

## Provisional Data on Monetary Aggregates as on August 4<sup>th</sup> 2017

### 1) Broad Money (M2)

(Million Rupees)

Components	Stocks at End-June 2017 <sup>P</sup>	Flows		Monetary Impact Since	
		FY 16	FY 17 <sup>P</sup>	1 <sup>st</sup> July to	
				4-Aug-17 <sup>P</sup>	5-Aug-16
A. Currency in Circulation	3,911,212	779,035	577,428	-104,811	14,306
B. Other Deposits with SBP	22,692	5,009	3,936	372	398
C. Total Demand & Time Deposits incl. RFCDs <sup>1</sup>	10,647,194	758,665	1,174,882	-193,304	-251,152
of which Residents Foreign Currency Deposits (RFCDs)	650,233	-10,502	62,975	0	9,758
<b>Broad Money (M2) (A+B+C)</b>	<b>14,581,098</b>	<b>1,542,708</b>	<b>1,756,246</b>	<b>-297,743</b>	<b>-236,448</b>
Growth		13.67%	13.69%	-2.04%	-1.84%
<b>Factors Affecting Broad Money (M2)</b>					
A. Net Foreign Assets of the Banking System	602,355	194,851	-405,243	-186,331	-89,350
(i) State Bank of Pakistan	828,908	310,602	-204,108	-183,410	-49,493
(ii) Scheduled Banks	-226,554	-115,750	-201,135	-2,920	-39,857
B. Net Domestic Assets of the Banking System (1+2+3)	13,978,744	1,347,857	2,161,489	-111,413	-147,097
(i) State Bank of Pakistan	3,558,171	514,369	1,024,920	-10,536	170,832
(ii) Scheduled Banks	10,420,573	833,488	1,136,569	-100,877	-317,929
Growth		12.87%	18.29%	-0.80%	-1.24%
1. Net Government Sector Borrowings (a+b+c)	8,955,388	861,330	1,135,843	121,606	201,249
a. Borrowings for Budgetary Support <sup>2</sup>	8,281,865	791,255	1,087,051	145,880	209,020
(i) From SBP	2,349,900	-486,625	907,657	234,755	792,662
a) Federal Government	2,440,416	-368,325	710,107	273,271	753,050
of which deposits with SBP	-91,238	-93,346	237,973	-361,342	-50,328
b) Provincial Government	-88,555	-110,246	189,736	-27,973	40,853
Balochistan Government	-1,460	23,913	16,797	-12,045	-8,571
Khyber Pakhtunkhwa Government	-30,245	-48,357	45,775	-1,977	21,774
Punjab Government	-38,146	-22,049	58,286	1,562	27,279
Sindh Government	-18,704	-63,753	68,877	-15,513	372
c) AJK Government	7,279	-2,093	6,324	-7,485	1,765
d) Gilgit-Baltistan	-9,239	-5,961	1,491	-3,058	-3,007
(ii) From Scheduled banks	5,931,965	1,277,880	179,394	-88,875	-583,642
a) Federal Government	6,631,399	1,364,906	361,375	-88,875	-533,292
of which deposits with banks <sup>3</sup>	-883,796	-162,784	-167,023	0	-11,398
b) Provincial Government	-699,434	-87,026	-181,982	0	-50,349
of which deposits with banks <sup>3</sup>	-700,458	-87,026	-181,982	0	-50,349
b. Commodity Operations	686,508	72,115	49,934	-23,744	-5,469
c. Others	-12,985	-2,040	-1,142	-529	-2,301
2. Credit to Non-Government Sector (a+b+c+d)	6,119,642	556,586	1,107,054	-151,318	-197,473
a. Credit to Private Sector*	5,197,473	446,463	747,926	-118,274	-200,256
Conventional Banking Branches	4,241,174	291,970	511,441	-137,603	-178,611
Islamic Banks	628,335	116,926	139,369	6,435	-20,633
Islamic Banking Branches of Conventional Banks	327,963	37,567	97,116	12,894	-1,012
b. Credit to Public Sectors Enterprises (PSEs)	822,797	109,317	254,740	-33,191	2,014
c. PSEs Special Account-Debt Repayment with SBP/ PSPC**	75,905	-169	100,149	0	0
d. Credit to NBFIs	23,467	975	4,239	147	769
3. Other Items (net)	-1,096,287	-70,060	-81,409	-81,701	-150,874
<b>Broad Money (M2) (A+B)</b>	<b>14,581,098</b>	<b>1,542,708</b>	<b>1,756,246</b>	<b>-297,743</b>	<b>-236,448</b>
Growth		13.67%	13.69%	-2.04%	-1.84%
<b>Memorandum Items</b>					
Accrued profit on SBP holdings of MRTBs/MTBs	50,463	-11,709	19,980	-17,987	6,779
Outstanding amount of MTBs (realized value in auctions)	3,711,754	488,888	1,097,511	320,385	286,289
<b>Net Government Budgetary Borrowings (cash basis)</b>	<b>8,162,820</b>	<b>787,115</b>	<b>1,045,778</b>	<b>196,638</b>	<b>205,086</b>
From SBP	2,299,438	-474,915	887,677	252,742	785,883
From Scheduled Banks	5,863,382	1,262,030	158,101	-56,104	-580,797

P: Provisional

1/ Excluding inter-bank deposits, deposits of governments and foreign constituents.

2/ Government's borrowing net of Federal, Provincial, Azad Kashmir's and Gilgit-Baltistan's deposit with SBP and Scheduled Banks. The (-) sign in govt. deposits shows a credit balance whereas (+) sign shows their debtor/withdrawal from the system

3/ Data on government deposits with scheduled banks are available only on monthly basis therefore, the previous month data were repeated in subsequent weeks till the availability of latest month data.

**Government's borrowing mechanisms from the banking system are as follows:-**

(a) Borrowings from scheduled banks is mainly through fortnightly auctioning of Market Treasury Bills (MTBs) of 3, 6 and 12-month maturities. Government of Pakistan also borrows long-term by quarterly auctioning of Pakistan Investment Bonds (PIBs)/Sukuk of 3, 5, 10, 15, 20 and 30 years maturities.

(b) Federal Government may also borrow directly from SBP either through ways and means advance or purchase (by SBP) of Market Related Treasury Bills (MRTBs). The Ways and Means Advance is extended for government borrowings up to Rs.100 million at an interest rate of 4 percent per annum whereas higher amounts are borrowed through SBP purchase of 6-month MRTBs at the weighted average yield of 6-month MTB determined in the most recent fortnightly auction of treasury bills. The weighted average yield on 6-month MTB was 6.01 percent as a result of the auction conducted on 2nd August 2017.

(c) Provincial Governments and the Government of Azad Jammu & Kashmir may also borrow directly from SBP through raising of their debtor balances (over drafts) within limits defined for them. An interest rate is charged on the borrowings which is weighted average of the weighted average yields of 6-month MTBs over the preceding three months. In case, the Provincial Governments or the Government of Azad Jammu & Kashmir borrow over and above the over draft limit, they are penalized by charging an incremental rate of 4 percent per annum.

\* Note: Islamic Financings, Advances (against Murabaha etc), Inventories and any Other related item(s) pertaining to Islamic Financing previously reported under Other Assets has been reclassified as credit to private sector. Details of reclassifications/revisions are available in revision study on SBP website at:

[www.sbp.org.pk/ecodata/Revision\\_Monetary\\_Stats.pdf](http://www.sbp.org.pk/ecodata/Revision_Monetary_Stats.pdf)

\*\*Includes investment of Rs. 100,149 million in Pakistan Security Printing Corporation (PSPC)

Source: Based on weekly returns of scheduled banks for the week ending Friday.

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