



Monetary Policy Information Compendium

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Tables and Graphs

Real Sector

• Growth	1
• Saving and Investment.....	3
• Inflation	4

External Sector

• Balance of Payments	8
• Trade and Foreign Investment.....	9
• Global Economy	10

Fiscal Accounts and Debt

• Revenues, Expenditures, and Fiscal Balances	12
• Government Domestic Debt	13
• External Debt	14
• Total Debt	15

Monetary Sector

• Monetary and Credit Aggregates	16
• Private Sector Credit	18
• Key Indicators of Monetary Sector.....	19
• Trends In Monetary Aggregates.....	20

Financial Markets

• Money Market	21
• Foreign Exchange Market	27
• Capital Market	29
• Financial Soundness Indicators	30

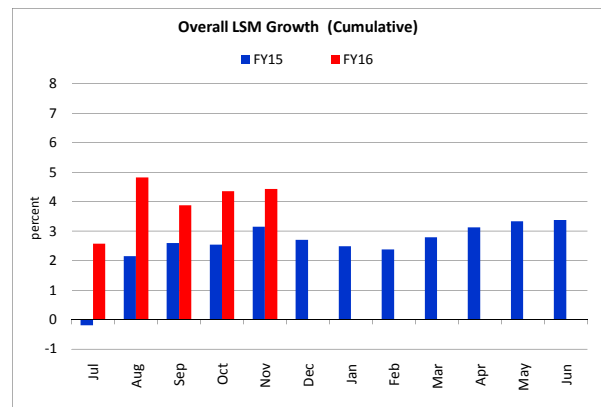
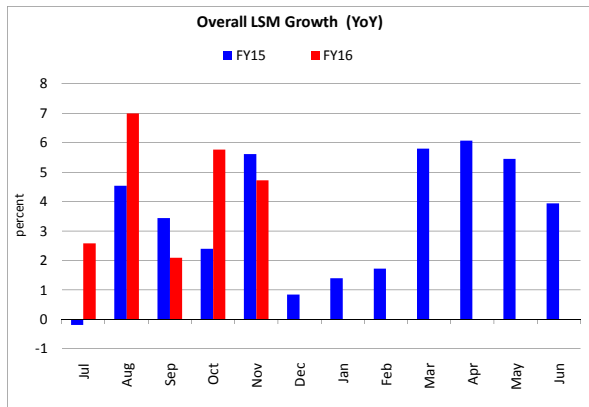


Growth

Cumulative growth of 4.4 percent has been recorded in the LSM sector for Jul-Nov FY16, compared to a growth of 3.1 percent during the same period last year.

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

Groups	Weights	YoY change				Cumulative change during Jul-Nov	
		Nov-15		Nov-14		FY16	FY15
Overall	70.2	4.7	5.6			4.4	3.1
Textile	20.9	↑ 1.3	↑ 1.2			↑ 1.0	↑ 1.2
Food, beverages and tobacco	12.4	↑ 3.8	↓ -3.8			↑ 4.8	↑ 0.1
Petroleum products	5.4	↑ 10.8	↓ -3.2			↑ 5.4	↑ 5.3
Iron and steel products	5.4	↓ -15.6	↑ 60.8			↓ -6.0	↑ 24.6
Non-metallic mineral products	5.4	↑ 8.8	↑ 14.9			↑ 5.3	↑ 4.6
Automobile	4.6	↑ 33.9	↑ 19.7			↑ 32.3	↑ 13.9
Fertilizer	4.4	↑ 12.1	↑ 4.7			↑ 15.2	↓ -2.5
Pharmaceuticals	3.6	↑ 3.6	↑ 6.8			↑ 6.4	↑ 3.7
Paper and board	2.3	↓ -4.7	↓ -0.1			↓ -15.8	↓ -0.9
Electronics	2.0	↑ 0.5	↑ 9.9			↓ -5.8	↑ 8.2
Chemicals	1.7	↑ 8.9	↑ 6.5			↑ 11.0	↑ 6.6
Leather products	0.9	↑ 0.9	↑ 50.2			↑ 0.8	↑ 21.7
Wood products	0.6	↓ -60.9	↓ -67.1			↓ -23.5	↓ -77.6
Engineering products	0.4	↓ -3.2	↓ -9.4			↓ -15.4	↓ -0.3
Rubber products	0.3	↑ 1.8	↓ 0.0			↑ 9.3	↑ 3.7



Major crops have shown mixed trend in FY15.

Major Crops

	Production				Area under cultivation				Yield				
	(million tons)			percent change	(million hectares)			percent change	(Kg/hectare)			percent change	
	FY16 ^T	FY15	FY14	FY15 over FY14	FY15	FY14	FY15 over FY14	FY15	FY14	FY15 over FY14	FY15	FY14	FY15 over FY14
Cotton ¹	15.5	14.0	12.8	↑ 9.3	3.0	2.8	↑ 5.5	801	774	↑ 3.6			
Sugarcane	68.0	62.7	67.5	↓ -7.1	1.1	1.2	↓ -2.7	54,910	57,511	↓ -4.5			
Rice	6.9	7.0	6.8	↑ 3.0	2.9	2.8	↑ 3.7	2,423	2,437	↓ -0.6			
Wheat	26.0	25.5	26.0	↓ -1.9	9.2	9.2	↓ -0.2	2,775	2,824	↓ -1.7			

¹ Cotton production is stated in thousand bales of 375 lbs each.

^T: Target

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



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

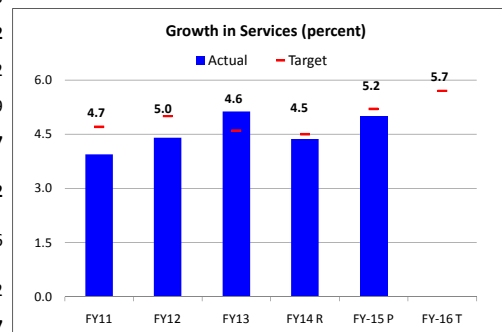
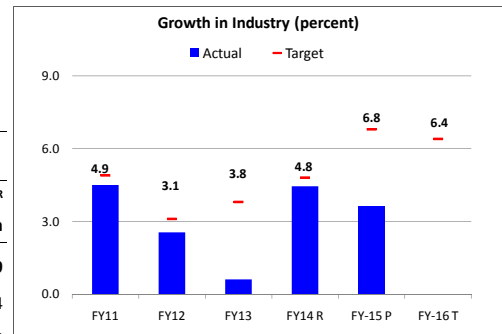
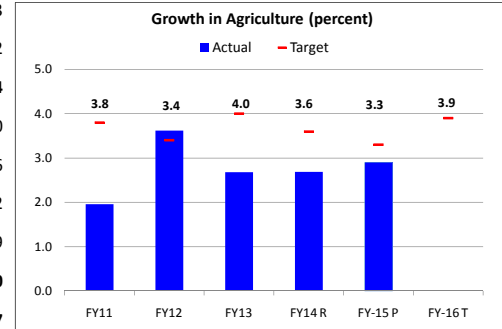
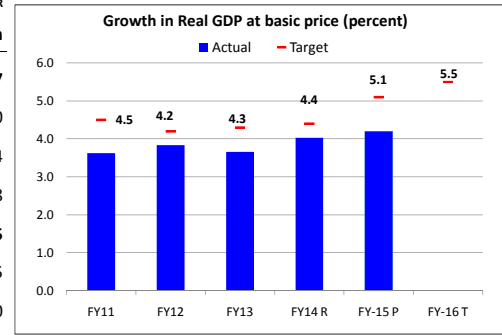
Production Approach - GDP at Constant Prices of 2005-06 (percent)

	FY15 ^P			FY14 ^R
	Growth	Shares	Contribution ³	Growth
Agriculture of which	2.9	20.9	0.6	2.7
Important crops	0.3	5.3	0.0	8.0
Other crops	1.1	2.3	0.0	-5.4
Livestock	4.1	11.8	0.5	2.8
Industry of which	3.6	20.3	0.7	4.5
Manufacturing	3.2	13.3	0.4	4.5
Large-scale ¹	2.4	10.6	0.3	4.0
Small-scale	8.2	1.7	0.1	8.3
Construction	7.0	2.4	0.2	7.2
Services of which	5.0	58.8	2.9	4.4
Wholesale & retail trade	3.4	18.3	0.6	4.0
Transport Storage and Communications	4.2	13.4	0.6	4.6
Finance & insurance	6.2	3.1	0.2	4.2
General Government Services	9.4	7.4	0.7	2.9
Real GDP (basic prices)	4.2	100.0	4.2	4.0
Real GDP (market prices)	5.5	105.5	5.8	4.7

	FY15 ^P	FY14 ^R	FY13
Real GDP (bp, billion Rs)	10,644	10,211	9,816
Nominal GDP (mp, billion Rs)	27,384	25,068	22,379
Nominal GDP (mp, billion US\$) ²	270	244	231

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

	FY15 ^P			FY14 ^R
	Growth	Shares	Contribution ⁵	Growth
Consumption	5.1	88.1	4.4	4.9
Private	3.6	76.4	2.7	5.4
Government	16.0	11.7	1.6	1.5
Fixed capital formation	8.3	13.4	1.0	4.2
Private	3.2	9.8	0.3	6.2
Public plus general government	25.1	3.6	0.7	-1.9
Changes in stocks	5.5	1.6	0.1	4.7
Net exports of goods and nonfactor services	4.2	-3.1	-0.1	-0.2
Exports of goods and non-factor services	-2.6	10.6	-0.3	-1.6
Imports of goods and non-factor services	-1.1	13.7	-0.2	0.2
GDP (market prices)	5.5	100.0	5.5	4.7
Indirect Taxes		5.9	1.0	
Subsidies	-39.9	0.7	-0.5	-26.0
GDP (basic prices)	4.2	94.8	-	4.0
Total domestic demand⁴	5.5	103.1	5.5	4.8



Note: Targets, except for FY16, shown in the graphs are based on FY00 prices (as base year).

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

³ Contributions in GDP growth are based on real GDP (bp). ⁴ Domestic demand is calculated as sum of consumption, fixed capital formation and change in stock expenditures on real GDP. ⁵ Contributions in GDP growth are based on total domestic demand except indirect taxes and Subsidies.

^T: Target

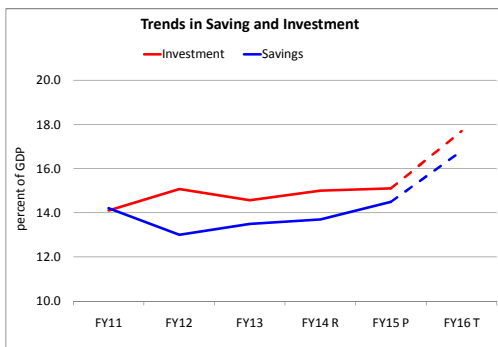


Saving and Investment

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

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

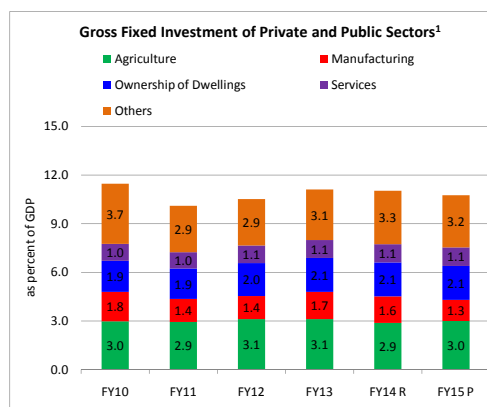
	FY16 Target	Actual	
		FY15 ^P	FY14 ^R
A. Investment	17.7	15.1	15.0
Gross fixed investment	16.1	13.5	13.4
Private sector	12.2	9.7	10.0
Public including general public	4.0	3.9	3.4
Change in capital stocks	1.6	1.6	1.6
B. National savings	16.8	14.5	13.7
C. Domestic savings	-	-	-
Saving investment gap (B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



Gross fixed investment in the Manufacturing and Transport & communication sectors as percent of GDP have declined in FY15.

Gross Fixed Investment of Private and Public Sectors¹ at Current Market prices

	FY15 ^P		FY14 ^R
	As percent of GDP	Percent share in total	As percent of GDP
Agriculture	3.0	27.8	2.9
Mining and quarrying	0.3	2.8	0.3
Manufacturing	1.3	12.2	1.6
Construction	0.2	2.0	0.2
Electricity and gas	0.6	5.8	0.6
Transport and communication	1.6	15.1	1.8
Wholesale and retail trade	0.3	2.5	0.3
Finance and insurance	0.2	1.7	0.2
Ownership of dwellings	2.1	19.4	2.1
Services	1.1	10.6	1.1
Total	10.8	100.0	11.0



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

^P: Provisional; ^R: Revised;

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



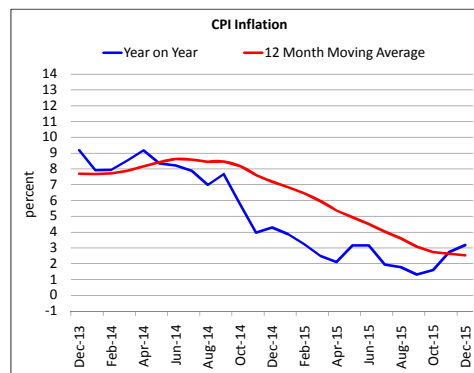
Inflation

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

Headline CPI inflation (YoY) has increased to 3.2 percent in December 2015 from 2.7 percent in the previous month.

Consumer Price Index (CPI) (percent change)

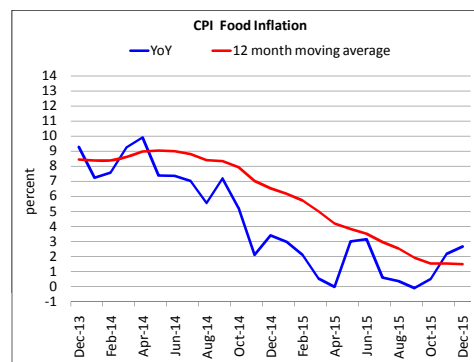
	MoM ¹	MoM SA ²	YoY ³	12M moving average ⁴
Dec-14	-1.0	0.2	4.3	7.2
Jan-15	0.1	-0.1	3.9	6.8
Feb-15	-0.9	-0.1	3.2	6.5
Mar-15	0.2	0.0	2.5	5.9
Apr-15	1.3	0.5	2.1	5.4
May-15	0.8	1.0	3.2	4.9
Jun-15	0.6	0.7	3.2	4.5
Jul-15	0.5	-0.5	1.9	4.0
Aug-15	0.2	-0.1	1.8	3.6
Sep-15	-0.1	0.0	1.3	3.1
Oct-15	0.5	0.3	1.6	2.7
Nov-15	0.6	0.9	2.7	2.6
Dec-15	-0.6	0.6	3.2	2.5
3-year average for December	-1.0	0.2	5.6	



CPI food inflation (YoY) has increased to 2.7 percent in December 2015 from 2.2 percent in the previous month.

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

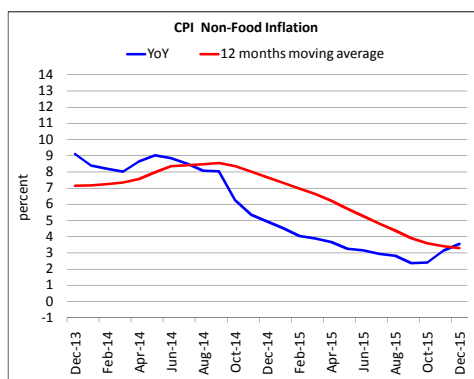
Dec-14	-2.1	0.2	3.4	6.5
Jan-15	-0.5	-0.5	3.0	6.2
Feb-15	-1.8	-0.2	2.1	5.7
Mar-15	0.5	-0.2	0.5	5.0
Apr-15	1.4	0.3	0.0	4.2
May-15	1.8	2.1	3.0	3.8
Jun-15	1.2	1.3	3.2	3.5
Jul-15	0.1	-1.7	0.6	3.0
Aug-15	0.3	-0.3	0.4	2.5
Sep-15	-0.4	-0.3	-0.1	1.9
Oct-15	0.4	0.5	0.5	1.5
Nov-15	1.2	1.2	2.2	1.5
Dec-15	-1.6	0.6	2.7	1.5
3-year average for December	-2.3	-0.1	5.1	



CPI non-food inflation (YoY) has increased to 3.6 percent in December 2015 from 3.1 percent in the previous month.

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

Dec-14	-0.2	0.1	4.9	7.7
Jan-15	0.5	0.1	4.5	7.3
Feb-15	-0.3	0.0	4.0	7.0
Mar-15	0.0	0.2	3.9	6.6
Apr-15	1.3	0.6	3.7	6.2
May-15	0.0	0.3	3.3	5.7
Jun-15	0.2	0.3	3.2	5.3
Jul-15	0.8	0.4	2.9	4.8
Aug-15	0.1	0.1	2.8	4.4
Sep-15	0.1	0.2	2.4	3.9
Oct-15	0.5	0.2	2.4	3.6
Nov-15	0.2	0.6	3.1	3.4
Dec-15	0.2	0.5	3.6	3.3
3-year average for December	0.0	0.4	5.9	



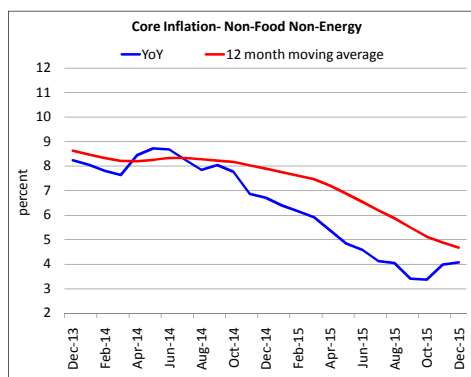
Source: Pakistan Bureau of Statistics, Statistics and Data Warehouse Department (S&DWD), SBP.

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.



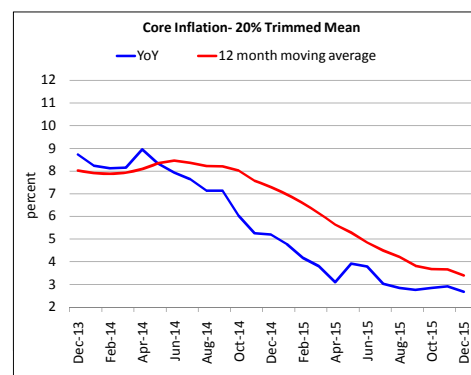
The non-food non-energy (NFNE) core inflation (YoY) has slightly increased to 4.1 percent in December 2015 from 4.0 percent in the previous month.

Core Inflation - Non-food non-energy (53.52% weight in basket) (percent)			
	MoM	YoY	12M moving average
Dec-14	0.1	6.7	7.9
Jan-15	0.7	6.4	7.8
Feb-15	0.0	6.2	7.6
Mar-15	0.0	5.9	7.5
Apr-15	1.4	5.4	7.2
May-15	0.0	4.9	6.9
Jun-15	0.1	4.6	6.5
Jul-15	0.6	4.1	6.2
Aug-15	0.1	4.1	5.9
Sep-15	0.1	3.4	5.5
Oct-15	0.6	3.4	5.1
Nov-15	0.1	4.0	4.9
Dec-15	0.2	4.1	4.7
3-year average for December	0.2	6.3	



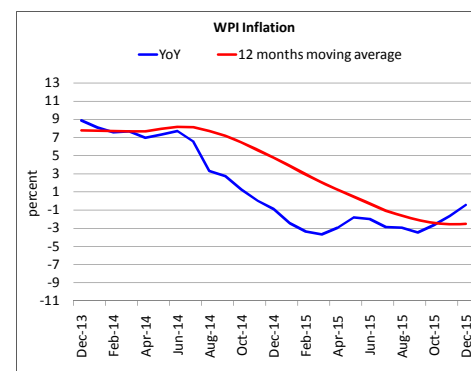
The 20 percent trimmed mean measure of core inflation (YoY) has decreased to 2.7 percent in December 2015 from 2.9 percent in the previous month.

Core - 20% Trimmed (percent change)			
	MoM	YoY	12M moving average
Dec-14	0.0	5.2	7.3
Jan-15	0.3	4.8	7.0
Feb-15	-0.2	4.2	6.6
Mar-15	0.0	3.8	6.1
Apr-15	0.6	3.1	5.6
May-15	0.1	3.9	5.3
Jun-15	0.2	3.8	4.9
Jul-15	0.5	3.0	4.5
Aug-15	0.1	2.8	4.2
Sep-15	0.1	2.8	3.8
Oct-15	0.4	2.8	3.7
Nov-15	0.2	2.9	3.7
Dec-15	0.2	2.7	3.4
3-year average for December	0.2	5.5	



The WPI inflation (YoY) stood at -0.4 percent in December 2015 compared to -1.7 percent in the previous month.

Wholesale Price Index (WPI) (percent change)				
	MoM	MoM SA	YoY	12M moving average
Dec-14	-1.9	-0.8	-0.9	4.8
Jan-15	-1.0	-1.2	-2.4	3.9
Feb-15	-1.1	-0.8	-3.4	3.0
Mar-15	0.0	-0.4	-3.7	2.0
Apr-15	0.9	0.5	-2.9	1.2
May-15	1.1	1.0	-1.8	0.5
Jun-15	1.2	0.4	-2.0	-0.3
Jul-15	-0.4	-0.4	-2.9	-1.1
Aug-15	-0.6	-0.8	-2.9	-1.6
Sep-15	-0.4	-0.1	-3.5	-2.1
Oct-15	0.5	0.5	-2.7	-2.4
Nov-15	0.0	0.5	-1.7	-2.6
Dec-15	-0.6	0.4	-0.4	-2.5
3-year average for December	-1.2	-0.1	2.5	

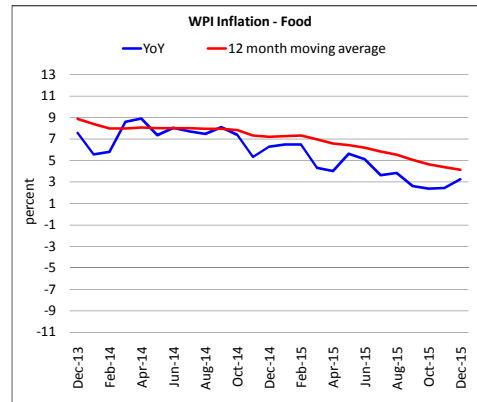


Source: Pakistan Bureau of Statistics, Statistics and Data Warehouse Department (S&DWD), SBP.



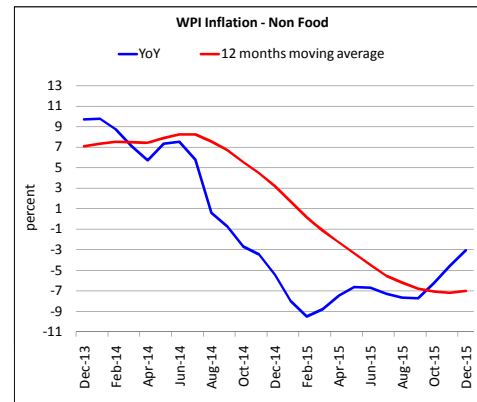
WPI food inflation (YoY) has increased to 3.2 percent in December 2015 from 2.4 percent in the previous month.

WPI -Food (38.82% weight in basket) (percent change)				
	MoM	MoM SA	YoY	12M moving average
Dec-14	-1.7	0.0	6.3	7.2
Jan-15	0.0	0.1	6.5	7.3
Feb-15	-0.5	0.4	6.5	7.3
Mar-15	-0.1	-0.7	4.3	7.0
Apr-15	1.5	0.8	4.0	6.6
May-15	1.2	1.2	5.6	6.4
Jun-15	1.9	0.6	5.1	6.2
Jul-15	0.6	-0.5	3.6	5.8
Aug-15	1.0	0.6	3.8	5.5
Sep-15	-0.7	-0.4	2.6	5.1
Oct-15	0.0	0.2	2.4	4.6
Nov-15	-0.7	0.2	2.4	4.4
Dec-15	-0.9	0.7	3.2	4.1
3-year average for December	-1.7	-0.1	5.7	



WPI non-food inflation (YoY) stood at -3.0 percent in December 2015 compared to -4.6 percent in the previous month.

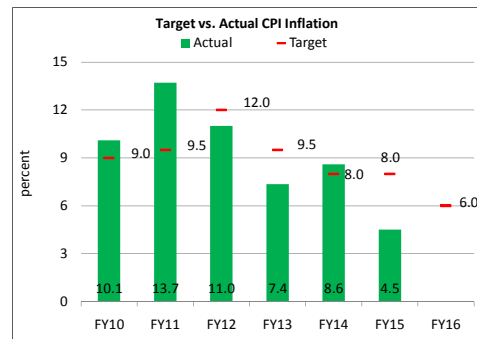
WPI - Non Food (61.18% weight in basket) (percent change)				
	MoM	MoM SA	YoY	12M moving average
Dec-14	-2.0	-1.4	-5.4	3.2
Jan-15	-1.8	-2.2	-8.0	1.7
Feb-15	-1.5	-1.7	-9.5	0.2
Mar-15	0.1	-0.2	-8.8	-1.2
Apr-15	0.4	0.2	-7.5	-2.2
May-15	1.0	0.9	-6.6	-3.4
Jun-15	0.7	0.3	-6.7	-4.5
Jul-15	-1.1	-0.3	-7.3	-5.5
Aug-15	-1.7	-1.8	-7.7	-6.2
Sep-15	-0.2	0.1	-7.7	-6.8
Oct-15	0.9	0.7	-6.2	-7.1
Nov-15	0.6	0.8	-4.6	-7.2
Dec-15	-0.5	0.1	-3.0	-7.0
3-year average for December	-0.8	-0.2	0.4	



Average CPI inflation is recorded at 2.1 percent during Jul-Dec FY16 compared to 6.1 percent in the same period of FY15.

	Average CPI and WPI Inflation (percent change)			WPI
	Headline	Food	Non Food	
FY-15	4.5	3.5	5.3	-0.3
Jul-Dec FY15	6.1	5.1	6.8	2.1
Jul-Dec FY16	2.1	1.0	2.9	-2.3

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





CPI and SPI Inflation by Groups

Compared to the previous month, the headline CPI inflation (YoY) increased in December 2015, the increase contributed by both food and non-food groups.

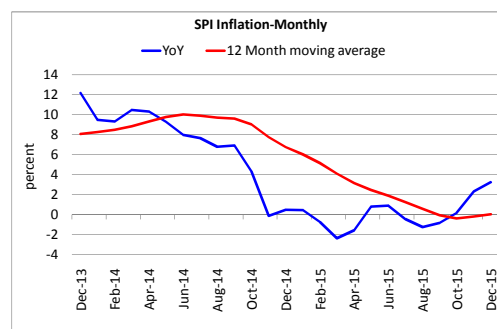
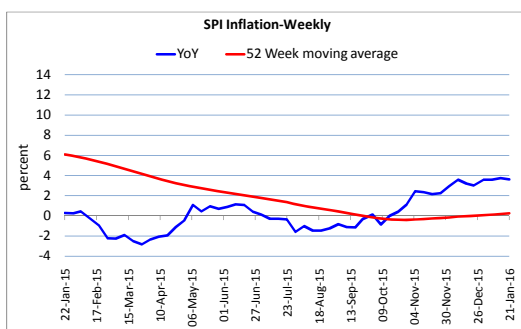
Group-Wise CPI Inflation

Groups	Weights	Dec-15			Nov-15		
		MoM	YoY	12m MA ¹	MoM	YoY	12m MA ¹
I. Food group	37.5	-1.6	2.7	1.5	1.2	2.2	1.5
Food and non-alcoholic beverages	34.8	-2.2	1.4	0.6	1.3	1.3	0.6
Alcoholic beverages and tobacco	1.4	7.2	25.5	18.8	0.7	17.1	18.3
Restaurant & hotels	1.2	0.6	4.6	4.7	0.4	4.8	4.9
II. Non-food group	62.5	0.2	3.6	3.3	0.2	3.1	3.4
Clothing and footwear	7.6	0.4	4.6	5.8	0.4	4.6	6.2
Housing, water, electricity, gas fuels	29.4	0.0	5.0	5.2	0.0	5.0	5.3
Furnishing & household equipment maintenance etc.	4.2	0.5	3.8	4.5	0.1	3.6	4.8
Health	2.2	0.1	2.6	3.7	0.5	3.0	4.0
Transport	7.2	0.3	-4.0	-9.9	0.7	-7.1	-10.0
Communication	3.2	0.1	0.3	0.4	0.0	0.3	0.3
Recreation and culture	2.0	0.0	2.1	2.5	0.1	2.2	2.6
Education	3.9	0.0	8.8	10.7	0.0	8.8	11.2
Miscellaneous	2.8	0.6	2.5	3.4	-0.3	2.1	3.6
Overall	100	-0.6	3.2	2.5	0.6	2.7	2.6

SPI inflation stood at -0.32 percent during the third week of January 2016 from -0.21 percent in the previous week.

Sensitive Price Indicator (SPI) (percent change)

Income groups	31-Dec-15	7-Jan-16			Dec-15		
		14-Jan-16	21-Jan-16	WoW ²	MoM	YoY	12m MA ¹
Up to Rs 8000	0.09	-0.32	-0.21	-0.26	-0.7	2.9	0.1
Rs 8001-12000	0.14	-0.33	-0.21	-0.29	-0.6	3.3	0.4
Rs 12001-18000	0.18	-0.34	-0.23	-0.32	-0.5	2.3	0.2
Rs 18001-35000	0.22	-0.35	-0.21	-0.36	-0.4	3.7	0.4
Above Rs 35000	0.27	-0.33	-0.19	-0.36	-0.1	3.5	-0.3
All	0.22	-0.34	-0.21	-0.32	-0.4	3.2	0.0



¹ Twelve month moving average inflation ² WoW: Week on Week.
Source: Pakistan Bureau of Statistics

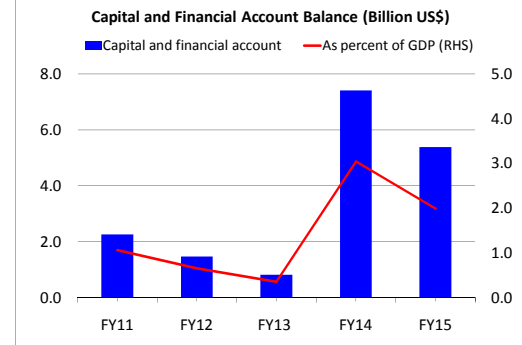
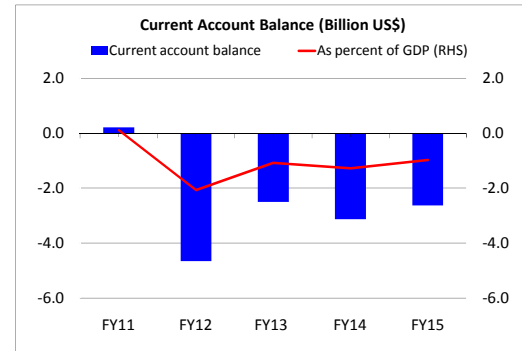
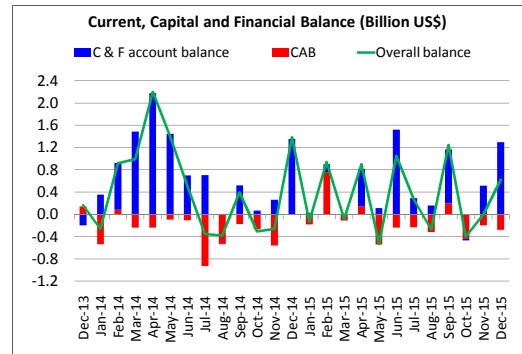


Balance of Payments

External current account balance witnessed a deficit of US\$ 1.27 billion during Jul-Dec FY16, compared to a deficit of US\$ 2.46 billion in the same period last year.

Balance of Payments Summary (million US\$)

Items	Jul-Dec		FY15	FY14
	FY16	FY15		
A) Current account balance (CAB)	-1,267	-2,463	-2,627	-3,130
Trade balance	-9,141	-9,974	-17,318	-16,701
Exports	10,817	12,163	24,083	25,068
Imports	19,958	22,137	41,401	41,769
Services (net); of which	-953	-1,463	-2,842	-2,551
CSF	713	735	1,452	1,050
Income (net)	-2,454	-2,340	-4,565	-3,943
Current transfers (net); of which	11,282	11,314	22,098	20,065
Remittances	9,736	9,162	18,720	15,837
B) Capital and financial (C&F) account balance ; of which	3,188	2,898	5,382	7,410
Foreign direct investment (net) ¹	618	556	780	1,572
Foreign portfolio investment (net)	227	1,179	1,903	2,760
Other investment assets	-47	213	102	211
Other investment liabilities	2,195	681	2,219	1,010
Of which : General government	1,546	-106	893	1,610
of which: Disbursements	3,272	1,527	3,704	4,349
Amortization	1,726	1,631	2,809	2,734
C) Net Errors and omissions	-463	50	-119	-422
Overall balance (A+B+C)	1,458	485	2,636	3,858
SBP gross reserves²	17,220	11,943	14,837	10,509
SBP net liquid reserves³	15,883	10,513	13,526	9,097
As percent of GDP⁴				
Current account balance; of which			-1.0	-1.3
Exports			8.9	10.3
Imports			15.3	17.2
Capital and financial inflows; of which			2.0	3.0
FDI			0.3	0.6



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

² SBP gross reserves includes banks' deposits for meeting cash reserve requirements (CRR) against their foreign currency deposits and foreign currency cash holdings of SBP, but it excludes unsettled claims on RBI. ³ SBP reserves without CRR and foreign currency cash holding of SBP.

⁴ For FY14 revised, provisional GDP has been used and average exchange rate has been used to calculate GDP in US\$.

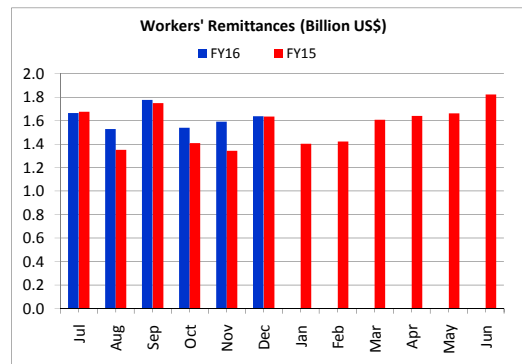
Workers' remittances registered a growth of 6.3 percent during Jul-Dec FY16.

Workers' Remittances⁵ (million US\$)

	Jul-Dec		YoY growth in Jul-Dec FY16
	FY16	FY15	
Total inflows	9,735	9,162	6.3
USA	1,348	1,410	-4.4
UK	1,252	1,213	3.3
Saudi Arabia	2,896	2,650	9.3
UAE	2,174	1,987	9.4
Other GCC ⁶	1,174	1,051	11.7
All others	893	853	4.6

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

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



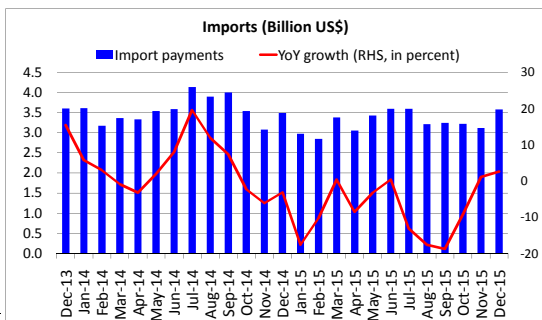
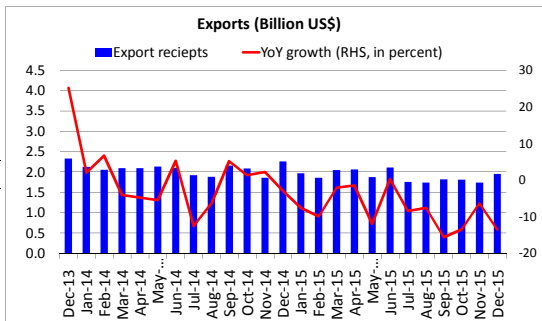
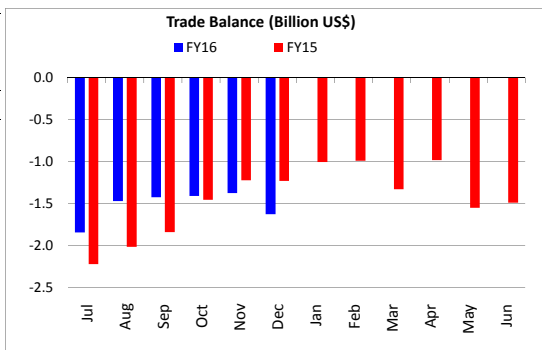


Trade and Foreign Investment

Trade Balance witnessed a deficit of US\$ 9.14 billion during Jul-Dec FY16, compared to a deficit of US\$ 9.97 billion in the same period last year.

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

	Jul-Dec		FY15	Shares ¹ Jul-Dec FY16
	FY16	FY15		
Exports	10,817	12,163	24,083	100
Textile group	6,491	6,808	13,537	60
Knitwear, bed wear	2,248	2,299	4,469	21
Cotton cloth	1,152	1,266	2,487	11
Cotton Yarn	733	875	1,818	7
Readymade garments	1,050	996	2,044	10
Other manufactures group	1,913	2,247	4,408	18
Chemical and pharma	515	626	1,249	5
Leather items ²	473	556	1,073	4
Cement	188	228	417	2
Engineering goods	108	126	275	1
Jewellery	4	6	11	0
Food group	1,721	1,955	4,398	16
Rice	823	942	2,038	8
All others	691	1,153	1,740	6
Imports	19,958	22,137	41,401	100
Petroleum group	4,354	7,598	12,155	22
Petroleum products	2,744	4,842	7,762	14
Petroleum crude	1,610	2,756	4,393	8
Machinery group	3,068	2,698	5,609	15
Telecom	648	639	1,225	3
Electrical machinery	645	409	935	3
Power machinery	518	343	814	3
Agriculture & other chemicals group	3,475	3,458	6,699	17
Plastic materials	891	909	1,772	4
Fertilizer manufactured	504	370	700	3
Food group	2,206	2,482	4,624	11
Palm oil	819	937	1,681	4
Tea	264	158	364	1
Metal group	1,591	1,606	3,246	8
Iron steel (IS) and IS scrap	1,261	1,331	2,675	6
All others	5,264	4,296	9,068	26
Trade Balance	-9,141	-9,974	-17,318	



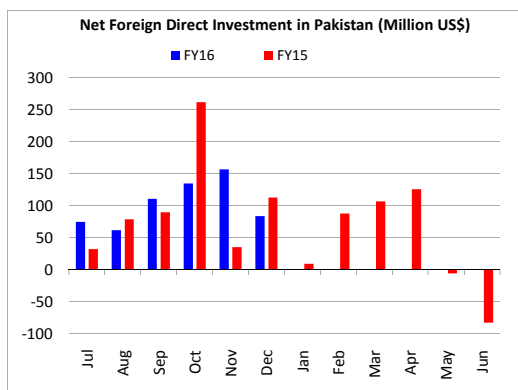
¹ Share (in percent) is calculated as a ratio of cumulative flow of a group (item) to cumulative flow of total exports/imports during Jul-Dec FY16.

² Includes tanned and manufactured leather.

FDI (net) inflows registered an increase of 2.2 percent during Jul-Dec FY16.

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

	Jul-Dec		FY15	YoY growth in Jul-Dec FY16
	FY16	FY15		
Net inflows: Of which	624	610	851	2.2
Selected Countries				
USA	-94	112	209	-183.7
UAE	86	105	216	-18.2
UK	54	106	174	-48.9
China	400	180	255	121.8
Selected Sectors				
Communication	54	54	45	-0.9
Financial businesses	10	169	256	-94.3
Oil and gas exploration	157	158	246	-0.4
Power	320	85	202	275.6
Trade	10	23	50	-58.3
Memorandum Item:				
Net overall FDI³	618	556	780	



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.

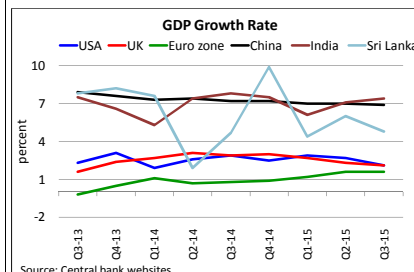
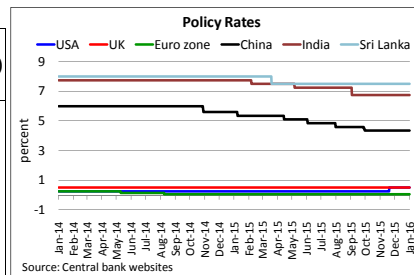


Global Economy

Only two Central Banks have Changed Policy rate during the last two months.

Policy Rates in Major Economies

Major economies	Current		Previous policy rate	Change (bps)
	Policy rate	w.e.f		
USA	0.50	16-Dec-2015	0.25	↑ 25
UK	0.50	5-Mar-2009	1.00	↓ -50
Euro zone	0.05	4-Sep-2014	0.15	↓ -10
Japan	0.10	5-Oct-2010	0.30	↓ -20
Canada	0.75	15-Jul-2015	1.00	↓ -25
Australia	2.00	5-May-2015	2.25	↓ -25
China	4.35	26-Oct-2015	4.60	↓ -25
India	6.75	29-Sep-2015	7.25	↓ -50
Sri Lanka	7.50	15-Apr-2015	8.00	↓ -50
Malaysia	3.25	10-Jul-2014	3.00	↑ 25
Indonesia	7.25	14-Jan-2016	7.50	↓ -25
Thailand	1.50	29-Apr-2015	1.75	↓ -25



Real GDP growth in most of the countries has decreased in Q3-CY15 as compared to the Q3-CY14.

Key Macroeconomic Indicators

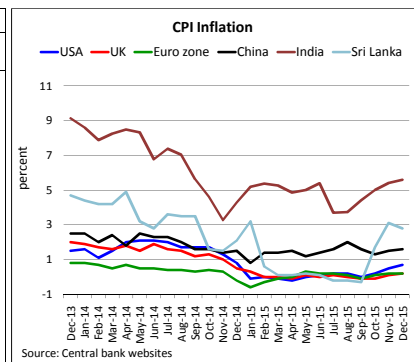
	Inflation (YoY) ¹ Dec-15	GDP growth ² Q3-2015	Current account balance ³		Reserves ⁵ (billion US\$) Nov-15	Lending rates ⁶	
			as a percent of GDP ⁴			Nominal	Real
USA	0.7	2.1	-2.5	-2.6	38.2	3.3	2.8
UK	0.2	2.1	-4.4	-4.4	99.9	0.5	0.4
Euro zone	0.2	1.6	3.0	-2.1	236.4	7.1	7.0
Japan	0.3	1.6	3.3	-6.8	1179.6	1.1	0.7
Australia	1.5	2.5	-4.3	-2.4	40.6	5.5	3.9
China	1.6	6.9	3.0	-2.7	3514.1	4.4	3.1
India	5.6	7.4	-1.1	-3.8	330.1	10.0	5.6
Sri Lanka	2.8	4.8	-	-	6.0	6.8	7.0
South Korea	1.3	2.7	8.0	0.3	359.9	3.4	2.8
Malaysia	2.7	4.7	2.5	-4.0	90.6	4.5	2.0
Indonesia	3.4	4.7	-2.0	-2.0	95.0	12.6	6.3
Thailand	-0.9	2.9	2.4	-2.0	148.5	6.5	7.5

¹ Values of Inflation of Japan pertains to November 2015 and Australia pertains to September 2015; ² Annual growth, measured as a percentage change over the same quarter of previous year; ³ Latest 12 months; ⁴ The Economist, Economic and Financial indicators, January 23, 2016; ⁵ IMF (IFS) Reserve position data pertains to November 2015 except for Sri Lanka pertains to July 2015, India and South Korea pertains to October 2015 and China pertains to September 2015; ⁶ IMF (IFS) data pertains to November 2015 except for Euro Zone, China, Malaysia and Indonesia pertains to October 2015, India, Australia and south Korea pertains to September 2015, Japan pertains to June 2015, UK pertains to July 2015 and Sri Lanka pertains to August 2015.

IMF's world output growth projection for CY16 is 3.4 percent in January 2016.

World Economic Outlook - Real GDP Growth

	2015 (IMF)	2016 Projections		
		IMF	World Bank	OECD
World output	3.1	3.4	3.3	-
Advanced	1.9	2.1	2.4	-
US	2.5	2.6	2.8	2.5
Euro area	1.5	1.7	1.8	1.8
Japan	0.6	1.0	1.7	1.0
UK	2.2	2.2	2.6	2.4
Emerging & Developing	4.0	4.3	5.2	-
Russia	-3.7	-1.0	0.7	-0.4
China	6.9	6.3	7.0	6.5
India	7.3	7.5	7.9	7.3
ASEAN-5	4.7	4.8	-	-



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



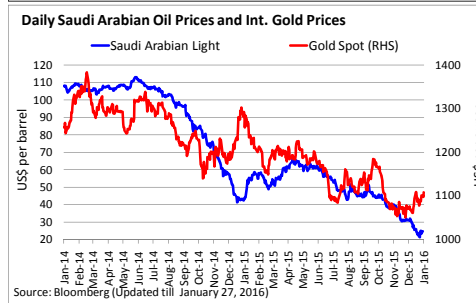
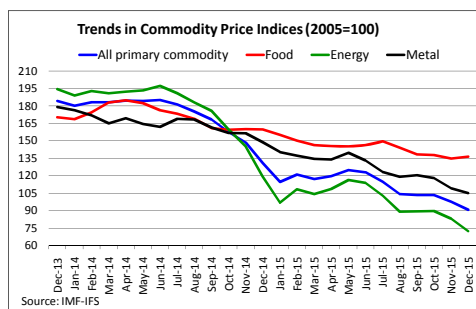
All commodity price index by IMF has registered a decline of 7.1 percent during December 2015 over the previous month.

World Commodity Price Indices (2005=100)

	Dec-15	Percent change since	
		Nov-15	End June - 15
All commodity price index	90.7	↓ -7.1	↓ -26.2
Food price index	136.4	↑ 1.3	↓ -6.9
Energy index	72.4	↓ -12.9	↓ -36.5
Non fuel price index	121.9	↓ -0.2	↓ -11.7
Metal price index	105.1	↓ -3.7	↓ -21.1
Crude oil price (\$/bbl) *	25.6	↓ -23.8	↓ -57.6
Cotton spot (US cents/ pound) *	64.8	↓ -2.5	↓ -7.3
Palm oil (\$/m. ton)	520.6	↑ 3.5	↓ -14.2
Soya bean Oil (\$/m. ton)	677.2	↑ 10.2	↓ -8.2
Wheat (\$/m. ton)	163.8	↑ 3.8	↓ -18.0
Gold spot (\$/Oz) *	1096.1	↑ 2.6	↓ -6.5
Sugar (US cents/pound)	25.8	↑ 0.9	↑ 4.3

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 January 27, 2016. The percentage changes have been calculated by taking average prices of current month with the previous month and end June prices.



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

Capital Market Indices

	Jan-16	Percent change since	
		Dec-15	End June - 15
US (DJIA)	16309.6	↓ -7.0	↓ -9.0
DJ EURO STOXX	3032.5	↓ -7.8	↓ -13.9
UK (FTSE 100)	5913.2	↓ -4.0	↓ -12.8
Japan (Nikkei 225)	17304.9	↓ -9.9	↓ -15.2
China (SSEA)	3155.7	↓ -15.0	↓ -37.2
France (CAC 40)	4336.8	↓ -7.0	↓ -12.0
Germany (DAX)	9839.1	↓ -7.8	↓ -12.4
India (BSE)	24791.8	↓ -3.4	↓ -8.6
World dev'd (MSCI)	1555.5	↓ -6.7	↓ -12.2
Emerging Markets (MSCI)	727.8	↓ -8.8	↓ -25.8
World all (MSCI)	372.9	↓ -6.9	↓ -13.6

¹ Updated till January 27, 2016

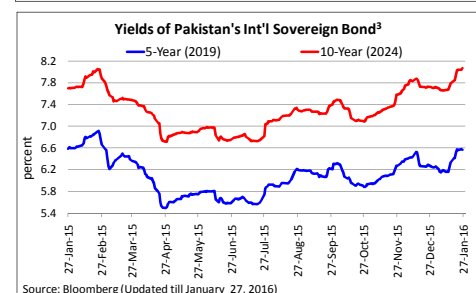
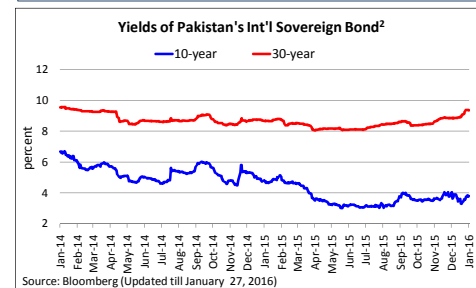
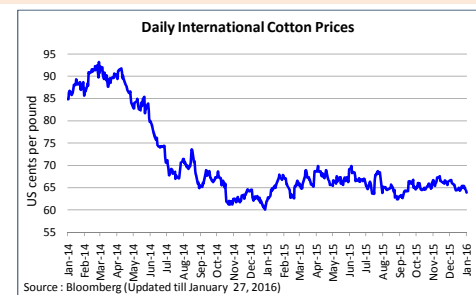
² 30 Yr Bond = \$300 M (Coupon rate = 7.875%): Issued - Mar 24, 2006; Maturity - Mar 23, 2036

³ 10 Yr Bond = \$500 M (Coupon rate = 7.125%): Issued - Mar 24, 2006; Maturity - Mar 23, 2016

⁴ 10 Yr Bond = \$1000 M (Coupon rate = 8.25%): Issued - April 8, 2014; Maturity - April 15, 2024

⁵ 5 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



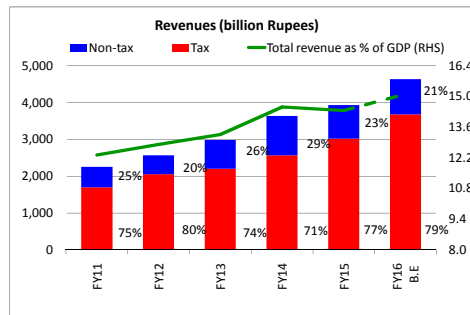


Revenues, Expenditures and Fiscal Balances

Fiscal deficit was recorded at 1.1 percent of GDP during Q1-FY16 compared to 1.2 percent in Q1-FY15.

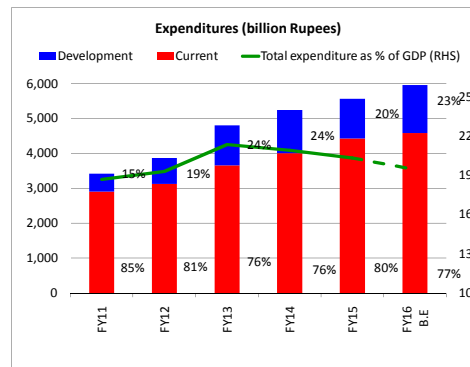
Revenues (billion Rs)

	FY16	Jul-Sep		FY15
	BE ¹	FY16	FY15	
Total revenues	4,631	937	840	3,931
Tax revenue	3,681	724	627	3,018
Growth (YoY) %	22.0	15.4	16.7	17.6
of which: FBR revenues	3,104	600	538	2,588
Non-tax revenues	951	213	213	913
Growth (YoY) %	4.1	0.3	-27.3	-14.9



Expenditures (billion Rs)

	FY16	Jul-Sep		FY15
	BE ¹	FY16	FY15	
Total expenditures	5,960	1,265	1,177	5,388
Current	4,580	1,085	1,050	4,425
Growth (YoY) %	3.5	3.3	20.9	10.5
of which: Interest payments	1,280	416	394	1,304
Defence	781	146	165	698
Development Expenditure & net lending	1,380	169	120	1,141
Growth (YoY) %	21.0	40.6	-29.4	-7.8
Unidentified Expenditure ²	-	11	6	-178



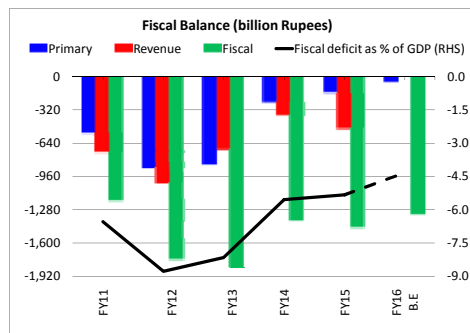
Overall Balance (billion Rs)

	FY16	Jul-Sep		FY15
	BE ¹	FY16	FY15	
Fiscal balance³	-1,328	-328	-337	-1,457
Revenue balance ⁴	52	-148	-210	-494
Primary balance ⁵	-48	88	58	-153
<i>As percent of GDP⁶</i>				
Fiscal balance	-4.3	-1.1	-1.2	-5.3
Revenue balance	0.1	-0.5	-0.8	-1.8
Primary balance	-0.2	0.3	0.2	-0.6

During Q1-FY16, fiscal deficit was mainly financed through borrowings from domestic sources.

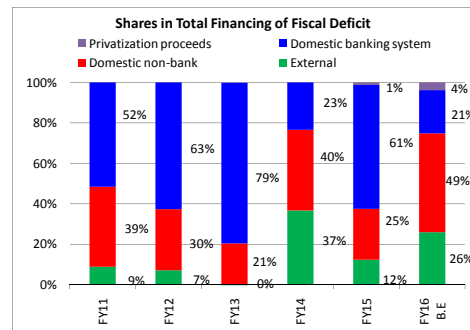
Financing of Fiscal Deficit (billion Rs)

	FY16	Jul-Sep		FY15
	BE ¹	FY16	FY15	
Financing	1,328	328	337	1,457
1. External	346	55	-13	181
2. Domestic ⁷ : of which	982	273	350	1,276
Non-bank	649	133	210	366
Banking system: of which	283	139	140	892
SBP	0	-304	-39	-434
Scheduled banks	283	444	179	1,323
Privatization proceeds	50	-	-	17



FBR Tax Collection⁸ (billion Rs)

	Direct	Sales	Customs	FED ⁹	Total taxes
	Q1	161	231	53	24
Q2	221	250	57	34	563
Q3	217	235	59	32	543
Q4	285	285	72	49	692
FY14	884	1,002	241	139	2,266
Q1	190	259	65	25	538
Q2	269	255	71	39	634
Q3	243	247	74	40	603
Q4	328	328	97	60	813
FY15^P	1,029	1,089	306	164	2,588
FY16 Q1^P	240	253	80	27	600



¹ Budget Estimates; Estimated from Budget in Brief 2015-16, MoF; ² In Fiscal Accounts, these expenditures are named as 'Statistical Discrepancy'; ³ Fiscal balance = total revenue - total expenditure; ⁴ Revenue balance = total revenue - current expenditure; ⁵ Primary balance = total revenue - total expenditure + interest payment; ⁶ GDP(mp) on new basis (2005-2006) has been used to calculate deficit to GDP ratios; ⁷ It includes the amount of Privatization Proceeds; ⁸ as reported in fiscal accounts; ⁹ Federal excise duty; P Provisional



Government Domestic Debt

Stock of government domestic debt has increased by Rs. 685 billion during Jul-Dec FY16.

Debt by Owner - end period stocks (billion Rs)

	Dec-15 ^P	Jun-15 ^P	Change since Jun-15
1.Bank	8,274	7,699	576
Commercial banks	6,110	5,415	695
SBP	2,164	2,284	-120
2.Non-bank	4,599	4,489	109
National saving schemes (NSS)	3,147	3,007	140
Others	1,452	1,482	-30
3.Foreign currency instruments¹	5	5	0
Total(1+2+3)	12,878	12,193	685

Debt by Type - end period stocks (billion Rs)

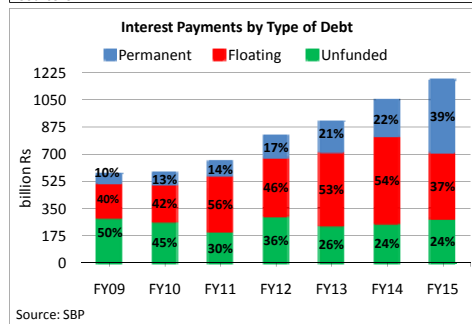
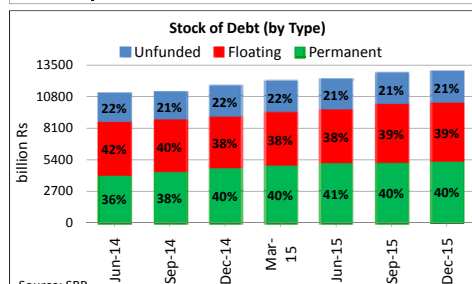
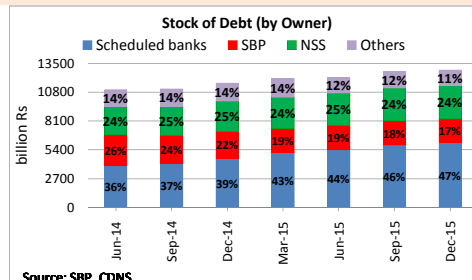
	Dec-15 ^P	Jun-15 ^P	Change since Jun-15
1.Permanent debt	5,196	5,008	187
PIBs	4,396	4,155	241
Prize bonds	585	523	63
Others ²	214	331	-116
2. Floating debt	5,030	4,609	421
Bai Muajjal ³	213	0	213
MTBs	2,656	2,149	507
MRTBs-replenishment ⁴	2,162	2,460	-299
3.Unfunded debt⁵: of which	2,648	2,570	77
Saving schemes	2,495	2,417	77
4.Foreign currency instruments	5	5	0
Total(1+2+3+4)	12,878	12,193	685
Government domestic liabilities⁶	310	358	-48

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

² Includes market loans and GOP Ijara Sukuk 3 Years. ³ Includes Rs. 0.013 billion of Treasury Bills on Tap.

⁴ Includes Outright Sale of MRTBs, if any. ⁵ Includes funds mobilized through NSS excluding prize bonds.

⁶ This reflects provincial governments' borrowings from banks for commodity operations.



Interest payments on domestic debt have shown YoY growth of 1.3 percent during Jul-Dec FY16.

Debt Servicing (billion Rs)

	Jul-Dec		FY15	Percent change during FY16 over FY15
	FY16 ^P	FY15		
Permanent ⁷	240	219	463	9.5
Floating	164	194	432	-15.3
Unfunded	137	121	280	13.0
Total	541	534	1175	1.3

Indicators of Domestic Debt Sustainability

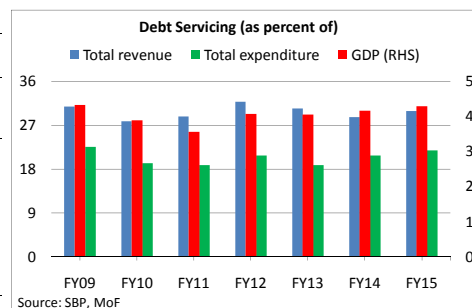
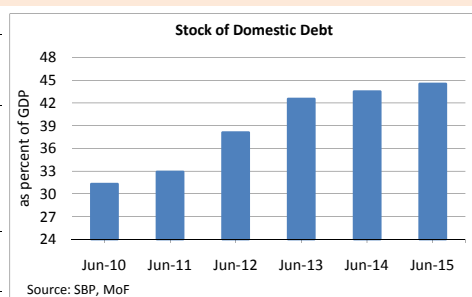
	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15
Debt stock as percent of GDP⁸	32.9	38.1	42.5	43.5	44.5
Debt servicing as percent of	FY11	FY12	FY13	FY14	FY15
GDP ⁸	3.6	4.1	4.1	4.2	4.3
Total revenue	28.8	31.8	30.4	28.7	29.9
Tax revenue	38.3	39.8	41.3	40.7	38.9
Total expenditure	18.8	20.8	18.8	20.7	21.8
Current expenditure	22.4	26.2	24.8	26.0	26.5

⁷ Includes prize bonds;

⁸ Based on revised GDP published by PBS on 18-05-2015.

R: Revised; P: Provisional

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





External Debt

Stock of public sector external debt has increased by US\$ 0.9 billion during Q1 of FY16.

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

Items	Sep-15 ^P	Jun-15 ^R	Change during Jul-Sep-FY16
1. Public debt (a+b+c)	55,609	54,674	935
a) Government debt	47,388	46,861	526
i) Long term (>1 year)	46,040	45,849	190
Paris club	11,737	11,664	73
Multilateral	24,146	24,262	-116
Other bilateral	3,881	3,941	-60
Euro/Sukuk global bonds	5,050	4,550	500
Military debt	0	0	0
Commercial loans/credits	100	300	-200
Local currency Securities (PIBs)	25	32	-7
Saudi fund for development (SFD)	100	100	0
SAFE China deposits	1,000	1,000	0
NBP/BOC deposits	0	0	0
ii) Short term (<1 year)	1,348	1,012	336
Of which: IDB	822	983	-161
b) From IMF	4,548	4,103	445
i) Federal government	0	52	-52
ii) Central bank	4,548	4,051	497
c) Foreign exchange liabilities (FEL)²	3,673	3,709	-36
2. Public sector enterprises (PSEs)	2,665	2,416	249
a) Guaranteed debt	1,131	970	160
b) Non-guaranteed debt	1,534	1,446	89
3. Scheduled banks	2,481	2,294	187
a) borrowing	1,559	1,342	217
i) Long term (>1 year)	14	10	4
ii) Short term (<1 year)	1,545	1,331	213
b) Non-resident deposit (LCY & FCY)	922	952	-30
4. Private sector	2,971	3,043	-72
a) guaranteed debt	0	0	0
b) non-guaranteed debt	2,971	3,043	-72
i) Loans	1,863	1,945	-81
ii) Private non-guaranteed bonds	12	12	0
iii) Trade credit and others liabilities	1,095	1,086	9
5. Debt liabilities to direct investors-intercompany debt	2,731	2,676	55
Total external debt (excl. FEL)	62,784	61,394	1,390
Total external debt & liabilities (1+2+3+4+5)	66,457	65,103	1,354

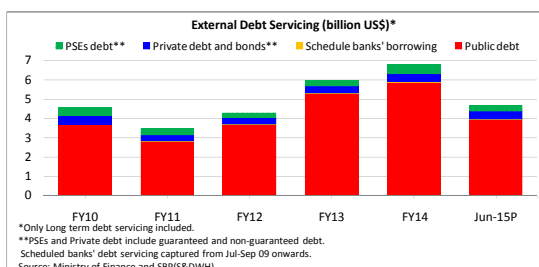
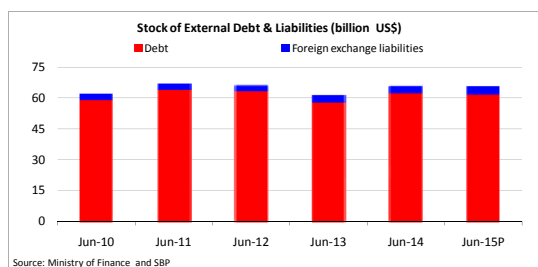
Debt Servicing (million US\$)

Items	Jul-Sep-FY16 ^P	FY15 ^R
1. Public debt (a+b+c)	891	3,931
a) Government debt³	805	2,577
Principal	645	1,663
Interest	161	914
b) To IMF	63	1,264
Principal	53	1,226
Interest	10	39
c) Foreign exchange liabilities	23	90
Principal	0	0
Interest	23	90
2. PSEs guaranteed debt	30	32
Principal	6	17
Interest	24	15
3. PSEs non-guaranteed debt³	46	242
Principal	42	221
Interest	4	20
4. Scheduled banks' borrowing³	1	18
Principal	1	18
Interest	0	0
5. Private guaranteed debt	0	0
6. Private non-guaranteed debt³	64	419
Principal	48	354
Interest	15	65
7. Private non-guaranteed bonds	0	0
Principal	0	0
Interest	0	0
Total Long term external debt servicing (1+2+3+4+5+6+7)	1,033	4,641
Principal	795	3,499
Interest	238	1,142
Memorandum Items		
Short term debt servicing-principal⁴ (excluding item No.3 below)	295	745
1. Government debt	213	612
2. PSEs non-guaranteed debt	22	64
3. Scheduled banks' borrowing	10,268	36,798
Net flows ⁵	213	384
4. Private non-guaranteed debt	60	69

Stock of external debt as percent of GDP decreased to 24.2 percent by the end of June 2015.

Indicators of External Debt Sustainability

End period debt stock as percent of	Jun-10						External debt servicing as percent of					
	Jun-10	Jun-11	Jun-12	Jun-13	Jun-14	Jun-15 ^P	FY10	FY11	FY12	FY13	FY14	FY15 ^P
GDP⁶	35.4	31.2	30.9	27.0	25.8	24.2	2.4	1.6	2.0	2.6	2.7	1.7
Reserves	364.2	347.2	426.8	550.8	459.8	348.3	24.4	18.3	27.9	53.9	47.9	25.0
Exports	312.8	261.7	264.9	245.5	260.7	269.8	21.0	13.8	17.3	24.0	27.2	19.3



R: Revised; P: Provisional; ¹ External debt data format has been changed, as SBP enhances coverage & quality of external debt statistics by adopting Special Data Dissemination Standard, for more details visit <http://www.sbp.org.pk/ecodata/Revision-EDS.pdf>; ² Allocation of SDR and Nonresident LCY deposits with central bank added to FEL; ³ Only long term debt servicing included; ⁴ As per the guidelines available in IMF's External Debt Guide for Compilers and Users 2003, the principal repayment of short term debt is excluded from over all principal repayments. However, for the information of data users, short term repayment of 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; ⁷ Based on revised GDP published by PBS on 18-05-2015.

Sources: Economic Affairs Division and SBP(S&DWH)



Total Debt

Stock of total debt and liabilities increased by Rs. 864 billion during Q1 of FY16.

Total Debt Stock (billion Rs)

	Sep-15 ^P	Jun-15 ^P	Change during Jul-Sep FY16	Share in Sep- FY16 (percent)
I. Government domestic debt	12,715	12,193	522	61.4
II. Government external debt ¹	4,953	4,770	183	23.9
III. Debt from IMF	475	418	58	2.3
IV. External liabilities	384	378	6	1.9
V. Private sector external debt	570	543	27	2.8
VI. PSEs external debt	279	246	33	1.3
VII. PSEs domestic debt	476	459	17	2.3
VIII. Commodity operations ²	570	564	5	2.8
IX. Intercompany External Debt from Direct Investor abroad	285	272	13	1.4
Total debt & liabilities (I to IX)	20,706	19,843	864	100.0
Total public debt (I to IV)	18,527	17,758	769	89.5
Total external debt & liabilities (II to VI & IX)	6,946	6,627	319	33.5
Commodity operations & PSEs debt (VI to VIII)	1,324	1,269	55	6.4

Total Debt Servicing (billion Rs)

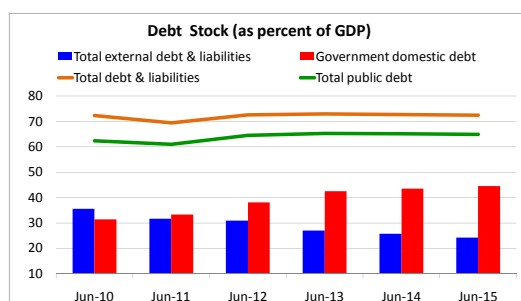
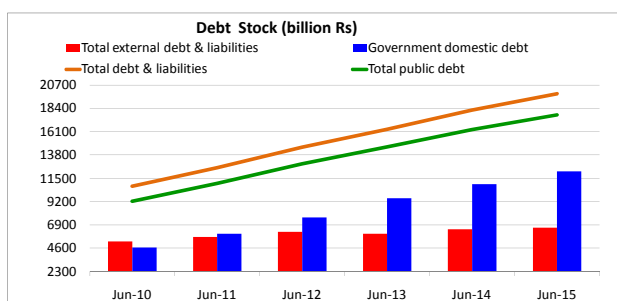
	Jul-Sep FY16 ^P	FY15 ^P	Share in Jul-Sep FY16 (percent)	Share in FY15 (percent)
Total Debt Servicing(A+B)	480	1701	100.0	100.0
A. Total interest payment on debt and liabilities (I+II)	398	1346	83.0	79.1
I. Interest payment on debt (a+b)	383	1285	79.9	75.5
a. Domestic debt	361	1175	75.2	69.1
b. External debt	23	110	4.8	6.5
II. Interest payment on liabilities (a+b)	14	61	3.0	3.6
a. Domestic liabilities	12	52	2.5	3.1
b. External liabilities ¹	2	9	0.5	0.5
B. Principal repayment of external debt and liabilities³	82	355	17.0	20.9

Debt stock (as percent of GDP)

	Sep-15 ^P	Jun-15 ^P	Jun-14
Total debt and liabilities	67.5	72.5	72.7
Total public debt	60.4	64.8	65.1
Total external debt and liabilities	22.6	24.2	25.8
Government domestic debt	41.5	44.5	43.5
PSEs debt and liabilities	4.3	4.6	4.3

Debt Servicing (as percent of)

	FY15 ^P	FY14 ^P	FY13	FY12
GDP	6.2	7.0	6.9	6.3
Total revenue	43.3	48.5	51.6	49.3
Tax revenue	56.4	68.8	69.9	61.7
Total expenditure	31.6	35.1	31.9	32.2
Current expenditure	38.4	44.1	42.0	40.5



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

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

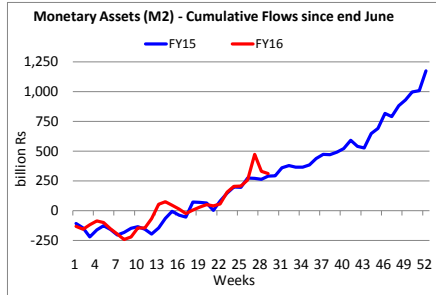


Monetary and Credit Aggregates

Net foreign assets of the banking system has played significant role in monetary expansion during FY16 so far.

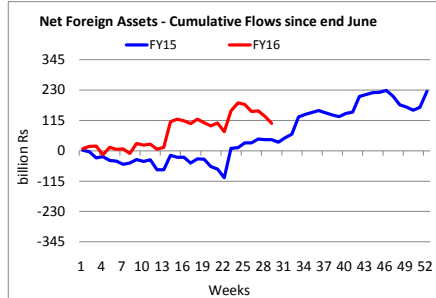
Monetary Assets of the Banking System (billion Rs)

	End June 2015 stocks ^R	Cumulative flows since end-June		FY15 flows
		Latest week	A year ago	
		15-Jan-16	16-Jan-15	
NFA	812.7	103.9	42.8	219.7
NDA	10,469.4	208.2	248.1	1,095.9
Net government borrowings: of which	6,958.2	190.2	223.1	933.0
Net budgetary borrowing	6,403.6	248.6	261.0	861.0
Commodity operations	564.5	-56.3	-37.3	72.0
Non-government borrowings: of which	4,390.4	289.9	203.1	288.3
Private sector	3,937.4	288.3	161.2	208.7
PSEs	434.7	1.8	42.0	80.0
Other items (net)	-879.2	-272.0	-178.0	-125.5
M2	11,282.1	312.1	290.9	1,315.6



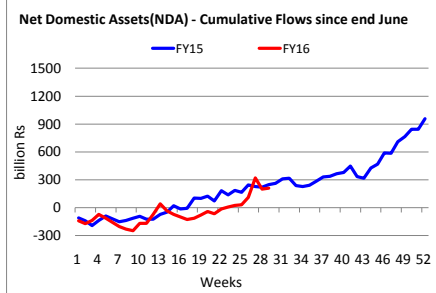
Monetary Liabilities of the Banking System (billion Rs)

Currency in circulation	2,554.7	441.2	242.6	376.9
Total deposits with banks	8,713.6	-130.0	48.5	936.6
Demand deposits with banks	7,396.8	-110.3	-25.5	891.0
Time deposits with banks	719.1	-27.0	54.5	47.3
RFCDs with banks	597.8	7.3	19.5	-1.6
M2	11,282.1	312.1	290.9	1,315.6



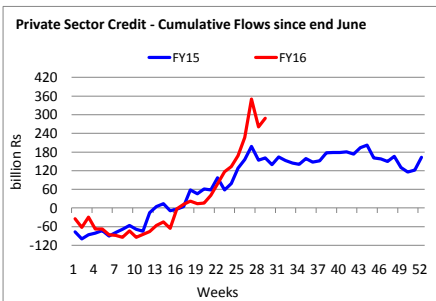
Monetary Assets of the Banking System (percent growth)

	YoY (15-Jan-16)	Since end June		FY15
		15-Jan-16	16-Jan-15	
NFA	44.2	12.8	7.2	37.0
NDA	11.0	2.0	2.6	11.7
Government borrowings	14.4	2.7	3.7	15.5
Budgetary borrowing	14.6	3.9	4.7	15.5
Commodity operations	11.7	-10.0	-7.6	14.6
Non-government sector borrowings	8.7	6.6	5.0	7.0
Private sector	8.6	7.3	4.3	5.6
PSEs	10.0	0.4	11.8	22.5
Other items (Net)	-23.5	-30.9	-23.6	-16.6
M2	13.0	2.8	2.9	13.2



Memorandum Items

	Latest week	A year ago	FY15
	15-Jan-16	16-Jan-15	
Money multiplier	3.16	3.33	3.59
Currency to deposit ratio (percent)	34.90	30.93	29.32
M2 to GDP ratio (percent)	37.80	37.46	41.20
Private sector credit to GDP ratio (percent)	13.78	14.21	14.38



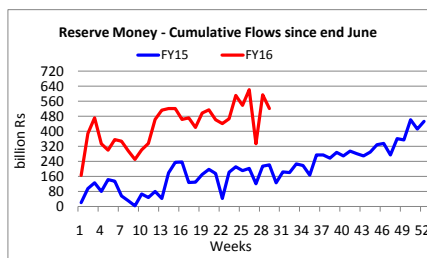
^R, Revised (All weekly numbers are provisional); Source: Statistics & Data Warehouse Department (S&DWD), SBP



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

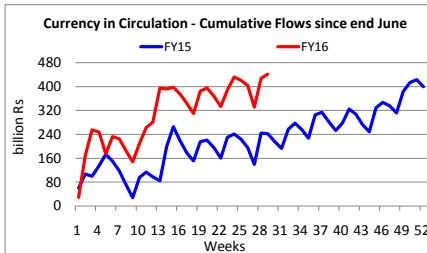
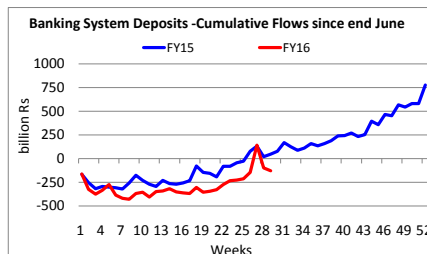
Monetary Assets of SBP

	End June 2015 stocks	Cumulative flows since end-June		FY15 Flows
		Latest week	A year ago	
		15-Jan-16	16-Jan-15	
NFA	722.4	171.9	48.7	240.7
NDA: of which	2,419.6	349.4	172.9	41.5
Budgetary borrowing	1,928.9	-410.6	-436.0	-474.1
Other items (net)	105.6	737.3	548.5	615.3
Net impact of OMOs/discounting	662.6	651.3	698.1	679.8
Reserve money	3,142.0	521.3	221.6	282.2



Monetary Liabilities of SBP

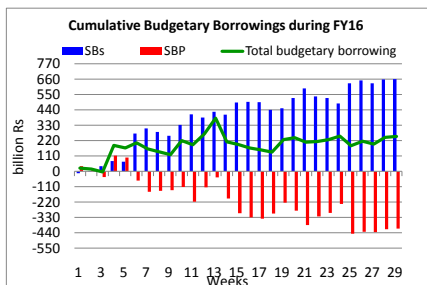
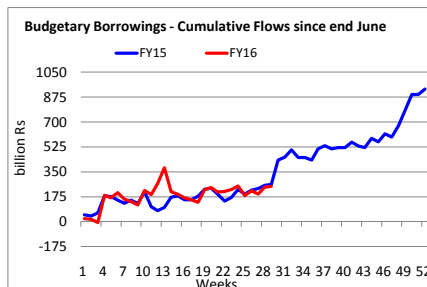
	End June 2015 stocks	Cumulative flows since end-June		FY15 Flows
		Latest week	A year ago	
		15-Jan-16	16-Jan-15	
Currency in circulation	2,554.7	441.2	242.6	376.9
Cash in tills	160.3	-10.5	-20.4	20.8
Bank deposits with SBP (reserves)	413.2	89.8	-0.4	-117.5
Other deposits with SBP	13.7	0.8	-0.2	2.1
	(15-Jan-16)		(percent growth)	
NFA of the SBP	68.6	23.8	10.1	50.0
NDA of the SBP: of which	8.5	14.4	7.3	1.7
Budgetary borrowing	-22.8	-21.3	-18.1	-19.7
Reserve money	18.9	16.6	7.7	9.9



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

Details on Government Borrowing for Budgetary Support

	End June 2015 stocks	Cumulative flows since end-June		FY15 flows
		Latest week	A year ago	
		15-Jan-16	16-Jan-15	
Budgetary borrowing	6,403.6	248.6	261.0	861.0
Federal government	7,003.8	412.2	304.3	951.1
From SBP	2,098.6	-260.0	-392.0	-462.2
SBP's holdings of MRTBs	2,281.4	-145.1	-331.1	-570.9
From scheduled banks (SBs)	4,905.1	672.2	696.3	1,413.3
Provincial governments	-600.2	-163.6	-43.4	-90.1
From SBP ¹	-169.8	-150.6	-44.0	-11.9
From scheduled banks ²	-430.4	-13.0	0.6	-78.2
Memorandum Items				
Budgetary borrowing on cash basis	6,329.9	232.2	227.3	888.3
SBP	1,886.7	-409.5	-440.5	-434.2
Scheduled banks	4,443.3	641.7	667.9	1,322.6



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

² The end-June 2015 net stock of borrowings was negative as provincial governments' deposits with scheduled banks exceeded their borrowings.

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



Private Sector Credit

Credit to private sector increased by Rs. 353 billion during Jul-Dec FY16 compared to Rs. 222 billion during the same period of FY15.

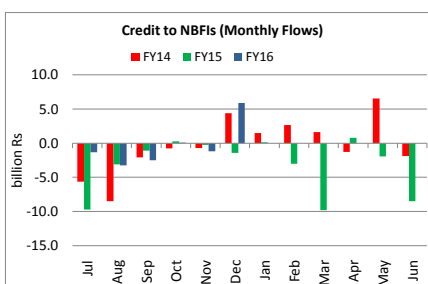
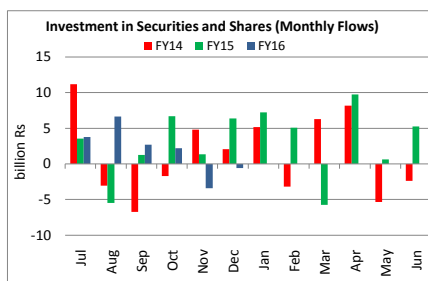
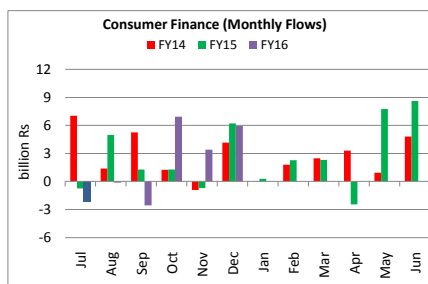
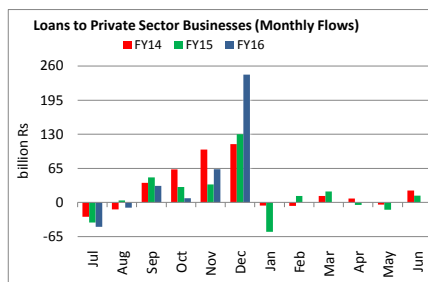
Credit to Private Sector

	End June 2015 stocks	Cumulative flows (billion Rs)		
		Jul-Dec FY16	Jul-Dec FY15	FY15
Total credit to private sector ¹	3,937.4	352.9	222.3	208.7
1. Loans to private sector businesses	2,944.7	290.1	207.6	179.5
By type				
Working capital: of which	1,891.1	201.6	165.5	49.6
Export finance	282.3	34.2	44.6	6.3
Import finance	181.6	20.5	41.5	24.5
Fixed investment	1,053.6	88.4	42.1	129.9
By Sectors: of which				
Agriculture	285.4	↑ 17.7	↑ 18.3	↑ 32.7
Manufacturing: of which	1,704.4	↑ 164.4	↑ 114.6	↑ 68.4
Textiles	549.7	↑ 82.6	↑ 57.7	↓ -8.4
Food products & beverages	429.7	↑ 4.9	↑ 15.0	↑ 15.3
Chemicals & products	209.7	↑ 40.9	↑ 2.2	↑ 17.9
Non-metallic mineral products	73.4	↑ 1.8	↑ 5.0	↑ 19.7
Wearing apparel, readymade gar.	53.7	↑ 2.0	↑ 4.1	↓ -0.3
Electricity, gas and water	267.2	↑ 20.4	↓ -4.4	↓ -11.4
Construction	66.0	↑ 20.9	↑ 11.8	↑ 13.6
Commerce and trade	237.0	↑ 22.4	↑ 18.3	↑ 13.7
Transport, storage and comm.	146.6	↑ 13.2	↑ 10.3	↑ 29.5
Services: of which	151.7	↑ 28.8	↑ 22.0	↑ 17.6
Real estate/renting & business act	97.7	↑ 15.7	↑ 14.0	↑ 8.2
2. Personal: of which	381.7	↑ 10.5	↑ 17.9	↑ 44.0
Consumer financing	273.9	↑ 11.4	↑ 12.3	↑ 31.1
3. Investment in securities and shares	223.4	↑ 11.3	↑ 13.7	↑ 35.9
4. Others²: of which	387.7	↑ 41.1	↓ -16.9	↓ -50.8
Non-bank finance companies	117.3	↓ -2.3	↓ -15.4	↓ -35.3

¹ From Weekly Monetary Survey's month end position.

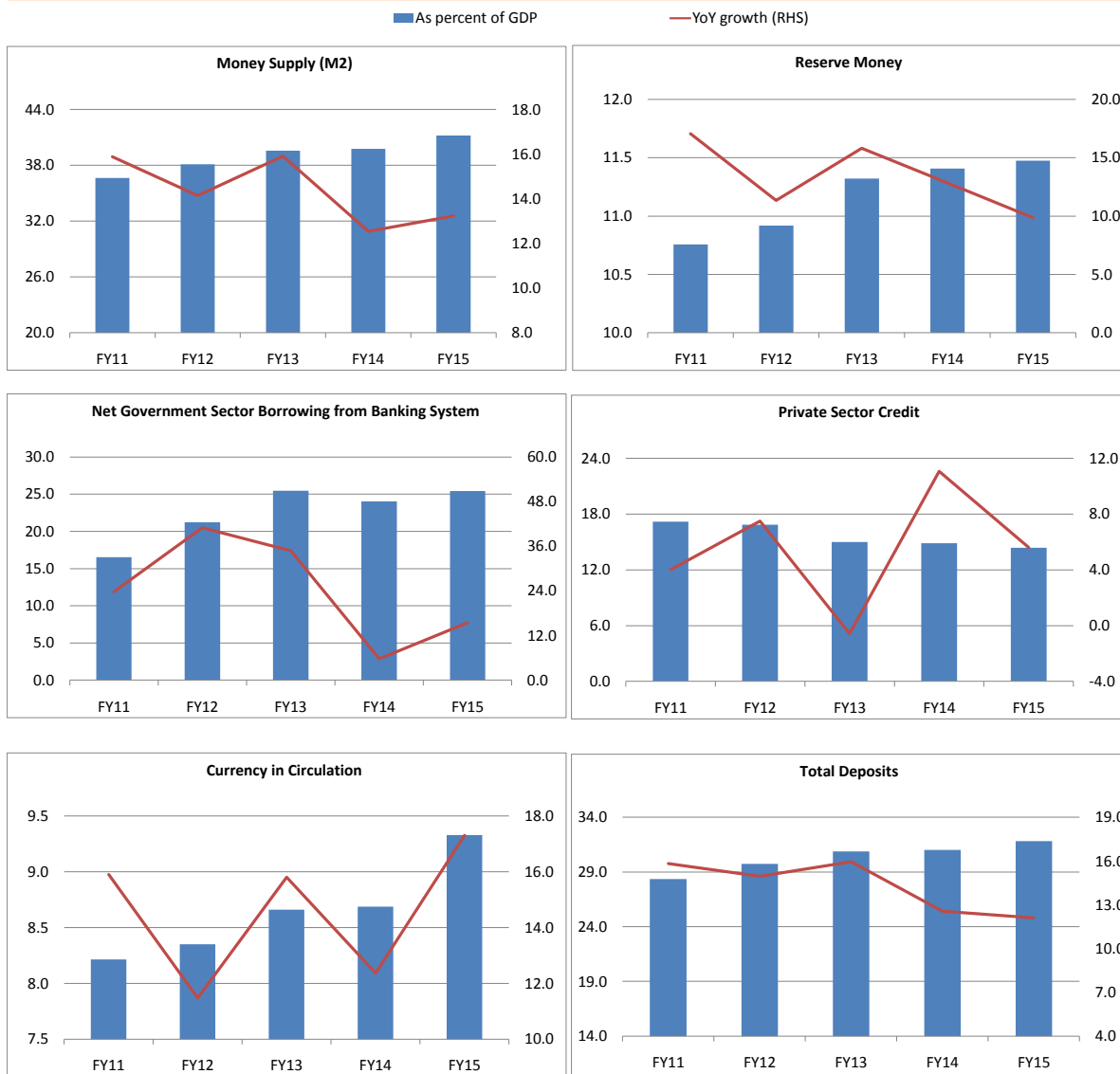
² This also includes credit to some Public Sector Enterprises, and other categories.

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





Key Indicators of Monetary Sector

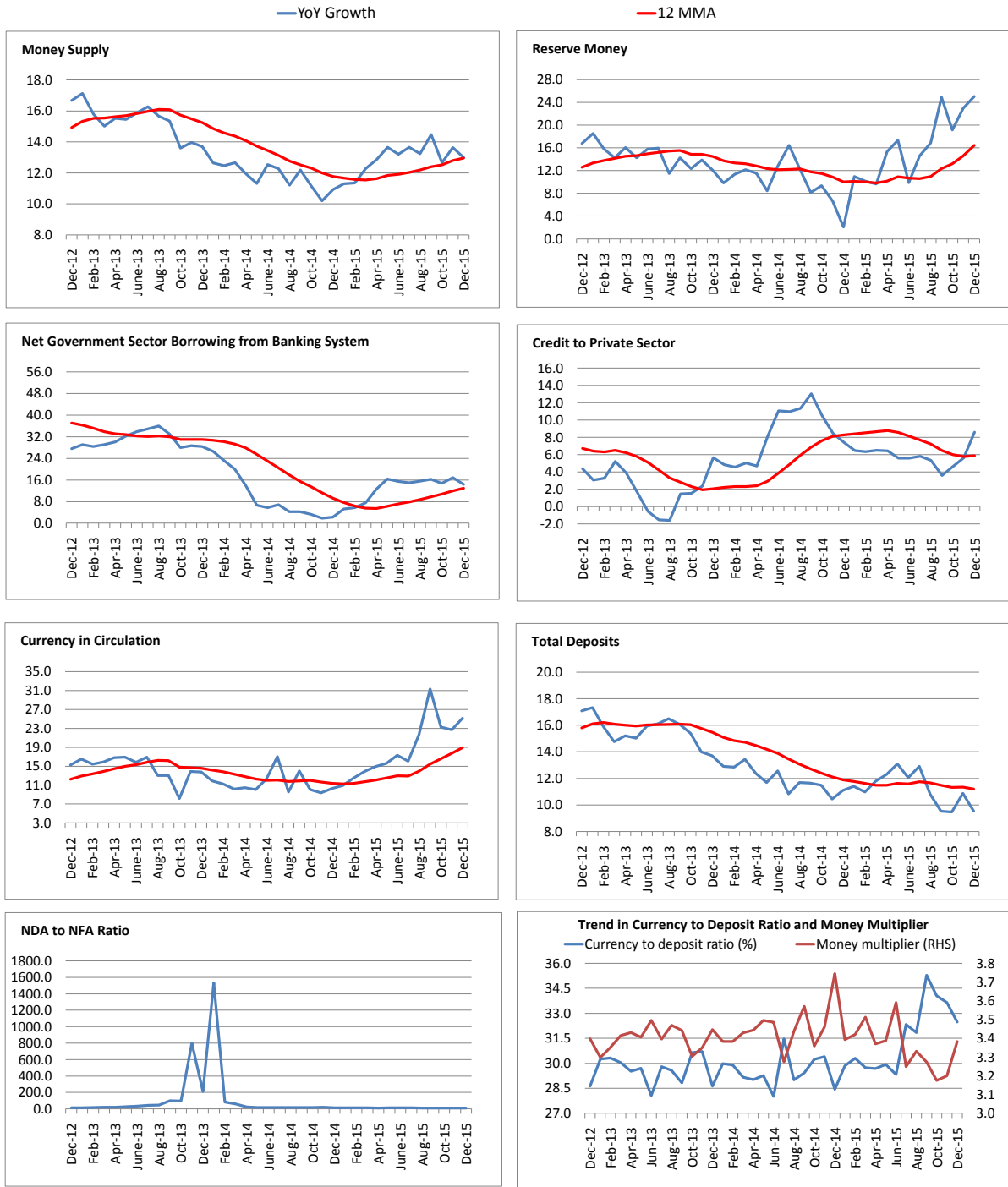


YoY growth of end June Stocks

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.



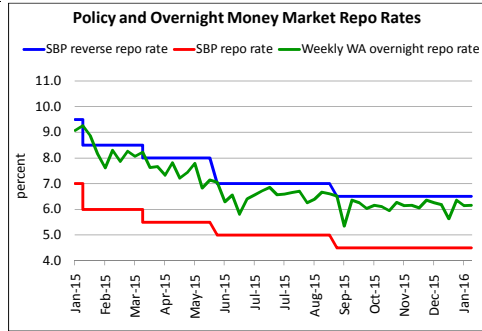
Money Market

SBP kept its reverse repo rate unchanged at 6.5 percent in November 2015 monetary policy decision.

Policy Instruments (percent)

	Current	w.e.f	Previous	w.e.f	Change ¹
SBP reverse repo rate	6.5	14-Sep-15	7.0	25-May-15	↓ -50
SBP repo rate	4.5	14-Sep-15	5.0	25-May-15	↓ -50
Bi-weekly average CRR on DL and TL < 1 year	5.0	1-Nov-08	6.0	18-Oct-08	↓ -100
Daily minimum CRR on DL and TL < 1 year	3.0	12-Oct-12	4.0	1-Nov-08	↓ -100
CRR on TL > 1 year	0.0	4-Aug-07	3.0	22-Jul-06	↓ -300
SLR on DL and TL < 1 year	19.0	24-May-08	18.0	22-Jul-06	↑ 100
Islamic banks	19.0	3-Jun-11	14.0	1-Apr-11	↑ 500
SLR on TL > 1 year	0.0	18-Oct-08	19.0	24-May-08	↓ -1900
Islamic banks	0.0	18-Oct-08	9.0	24-May-08	↓ -900

¹ Basis points DL: Demand Liabilities; TL: Time Liabilities



Volatility in overnight repo rate has decreased in Q3-FY16 so far, compared to Q3-FY15.

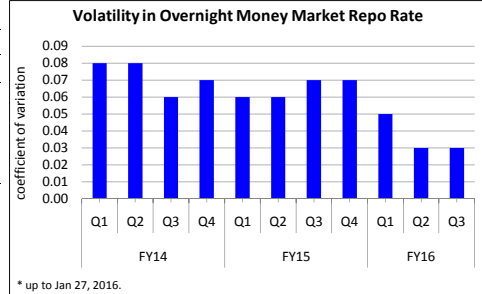
Weighted Average O/N Money Market Repo Rate (percent)

	FY15		FY16		Year
	Year	Q1	Q2	Q3*	
WA O/N repo rate ²	8.51	6.49	6.12	6.34	6.32
Standard deviation	1.19	0.35	0.16	0.17	0.32
CoV ³	0.14	0.05	0.03	0.03	0.05

* up to Jan 27, 2016 YTD: Year to date

² Weekly Weighted Average O/N Repo Rate

³ CoV (Coefficient of Variation) is a ratio and is unit free.



* up to Jan 27, 2016.

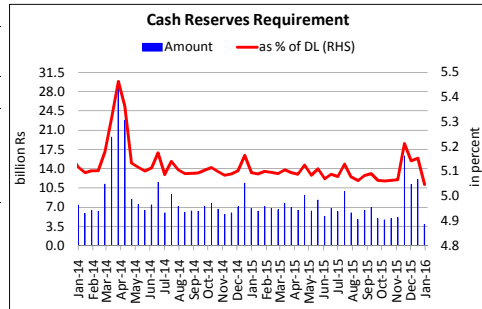
Banks' holding of government securities now stands at 85 percent of their total liquid assets maintained.

Bi-weekly Cash Reserves Requirement (CRR)⁴ (billion Rs)

	Maintenance period ended as on		Change since Last MPS	
	14-Jan-16	17-Dec-15	17-Dec-15	19-Nov-15 ⁵
Cash required	412.6	391.2	↑ 21.4	↑ 29.3
Cash maintained	416.5	402.3	↑ 14.1	↑ 28.1
Excess cash reserves (per day)	3.9	11.2	↓ -7.3	↓ -1.2

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

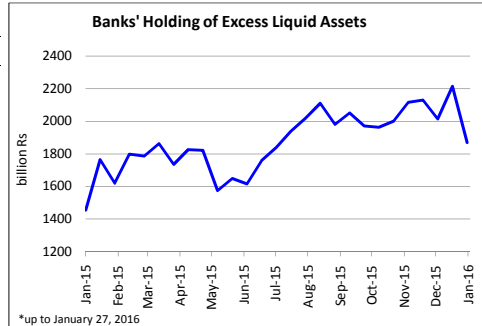
⁵ As on Thursday preceding the last monetary policy decision.



Overall Reserve Requirement (billion Rs)

	Maintenance period started as on		Change since Last MPS	
	15-Jan-16	18-Dec-15	18-Dec-15	20-Nov-15 ⁹
Required reserves	1905.8	1886.6	↑ 19.3	↑ 58.4
for CRR	397.0	393.0	↑ 4.0	↑ 12.2
for SLR	1508.8	1493.5	↑ 15.2	↑ 46.3
Maintained⁶	3774.6	3901.1	↓ -126.5	↓ -188.2
Cash	549.8	590.6	↓ -40.8	↓ -20.7
Cash in tills	175.7	180.3	↓ -4.6	↓ -4.0
Balance with SBP	347.8	382.3	↓ -34.5	↓ -17.2
Balance with NBP	26.4	28.0	↓ -1.6	↑ 0.5
Securities	3206.4	3292.1	↓ -85.7	↓ -167.4
Others ⁷	18.4	18.4	↓ -0.1	↓ -0.1
Excess liquid assets⁸	1868.8	2014.6	↓ -145.8	↓ -246.7

Source: Off-site Supervision and Enforcement Department, SBP



* up to January 27, 2016

⁶ Data corresponds to the balances as on that date

⁷ Includes Section 13(3) deposits and share capital of MFBs.

⁸ Includes excess securities + cash and other assets maintained.

⁹ As on Friday preceding the last monetary policy decision

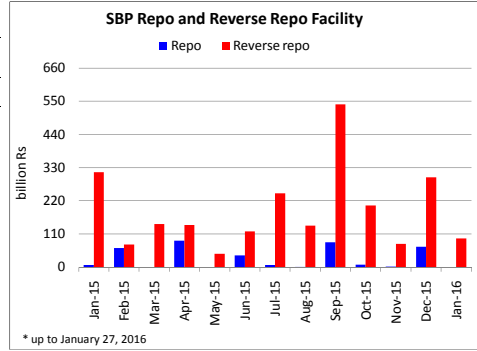


Banks' use of SBP's reverse repo facility decreased in Q3-FY16 so far, compared to Q3-FY15.

Use of SBP's Standing Facilities

	SBP reverse repo		SBP repo	
	Amount	Days	Amount	Days
	billion Rs	No.	billion Rs	No.
FY14	4,084.5	71	1,084.3	39
Q1	250.6	11	419.0	13
Q2	977.6	16	199.8	6
Q3	1,559.1	26	239.9	6
Q4	1,297.2	18	225.6	14
FY15	2,697.5	71	729.5	21
Q1	693.3	21	163.5	4
Q2	1,170.4	21	369.4	8
Q3	531.6	18	70.5	4
Q4	302.3	11	126.2	5
FY16¹	1,595.5	36.0	160.6	8.0
Q1	922.2	15	89.2	5
Q2	578.8	16	71.4	3
Q3 ¹	94.6	5	-	-

¹ Updated up to Jan 27, 2016



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

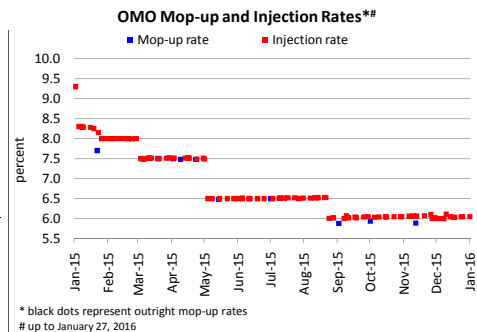
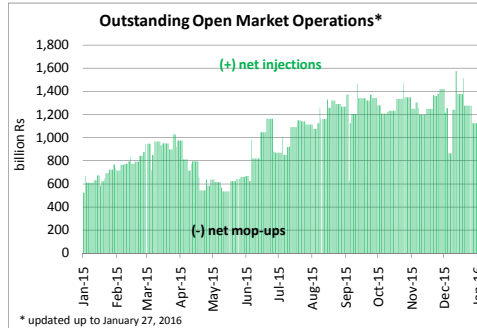
Outstanding Open Market Operations² (billion rupees)

	Average Outstanding OMOs	End-period Outstanding OMOs
FY14	53.9	-
Q1	(34.7)	(40.0)
Q2	(11.8)	66.1
Q3	67.0	250.0
Q4	196.9	-
FY15	418.6	624.8
Q1	63.0	0.0
Q2	281.0	0.0
Q3	683.2	718.4
Q4	744.1	624.8
FY16³	1,191.6	1,125.0
Q1	1,082.9	623.8
Q2	1,287.6	863.9
Q3 ³	1,235.0	1,125.0

² It does not include the impact of outright transactions.
 *Note: (+) amount means net injection transactions.
 (-) amount means net mop-up

³ Updated up to Jan 27, 2016

Source: Domestic Markets & Monetary Management Department, SBP



Outright Open Market Operations (billion rupees)

	Net Sale	End-period Outstanding
FY14	379.6	-
Q1	-	-
Q2	90.5	90.5
Q3	289.1	289.1
Q4	-	-
FY15	346.5	186.5
Q1	70.0	70.0
Q2	90.0	90.0
Q3	-	-
Q4	186.5	186.5
FY16⁴	-	-
Q1	-	-
Q2	-	-
Q3 ⁴	-	-

⁴ Updated up to Jan 27, 2016

Open Market Operations for GoP Ijara Sukuk - Outright⁵ (billion rupees)

	Bai-Muajjal Purchases	Ready Sales
FY15	179.9	179.9
Q1	-	-
Q2	90.4	90.4
Q3	89.5	89.5
Q4	-	-
FY16⁶	-	-
Q1	-	-
Q2	-	-
Q3 ⁶	-	-

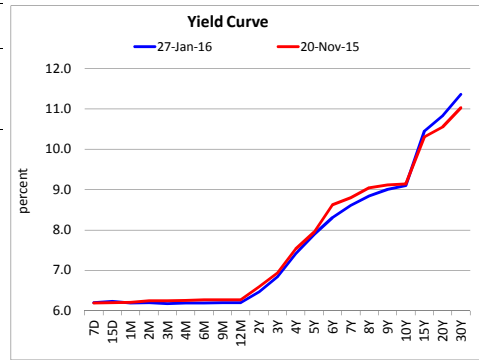
⁵ As per DMMD Circular No. 17 of 2014 dated October 15, 2014.

⁶ Updated up to Jan 27, 2016



Secondary market yield from one month to ten year tenors have decreased since the last monetary policy decision in November 2015.

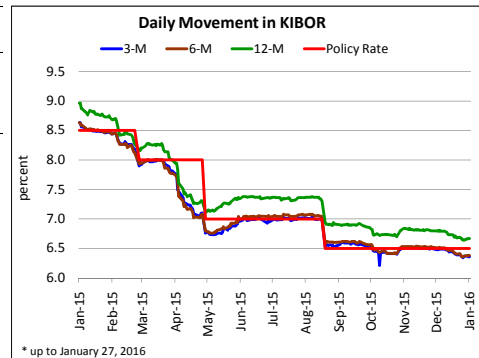
Pak Rupee Revaluation (PKRV) Rates ¹ (%)				
Tenors	Current		Change (in basis points) since	
	27-Jan-16	28-Dec-15	28-Dec-15	Last MPS
	27-Jan-16	28-Dec-15	28-Dec-15	20-Nov-15
1-week	6.20	6.44	↓ -24	↑ 1
2-week	6.23	6.45	↓ -22	↑ 3
1-month	6.19	6.45	↓ -26	↓ -2
3-month	6.18	6.42	↓ -24	↓ -7
6-month	6.19	6.42	↓ -23	↓ -8
9-month	6.20	6.42	↓ -22	↓ -7
12-month	6.20	6.43	↓ -23	↓ -7
2-year	6.47	6.86	↓ -39	↓ -13
3-year	6.84	7.31	↓ -47	↓ -10
5-year	7.90	8.43	↓ -53	↓ -5
7-year	8.61	9.14	↓ -53	↓ -19
10-year	9.10	9.32	↓ -22	↓ -4
20-year	10.83	10.90	↓ -7	↑ 28
30-year	11.36	11.33	↑ 3	↑ 33



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

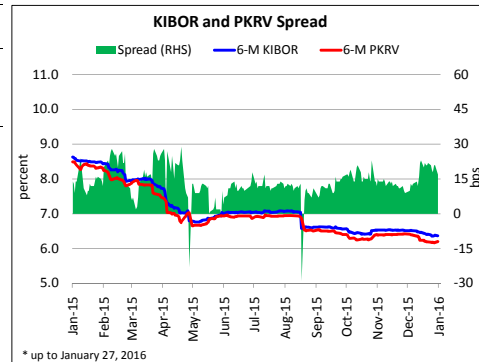
KIBOR of three month and above tenors have decreased since the last monetary policy decision in November 2015.

Tenor-wise KIBOR (%)				
Tenors	Current		Change (in basis points) since	
	27-Jan-16	28-Dec-15	28-Dec-15	Last MPS
	27-Jan-16	28-Dec-15	28-Dec-15	20-Nov-15
1-week	6.43	6.45	↓ -2	↑ 1
2-week	6.45	6.51	↓ -6	↑ 1
1-month	6.47	6.52	↓ -5	0
3-month	6.36	6.48	↓ -12	↓ -4
6-month	6.38	6.51	↓ -13	↓ -3
9-month	6.66	6.79	↓ -13	↓ -2
12-month	6.67	6.80	↓ -13	↓ -3
2-year	6.76	6.99	↓ -23	↓ -11
3-year	6.91	7.32	↓ -41	↓ -28



Spreads between KIBOR and PKRV rates for all tenors except two week and three year have increased compared to their levels observed at the time of monetary policy announcement in November 2015.

KIBOR and PKRV Spread (basis points)				
Tenors	Current		Change since	
	27-Jan-16	28-Dec-15	28-Dec-15	Last MPS
	27-Jan-16	28-Dec-15	28-Dec-15	20-Nov-15
1-week	23	1	↑ 22	↑ 0
2-week	22	6	↑ 16	↓ -2
1-month	28	7	↑ 21	↑ 2
3-month	18	6	↑ 12	↑ 3
6-month	19	9	↑ 10	↑ 5
9-month	46	37	↑ 9	↑ 5
12-month	47	37	↑ 10	↑ 4
2-year	29	13	↑ 16	↑ 2
3-year	7	1	↑ 6	↓ -18



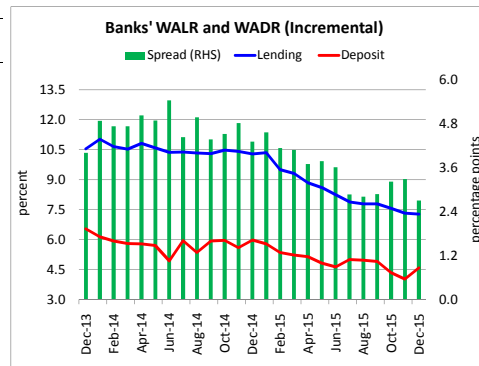
Sources: SBP and Financial Market Association of Pakistan



Spread between incremental WALR and WADR stands at 270 bps in December 2015.

Weighted average Lending and Deposit Rates (percent per annum)

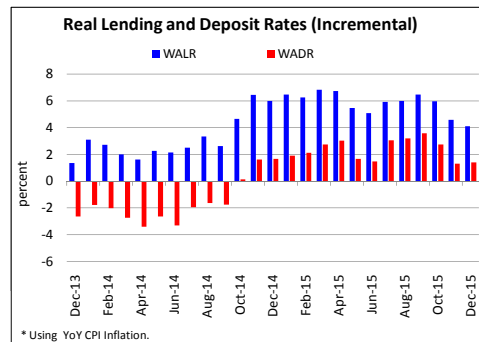
Months	Incremental ¹			Outstanding		
	WALR	WADR	Spread (bps)	WALR	WADR	Spread (bps)
Dec-14	10.28	5.97	431	10.92	4.90	602
Jan-15	10.35	5.78	457	10.73	4.94	579
Feb-15	9.50	5.36	414	10.55	4.66	589
Mar-15	9.31	5.22	408	10.47	4.55	591
Apr-15	8.85	5.15	370	9.95	4.38	558
May-15	8.61	4.83	377	9.85	4.26	559
Jun-15	8.24	4.63	362	9.63	3.89	574
Jul-15	7.88	5.00	287	9.42	3.95	547
Aug-15	7.78	4.97	281	9.36	3.85	551
Sep-15	7.78	4.90	288	9.18	3.80	538
Oct-15	7.57	4.35	322	8.96	3.62	534
Nov-15	7.32	4.03	329	8.78	3.49	529
Dec-15	7.28	4.58	270	8.67	3.48	519



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

Both real lending and deposit rates, calculated on the basis of 12-month moving average CPI inflation, have increased in December 2015.

Months	Real (based on 12-month MA inflation) ²		Real (based on YoY inflation) ³	
	WALR	WADR	WALR	WADR
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
Apr-15	3.49	-0.21	6.74	3.04
May-15	3.67	-0.11	5.45	1.67
Jun-15	3.72	0.10	5.08	1.47
Jul-15	3.84	0.97	5.93	3.05
Aug-15	4.18	1.37	5.99	3.18
Sep-15	4.70	1.82	6.46	3.58
Oct-15	4.84	1.62	5.96	2.74
Nov-15	4.69	1.40	4.59	1.30
Dec-15	4.74	2.04	4.09	1.39



¹ Using YoY CPI Inflation.

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

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

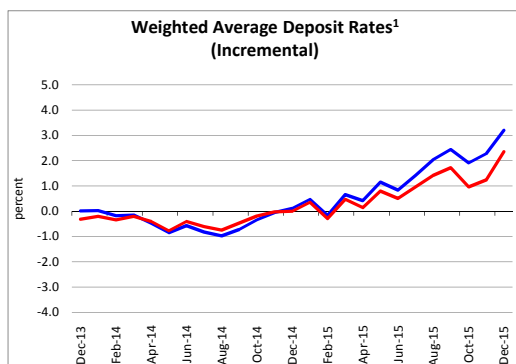
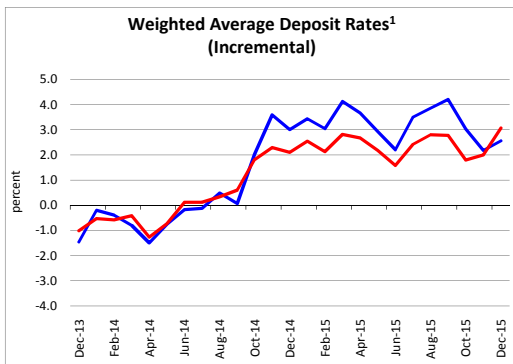
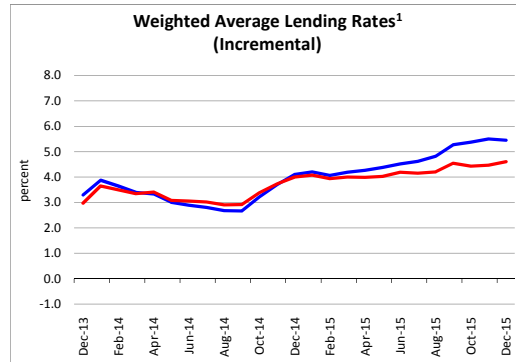
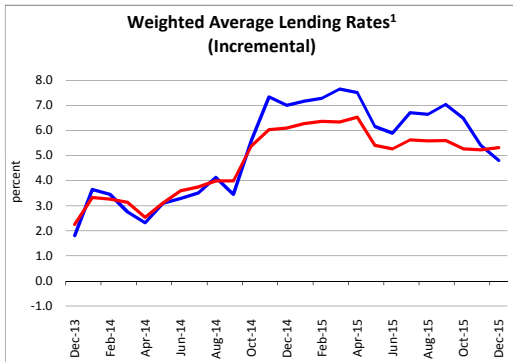
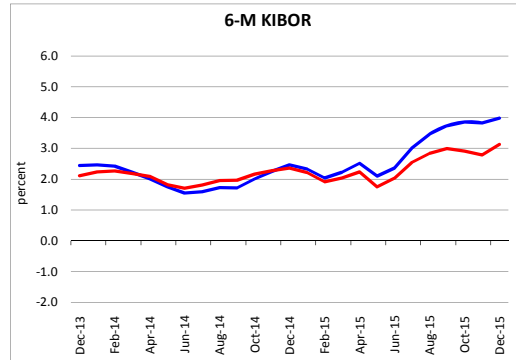
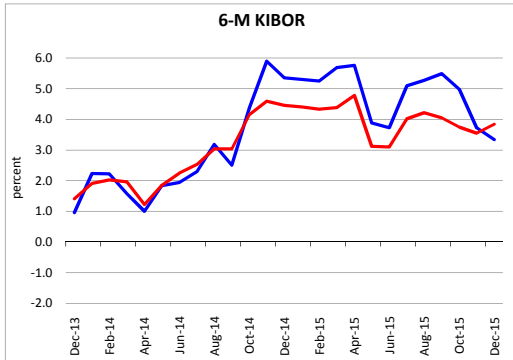
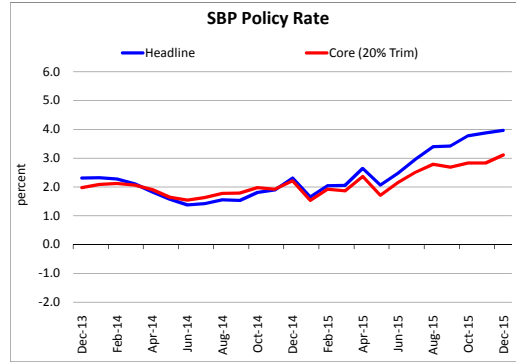
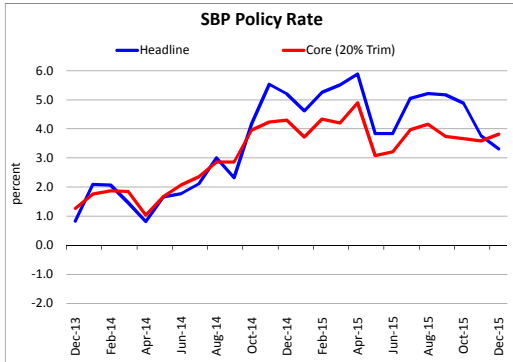
Sources: Statistics & Data Warehouse Department, SBP & Pakistan Bureau of Statistics



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 Q3-FY16 so far, government has raised less than the targeted amount.

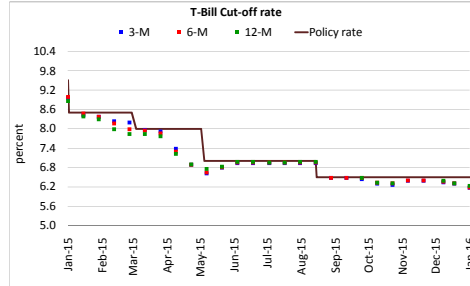
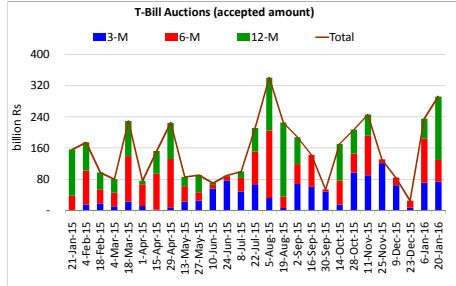
FY/Q/ Settlement	TOTAL			T-bill Auction (billion Rs (Realized value), rates in percent)									Non-competitive	
	Target	Maturity	Offered	Accepted ¹	3-Month			6-Month			12-Month			
					Offered	Accepted ²	Cut-off ³	Offered	Accepted ²	Cut-off ³	Offered	Accepted ²	Cut-off ³	
FY14	8,425.0	8,148.4	6,951.4	6,354.6	5,209.6	4,696.7	-	924.8	857.6	-	817.0	800.4	-	287.8
Q1	1,600.0	1,594.6	1,446.6	1,276.7	1,200.3	1,057.4	9.41	230.6	210.0	9.45	15.7	9.3	8.98	72.2
Q2	2,100.0	2,248.8	2,591.3	2,259.2	2,560.6	2,244.7	9.96	29.9	14.5	9.98	0.8	-	-	87.9
Q3	2,450.0	2,360.2	1,728.3	1,646.0	1,177.3	1,129.2	9.96	325.3	300.7	9.98	225.6	216.1	9.99	72.7
Q4	2,275.0	1,944.7	1,185.3	1,172.7	271.4	265.4	9.96	339.0	332.4	9.97	575.0	575.0	9.99	55.0
FY15	3,745.0	3,305.3	6,167.0	3,244.2	1,525.6	1,068.0	-	1,977.3	1,107.3	-	2,664.0	1,069.0	-	292.5
Q1	700.0	630.1	603.3	601.2	535.8	534.9	9.96	56.1	54.9	9.98	11.4	11.4	9.99	39.4
Q2	1,245.0	978.9	976.0	915.4	262.7	255.7	9.48	324.1	323.2	9.48	389.2	336.6	9.47	60.0
Q3	925.0	569.8	2,394.1	937.8	121.6	75.8	8.19	750.9	375.6	7.99	1,521.6	486.4	7.84	106.2
Q4	875.0	1,126.6	2,193.5	789.9	605.4	201.6	6.93	846.2	353.6	6.95	741.8	234.7	6.97	87.0
FY16⁴	3,025.0	2,548.8	4,425.0	2,653.7	1,550.1	870.6	-	1,385.7	888.2	-	1,489.2	894.9	-	160.0
Q1	1,200.0	862.6	1,328.5	1,208.0	309.8	282.4	6.48	482.4	454.0	6.48	536.3	471.5	-	59.0
Q2	1,225.0	1,146.4	1,996.4	918.3	897.7	443.1	6.34	582.0	264.7	6.36	516.7	210.4	6.4	66.0
Q3 ⁵	600.0	539.7	1,100.1	527.4	342.7	145.1	6.17	321.3	169.4	6.18	436.1	212.9	6.2	35.0

¹ Up till January 27, 2016

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

³ Quarterly rate are for end-period.

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



In the PIB auctions held in Q3-FY16 so far, government has raised greater than the targeted amount.

	PIB Auction (billion Rs (Face value); rates in percent) ⁵									
	3-Year	5-Year	7-Year	10-Year	15-Year	20-Year	30-Year	Total	Target	
FY15										
	Cut-off rate ⁶	8.1	9.0		R					
	Offered	1081.1	564.7	-	471.4	-	8.8	-	2125.8	
	Accepted	471.6	274.7	-	210.9	-	8.0	-	965.2	750.0
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	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 ⁶	8.1	9.0		R					
	Offered	163.3	112.1	-	51.8	-	-	-	327.2	
	Accepted	93.4	31.4	-	19.1	-	-	-	143.8	150.0
FY16⁷										
	Cut-off rate ⁶	6.5	7.5		8.9					
	Offered	896.9	567.0	-	101.3	-	-	-	1565.2	
	Accepted	305.6	186.6	-	5.6	-	-	-	497.7	450.0
Q1	Cut-off rate	7.4	8.3		9.3					
	Offered	465.3	272.0	-	55.4	-	-	-	792.6	
	Accepted	130.3	67.9	-	4.5	-	-	-	202.7	200.0
Q2	Cut-off rate	7.0	8.0		9.1					
	Offered	260.8	165.1	-	11.9	-	-	-	437.8	
	Accepted	109.1	63.6	-	0.9	-	-	-	173.6	150.0
Q3 ⁷	Cut-off rate	6.5	7.5		8.9					
	Offered	170.8	130.0	-	34.1	-	-	-	334.8	
	Accepted	66.2	55.1	-	0.2	-	-	-	121.4	100.0

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

⁶ Excluding non-competitive bids and short-selling accommodation

⁷ Quarterly rate are for end-period.

⁸ Up till January 28, 2016

Government has raised greater than the targeted amount in the Sukuk auctions held in Q2-FY16.

	3-year Ijarah Sukuk Auction (billion Rs; margin in bps)			
	Target	Total offered	Total accepted	Cut-off margin ⁸
FY14	49.5	113.7	49.5	-
Q1	-	-	-	-
Q2	-	-	-	-
Q3	-	-	-	-
Q4	49.5	113.7	49.5	(200)
FY15	-	-	-	-
Q1	-	-	-	-
Q2	-	-	-	-
Q3	-	-	-	-
Q4	-	-	-	-
FY16⁹	100.0	273.3	117.7	-
Q1	-	-	-	-
Q2	100.0	273.3	117.7	(50)
Q3 ⁹	-	-	-	-

⁸ This cut-off margin, with the benchmark of 6-Month MTB Auction Weighted Average Yield, is applicable to all accepted bids; ⁹ Up till January 27, 2016

Source: Domestic Markets & Monetary Management Department, SBP



Foreign Exchange Market

In FY16 so far, Pak rupee has depreciated by 3.02 percent against US Dollar.

	PKR against international currencies			% App/(Dep) of PKR
	Latest 27-Jan-16	Last MPS 20-Nov-15	Jun-15	Cumulative since Jun-15
USD	104.94	105.50	101.78	(3.02)
Euro	114.12	112.72	113.36	(0.66)
Sterling	150.18	161.18	159.99	6.53
JPY	0.89	0.86	0.83	(6.03)
USD Kerb	106.75	106.10	102.80	(3.70)
Premium (Rs)	1.81	0.60	1.02	-
Daily NEER	93.22	91.93	92.04	1.28

Source: SBP

	International exchange rates ²			% App/(Dep) of USD
	Latest 27-Jan-16	Last MPS 20-Nov-15	Jun-15	Cumulative since Jun-15
USD/EUR	1.09	1.07	1.11	2.43
USD/GBP	1.43	1.53	1.57	9.84
JPY/USD	118.27	122.84	122.07	(3.11)
INR/USD	67.97	66.21	63.76	6.60
CNY/USD	6.58	6.39	6.20	6.08
THB/USD	35.82	35.73	33.77	6.09
MYR/USD	4.26	4.29	3.77	12.81
SGD/USD	1.43	1.41	1.35	6.10

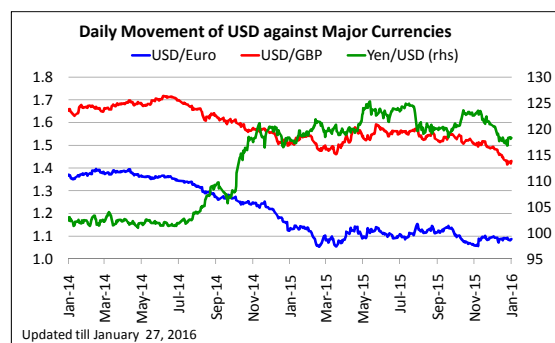
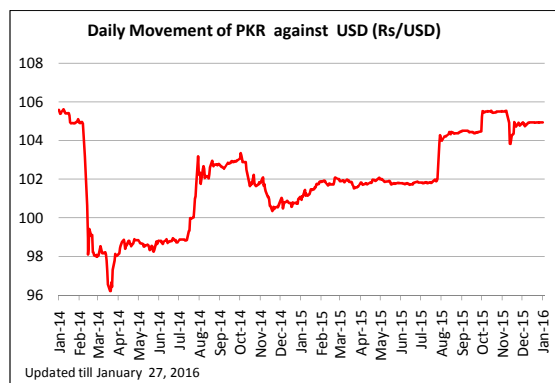
² The exchange rates are shown as per country practices

PKR/USD Interbank Exchange Rate Trends on Fiscal Year Basis

	High	Low	Close	Average	Volatility C/C ³
FY10	85.58	81.40	85.51	83.89	3.02
FY11	86.50	83.93	85.97	85.56	2.40
FY12	94.69	85.79	94.55	89.27	2.48
FY13	99.80	93.70	99.66	96.85	1.67
FY14	110.50	95.75	98.80	102.88	4.07
FY15	103.45	98.58	101.78	101.46	2.44
FY16 ⁴	106.10	101.69	104.94	104.11	2.04

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

⁴ Updated upto 27th January 2016



PKR/USD Interbank Exchange Rate Trends on Quarterly Basis

	High	Low	Close	Average	Volatility C/C ³
Q3-FY13	98.53	97.22	98.44	97.92	1.30
Q4-FY13	99.80	98.24	99.66	98.52	1.03
Q1-FY14	110.50	99.55	106.06	103.06	3.45
Q2-FY14	108.75	105.10	105.32	107.01	3.03
Q3-FY14	105.70	97.12	98.53	103.48	5.63
Q4-FY14	98.96	95.75	98.80	98.31	4.14
Q1-FY15	103.27	98.58	102.63	100.70	4.32
Q2-FY15	103.45	100.23	100.48	101.88	2.92
Q3-FY15	102.24	100.53	101.94	101.41	1.74
Q4-FY15	102.18	101.44	101.78	101.83	0.87
Q1-FY16	104.56	101.69	104.51	102.92	2.02
Q2-FY16	106.10	103.54	104.74	104.97	2.47
Q3-FY16 ⁴	104.99	104.60	104.94	104.93	0.66



In Real terms, Pak rupee has appreciated by 1.0 percent during November FY16.

Changes in Nominal Effective Exchange Rate (NEER)

Base Year: CY2010

		NEER Index	2013	2014				2015			
			Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Nov ^P
2013	Dec	79.44	-	7.11	8.57	6.91	12.77	16.93	15.80	15.69	15.52
2014	Mar	85.09	-	-	1.36	-0.18	5.29	9.17	8.11	8.01	7.85
	Jun	86.25	-	-	-	-1.53	3.87	7.70	6.65	6.55	6.39
	Sep	84.93	-	-	-	-	5.48	9.37	8.31	8.21	8.05
	Dec	89.59	-	-	-	-	-	3.68	2.68	2.58	2.43
2015	Mar	92.89	-	-	-	-	-	-	-0.97	-1.06	-1.21
	Jun	91.99	-	-	-	-	-	-	-	-0.09	-0.24
	Sep	91.91	-	-	-	-	-	-	-	-	-0.15
	Nov ^P	91.77	-	-	-	-	-	-	-	-	-

Changes in Relative price Index (RPI)

Base Year: CY2010

		RPI	2013	2014				2015			
			Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Nov ^P
2013	Dec	125.34	-	0.42	1.88	3.90	2.89	1.78	3.96	4.21	5.39
2014	Mar	125.86	-	-	1.45	3.46	2.46	1.35	3.53	3.78	4.95
	Jun	127.69	-	-	-	1.98	0.99	-0.10	2.04	2.29	3.45
	Sep	130.22	-	-	-	-	-0.97	-2.04	0.06	0.31	1.44
	Dec	128.96	-	-	-	-	-	-1.08	1.04	1.29	2.44
2015	Mar	127.56	-	-	-	-	-	-	2.15	2.39	3.55
	Jun	130.30	-	-	-	-	-	-	-	0.24	1.38
	Sep	130.62	-	-	-	-	-	-	-	-	1.13
	Nov ^P	132.10	-	-	-	-	-	-	-	-	-

Changes in Real Effective Exchange Rate (REER)

Base Year: CY2010

		REER Index	2013	2014				2015			
			Dec	Mar	Jun	Sep	Dec	Mar	Jun	Sep	Nov ^P
2013	Dec	99.57	-	7.56	10.62	11.08	16.03	19.01	20.39	20.56	21.75
2014	Mar	107.10	-	-	2.84	3.27	7.87	10.64	11.92	12.09	13.19
	Jun	110.14	-	-	-	0.42	4.90	7.59	8.83	8.99	10.06
	Sep	110.60	-	-	-	-	4.46	7.14	8.38	8.54	9.60
	Dec	115.53	-	-	-	-	-	2.56	3.75	3.91	4.93
2015	Mar	118.49	-	-	-	-	-	-	1.16	1.31	2.30
	Jun	119.87	-	-	-	-	-	-	-	0.15	1.13
	Sep	120.05	-	-	-	-	-	-	-	-	0.98
	Nov ^P	121.22	-	-	-	-	-	-	-	-	-

P: Provisional
Source: SBP



Capital Market

KSE-100 Index has decreased by 5.2 percent and Market Capitalization by 2.3 percent during January 2016 so far.

Performance of Karachi Stock Exchange

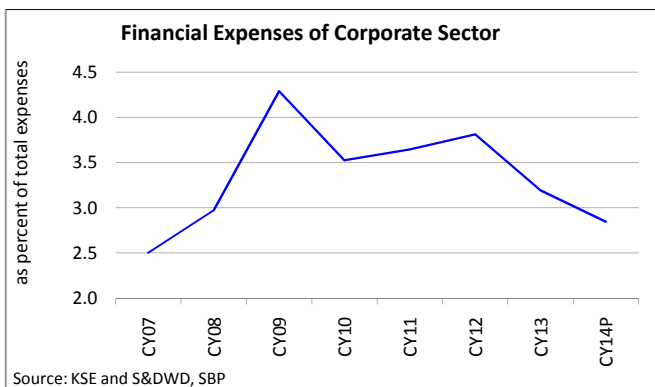
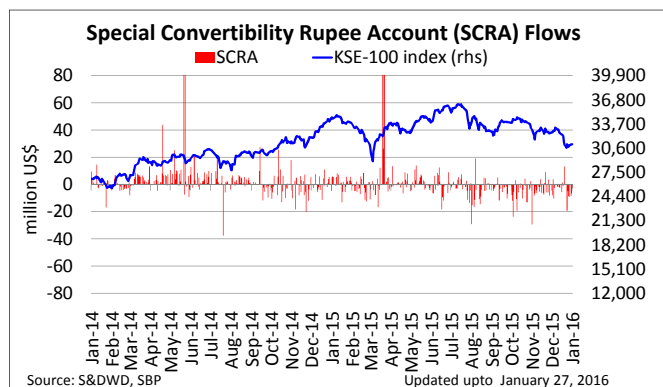
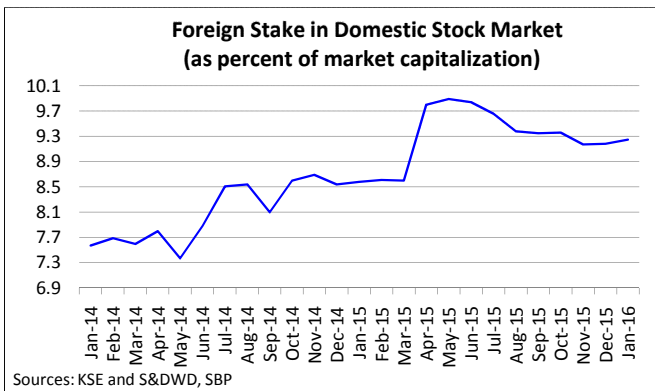
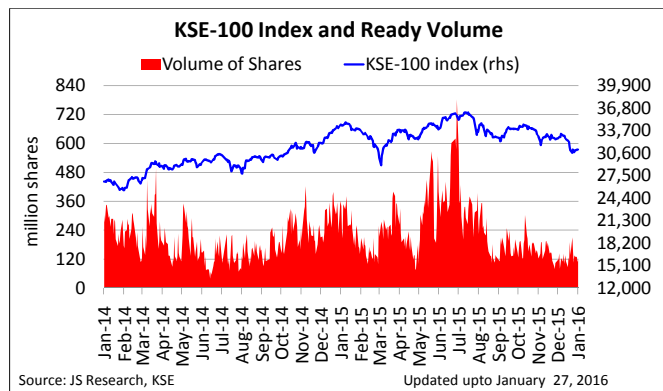
	FY16		FY-15	FY-14	Percentage change during		
	Jan-16 ¹	Dec-15			Jan FY16 ²	FY15	FY14
End-period KSE-100 index	31,101	32,816	34,399	29,653	-5.2	16.0	41.2
End-period KSE-30 index	18,025	19,282	21,573	20,416	-6.5	5.7	26.0
Market capitalization (billion Rs) ³	6,742	6,903	7,211	6,171	-2.3	16.9	43.5
Ready volume (million shares) ³	130	140	220	216	-	-	-
SCRA flows (US\$ million) ⁴	-60.7	-68.9	826.7	689.1	-	-	-

¹ Upto 27 January 2016

² Reflects growth since end of the previous month

³ Average during the period

⁴ Cumulative flow during the period upto 27 January 2016



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



Financial Soundness Indicators

Capital adequacy and liquidity indicators of the banking system have improved in Q3-FY16 compared to the previous quarter.

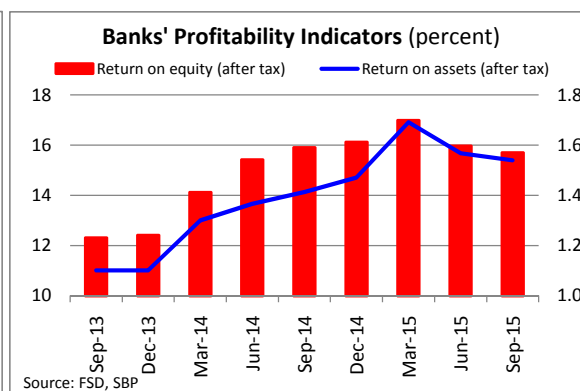
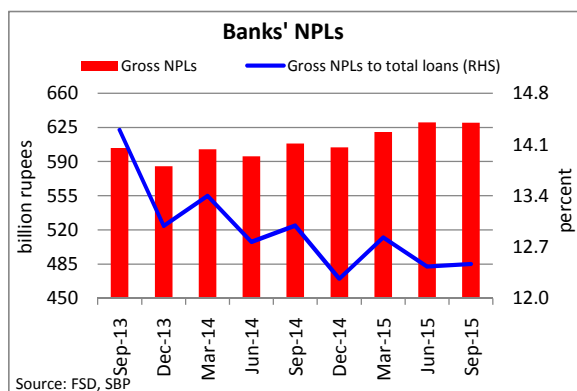
percent

	Sep 2014	Dec 2014	Mar 2015	Jun 2015	Sep 2015
Risk weighted CAR ¹	15.5	17.1	17.4	17.2	18.2
Gross NPLs to total loans	13.0	12.3	12.8	12.4	12.5
Provision to NPLs	77.6	79.8	80.2	80.8	81.8
Net NPLs to net loans	3.2	2.7	2.8	2.7	2.5
Returns on assets (before tax)	2.2	2.2	2.6	2.7	2.6
Return on assets (after tax)	1.4	1.5	1.7	1.6	1.5
ROE (before tax) ²	24.2	24.3	26.0	27.5	26.6
ROE (after tax) ²	15.9	16.1	17.0	15.9	15.7
Net interest income/gross income	71.4	71.3	68.4	67.5	69.1
Liquid assets/total assets	48.3	49.2	51.9	52.3	53.8
Liquid assets/total deposits	61.4	64.5	70.4	69.5	74.8
Advances/deposits	48.2	48.2	46.9	45.7	46.7

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

¹ Data of IDBP, PPCBL, and SME is based on Basel I.

² Average equity and surplus.



Source: Financial Stability Department (FSD), SBP