



# **Monetary Policy Information Compendium**

**May 2015**

Consolidated by

**Statistics & DWH Department**

**STATE BANK OF PAKISTAN**

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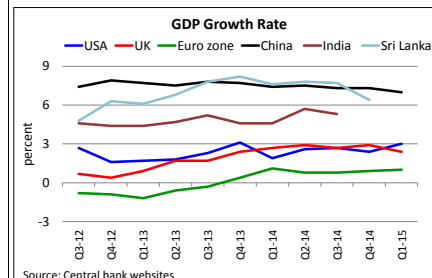
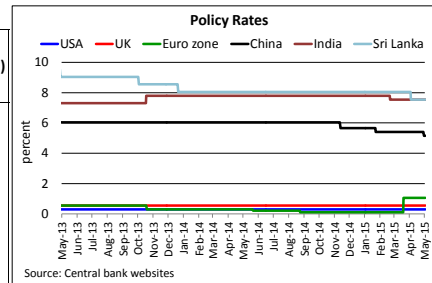


## Global Economy

Three Central Banks have reduced their Policy rates during the last two months.

### Policy Rates in Major Economies

Major economies	Current		Previous policy rate	Change (bps)
	Policy rate	w.e.f		
USA	0.25	Dec 16 2008	1.00	-75
UK	0.50	Mar 05 2009	1.00	-50
Euro zone	0.05	Sep 04 2014	0.15	-10
Japan	0.10	Oct 05 2010	0.10	0
Canada	1.00	Jan 21 2015	1.25	-25
Australia	2.00	May 05 2015	2.25	-25
China	5.10	May 11 2015	5.35	-25
India	7.50	Mar 3 2015	7.75	-25
Sri Lanka	7.50	Apr 15 2014	8.00	-50
Malaysia	3.25	July 10 2014	3.00	25
Indonesia	7.50	Feb 17 2015	7.75	-25
Thailand	1.50	April 29 2015	1.75	-25



Real GDP growth in most of the countries has decreased in Q1-CY15 as compared to Q4-CY14.

### Key Macroeconomic Indicators

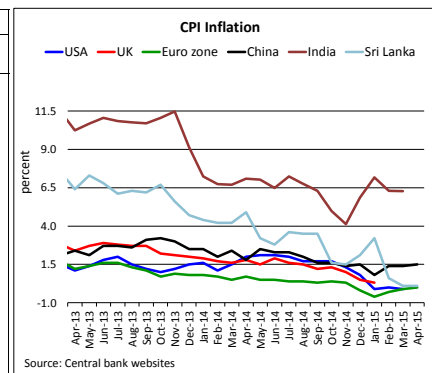
	Inflation (YoY) <sup>1</sup> May-15	GDP growth <sup>2</sup> Q1-2015	Current account	Fiscal balance <sup>3</sup>	Reserves <sup>5</sup> (billion US\$) Mar-15	Lending rates <sup>6</sup>	
			balance <sup>3</sup>			Nominal	Real
			as a percent of GDP <sup>4</sup>				
USA	-0.1	3.0	-2.3	-2.5	39.0	3.3	3.4
UK	0.3	2.4	-4.3	-4.4	84.7	0.5	0.2
Euro zone	0.0	1.0	2.6	-2.2	240.5	7.2	7.5
Japan	2.3	-0.8	1.9	-6.9	1188.4	1.2	-1.2
Australia	1.3	2.5	-3.2	-2.3	48.4	5.7	3.9
China	1.5	7.0	2.8	-2.8	3730.0	5.4	4.0
India	6.3	5.3	-0.9	-4.1	312.2	10.3	3.1
Sri Lanka	0.1	6.4	-	-	6.5	7.3	3.8
South Korea	0.4	2.4	6.7	0.5	352.5	3.9	3.1
Malaysia	0.9	5.8	3.4	-4.4	101.2	4.7	4.6
Indonesia	6.8	4.7	-3.1	-1.9	105.9	12.7	6.5
Thailand	-1.0	2.3	2.2	-1.9	148.5	6.6	7.2

<sup>1</sup> Values of Inflation pertains to April 2015 except USA, Japan, Australia, India and Malaysia pertain to March 2015 and UK pertains to January 2015 ; <sup>2</sup> Annual growth, measured as a percentage change over the same quarter of previous year. Value of all countries pertains to Q1 of 2015 except Japan, Australia, Sri Lanka, Malaysia and Thailand pertains to Q4 of 2014 and India pertains to Q3 of 2014 ; <sup>3</sup> Latest 12 months; <sup>4</sup> The Economist, Economic and Financial indicators, May 09, 2015; <sup>5</sup> IMF (IFS) Reserve position data pertains to March 2015 except for UK, India, Sri Lanka and South Korea pertains to February 2015 ; <sup>6</sup> IMF (IFS) data pertains to March 2015 except for Australia, Euro Zone, Malaysia and Indonesia pertains to February 2015, values for Japan, UK, India and South Korea pertains to January 2015 and Sri Lanka pertains to August 2014

IMF's world output growth projection for 2015 is 3.5 percent in April 2015.

### World Economic Outlook - Real GDP Growth

	2014 (IMF estimates)	2015 Projections		
		IMF <sup>1</sup>	World Bank <sup>2</sup>	OECD <sup>3</sup>
<b>World output</b>	<b>3.4</b>	<b>3.5</b>	<b>3.0</b>	-
<b>Advanced<sup>4</sup></b>	<b>1.8</b>	<b>2.4</b>	<b>2.2</b>	-
US	2.4	3.1	3.2	3.1
Euro area	0.9	1.5	1.1	1.1
Japan	-0.1	1.0	1.2	0.8
UK	2.6	2.7	2.9	2.7
<b>Emerging &amp; Developing</b>	<b>4.6</b>	<b>4.3</b>	<b>4.8</b>	-
Russia	0.6	-3.8	-2.9	0.0
China	7.4	6.8	7.1	7.1
India	7.2	7.5	6.4	6.4
ASEAN-5	4.6	5.2	-	-



Sources: Bloomberg, World Bank, IMF, OECD, The Economist, World Economic Outlook, and Central Bank Websites. <sup>1</sup> IMF Projections of April 2015,

<sup>2</sup> World Bank Projection of January 2015, <sup>3</sup> OECD Projections of November 2014. <sup>4</sup> World Bank projections are for "high income" countries.

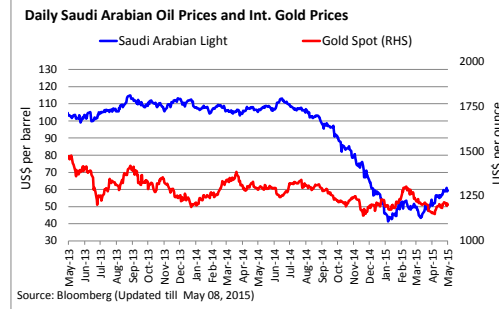
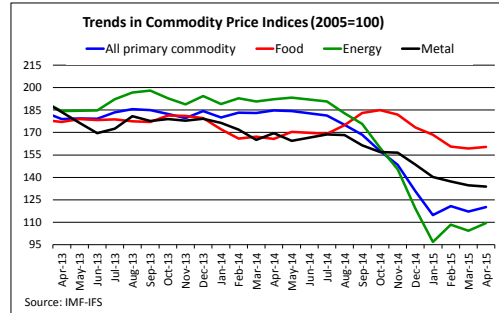


All commodity price index by IMF has registered a rise of 2.5 percent during April 2015.

### World Commodity Price Indices (2005=100)

	Apr-15	Percent change since	
		Mar-15	End June - 14
All commodity price index	120.0	↑ 2.5	↓ -35.2
Food price index	145.0	↓ -0.7	↓ -17.7
Energy index	109.5	↑ 5.0	↓ -44.5
Non fuel price index	138.1	↓ -0.8	↓ -16.1
Metal price index	133.8	↓ -0.6	↓ -17.3
Crude oil price (\$/bbl) *	65.1	↑ 11.5	↓ -40.7
Cotton spot (US cents/ pound) *	68.2	↑ 1.4	↓ -17.5
Palm oil (\$/m. ton)	591.8	↓ -2.6	↓ -22.0
Soya bean Oil (\$/m. ton)	691.7	↑ 1.2	↓ -20.6
Wheat (\$/m. ton)	223.3	↓ -3.2	↓ -27.1
Gold spot (\$/Oz) *	1187.5	↓ -1.0	↓ -7.4
Sugar (US cents/pound)	24.4	↓ 0.0	↓ -6.1

Sources: Bloomberg for Crude oil price (Saudi Arabian Light), Cotton Spot and Gold spot. IMF (IFS) for all other items.  
\* Average during the month upto May 08, 2015.



Stock price indices have shown mixed trend during May 2015 so far as compared to previous month.

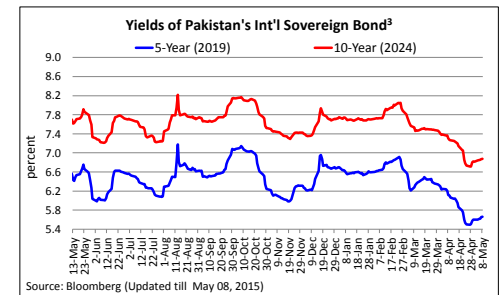
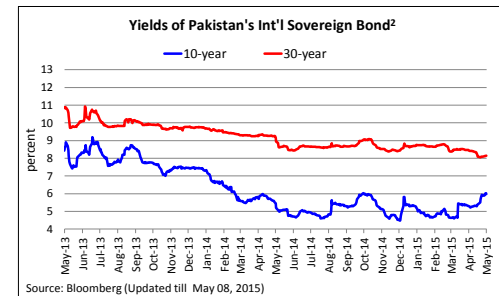
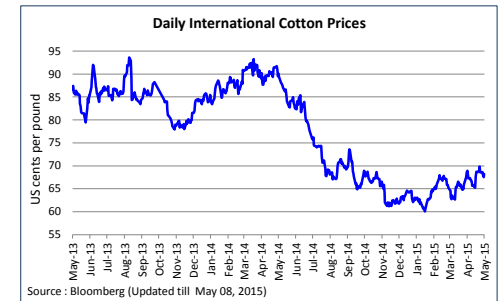
### Capital Market Indices

	May-15	Percent change since	
		Apr-15	End June - 14
US (DJIA)	17996.6	↑ 0.1	↑ 6.9
DJ EURO STOXX	3593.1	↓ -3.8	↑ 9.9
UK (FTSE 100)	6956.2	↓ -0.8	↑ 2.3
Japan (Nikkei 225)	19400.9	↓ -1.9	↑ 28.5
China (SSEA)	4468.7	↑ 1.9	↑ 110.0
France (CAC 40)	5019.0	↓ -3.0	↑ 11.1
Germany (DAX)	11483.1	↓ -4.0	↑ 15.8
India (BSE)	27070.5	↓ -3.7	↑ 7.4
World dev'd (MSCI)	1781.4	↑ 0.25	↑ 2.8
Emerging Markets (MSCI)	1040.4	↑ 0.6	↓ -0.5
World all (MSCI)	436.6	↑ 0.0	↑ 2.5

<sup>1</sup> Updated till May 08, 2015

<sup>2</sup> 30 Yr Bond = \$300 M (Coupon rate = 7.875%): Issued - Mar 24, 2006; Maturity - Mar 23, 2036  
<sup>10</sup> Yr Bond = \$500 M (Coupon rate = 7.125%): Issued - Mar 24, 2006; Maturity - Mar 23, 2016  
<sup>3</sup> 10 Yr Bond = \$1000 M (Coupon rate = 8.25%): Issued - April 8, 2014; Maturity - April 15, 2024  
<sup>5</sup> Yr Bond = \$1000 M (Coupon rate = 7.25%): Issued - April 8, 2014; Maturity - April 15, 2019

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



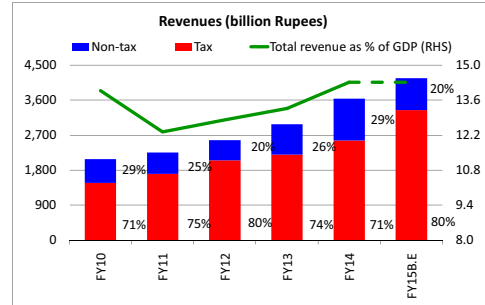


## Revenues, Expenditures and Fiscal Balances

**Fiscal deficit was recorded at 2.2 percent of GDP during Jul-Dec, FY15 compared to 2.1 percent in Jul-Dec, FY14.**

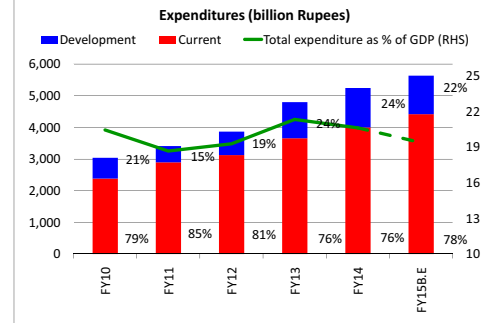
### Revenues (billion Rs)

	FY15	Jul-Dec		FY14
	BE <sup>1</sup>	FY15	FY14	
<b>Total revenues</b>	<b>4,216</b>	<b>1,749</b>	<b>1,665</b>	<b>3,637</b>
Tax revenue	3,344	1,361	1,172	2,565
<i>Growth (YoY) %</i>	30.4	16.1	15.7	16.6
<i>of which: FBR revenues</i>	2,810	1,172	1,031	2,266
<b>Non-tax revenues</b>	<b>816</b>	<b>388</b>	<b>493</b>	<b>1,073</b>
<i>Growth (YoY) %</i>	-23.9	-21.4	9.9	37.0



### Expenditures (billion Rs)

	FY15	Jul-Dec		FY14
	BE <sup>1</sup>	FY15	FY14	
<b>Total expenditures</b>	<b>5,638</b>	<b>2,401</b>	<b>2,206</b>	<b>5,026</b>
Current	4,417	1,989	1,888	4,005
<i>Growth (YoY) %</i>	10.3	5.4	9.6	9.4
<i>of which: Interest payments</i>	1,325	573	598	1,148
Defence	700	330	295	623
Development Expenditure	1,221	331	326	1,237
<i>Growth (YoY) %</i>	-1.2	1.5	17.4	8.5
Unidentified Expenditure <sup>2</sup>	-	81	-8	-215



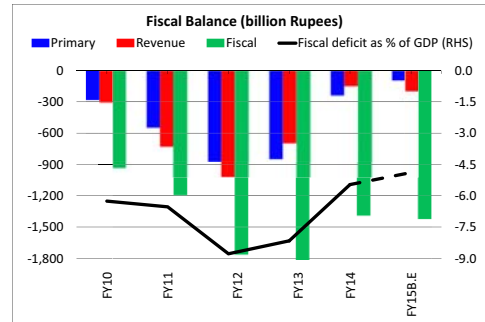
### Overall Balance (billion Rs)

	FY15	Jul-Dec		FY14
	BE <sup>1</sup>	FY15	FY14	
<b>Fiscal balance<sup>3</sup></b>	<b>-1,422</b>	<b>-652</b>	<b>-540</b>	<b>-1,389</b>
Revenue balance <sup>4</sup>	-201	-240	-222	-367
Primary balance <sup>5</sup>	-97	-79	58	-241
		<i>As percent of GDP<sup>6</sup></i>		
Fiscal balance	-4.9	-2.2	-2.1	-5.5
Revenue balance	-0.7	-0.8	-0.9	-1.4
Primary balance	-0.3	-0.3	0.2	-0.9

**During Jul-Dec, FY15, fiscal deficit was mainly financed through borrowings from domestic sources.**

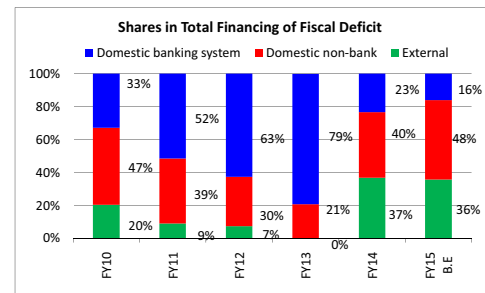
### Financing of Fiscal Deficit (billion Rs)

	FY15	Jul-Dec		FY14
	BE <sup>1</sup>	FY15	FY14	
<b>Financing</b>	<b>1,422</b>	<b>652</b>	<b>540</b>	<b>1,389</b>
1. External: <i>of which</i>	508	142	-43	512
Privatization proceeds	198	15.2	-	-
2. Domestic <sup>2</sup> : <i>of which</i>	914	510	584	877
Non-bank	686	296	100	553
Banking system: <i>of which</i>	228	199	483	324
Scheduled banks	228	612	40	160
SBP	0	-413	443	164



### FBR Tax Collection<sup>8</sup> (billion Rs)

	Direct	Sales	Customs	FED <sup>9</sup>	Total taxes
	Q1	137	190	51	22
Q2	195	202	57	30	484
Q3	160	202	62	27	452
Q4	244	247	69	41	601
<b>FY13</b>	<b>736</b>	<b>841</b>	<b>240</b>	<b>119</b>	<b>1,936</b>
Q1	161	231	53	24	469
Q2	221	250	57	34	563
Q3	217	235	59	32	543
Q4	285	285	72	49	692
<b>FY14<sup>p</sup></b>	<b>884</b>	<b>1,002</b>	<b>241</b>	<b>139</b>	<b>2,266</b>
Q1	190	259	65	25	538
Q2	269	255	71	39	634
<b>FY15<sup>p</sup></b>	<b>459</b>	<b>514</b>	<b>135</b>	<b>64</b>	<b>1,172</b>



<sup>1</sup> Budget Estimates; Estimated from Budget in Brief 2014-15, MoF; <sup>2</sup> In Fiscal Accounts, these expenditures are named as 'Statistical Discrepancy'; <sup>3</sup> Fiscal balance = total revenue - total expenditure; <sup>4</sup> Revenue balance = total revenue - current expenditure; <sup>5</sup> Primary balance = total revenue - total expenditure + interest payment; <sup>6</sup> GDP(m) on new basis (2005-2006) has been used to calculate deficit to GDP ratios; <sup>7</sup> It includes the amount of Privatization Proceeds; <sup>8</sup> as reported in fiscal accounts; <sup>9</sup> Federal excise duty; P Provisional

Sources: Ministry of Finance (MoF), Federal Board of Revenue (FBR), Statistics and Data Warehouse Department (S&DWD), SBP.

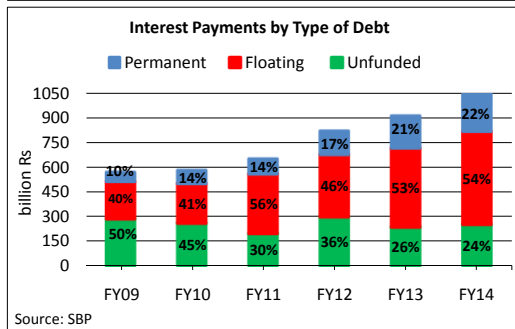
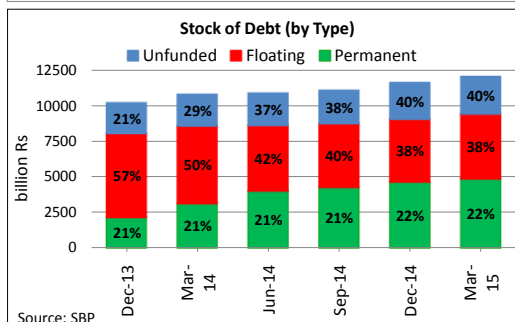
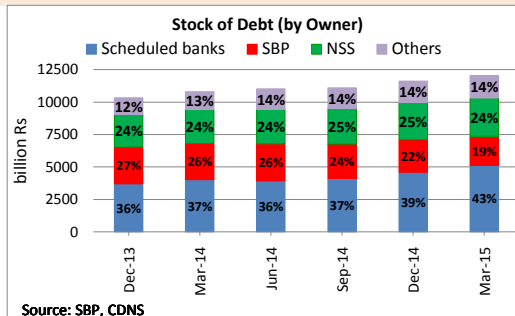


**Government Domestic Debt**

*Stock of government domestic debt has increased by Rs. 1,017 billion during Jul-Mar FY15.*

**Debt by Owner - end period stocks (billion Rs)**

	Mar-15 <sup>P</sup>	Jun-14 <sup>P</sup>	Change since Jun-14
<b>1. Bank</b>	<b>7,384</b>	<b>6,781</b>	<b>604</b>
Commercial banks	5,134	3,925	1,208
SBP	2,250	2,855	-605
<b>2. Non-bank</b>	<b>4,656</b>	<b>4,243</b>	<b>413</b>
National saving schemes (NSS)	2,939	2,670	269
Others	1,717	1,573	144
<b>3. Foreign currency instruments<sup>1</sup></b>	<b>5</b>	<b>4</b>	<b>0</b>
<b>Total(1+2+3)</b>	<b>12,045</b>	<b>11,028</b>	<b>1,017</b>



**Debt by Type - end period stocks (billion Rs)**

	Mar-15 <sup>P</sup>	Jun-14 <sup>P</sup>	Change since Jun-14
<b>1. Permanent debt</b>	<b>4,829</b>	<b>3,999</b>	<b>830</b>
PIBs	4,002	3,222	780
Prize bonds	496	447	50
Others <sup>2</sup>	331	331	0
<b>2. Floating debt</b>	<b>4,567</b>	<b>4,600</b>	<b>-33</b>
MTBs	2,319	1,747	572
MRTBs-replenishment <sup>3</sup>	2,248	2,852	-605
<b>3. Unfunded debt<sup>4</sup>: of which</b>	<b>2,645</b>	<b>2,425</b>	<b>220</b>
Saving schemes	2,375	2,156	219
<b>4. Foreign currency instruments</b>	<b>5</b>	<b>4</b>	<b>0</b>
<b>Total(1+2+3+4)</b>	<b>12,045</b>	<b>11,028</b>	<b>1,017</b>
<b>Government domestic liabilities<sup>5</sup></b>	<b>237</b>	<b>270</b>	<b>-33</b>

<sup>1</sup> Includes FEBCs, FCBCs, DBCs and special USD bonds held by the residents.

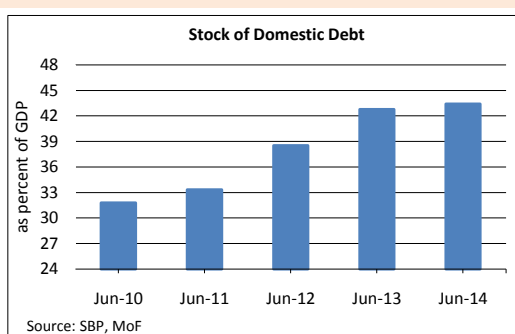
<sup>2</sup> Includes market loans and GOP Ijara Sukuk 3 Years. <sup>3</sup> Includes Outright Sale of MRTBs

<sup>4</sup> Includes funds mobilized through NSS excluding prize bonds. <sup>5</sup> This reflects provincial governments' borrowings from banks for commodity operations.

*Interest payments on domestic debt have shown YoY growth of 12.6 percent during Jul-Mar FY15.*

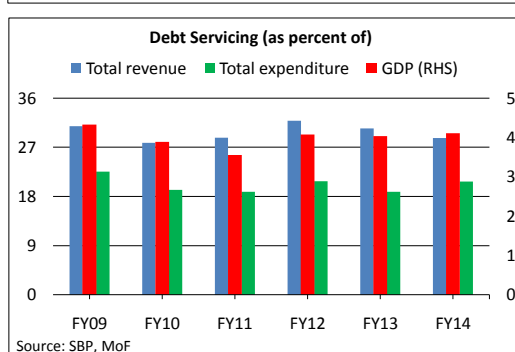
**Debt Servicing (billion Rs)**

	Jul-Mar		FY14 <sup>R</sup>	Percent change during FY15 over FY14
	FY15 <sup>P</sup>	FY14		
Permanent <sup>6</sup>	437	202	229	115.9
Floating	312	437	562	-28.6
Unfunded	185	190	252	-2.3
<b>Total</b>	<b>934</b>	<b>829</b>	<b>1043</b>	<b>12.6</b>



**Indicators of Domestic Debt Sustainability**

	Jun-10	Jun-11	Jun-12	Jun-13	Jun-14
<b>Debt stock as percent of GDP</b>	31.8	33.3	38.5	42.8	43.4
<b>Debt servicing as percent of</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>	<b>FY13</b>	<b>FY14</b>
GDP	3.9	3.6	4.1	4.0	4.1
Total revenue	27.8	28.8	31.8	30.4	28.7
Tax revenue	39.2	38.3	39.8	41.3	40.7
Total expenditure	19.2	18.8	20.8	18.8	20.7
Current expenditure	24.2	22.4	26.2	24.8	26.0



<sup>6</sup> Includes prize bonds;

<sup>R</sup>: Revised; <sup>P</sup>: Provisional

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



## External Debt

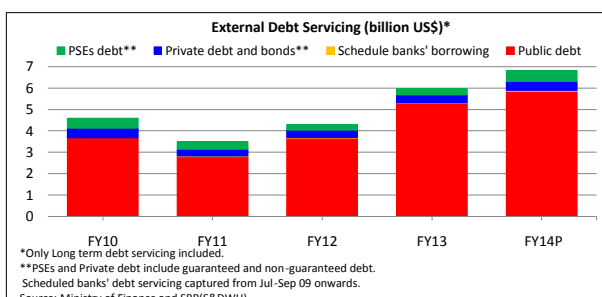
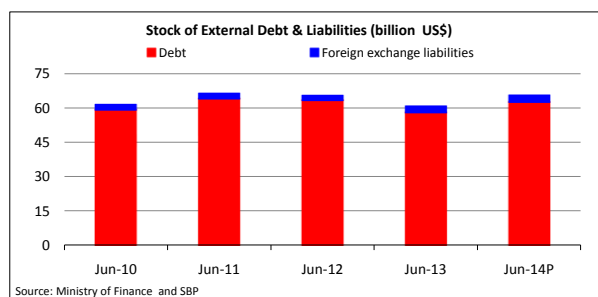
**Stock of public sector external debt has decreased by US\$ 1.3 billion during Jul-Dec FY15.**

Debt & Liabilities <sup>1</sup> - end period stocks (million US\$)				Debt Servicing (million US\$)		
Items	Dec-14 <sup>P</sup>	Jun-14 <sup>R</sup>	Change during Jul-Dec-FY15	Items	Jul-Dec-FY15 <sup>P</sup>	FY14
<b>1. Public debt (a+b+c)</b>	<b>53,545</b>	<b>54,823</b>	<b>-1,278</b>	<b>1. Public debt (a+b+c)</b>	<b>2,186</b>	<b>5,847</b>
<b>a) Government debt</b>	<b>46,787</b>	<b>48,521</b>	<b>-1,734</b>	<b>a) Government debt<sup>3</sup></b>	<b>1,264</b>	<b>2,541</b>
<b>i) Long term (&gt;1 year)</b>	<b>46,188</b>	<b>47,820</b>	<b>-1,631</b>	Principal	810	1,834
Paris club	12,063	13,607	-1,544	Interest	454	707
Multilateral	24,210	25,856	-1,647	<b>b) To IMF</b>	<b>874</b>	<b>3,182</b>
Other bilateral	3,986	3,465	520	Principal	853	3,130
Euro/Sukuk global bonds	4,550	3,550	1,000	Interest	21	52
Military debt	36	36	0	<b>c) Foreign exchange liabilities</b>	<b>48</b>	<b>124</b>
Commercial loans/credits	200	150	50	Principal	0	100
Local currency Securities (PIBs)	24	16	8	Interest	48	24
Saudi fund for development (SFD)	120	140	-20	<b>2. PSEs guaranteed debt</b>	<b>16</b>	<b>301</b>
SAFE China deposits	1,000	1,000	0	Principal	9	273
NBP/BOC deposits	0	0	0	Interest	7	28
<b>ii) Short term (&lt;1 year)</b>	<b>599</b>	<b>701</b>	<b>-103</b>	<b>3. PSEs non-guaranteed debt<sup>3</sup></b>	<b>127</b>	<b>199</b>
Of which: IDB	519	413	107	Principal	116	179
<b>b) From IMF</b>	<b>3,568</b>	<b>3,020</b>	<b>548</b>	Interest	11	20
i) Federal government	516	919	-402	<b>4. Scheduled banks' borrowing<sup>3</sup></b>	<b>16</b>	<b>49</b>
ii) Central bank	3,052	2,101	950	Principal	16	48
<b>c) Foreign exchange liabilities (FEL)<sup>2</sup></b>	<b>3,190</b>	<b>3,281</b>	<b>-92</b>	Interest	0	1
<b>2. Public sector enterprises (PSEs)</b>	<b>2,425</b>	<b>2,109</b>	<b>315</b>	<b>5. Private guaranteed debt</b>	<b>0</b>	<b>0</b>
a) Guaranteed debt	973	459	514	<b>6. Private non-guaranteed debt<sup>3</sup></b>	<b>158</b>	<b>298</b>
b) Non-guaranteed debt	1,451	1,650	-199	Principal	123	239
<b>3. Scheduled banks</b>	<b>2,252</b>	<b>1,989</b>	<b>264</b>	Interest	35	59
<b>a) borrowing</b>	<b>1,356</b>	<b>1,080</b>	<b>276</b>	<b>7. Private non-guaranteed bonds</b>	<b>0</b>	<b>117</b>
i) Long term (>1 year)	20	33	-14	Principal	0	112
ii) Short term (<1 year)	1,336	1,046	289	Interest	0	5
<b>b) Nonresident deposit (LCY &amp; FCY)</b>	<b>896</b>	<b>909</b>	<b>-12</b>	<b>Total Long term external debt servicing (1+2+3+4+5+6+7)</b>	<b>2,504</b>	<b>6,811</b>
<b>4. Private sector</b>	<b>3,064</b>	<b>2,970</b>	<b>94</b>	Principal	<b>1,927</b>	<b>5,915</b>
a) guaranteed debt	0	0	0	Interest	<b>577</b>	<b>897</b>
b) non-guaranteed debt	<b>3,064</b>	<b>2,970</b>	<b>94</b>	<b>Memorandum Items</b>		
i) Loans	2,038	1,934	105	Short term debt servicing-principal <sup>4</sup>		
ii) Private non-guaranteed bonds	12	12	0	(excluding item No.3 below)	<b>473</b>	<b>173</b>
iii) Trade credit and others liabilities	1,014	1,025	-11	1. Government debt	<b>443</b>	<b>0</b>
<b>5. Debt liabilities to direct investors-intercompany debt</b>	<b>3,053</b>	<b>3,746</b>	<b>-693</b>	2. PSEs non-guaranteed debt	<b>30</b>	<b>151</b>
<b>Total external debt (excl. FEL)</b>	<b>61,148</b>	<b>62,355</b>	<b>-1,206</b>	3. Scheduled banks' borrowing	<b>16,506</b>	<b>28,559</b>
				Net flows <sup>5</sup>	<b>344</b>	<b>413</b>
<b>Total external debt &amp; liabilities (1+2+3+4+5)</b>	<b>64,338</b>	<b>65,636</b>	<b>-1,298</b>	4. Private non-guaranteed debt	<b>0</b>	<b>22</b>

**Stock of external debt as percent of GDP decreased to 25.5 percent by the end of June 2014.**

### Indicators of External Debt Sustainability

End period debt stock as percent of	Jun-09						External debt servicing as percent of					
	Jun-09	Jun-10	Jun-11	Jun-12	Jun-13	Jun-14 <sup>P</sup>	FY09	FY10	FY11	FY12	FY13	FY14 <sup>6</sup>
<b>GDP</b>	32.3	35.4	31.2	30.9	26.8	25.5	2.4	2.4	1.6	2.0	2.6	2.6
<b>Reserves</b>	407.5	364.2	347.2	426.8	550.8	461.5	30.8	24.4	18.3	27.9	53.9	47.9
<b>Exports</b>	273.6	312.8	261.7	264.9	245.5	261.6	20.7	21.0	13.8	17.3	24.0	27.2



R: Revised; P: Provisional; <sup>1</sup> 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>. <sup>2</sup> Allocation of SDR and Nonresident LCY deposits with central bank added to FEL; <sup>3</sup> Only long term debt servicing included. <sup>4</sup> 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; <sup>5</sup> 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. <sup>6</sup> Only long term debt servicing included from FY11 and onwards.





## Total Debt

*Stock of total debt and liabilities increased by Rs. 621 billion during Jul-Dec FY15.*

### Total Debt Stock (billion Rs)

	Dec-14 <sup>P</sup>	Jun-14 <sup>R</sup>	Change during Jul-Dec FY15	Share in Dec- FY15 (percent)
I. Government domestic debt	11,631	11,028	603	61.2
II. Government external debt <sup>1</sup>	4,700	4,794	-94	24.7
III. Debt from IMF	358	298	60	1.9
IV. External liabilities	320	324	-4	1.7
V. Private sector external debt	534	490	44	2.8
VI. PSEs external debt	244	208	35	1.3
VII. PSEs domestic debt	431	366	65	2.3
VIII. Commodity operations <sup>2</sup>	467	492	-26	2.5
IX. Intercompany External Debt from Direct Investor abroad	307	370	-63	1.6
<b>Total debt &amp; liabilities (I to IX)</b>	<b>18,993</b>	<b>18,372</b>	<b>621</b>	<b>100.0</b>
<b>Total public debt (I to IV)</b>	<b>17,011</b>	<b>16,445</b>	<b>565</b>	<b>89.6</b>
<b>Total external debt &amp; liabilities (II to VI &amp;+ IX)</b>	<b>6,463</b>	<b>6,485</b>	<b>-22</b>	<b>34.0</b>
<b>Commodity operations &amp; PSEs debt (VI to VIII)</b>	<b>1,142</b>	<b>1,067</b>	<b>75</b>	<b>6.0</b>

### Total Debt Servicing (billion Rs)

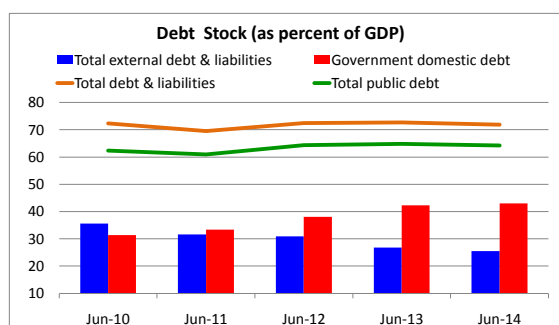
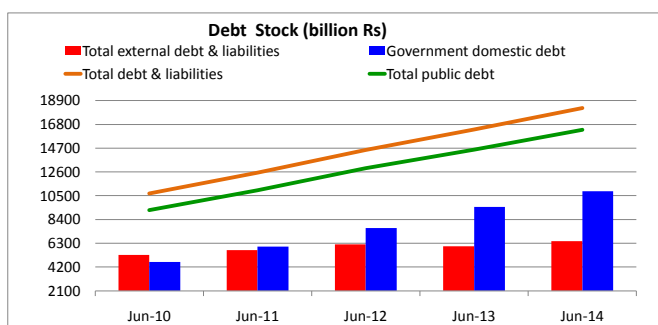
	Jul-Dec FY15 <sup>P</sup>	FY14 <sup>R</sup>	Share in Jul-Dec FY15 (percent)	Share in FY14 (percent)
<b>Total Debt Servicing(A+B)</b>	<b>816</b>	<b>1791</b>	<b>100.0</b>	<b>100.0</b>
<b>A. Total interest payment on debt and liabilities (I+II)</b>	<b>621</b>	<b>1183</b>	<b>76.1</b>	<b>66.0</b>
<b>I. Interest payment on debt (a+b)</b>	<b>590</b>	<b>1134</b>	<b>72.3</b>	<b>63.3</b>
a. Domestic debt	534	1043	65.5	58.2
b. External debt	56	91	6.8	5.1
<b>II. Interest payment on liabilities (a+b)</b>	<b>31</b>	<b>49</b>	<b>3.8</b>	<b>2.7</b>
a. Domestic liabilities	26	47	3.2	2.6
b. External liabilities <sup>1</sup>	5	3	0.6	0.1
<b>B. Principal repayment of external debt and liabilities<sup>3</sup></b>	<b>195</b>	<b>609</b>	<b>23.9</b>	<b>34.0</b>

### Debt stock (as percent of GDP)

	Dec-14 <sup>P</sup>	Jun-14 <sup>R</sup>	Jun-13
<b>Total debt and liabilities</b>	<b>65.3</b>	<b>72.3</b>	<b>73.1</b>
Total public debt	58.5	64.7	65.3
Total external debt and liabilities	22.2	25.5	26.8
Government domestic debt	40.0	43.4	42.8
PSEs debt and liabilities	3.9	4.2	4.4

### Debt Servicing (as percent of)

	FY14 <sup>P</sup>	FY13 <sup>R</sup>	FY12	FY11
GDP	7.1	6.8	6.3	5.6
Total revenue	49.3	51.6	49.3	45.0
Tax revenue	69.9	69.9	61.7	59.9
Total expenditure	35.6	31.9	32.2	29.4
Current expenditure	44.7	42.0	40.5	35.1



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

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

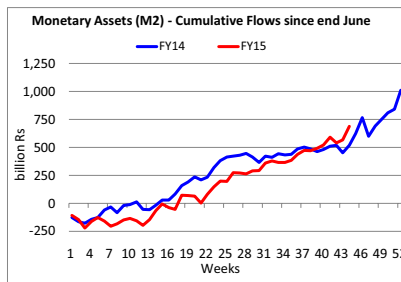


## Monetary and Credit Aggregates

*Contribution of net foreign assets in monetary expansion has substantially increased during FY15 so far.*

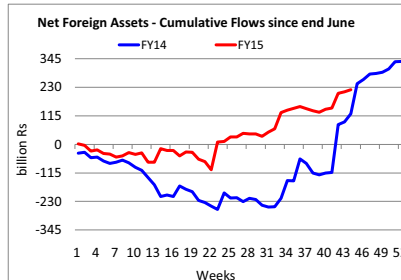
### Monetary Assets of the Banking System (billion Rs)

	End June 2014 stocks <sup>R</sup>	Cumulative flows since end-June		FY14 flows
		Latest week	A year ago	
		1-May-15	2-May-14	
<b>NFA</b>	<b>601.0</b>	<b>219.5</b>	<b>122.9</b>	<b>332.2</b>
<b>NDA</b>	<b>9,367.0</b>	<b>468.3</b>	<b>395.7</b>	<b>778.1</b>
<b>Net government borrowings: of which</b>	<b>6,064.3</b>	<b>576.3</b>	<b>137.2</b>	<b>327.1</b>
Net budgetary borrowing	5,549.4	626.1	251.7	303.0
Commodity operations	492.4	-49.1	-114.4	24.7
<b>Non-government borrowings: of which</b>	<b>4,102.0</b>	<b>253.2</b>	<b>382.0</b>	<b>438.0</b>
Private sector	3,728.7	202.8	316.7	371.4
PSEs	354.7	50.6	65.2	66.6
<b>Other items (net)</b>	<b>-799.2</b>	<b>-361.3</b>	<b>-123.5</b>	<b>12.9</b>
<b>M2</b>	<b>9,968.0</b>	<b>687.7</b>	<b>518.6</b>	<b>1,110.2</b>



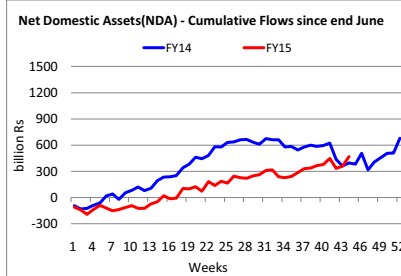
### Monetary Liabilities of the Banking System (billion Rs)

<b>Currency in circulation</b>	<b>2,177.9</b>	<b>248.2</b>	<b>175.3</b>	<b>239.7</b>
<b>Total deposits with banks</b>	<b>7,777.0</b>	<b>437.1</b>	<b>339.8</b>	<b>868.0</b>
Demand deposits with banks	6,505.8	399.7	363.8	917.7
Time deposits with banks	671.8	33.8	-87.6	-134.1
RFCDs with banks	599.4	3.6	63.6	84.4
<b>M2</b>	<b>9,968.0</b>	<b>687.7</b>	<b>518.6</b>	<b>1,110.2</b>



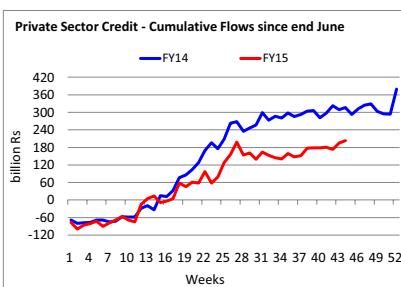
### Monetary Assets of the Banking System (percent growth)

	YoY (1-May-15)	Since end June		FY14
		1-May-15	2-May-14	
		1-May-15	2-May-14	
<b>NFA</b>	<b>109.5</b>	<b>36.5</b>	<b>45.7</b>	<b>123.6</b>
<b>NDA</b>	<b>9.5</b>	<b>5.0</b>	<b>4.6</b>	<b>9.1</b>
<b>Government borrowings</b>	<b>13.0</b>	<b>9.5</b>	<b>2.4</b>	<b>5.7</b>
Budgetary borrowing	12.3	11.3	4.8	5.8
Commodity operations	25.5	-10.0	-24.5	5.3
<b>Non-government sector borrowings</b>	<b>7.6</b>	<b>6.2</b>	<b>10.4</b>	<b>12.0</b>
Private sector	7.0	5.4	9.4	11.1
PSEs	14.7	14.3	22.6	23.1
<b>Other items (Net)</b>	<b>-24.0</b>	<b>-45.2</b>	<b>-15.2</b>	<b>1.6</b>
<b>M2</b>	<b>13.6</b>	<b>6.9</b>	<b>5.9</b>	<b>12.5</b>



### Memorandum Items

	Latest week	A year ago	FY14
	1-May-15	2-May-14	
Money multiplier	3.38	3.46	3.48
Currency to deposit ratio (percent)	29.54	29.16	28.00
M2 to GDP ratio (percent)	36.65	36.91	39.24
Private sector credit to GDP ratio (percent)	13.52	14.46	14.68



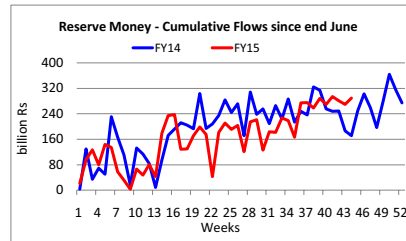
<sup>R</sup>; Revised (All weekly numbers are provisional); Source: Statistics & Data Warehouse Department (S&DWD), SBP



*Net foreign assets of SBP remained the key driver of reserve money growth during FY15 so far.*

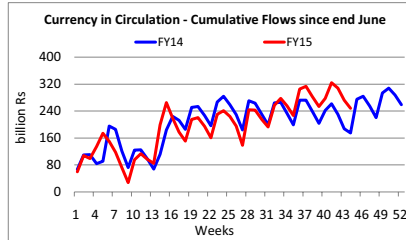
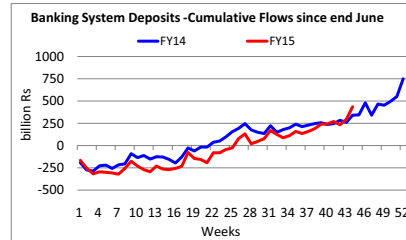
## Monetary Assets of SBP

	End June 2014 stocks	Cumulative flows since end-June		FY14 Flows
		Latest week	A year ago	
		1-May-15	2-May-14	
		(billion Rs)		
<b>NFA</b>	<b>489.6</b>	<b>245.2</b>	<b>140.2</b>	<b>356.7</b>
<b>NDA: of which</b>	<b>2,371.6</b>	<b>44.2</b>	<b>31.3</b>	<b>-30.7</b>
Budgetary borrowing	2,409.8	-505.4	-287.1	196.9
Other items (net)	-555.2	658.5	241.3	-278.8
Net impact of OMOs/discounting	-17.2	859.2	354.6	-216.0
<b>Reserve money</b>	<b>2,861.3</b>	<b>289.4</b>	<b>171.4</b>	<b>326.0</b>



## Monetary Liabilities of SBP

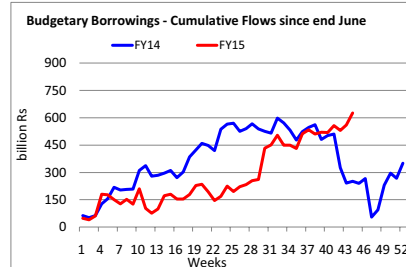
	End June 2014 stocks	Cumulative flows since end-June		FY14 Flows
		Latest week	A year ago	
		1-May-15	2-May-14	
		(billion Rs)		
Currency in circulation	2,177.9	248.2	175.3	239.7
Cash in tills	139.5	-2.4	5.1	28.6
Bank deposits with SBP (reserves)	530.7	41.1	-12.5	55.1
Other deposits with SBP	13.1	2.4	3.5	2.6
	<b>YoY</b>	<b>(percent growth)</b>		
	<b>(1-May-15)</b>			
<b>NFA of the SBP</b>	<b>169.1</b>	<b>50.1</b>	<b>105.4</b>	<b>268.3</b>
<b>NDA of the SBP: of which</b>	<b>-0.7</b>	<b>1.9</b>	<b>1.3</b>	<b>-1.3</b>
Budgetary borrowing	-1.1	-21.0	-13.0	8.9
<b>Reserve money</b>	<b>16.4</b>	<b>10.1</b>	<b>6.8</b>	<b>12.9</b>



*In FY15 so far, government borrowing needs are entirely met from Scheduled Banks.*

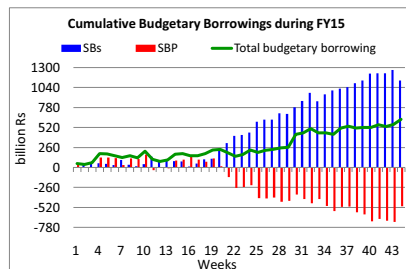
## Details on Government Borrowing for Budgetary Support

	End June 2014 stocks	Cumulative flows since end-June		FY14 flows
		Latest week	A year ago	
		1-May-15	2-May-14	
		(billion Rs)		
<b>Budgetary borrowing</b>	<b>5,549.4</b>	<b>626.1</b>	<b>251.7</b>	<b>303.0</b>
<b>Federal government</b>	<b>6,059.5</b>	<b>765.3</b>	<b>476.3</b>	<b>497.5</b>
From SBP	2,567.7	-386.4	-85.7	326.6
SBP's holdings of MRTBs	2,852.3	-563.4	556.5	577.1
From scheduled banks (SBs)	3,491.8	1,151.7	562.0	171.0
<b>Provincial governments</b>	<b>-510.1</b>	<b>-139.2</b>	<b>-224.6</b>	<b>-194.5</b>
From SBP <sup>1</sup>	-157.9	-119.0	-201.4	-129.7
From scheduled banks <sup>2</sup>	-352.3	-20.2	-23.2	-64.9



## Memorandum Items

<b>Budgetary borrowing on cash basis</b>	<b>5,448.4</b>	<b>661.6</b>	<b>255.5</b>	<b>323.7</b>
SBP	2,327.7	-457.7	-307.3	159.8
Scheduled banks	3,120.7	1,119.3	562.8	163.9



<sup>1</sup> Current overdraft ceilings for provinces are: Rs37.2 billion for Punjab; Rs15 billion for Sindh; Rs10.1 billion for KPK; Rs7.1 billion for Baluchistan, Rs4.5 billion for AJK.

<sup>2</sup> The end-June 2014 net stock of borrowings was negative as provincial governments' deposits with scheduled banks exceeded their borrowings.

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



## Private Sector Credit

*Credit to private sector increased by Rs. 205 billion during Jul-Mar FY15 compared to Rs. 336 billion during same period of FY14.*

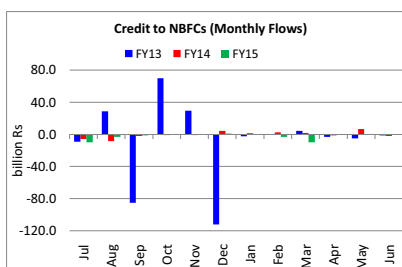
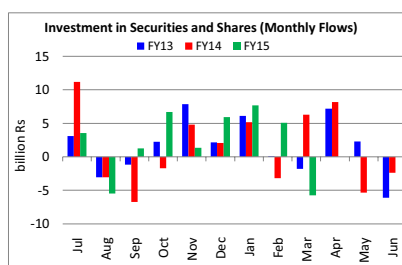
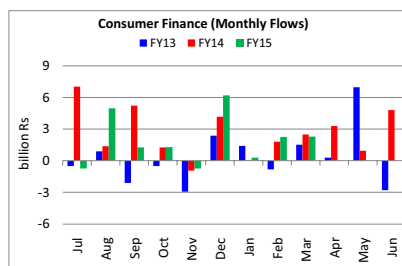
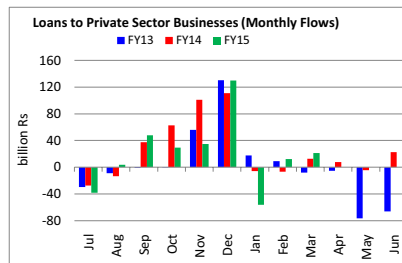
### Credit to Private Sector

	End June 2014 stocks	Cumulative flows (billion Rs)		
		Jul-Mar FY15	Jul-Mar FY14	FY14
<b>Total credit to private sector <sup>1</sup></b>	<b>3,728.7</b>	<b>204.9</b>	<b>335.8</b>	<b>371.4</b>
<b>1. Loans to private sector businesses</b>	<b>2,765.2</b>	<b>185.1</b>	<b>271.7</b>	<b>298.0</b>
<b>By type</b>				
Working capital: of which	1,841.5	98.2	222.6	228.3
Export finance	276.0	32.9	27.0	14.7
Import finance	157.1	17.3	17.4	24.5
Fixed investment	923.7	86.9	49.2	69.7
<b>By Sectors: of which</b>				
<b>Agriculture</b>	<b>252.7</b>	<b>↑ 14.3</b>	<b>↑ 16.6</b>	<b>↑ 30.7</b>
<b>Manufacturing: of which</b>				
<b>Manufacturing</b>	<b>1,636.0</b>	<b>↑ 104.6</b>	<b>↑ 215.1</b>	<b>↑ 187.2</b>
Textiles	558.1	↑ 29.5	↑ 68.6	↑ 43.2
Food products & beverages	414.4	↑ 56.8	↑ 95.2	↑ 97.5
Chemicals & products	191.9	↑ 1.9	↑ 3.5	↑ 20.2
Non-metallic mineral products	53.7	↓ -2.1	↓ -7.4	↓ -13.2
Wearing apparel, readymade gar.	53.9	↑ 0.2	↓ -1.9	↓ -0.6
<b>Electricity, gas and water</b>	<b>278.6</b>	<b>↓ -3.2</b>	<b>↑ 26.8</b>	<b>↑ 49.8</b>
<b>Construction</b>	<b>52.3</b>	<b>↑ 11.0</b>	<b>↓ -1.6</b>	<b>↓ -1.1</b>
<b>Commerce and trade</b>	<b>223.3</b>	<b>↑ 11.1</b>	<b>↑ 20.3</b>	<b>↑ 16.4</b>
<b>Transport, storage and comm.</b>	<b>117.1</b>	<b>↑ 9.9</b>	<b>↓ -4.0</b>	<b>↑ 27.3</b>
<b>Services: of which</b>				
Real estate/renting & business act	89.5	↑ 17.8	↓ -3.3	↓ -10.4
<b>2. Personal: of which</b>	<b>337.6</b>	<b>↑ 23.9</b>	<b>↑ 21.7</b>	<b>↑ 31.9</b>
Consumer financing	242.8	↑ 17.2	↑ 22.5	↑ 31.5
<b>3. Investment in securities and shares</b>	<b>187.5</b>	<b>↑ 20.3</b>	<b>↑ 14.8</b>	<b>↑ 15.3</b>
<b>4. Others<sup>2</sup>: of which</b>	<b>438.4</b>	<b>↓ -24.3</b>	<b>↑ 27.5</b>	<b>↑ 26.2</b>
Non-bank finance companies	152.6	↓ -25.7	↓ -7.6	↓ -4.2

<sup>1</sup> From Weekly Monetary Survey's month end position.

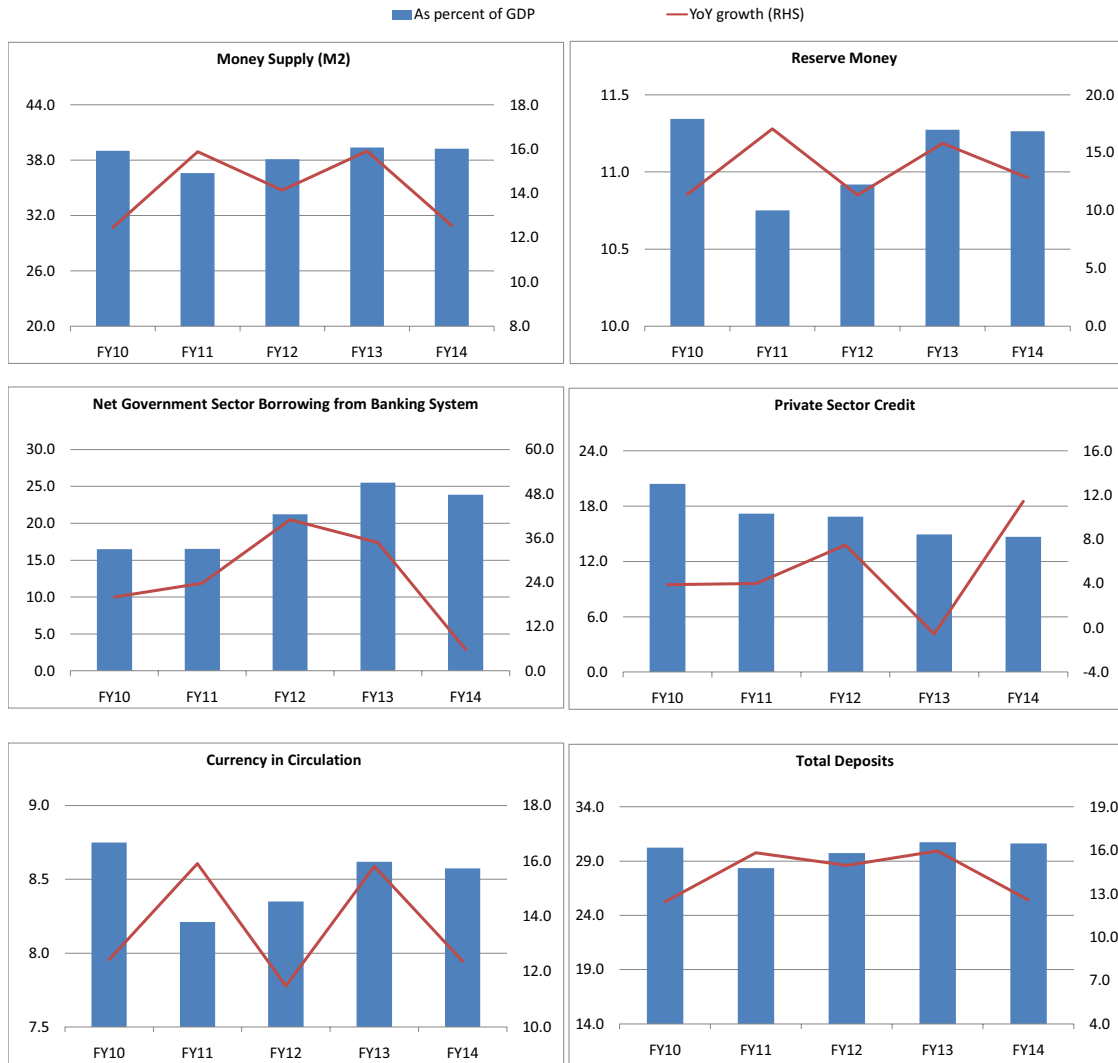
<sup>2</sup> This also includes credit to some Public Sector Enterprises, and other categories.

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





## Key Indicators of Monetary Sector

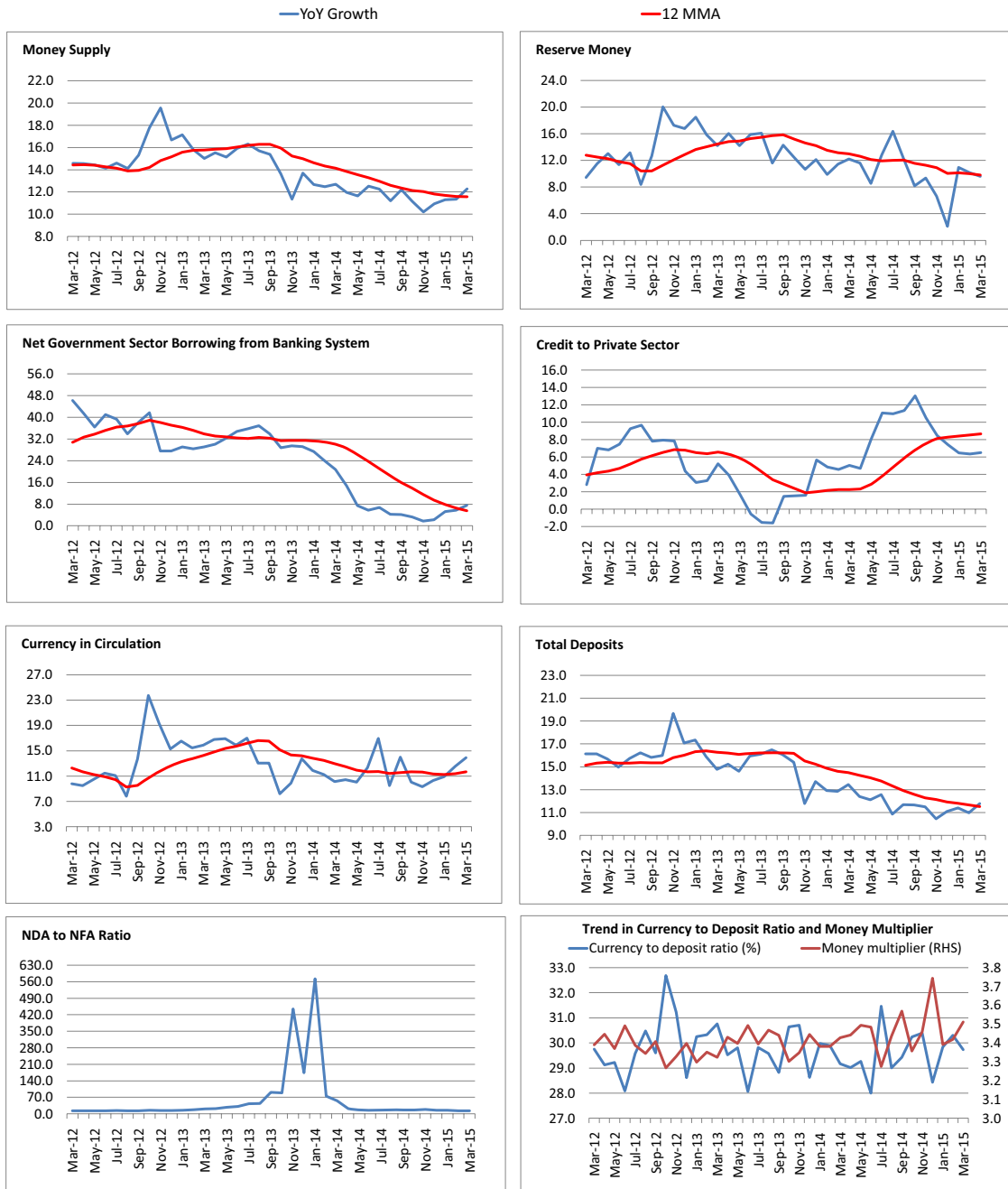


YoY growth of end June Stocks

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



## Trends in Monetary Aggregates



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



## Money Market

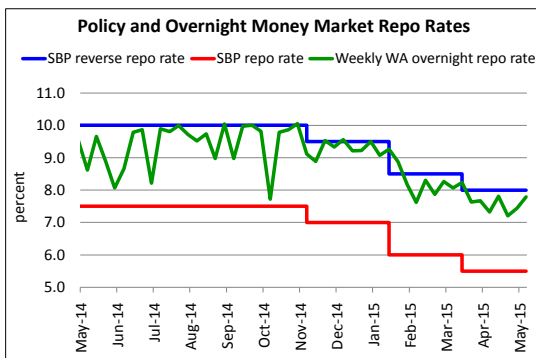
With effect from 24th March 2015, SBP decreased the SBP reverse repo rate by 50 bps to 8.0 percent.

Policy Instruments (percent)

	Current	w.e.f	Previous	w.e.f	Change <sup>1</sup>
SBP reverse repo rate	8.0	24-Mar-15	8.5	26-Jan-15	↓ -50
SBP repo rate	5.5	24-Mar-15	6.0	26-Jan-15	↓ -50
Bi-weekly average CRR on DL and TL < 1 year	5.0	1-Nov-08	6.0	18-Oct-08	↓ -100
Daily minimum CRR on DL and TL < 1 year	3.0	12-Oct-12	4.0	1-Nov-08	↓ -100
CRR on TL > 1 year	0.0	4-Aug-07	3.0	22-Jul-06	↓ -300
SLR on DL and TL < 1 year	19.0	24-May-08	18.0	22-Jul-06	↑ 100
Islamic banks	19.0	3-Jun-11	14.0	1-Apr-11	↑ 500
SLR on TL > 1 year	0.0	18-Oct-08	19.0	24-May-08	↓ -1900
Islamic banks	0.0	18-Oct-08	9.0	24-May-08	↓ -900

<sup>1</sup> Basis points

DL: Demand Liabilities; TL: Time Liabilities



Volatility in overnight repo rate has decreased in Q4-FY15 so far, compared to Q3-FY15.

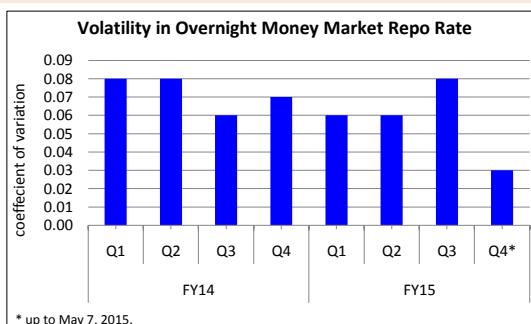
Weighted Average O/N Money Market Repo Rate (percent)

	FY15				Year
	Q1	Q2	Q3	Q4*	
WA O/N repo rate <sup>2</sup>	9.60	9.38	8.29	7.33	8.85
Standard deviation	0.54	0.60	0.63	0.24	0.93
CoV <sup>3</sup>	0.06	0.06	0.08	0.03	0.11

\* up to May 7, 2015 YTD: Year to date

<sup>2</sup> Weekly Weighted Average O/N Repo Rate

<sup>3</sup> CoV (Coefficient of Variation) is a ratio and is unit free.



\* up to May 7, 2015.

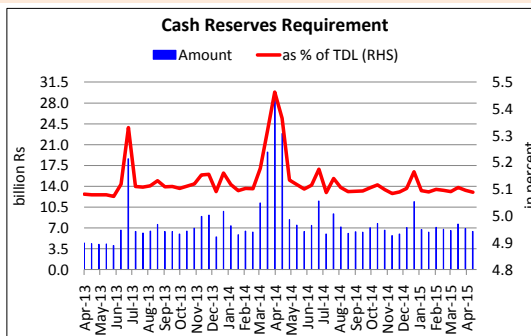
Banks' holding of government securities now stands at 84 percent of their total liquid assets maintained.

Bi-weekly Cash Reserves Requirement (CRR)<sup>4</sup> (billion Rs)

	Maintenance period ended as on		Change since Last MPS	
	23-Apr-15	26-Mar-15	26-Mar-15	12-Mar-15 <sup>5</sup>
Cash required	362.6	357.5	↑ 5.1	↑ 4.7
Cash maintained	369.0	365.1	↑ 3.9	↑ 4.6
Excess cash reserves (per day)	6.4	7.7	↓ -1.2	↓ -0.1

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

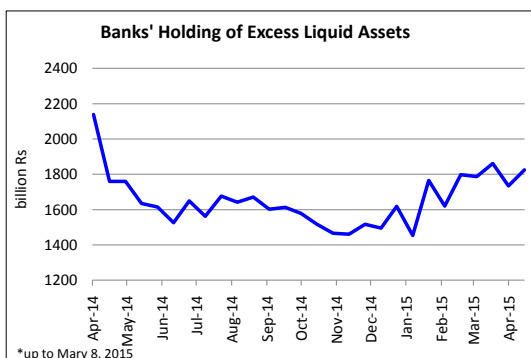
<sup>5</sup> As on Thursday preceding the last monetary policy decision.



Overall Reserve Requirement (billion Rs)

	Maintenance period started as on		Change since	
	24-Apr-15	27-Mar-15	27-Mar-15	13-Mar-15 <sup>9</sup>
<b>Required reserves</b>	<b>1746.7</b>	<b>1735.5</b>	<b>↑ 11.2</b>	<b>↑ 30.8</b>
for CRR	363.9	361.6	↑ 2.3	↑ 6.4
for SLR	1382.8	1374.0	↑ 8.9	↑ 24.4
<b>Maintained<sup>6</sup></b>	<b>3572.3</b>	<b>3597.7</b>	<b>↓ -25.4</b>	<b>↑ 70.0</b>
Cash	556.2	603.3	↓ -47.1	↑ 37.2
Cash in tills	157.6	161.6	↓ -4.1	↑ 9.1
Balance with SBP	370.9	407.4	↓ -36.5	↑ 22.2
Balance with NBP	27.8	34.2	↓ -6.5	↑ 6.0
Securities	2982.9	2960.9	↑ 22.1	↑ 33.1
Others <sup>7</sup>	33.2	33.5	↓ -0.3	↓ -0.3
<b>Excess liquid assets<sup>8</sup></b>	<b>1825.6</b>	<b>1862.1</b>	<b>↓ -36.5</b>	<b>↑ 39.2</b>

Source: Off-site Supervision and Enforcement Department, SBP



\* up to May 8, 2015

<sup>6</sup> Data corresponds to the balances as on that date

<sup>7</sup> Includes Section 13(3) deposits and share capital of MFBs.

<sup>8</sup> Includes excess securities + cash and other assets maintained.

<sup>9</sup> As on Friday preceding the last monetary policy decision

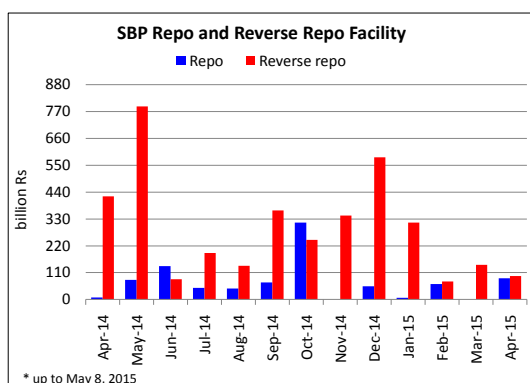


**Banks' use of SBP's reverse repo facility has decreased in Q4-FY15 so far, as compared to last quarter.**

### Use of SBP's Standing Facilities

	SBP reverse repo		SBP repo	
	Amount	Days	Amount	Days
	billion Rs	No.	billion Rs	No.
<b>FY14</b>	<b>4,084.5</b>	<b>71</b>	<b>1,084.3</b>	<b>39</b>
Q1	250.6	11	419.0	13
Q2	977.6	16	199.8	6
Q3	1,559.1	26	239.9	6
Q4	1,297.2	18	225.6	14
<b>FY15<sup>1</sup></b>	<b>2,567.1</b>	<b>67</b>	<b>690.6</b>	<b>18</b>
Q1	693.3	21	163.5	4
Q2	1,170.4	21	369.4	8
Q3	531.6	18	70.5	4
Q4 <sup>1</sup>	171.9	7	87.3	2

<sup>1</sup> Updated up to May 8, 2015



**The level of average outstanding OMOs has shown positive trend in FY15 so far.**

### Outstanding Open Market Operations<sup>2</sup> (billion rupees)

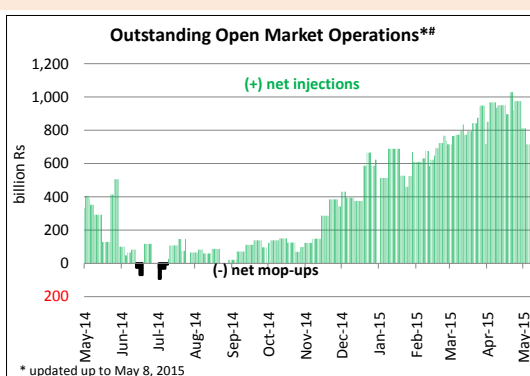
	Average Outstanding OMOs	End-period Outstanding OMOs
<b>FY14</b>	<b>53.9</b>	<b>-</b>
Q1	(34.7)	(40.0)
Q2	(11.8)	66.1
Q3	67.0	250.0
Q4	196.9	-
<b>FY15<sup>3</sup></b>	<b>398.2</b>	<b>794.9</b>
Q1	63.0	0.0
Q2	281.0	0.0
Q3	683.2	718.4
Q4 <sup>3</sup>	910.6	794.9

<sup>2</sup> It does not include the impact of outright transactions .

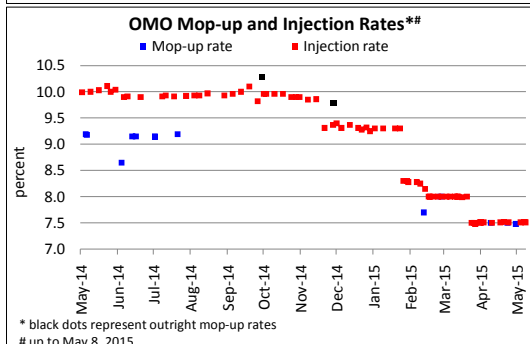
\*Note: (+) amount means net injection  
(-) amount means net mop-up

<sup>3</sup> Updated up to May 8, 2015

Source: Domestic Markets & Monetary Management Department, SBP



\* updated up to May 8, 2015



\* black dots represent outright mop-up rates  
# up to May 8, 2015

### Outright Open Market Operations (billion rupees)

	Net Sale	End-period Outstanding
<b>FY13</b>	<b>37.9</b>	<b>-</b>
Q1	-	-
Q2	-	-
Q3	37.9	37.9
Q4	-	-
<b>FY14</b>	<b>379.6</b>	<b>-</b>
Q1	-	-
Q2	90.5	90.5
Q3	289.1	289.1
Q4	-	-
<b>FY15<sup>4</sup></b>	<b>160.0</b>	<b>-</b>
Q1	70.0	70.0
Q2	90.0	90.0
Q3	-	-
Q4 <sup>3</sup>	-	-

<sup>4</sup> Updated up to May 8, 2015

### Open Market Operations for GoP Ijara Sukuk - Outright<sup>5</sup> (billion rupees)

	Bai-Muajjal Purchases	Ready Sales
<b>FY15</b>	<b>179.9</b>	<b>179.9</b>
Q1	-	-
Q2	90.4	90.4
Q3	89.5	89.5
Q4 <sup>6</sup>	-	-

<sup>5</sup> As per DMMD Circular No. 17 of 2014 dated October 15, 2014.

<sup>6</sup> Updated up to May 8, 2015

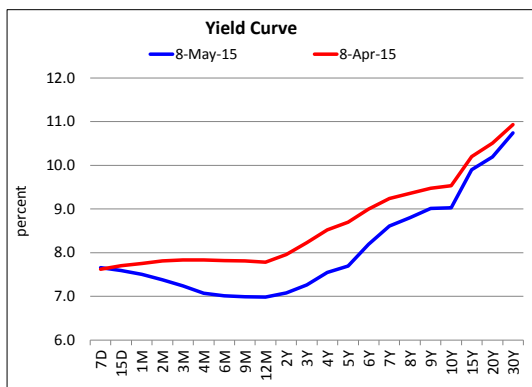




**Secondary market yields for all tenors have decreased since the last monetary policy decision in March 2015.**

**Pak Rupee Revaluation (PKRV) Rates<sup>1</sup> (%)**

Tenors	Current		Change (in basis points) since	
	8-May-15	8-Apr-15	8-Apr-15	Last MPS
				20-Mar-15
1-week	7.66	7.62	↑ 4	↓ -56
2-week	7.59	7.70	↓ -11	↓ -63
1-month	7.50	7.75	↓ -25	↓ -71
3-month	7.24	7.83	↓ -59	↓ -88
6-month	7.01	7.82	↓ -81	↓ -85
9-month	6.99	7.81	↓ -82	↓ -84
12-month	6.98	7.78	↓ -80	↓ -80
2-year	7.08	7.96	↓ -88	↓ -77
3-year	7.26	8.23	↓ -97	↓ -72
5-year	7.69	8.70	↓ -101	↓ -55
7-year	8.61	9.24	↓ -63	↓ -14
10-year	9.03	9.53	↓ -50	↓ -10
20-year	10.19	10.51	↓ -32	↓ -17
30-year	10.74	10.93	↓ -19	↓ -6

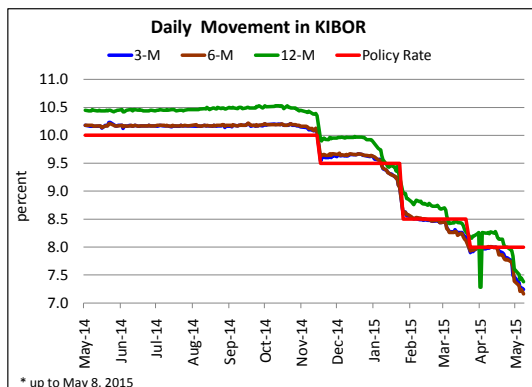


<sup>1</sup> It is secondary market yield-to-maturity used by banks to revalue their holding of securities (i.e. mark to market).

**KIBOR of all tenors have decreased since the last monetary policy decision in March 2015.**

**Tenor-wise KIBOR (%)**

Tenors	Current		Change (in basis points) since	
	8-May-15	8-Apr-15	8-Apr-15	Last MPS
				20-Mar-15
1-week	7.78	7.78	↑ 0	↓ -55
2-week	7.76	7.83	↓ -7	↓ -55
1-month	7.71	7.90	↓ -19	↓ -60
3-month	7.24	7.98	↓ -74	↓ -94
6-month	7.16	8.01	↓ -85	↓ -96
9-month	7.43	8.25	↓ -82	↓ -86
12-month	7.38	8.26	↓ -88	↓ -89
2-year	7.50	8.34	↓ -84	↓ -82
3-year	7.66	8.45	↓ -79	↓ -76

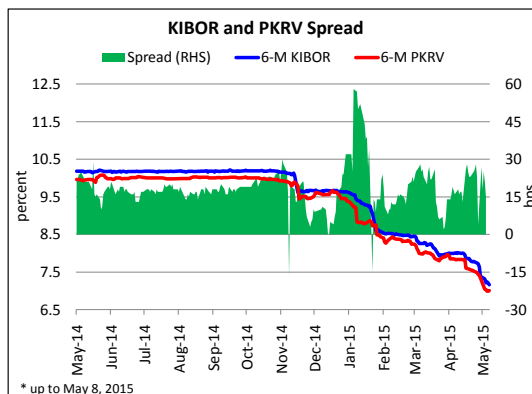


\* up to May 8, 2015

**Spreads between KIBOR and PKRV rates for 3-month and above tenors have decreased compared to their levels observed at the time of monetary policy announcement in March 2015.**

**KIBOR and PKRV Spread (basis points)**

Tenors	Current		Change since	
	8-May-15	8-Apr-15	8-Apr-15	Last MPS
				20-Mar-15
1-week	12	16	↓ -4	↑ 1
2-week	17	13	↑ 4	↑ 8
1-month	21	15	↑ 6	↑ 11
3-month	0	15	↓ -15	↓ -6
6-month	15	19	↓ -4	↓ -11
9-month	44	44	0	↓ -2
12-month	40	48	↓ -8	↓ -9
2-year	42	38	↑ 4	↓ -5
3-year	40	22	↑ 18	↓ -4



\* up to May 8, 2015

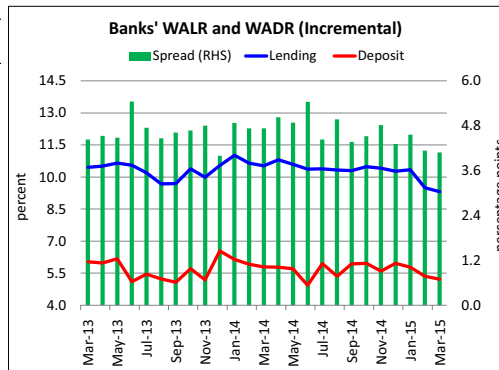
Sources: SBP and Financial Market Association of Pakistan



**Spread between incremental WALR and WADR stands at 408 bps in March 2015.**

**Weighted average Lending and Deposit Rates (percent per annum)**

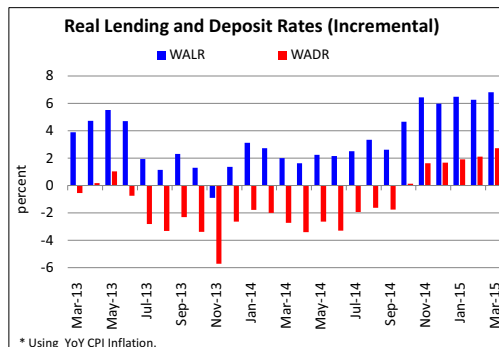
Months	Incremental <sup>1</sup>			Outstanding		
	WALR	WADR	Spread (bps)	WALR	WADR	Spread (bps)
Mar-14	10.53	5.80	473	11.10	5.05	605
Apr-14	10.81	5.78	503	11.10	5.04	605
May-14	10.59	5.70	489	11.15	5.05	611
Jun-14	10.37	4.93	543	11.10	4.75	636
Jul-14	10.38	5.95	443	11.06	5.11	595
Aug-14	10.33	5.36	497	10.92	5.17	575
Sep-14	10.30	5.93	437	11.00	5.12	588
Oct-14	10.48	5.96	452	10.92	5.11	581
Nov-14	10.41	5.59	482	10.93	5.11	581
Dec-14	10.28	5.97	431	10.92	4.90	602
Jan-15	10.35	5.78	457	10.73	4.94	579
Feb-15	9.50	5.36	414	10.55	4.66	589
Mar-15	9.31	5.22	408	10.47	4.55	591



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

**Both real lending and deposit rates, calculated on the basis of YoY CPI inflation, have increased in March 2015.**

Months	Real (based on 12-month MA inflation) <sup>2</sup>		Real (based on YoY inflation) <sup>3</sup>	
	WALR	WADR	WALR	WADR
Mar-14	2.64	-2.09	2.00	-2.73
Apr-14	2.64	-2.39	1.63	-3.40
May-14	2.16	-2.73	2.25	-2.64
Jun-14	1.75	-3.69	2.14	-3.29
Jul-14	1.79	-2.64	2.49	-1.93
Aug-14	1.88	-3.08	3.33	-1.63
Sep-14	1.83	-2.54	2.62	-1.75
Oct-14	2.30	-2.22	4.66	0.14
Nov-14	2.81	-2.01	6.44	1.63
Dec-14	3.09	-1.22	5.98	1.67
Jan-15	3.50	-1.06	6.47	1.91
Feb-15	3.05	-1.09	6.26	2.12
Mar-15	3.36	-0.73	6.82	2.73



\* Using YoY CPI Inflation.

<sup>2</sup> Nominal rate less CPI inflation (12-month moving average).

<sup>3</sup> Nominal rate less CPI inflation (year on year).

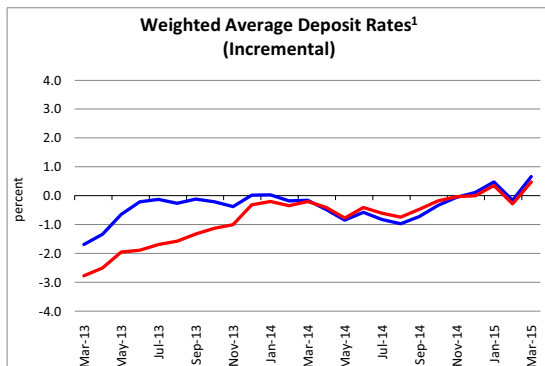
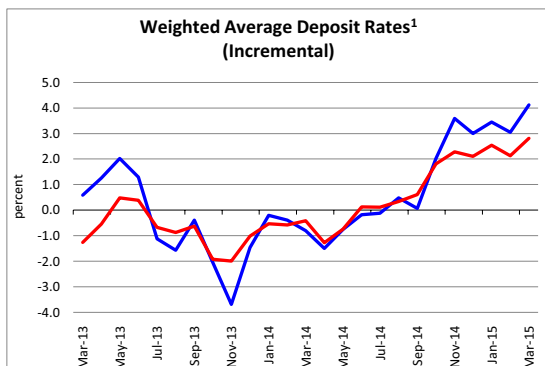
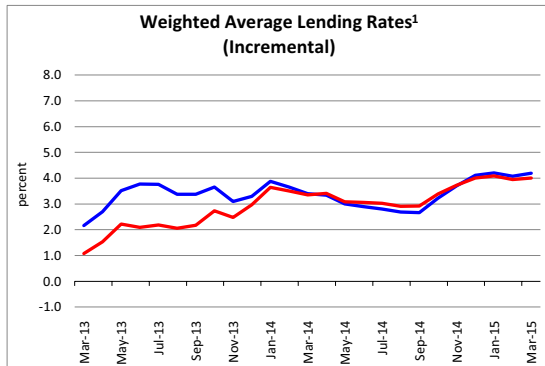
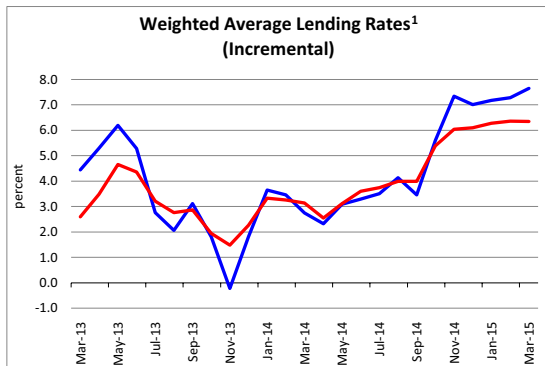
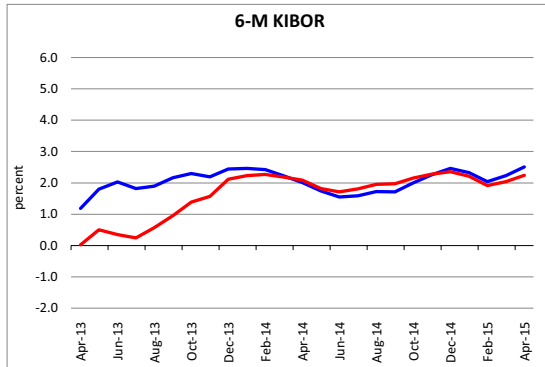
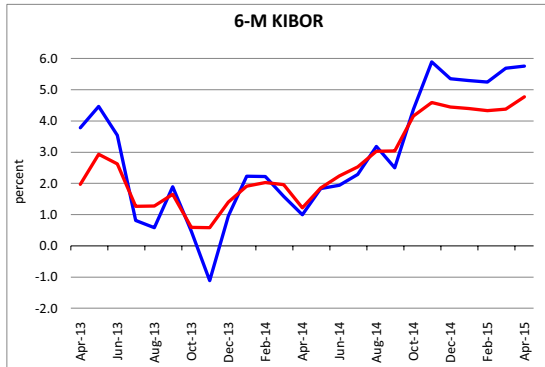
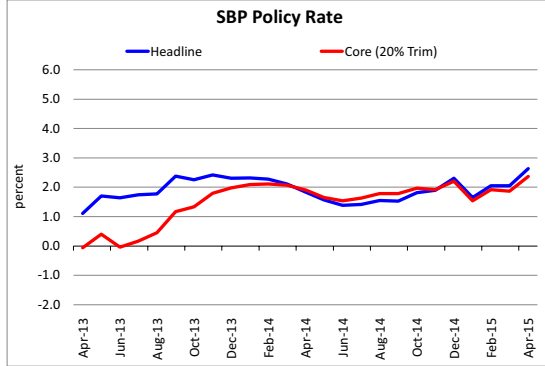
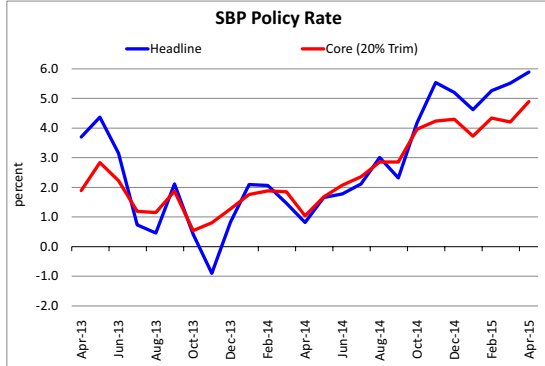
Sources: Statistics & Data Warehouse Department, SBP & Pakistan Bureau of Statistics



# Real Interest Rates

Using YoY CPI inflation

Using 12-month moving average CPI inflation



<sup>1</sup> 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-FY15 so far, government has raised less than the targeted amount.**

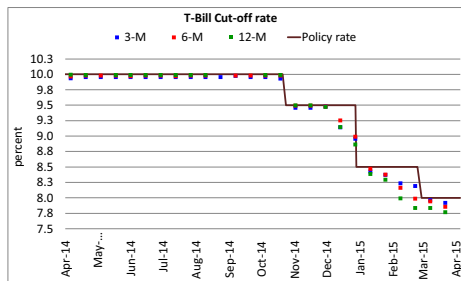
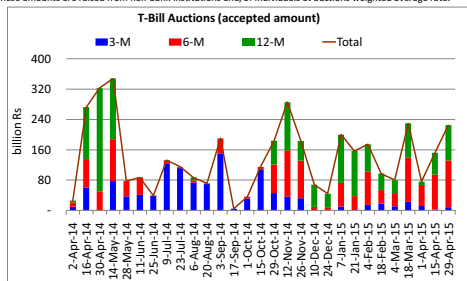
FY/Q/ Settlement date	T-bill Auction (billion Rs (Realized value), rates in percent)												Non- competitive bids <sup>4</sup>	
	TOTAL				3-Month			6-Month			12-Month			
	Target	Maturity	Offered	Accepted <sup>2</sup>	Offered	Accepted <sup>2</sup>	Cut-off <sup>3</sup>	Offered	Accepted <sup>2</sup>	Cut-off <sup>3</sup>	Offered	Accepted <sup>2</sup>		Cut-off <sup>3</sup>
<b>FY13</b>	<b>5,075.0</b>	<b>5,049.0</b>	<b>7,160.3</b>	<b>4,772.3</b>	<b>1,308.0</b>	<b>884.2</b>	-	<b>3,243.1</b>	<b>2,136.6</b>	-	<b>2,609.1</b>	<b>1,751.4</b>	-	<b>511.3</b>
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	1,325.0	1,309.2	1,424.4	1,153.6	259.9	212.5	8.96	388.0	322.4	8.97	776.5	618.7	8.98	119.0
<b>FY14</b>	<b>8,425.0</b>	<b>8,148.4</b>	<b>6,951.4</b>	<b>6,354.6</b>	<b>5,209.6</b>	<b>4,696.7</b>	-	<b>924.8</b>	<b>857.6</b>	-	<b>817.0</b>	<b>800.4</b>	-	<b>287.8</b>
Q1	1,600.0	1,594.6	1,446.6	1,276.7	1,200.3	1,057.4	9.41	230.6	210.0	9.45	15.7	9.3	8.98	72.2
Q2	2,100.0	2,248.8	2,591.3	2,259.2	2,560.6	2,244.7	9.96	29.9	14.5	9.98	0.8	-	-	87.9
Q3	2,450.0	2,360.2	1,728.3	1,646.0	1,177.3	1,129.2	9.96	325.3	300.7	9.98	225.6	216.1	9.99	72.7
Q4	2,275.0	1,944.7	1,185.3	1,172.7	271.4	265.4	9.96	339.0	332.4	9.97	575.0	575.0	9.99	55.0
<b>FY15<sup>1</sup></b>	<b>3,470.0</b>	<b>2,780.4</b>	<b>5,300.7</b>	<b>2,908.0</b>	<b>1,054.5</b>	<b>888.3</b>	-	<b>1,744.1</b>	<b>1,024.9</b>	-	<b>2,502.1</b>	<b>994.8</b>	-	<b>249.8</b>
Q1	700.0	630.1	603.3	601.2	535.8	534.9	9.96	56.1	54.9	9.98	11.4	11.4	9.99	39.4
Q2	1,245.0	978.9	976.0	915.4	262.7	255.7	9.48	324.1	323.2	9.48	389.2	336.6	9.47	60.0
Q3	925.0	569.8	2,394.1	937.8	121.6	75.8	8.19	750.9	375.6	7.99	1,521.6	486.4	7.84	106.2
Q4 <sup>1</sup>	600.0	601.7	1,327.2	453.6	134.4	22.0	7.38	613.0	271.1	7.30	579.9	160.5	7.22	44.2

<sup>1</sup> Up till May 8, 2015

<sup>2</sup> The amount does not include the non-competitive bids.

<sup>3</sup> Quarterly rate are for end-period.

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



**In the PIB auctions held in FY15 so far, government has raised greater amount than the target.**

PIB Auction (billion Rs (Face value), rates in percent) <sup>5</sup>										
		3-Year	5-Year	7-Year	10-Year	15-Year	20-Year	30-Year	Total	Target
<b>FY14</b>	<b>Cut-off rate<sup>6</sup></b>	<b>12.1</b>	<b>12.6</b>	-	<b>13.0</b>	-	<b>13.0</b>	-	<b>2212.0</b>	-
	<b>Offered</b>	<b>1221.7</b>	<b>459.9</b>	-	<b>508.1</b>	-	<b>22.3</b>	-	<b>2212.0</b>	-
	<b>Accepted</b>	<b>1161.6</b>	<b>420.7</b>	-	<b>416.0</b>	-	<b>20.3</b>	-	<b>2018.6</b>	<b>780.0</b>
Q1	Cut-off rate	11.7	12.2	-	12.6	-	-	-	-	-
	Offered	32.7	27.0	-	23.1	-	-	-	82.7	-
	Accepted	24.2	23.8	-	15.2	-	-	-	63.1	150.0
Q2	Cut-off rate	12.1	12.6	-	13.0	-	13.3	-	-	-
	Offered	51.7	43.0	-	123.6	-	0.5	-	218.9	-
	Accepted	29.5	12.5	-	58.4	-	0.5	-	100.9	150.0
Q3	Cut-off rate	12.1	12.6	-	12.9	-	12.9	-	-	-
	Offered	527.5	249.6	-	237.0	-	12.8	-	1026.8	-
	Accepted	503.2	245.4	-	218.6	-	11.8	-	978.9	180.0
Q4	Cut-off rate	12.1	12.6	-	13.0	-	13.0	-	-	-
	Offered	609.9	140.3	-	124.4	-	9.0	-	883.6	-
	Accepted	604.7	139.1	-	123.9	-	8.0	-	875.7	300.0
<b>FY15<sup>7</sup></b>	<b>Cut-off rate<sup>6</sup></b>	<b>10.6</b>	<b>10.8</b>	-	<b>11.7</b>	-	<b>8.8</b>	-	<b>1946.5</b>	-
	<b>Offered</b>	<b>993.7</b>	<b>504.0</b>	-	<b>440.1</b>	-	<b>8.8</b>	-	<b>1946.5</b>	-
	<b>Accepted</b>	<b>405.4</b>	<b>247.3</b>	-	<b>195.5</b>	-	<b>8.0</b>	-	<b>856.3</b>	<b>650.0</b>
Q1	Cut-off rate	12.6	13.0	-	13.5	-	13.6	-	-	-
	Offered	207.6	64.1	-	92.7	-	7.5	-	371.9	-
	Accepted	162.4	57.4	-	74.6	-	7.5	-	302.0	300.0
Q2	Cut-off rate	10.6	10.8	-	11.7	-	-	-	-	-
	Offered	481.2	145.0	-	192.0	-	0.8	-	819.0	-
	Accepted	178.1	69.8	-	92.4	-	-	-	340.3	150.0
Q3 <sup>7</sup>	Cut-off rate	8.3	8.7	-	9.5	-	-	-	-	-
	Offered	229.0	243.5	-	134.8	-	0.5	-	607.8	-
	Accepted	37.7	116.2	-	24.7	-	0.5	-	179.1	150.0
Q4	Cut-off rate	7.9	8.4	-	9.3	-	-	-	-	-
	Offered	75.9	51.4	-	20.6	-	-	-	147.9	-
	Accepted	27.2	4.0	-	3.7	-	-	-	34.9	50.0

<sup>5</sup> -: Either no bid received or bids were rejected.

<sup>6</sup> Excluding non-competitive bids and short-selling accommodation

<sup>7</sup> Quarterly rate are for end-period.

<sup>8</sup> Up till May 8, 2015

**Government had successfully raised the targeted amount in the Sukuk auctions held in Q4-FY14.**

3-year Ijarah Sukuk Auction (billion Rs, margin in bps)				
	Target	Total offered	Total accepted	Cut-off margin <sup>8</sup>
<b>FY13</b>	<b>88.0</b>	<b>196.9</b>	<b>90.0</b>	-
Q1	45.0	110.6	47.0	(25)
Q2	-	-	-	-
Q3	43.0	86.3	43.0	(30)
Q4	-	-	-	-
<b>FY14</b>	<b>49.5</b>	<b>113.7</b>	<b>49.5</b>	-
Q1	-	-	-	-
Q2	-	-	-	-
Q3	-	-	-	-
Q4	49.5	113.7	49.5	(200)
<b>FY15</b>	-	-	-	-
Q1	-	-	-	-
Q2	-	-	-	-
Q3	-	-	-	-
Q4	-	-	-	-

<sup>8</sup> 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

*In FY15 so far, Pak rupee has depreciated by 2.9 percent against US Dollar.*

	PKR against international currencies			App/(Dep) of PKR
	Latest 08-May-15	Last MPS 20-Mar-15	Jun-14	Cumulative since Jun-14
USD	101.75	102.09	98.80	(2.89)
Euro	114.35	109.06	134.94	18.01
Sterling	157.04	150.59	168.15	7.07
JPY	0.85	0.84	0.97	14.94
USD Kerb	102.65	102.85	99.30	(3.26)
Premium (Rs)	0.90	0.76	0.50	-
Daily NEER	91.50	92.94	85.80	6.64

Source: SBP

	International exchange rates <sup>2</sup>			% App/(Dep) of USD
	Latest 08-May-15	Last MPS 20-Mar-15	Jun-14	Cumulative since Jun-14
USD/EUR	1.12	1.07	1.37	21.52
USD/GBP	1.54	1.48	1.70	10.26
JPY/USD	120.00	121.09	101.38	18.36
INR/USD	63.96	62.53	60.06	6.49
CNY/USD	6.21	6.21	6.20	0.09
THB/USD	33.49	32.75	32.46	3.17
MYR/USD	3.60	3.73	3.21	12.01
SGD/USD	1.33	1.39	1.25	6.54

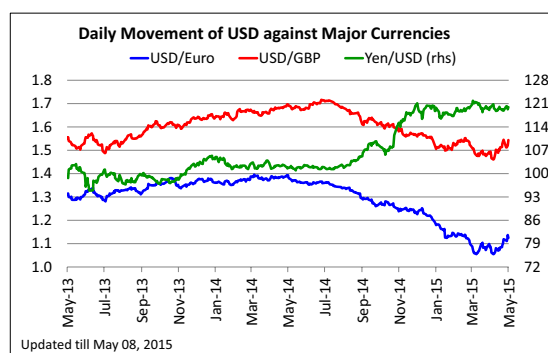
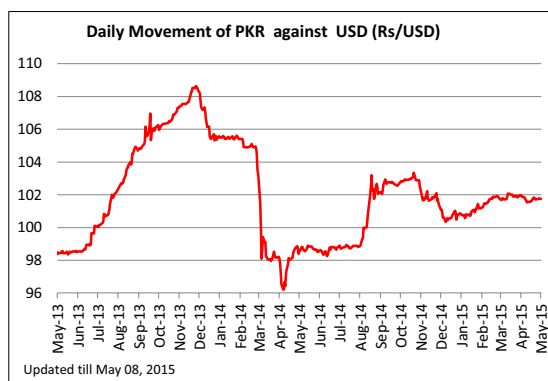
<sup>2</sup> The exchange rates are shown as per country practices

### PKR/USD Interbank Exchange Rate Trends on Fiscal Year Basis

	High	Low	Close	Average	Volatility C/C <sup>3</sup>
FY10	85.58	81.40	85.51	83.89	3.02
FY11	86.50	83.93	85.97	85.56	2.40
FY12	94.69	85.79	94.55	89.27	2.48
FY13	99.80	93.70	99.66	96.85	1.67
FY14	110.50	95.75	98.80	102.88	4.07
FY15 <sup>4</sup>	103.45	98.58	101.75	101.39	2.75

<sup>3</sup> Reuters: Average Close-to-Close Daily Volatility (in %)

<sup>4</sup> Updated upto 08th May 2015



### PKR/USD Interbank Exchange Rate Trends on Quarterly Basis

	High	Low	Close	Average	Volatility C/C <sup>3</sup>
Q3-FY13	98.53	97.22	98.44	97.92	1.30
Q4-FY13	99.80	98.24	99.66	98.52	1.03
Q1-FY14	110.50	99.55	106.06	103.06	3.45
Q2-FY14	108.75	105.10	105.32	107.01	3.03
Q3-FY14	105.70	97.12	98.53	103.48	5.63
Q4-FY14	98.96	95.75	98.80	98.31	4.14
Q1-FY15	103.27	98.58	102.63	100.70	4.32
Q2-FY15	103.45	100.23	100.48	101.88	2.92
Q3-FY15 <sup>4</sup>	102.01	101.44	101.75	101.77	1.20



# Monetary Policy Information Compendium

May 2014

**In real terms, Pak rupee has appreciated by 7.6 percent during Jul-Mar FY15.**

## Changes in Nominal Effective Exchange Rate (NEER)

Base Year: CY2010

		NEER Index	2013				2014				2015
			Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar <sup>P</sup>
			2013	Mar	86.74	-	-0.30	-6.55	-8.41	-1.90	-0.56
Jun	86.48	-		-	-6.27	-8.14	-1.61	-0.26	-1.79	3.60	7.41
Sep	81.06	-		-	-	-2.00	4.97	6.41	4.78	10.52	14.59
Dec	79.44	-		-	-	-	7.11	8.57	6.91	12.77	16.93
2014	Mar	85.09	-	-	-	-	-	1.36	-0.18	5.29	9.17
	Jun	86.25	-	-	-	-	-	-	-1.53	3.87	7.70
	Sep	84.93	-	-	-	-	-	-	-	5.48	9.37
	Dec	89.59	-	-	-	-	-	-	-	-	3.68
2015	Mar <sup>P</sup>	92.89	-	-	-	-	-	-	-	-	-

<sup>P</sup> Revised

## Changes in Relative price Index (RPI)

Base Year: CY2010

		RPI	2013				2014				2015
			Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar <sup>P</sup>
			2013	Mar	118.21	-	2.08	4.16	6.03	6.48	8.03
Jun	120.67	-		-	2.03	3.87	4.31	5.83	7.92	6.87	5.76
Sep	123.12	-		-	-	1.80	2.23	3.72	5.77	4.74	3.65
Dec	125.34	-		-	-	-	0.42	1.88	3.90	2.89	1.82
2014	Mar	125.86	-	-	-	-	-	1.45	3.46	2.46	1.39
	Jun	127.69	-	-	-	-	-	-	1.98	0.99	-0.06
	Sep	130.22	-	-	-	-	-	-	-	-0.97	-2.00
	Dec	128.96	-	-	-	-	-	-	-	-	-1.04
2015	Mar <sup>P</sup>	127.61	-	-	-	-	-	-	-	-	-

<sup>P</sup> Provisional

## Changes in Real Effective Exchange Rate (REER)

Base Year: CY2010

		REER Index	2013				2014				2015
			Mar	Jun	Sep	Dec	Mar	Jun	Sep	Dec	Mar <sup>P</sup>
			2013	Mar	102.53	-	1.78	-2.66	-2.89	4.46	7.42
Jun	104.35	-		-	-4.36	-4.58	2.63	5.55	5.99	10.71	13.60
Sep	99.80	-		-	-	-0.23	7.31	10.36	10.82	15.76	18.78
Dec	99.57	-		-	-	-	7.56	10.62	11.08	16.03	19.05
2014	Mar	107.10	-	-	-	-	-	2.84	3.27	7.87	10.68
	Jun	110.14	-	-	-	-	-	-	0.42	4.90	7.63
	Sep	110.60	-	-	-	-	-	-	-	4.46	7.18
	Dec	115.53	-	-	-	-	-	-	-	-	2.61
2015	Mar <sup>P</sup>	118.54	-	-	-	-	-	-	-	-	-

<sup>P</sup> Provisional

Source: SBP



## Capital Market

**KSE-100 Index has decreased by 0.6 percent and Market Capitalization has increased by 2.5 percent respectively during May 2015 so far.**

### Performance of Karachi Stock Exchange

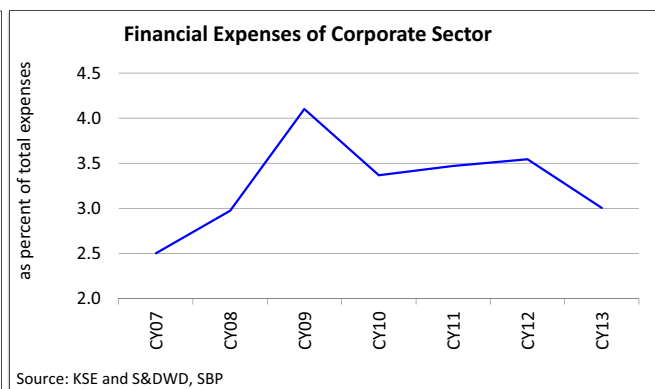
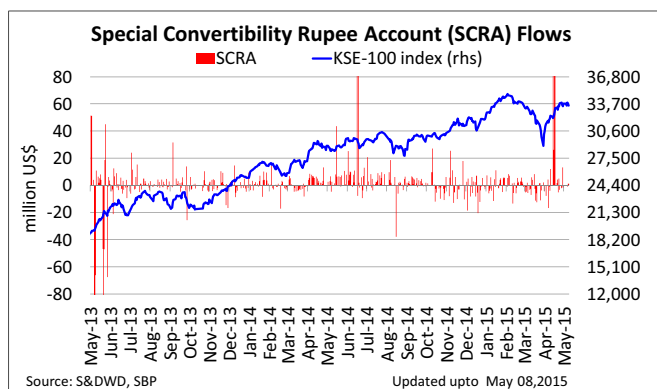
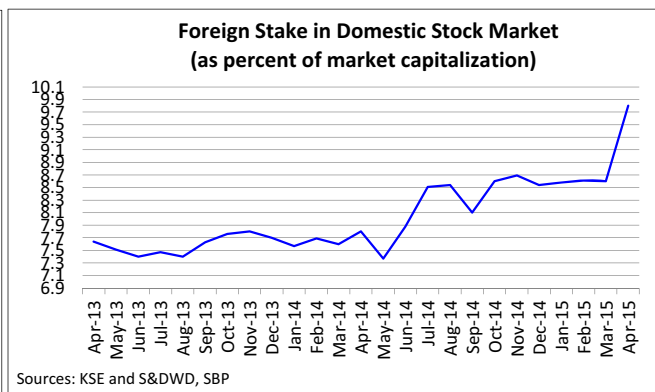
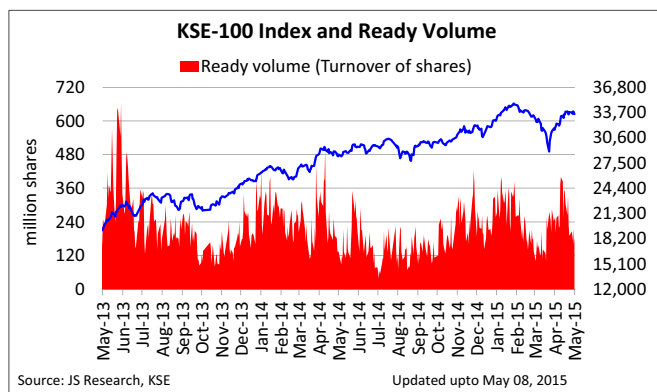
	FY15		FY-14	FY-13	Percentage change during		
	May-15 <sup>1</sup>	Apr-15			May FY15 <sup>2</sup>	FY14	FY13
End-period KSE-100 index	33,530	33,730	29,653	21,006	-0.6	41.2	52.2
End-period KSE-30 index	21,580	21,674	20,416	16,208	-0.4	26.0	35.9
Market capitalization (billion Rs) <sup>3</sup>	7,309	7,131	6,171	4,300	2.5	43.5	33.3
Ready volume (million shares) <sup>3</sup>	187	276	216	200	-	-	-
SCRA flows (US\$ million) <sup>4</sup>	-0.2	762.9	689.1	187.8	-	-	-

<sup>1</sup> Upto 08 May 2015

<sup>2</sup> Reflects growth since end of the previous month

<sup>3</sup> Average during the period

<sup>4</sup> Cumulative flow during the period upto 11th May 2015



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



## Financial Soundness Indicators

*Liquidity indicators of the banking system have improved in Q2-FY15 compared to the previous quarter.*

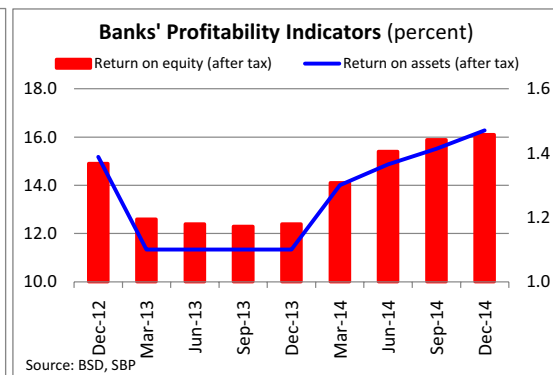
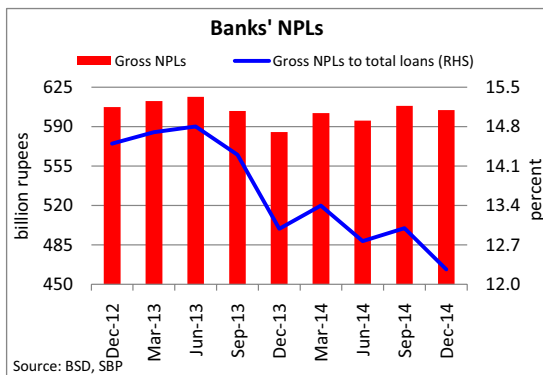
percent

	Dec 2013	Mar 2014	Jun 2014	Sep 2014	Dec 2014
Risk weighted CAR <sup>1</sup>	14.9	14.8	15.1	15.5	17.1
Gross NPLs to total loans	13.0	13.4	12.8	13.0	12.3
Provision to NPLs	78.4	77.8	79.5	77.6	79.8
Net NPLs to net loans	3.1	3.3	2.9	3.2	2.7
Returns on assets (before tax)	1.7	1.9	2.1	2.2	2.2
Return on assets (after tax)	1.1	1.3	1.4	1.4	1.5
ROE (before tax) <sup>2</sup>	18.4	21.3	23.5	24.2	24.3
ROE (after tax) <sup>2</sup>	12.4	14.1	15.4	15.9	16.1
Net interest income/gross income	70.3	69.9	70.5	71.4	71.3
Liquid assets/total assets	47.3	48.3	47.8	48.3	49.2
Liquid assets/total deposits	60.0	63.7	60.6	61.4	64.5
Advances/deposits	48.6	49.2	47.7	48.2	48.2

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

<sup>1</sup> Data of IDBP, PPCBL, and SME is based on Basel I.

<sup>2</sup> Average equity and surplus.



Source: Banking Surveillance Department (BSD), SBP