

economicletter

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Pakistan

According to SBP, total foreign public investment during July – October 2016 rose to \$ 1.142 bn against \$ 481 mn in the same period of 2015. Total foreign investment, private and public combined, rose to \$ 1.418 bn against \$ 955.2 mn during the above periods.

According to SBP, net private foreign direct investment in the first four months of the current fiscal (July – October 2016) fell to \$ 316.1 mn against \$ 610.5 mn in the same period last fiscal.

The SBP has reduced the Statutory Liquidity Requirement (SLR) for Islamic banks and Islamic banking branches by 5 % from 19 % to 14 %.

According to SBP's Annual Review, 2015 – 16, the Islamic banking industry registered growths of 16.8 % and 14.1 % in assets and deposits, respectively, over 2014 – 15.

According to SBP, the share of Islamic banking in the overall banking system increased to 11.4 % in terms of assets and 13.2 % in terms of deposits during July – June 2015 – 16.

According to SBP, branchless banking transactions outstanding stood Rs. 543.6 bn by end – April – June quarter of 2016 compared to Rs. 509.1 bn in the preceeding quarter. Total number of such accounts stood at 14.6 mn, higher by 0.9 mn new accounts during the above periods.

According to SBP, total liquid foreign exchange reserves as on November 11, 2016, stood at \$ 24.096 bn of which \$ 19.027 bn was held by SBP and the rest with banks.

The China – Pakistan Economic Corridor (CPEC) has started operating as the first shipment of about 150 large containers left the deep sea port of Gawadar in Balochistan to the port city of Kashgar in China.

Markets at a glance

Weekly Review	KIBOR (6 months)		Foreign Exchange Rates			PSX	Gold Rate
	Bid %	Offer %	GBP(£)	EURO(€)	USD(\$)	100 Index	(10 gm)
Beginning	5.82	6.07	Rs. 134.25	Rs. 116.45	Rs. 106.4	42,849.12	Rs. 40,817
Ending	5.88	6.13	Rs. 133.5	Rs. 114.2	Rs. 106.85	42,331.53	Rs. 37,903.92
Change	+0.06	+0.06	-0.75	-2.25	+0.45	-547.56	-2913.08

International

Foreign exchange reserves held by the central bank of Saudi Arabia at end – September 2016 stood at \$ 555 bn as compared to \$ 616 bn at end – 2015 and \$ 732 bn at end – September 2015.

The Greek economy has come out of recession, mired into it continuously since 2014. Its GDP grew by 0.5 % during July – September 2016 from the previous quarter and by 1.5 % over the third quarter of 2015. It had grown by 0.2 % in the second quarter this year over the January – March period. Despite the growth rates, the government is still forecasting a shrinkage of 0.3 % for the whole of 2016 before turning to positive growth in 2017, onwards.

Japan has signed a civilian nuclear power deal with India allowing Japanese firms to export atomic technology to the country. India has already signed such deals with the U.S., France and Australia.

Japan's economy, third largest in the world after the U.S. and China, expanded by 0.5 % during July – September 2016, quarter – on – quarter, or by an annualised pace of 2.2 % over 2015. After being in recession at end – 2015, it registered growths of 0.5 % and 0.2 % in the first and second quarters, respectively this year.

The U.S. dollar traded at a 14 – year high at one point during the week against a basket of currencies including the Chinese yuan, the Japanese yen and the 19 – member European euro amidst expectations that the new President – elect would pursue pro – business policies.

Unemployment in Britain during July – September, three months recorded at 4.8 % of work free, lowest for 11 years. The Bank of England (BoE) has forecast it to rise to 5.6 % after detachment from the EU is finalized in two years.

CPI inflation in Britain slowed to 0.9 % in the three months to October against 1.0 % in the three months to September, year-on-year, slowest for two years and despite erosion in the value of the pound sterling relative to the U.S. dollar.

GDP growth in the 19-nation euro block was recorded at 0.3% during July – September, the same level as in the April – June quarter, year-on-year.

GDP growth in Germany, the largest European economy, slowed to 0.2 % during the July – September quarter after expansions of 0.4 % and 0.7 %, during the second and first quarters, respectively year-on-year.



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