

# economicletter

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## Pakistan

According to SBP, non – performing loans (NPLs) in the banking system (inclusive of banks and DFIs) rose to **Rs. 629.856 bn** during January – September 2015 against Rs. 608.636 bn in the same period of 2014.

According to SBP, the services sector trade deficit narrowed sharply to \$ 364 mn during July – October 2015 against \$ 947 mn during the same period of 2014.

According to SBP, total liquid foreign exchange reserves as on November 27, 2015 stood at \$ 19.819 bn of which \$ 14.787 bn was held by SBP and the rest with banks.

The government has rectified some anomalies in existing tariff rates and regulatory duties which combined would result in generating additional revenues of **Rs. 40.0 bn** to the national exchequer.

The National Assembly has been officially informed that foreign debt has come down to 61.0 % of GDP from 63.3 % of GDP in the last two and a-half years.

According to Pakistan Bureau of Statistics (PBS) headline inflation measured by the consumer price index (CPI) registered an increase of 2.73 % in November year-on-year (YoY). Average CPI inflation rose by 1.87 % during July - November, YoY, Non-food-non-energy (NFNE) trimmed core inflation rose by 4 % in November over October.

Export earnings (f.o.b data) of non-textile products during July - October 2015 fell to \$ 2.605 bn against \$ 3.360 bn in the same period of 2014.

The Competition Commission of Pakistan (CCoP) has approved the merger of all the three bourses of the country at Karachi, Lahore and Islamabad.

## 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     | 6.16             | 6.41    | Rs. 162.45             | Rs. 114   | Rs. 106.1  | 33,857    | Rs. 38,785 |
| Ending        | 6.28             | 6.53    | Rs. 160.7              | Rs. 116.5 | Rs. 107.15 | 32,707    | Rs. 38,100 |
| Change        | +0.12            | +0.12   | -1.75                  | +2.5      | +1.05      | -1150     | -685       |

The National Electric Power Regulatory Authority (Nepra) has cut power tariff by Rs. 1.81 per unit for all the distribution companies under its aegis and by Rs. 1.16 per unit for consumers of K-Electric for the month of October.

## International

The International Monetary Fund (IMF) has admitted yuan, the Chinese national currency in its basket of currencies which determines the value of its Special Drawing Rights (SDRs) the world's top reserve currency. Amongst other benefits to China, it would cushion the country in risk-taking ventures by overseas investors by way of neutralising greatly volatility in the international currency markets.

The U.S Federal Reserve has introduced measures to pre-empt large – sized credit lines which are classified as “to big to fail”.

GDP growth in India was recorded at 7.4 % during July – September 2015 against 7.0 % in the previous quarter, the fastest quarterly pace achieved by any other country in the world.

The Reserve Bank of India (RBI) has left its key repo lending rate unchanged at 6.75 %.

The British economic expansion slowed to 0.5 % during the July – September quarter against 0.7 % in the preceding quarter due mainly to lower exports.

CPI inflation in Germany rose by 0.4 % in November against 0.3 % in October, year-on-year, dispelling doubts about persisting deflationary spiral.

The Greek economy is leading towards recession having contracted by 0.9 % in the third quarter with no sign of improvement in the fourth quarter as austerity measures would bite deeper than before.

Private sector credit off – take in the 19 – nation euro bloc registered a growth of 1.0 % in October Compared to a rise of 0.6 % in September, both year - on - year, indicating that the region's growth is picking pace.



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