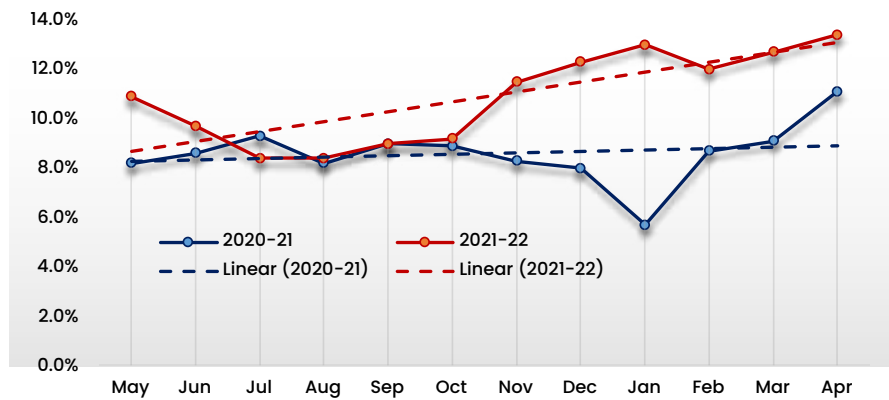


Domestic Economic Roundup

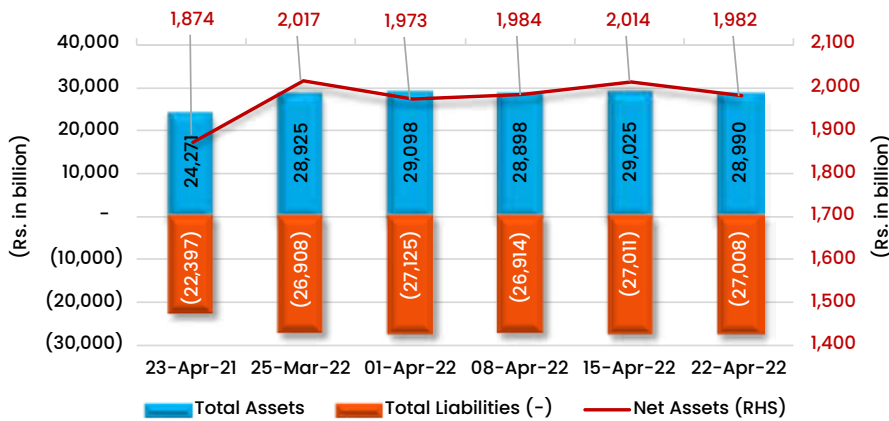
Key Money & Banking Indicators:

	Stocks at End-June 2021	Flows		Impact Since 1st July to	
		FY20	FY21	22-Apr-22	23-Apr-21
Demand Deposits	15,351.3	1,494.0	2,686.4	9.1	795.6
Time Deposits	922.3	451.2	-63.1	-23.7	-119.6
Credit to Private Sector	7,629.1	196.4	766.2	1,235.5	415.1
Govt. Borrowings (Net)	16,265.1	2,210.6	1,717.9	1,463.5	167.3

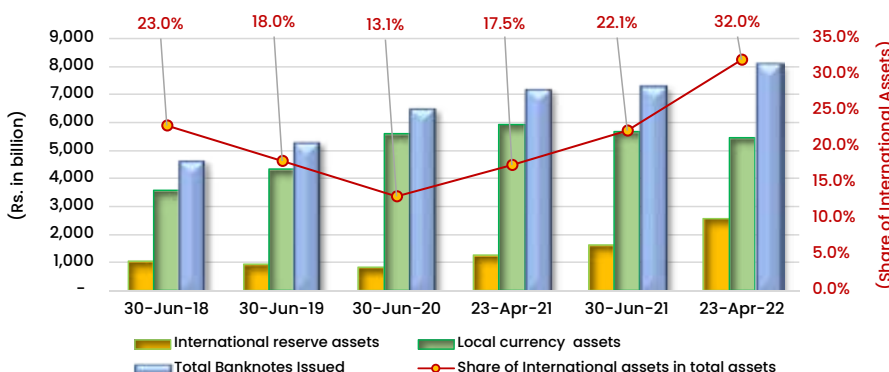
CPI Inflation Trend (May to April)



Total Assets and Liabilities of Scheduled Banks



Assets Composition of Total Banknotes Issued



Markets at a Glance

Rates taken till Friday, May 06, 2022

MONETARY POLICY RATE

12.25% | Effective from April 07, 2022

KIBOR (6 MONTHS)

	Bid%	Offer%
Starting	14.58	14.83
Ending	14.62	14.87
Change	+0.04	+0.04

FOREX RATES

	GBP	EURO	USD
Starting	PKR 233.50	PKR 195.75	PKR 185.79
Ending	PKR 229.90	PKR 196.02	PKR 186.62
Change	PKR -3.6	PKR +0.27	PKR +0.83

PAKISTAN STOCK EXCHANGE

(Friday, May 06, 2022)

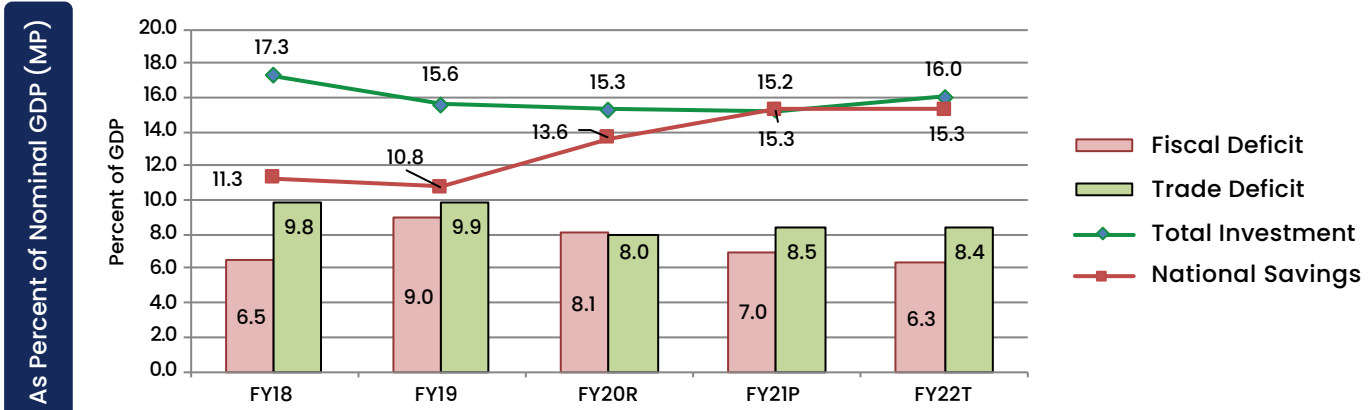
	100 Index
Starting	45,249
Ending	44,840
Change	-409

GOLD RATES

	10 GM, 24K
Starting	PKR 112,629
Ending	PKR 113,010
Change	+381

Pakistan's Major Economic Indicators

Real Sector (Percent Growth)	FY18	FY19	FY20 ^F	FY21 ^R	FY22 ^T
Real GDP (2005-06 = 100)	5.5%	2.1%	-0.4%	5.4%	4.8%
Agriculture Sector	4.0%	0.6%	3.3%	2.8%	3.5%
Manufacturing Sector	5.4%	-0.7%	-7.4%	8.7%	6.5%
Services Sector	6.3%	3.8%	-0.6%	4.4%	4.7%
Real GDP (Rs. in billion)	12,344.3	12,600.7	12,552.0	13,226.0	13,860.8
Nominal GDP (Rs. in billion)	39,189.8	43,798.4	47,521.5	55,488.0	62,803.5
GNP (MP) PRS Per Capita	194,181	214,695	230,262	266,614	NA
GNP (MP) US \$ Per Capita	1,768.0	1,578.0	1,457.0	1,666.0	NA



CPI INFLATION (YoY%)	Annual Average			Year-on-Year		
	FY19	FY20	FY21	Apr 2021	Mar 2022	Apr 2022
General	6.8	10.7	8.9	11.1	12.7	13.4
Food (Urban)	4.6	13.6	12.4	15.7	14.5	15.6
Non-Food (Urban)	8.5	8.3	5.7	8.2	10.4	10.4

Currency in Circulation as on (Stock data)						Rs. in billion
June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	Apr 23, 2021	Apr 22, 2022	
4,387.8	4,950.0	6,142.0	6,909.9	6,806.2	7,666.5	

Sources: i) Annual Plan 2020-21, Planning Commission | ii) Pakistan Economic Survey 2019-20, Finance Division iii) Data published on SBP website
T = Target | P = Provisional | R = Revised | F = Final

FBR Registers 28.6 Percent Growth During July, 2021-April, 2022 Despite Massive Tax Relief

Federal Board of Revenue (FBR) has released the provisional revenue collection figures for the months July- April of current Financial Year 2021-22. According to the provisional information, FBR has collected net revenue of Rs4,858 billion during July-April 2021-22, which has exceeded the target by Rs239 billion. This represents a growth of about 28.6 percent over the collection of Rs3,778 billion during the same period, last year. The net collection for the month of April, 2022 realized at Rs480 billion was 24.9 percent higher than Rs384 billion collected in April, 2021. On the other hand, the gross collections increased from Rs3,981 billion during July-April, 2020-21 to Rs5,122 billion in first ten months of the current financial year showing an increase of 28.7percentage. Likewise, the amount of refunds disbursed during April 2022 was Rs34.6 billion while in April, 2021 the refunds disbursed were Rs19.6 billion, registering an increase of 76.2 percent. Similarly, refunds worth Rs264 billion have been disbursed during July April 2021-22 compared to Rs203 billion paid during corresponding period last year, showing an increase of 30.1percent.

Needless to add that the ongoing unprecedented and constant growth trajectory in revenue collection has been achieved despite massive tax relief given by the government on various essential items to common man. For the first time ever in the country's history, Sales Tax on all POL products has been reduced to zero which cost FBR Rs45 billion in April, 2022. Likewise, the revenue impact of Sales Tax exemptions provided to Fertilizers, Pesticides, Tractors, Vehicles, and Oil & Ghee come to Rs18 Billion per month. Similarly, zero rating on Pharmaceutical products has cost FBR Rs10 billion in Sales Tax during the month of April 2022. Thus, in aggregate these relief measures have impacted revenue collection by approximately Rs73 billion during the month of April 2022. Furthermore, the political uncertainty and import compression also negatively impacted revenue collection during April 2022.

It is worth sharing that FBR has introduced a number of innovative interventions both at policy and operational level with a view to maximize revenue potential through digitization, transparency, and taxpayers' facilitation. This has not only resulted in ensuring the ease of doing business but also translated in a healthy and steady growth in revenue collection. Likewise, the incumbent top leadership of FBR has launched a new culture of clean taxation with a clear focus on collecting only the fair tax and not holding up refunds which are due to be paid. This has not only fast tracked the process of bridging the trust deficit between FBR and Taxpayers but also ensured the much-needed cash liquidity for business community. That's precisely why FBR continues to surpass its assigned revenue targets despite challenges and price stabilization measures adopted by the government.

OGRA Reduces LPG Price by Rs180.3 per 11.8-Kg Cylinder

Oil and Gas Regulatory Authority (OGRA) on April 30, 2022, issued a price-revision notification of Liquefied Petroleum Gas (LPG) for the month of May, decreasing the commodity price by Rs180.28 per 11.8-kilogram cylinder. According to the notification, the authority reduced the locally produced LPG price by Rs15.3 per kilogram. After the revised price, the LPG cylinder would be sold in the open market at Rs2,735.8 in May, which was available at Rs2,916.1 in April.

Whereas the per Metric Ton (MT) LPG rate has been fixed at Rs231,850.1 for May. The commodity sale price per MT was Rs247,128.4 in April. The new price would be effective from May 1, 2022.

Meanwhile, the LPG Industries Association (LPGIA) appreciated the government for such a significant reduction in the commodity price, terming it an 'Eid Gift' to the common man by Prime Minister Muhammad Shehbaz Sharif. LPGIA chairman Irfan Khokhar, in a news release, said the current government believed in giving maximum relief to the masses and suggested that the LPG price could be further brought down with certain corrective measures. He suggested fixing/freezing the LPG producer base price at Rs40,000 per metric ton, increasing the local production and restarting Asia's biggest plant, operated under Jamshoro Joint Venture Limited (JJVL), which was closed for the last two years.

Fuel Vs Morality

The amount of money the European Union has given Russia for fuel since its invasion is 35 times more than what it's given Ukraine, since the bloc has paid Russia 35 billion euros (\$38 billion) for fuel and sent Ukraine 1 billion euros (\$1.09 billion) to bolster its defense.

Petroleum Products' Price Kept Unchanged

The government on April 30, 2022 kept prices of petroleum products unchanged for next fortnight so that consumers are not burdened with price hike, Finance Ministry said in a statement issued here.

"In the fortnightly review of petroleum products' prices, Prime Minister has rejected the proposal of OGRA for increase in prices of petroleum products," the statement said adding the PM directed to maintain the prices of at the current level so as not to burden the consumers with hike in prices. Accordingly, petrol would be sold at Rs149.86 per liter, high speed diesel at Rs144.15 per liter, kerosene oil at Rs125.56 per liter and light diesel oil at Rs118.31 per liter.



SECP Proposes Changes to Bring Transparency in Capital Formation

The Securities and Exchange Commission of Pakistan (SECP), in a bid to improve and ensure transparency in the process for capital formation has recommended a revamp of Companies (Further Issue of Shares) Regulations, 2020.

A concept paper, suggesting new modes and mechanics through which companies can raise capital, has been placed on SECP's website for public comments. The concept paper, in accordance with international best practices, has proposed to adopt an enhanced disclosure-based regime for issuance of right shares by the listed companies.

In this regime, the focus is increased to provide sufficient information to investors, enabling them to make informed decisions, increase investor protection. The proposed disclosure-based regiment will include, preparation of offering document with enhanced disclosures; seeking public comments of the Apex and Front-line regulator and publishing final offering document after incorporating the same, leading to completion of right issue.

In many countries like Malaysia, Thailand, Singapore and India, disclosure-based regime is now considered at the core for any capital raising activity by listed companies. The paper also includes few considerations with regard to issuance of shares by listed companies by way of other than right including Employee Stock Option Schemes (ESOS).

Comments/input/feedback can be shared at: capitalissuefeedback@secp.gov.pk

International Economic Roundup

Turkey's Inflation Surges To 70 percent, Putting Erdogan In Bind

Turkey's annual inflation jumped to a two-decade high of 70 percent in April, according to data on May 5, 2022, fueled by the Russia-Ukraine conflict and rising energy and commodity prices after last year's lira crash.

The surge in prices has badly strained households just over a year before presidential and parliamentary elections that could bring the curtain down on President Tayyip Erdogan's long rule.

Erdogan first came to power as prime minister in 2003 before switching the country to a presidential system, and the unorthodox interest rate cuts made last year under pressure from him have been blamed for lighting a fire under inflation.

Month-on-month, consumer prices rose 7.25 percent, the Turkish Statistical Institute said, compared to a Reuters poll forecast of 6 percent. Annually, consumer price inflation was forecast to be 68 percent.

"It's about food and energy price increases but also the spectacular failure of monetary policy in Turkey - and it's about the abject and total failure of Erdogan's unorthodox monetary policy," said strategist Timothy Ash at Bluebay Asset Management.

Last year's currency slide was triggered by a 500-basis point-easing cycle which began last September under pressure from Erdogan, prompting the sustained surge in consumer prices that was stoked by fallout from Russia's invasion of Ukraine.

The surge in consumer prices was driven by a 105.9 percent leap in the transportation sector, which includes energy prices, and an 89.1percentage jump in food and non-alcoholic drinks prices, the data showed.

Month-on-month, food and non-alcoholic drink prices rose the most with 13.4 percent and house prices rose 7.4 percent. The lira dipped 0.9 percent to 14.9 against the dollar after the release of the data. Presidential and parliamentary elections are due by June 2023 and opinion polls show Erdogan's support declining.

"The really remarkable thing here is that opinion polls still suggest that the next election is still in the balance. Perhaps that says as much about the opposition as Erdogan," Ash said.

Shell Profits Nearly Triple as Oil Prices Surge

Energy giant Shell has reported its highest ever quarterly profits as oil and gas prices surge around the world. Shell made \$9.13billion (£7.3billion) in the first three months of the year, nearly triple its \$3.2billion profit it announced for the same period last year. But the firm said pulling out of Russian oil and gas due to the Ukraine conflict had cost it \$3.9billion (£3.1billion). The invasion of Ukraine has helped oil and gas prices skyrocket. Russia is one of the world's major exporters, but Western nations have pledged to cut their dependence on the country for energy.

Oil prices were already rising before the Ukraine war as economies started to recover from the COVID-19 pandemic. Shell chief executive Ben van Beurden said the war in Ukraine had caused "significant disruption to global energy markets". "The impacts of this uncertainty and the higher cost that comes with it are being felt far and wide.

"We have been engaging with governments, our customers and suppliers to work through the challenging implications and provide support and solutions where we can." Shell rivals, including BP and TotalEnergies have also reported a sharp rise in underlying profits. Norway's Equinor, which supplies a quarter of the UK's gas, also posted record earnings on May 4, 2022.

Gucci Stores to Accept Cryptocurrencies in US

Italian luxury brand Gucci will start accepting payments in cryptocurrencies in some of its stores in America. Customers will be able to pay using a number of cryptocurrencies, including Bitcoin, Ethereum and Litecoin.

The service will be rolled out later this month at some of its flagship outlets, including Rodeo Drive in Los Angeles and New York's Wooster Street. Gucci, owned by France's Kering, joins a growing number of companies that have started to accept virtual currencies.

Customers paying in stores with cryptocurrencies will be sent an email with a QR code to use with a digital asset wallet - a financial transaction app that runs on mobile devices. QR - or quick response - codes are the black and white, barcode-like squares that can be read by mobile phones and have been used increasingly widely since the start of the pandemic.

The brand said it plans to introduce the policy to all the North American stores it operates directly in the near future. The announcement by such a high-profile brand marks another step forward for the acceptance of cryptocurrencies by mainstream businesses. Gucci is the latest big name to announce that it will take cryptocurrency as payment. Some of the world's biggest brands now accept digital currencies, including technology giant Microsoft, US telecoms firm AT&T

and coffee chain Starbucks. In the last year Bitcoin has also become legal tender in two countries - El Salvador and the Central African Republic.

Since El Salvador said it would allow consumers to use the cryptocurrency in all transactions, alongside the US dollar, the International Monetary Fund has urged it to reverse its decision.

Wealthy Russians Flee to Dubai to Avoid Sanctions

Dubai has emerged as a haven for wealthy Russians fleeing the impact of western sanctions over the war in Ukraine.

Russian billionaires and entrepreneurs have been arriving in the United Arab Emirates (UAE) in unprecedented numbers, business leaders told the BBC. Property purchases in Dubai by Russians surged by 67percent in the first three months of 2022, a report said.

The UAE has not put sanctions on Russia or criticized its invasion of Ukraine. It is also providing visas to non-sanctioned Russians while many Western countries have restricted them. It is estimated that hundreds of thousands of people have left Russia over the last two months - although exact figures are not available.

One Russian economist said as many as 200,000 Russians had left in the first 10 days after the war began. Virtuzone, which helps companies to set up operations in Dubai, has seen a huge surge of Russian clients.

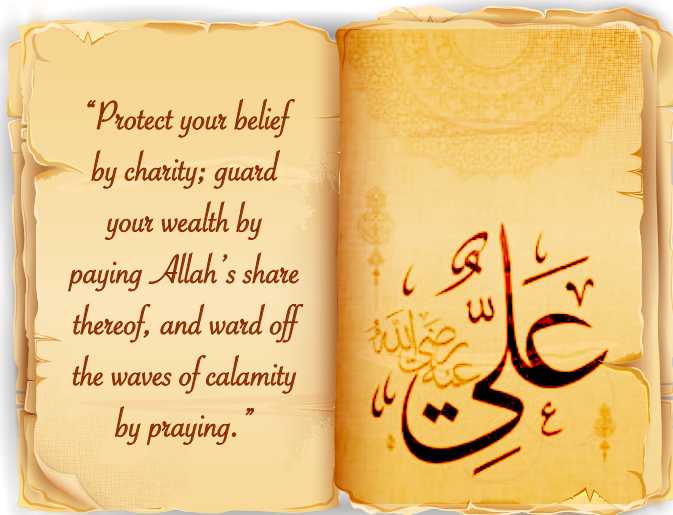
"We are receiving five times more enquiries from Russians since the war began," said chief executive George Hojeige. "They are worried about an economic meltdown that's coming. That is why they are moving here to secure their wealth," he added.

The influx of Russian nationals has bolstered demand for luxury villas and apartments across the city. Real estate agents are reporting a surge in property prices, as Russians arriving in Dubai are looking to purchase homes.

Dubai-based real estate agency Betterhomes found property purchases by Russians surged by two thirds in the first three months of 2022.

And another real estate agency, Modern Living, told the BBC it had hired many Russian-speaking agents to cater to rising demand. Chief executive Thiago Caldas said they were receiving numerous calls from Russian nationals looking to relocate to Dubai immediately.

"Russians who are coming down are not buying just for investment, they are looking at Dubai as a second home," he said.



US Makes Biggest Interest Rate Rise in 22 Years

The US central bank has announced its biggest interest rate increase in more than two decades as it toughens its fight against fast rising prices. The Federal Reserve said it was lifting its benchmark interest rate by half a percentage point, to a range of 0.75 percentage to 1 percentage after a smaller rise in March.

With US inflation at a 40-year high, further hikes are expected. The push marks the latest effort to contain spiking costs being felt by households around the world. India's central bank on May 4, 2022 announced a surprise increase to its benchmark rate, while Australia's central bank recently enacted its first interest rate hike in more than a decade.

The Bank of England is also widely expected to raise rates on May 5, 2022, which would be the fourth increase since December. "Inflation is much too high and we understand the hardship it is causing," Federal Reserve chairman Jerome Powell said in a press conference in Washington on May 4, 2022.

"We are moving expeditiously to bring it back down." By raising rates, banks will make it more expensive for people, businesses and governments to borrow. They expect that to cool demand for goods and services, helping to ease price inflation. But their actions also risk triggering a sharp economic slowdown, especially as new challenges emerge, such as the war in Ukraine and recent COVID-19 shutdowns in China.

"It's a narrow path they have to walk," said economist Donald Kohn, who previously served on the Fed's rate-setting committee. "It's going to be a very difficult task."

MANAGEMENT VIEWS



Do You Give Back to Your Mentor?

Mentors invest their time in you. How can you give back to make sure their investment is worthwhile? Here are three simple ways you can reciprocate in a relationship with a mentor.

- ♦ **Keep your mentor informed.** Mentors enjoy being a part of your development. When you excel, they feel rewarded. So, make an intentional effort to reach out to them regularly – once a month, every quarter, or whenever you achieve a big goal – to tell them what's going on in your life and career.
- ♦ **Express gratitude.** One thoughtful way to show your mentor gratitude is through a handwritten note. It should capture the specifics: the situation that you were struggling with, the advice or benefits your mentor provided, and the resulting impacts on you and your life or career. This simple act can not only strengthen your relationship with your mentor, it might even encourage them to mentor others in the future.
- ♦ **Give feedback.** Your mentor may be your senior, but they're still learning – just like you. Thoughtful feedback is one of the most valuable things you can offer (not just once, but habitually). This can be intimidating, and requires your mentor to be willing to receive feedback. You can help establish these parameters early in the relationship by providing honest and succinct feedback in a follow-up email after a meeting or call.

(This tip is adapted from *How to Give Back to Your Mentor*, by Joshua Bowen and Chaveso Cook – HBR.)

To Tackle Boring Tasks, Direct Your Attention Elsewhere

There is no escaping boring tasks. While you may do your best to fill your schedule with engaging activities, the reality is that we all have menial, yet critical, assignments at work. So how can you power through them? Research suggests one strategy is to pair the boring item on your to-do list with another activity that keeps your mind engaged – the same way you might listen to music or podcasts while at the gym or doing your laundry. Managers can apply this concept by encouraging workers to listen to an audiobook while filing paperwork, watch a video while cleaning their desks, or read a news article while stuffing envelopes. And companies might pay for an audiobook or music streaming service to

give your employees something to listen to while they tackle monotonous tasks. This simple strategy can empower anyone to stick with the work they know they should be doing, boosting personal productivity and organizational success.

(This tip is adapted from *Research: How to Power Through Boring Tasks*, by Alicea Lieberman — HBR.)

Harness Your Anger at Work

Anger is a difficult feeling to manage — especially in a work context. But anger is not inherently bad. In fact, it can serve you, if you know how to channel it. Here are some strategies to help you manage your anger when it arises at work.

- ◇ **Identify the needs behind your emotion.** Clarifying questions include: What triggered my anger? Which feelings are underneath my anger? What steps can I take toward a resolution?
- ◇ **Acknowledge that a violation took place.** If you're hurt because of an unfair decision or mistreatment, you're allowed to feel angry. Acknowledge what you're feeling and name the violation.
- ◇ **Avoid excessive venting.** Blowing off steam is not as productive as you might think. Rehashing a problem, without moving toward a solution, has been shown to make both you and the people listening to you feel worse, not better.
- ◇ **If you can, compose yourself before sharing your emotions.** If your heart is racing and your muscles are tense, give yourself time to calm down before sharing how another's actions made you feel.

- ◇ **If you cannot communicate your anger, indirectly address your needs.** Sometimes, you'll be angry because of something you just can't change. In those instances, look for ways to remove yourself from the situation and reach out to a friend or therapist who can help.
- ◇ **Channel your anger strategically.** If you tap into it, anger can actually increase your confidence. Use it as motivation to effectively advocate for yourself.

(This tip is adapted from *How to Manage Your Anger at Work*, by Liz Fosslien and Mollie West Duffy — HBR.)

Ask Questions to Boost Your Critical Thinking Skills

No matter your role, critical thinking — the ability to effectively break down and analyze an issue in order to find a solution — will be core to your success. And at the heart of critical thinking is the ability to formulate effective questions. Here are a few ways to boost your ability to do this.

- ◇ **Hold your hypotheses loosely.** Good questions can lead you to fundamentally reconsider your initial assumptions — but you have to be willing to do so without defensiveness.
- ◇ **Listen more than you talk.** Active listening allows you to fully grasp another point of view, making it easier to question your own assumptions and biases.
- ◇ **Leave your queries open-ended.** Avoid asking yes-or-no questions. Instead, try to get the respondent to open up at length.
- ◇ **Consider the counterintuitive.** Every group needs some one who's unafraid to challenge the status quo, in case you do need to change course.
- ◇ **Sleep on it.** A good night's rest can actually help your brain see a problem more clearly.

(This tip is adapted from *Critical Thinking Is About Asking Better Questions*, by John Coleman — HBR.)

MAY

	Workshop	Facilitator	Fee	Timings	
10 Tuesday	Financing Needs for Potential Women Borrowers	Muhammad Akbar	PKR 8,500 <i>(Excluding Sales Tax)</i>	9:30 AM - 1:30 PM	VIRTUAL TRAINING
11 Wednesday	Collection of Delinquent Loans and Recovery of NPLs	M.A. Hijazi	PKR 8,500 <i>(Excluding Sales Tax)</i>	9:30 AM - 1:30 PM	VIRTUAL TRAINING
14 Saturday	Regulatory and Statutory Compliance in Banks and Financial Institutions (FIs)	Kamran Hyder	PKR 8,500 <i>(Excluding Sales Tax)</i>	9:30 AM - 1:30 PM	VIRTUAL TRAINING
17-18 Tue-Wed	Competency Based Interviewing Skills	Dr. Hanif Mohammed	PKR 15,000 <i>(Excluding Sales Tax)</i>	9:30 AM - 1:30 PM	VIRTUAL TRAINING