



Monetary Policy Information Compendium

June 2013

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STATE BANK OF PAKISTAN



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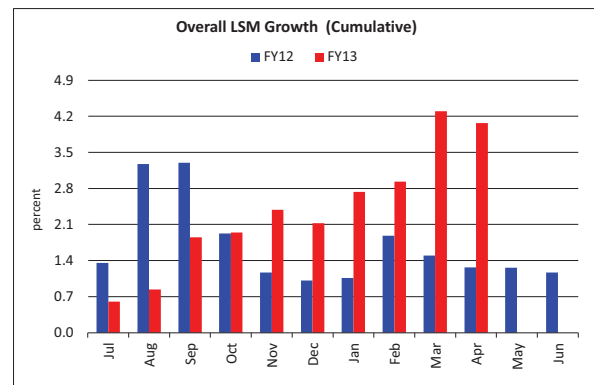
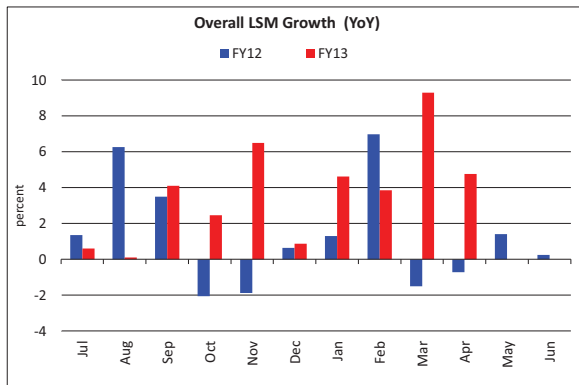


Growth

Cumulative growth of 4.1 percent has been recorded in the LSM sector for the period July-April FY13, which is significantly higher than the growth of 1.3 percent observed in the same period of FY12.

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

Groups	Weights	YoY changes				Cumulative change during Jul-Apr			
		Apr-13		Apr-12		FY13		FY12	
Overall	71.1	4.8	-0.7			4.1	1.3		
Textile	20.9	↑ 3.0	↓ -0.3	↑	↑	1.1	↑ 0.7	↑	0.7
Food, beverages and tobacco	12.4	↑ 13.2	↑ 4.0	↑	↑	8.2	↑ 7.1	↑	7.1
Petroleum products	5.4	↑ 45.8	↓ -26.1	↑	↑	16.1	↓ -7.9	↓	-7.9
Iron and steel products	5.4	↓ -5.2	↓ -16.1	↑	↑	11.1	↓ -27.2	↓	-27.2
Non-metallic mineral products	5.4	↑ 3.3	↓ -0.5	↑	↑	5.7	↑ 2.5	↑	2.5
Automobile	4.6	↓ -14.7	↑ 12.6	↓	↓	-12.1	↑ 0.3	↑	0.3
Fertilizer	4.4	↓ -9.0	↑ 19.4	↓	↓	-5.4	↑ 1.4	↑	1.4
Pharmaceuticals	3.6	↑ 6.8	↓ -10.8	↑	↑	11.1	↑ 7.9	↑	7.9
Paper and board	2.3	↓ -6.1	↑ 47.3	↓	↑	18.6	↑ 20.8	↑	20.8
Electronics	2.0	↑ 12.8	↑ 0.3	↓	↓	-5.0	↓ -6.6	↓	-6.6
Chemicals	1.7	↓ -1.1	↑ 1.0	↓	↓	-0.8	↓ -3.7	↓	-3.7
Leather products	0.9	↓ -2.9	↓ -16.7	↓	↓	-1.9	↓ -0.1	↓	-0.1
Wood products	0.6	↑ 28.4	↓ -33.1	↓	↓	-15.6	↑ 2.9	↑	2.9
Engineering industries	0.4	↓ -14.3	↓ -24.4	↓	↓	-15.3	↓ -12.0	↓	-12.0
Rubber products	0.3	↑ 3.6	↓ -30.9	↑	↑	16.2	↓ -25.3	↓	-25.3



Yields of major crops, except that of cotton, have improved during FY13.

Major Crops

	Production				Area under cultivation				Yield			
	(million tons)			percent change	(million hectares)		percent change	(Kg/hectare)		percent change		
	FY14 ^T	FY13 ^P	FY12 ^R	FY13 ^P over FY12 ^R	FY13 ^P	FY12 ^R	FY13 ^P over FY12 ^R	FY13 ^P	FY12 ^R	FY13 ^P over FY12 ^R		
Cotton ¹	14.1	13.0	13.6	↓ -4.2	2.9	2.8	↑ 1.6	769	816	↓ -5.7		
Sugarcane	65.0	62.5	58.4	↑ 7.0	1.1	1.1	↑ 6.2	55,580	55,196	↑ 0.7		
Rice	6.2	5.5	6.2	↓ -10.0	2.3	2.6	↓ -10.1	2,398	2,396	↑ 0.1		
Wheat	25.5	24.2	23.5	↑ 3.2	8.7	8.7	↑ 0.5	2,787	2,714	↑ 2.7		

¹ Cotton production is stated in million bales of 170 kg each.

P: Provisional; T: Target; R: Revised

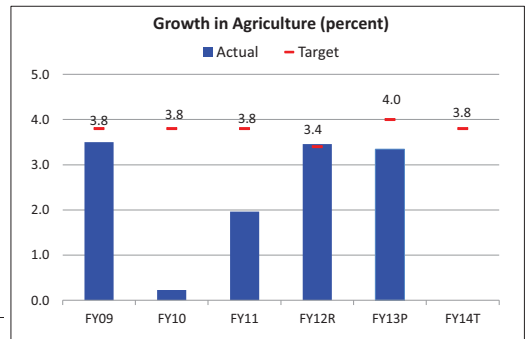
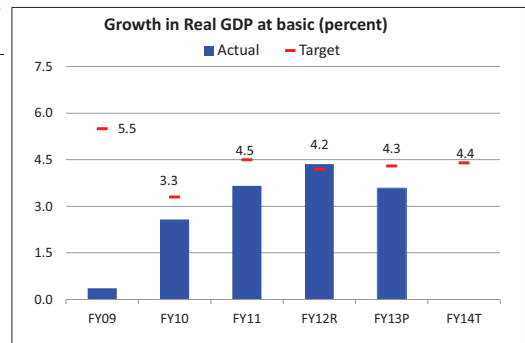
Sources: Pakistan Bureau of Statistics (PBS) and Planning Commission of Pakistan.



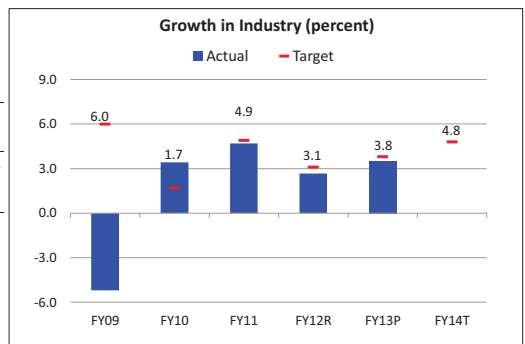
Provisional estimates show GDP growth of 3.6 percent during FY13, which is lower than the target (4.3 percent) and revised estimate of FY12 growth (4.4 percent).

Product Approach - GDP at Basic Prices of 2005-06 (percent)

	FY13 ^P			FY12 ^R Growth
	Growth	Shares	Contribution	
Agriculture of which	3.3	21.4	0.7	3.5
Important crops	2.3	5.4	0.1	7.4
Other crops	6.7	2.6	0.17	-7.7
Livestock	3.7	11.9	0.4	3.9
Industry of which	3.5	20.9	0.7	2.7
Manufacturing	3.5	13.2	0.5	2.1
Large-scale ¹	2.8	10.6	0.3	1.2
Small-scale	8.2	1.6	0.1	8.4
Construction	5.2	2.4	0.1	3.2
Services of which	3.7	57.7	2.1	5.3
Wholesale & retail trade	2.5	18.2	0.5	1.7
Transport Storage and Communications	3.4	13.7	0.5	8.9
Finance & insurance	6.6	6.7	0.4	1.0
General Government Services	5.6	6.8	0.4	11.1
Real GDP (bp)	3.6	100.0	3.6	4.4
Real GDP (market prices)	6.1	105.2	6.2	4.0

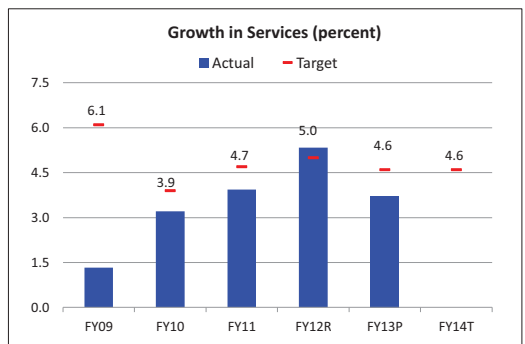


	FY13(P)	FY12(R)	FY11
Real GDP (bp, billion Rs)	9,863	9,522	9,124
Nominal GDP (mp, billion Rs)	22,909	20,091	18,285
Nominal GDP (mp, billion US\$) ²	234	225	214



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

	FY13 ^P			FY12 ^R Growth
	Growth	Shares ³	Contribution ³	
Consumption	4.6	87.7	4.1	6.0
Private	4.0	77.0	3.1	5.8
Government	9.7	10.7	1.0	7.3
Fixed capital formation	0.8	13.2	0.1	1.5
Private	-1.8	9.7	-0.2	-1.7
Public plus general government	8.6	3.5	0.3	12.6
Changes in stocks	6.1	1.6	0.1	4.0
Net exports of goods and nonfactor services	-39.7	0.0	1.7	-1.4
Exports of goods and non-factor services	4.2	11.8	4.3	5.3
Imports of goods and non-factor services	-2.4	14.3	-0.4	-3.6
GDP (market prices)	6.1	100.0	6.1	4.0
Less indirect taxes plus subsidies	95.7	5.0	2.6	-7.1
GDP (bp)	3.6	95.0	3.5	4.4
Total domestic demand⁴	4.2	102.5	4.3	5.3



Note: Targets, except for FY14, shown in the graphs are based on FY01 prices (as base year).

¹ For FY13, LSM data pertains to July-February; ² GDP in dollar terms is calculated using average exchange rate during the year.

³ Shares and contributions in GDP growth are based on real GDP(mp).

⁴ Domestic demand is calculated as sum of consumption, fixed capital formation and change in stock expenditures on real GDP.

Source: Pakistan Bureau of Statistics; ^R: Revised; ^P: Provisional; Basic price (bp): The basic price is the price the producer gets on his output excluding any taxes on the products and including any subsidies on the products.

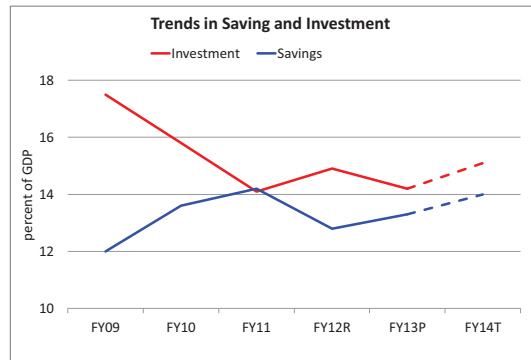


Saving and Investment

Saving investment gap has narrowed in FY13, compared to FY12.

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

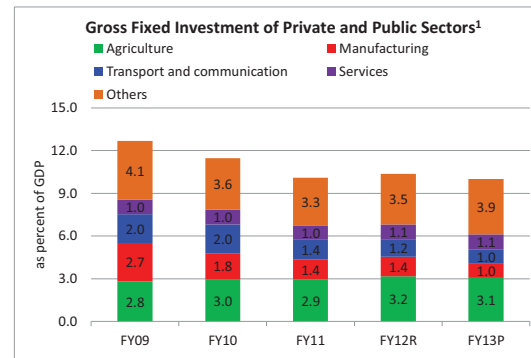
	FY14 Target	Actual	
		FY13 ^P	FY12 ^R
A. Investment	15.1	14.2	14.9
Gross fixed investment	13.5	12.6	13.3
Private sector	9.0	8.7	9.6
Public including general public	4.5	3.9	3.7
Change in capital stocks	1.6	1.6	1.6
B. National savings	14.0	13.3	12.8
C. Domestic savings	-	8.7	7.7
Saving investment gap (B - A)	-1.1	-0.9	-2.1



Gross fixed investment to GDP ratio in the Transport and communication and Manufacturing sectors have shown a declining trend.

Gross Fixed Investment of Private and Public Sectors¹

	FY13 ^P		FY12 ^R
	As percent of GDP	Percent share in total	As percent of GDP
Agriculture	3.1	30.7	3.2
Mining and quarrying	0.6	6.1	0.2
Manufacturing	1.0	9.7	1.4
Construction	0.2	1.6	0.1
Electricity and gas	1.7	5.9	1.6
Transport and communication	1.0	10.0	1.2
Wholesale and retail trade	0.3	2.8	0.3
Finance and insurance	0.2	1.9	0.2
Ownership of dwellings	2.1	20.6	2.0
Services	1.1	10.7	1.1
Total	11.1	100.0	11.3



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

^P: Provisional

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



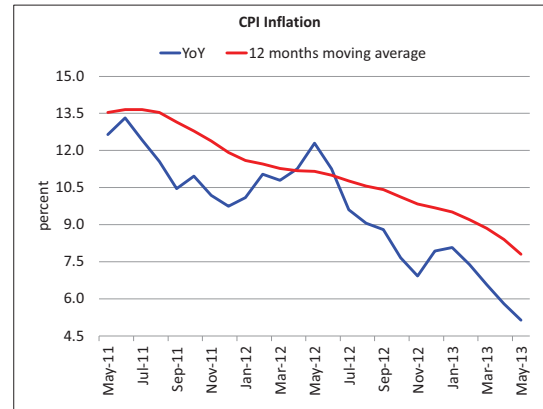
Inflation

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

Headline CPI inflation (YoY) has decreased to 5.1 percent in May 2013 from 5.8 percent in the previous month.

Consumer Price Index (CPI) (percent change)

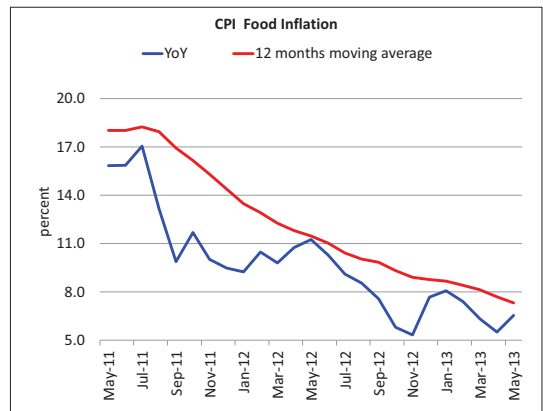
	MoM ¹	MoM SA ²	YoY ³	12M moving average ⁴
May-12	1.1	1.5	12.3	11.2
Jun-12	0.0	0.2	11.3	11.0
Jul-12	-0.2	-0.7	9.6	10.8
Aug-12	0.9	0.3	9.1	10.6
Sep-12	0.8	0.7	8.8	10.4
Oct-12	0.4	0.2	7.7	10.1
Nov-12	-0.4	0.0	6.9	9.8
Dec-12	0.2	1.4	7.9	9.7
Jan-13	1.7	1.0	8.1	9.5
Feb-13	-0.3	0.5	7.4	9.2
Mar-13	0.4	0.2	6.6	8.9
Apr-13	1.1	0.4	5.8	8.4
May-13	0.5	0.9	5.1	7.8
3-year average for May	0.6	1.0	10.0	



CPI food inflation (YoY) has increased to 6.5 percent in May 2013 from 5.5 percent in the previous month.

CPI - Food (37.48 % weight in basket) (percent change)

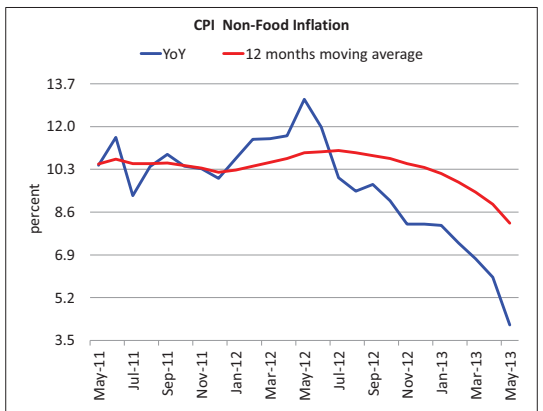
	MoM ¹	MoM SA ²	YoY ³	12M moving average ⁴
May-12	0.2	0.6	11.3	11.5
Jun-12	-0.2	0.2	10.3	11.0
Jul-12	1.8	0.4	9.1	10.4
Aug-12	0.9	-0.2	8.5	10.0
Sep-12	0.7	0.4	7.6	9.8
Oct-12	-0.1	-0.3	5.8	9.3
Nov-12	-0.3	0.1	5.3	8.9
Dec-12	0.0	2.4	7.7	8.8
Jan-13	1.9	1.1	8.1	8.7
Feb-13	-1.3	0.4	7.4	8.4
Mar-13	0.5	-0.1	6.3	8.1
Apr-13	1.4	0.4	5.5	7.7
May-13	1.1	1.6	6.5	7.3
3-year average for May	0.3	0.7	11.2	



CPI non-food inflation (YoY) has decreased significantly to 4.1 percent in May 2013 from 6.0 percent in April 2013.

CPI - Non Food (62.52 % weight in basket) (percent change)

	MoM ¹	MoM SA ²	YoY ³	12M moving average ⁴
May-12	1.9	2.2	13.1	11.0
Jun-12	0.2	0.2	12.0	11.0
Jul-12	-1.7	-1.4	10.0	11.0
Aug-12	0.9	0.6	9.4	11.0
Sep-12	0.9	1.0	9.7	10.8
Oct-12	0.7	0.5	9.1	10.7
Nov-12	-0.4	-0.2	8.1	10.5
Dec-12	0.4	0.7	8.1	10.4
Jan-13	1.5	1.0	8.1	10.1
Feb-13	0.3	0.5	7.4	9.8
Mar-13	0.3	0.4	6.7	9.4
Apr-13	0.9	0.4	6.0	8.9
May-13	0.1	0.4	4.1	8.2
3-year average for May	0.9	1.1	9.2	



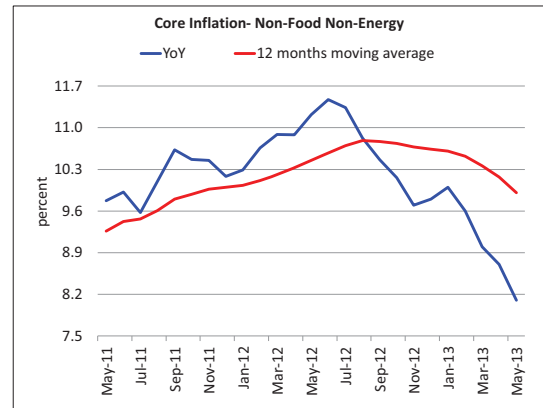
Source: Pakistan Bureau of Statistics, Statistics and Data Warehouse Department (S&DWD), SBP.

¹ Month-on-Month; ² Month-on-month changes in seasonally adjusted series; ³ Year-on-Year; ⁴ These changes are calculated on the basis of 12 month average of CPI over the 12 month average of preceding year.



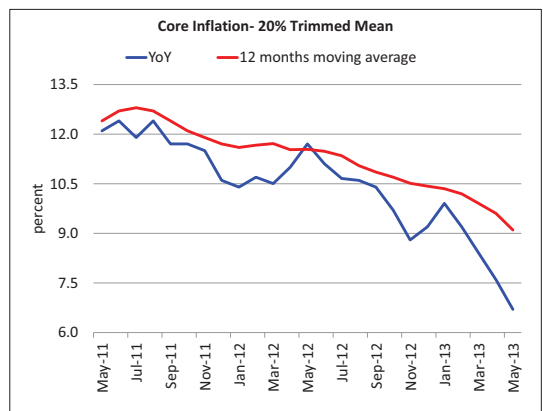
The non-food non-energy (NFNE) measure of core inflation (YoY) has decreased to 8.1 percent in May 2013 from 8.7 percent in April 2013.

	Core - Non-food non-energy (53.52% weight in basket) (percent change)		
	MoM	YoY	12M moving average
May-12	0.8	11.2	10.4
Jun-12	0.7	11.5	10.6
Jul-12	1.1	11.3	10.7
Aug-12	0.3	10.8	10.8
Sep-12	0.4	10.5	10.8
Oct-12	1.2	10.2	10.7
Nov-12	0.2	9.8	10.7
Dec-12	0.5	9.8	10.6
Jan-13	1.2	10.0	10.6
Feb-13	0.4	9.6	10.5
Mar-13	0.4	9.0	10.4
Apr-13	1.1	8.7	10.2
May-13	0.3	8.1	9.9
3-year average for May	0.6	9.7	



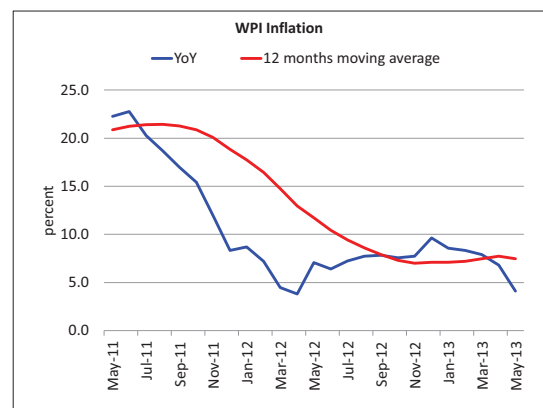
The 20 percent trimmed mean measure of core inflation (YoY) has decreased to 6.7 percent in May 2013 from 7.6 percent in the previous month.

Core - 20% Trimmed (percent change)			
	MoM	YoY	12M moving average
May-12	0.5	11.7	11.5
Jun-12	0.5	11.1	11.5
Jul-12	0.7	10.7	11.4
Aug-12	0.4	10.6	11.1
Sep-12	0.5	10.4	10.9
Oct-12	0.7	9.7	10.7
Nov-12	0.2	8.8	10.5
Dec-12	0.3	9.2	10.4
Jan-13	1.0	9.9	10.4
Feb-13	0.2	9.2	10.2
Mar-13	0.2	8.4	9.9
Apr-13	0.7	7.6	9.6
May-13	0.3	6.7	9.1
3-year average for May	0.4	10.2	



The WPI inflation (YoY) has decreased sharply to 4.1 percent in May 2013 from 6.8 percent in April 2013.

Wholesale Price Index (WPI) (percent change)				
	MoM	MoM SA	YoY	12M moving average
May-12	2.1	2.4	7.1	11.7
Jun-12	0.0	-0.3	6.4	10.4
Jul-12	0.4	0.4	7.2	9.4
Aug-12	1.0	0.5	7.7	8.6
Sep-12	0.3	0.7	7.8	7.9
Oct-12	0.1	0.5	7.5	7.3
Nov-12	-0.4	-0.1	7.7	7.0
Dec-12	0.4	1.7	9.6	7.1
Jan-13	1.2	0.4	8.6	7.1
Feb-13	0.3	0.4	8.3	7.2
Mar-13	0.3	-0.3	7.9	7.5
Apr-13	0.8	0.1	6.8	7.7
May-13	-0.4	-0.1	4.1	7.5
3-year average for May	0.3	0.5	11.1	



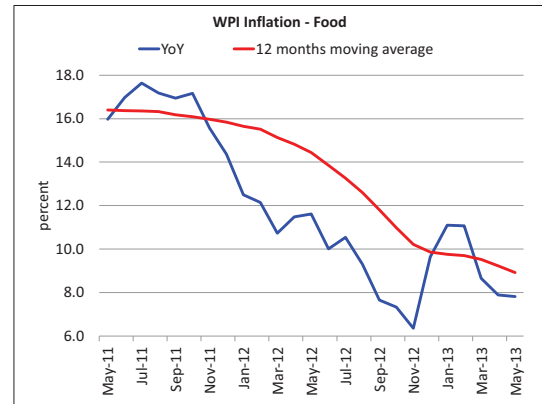
Source: Pakistan Bureau of Statistics, Statistics and Data Warehouse Department (S&DWD), SBP.



WPI food inflation (YoY) has declined marginally to 7.8 percent in May 2013 from 7.9 percent in April 2013.

WPI - Food (38.82% weight in basket) (percent change)

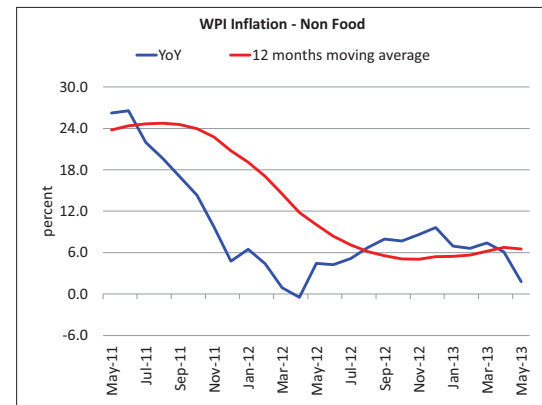
	MoM	MoM SA	YoY	12M moving average
May-12	1.1	1.6	11.6	14.4
Jun-12	1.5	0.7	10.0	13.9
Jul-12	2.4	2.2	10.5	13.3
Aug-12	0.7	-0.4	9.3	12.6
Sep-12	0.3	0.0	7.7	11.8
Oct-12	0.2	0.6	7.3	11.0
Nov-12	-1.6	-1.1	6.4	10.2
Dec-12	1.3	3.2	9.6	9.9
Jan-13	1.7	0.9	11.1	9.8
Feb-13	-0.8	0.6	11.1	9.7
Mar-13	-0.6	-1.3	8.7	9.5
Apr-13	1.5	0.8	7.9	9.2
May-13	1.1	1.5	7.8	8.9
3-year average for May	1.1	1.5	11.8	



WPI non-food inflation (YoY) has decreased sharply to 1.8 percent in May 2013 from 6.1 percent in April 2013.

WPI - Non Food (61.18% weight in basket) (percent change)

	MoM	MoM SA	YoY	12M moving average
May-12	2.8	3.0	4.4	10.1
Jun-12	-1.0	-0.9	4.2	8.4
Jul-12	-0.9	-0.7	5.1	7.1
Aug-12	1.2	1.1	6.7	6.2
Sep-12	0.4	1.1	7.9	5.5
Oct-12	0.1	0.4	7.7	5.1
Nov-12	0.4	0.6	8.6	5.0
Dec-12	-0.1	0.8	9.6	5.4
Jan-13	1.0	0.2	7.0	5.5
Feb-13	1.1	0.3	6.6	5.6
Mar-13	0.8	0.4	7.4	6.2
Apr-13	0.3	-0.3	6.1	6.8
May-13	-1.4	-1.2	1.8	6.5
3-year average for May	-0.2	-0.02	10.8	

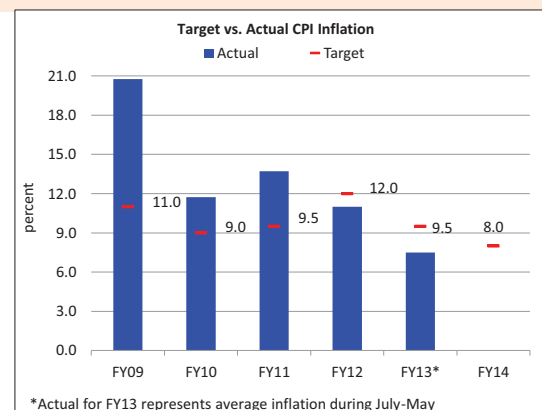


Average CPI inflation has declined to 7.5 percent during July-May FY13 against 11.0 percent recorded in July-May FY12.

Average CPI and WPI Inflation (percent change)

	CPI			WPI
	Headline	Food	Non Food	
FY11	13.7	18.0	10.7	21.2
FY12	11.0	11.0	11.0	10.4
Jul-May FY12	11.0	11.1	10.9	10.8
Jul-May FY13	7.5	7.1	7.8	7.6

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



*Actual for FY13 represents average inflation during July-May



CPI and SPI Inflation by Groups

The YoY decline in headline CPI inflation in May 2013 was due to significant decrease in non-food inflation.

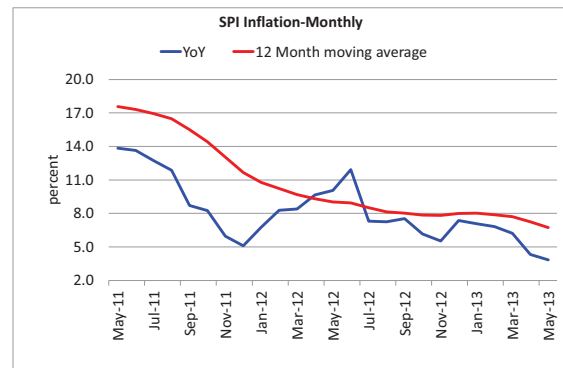
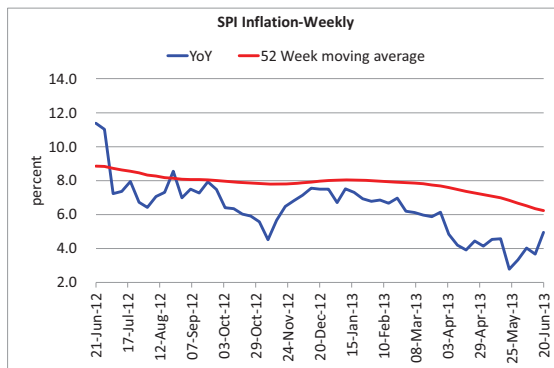
Group-Wise CPI Inflation

Groups	Weights	May-13			Apr-13		
		MoM	YoY	12m MA ¹	MoM	YoY	12m MA ¹
I. Food group	37.5	1.1	6.5	7.3	1.4	5.5	7.7
Food and non-alcoholic beverages	34.8	1.2	6.2	6.9	1.5	5.1	7.3
Alcoholic beverages and tobacco	1.4	0.0	13.0	17.2	0.0	13.3	17.1
Restaurant & hotels	1.2	0.6	8.3	9.8	0.3	8.2	10.1
II. Non-food group	62.5	0.1	4.1	8.2	0.9	6.0	8.9
Clothing and footwear	7.6	0.8	12.6	14.6	1.6	12.7	14.9
Housing, water, electricity, gas fuels	29.4	0.0	0.8	4.3	1.1	3.7	5.2
Furnishing & household equipment maintenance etc.	4.2	0.6	7.7	13.4	0.6	8.8	14.6
Health	2.2	0.6	11.2	13.9	0.5	12.4	14.0
Transport	7.2	-1.2	-0.2	9.4	-0.7	0.9	10.9
Communication	3.2	0.1	5.2	2.3	0.0	5.1	1.7
Recreation and culture	2.0	0.5	7.7	17.3	2.9	19.9	18.4
Education	3.9	0.3	7.2	9.3	2.5	6.8	9.7
Miscellaneous	2.8	0.0	7.7	10.7	-0.1	7.3	11.3
Overall	100	0.5	5.1	7.8	1.1	5.8	8.4

SPI inflation has increased by 0.99 percent (WoW) during the third week of June 2013.

Sensitive Price Indicator (SPI) (percent change)

Income groups	20-Jun-13	13-Jun-13	6-Jun-13	30-May-13	May-13		
	WoW ²				MoM	YoY	12m MA ¹
Up to Rs 8000	1.03	0.36	0.80	0.40	0.07	6.8	7.9
Rs 8001-12000	0.97	0.38	0.81	0.42	0.09	7.4	9.7
Rs 12001-18000	0.98	0.39	0.84	0.44	0.07	7.0	9.2
Rs 18001-35000	0.99	0.41	0.87	0.46	0.02	3.0	5.8
Above Rs 35000	0.99	0.39	0.86	0.52	-0.17	0.0	3.7
All	0.99	0.39	0.85	0.44	-0.03	3.8	6.7



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

Sources: Pakistan Bureau of Statistics

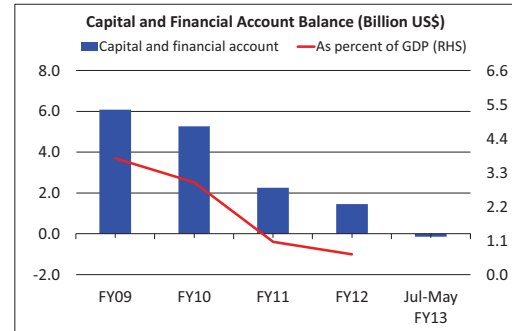
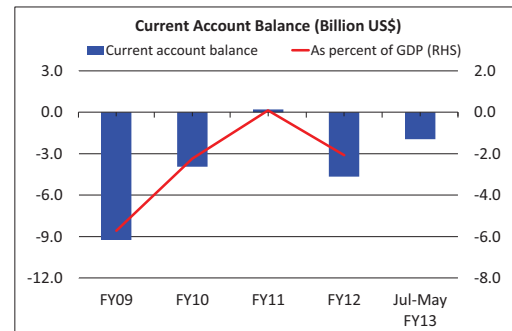
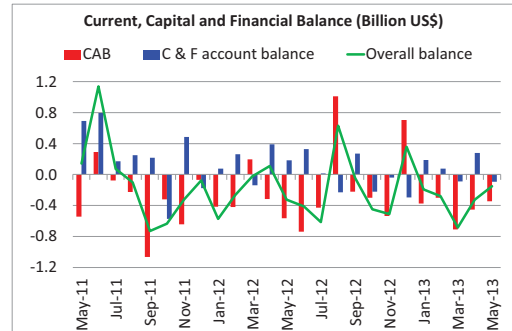


Balance of Payments

Both external current account and capital and financial account showed deficits during July-May FY13, resulting in an overall balance of payment deficit of US\$2.3 billion.

Balance of Payments Summary (million US\$)

Items	May-13	Jul-May		FY12
		FY13	FY12	
A) Current account balance (CAB)	-346	-1,952	-3,920	-4,658
Trade balance	-1,008	-13,801	-14,157	-15,765
Exports	2,345	22,818	22,647	24,696
Imports	3,353	36,619	36,804	40,461
Services (net); of which	-326	-1,016	-2,765	-3,192
CSF	0	1,806	0	0
Income (net)	-484	-3,474	-3,016	-3,245
Current transfers (net); of which	1,472	16,339	16,018	17,544
Remittances	1,193	12,763	12,069	13,186
B) Capital and financial (C&F) account balance ; of which	-93	-143	1,136	1,463
Foreign direct investment (net) ¹	464	1,106	702	744
Foreign portfolio investment (net)	-317	-18	-90	-144
Other investment assets	185	-377	277	9
Other investment liabilities	-425	-1,097	96	671
Of which : General government	-604	-405	250	998
of which: Disbursements	30	2,060	1,713	2,633
Amortization	634	2,496	1,446	1,577
C) Net Errors and omissions	289	-170	-85	-80
Overall balance (A+B+C)	-150	-2,265	-2,869	-3,275
SBP gross reserves²	7,557	7,557	12,398	11,905
SBP net liquid reserves³	6,392	6,392	11,264	10,803
As percent of GDP⁴				
Current account balance; of which		-0.8	-1.7	-2.1
Exports		9.8	10.1	11.0
Imports		15.7	16.4	18.0
Capital and financial inflows; of which		-0.1	0.5	0.7
FDI		0.5	0.3	0.3



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

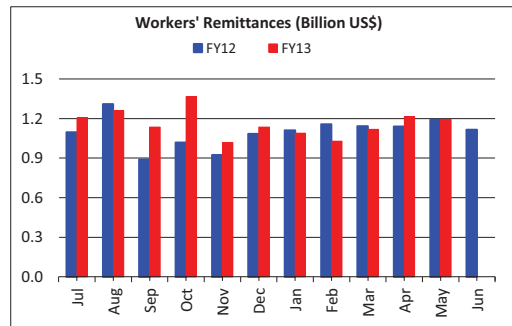
² SBP gross reserves includes banks' deposits for meeting cash reserve requirements (CRR) against their foreign currency deposits and foreign currency cash holdings of SBP, but it excludes unsettled claims on RBI.

³ SBP reserves without CRR, sinking fund, and foreign currency cash holding of SBP. ⁴ For FY12 revised and for FY13, provisional GDP has been used.

Workers' remittances showed an annualized growth of 5.7 percent during July-May FY13.

Workers' Remittances⁵ (million US\$)

	May-13	Jul-May		FY12
		FY13	FY12	
Total inflows	1,193	12,763	12,069	13,186
USA	186	2,006	2,128	2,334
UK	163	1,774	1,394	1,521
Saudi Arabia	380	3,752	3,353	3,687
UAE	220	2,532	2,630	2,849
Other GCC ⁶	138	1,470	1,367	1,495
All others	106	1,230	1,197	1,300



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

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

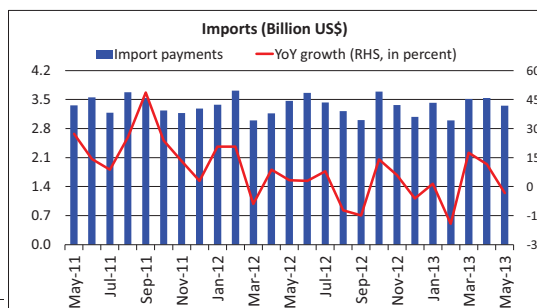
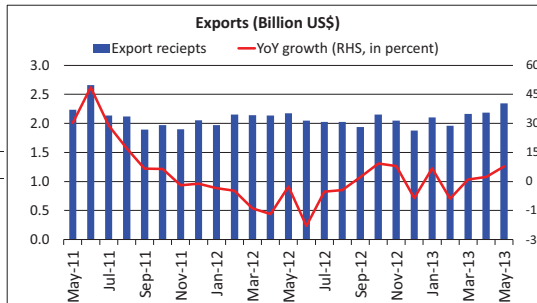
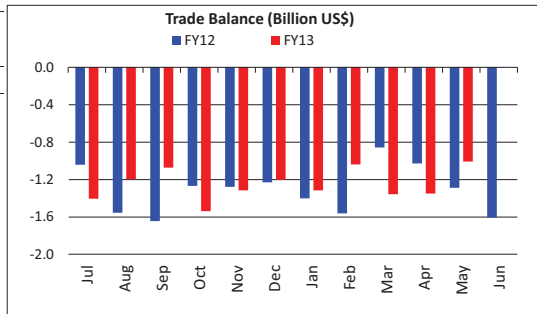


Trade and Foreign Investment

The external trade deficit has narrowed by 2.5 percent during July-May FY13 compared to the same period of FY12.

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

	May-13	Jul-May		Shares ¹ FY13
		FY13	FY12	
Exports	2,345	22,818	22,647	100
Textile group	1,134	11,763	12,002	52
Knitwear, bed wear	327	3,525	3,870	15
Cotton cloth	232	2,400	2,371	11
Cotton Yarn	199	1,882	1,534	8
Readymade garments	152	1,523	1,296	7
Other manufactures group	441	4,218	4,240	18
Chemical and pharma	111	1,099	1,157	5
Leather items ²	87	866	832	4
Cement	49	496	456	2
Engineering goods	27	338	358	1
Jewellery	50	176	209	1
Food group	424	3,807	3,483	17
Rice	192	1,728	1,924	8
All others	346	3,031	2,922	13
Imports	3,353	36,619	36,804	100
Petroleum group	1,310	13,038	13,220	36
Petroleum products	824	7,945	9,011	22
Petroleum crude	486	5,093	4,209	14
Machinery group	354	3,651	3,445	10
Telecom	84	836	831	2
Electrical machinery	47	514	429	1
Power machinery	44	472	442	1
Agriculture & other chemicals group	462	5,732	6,212	16
Plastic materials	128	1,392	1,383	4
Fertilizer manufactured	15	554	1,006	2
Food group	236	3,650	4,319	10
Palm oil	115	1,781	2,189	5
Tea	20	356	312	1
Metal group	253	2,237	2,092	6
Iron steel (IS) and IS scrap	198	1,800	1,678	5
All others	737	8,311	7,516	23
Trade Balance	-1,007	-13,801	-14,157	



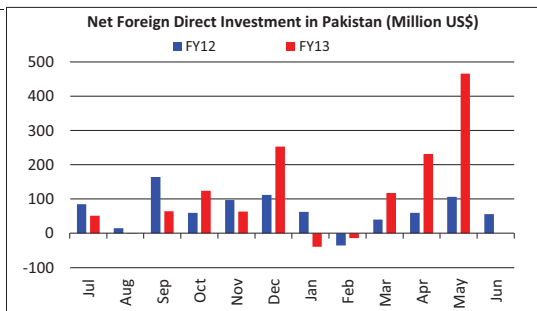
¹ Share (in percent) is calculated as a ratio of cumulative flow of a group (item) to cumulative flow of total imports during FY13.

² Includes tanned and manufactured leather.

Net FDI inflows showed some improvement in the past three months.

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

	May-13	Jul-May		FY12
		FY13	FY12	
Net inflows: Of which	465	1,319	764	821
Major countries				
USA	21	214	208	228
UAE	-18	32	40	37
UK	418	576	249	206
China	3	85	121	126
Major sectors				
Communication	-54	-369	-301	-315
Financial businesses	33	281	64	64
Oil and gas exploration	33	500	542	629
Power	-14	28	-24	-85
Trade	-1	9	23	25
Memorandum Item:				
Net overall FDI³	464	1,106	702	744



³ These numbers correspond to net FDI flows given in the balance of payments table and adjusted for net FDI made by Pakistanis abroad.

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

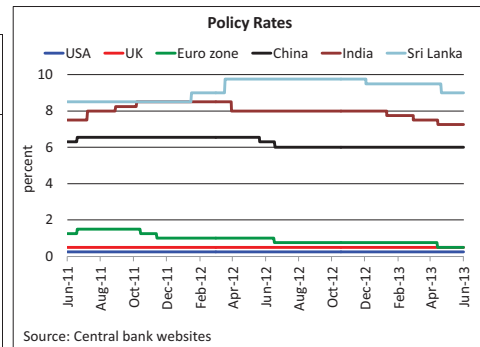


Global Economy

During May 2013, ECB and central banks of India, Sri Lanka, Australia and Thailand have cut their policy rate.

Policy Rates in Major Economies

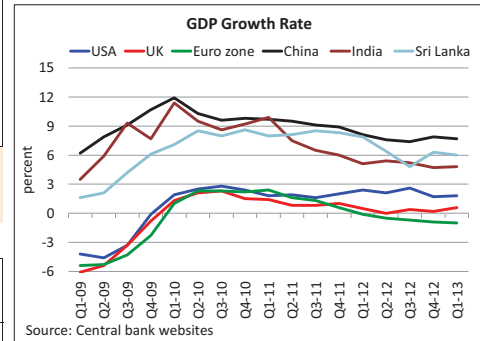
Major economies	Current		Previous policy rate	Change (bps)
	Policy rate	w.e.f		
USA	0.25	Dec 16 2008	1.00	↓ -75
UK	0.50	Mar 05 2009	1.00	↓ -50
Euro zone	0.50	May 02 2013	0.75	↓ -25
Japan	0.10	Dec 20 2008	0.30	↓ -20
Canada	1.00	Sep 08 2010	0.75	↑ 25
Australia	2.75	May 07 2013	3.00	↓ -25
China	6.00	Jul 06 2012	6.31	↓ -31
India	7.25	May 3 2013	7.50	↓ -25
Sri Lanka	9.00	May 9 2013	9.50	↓ -50
Malaysia	3.00	May 05 2011	2.75	↑ 25
Indonesia	6.00	June 14 2013	5.75	↑ 25
Thailand	2.50	May 29 2013	2.75	↓ -25



Real GDP in Eurozone continued to decline in Q1-2013

Key Macroeconomic Indicators

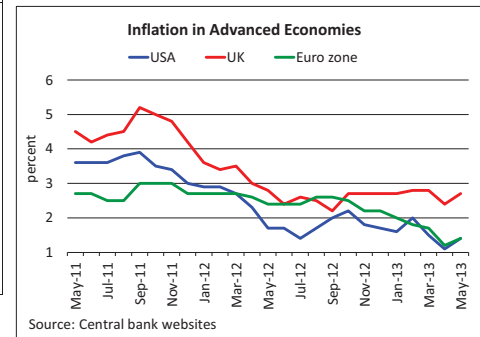
	Inflation (YoY) ¹ May-13	GDP growth ² Q1-2013	Current account balance ³	Fiscal balance ³
	as a percent of GDP ⁴			
USA	1.4	1.8	-2.8	-5.4
UK	2.7	0.6	-2.8	-7.8
Euro zone	1.4	-1.0	1.6	-3.1
Japan	-0.7	0.2	0.9	-8.7
Australia	2.5	2.5	-3.6	-1.3
China	2.1	7.7	1.7	-2.1
India	10.2	4.8	-4.1	-4.9
Sri Lanka	7.3	6.0	-	-
South Korea	1.0	1.5	3.4	0.4
Malaysia	1.7	4.1	6.7	-4.2
Indonesia	5.5	6.0	-1.9	-1.9
Thailand	2.3	5.3	1.0	-3.1



¹ For Australia the value pertains to March 2013; For India, Japan and Malaysia values pertain to April 2013.
² Annualized growth, measured as a percentage change over the same quarter of previous year.

³ Latest 12 months

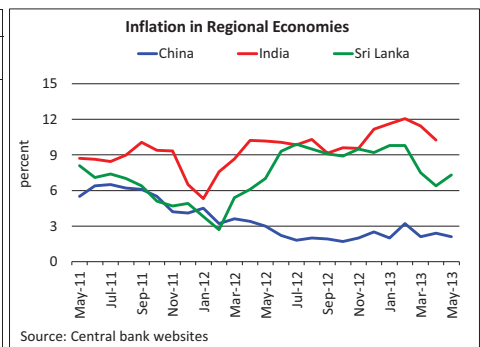
⁴ The Economist, Economic and financial indicators, June 15, 2013



The World Bank has recently revised its projections of 2013 world output growth from 2.4 to 2.2 percent.

World Economic Outlook - Real GDP Growth

	2012 (IMF estimates)	2013 Projections		
		IMF (April-13)	World Bank (June-13)	OECD (June-13)
World output	3.2	3.3	2.2	-
Advanced⁵	1.2	1.2	1.2	-
US	2.2	1.9	2.0	1.9
Euro area	-0.6	-0.3	-0.6	-0.6
Japan	2.0	1.6	1.4	1.6
UK	0.2	1.6	-	0.8
Emerging & Developing	5.1	5.3	5.1	-
Russia	3.4	3.4	3.0	2.3
China	7.8	8.0	7.7	7.8
India	4.0	5.7	5.7	5.3
ASEAN-5	5.1	5.3	-	-



⁵ World Bank projections are for "high income" countries.

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

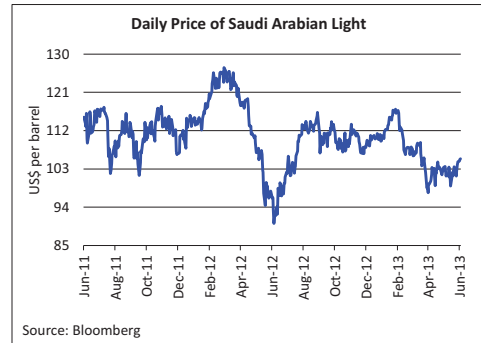
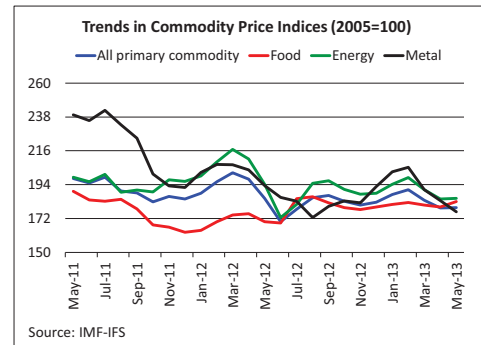


All commodity price index by IMF has registered an increase of 0.1 percent during May 2013.

World Commodity Price Indices (2005=100)

	May-13	Percent change since	
		Apr-13	Jun-13
All commodity price index	179.0	↑ 0.1	↑ 5.3
Food price index	183.0	↑ 2.0	↑ 8.2
Energy index	185.1	↑ 0.2	↑ 7.3
Non fuel price index	168.6	↓ -0.2	↑ 1.7
Metal price index	176.4	↓ -3.9	↓ -5.0
Crude oil price (\$/bbl)	102.1	↓ -0.5	↑ 6.8
Cotton spot (US cents/ pound)	84.3	↓ -1.3	↑ 16.9
Palm oil (\$/m. ton)	763.4	↑ 0.9	↓ -17.7
Soya bean Oil (\$/m. ton)	1082.8	↓ -0.4	↓ -1.4
Wheat (\$/m. ton)	319.1	↑ 3.4	↑ 15.5
Gold spot (\$/Oz)	1416.6	↓ -11.1	↓ -11.5
Sugar (US cents/pound)	20.7	↓ -3.3	↓ -24.4

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



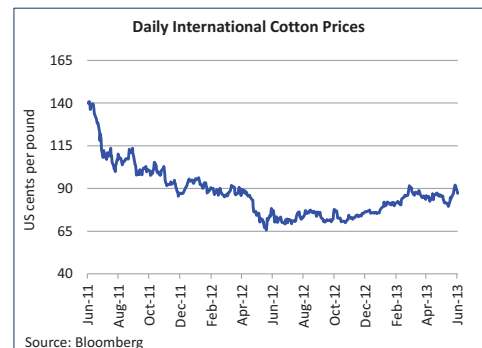
All the major stock price indices have decreased during June-2013

Capital Market Indices

	June-13 ¹	Percent change since	
		May-13	Jun-13
US (DJIA)	15148.4	↓ -0.2	↑ 20.8
DJ EURO STOXX	2701.2	↓ -3.0	↑ 25.5
UK (FTSE 100)	6384.1	↓ -4.0	↑ 16.5
Japan (Nikkei 225)	13073.8	↓ -10.0	↑ 51.4
China (SSEA)	2309.5	↓ -2.6	↓ -3.4
France (CAC 40)	3847.4	↓ -3.1	↑ 25.9
Germany (DAX)	8205.1	↓ -1.4	↑ 32.7
India (BSE)	19310.6	↓ -3.3	↑ 15.4
World dev'd (MSCI)	1467.0	↓ -1.9	↑ 22.8
Emerging Markets (MSCI)	970.8	↓ -6.6	↑ 6.1
World all (MSCI)	364.5	↓ -2.5	↑ 20.6

¹ Updated till June 20, 2013

² 30 Yr Bond = \$300 M (30 Yr US T bill+302 bps=>7.875%); Issued - Mar 24, 2006; Maturity - Mar 23, 2036
 10 Yr Bond = \$500 M (10 Yr US T bill+240 bps=>7.125%); Issued - Mar 24, 2006; Maturity - Mar 23, 2016
 Sources: Bloomberg, IMF, OECD, The Economist and Central Bank Websites



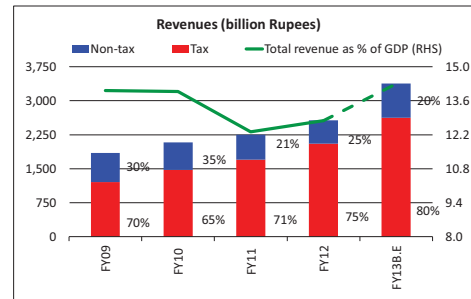


Revenues, Expenditures and Fiscal Balances

Fiscal deficit was recorded at 4.6 percent of GDP during July-March FY13.

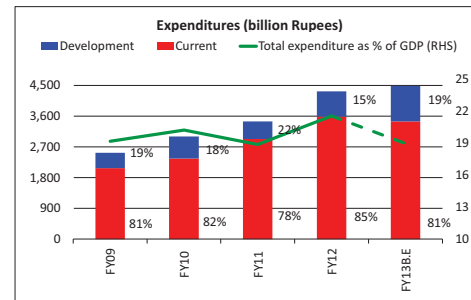
Revenues (billion Rs)

	FY13	Jul-Mar		FY12
	BE ¹	FY13	FY12	Actual ²
Total revenues	3,381	2,125	1,739	2,567
Tax revenue	2,626	1,528	1,372	2,053
<i>Growth (YoY) %</i>	27.9	11.4	22.7	20.8
<i>of which: FBR revenues</i>	2,381	1,335	1,273	1,881
Non-tax revenues	755	597	368	514
<i>Growth (YoY) %</i>	47.0	62.3	-2.6	-7.2



Expenditures (billion Rs)

	FY13	Jul-Mar		FY12
	BE ¹	FY13	FY12	Actual ²
Total expenditures	4,486	3,171	3,025	4,327
Current ²	3,445	2,725	2,597	3,583
<i>Growth (YoY) %</i>	-3.9	4.9	34.9	8.8
<i>of which: Interest payments</i>	926	772	624	889
Defence	545	406	348	507
Development Expenditure ²	1,041	446	428	744
<i>Growth (YoY) %</i>	39.9	4.2	21.3	44.7



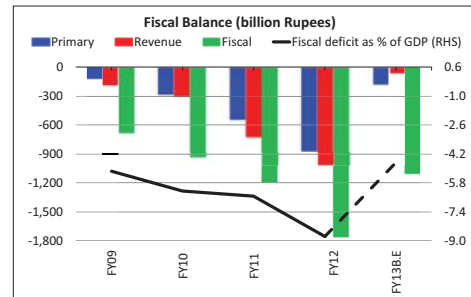
Overall Balance (billion Rs)

	FY13	Jul-Mar		FY12
	BE ¹	FY13	FY12	Actual ³
Fiscal balance⁵	-1,105	-1,046	-1,286	-1,761
Revenue balance ⁶	-64	-600	-858	-1,017
Primary balance ⁷	-179	-274	-661	-872
<i>As percent of GDP⁴</i>				
Fiscal balance including PSEs debt adjustment	-4.7	-4.6	-6.4	-8.8
Revenue balance	-0.3	-2.6	-4.3	-5.1
Primary balance	-0.8	-1.2	-3.3	-4.3

During July-March FY13, fiscal deficit was mainly financed through borrowings from scheduled banks.

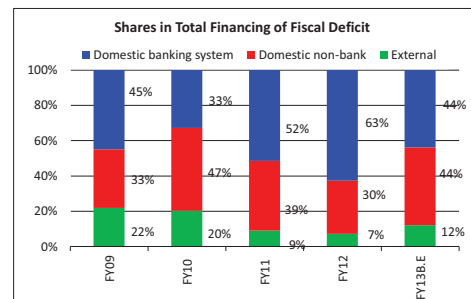
Financing of Fiscal Deficit (billion Rs)

	FY13	Jul-Mar		FY12
	BE ¹	FY13	FY12	Actual ²
Financing	1,105	1,046	1,286	1,761
1. External: <i>of which</i>	135	-4	47	128
Privatization proceeds	74	-	-	-
2. Domestic: <i>of which</i>	970	1,050	1,239	1,632
Non-bank	487	194	404	529
Banking system: <i>of which</i>	484	857	835	1,103
Schedule banks	484	883	640	595
SBP	0	-26	196	508



FBR Tax Collection (billion Rs)

	Direct	Sales	Customs	FED ⁸	Total taxes
Q1	128	176	42	28	374
Q2	185	210	52	24	471
Q3	157	184	54	33	428
Q4	262	239	70	37	609
FY12	732	809	218	122	1,881
July	22	64	15	6	107
August	32	65	18	9	123
September	85	69	19	8	181
Q1-FY13⁹	139	197	52	22	411
October	45	61	17	12	135
November	48	64	18	9	140
December	105	69	20	9	203
Q2-FY13⁹	199	195	55	29	478
January	40	66	17	9	133
February	48	65	17	10	140
March	81	72	27	10	190
Q3-FY13⁹	170	203	61	29	462
April ^p	51	74	20	10	155
July-April FY13^p	558	669	188	91	1,506



¹ Budget Estimates; ² Estimated from Budget in Brief, MoF; ³ FY12 fiscal balance and its financing include the impact of debt consolidation of power and food sector; ⁴ GDP(mp) on new basis (2005-2006) has been used to calculate deficit to GDP ratios; ⁵ Fiscal balance = total revenue - total expenditure; ⁶ Revenue balance = total revenue - current expenditure (note that current expenditure are inclusive of unidentified expenditure); ⁷ Primary balance = total revenue - total expenditure + interest payment; ⁸ Federal excise duty; ⁹ Provisional, cumulative collection as given by FBR, which slightly differs from FBR tax collection reported in fiscal accounts. ^p Provisional
Sources: Ministry of Finance (MoF), Federal Board of Revenue (FBR), Statistics and Data Warehouse Department (S&DWD), SBP.



Government Domestic Debt

Stock of government domestic debt has increased by Rs 1,202 billion during July-April FY13.

Debt by Owner - end period stocks (billion Rs)

	Apr-13 ^P	Jun-12 ^R	Change since Jun-12
1. Bank	5,360	4,427	932
Commercial banks	3,421	2,665	757
SBP	1,938	1,763	176
2. Non-bank	3,476	3,209	267
National saving schemes (NSS)	2,450	2,131	318
Others	1,027	1,078	-52
3. Foreign currency instruments¹	4	1	3
Total(1+2+3)	8,841	7,638	1,202

Debt by Type - end period stocks (billion Rs)

	Apr-13 ^P	Jun-12 ^R	Change since Jun-12
1. Permanent debt	1,975	1,696	279
PIBs	1,135	975	160
Prize bonds	376	333	43
Others ²	463	388	76
2. Floating debt	4,788	4,143	645
MTBs	2,853	2,383	470
MRTBs-replenishment	1,935	1,760	176
3. Unfunded debt³: of which	2,073	1,798	275
Saving schemes	1,949	1,676	272
4. Foreign currency instruments	4	1	3
Total(1+2+3+4)	8,841	7,638	1,202
Government domestic liabilities⁴	118	242	-124

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

² Includes market loans and GOP Ijara Sukuk 3 Years.

³ Includes funds mobilized through NSS excluding prize bonds. ⁴ This reflects provincial governments' borrowings from banks for commodity operations.

Interest payments on domestic debt have shown an annualized growth of 20 percent during July-April FY13 as compared to the same period of FY12.

Debt Servicing (billion Rs)

	Jul-Apr		FY12 ^R	Percent change during Jul-Apr FY13 over Jul-Apr FY12
	FY13 ^P	FY12		
Permanent ⁵	170	118	142	44.1
Floating	413	296	377	39.4
Unfunded	199	238	298	-16.2
Total	783	652	817	20.0

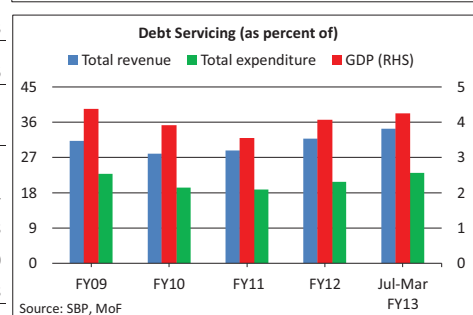
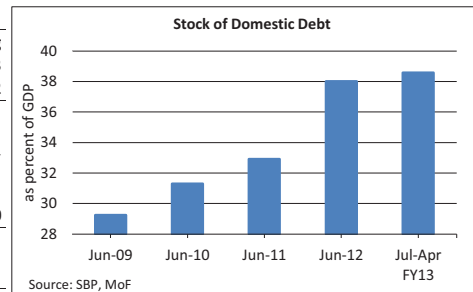
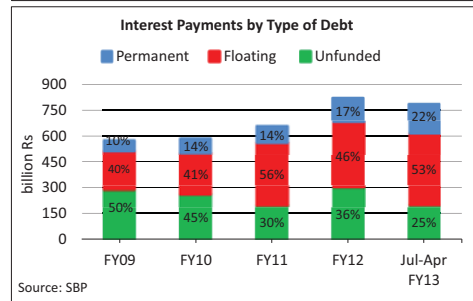
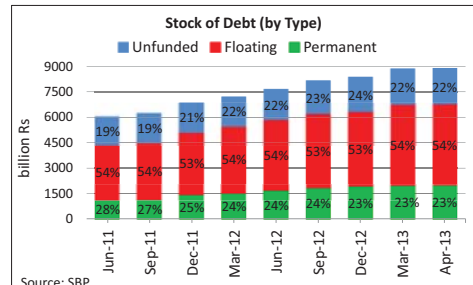
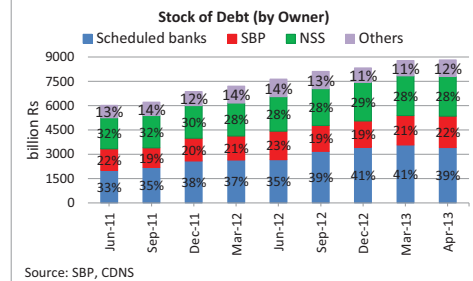
Indicators of Domestic Debt Sustainability

	Jun-09	Jun-10	Jun-11	Jun-12	Apr-13
Debt stock as percent of GDP	29.2	31.3	32.9	38.0	38.6
Debt servicing as percent of					Jul-Mar-FY13 ⁶
GDP	4.4	3.9	3.6	4.1	4.3
Total revenue	31.2	28.0	28.7	31.8	34.4
Tax revenue	48.0	39.5	38.2	39.8	47.8
Total expenditure	22.8	19.3	18.8	20.8	23.0
Current expenditure	28.3	24.4	21.8	25.6	26.8

⁵ Includes prize bonds;

⁶ The debt servicing to GDP ratio is annualized. ^R: Revised; ^P: Provisional

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





External Debt

Stock of public sector external debt has decreased by US\$4.4 billion during July-March FY13.

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

Items	Mar-13 ⁹	Jun-12 ⁸	Change since Jul 2012
1. Public debt (a+b+c)	51,429	55,862	-4,433
a) Government debt	43,741	46,123	-2,382
i) Long term (>1 year)	43,740	45,742	-2,002
Paris club	13,874	15,014	-1,140
Multilateral	24,177	25,406	-1,229
Other bilateral	2,836	2,469	367
Euro/Sukuk global bonds	1,550	1,550	0
Military debt	103	103	0
Commercial loans/credits	0	0	0
Local currency bonds (TBs & PIBs)	0	0	0
Saudi fund for development (SFD)	200	200	0
SAFE China deposits	1,000	1,000	0
NBP/BOC deposits	0	0	0
ii) Short term (<1 year)	0.4	381	-381
IDB	0	377	-377
b) From IMF	5,300	7,337	-2,037
i) Federal government	1,693	1,894	-201
ii) Central bank	3,607	5,443	-1,836
c) Foreign exchange liabilities (FEL)²	2,388	2,402	-14
2. Public sector enterprises (PSEs)	1,826	1,524	302
a) Guaranteed debt	544	226	318
b) Non-guaranteed debt	1,282	1,298	-16
3. Scheduled banks	1,816	1,844	-28
a) borrowing	907	860	46
i) Long term (>1 year)	78	92	-14
ii) Short term (<1 year)	829	768	60
b) Nonresident deposit (LCY & FCY)	909	983	-75
4. Private sector	3,254	3,576	-322
a) guaranteed debt	0	0	0
b) non-guaranteed debt	3,254	3,576	322
i) Loans	2,146	2,447	-301
ii) Private non-guaranteed bonds	124	124	0
iii) Trade credit and others liabilities	984	1,005	-21
5. Debt liabilities to direct investors-intercompany debt	2,545	2,672	-128
Total external debt (excl. FEL)	58,481	63,076	-4,595
Total external debt & liabilities (1+2+3+4+5)	60,869	65,478	-4,609

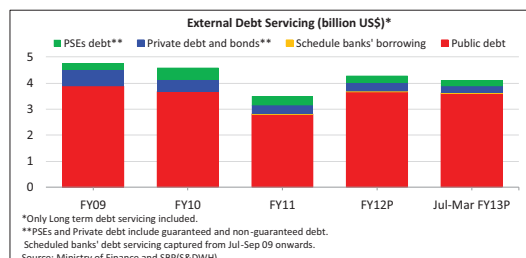
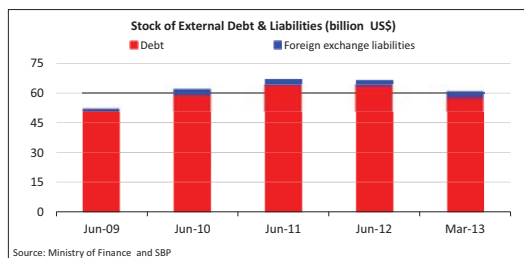
Debt Servicing (million US\$)

Items	Jul-Mar FY13 ⁹	FY12 ⁸
1. Public debt (a+b+c)	3,608	3,670
a) Government debt³	1,540	2,240
Principal	1,078	1,546
Interest	463	694
b) To IMF	2,058	1,318
Principal	1,974	1,154
Interest	84	164
c) Foreign exchange liabilities	10	112
Principal	0	100
Interest	10	12
2. PSEs guaranteed debt	35	40
Principal	21	31
Interest	14	9
3. PSEs non-guaranteed debt³	188	208
Principal	170	179
Interest	18	28
4. Scheduled banks' borrowing³	14	19
Principal	14	18
Interest	1	1
5. Private guaranteed debt	0	0
6. Private non-guaranteed debt³	262	339
Principal	212	265
Interest	50	74
7. Private non-guaranteed bonds	5	10
Principal	0	0
Interest	5	10
Total Long term external debt servicing (1+2+3+4+5+6+7)	4,113	4,285
Principal	3,469	3,294
Interest	643	991
Memorandum Items		
Short term debt servicing-principal⁴		
(excluding item No.3 below)	474	195
1. Government debt	390	0
2. PSEs non-guaranteed debt	83	149
3. Scheduled banks' borrowing	21,204	20,079
Net flows ⁵	61	486
4. Private non-guaranteed debt	1	46

Stock of external debt as percent of GDP has declined to 26.2 percent by the end of March 2013.

Indicators of External Debt Sustainability

	End period debt stock as percent of						External debt servicing as percent of					
	Jun-08	Jun-09	Jun-10	Jun-11	Jun-12	Jul-Mar FY13	FY08	FY09	FY10	FY11 ⁶	FY12	Jul-Mar FY13 ⁷
GDP	29.7	32.3	33.0	31.2	30.8	26.2	2.0	2.9	3.3	2.0	2.0	3.1
Reserves	399.1	407.8	339.3	347.2	426.8	496.9	27.5	37.0	34.2	22.4	27.9	33.6
Exports	226.0	273.7	291.6	261.0	265.6	332.3	15.6	24.8	29.4	16.8	17.4	22.5



R: Revised; P: Provisional; ¹ External debt data format has been changed, as SBP enhances coverage & quality of external debt statistics by adopting Special Data Dissemination Standard, for more details visit <http://www.sbp.org.pk/ecodata/Revision-EDS.pdf>; ² Allocation of SDR and Nonresident LCY deposits with central bank added to FEL; ³ Only long term debt servicing included (Revised); ⁴ As per the guidelines available in IMF's External Debt Guide for Compilers and Users 2003, the principal repayment of short term debt is excluded from over all principal repayments. However, for the information of data users, short term repayment of principle has been reported as Memorandum Items; ⁵ Net flows of short term borrowings by banks reflect the net increase (+) or decrease (-) in the stock of short term bank borrowings during the period; ⁶ Only long term debt servicing included from FY11 and onwards (Revised); ⁷ For FY13 debt servicing to GDP ratio is annualized.

Sources: Economic Affairs Division and SBPIS&DWH



Total Debt

Stock of total debt and liabilities increased by Rs892 billion during July-March FY13, mainly due to increase in government domestic debt.

Total Debt Stock (billion Rs)

	Mar-13 ^P	Jun-12 ^R	Change since June 12	Share in Jul-Mar FY13 (percent)
I. Government domestic debt	8,801	7,638	1,162	57.0
II. Government external debt ¹	4,307	4,364	-57	27.9
III. Debt from IMF	522	694	-172	3.4
IV. External liabilities	235	227	8	1.5
V. Private sector external debt	499	513	-14	3.2
VI. PSEs external debt	180	144	36	1.2
VII. PSEs domestic debt	326	281	45	2.1
VIII. Commodity operations ²	325	438	-113	2.1
IX. Intercompany debt	251	253	-2	1.6
Total debt & liabilities (I to IX)	15,446	14,553	892	100.0
Total public debt (I to IV)	13,865	12,924	941	89.8
Total external debt & liabilities (II to VI & IX)	5,994	6,196	-202	38.8
Commodity operations & PSEs debt (VI to VIII)	831	863	-32	5.4

Total Debt Servicing (billion Rs)

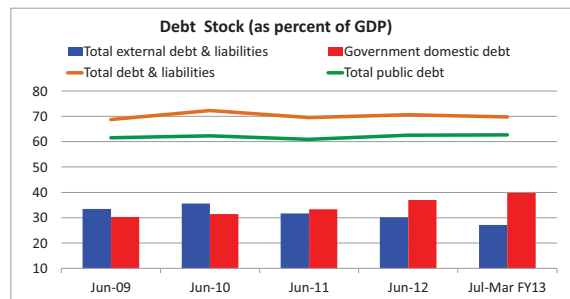
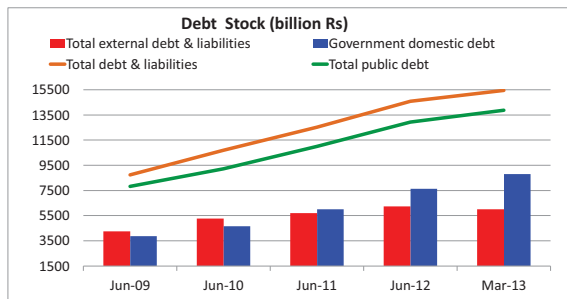
	Jul-Mar FY13 ^P	FY12 ^R	Share in Jul-Mar FY13 (percent)	Share in FY12 (percent)
Total Debt Servicing(A+B)	1167	1266	100.0	100.0
A. Total interest payment on debt and liabilities (I+II)	833	972	71.4	76.8
I. Interest payment on debt (a+b)	793	907	67.9	71.6
a. Domestic debt	730	817	62.6	64.5
b. External debt	62	90	5.3	7.1
II. Interest payment on liabilities (a+b)	40	65	3.4	5.2
a. External liabilities ¹	1	1	0.1	0.1
b. Domestic liabilities	39	64	3.3	5.1
B. Principal repayment of external debt and liabilities³	334	294	28.6	23.2

Debt stock (as percent of GDP)

	Jul-Mar FY13 ^P	Jun-12 ^R	Jun-11
Total debt and liabilities	67.4	72.4	68.6
Total public debt	60.5	64.3	60.1
Total external debt and liabilities	26.2	30.8	31.2
Government domestic debt	38.4	38.0	32.9
PSEs debt and liabilities	3.6	4.3	5.1

Debt Servicing (as percent of)

	Jul-Mar FY13 ^P	Jun-12 ^R	FY11	FY10
GDP ⁴	6.8	6.3	5.6	6.6
Total revenue	54.9	49.1	45.0	47.1
Tax revenue	76.4	61.4	59.9	66.4
Total expenditure	36.8	32.0	29.4	32.5
Current expenditure	42.8	39.5	34.1	41.0



Note: R: Revised; P: Provisional; ¹Rupee value of external debt and liabilities computed by applying the corresponding end period average exchange rate to the end-period stock; ²This includes borrowings from banks by provincial and Federal governments agencies for commodity operations; ³This is excluding short term debt repayment; ⁴FY13 debt servicing to GDP ratio is annualized.

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

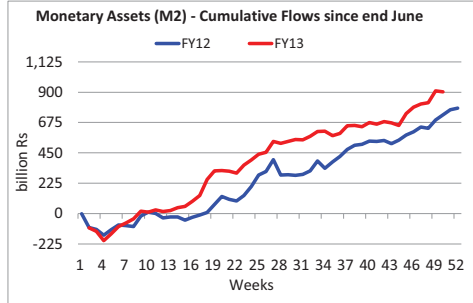


Monetary and Credit Aggregates

Government borrowing from the banking system has remained the key driver of monetary expansion during July 1 - June 7, FY13.

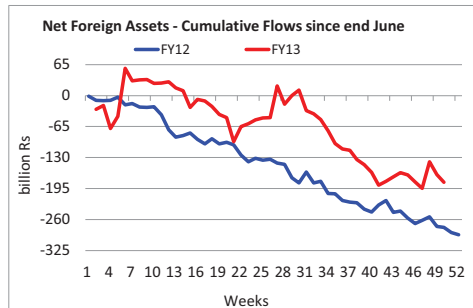
Monetary Assets of the Banking System (billion Rs)

	End June 2012 stocks	Cumulative flows since end-June		FY12 flows
		Latest week	A year ago	
		7-Jun-13	8-Jun-12	
NFA	532	-182	-276	-248
NDA	7,110	1,084	1,007	1,195
Net government borrowings: of which	4,258	1,251	1,207	1,237
Net budgetary borrowing	3,800	1,230	1,182	1,198
Commodity operations	436	19	25	39
Non-government borrowings: of which	3,652	51	47	105
Private sector	3,376	9	182	235
PSEs	257	41	-136	-130
Other items (net)	-801	-218	-247	-148
M2	7,642	902	731	947



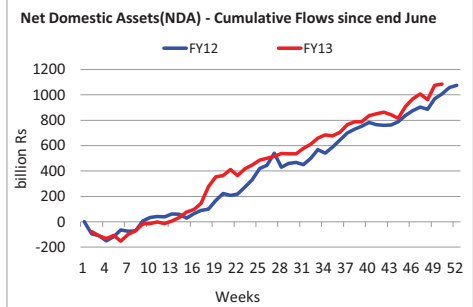
Monetary Liabilities of the Banking System (billion Rs)

	End June 2012 stocks	Latest week 7-Jun-13	A year ago 8-Jun-12	FY12 flows
Currency in circulation	1,674	340	240	172
Total deposits with banks	5,959	560	492	776
Demand deposits with banks	4,712	458	317	589
Time deposits with banks	807	34	126	121
RFCDs with banks	440	68	49	65
M2	7,642	902	731	947



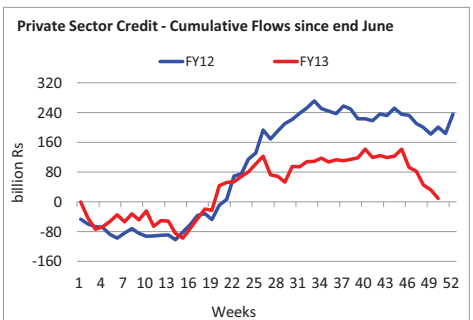
Monetary Assets of the Banking System (percent growth)

	YoY (7-June-13)	Since end June		FY12
		Latest week	A year ago	
		7-Jun-13	8-Jun-12	
NFA	-30.5	-34.2	-35.4	-31.8
NDA	18.4	15.2	17.0	20.2
Government borrowings	30.3	29.4	40.0	41.0
Budgetary borrowing	33.0	32.4	45.4	46.1
Commodity operations	7.8	4.4	6.3	9.7
Non-government sector borrowings	3.0	1.4	1.3	3.0
Private sector	1.9	0.3	5.8	7.5
PSEs	18.4	16.1	-35.0	-33.7
Other items (Net)	13.2	27.2	37.8	22.6
M2	15.1	11.8	10.9	14.1



Memorandum Items

	Latest week 7-Jun-13	A year ago 8-Jun-12	FY12				
				Money multiplier	3.4	3.4	3.5
				Currency to deposit ratio (percent)	30.9	30.7	28.1
M2 to GDP ratio (percent)	37.3	37.0	38.0				
Private sector credit to GDP ratio (percent)	14.8	16.5	16.8				



Note: All FY13 numbers are provisional; Source: Statistics & Data Warehouse Department (S&DWD), SBP



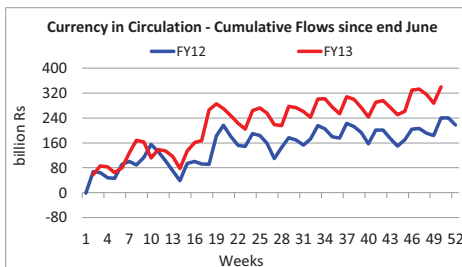
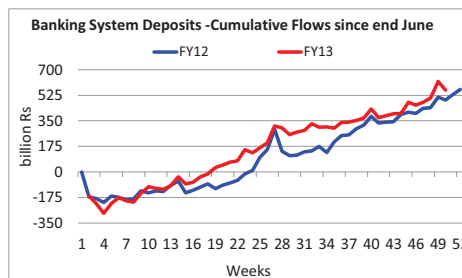
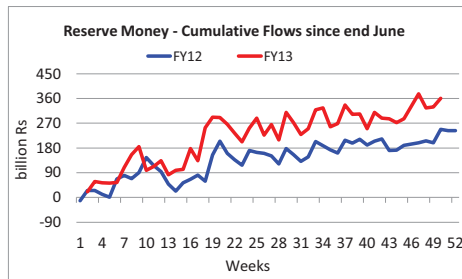
Government borrowing from SBP is the main driver of reserve money growth during July 1 - June 7, FY13.

Monetary Assets of SBP

	End June 2012 stocks	Cumulative flows since end-June		FY12 Flows
		Latest week	A year ago	
		7-Jun-13	8-Jun-12	
NFA	394	-187	-215	-220
NDA: of which	1,795	548	463	443
Budgetary borrowing	1,706	413	502	505
Other items (net)	-217	115	-13	-37
Net impact of OMOs/discounting	101	245	96	37
Reserve money	2,189	361	248	223

Monetary Liabilities of SBP

	End June 2012 stocks	Cumulative flows since end-June		FY12 Flows
		Latest week	A year ago	
		7-Jun-13	8-Jun-12	
Currency in circulation	1,674	340	240	172
Cash in tills	110	-9	-9	5
Bank deposits with SBP (reserves)	396	27	18	47
Other deposits with SBP	9	2	-1	-1
	YoY (7-June-13)	(percent growth)		
NFA of the SBP	-48.0	-47.4	-35.1	-35.8
NDA of the SBP: of which	29.1	30.5	34.2	32.8
Budgetary borrowing	24.4	24.2	41.8	42.1
Reserve money	15.2	16.5	12.6	11.3



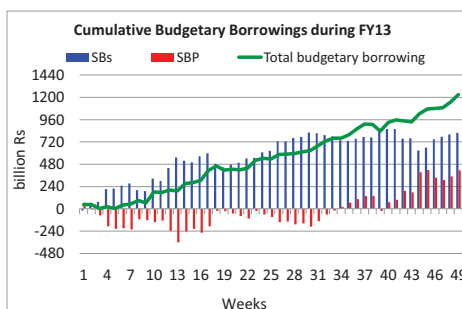
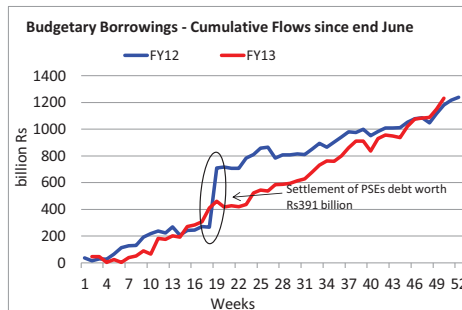
Government borrowing from the scheduled banks is significantly higher in FY13 than in FY12, adjusting for Rs391 billion on account of PSEs' debt settlement in FY12.

Details on Government Borrowing for Budgetary Support

	End June 2012 stocks	Cumulative flows since end-June		FY12 ¹ flows
		Latest week	A year ago	
		7-Jun-13	8-Jun-12	
Budgetary borrowing	3,800	1,230	1,182	1,198
Federal government	4,065	1,263	1,131	1,161
From SBP	1,704	441	462	464
SBP's holdings of MRTBs	1,760	370	383	442
From scheduled banks (SBs)	2,360	822	669	697
Provincial governments	-265	-33	51	37
From SBP ²	2	-28	41	41
From scheduled banks ³	-266	-4.5	10	-4

Memorandum Items

Budgetary borrowing on cash basis	3,667.25	1,252.67	1,136.00	1,143.95
SBP	1,662.07	419.02	509.74	507.53
Scheduled banks	2,005.17	833.65	626.26	636.41



¹ Including Rs 391 billion shifted due to settlement of PSEs debt stock.

² Current overdraft ceilings for provinces are: Rs37 billion for Punjab; Rs15 billion for Sindh; Rs10.1 billion for KPK; Rs7.1 billion for Baluchistan, Rs2.7 billion for AJK.

³ The end-June 2012 net stock of borrowings was negative as provincial governments' deposits with scheduled banks exceeded their borrowings.

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



Private Sector Credit

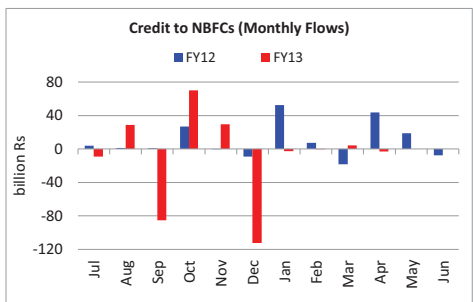
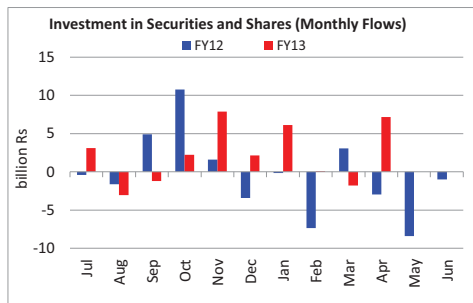
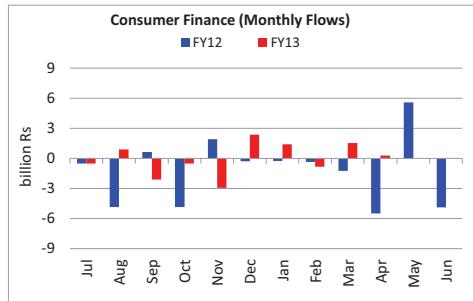
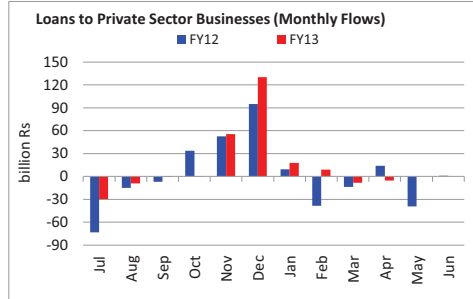
Credit to private sector businesses performed better in July-April, FY13 compared to same period of FY12; both working capital and fixed investments have shown improvement.

Credit to Private Sector

	End June 2012 stocks	Cumulative flows (billion Rs)		
		Jul-Apr FY13	Jul-Apr FY12	FY12
Total credit to private sector	3,376.4	150.0	252.5	235.2
1. Loans to private sector businesses	2,450.1	159.9	56.9	18.3
By type				
Working capital: of which	1,582.1	140.1	45.3	-0.1
Export finance	247.0	18.7	-6.3	-19.8
Import finance	126.6	0.2	-4.4	-8.1
Fixed investment	868.0	19.8	11.6	18.4
By Sectors: of which				
Agriculture	198.4 ↑	17.4 ↑	13.2 ↑	17.9
Manufacturing: of which	1,389.9 ↑	132.2 ↑	58.7 ↑	4.5
Textiles	491.0 ↑	62.2 ↑	0.8 ↓	-23.7
Food products & beverages	290.4 ↑	55.9 ↑	25.7 ↑	15.1
Chemicals & products	172.4 ↑	3.0 ↑	17.6 ↑	14.3
Non-metallic mineral products	76.5 ↓	-12.2 ↓	-12.4 ↓	-18.3
Wearing apparel, readymade gar.	48.3 ↑	3.7 ↓	-0.5 ↓	-1.7
Electricity, gas and water	278.1 ↑	10.6 ↑	2.4 ↑	8.7
Construction	53.5 ↓	-1.2 ↓	-14.0 ↓	-14.2
Commerce and trade	210.0 ↓	-3.9 ↓	-9.6 ↓	-3.6
Transport, storage and comm.	111.3 ↓	-6.9 ↓	-0.9 ↑	5.1
Services: of which	149.9 ↓	-3.4 ↓	-5.5 ↓	-3.9
Real estate/renting & business act.	107.9 ↑	1.3 ↓	-2.2 ↓	-3.1
2. Personal: of which	285.0 ↑	13.2 ↓	-11.6 ↓	-9.0
Consumer financing	198.7 ↑	8.4 ↓	-15.2 ↓	-14.5
3. Investment in securities and shares	153.2 ↑	22.8 ↑	4.6 ↓	-4.8
4. Others¹: of which	488.0 ↓	-45.9 ↑	202.7 ↑	230.7
Non-bank finance companies	242.4 ↓	-80.7 ↑	84.3 ↑	121.0

¹ This also includes credit to some Public Sector Enterprises, and other categories.

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

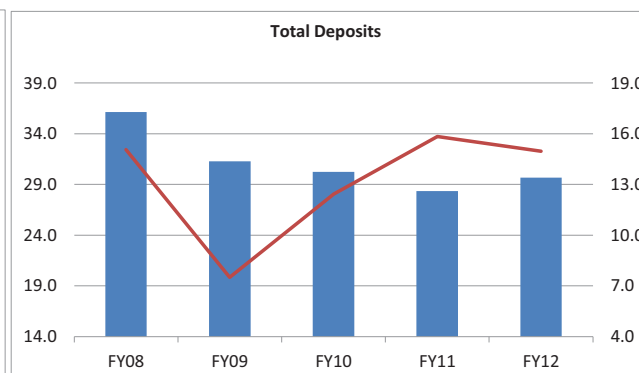
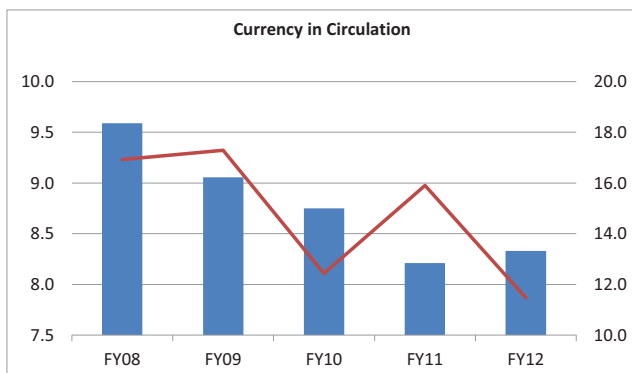
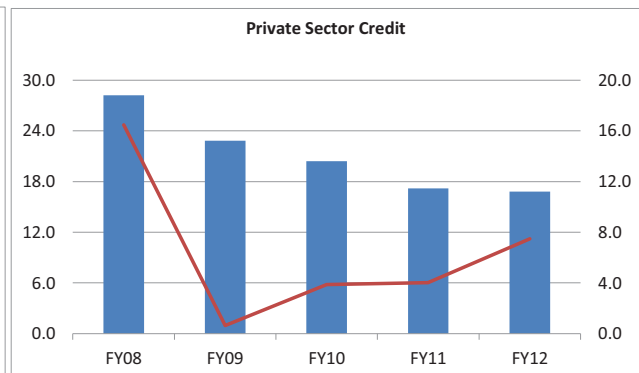
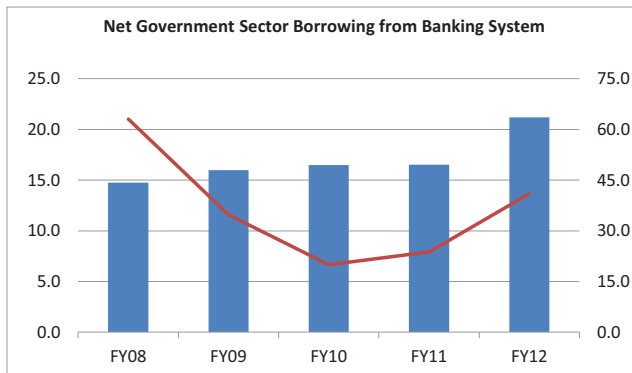
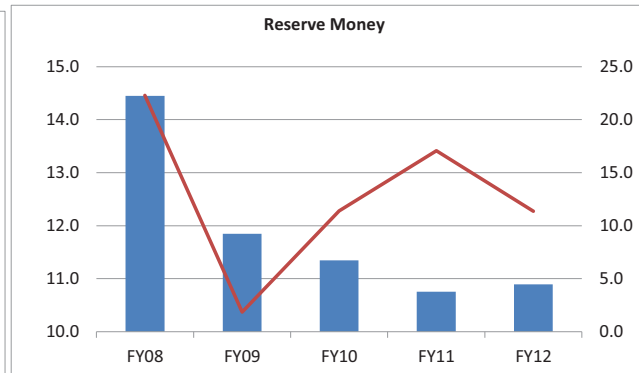
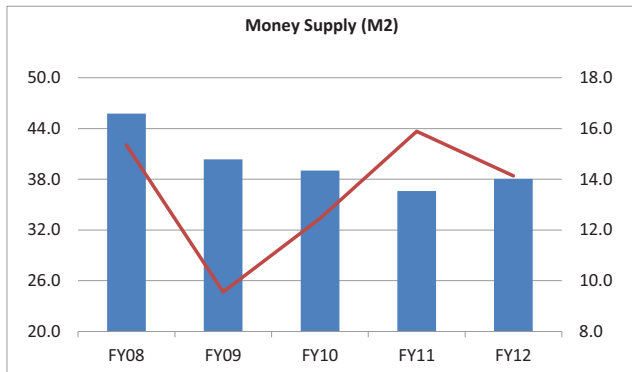




Key Indicators of Monetary Sector

■ As percent of GDP

— YoY growth (RHS)

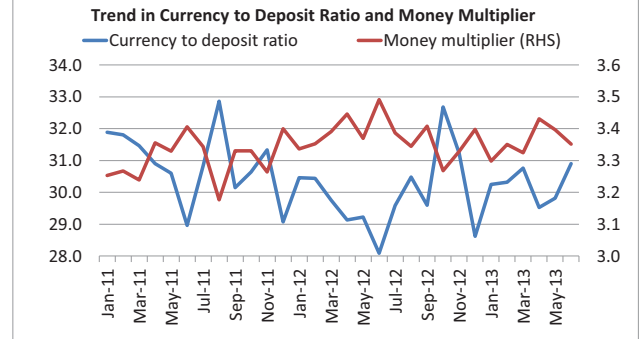
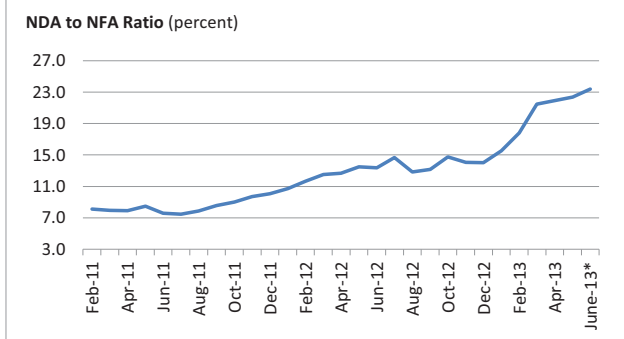
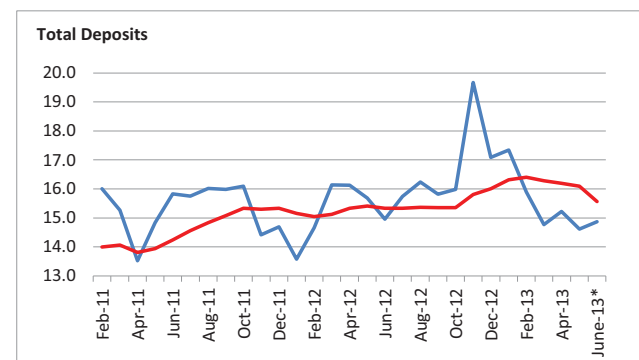
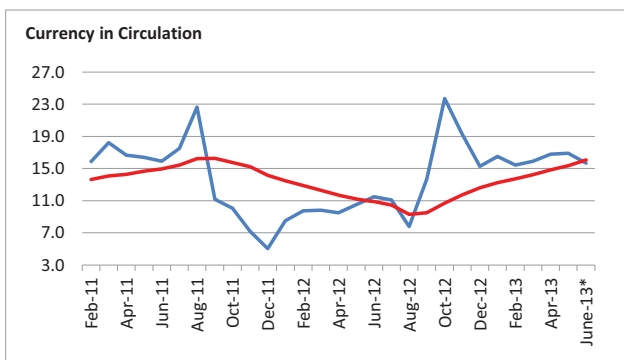
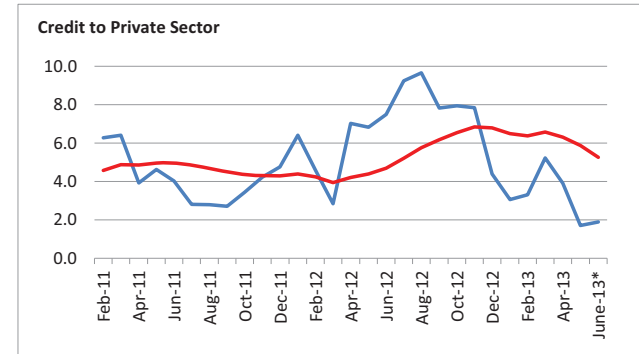
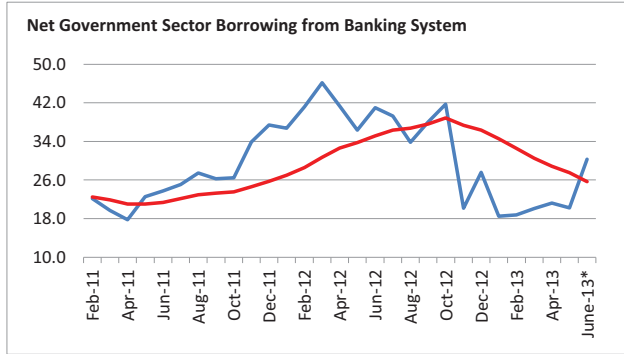
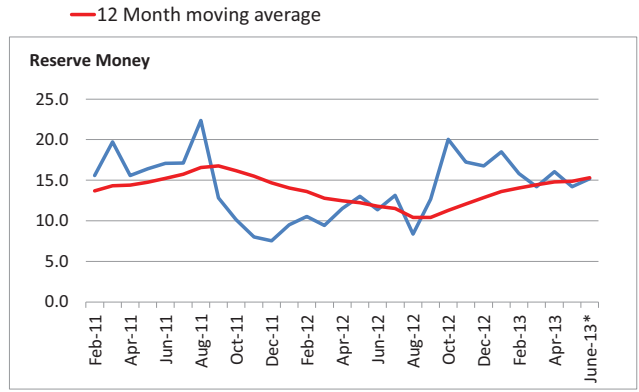
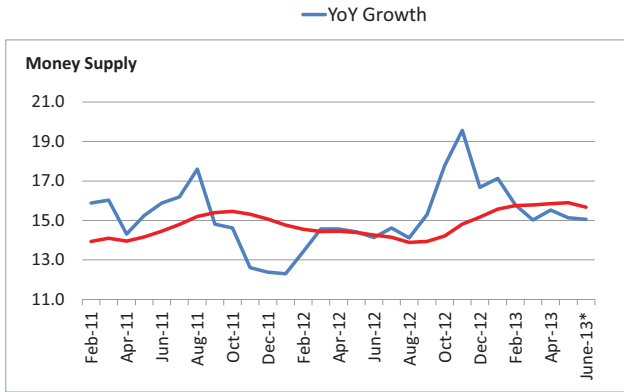


YoY growth of end June Stocks

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



Trends in Monetary Aggregates



Month end stocks data has been used.
 YoY growth shows growth over same month last year.
 * Data pertains to June 7, 2013
 Source: Statistics and Data Warehouse Department (S&DWD), SBP.



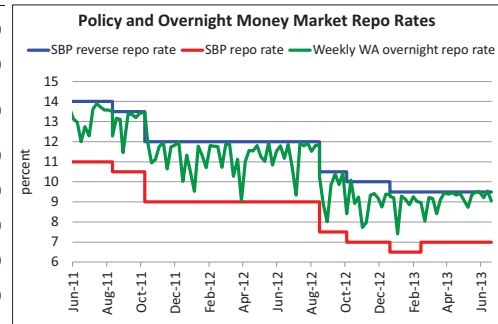
Money Market

SBP has kept reverse repo rate (policy rate) unchanged at 9.5 percent after 17th December 2012. However, with effect from 11th February 2013, it has increased the SBP repo rate by 50 bps to 7.0 percent.

Policy Instruments (percent)					
	Current	w.e.f	Previous	w.e.f	Change ¹
SBP reverse repo rate	9.5	17-Dec-12	10.0	8-Oct-12	↓ -50
SBP repo rate	7.0	11-Feb-13	6.5	17-Dec-12	↑ 50
Weekly average CRR on DL and TL < 1 year	5.0	1-Nov-08	6.0	18-Oct-08	↓ -100
Daily minimum CRR on DL and TL < 1 year	3.0	12-Oct-12	4.0	1-Nov-08	↓ -100
CRR on TL > 1 year	0.0	4-Aug-07	3.0	22-Jul-06	↓ -300
SLR on DL and TL < 1 year	19.0	24-May-08	18.0	22-Jul-06	↑ 100
Islamic banks	19.0	3-Jun-11	14.0	1-Apr-11	↑ 500
SLR on TL > 1 year	0.0	18-Oct-08	19.0	24-May-08	↓ -1900
Islamic banks	0.0	18-Oct-08	9.0	24-May-08	↓ -900

¹ Basis points

DL: Demand Liabilities; TL: Time Liabilities



Volatility in overnight repo rate has declined in H2-FY13 compared to H1-FY13.

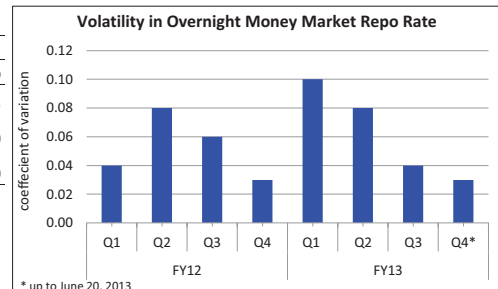
Weighted Average O/N Money Market Repo Rate (percent)					
	FY13				YTD
	Q1	Q2	Q3	Q4*	
WA O/N repo rate ²	10.71	8.89	9.04	9.30	9.53
Standard deviation	1.08	0.73	0.38	0.25	1.00
CoV ³	0.10	0.08	0.04	0.03	0.10

*up to June 20, 2013

YTD: Year to date

² Weekly Weighted Average O/N Repo Rate

³ CoV (Coefficient of Variation) is a ratio and not represented in percent.



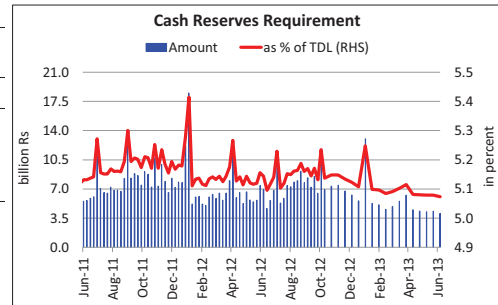
* up to June 20, 2013

Banks' holding of government securities for SLR now stands at 87 percent of their total liquid assets maintained.

Bi-weekly Cash Reserves Requirement (CRR) ⁴ (billion Rs)					
	Maintenance period ended as on		Change since		Last MPS
	6-Jun-13	9-May-13	9-May-13	11-Apr-13 ⁵	
Cash required	276.3	269.7	↑ 6.6	↑ 1.7	
Cash maintained	280.3	274.0	↑ 6.3	↑ 1.3	
Excess cash reserves (per day)	4.1	4.3	↓ -0.2	↓ -0.4	

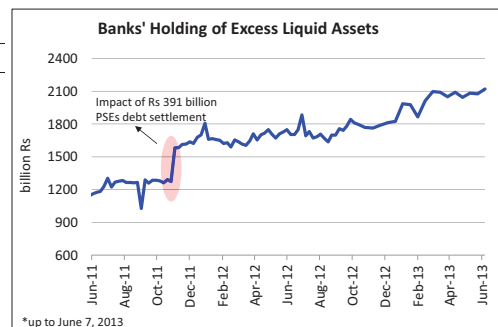
⁴ Bi-weekly CRR is the proportion of local currency time and demand liabilities (TDL) that schedule banks are required to maintain with SBP in the form of cash on average during the reserve maintenance period.

⁵ As on Thursday preceding the last monetary policy decision.



Overall Reserve Requirement (billion Rs)					
	Maintenance period started as on		Change since		
	7-Jun-13	10-May-13	10-May-13	4-Oct-08	
Required reserves	1336.4	1310.6	↑ 25.7	↑ 373.9	
for CRR	278.4	273.0	↑ 5.4	↑ 2.3	
for SLR	1058.0	1037.6	↑ 20.4	↑ 371.6	
Maintained⁶	3457.1	3391.4	↑ 65.6	↑ 2438.3	
Cash	420.5	405.6	↑ 15.0	↑ 31.7	
Cash in tills	120.5	127.1	↓ -6.6	↑ 32.4	
Balance with SBP	278.6	257.2	↑ 21.5	↓ -10.0	
Balance with NBP	21.5	21.4	↑ 0.1	↑ 9.3	
Securities	2995.0	2944.4	↑ 50.6	↑ 2381.9	
Others ⁷	41.5	41.5	↑ 0.0	↑ 24.7	
Excess liquid assets⁸	2120.7	2080.8	↑ 39.9	↑ 2064.4	

Source: Off-site Supervision and Enforcement Department, SBP



* up to June 7, 2013

⁷ Data corresponds to the balances as on that date

⁸ Includes Section 13(3) deposits and share capital of MFBs.

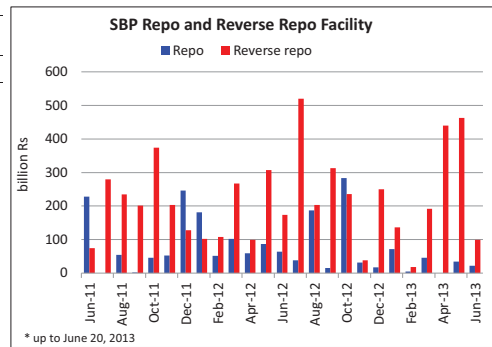
⁹ Includes excess securities + cash and other assets maintained.



Banks' use of SBP's reverse repo facility has significantly increased in Q4-FY13.

Use of SBP's Standing Facilities				
	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	2,477.2	119	948.1	47
Q1	716.0	41	56.3	7
Q2	704.9	26	346.9	15
Q3	476.5	25	335.0	13
Q4	579.8	27	209.9	12
FY13¹	2,909.8	86.0	748.0	33
Q1	1,035.7	32	239.9	11
Q2	524.0	14	331.2	13
Q3	347.7	14	121.6	5
Q4 ¹	1,002.4	26	55.3	4

¹ Updated up to June 20, 2013



The level of outstanding OMOs has declined in H2-FY13.

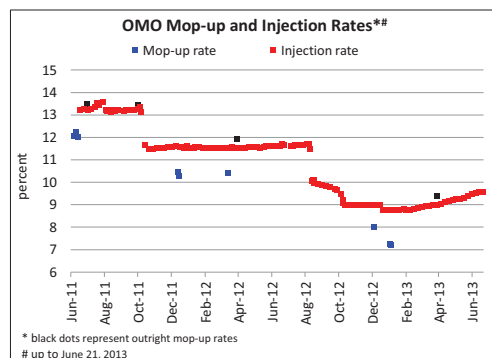
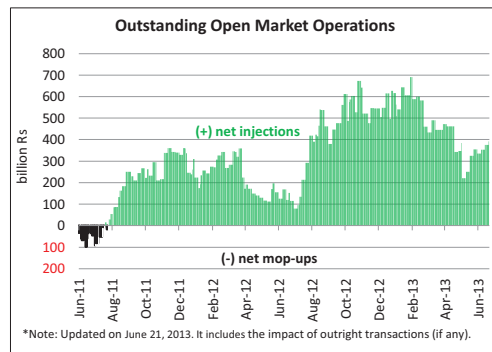
Outstanding Open Market Operations ² (billion rupees)		
	Average Outstanding OMOs	End-period Outstanding OMOs
FY11	(4.1)	(92.0)
Q1	15.0	8.4
Q2	(13.0)	3.9
Q3	20.5	82.0
Q4	(38.6)	(92.0)
FY12	208.5	79.9
Q1	120.7	221.9
Q2	289.6	224.0
Q3	281.6	172.1
Q4	143.2	79.9
FY13³	464.3	391.2
Q1	384.7	611.5
Q2	568.0	615.7
Q3	539.1	472.1
Q4 ³	355.0	391.2

² It includes the impact of outright transactions (if any).

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

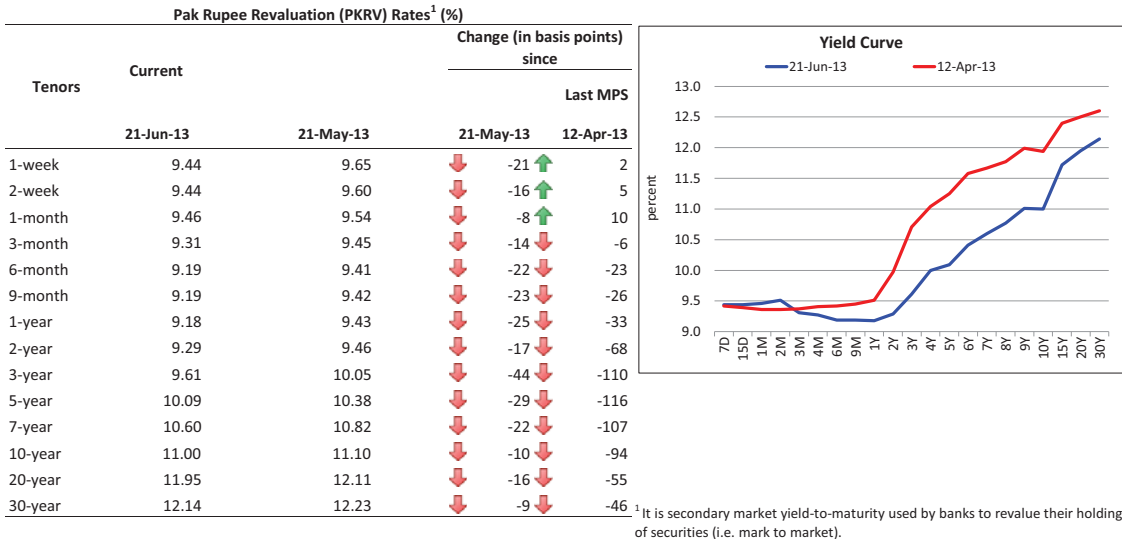
³ Updated up to June 21, 2013

Source: Domestic Markets & Monetary Management Department, SBP

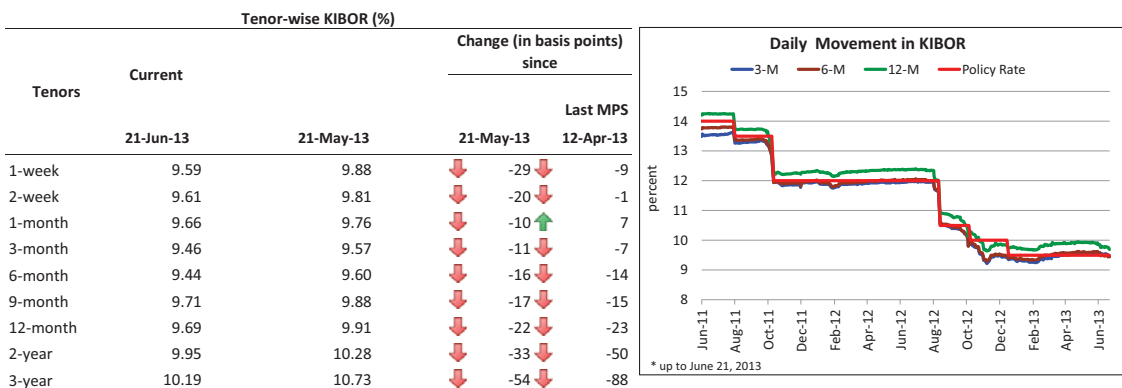




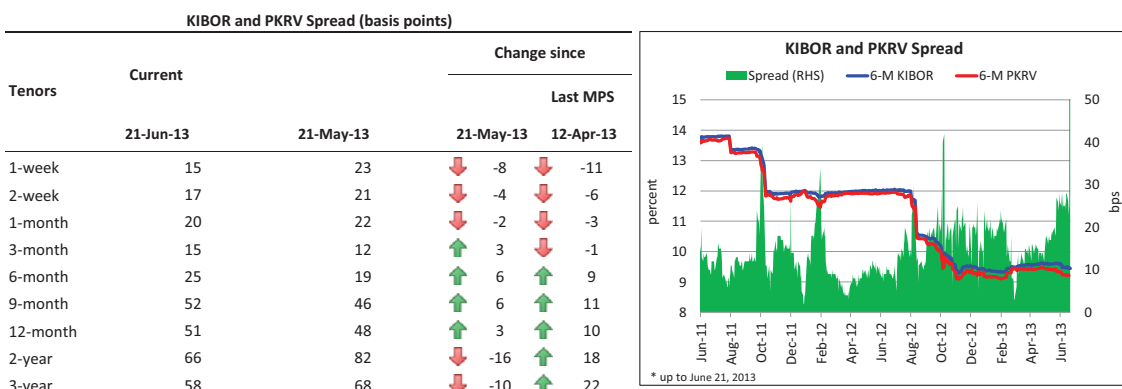
Secondary market yields of 3-month and above tenors have declined since the last monetary policy decision in April 2013.



KIBOR of almost all tenors has declined since the last monetary policy decision in April 2013.



Spreads between KIBOR and PKRV rates of 6-month and above tenors have increased compared to their levels observed at the time of monetary policy announcement in April 2013.



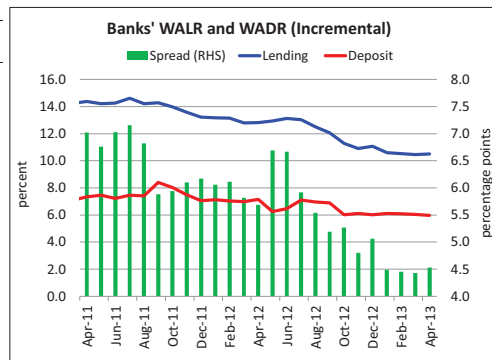
Sources: SBP and Financial Market Association of Pakistan



Spread between incremental WALR and WADR stood at 453 bps in April 2013.

Weighted average Lending and Deposit Rates (percent per annum)

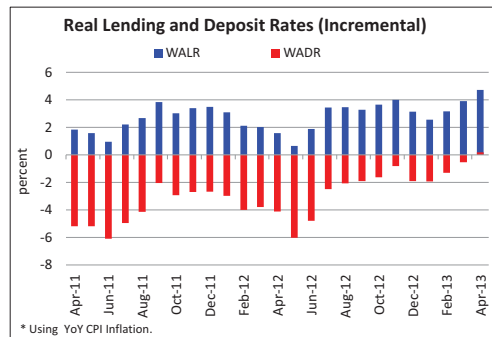
Months	Incremental ¹			Outstanding		
	WALR	WADR	Spread (bps)	WALR	WADR	Spread (bps)
Apr-12	12.83	7.14	569	12.98	5.76	722
May-12	12.94	6.25	669	12.95	5.88	707
Jun-12	13.13	6.46	667	12.96	5.82	714
Jul-12	13.03	7.11	592	12.93	5.88	705
Aug-12	12.51	6.97	554	12.82	5.87	695
Sep-12	12.07	6.88	519	12.65	5.75	690
Oct-12	11.29	6.02	527	12.41	5.64	677
Nov-12	10.91	6.11	480	12.25	5.58	667
Dec-12	11.07	6.01	506	11.97	5.43	654
Jan-13	10.61	6.12	449	11.60	5.39	621
Feb-13	10.53	6.08	445	11.52	5.34	618
Mar-13	10.46	6.03	443	11.50	5.26	624
Apr-13	10.51	5.98	453	11.42	5.23	619



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

Real deposit rates, calculated on the basis of YoY CPI inflation, have turned into positive in April 2013.

Months	Real (based on 12-month MA inflation) ²		Real (based on YoY inflation) ³	
	WALR	WADR	WALR	WADR
Apr-12	1.65	-4.04	1.56	-4.13
May-12	1.78	-4.91	0.65	-6.04
Jun-12	2.12	-4.55	1.87	-4.80
Jul-12	2.26	-3.66	3.43	-2.49
Aug-12	1.95	-3.59	3.46	-2.08
Sep-12	1.66	-3.53	3.28	-1.91
Oct-12	1.16	-4.11	3.63	-1.64
Nov-12	1.07	-3.73	3.98	-0.82
Dec-12	1.39	-3.67	3.14	-1.92
Jan-13	1.10	-3.39	2.54	-1.95
Feb-13	1.33	-3.12	3.15	-1.30
Mar-13	1.61	-2.82	3.89	-0.54
Apr-13	2.12	-2.41	4.71	0.18



* Using YoY CPI Inflation.

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

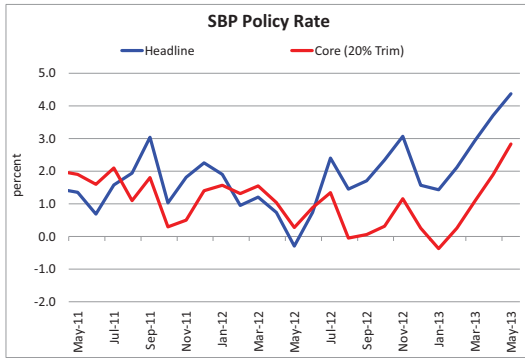
³ Nominal rate less CPI inflation (year on year).

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

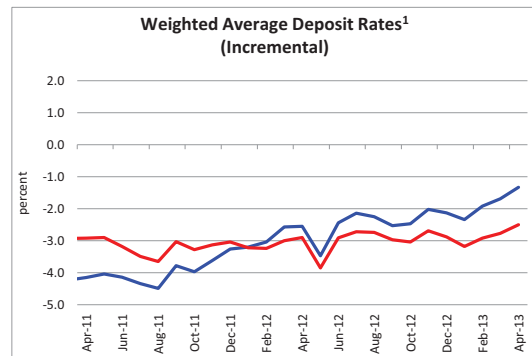
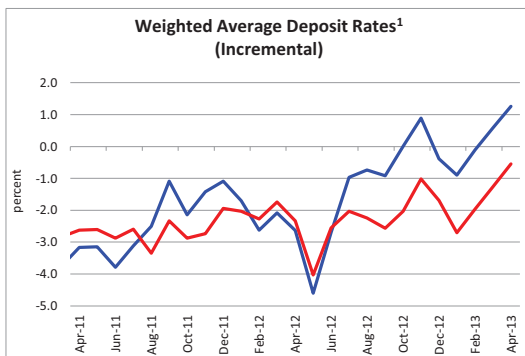
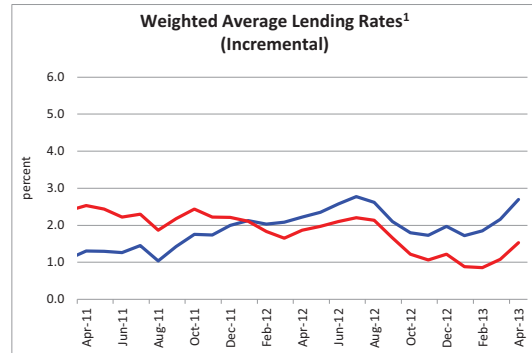
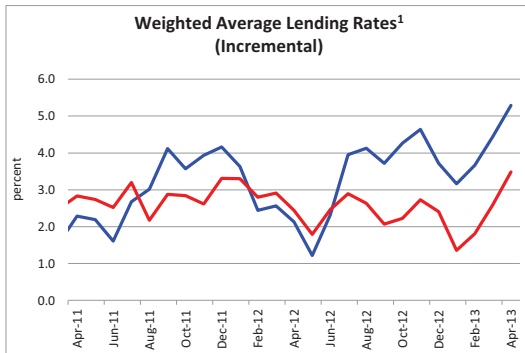
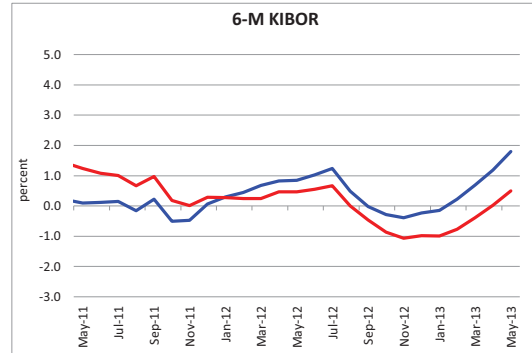
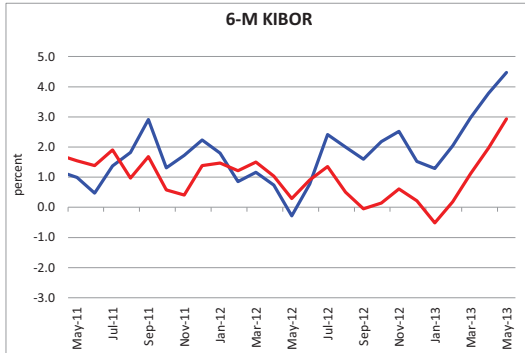
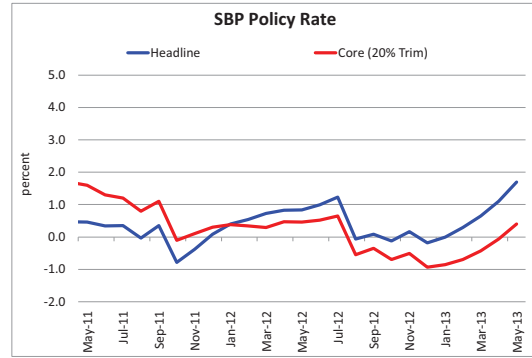


Real Interest Rates

Using YoY CPI inflation



Using 12-month moving average CPI inflation



¹ Weighted average lending and deposit rates excluding transactions in the interbank and on zero markup.

Sources: PBS and Statistics & Data Warehouse Department, SBP



In the T-bill auctions held in Q4-FY13, market showed substantial interest in longer tenors.

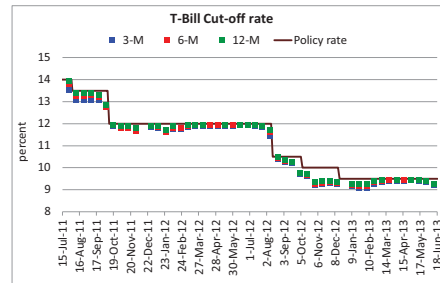
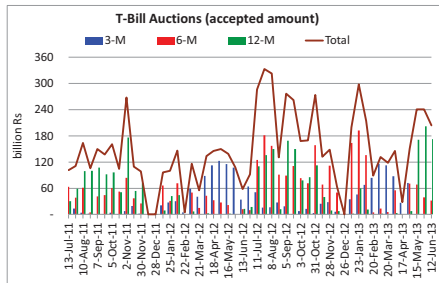
FY/Q/ Settlement date	T-bill Auction (billion Rs (Realized value); rates in percent)													Non- competitive bids ⁵
	TOTAL				3-Month			6-Month			12-Month			
	Target	Maturity	Offered	Accepted ²	Offered	Accepted	Cut-off ³	Offered	Accepted	Cut-off ³	Offered	Accepted	Cut-off ³	
FY12	3,345.0	3,053.4	4,773.6	2,854.6	1,416.6	889.6	-	1,513.2	891.6	-	1,843.8	1,073.4	-	366.5
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
Q4	995.0	1,016.7	1,116.4	825.8	875.2	644.8	11.92	187.4	146.9	11.94	53.8	34.1	11.95	109.5
FY13¹	4,925.0	4,927.5	6,983.2	4,628.3	1,275.7	859.2	-	3,172.0	2,080.4	-	2,535.5	1,688.7	-	501.8
Q1	1,500.0	1,487.1	2,231.1	1,611.3	191.0	129.5	10.23	967.6	755.4	10.24	1,072.5	726.4	10.26	152.2
Q2	1,125.0	1,148.9	2,012.2	956.5	191.2	81.6	9.28	1,174.3	543.0	9.30	646.7	331.8	9.36	128.3
Q3	1,125.0	1,103.8	1,492.6	1,050.8	665.9	460.5	9.41	713.3	515.9	9.43	113.4	74.5	9.42	111.7
Q4 ¹	1,175.0	1,187.7	1,247.4	1,009.7	227.6	187.5	9.23	316.9	266.2	9.25	702.9	556.0	9.28	109.5

¹ Up till June 12, 2013

² The amount does not include the non-competitive bids.

³ Quarterly rate are for end-period.

⁴ These amounts are raised from non-bank institutions and/or individuals at auctions weighted average rate.



Government has raised more than targeted amount in the PIBs auction held during Q4-FY13.

	PIB Auction (billion Rs (Face value); rates in percent) ⁵									
		3-Year	5-Year	7-Year	10-Year	15-Year	20-Year	30-Year	Total	Target
	FY12	Cut-off rate⁶	12.75	13.12	12.60	13.38	13.50	13.35	14.19	-
	Offered	94.1	71.0	1.2	145.2	2.4	4.8	0.2	318.7	-
	Accepted	67.3	52.1	-	86.2	2.2	3.7	-	211.6	185.0
Q1	Cut-off rate	13.22	13.24	-	13.25	13.50	-	-	-	-
	Offered	20.5	20.9	0.5	60.4	2.4	0.2	0.2	105.1	-
	Accepted	16.6	17.4	-	31.2	2.2	-	-	67.3	50.0
Q2	Cut-off rate	12.45	12.70	-	12.70	-	-	-	-	-
	Offered	25.4	8.6	0.7	22.1	-	-	-	56.8	-
	Accepted	14.1	4.0	-	15.1	-	-	-	33.2	45.0
Q3	Cut-off rate	12.59	12.94	-	13.20	-	-	-	-	-
	Offered	25.5	25.5	-	21.5	-	-	-	72.4	-
	Accepted	17.2	18.7	-	14.1	-	-	-	50.0	50.0
Q4	Cut-off rate	12.75	13.12	-	13.38	-	13.35	-	-	-
	Offered	22.6	15.9	-	41.1	-	4.7	-	84.3	-
	Accepted	19.4	12.1	-	25.9	-	3.7	-	61.1	40.0
FY13	Cut-off rate	10.63	11.17	-	11.60	-	13.35	-	-	-
Q1	Offered	94.1	72.2	-	76.9	-	6.1	-	249.4	-
	Accepted	43.3	45.6	-	21.8	-	5.1	-	115.8	90.0
Q2	Cut-off rate	10.40	10.93	-	11.42	-	-	-	-	-
	Offered	66.1	34.1	-	25.7	-	-	-	125.9	-
	Accepted	29.7	11.8	-	9.4	-	-	-	50.9	90.0
Q3	Cut-off rate	-	-	-	-	-	-	-	-	-
	Offered	39.8	16.8	-	11.2	-	-	-	67.7	-
	Accepted	-	-	-	Bids rejected	-	-	-	-	75.0
Q4	Cut-off rate	9.69	10.15	-	11.05	-	-	-	-	-
	Offered	110.7	44.4	-	28.1	-	-	-	183.2	-
	Accepted	53.9	14.8	-	13.1	-	-	-	81.8	75.0

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

⁶ Excluding non-competitive bids and short-selling accommodation

⁷ Quarterly rate are for end-period.

Government has successfully raised the targeted amount in the Sukuk auctions held in Q3-FY13.

	3-year Ijarah Sukuk Auction (billion Rs; margin in bps)			
	Target	Total offered	Total accepted	Cut-off margin ⁸
FY12	150.0	248.3	186.8	-
Q1	-	-	-	-
Q2	50.0	84.2	70.3	0
Q3	50.0	55.7	38.1	0
Q4	50.0	108.4	78.4	0
FY13	88.0	196.9	90.0	-
Q1	45.0	110.6	47.0	(25)
Q2	-	-	-	-
Q3	43.0	86.3	43.0	(30)

⁸ This cut-off margin, with the benchmark of 6-Month MTB Auction Weighted Average Yield, is applicable to all accepted bids

Source: Domestic Markets & Monetary Management Department, SBP



Foreign Exchange Market

Upto 21st June in FY13, Pak rupee has depreciated by 4.4 percent against US\$.

	PKR against international currencies			% App/(Dep) of PKR
	Latest 21-June-13	Last MPS 12-Apr-13	Jun-12	Cumulative since Jun-12
USD	98.95	98.26	94.55	(4.44)
Euro	130.87	128.25	118.99	(9.08)
Sterling	153.20	150.92	147.36	(3.81)
JPY	1.01	0.99	1.19	17.28
USD Kerb	100.13	99.03	95.65	(4.47)
Premium (Rs)	1.18	0.77	1.10	-
Daily NEER ¹	56.76	56.69	58.97	(3.74)

¹ Data updated up to 20th June 2013

Source: SBP

	International exchange rates ²			% App/(Dep) of USD
	Latest 21-June-13	Last MPS 12-Apr-13	Jun-12	Cumulative since Jun-12
USD/EUR	1.32	1.31	1.26	(4.85)
USD/GBP	1.55	1.54	1.56	0.67
JPY/USD	97.49	99.17	79.43	22.73
INR/USD	59.20	54.57	55.97	5.78
CNY/USD	6.13	6.19	6.35	(3.47)
THB/USD	31.01	29.02	31.76	(2.35)
MYR/USD	3.20	3.04	3.18	0.88
SGD/USD	1.27	1.24	1.27	0.16

² The exchange rates are shown as per country practices

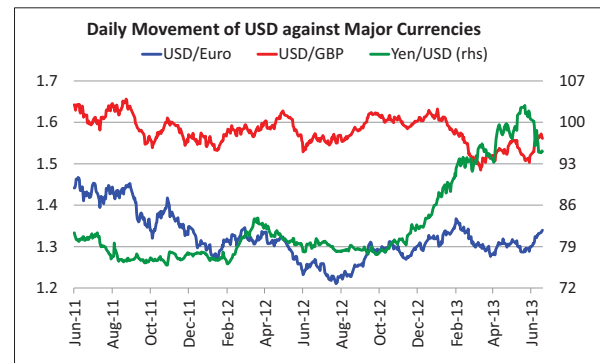
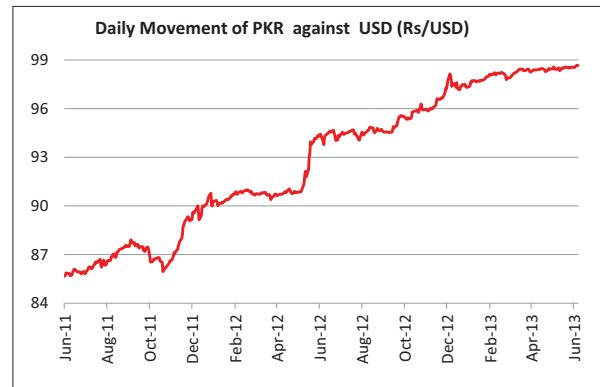
PKR/USD Interbank Exchange Rate Trends on Fiscal Year Basis

	High	Low	Close	Average	Volatility C/C ³
FY10	85.58	81.40	85.51	83.89	3.02
FY11	86.50	83.93	85.97	85.56	2.40
FY12	94.69	85.79	94.55	89.27	2.48
FY13 ⁴	98.99	93.70	98.95	96.80	1.68

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

⁴ Updated up to 21st June 2013

Source: SBP



PKR/USD Interbank Exchange Rate Trends on Quarterly Basis

	High	Low	Close	Average	Volatility C/C ³
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	94.69	90.15	94.55	92.16	2.60
Q1-FY13	95.00	93.70	94.81	94.53	2.21
Q2-FY13	98.35	94.87	97.15	96.25	2.21
Q3-FY13	98.53	97.22	98.44	97.92	1.30
Q4-FY13 ⁴	98.99	98.24	98.95	98.47	0.99



Monetary Policy Information Compendium

June 2013

In real terms, Pak rupee has depreciated by 1.96 percent during July-April FY13

Changes in Nominal Effective Exchange Rate (NEER)
Base Year: CY2005

		NEER Index	2011								2012		2013	
			2011		2012				2013		2013			
			Sep	Dec	Mar	Jun	Sep	Dec	Mar	April ^P				
2011	Jun	61.75	-0.20	-0.41	-2.41	-3.92	-5.90	-8.71	-7.92	-8.19				
	Sep	61.63	-	-0.21	-2.21	-3.72	-5.70	-8.53	-7.74	-8.01				
	Dec	61.50	-	-	-2.00	-3.52	-5.51	-8.34	-7.54	-7.81				
2012	Mar	60.27	-	-	-	-1.55	-3.58	-6.46	-5.65	-5.93				
	Jun	59.33	-	-	-	-	-2.06	-4.99	-4.17	-4.45				
	Sep	58.11	-	-	-	-	-	-2.99	-2.15	-2.44				
	Dec	56.37	-	-	-	-	-	-	0.87	0.57				
2013	Mar ^R	56.86	-	-	-	-	-	-	-	-0.29				
	April ^P	56.69	-	-	-	-	-	-	-	-				

^R Revised

^P Provisional

Changes in Relative price Index (RPI)
Base Year: CY2005

Latest 20-June-13		RPI	2011								2012		2013	
			2011		2012				2013		2013			
			Sep	Dec	Mar	Jun	Sep	Dec	Mar ^R	April ^P				
2011	Jun	161.60	3.00	3.70	5.76	8.83	9.33	9.47	10.48	11.66				
	Sep	166.44	-	0.68	2.68	5.67	6.15	6.28	7.27	8.41				
	Dec	167.58	-	-	1.98	4.95	5.43	5.56	6.54	7.68				
2012	Mar	170.90	-	-	-	2.91	3.38	3.51	4.47	5.59				
	Jun	175.87	-	-	-	-	0.46	0.59	1.51	2.60				
	Sep	176.68	-	-	-	-	-	0.12	1.05	2.13				
	Dec	176.90	-	-	-	-	-	-	0.92	2.00				
2013	Mar ^R	178.53	-	-	-	-	-	-	-	1.07				
	April ^P	180.45	-	-	-	-	-	-	-	-				

^R Revised

^P Provisional

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

Latest 20-June-13		REER Index	2011								2012		2013	
			2011		2012				2013		2013			
			Sep	Dec	Mar	Jun	Sep	Dec	Mar ^R	April ^P				
2011	Jun	99.79	2.79	3.27	3.21	4.57	2.89	-0.07	1.73	2.52				
	Sep	102.58	-	0.47	0.41	1.73	0.10	-2.78	-1.03	-0.27				
	Dec	103.06	-	-	-0.06	1.25	-0.37	-3.24	-1.50	-0.73				
2012	Mar	103.00	-	-	-	1.31	-0.31	-3.18	-1.44	-0.68				
	Jun	104.35	-	-	-	-	-1.61	-4.43	-2.72	-1.96				
	Sep	102.67	-	-	-	-	-	-2.87	-1.13	-0.36				
	Dec	99.72	-	-	-	-	-	-	1.80	2.59				
2013	Mar ^R	101.52	-	-	-	-	-	-	-	0.77				
	April ^P	102.30	-	-	-	-	-	-	-	-				

^R Revised

^P Provisional

Source: SBP



Capital Market

In June 2013, KSE-100 index has increased by 0.9 percent resulting into its cumulative increase of 59.5 percent since end June 2012.

Performance of Karachi Stock Exchange

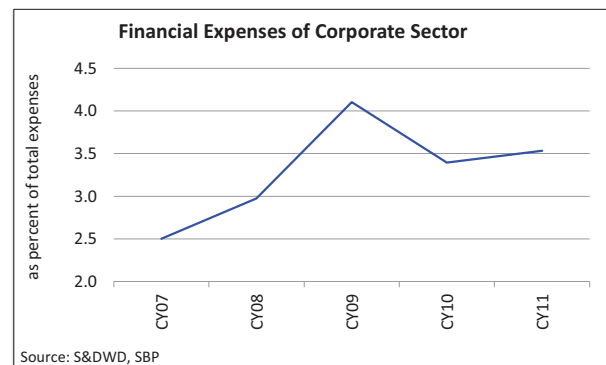
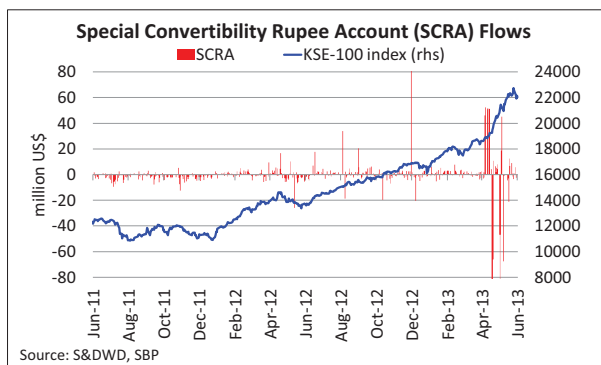
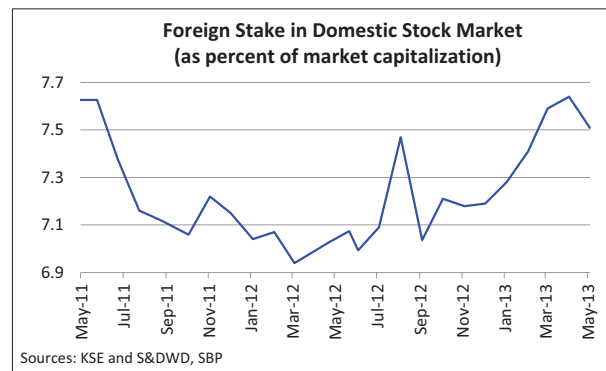
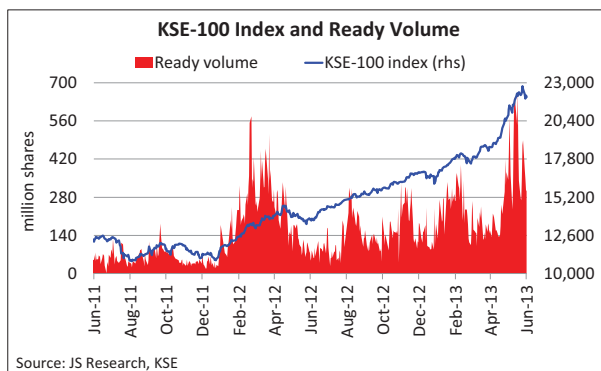
	FY13			FY12	Percentage change during		
	Jun-13 ¹	May-13	Jul-Jun ¹		Jun FY13 ²	FY13	FY12
End-period KSE-100 index	22,015	21,823	22,015	13,801	0.9	59.5	10.4
End-period KSE-30 index	17,096	16,880	17,096	11,922	1.3	43.4	2.9
Market capitalization (billion Rs) ³	5,387	5,011	4,285	4,203	7.5	2.0	7.0
Ready volume (million shares) ³	412.4	341	200	181.3	-	-	-
SCRA flows (US\$ million) ⁴	-0.4	-294.1	201.9	-261.4	-	-	-

¹ Up to 20th June 2013

² Reflects growth since end of the previous month

³ Average during the period

⁴ Cumulative flow during the period



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



Financial Soundness Indicators

Asset quality and profitability indicators of the banking system have deteriorated during Q3-FY13.

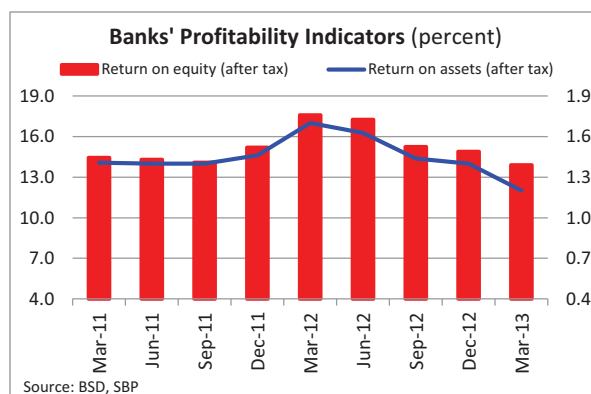
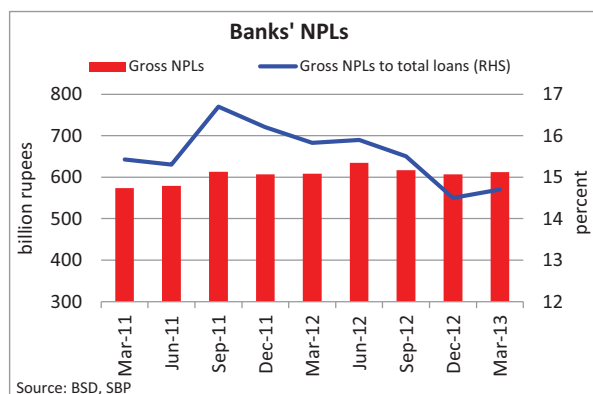
percent

	Dec 2011	Mar 2012	Jun 2012	Sep 2012	Dec 2012	Mar 2013
Risk weighted CAR ¹	14.6	14.7	15.1	16.0	15.4	15.1
Gross NPLs to total loans	16.2	15.8	15.9	15.5	14.5	14.7
Provision to NPLs	66.8	68.5	66.3	70.0	71.8	71.9
Net NPLs to net loans	6.0	5.6	6.0	5.2	4.6	4.6
Returns on assets (before tax)	2.2	2.5	2.4	2.2	2.1	1.8
Return on assets (after tax)	1.5	1.7	1.6	1.4	1.4	1.2
ROE (before tax) ²	23.4	26.3	25.9	23.4	22.9	20.3
ROE (after tax) ²	15.2	17.6	17.3	15.3	14.9	13.9
Net interest income/gross income	75.7	73.4	72.3	71.6	71.1	71.7
Liquid assets/total assets	44.4	44.0	42.7	46.5	47.4	47.4
Liquid assets/total deposits	58.4	58.5	54.3	62.8	63.3	63.8
Advances/deposits	53.6	54.3	52.5	52.6	51.5	51.6

Note: Figures are based on unaudited Quarterly Report of Condition (QRC) submitted by banks.

¹ Data of IDBP, PPCBL, and SME is based on Basel I, while for the rest data is based on Basel II.

² Average equity and surplus.



Source: Banking Surveillance Department (BSD), SBP