.09

	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	12.34
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

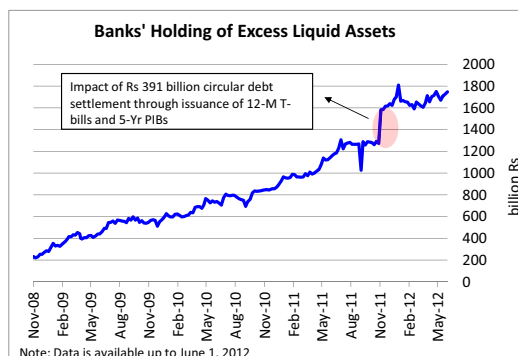
Banks' holding of government securities now stands at 85 percent of their total liquid assets maintained.

	Overall Reserve Requirement (billion Rs)			
	Last Month		Change since	
	Current	4-May-11	4-May-11	4-Oct-08
	1-Jun-12			
Required Reserves	1140.1	1113.4	↑26.6	↑177.6
Cash ¹	237.5	232.0	↑5.6	↓-38.6
Securities ²	902.6	881.5	↑21.1	↑216.2
Maintained	2899.2	2833.8	↑65.4	↑1880.4
Cash	385.6	384.4	↑1.2	↓-3.2
Cash in Tills	115.5	110.5	↑5.0	↑27.4
Balance with SBP	235.0	250.3	↓-15.3	↓-53.6
Balance with NBP	35.1	23.7	↑11.4	↑23.0
Securities	2472.4	2408.4	↑64.0	↑1859.3
Others ³	41.2	41.0	↑0.2	↑24.4
Excess of Liquid Assets⁴	1759.1	1720.4	↑38.7	↑1702.8

Source: Off-site Supervision and Enforcement Department, SBP

¹ Required under weekly average CRR

² Required under SLR



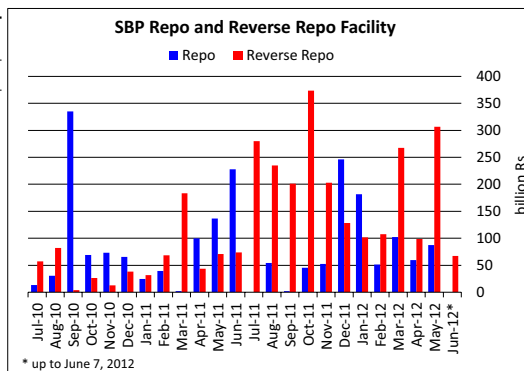
³ Includes Section 13(3) deposits and share capital of MFBS.

⁴ Includes excess securities + cash and other assets maintained.



Banks' increased use of both SBP reverse repo and SBP 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	2,303.1	113	884.5	44
Q1	716.0	41	56.3	7
Q2	704.9	26	346.9	15
Q3	476.5	25	335.0	13
Apr	98.9	11	59.3	4
May	306.8	10	87.1	5
Jun*	67.1	1	-	-

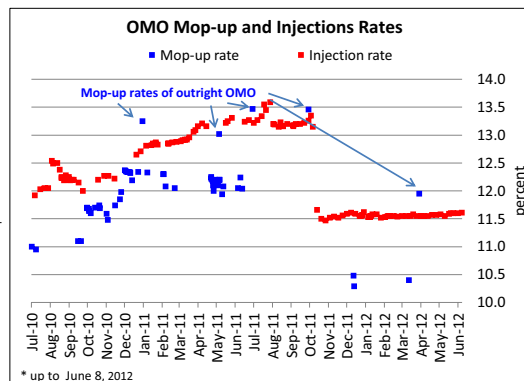
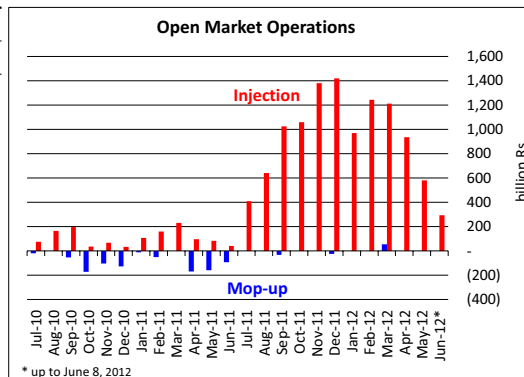


* Updated up to June 7, 2012

Source: Domestic Markets & Monetary Management Department, SBP

Volume of outstanding net OMO injections by the SBP has fallen considerably in Q4-FY12.

	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	10,872.6	(10,762.2)	-	-
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)	-	-
Apr	-	935.4	(935.4)	-	-
04-May	-	116.4	(116.4)	-	-
11-May	-	111.4	(111.4)	-	-
18-May	-	169.6	(169.6)	-	-
21-May	-	27.5	(27.5)	-	-
25-May	-	155.0	(155.0)	-	-
01-Jun	-	125.0	(125.0)	-	-
08-Jun	-	168.0	(168.0)	(168.0)	15-Jun



Source: Domestic Markets & Monetary Management Department, SBP

* Updated up to June 8, 2012

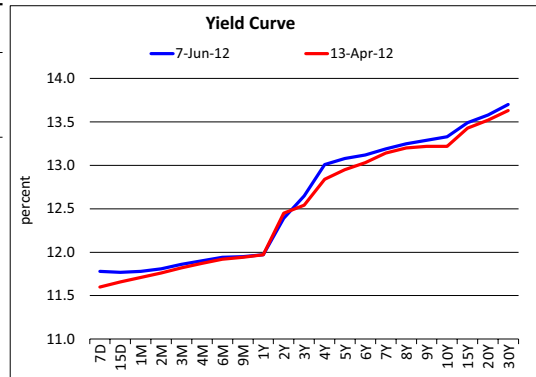
*Note: (-) amount means net injection
(+) amount means net mop-up



The longer end of the yield curve has steepened marginally since the last monetary policy decision.

Pak Rupee Revaluation (PKRV) Rates¹ (%)

Tenors	Current	last month	Change (in basis points) since	
			Last month	Last MPS
			7-May-12	13-Apr-12
	7-Jun-12	7-May-12	7-May-12	13-Apr-12
1-week	11.78	11.26	↑ 52	↑ 18
2-week	11.77	11.43	↑ 34	↑ 11
1-month	11.78	11.58	↑ 20	↑ 7
3-month	11.86	11.80	↑ 6	↑ 4
6-month	11.94	11.91	↑ 3	↑ 2
9-month	11.95	11.95	↑ 0	↑ 1
1-year	11.97	11.98	↓ -1	↑ 0
2-year	12.39	12.43	↓ -4	↓ -6
3-year	12.65	12.56	↑ 9	↑ 11
5-year	13.08	12.99	↑ 9	↑ 13
7-year	13.19	13.17	↑ 2	↑ 5
10-year	13.33	13.30	↑ 3	↑ 11
20-year	13.58	13.55	↑ 3	↑ 6
30-year	13.70	13.64	↑ 6	↑ 7



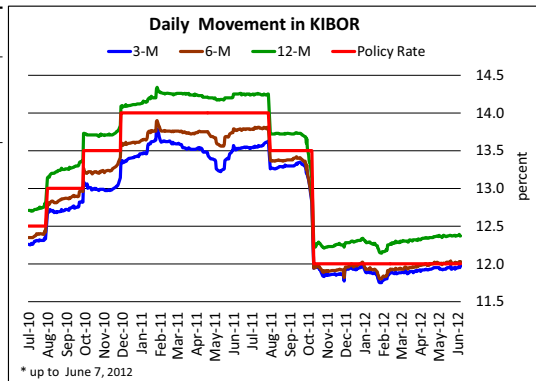
Source: Financial Market Association of Pakistan

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

KIBOR of 3, 6 and 12 month tenors have broadly remained stable during the last few months.

Tenor-wise KIBOR (%)

Tenors	Current	last month	Change (in basis points) since	
			Last month	Last MPS
			7-May-12	13-Apr-12
	7-Jun-12	7-May-12	7-May-12	13-Apr-12
1-week	12.02	11.47	↑ 55	↑ 17
2-week	12.04	11.72	↑ 32	↑ 7
1-month	12.07	11.93	↑ 14	↑ 5
3-month	11.98	11.93	↑ 5	↑ 6
6-month	12.03	11.99	↑ 4	↑ 5
9-month	12.32	12.30	↑ 2	↑ 4
12-month	12.37	12.35	↑ 2	↑ 3
2-year	12.46	12.43	↑ 3	↑ 4
3-year	12.55	12.50	↑ 5	↑ 8

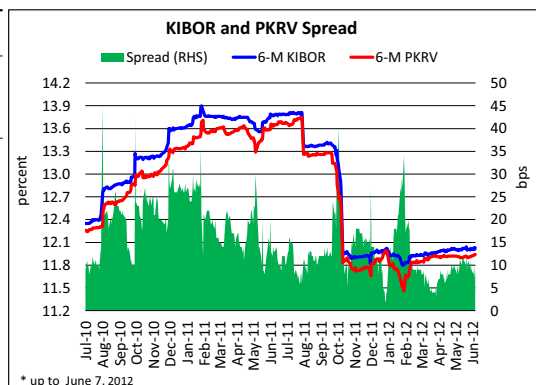


Source: SBP and Financial Market Association of Pakistan

The spread between 6-month KIBOR and 6-month PKRV rates has slightly increased compared to the level seen at the time of last monetary policy review in April 2012.

KIBOR and PKRV Spread (basis points)

Tenors	Current	last month	Change (in basis points) since	
			Last month	Last MPS
			7-May-12	13-Apr-12
	7-Jun-12	7-May-12	7-May-12	13-Apr-12
1-week	24	21	↑ 3	↓ -1
2-week	27	29	↓ -2	↓ -4
1-month	29	35	↓ -6	↓ -2
3-month	12	13	↓ -1	↑ 2
6-month	9	8	↑ 1	↑ 3
9-month	37	35	↑ 2	↑ 3
12-month	40	37	↑ 3	↑ 3
2-year	7	0	↑ 7	↑ 10
3-year	-10	-6	↓ -4	↓ -3



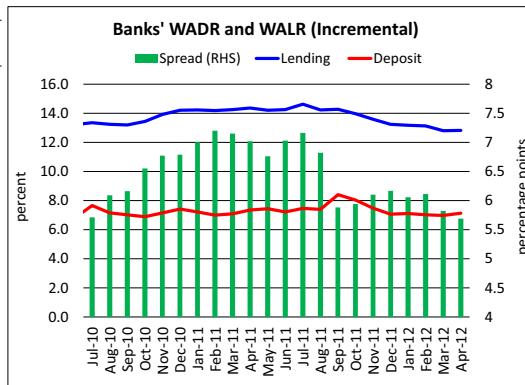
Sources: SBP



Both the weighted average lending and deposit rates, on incremental loans and deposits, recorded a slight increase in April 2012.

Weighted average Lending and Deposit Rates (percent per annum)

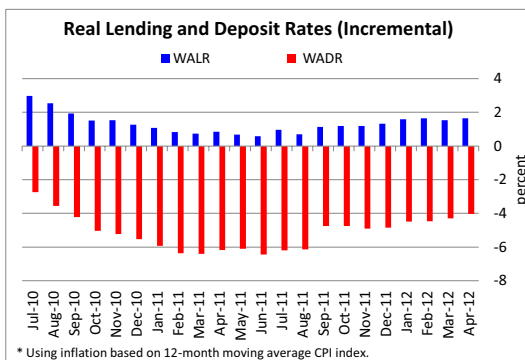
Months	Incremental ¹			Outstanding		
	WALR	WADR	Spread (bps)	WALR	WADR	Spread (bps)
Mar-11	14.24	7.09	715	13.55	5.97	758
Apr-11	14.37	7.35	702	13.55	6.03	752
May-11	14.21	7.45	676	13.65	6.00	765
Jun-11	14.25	7.22	703	13.78	5.92	786
Jul-11	14.62	7.46	716	13.76	5.88	788
Aug-11	14.22	7.40	682	13.65	6.06	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
Mar-12	12.80	6.98	582	13.04	5.74	730
Apr-12	12.83	7.14	569	12.98	5.76	722



Source: Statistics & Data Warehouse Department, SBP ¹ Weighted average rates on incremental (fresh) loans and deposits during a month.

The real lending rates, calculated based on 12-month moving average inflation, also edged up in April 2012.

Months	Real (based on 12-month MA inflation) ¹		Real (based on YoY inflation) ²	
	WALR	WADR	WALR	WADR
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
Mar-12	1.52	-4.30	2.01	-3.81
Apr-12	1.65	-4.04	1.56	-4.13



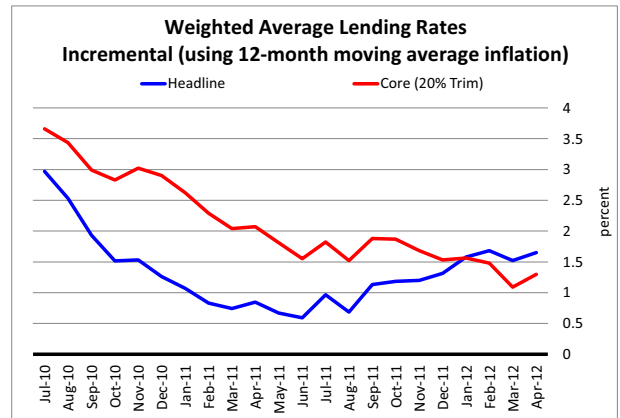
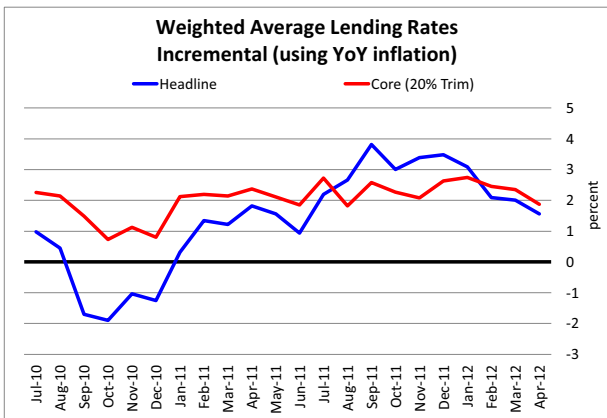
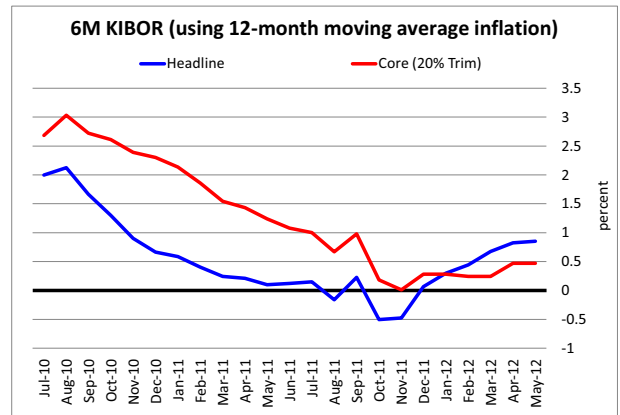
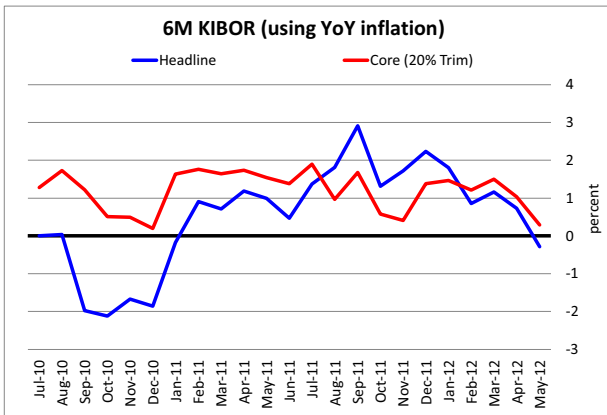
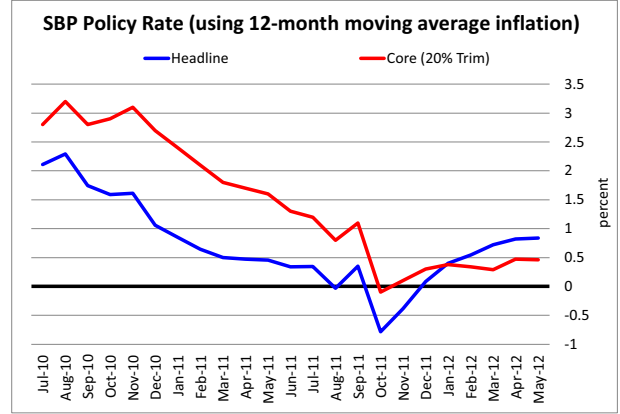
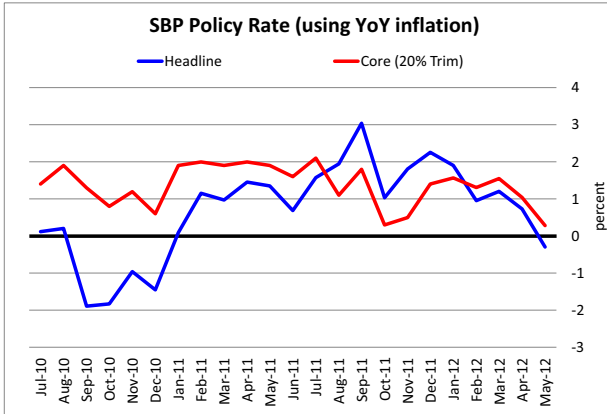
Sources: Statistics & Data Warehouse Department, SBP & Federal Bureau of Statistics

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



About 80 percent of the banks' total offers in recent MTB auctions were concentrated in 3-month bills.

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

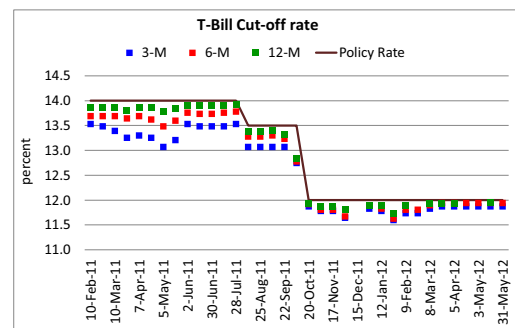
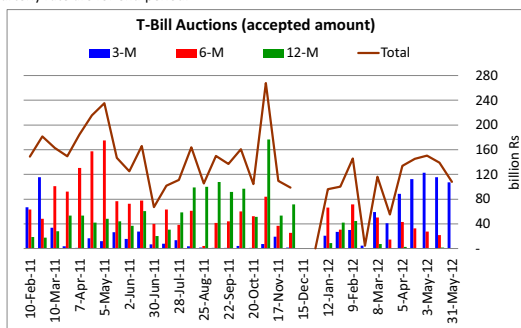
FY/Q/ Settlement Date	TOTAL				3-Month			6-Month			12-Month			Non- competitive bids (Accepted)#
	Target	Maturity	Offered	Accepted	Offered	Accepted	Cut-off*	Offered	Accepted	Cut-off*	Offered	Accepted	Cut-off*	
FY11	3,350.0	3,285.6	5,291.9	3,336.6	2,520.1	1,385.4	-	1,995.4	1,446.8	-	776.4	504.4	-	349.5
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	3,140.0	2,800.8	4,585.9	2,705.0	1,285.0	791.4	-	1,488.6	869.9	-	1,812.3	1,043.7	-	349.2
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
Apr	360.0	313.6	397.0	279.1	289.4	201.2	11.87	95.2	75.4	11.94	12.44	2.5	11.94	37.3
May	430.0	450.6	531.7	397.1	454.2	345.5	11.87	67.6	49.8	11.94	9.8	1.8	11.95	54.9

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 has comfortably raised the targeted amount in the PIBs' auctions held in Q4-FY12.

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
7-Jun-12	Cut-off rate	-	12.75	13.12	-	13.38	-	13.35	-
	Offered	-	8.78	10.39	-	25.46	-	3.68	48.30
	Accepted	20.00	7.83	8.15	-	16.61	-	3.68	36.26
10-May-12	Cut-off rate	-	12.62	13.05	-	13.32	-	-	-
	Offered	-	13.85	5.54	-	15.65	-	1.00	36.04
	Accepted	20.00	11.60	3.98	-	9.24	-	-	24.82
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

*N=No bids; R=Bids rejected

Excluding non-competitive bids and short-selling accommodation

Source: Domestic Markets & Monetary Management Department, SBP

Government also successfully raised the targeted amount in recent Sukuk auction.

Auction Date #	Settlement Date	Target	Total Offered	Total Accepted	Cut-off Margin*
23-Apr-12	30-Apr-12	25.00	50.43	29.63	0.00
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

* This cut-off margin is applicable to all accepted bids. The benchmark is 6-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 8.7 percent against US\$ during 1st July 2011 to 7th June 2012.

	PKR against International Currencies			% App/(Dpp) of PKR Cumulative since Jun-11
	Latest	Last MPS	Jun-11	
	7 th June 12	13 th Apr 12	Jun-11	
USD	94.16	90.63	85.97	(8.71)
Euro	118.41	119.22	124.54	5.18
Sterling	145.88	144.35	137.35	(5.85)
JPY	1.19	1.12	1.07	(9.79)
USD Kerb	94.68	91.20	86.03	(9.14)
Premium (Rs)	0.51	0.57	0.06	-
Daily NEER*	59.20	60.48	61.46	(3.67)

* Nominal Effective Exchange Rate

Source: SBP

	International Exchange Rates			% App/(Dpp) of USD Cumulative since Jun-11
	Latest	Last MPS	Jun-11	
	7 th June 12	13 th Apr 12	Jun-11	
EUR/USD	1.26	1.32	1.45	15.20
GBP/USD	1.55	1.59	1.60	3.13
USD/JPY	79.44	80.94	80.40	(1.20)
USD/INR	55.03	51.49	44.69	23.16
USD/CNY	6.36	6.30	6.46	(1.55)
USD/THB	31.50	30.74	30.76	2.41
USD/MYR	3.16	3.06	3.02	4.70
USD/SGD	1.28	1.25	1.23	3.85

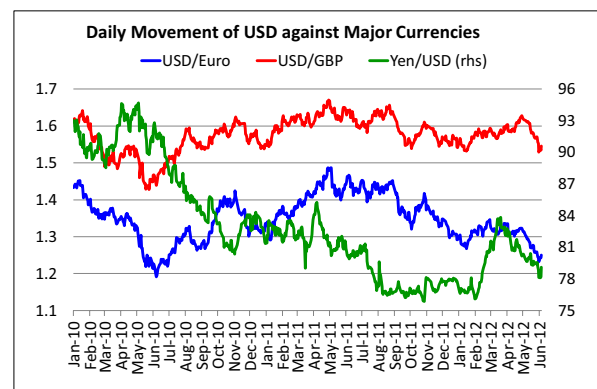
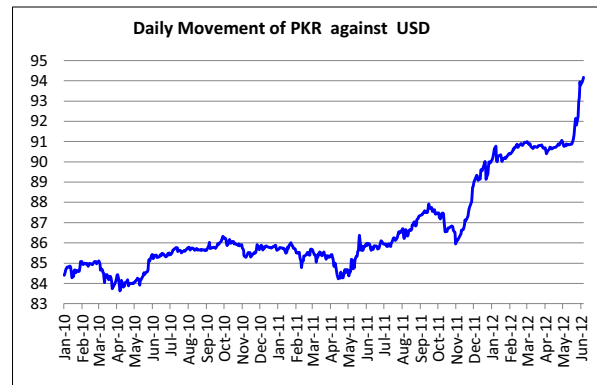
Source: SBP

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*	94.40	85.79	94.16	88.94	2.41

¹ Reuters: Average Close-to-Close Daily Volatility (in %)

*Updated up to 7th June 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*	94.40	90.15	94.16	91.42	2.30

¹ Reuters: Average Close-to-Close Daily Volatility (in %)

*Updated up to 7th June 2012



In real terms, PKR has appreciated by 4.9 percent during July-April 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	
			2009		2010				2011				2012			
			Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	Apr ^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	9.50	11.33		
	Sep	92.80	-	-1.53	3.43	7.97	9.26	8.99	7.72	7.55	10.52	11.04	10.96	12.81		
	Dec	91.38	-	-	5.04	9.65	10.96	10.68	9.39	9.22	12.23	12.76	12.68	14.56		
2010	Mar	95.99	-	-	-	4.39	5.64	5.37	4.14	3.98	6.85	7.35	7.28	9.07		
	Jun	100.20	-	-	-	-	1.19	0.94	-0.24	-0.39	2.35	2.84	2.76	4.48		
	Sep	101.39	-	-	-	-	-	-0.25	-1.41	-1.57	1.15	1.62	1.55	3.25		
	Dec	101.14	-	-	-	-	-	-	-1.16	-1.32	1.40	1.88	1.81	3.51		
2011	Mar	99.96	-	-	-	-	-	-	-	-0.16	2.60	3.08	3.01	4.73		
	Jun	99.80	-	-	-	-	-	-	-	-	2.76	3.24	3.17	4.89		
	Sep	102.56	-	-	-	-	-	-	-	-	-	0.47	0.40	2.08		
	Dec	103.04	-	-	-	-	-	-	-	-	-	-	-0.07	1.60		
2012	Mar	102.97	-	-	-	-	-	-	-	-	-	-	-	1.67		
	Apr ^P	104.69	-	-	-	-	-	-	-	-	-	-	-	-		

^P Provisional

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

		WA Exchange Rate	2009												2010	
			2009		2010				2011				2012			
			Sep	Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar	7-Jun		
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	-13.71		
	Sep	83.18	-	-1.29	-1.19	-2.68	-3.60	-2.96	-2.50	-3.27	-4.94	-7.55	-8.30	-11.82		
	Dec	84.26	-	-	0.10	-1.40	-2.34	-1.69	-1.23	-2.01	-3.70	-6.34	-7.10	-10.66		
2010	Mar	84.18	-	-	-	-1.50	-2.44	-1.79	-1.33	-2.10	-3.80	-6.43	-7.19	-10.75		
	Jun	85.46	-	-	-	-	-0.95	-0.29	0.18	-0.61	-2.33	-5.01	-5.78	-9.39		
	Sep	86.29	-	-	-	-	-	0.67	1.14	0.34	-1.39	-4.09	-4.87	-8.52		
	Dec	85.71	-	-	-	-	-	-	0.47	-0.32	-2.05	-4.73	-5.50	-9.13		
2011	Mar	85.31	-	-	-	-	-	-	-	-0.79	-2.50	-5.18	-5.94	-9.55		
	Jun	85.99	-	-	-	-	-	-	-	-	-1.73	-4.42	-5.20	-8.83		
	Sep	87.50	-	-	-	-	-	-	-	-	-	-2.74	-3.53	-7.23		
	Dec	89.97	-	-	-	-	-	-	-	-	-	-	-0.81	-4.62		
2012	Mar	90.70	-	-	-	-	-	-	-	-	-	-	-	-3.84		
	7-Jun	94.32	-	-	-	-	-	-	-	-	-	-	-	-		



Capital Market

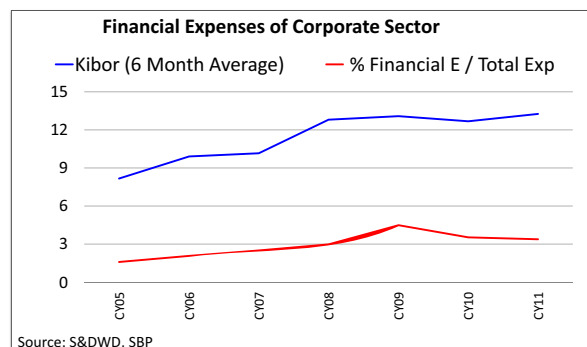
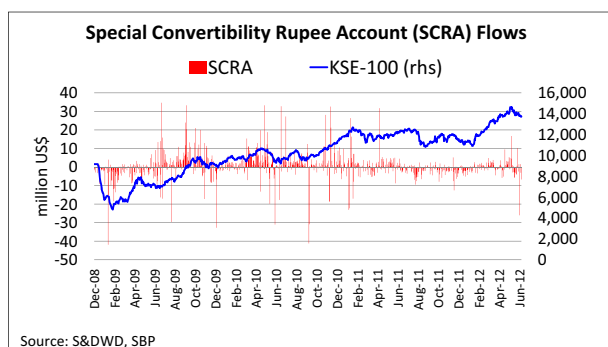
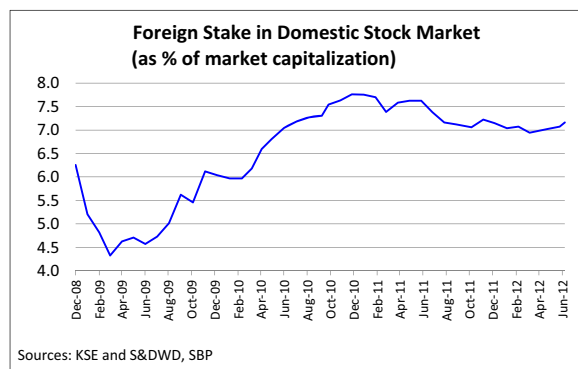
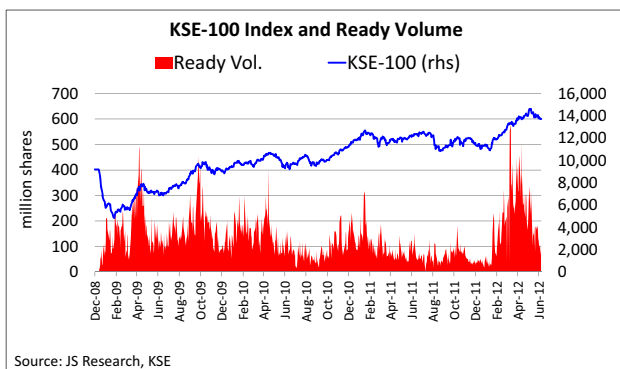
The key performance indicators of stock market showed deterioration in June 2012.

Performance of Karachi Stock Exchange

	FY12			FY11	Change (%)			
	June-12 ¹	May-12	H1-FY12		Jun 12 ¹ over May 12	FY12 ¹ over FY11	FY11 over FY10	FY10 over FY09
KSE-100 Index	13,717.3	13,786.6	11,347.7	12,496.0	-0.5	9.8	25.4	35.7
KSE-30 Index	11,871.1	11,951.1	10,179.0	11,586.5	-0.7	2.5	21.0	26.2
Market Capitalization (billion Rs)	3,507.1	3,527.7	2,945.8	3,288.7	-0.6	6.6	17.9	28.8
Ready Volume (million shares-avg.)	110.7	124.8	58.9	94.9	-11.3	16.6	-66.6	54.3
SCRA flows (US\$ million)	-34.1	9.8	-208.7	237.6	-447.9	-114.3	-107.6	205.9

¹ As of 7th June 2012.

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





Financial Soundness Indicators

Despite increase in provisioning for loan losses, banks' profitability indicators have improved steadily.

percent

	2008	2009	2010	Jun 2011	Dec 2011	Mar 2012
Risk weighted CAR*	12.2	14.0	14.0	14.1	14.6	14.7
NPLs to total loans	10.5	12.6	14.7	15.3	16.2	15.8
Provision to NPLs	69.6	69.9	66.7	67.9	66.8	68.5
Returns on assets (before tax)	1.2	1.3	1.7	2.1	2.2	2.5
Return on assets (after tax)	0.8	0.9	1.0	1.4	1.5	1.7
ROE (before tax)**	11.4	13.2	16.7	21.8	23.4	26.3
ROE (after tax)**	7.8	8.9	9.8	14.3	15.2	17.6
Net interest income/gross income	70.3	72.4	74.7	75.9	75.7	73.4
Liquid assets/total assets	28.2	32.7	35.0	38.2	44.4	44.0
Liquid assets/total deposits	37.7	44.5	45.9	49.5	58.4	58.5
Advances/deposits	75.2	67.7	61.4	56.7	53.6	54.3

Source: Banking Surveillance Department, SBP

Note: FSIs are prepared on the basis of annual audited accounts except for quarter ended Dec, Mar, Jun, and Sep 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.

