

economicletter

a weekly publication of The Institute of Bankers Pakistan

Pakistan

According to SBP, the current account deficit narrowed to \$ 532 mn during July – October 2015 against \$ 1.897 bn in the same period of 2014.

According to SBP, net foreign direct investment (FDI) fell to \$ 350.8 mn during July – October 2015 against \$ 462.5 mn in the same period of 2014.

According to SBP, private sector net credit off-take fell to Rs. 21.462 bn during July – October 2015 against Rs. 58.377 bn in the same period of 2014.

The SBP has directed all foreign exchange companies to print all relevant material both in English and urdu to benefit their clients.

According to SBP, total liquid foreign exchange reserves as on November 13, 2015 stood at \$ 19.713 bn of which \$ 14.589 bn was held by SBP and the rest with banks.

According to the Ministry of Finance, the consolidated budgetary deficit in the first quarter of the current fiscal (July - September 2015) was recorded lower at Rs. 328 bn or 1.1 % of GDP against Rs. 336 bn or 1.2 % of GDP in the same quarter last fiscal.

Total merchandise export earnings (f.o.b data) during the first four months of the current fiscal (July – October 2015) at \$ 6.884 bn was lower by 13.42 % over the same period last fiscal. Total merchandise import payments (f.o.b data) at \$ 14.582 bn also stood lower by 12.76 % during the above periods.

Markets at a glance

| Weekly Review | KIBOR (6 months) | | Foreign Exchange Rates | | | KSE | Gold Rate |
|---------------|------------------|---------|------------------------|-----------|------------|-----------|------------|
| | Bid % | Offer % | GBP(£) | EURO(€) | USD(\$) | 100 Index | (10 gm) |
| Beginning | 6.17 | 6.42 | Rs. 161.7 | Rs. 114.6 | Rs. 106.15 | 34,144 | Rs. 39,000 |
| Ending | 6.16 | 6.41 | Rs. 162.45 | Rs. 114 | Rs. 106.1 | 33,857 | Rs. 38,785 |
| Change | -0.01 | -0.01 | -0.75 | -0.6 | -0.05 | -287 | -215 |

The Cotton Crop Assessment Committee has revised downwards, for the third time, new crop cotton production target to 11.4 mn bales compared to initial estimates of it being 15.49 mn bales.

Arrival of new crop seed - cotton (phutti) at ginneries across the country by mid - November 2015 was lower by 23.17 % over the same period last crop season. Arrivals from Punjab and Sindh were lower by 33.38 % and 2.52 % respectively during the above periods.

Pakistan has signed four agreements with Uzbekistan to improve further economic ties including trade between the two countries.

The services sector trade deficit narrowed sharply to \$ 154.94 mn during the first quarter of the current fiscal (July – September 2015) against \$ 654.26 mn in the same quarter last fiscal.

International

The largest banks in China need fresh capitalization of \$ 400 bn to prevent “too big to fail”. Their capital base was heavily strained following the stock markets crash particularly of Shanghai in July.

The Bank of Japan has left its “monetary easing” policy unchanged despite having entered recession.

Japan's economy, third largest in the world after the U.S and China, has entered recession for the fourth time in the last five years having contracted by 0.8 % in the third quarter (July – September 2015) following a shrinkage of 0.7 % in the preceding quarter of the year.

CPI inflation in the U.S stood at 0.7 % in October after being negative by 0.2 % in September, both year-on-year.

Economic expansion in the 19 – nation eurozone slowed to 0.3 % in the third quarter against 1.0 % in the second quarter, both year-on-year.

The eurozone appears likely to post moderate growths in 2016 and 2017 following the resolution of the Greek debt crisis.

GDP growth in Malaysia during July – September at 4.7 % year-on-year was the slowest quarterly pace for two years.



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