VOLUME 17 / ISSUE 23 / JUNE 10, 2022
IBP - A Company Set Up Under Section 42 of the Companies Act, 2017

economicletter

a weekly publication of The Institute of Bankers Pakistan

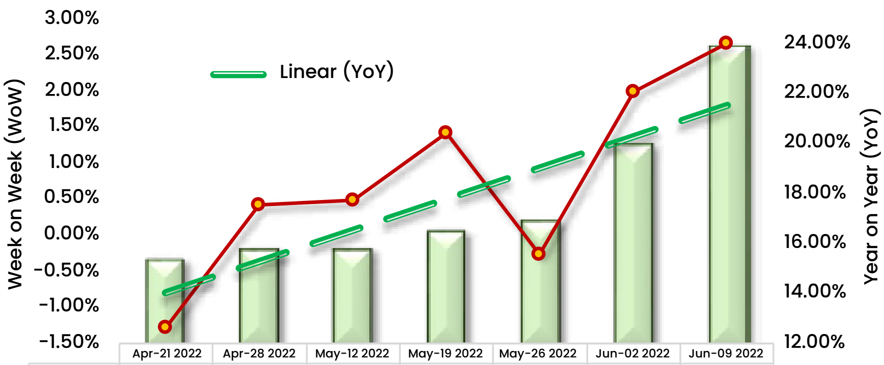
Domestic Economic Roundup

Key Money & Banking Indicators:

Rs in billion

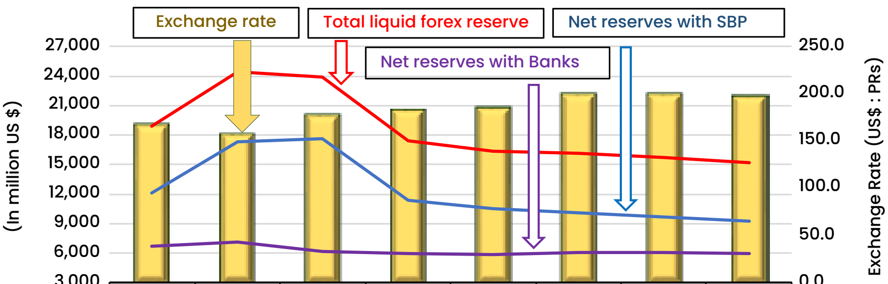
	Stocks at End-June 2021	Flows		Impact Since 1st July to	
		FY20	FY21	27-May-22	28-May-21
Total Deposits with Banks	17,319.8	1,910.0	2,595.0	752.2	801.0
Credit to Private Sector	7,629.1	196.4	766.2	1,419.6	489.6
Govt. Sector Borrowings (Net)	16,265.1	2,210.6	1,717.9	2,306.0	609.2

Weekly Trend in Sensitive Price Indicator (SPI)



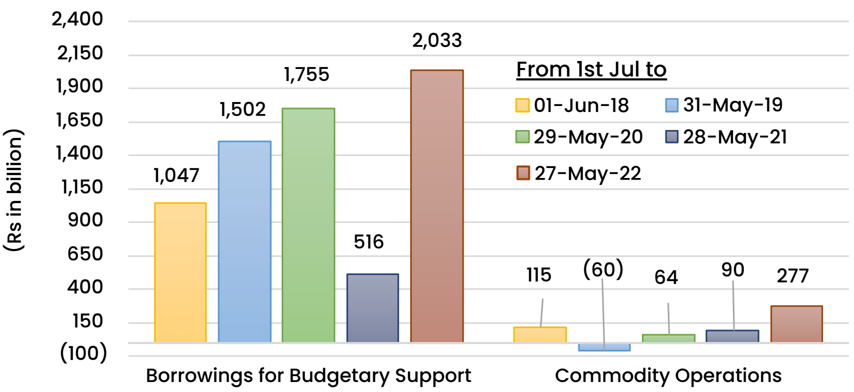
	Apr-21 2022	Apr-28 2022	May-12 2022	May-19 2022	May-26 2022	Jun-02 2022	Jun-09 2022
YoY	15.40%	15.86%	15.85%	16.54%	16.97%	20.04%	23.98%
WoW	-1.28%	0.43%	0.49%	1.42%	-0.26%	2.00%	2.67%

Exchange Rate & Foreign Exchange Reserves (Cumulative)



	30-Jun-20	30-Jun-21	End-Dec-21	End-Mar-22	End-Apr-22	20-05-22	27-05-22	03-06-22
Exchange rate	168.1	157.5	178.2	183.5	185.7	200.5	200.1	197.8
Net reserves with SBP	12,132	17,299	17,686	11,425	10,499	10,089	9,723	9,226
Net reserves with Banks	6,754	7,099	6,197	6,001	5,907	6,061	6,049	5,950
Total liquid forex reserve	18,886	24,398	23,883	17,426	16,406	16,150	15,771	15,177

Government Sector Borrowings (Net)



Markets at a Glance

Rates taken till Friday, June 10, 2022

SBP POLICY RATE

13.75% | Effective from May 24, 2022

KIBOR (6 MONTHS)

	Bid%	Offer%
Starting	14.99	15.24
Ending	15.39	15.64
Change	+0.4	+0.4

FOREX RATES

	GBP	EURO	USD
Starting	PKR 249.03	PKR 212.93	PKR 197.92
Ending	PKR 252.40	PKR 215.02	PKR 202.35
Change	PKR +3.37	PKR +2.09	PKR +4.43

PAKISTAN STOCK EXCHANGE

	100 Index
Starting	41,314
Ending	42,014
Change	+700

GOLD RATES

	10 GM, 24K
Starting	PKR 118,626
Ending	PKR 118,963
Change	+337

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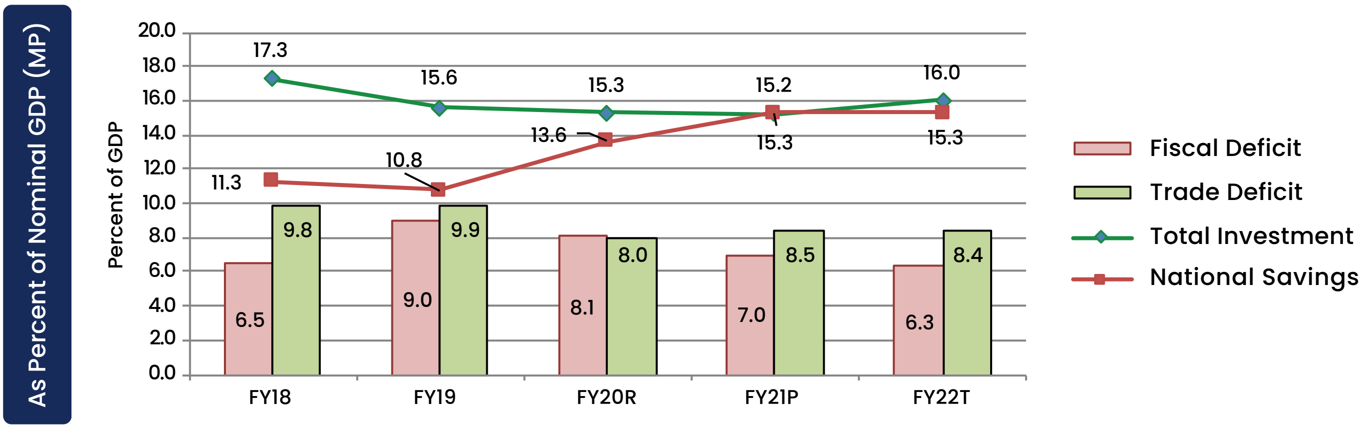
Pakistan's Major Economic Indicators

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	May 2021	Apr 2022	May 2022
General	6.8	10.7	8.9	10.9	13.4	13.8
Food (Urban)	4.6	13.6	12.4	15.3	15.6	15.5
Non-Food (Urban)	8.5	8.3	5.7	8.3	10.2	10.4

Currency in Circulation as on (Stock data)					Rs. in billion
June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021	May 28, 2021	May 27, 2022
4,387.8	4,950.0	6,142.0	6,909.9	6,943.0	7,662.1

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

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Pre-Budget Document 'Pakistan Economic Survey 2021-22' Unveiled

Federal Minister for Finance and Revenue, Miftah Ismail on June 09, 2022, formally launched the pre-budget document, 'Pakistan Economic Survey 2021-22' highlighting performance of different sectors of the economy during the fiscal year 2021-22. The survey comprehensively covered economic situation of the country besides giving detailed picture of growth and investment, agriculture, manufacturing, mining, fiscal development, money and credit, capital markets, inflation, debt and liabilities. In FY2022, the real GDP growth remained at 5.97 percent. However, underlying macroeconomic imbalances and associated domestic and international risks have dampened celebrations. The economy of Pakistan rebounded from the pandemic (0.94 percent contraction in FY2020) and continued to post a V-Shaped economic recovery which is higher than the 5.74 percent recorded last year (FY2021).

This high growth, however, is also accompanied by external and internal imbalances, as has been the case historically with Pakistan's economy. However, external circumstances also played a critical role this time. These circumstances have placed almost all economies of the world in shambles. A highly transmissible Omicron variety, changes in Afghanistan's government after the withdrawal of US troops sparked and the Russian-Ukraine conflict started in February 2022; all of these have upended the global economic picture. Financial and commodity markets have felt shockwaves. Thus, energy and food prices have surged rapidly and threaten to remain further elevated. The exceedingly uncertain outcome of the crisis is another challenge for developing economies, particularly for Pakistan.

On the external front, the exports grew remarkable on account of policy supports provided-including regionally competitive energy tariff rates, Export Facilitation Scheme 2021, enhancement in coverage and loan limits under LTFF, Changes in FX regulations to facilitate exports, the launch of an e-Tijarat portal and tariff rationalized in various sectors in line with objectives of National Tariff Policy 2019-2024. In addition to this, STPF 2020-25 has been prepared to enhance the export competitiveness of Pakistan through a framework of interventions having an impact across the value chains. Furthermore, textile policy 2020-25 has also been approved to fully utilize the potential of home-grown cotton augmented by man-made fibers and filaments to boost value added exports. Moreover, at the international level, World Trade Organization (WTO) has undertaken the Trade Policy Review (TPR) for Pakistan to achieve transparency and a better understanding of trade policies and practices.

However, a surge in global commodity prices is exerting pressure on imports by significantly pushing up import payments. Resultantly, the sizeable trade deficit of US$ 32.9 billion during July-April FY2022 was partially financed by significant workers' remittances. Thus, in the period under discussion, the current account posted a deficit of US$ 13.8 billion compared to a deficit of US$ 0.5 billion during the same period last year. The widening of the current account deficit together with a build-up in inflationary pressures in the backdrop of the geopolitical situation (especially the Russia-Ukraine conflict) has created significant challenges for sustainable economic growth. In addition, the recent emergence of domestic conditions (including political instability) is eroding business confidence. Thus, all in all, inflationary and external sector pressures have created macroeconomic imbalances in the economy.

To counter inflationary pressure and for sustainable economic recovery, SBP moved to monetary policy normalization in September 2021. Policy Rate increased by cumulative 675 bps between September-April, FY2022.

The CPI inflation for the period July-May FY2022 was recorded at 11.3 percent as against 8.8 percent during the same period last year. The pressures on headline inflation can fairly be attributed to adjustments in prices of electricity and gas, a significant increase in the non-perishable food prices, exchange rate depreciation along with a rapid increase in global fuel and commodity prices.

Shocks to the economy caused significant damage to Pakistan's public finances. In response, the Government formulated and implemented various policy initiatives which improved fiscal outcomes, especially on the revenue side. FBR has initiated various policy and administrative measures to facilitate the taxpayers to mobilize domestic resources and generate sufficient revenue without hurting growth momentum. FBR tax collection witnessed a substantial growth of 28.5 percent during July-April FY2022. However, higher grants and huge subsidies kept the expenditure side under intense pressure. The fiscal deficit increased to 3.8 percent of GDP in July-March FY2022 against 3.0 percent of GDP during the same period last year. Similarly, the primary balance posted a deficit of Rs447.2 billion.

SBP Hosts Meetings of Islamic Financial Services Board

The State Bank of Pakistan (SBP) hosted the 40th Council Meeting and 20th General Assembly of the Islamic Financial Services Board (IFSB), on June 09, 2022. Governor SBP is currently the chairman of the IFSB Council and the General Assembly for the year 2022. Virtual meetings were attended by the leaders of the Islamic finance from all across the world. Speaking on the occasion, Dr. Murtaza Syed, Governor (Acting) SBP said that he felt deeply honored to host the IFSB Annual Meetings for the first time in Pakistan. As the Chairman, he shared his vision that the IFSB should play its active role in having a robust, sound, and prudent global Islamic financial services industry. He expressed that under the guidance of the honorable members, the IFSB will continue to meet its strategic objectives. Dr. Murtaza reiterated Council's collective aspiration to take IFSB to

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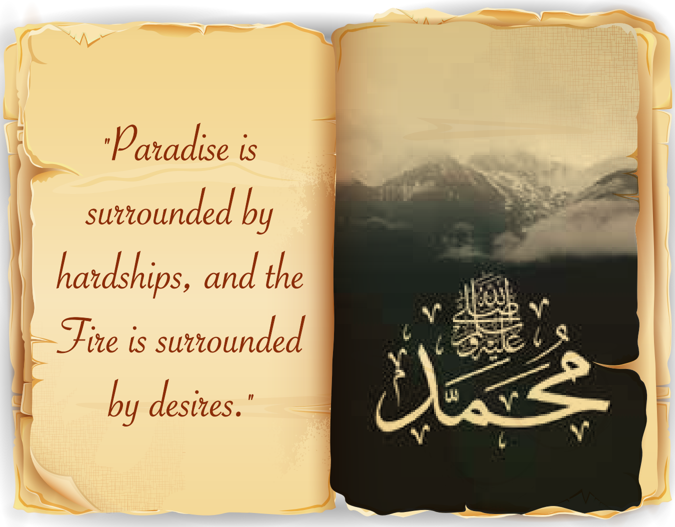
the next level of excellence. He also invited the Council Members to Pakistan for 41st Council Meeting scheduled to be held with physical participation tentatively in November/December, 2022. The IFSB is an international standard-setting organization of regulatory and supervisory agencies that promotes and enhances the soundness and stability of global Islamic financial services industry by issuing prudential standards and guiding principles for the Islamic finance industry. Since its inception, the IFSB has so far issued 27 Standards, 7 Guidance Notes and 3 Technical Notes for the Islamic financial services industry covering wide-ranging areas such as risk management, capital adequacy, supervisory review process, transparency and disclosure, Shariah governance, corporate governance, deposit insurance systems, etc.

The Council is the senior executive and policymaking body of the IFSB. It consists of Governors and senior executives from leading regulatory & supervisory authorities and International organizations on Islamic finance. As at December 2021, there are 187 members of the IFSB, which comprise 81 regulatory and supervisory authorities, 10 international inter-governmental organizations, and 96 market players (financial institutions, professional firms, industry associations and stock exchanges) operating in 57 jurisdictions. The mandate of the Council, inter alia, is to formulate and approve the bylaws, policies and strategies of the IFSB, and approve prudential standards for issuance. The General Assembly is the representative body of all the members of the IFSB, namely Full Members, Associate Members and Observer Members. The IFSB Council meets twice in a year while the General Assembly meets once every year. This is the first time that SBP hosted the IFSB Annual Meetings.

PSX Joins SSE Initiative

The Pakistan Stock Exchange (PSX) has joined the Sustainable Stock Exchanges (SSE) Initiative, a partnership program under the auspices of the UN organized by United Nations Conference on Trade and Development (UNCTAD), the UN Global Compact, United Nations Environment Program Finance Initiative (UNEP-FI) and the Principles for Responsible Investment (PRI). According to press statement received from the exchange, this affiliation of PSX with SSE had been effective from June 06, 2022. The SSE Initiative's goal is capacity building of stock exchanges and securities market regulators around the world to promote responsible investment in sustainable development and help improve corporate performance on Environmental, Social and Governance (ESG) issues, including the financing of the UN Sustainable Development Goals (SDGs).

The SSE Initiative is an effort to achieve this goal through maintenance of a Sustainable Stock Exchanges Database, ESG Disclosure Guidance Database, and further guidelines on how stock exchanges can embed sustainability within their operations, grow green finance, and advance gender equality, among other activities. Speaking at the occasion, the MD & CEO PSX, Farrukh H. Khan said this was a significant development for Pakistan and for Pakistan Stock Exchange whereby PSX, the national stock exchange of the country, has become a member of the Sustainable Stock Exchange Initiative. PSX, as the frontline regulator, is proud to join this prestigious UN initiative, he added.



Under the leadership of PSX Chairperson, Dr. Shamshad Akhtar, PSX, along with other key stakeholders, has formed an ESG Taskforce to lead the development of ESG reporting standards, advocacy, policies and discourse in Pakistan, Khan added. "Through this affiliation, PSX will be better equipped to champion and lead the ESG narrative for Pakistan's listed companies and for PSX. While we had already taken the initial steps in this regard, the SSE membership will help to guide the direction to be taken by PSX and the ESG Taskforce in terms of creating ESG reporting standards and procedures," he said. This will enable analysts, fund managers and other investors to better assess the performance of listed companies, along with guiding our efforts on constructing the ESG or Sustainability Index for the Pakistan market.

"I would like to acknowledge and thank the UN for leading this extremely important initiative and PSX is proud to be part of this global movement. Pakistan is committed to ESG and PSX looks forward to playing a key role in the development of ESG standards, reporting and dialogue in the country," he said. He was of the view that by joining the SSE Initiative, PSX would now be supported in its efforts to effectively take forward the discourse for ESG and encourage listed companies to report on ESG and SDGs. As such, disclosure increases and more data becomes available, this will allow investors to support companies which are striving to meet the global ESG standards, while the Exchange will be able to introduce products like ESG indices to guide companies and investors, Khan said.

Government and SBP Refute Baseless Claims Regarding Foreign Currency Accounts, Roshan Digital Accounts and Safety Deposit Lockers

The Government of Pakistan and the State Bank of Pakistan (SBP) in a joint press release on June 6, 2022, assured all account holders maintaining Foreign Currency Accounts (FCA), Roshan Digital Accounts (RDA) and Safety Deposit Lockers in banks in Pakistan that their accounts and lockers are completely safe, and that there is no proposal under consideration to put any restriction on them. Rumors circulating on social media said that the Government or SBP is considering freezing or placing restrictions on withdrawals from Foreign Currency Accounts, Roshan Digital Accounts and Safety Deposit Lockers. Such rumors are absolutely incorrect and baseless. It is clarified that such a proposal has neither been considered presently nor in the past. Moreover, foreign currency accounts including Roshan Digital Accounts are legally protected under the Foreign Currency Accounts (Protection) Ordinance 2001, and the Government and the SBP are committed to protecting all the financial assets in Pakistan including the ones mentioned above. The Government and SBP are taking all necessary measures to ensure macroeconomic stability in the country. The recent difficult decisions taken by the Government, including the reduction of subsidy on petroleum products, will pave the way to reach an agreement with the IMF and release of the IMF tranche and financial assistance from other multilateral agencies and friendly countries. “We are confident that these measures will relieve the temporary stress being faced due to elevated global commodity prices and geo political tensions, and eliminate uncertainty in the economy”, said the statement.

Bilateral Trade Volume Between Italy and Pakistan Reached €1.52 billion during 2021

Bilateral trade volume between Italy and Pakistan increased significantly from € 1.42 billion in 2019 to €1.52 billion in 2021. It is the first time that Pakistan’s exports exceeded the imports from Italy. According to the Ambassador of Italy to Pakistan, Andreas Ferrarese, although global trade shrank during the COVID-19pandemic, Pakistan’s exports to Italy in 2021 grew by 22.1 percent, with a total value of €763.5 million. In the same period, Italian exports to Pakistan saw an increase of 48.6 percent, with a total value of €754.1 million. The trade volume in Jan-Feb 2022 stood at €289.4 million compared to €203.4 million during the same year in 2021.

With its unique geo-strategic location and improved security conditions, the Ambassador further said that Pakistan offers excellent investment opportunities for Italian companies. With a population of around 220 million and a constantly growing demand for high-end products, Pakistan remains an attractive market for Italian manufacturers and businesspeople.

It is worth mentioning that remittances from Pakistani workers in Italy hit an all-time high. With the figures of $711.7 million in FY22, Italy has become the seventh-largest center of worker remittances to Pakistan globally and the top one in the EU countries. Moreover, Italy is home to more than 150,000 Pakistanis, the largest Pakistani diaspora in Europe (after Brexit). Engaged in various production sectors in Italy, they continue to contribute to both countries’ economies. He further stated that Italy is among the top ten exporting countries for Pakistan globally and the third largest trade partner in European Union.

Apart from business and trade, Italy has carried out significant projects in archaeology, agriculture, health, culture, and tourism. Italy’s Archaeological Mission is one of the oldest present missions in Pakistan and has made significant contributions to Pakistan’s already rich archaeological sphere. The Embassy of Italy in Islamabad is committed to boosting commercial ties between the two countries. The Ambassador informed that both countries should explore all the possible avenues focusing on agriculture, machinery, textiles, and tourism.

International Economic Roundup

Ukraine War: WTO Boss Warns of Global Food Crisis

A food crisis kicked off by the Ukraine war could last for years without intervention, the head of the World Trade Organization has said. African countries could be hit especially hard by wheat and fertilizer shortages, WTO director general Ngozi Okonjo-Iweala told the BBC.

Millions of tons of grain are sitting in warehouses and Ukrainian ports unable to be exported due to the war. She said that was "really sad" to see as grain prices soar. Ukraine is a major global exporter of wheat, contributing to 9 percent of the global market. It also accounts for a massive 42 percent chunk of the global sunflower oil market, and 16 percent of the world's maize.

Because of gridlock due to a Russian blockade of Black Sea ports, and Russian and Ukrainian mines along the coast, between 20 and 25 million tons of wheat are stuck in Ukraine while global grain prices spiral upwards.

Ms. Okonjo-Iweala said wheat prices had risen 59 percent compared with last year, sunflower oil was up 30 percent, while maize was 23 percent higher. The United Nations is leading efforts to try to establish a "grain corridor" with a

Turkish naval escort for tankers leaving Odessa and other Ukrainian ports.

But Russian Foreign Minister Sergei Lavrov has said Ukraine needs to clear mines from its Black Sea ports. "We state daily that we are ready to guarantee the safety of vessels leaving Ukrainian ports and heading for [Turkish waters], we are ready to do that in cooperation with our Turkish colleagues," he said on June 8, 2022.

Meanwhile Ukraine has said it needs "effective security guarantees" before it can start shipments, voicing concerns that Moscow could use the potential corridor to attack Odessa from the sea.

Only two million tons of grain have been exported from Ukraine via train and in trucks, and Ms. Okonjo-Iweala said it was "critically important to see if we can get an answer" to the problem. UN secretary general Antonio Guterres has formed a task force looking at these issues, she said. "He's spent a lot of time trying to work with Russia to see if an arrangement can be made, so, we'll keep our fingers crossed," she said. If an agreement ca not be made, "this is really going to be a dire situation worldwide", Ms. Okonjo-Iweala said. She said 35 countries in Africa import food from that Black Sea region, while 22 import fertilizer. "You can imagine what a big impact this is going to have, even just on the African continent," she said. "I hope that we do not go into a really severe food crisis for the next couple of years."

She said grain cannot be exported from the region at the moment, and there is a harvest coming up in July, "with a similar quantity that will go to waste, so you can see that this will work its way through for the next year or two, and that will be really disastrous for certain parts of the world".

She added that supply chain bottlenecks caused by the COVID-19 pandemic and labor shortages exacerbate the issue. In addition, she called on leaders to relax export restrictions on foodstuffs, which can worsen food price spikes.

World Bank Slashes Global Growth Forecast to 2.9 percent, Warns of 'Stagflation' Risk

The World Bank on June 07, 2022 slashed its global growth forecast by nearly a third to 2.9 percent for 2022, warning that Russia's invasion of Ukraine has compounded the damage from the COVID-19 pandemic, and many countries now faced recession. The war in Ukraine had magnified the slowdown in the global economy, which was now entering what could become "a protracted period of feeble growth and elevated inflation," the World Bank said in its Global Economic Prospects report, warning that the outlook could still grow worse. In a news conference, World Bank President David Malpass said global growth could fall to 2.1 percent in 2022 and 1.5 percent in 2023, driving per capita growth close to zero, if downside risks materialized.

SNIPS

Rent of Top Gun's Jets

The US Navy lent Tom Cruise F/A-18 Super Hornets for the new Top Gun movie, with two catches: The studio would pay as much as $11,374 an hour for the privilege, and Cruise could not touch the controls, says Bloomberg Business.

Malpass said global growth was being hammered by the war, fresh COVID-19 lockdowns in China, supply-chain disruptions and the rising risk of stagflation – a period of weak growth and high inflation last seen in the 1970s. "The danger of stagflation is considerable today," Malpass wrote in the foreword to the report. "Subdued growth will likely persist throughout the decade because of weak investment in most of the world. With inflation now running at multi-decade highs in many countries and supply expected to grow slowly, there is a risk that inflation will remain higher for longer." Between 2021 and 2024, the pace of global growth is projected to slow by 2.7 percentage points, Malpass said, more than twice the deceleration seen between 1976 and 1979.

The report warned that interest rate increases required to control inflation at the end of the 1970s were so steep that they touched off a global recession in 1982, and a string of financial crises in emerging market and developing economies. Ayhan Kose, director of the World Bank unit that prepares the forecast, told reporters there was "a real threat" that faster than expected tightening of financial conditions could push some countries into the kind of debt crisis seen in the 1980s. While there were similarities to conditions back then, there were also important differences, including the strength of the U.S. dollar and generally lower oil prices, as well as generally strong balance sheets at major financial institutions. To reduce the risks, Malpass said, policymakers should work to coordinate aid for Ukraine, boost production of food and energy, and avoid export and import restrictions that could lead to further spikes in oil and food prices.

He also called for efforts to step up debt relief, warning that some middle-income countries were potentially at risk; strengthen efforts to contain COVID-19; and speed the transition to a low-carbon economy. The bank forecast a slump in global growth to 2.9 percent in 2022 from 5.7 percent in 2021, a drop of 1.2 percentage points from its January forecast, and said growth was likely to hover near that level in 2023 and 2024. It said global inflation should moderate next year but would likely remain above targets in many economies.

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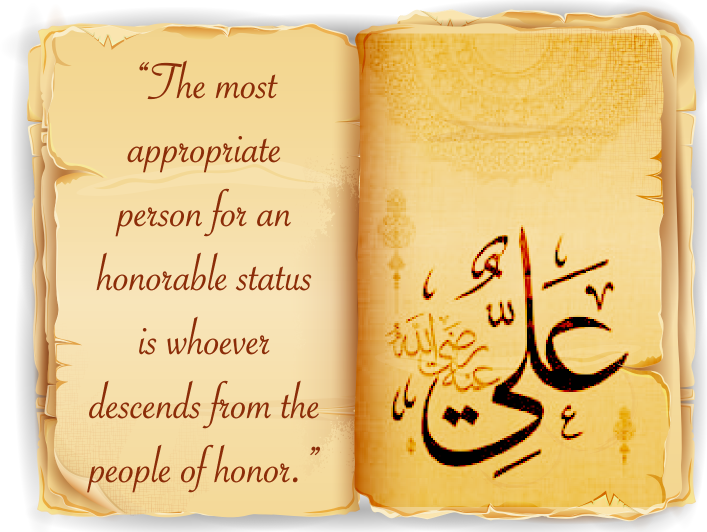

Growth in advanced economies was projected to decelerate sharply to 2.6 percent in 2022 and 2.2 percent in 2023 after hitting 5.1 percent in 2021. U.S. growth was seen dropping to 2.5 percent in 2022, down from 5.7 percent in 2021, with the euro zone to see growth of 2.5 percent after 5.4 percent. Emerging market and developing economies were seen achieving growth of just 3.4 percent in 2022, down from 6.6 percent in 2021, and well below the annual average of 4.8 percent seen in 2011-2019. China's economy was seen expanding by just 4.3 percent in 2022 after growth of 8.1 percent in 2021. Negative spillovers from the war in Ukraine would more than offset any near-term boost reaped by commodity exporters from higher energy prices, with 2022 growth forecasts revised down in nearly 70 percent of emerging markets and developing economies.

The regional European and Central Asian economy, which does not include Western Europe, was expected to contract by 2.9 percent after growth of 6.5 percent in 2021, rebounding slightly to growth of 1.5 percent in 2023. Ukraine's economy was expected to contract by 45.1 percent and Russia's by 8.9 percent. Growth was expected to decelerate sharply in Latin America and the Caribbean, reaching just 2.5 percent this year and slowing further to 1.9 percent in 2023, the bank said. The Middle East and North Africa would benefit from rising oil prices, with growth seen reaching 5.3 percent in 2022 before slowing to 3.6 percent in 2023, while South Asia would see growth of 6.8 percent this year and 5.8 percent in 2023. Sub-Saharan Africa's growth was expected to slow somewhat to 3.7 percent in 2022 from 4.2 percent in 2021, the bank said.

Petrol Prices: Calls for More Help as Cost to Fill a Tank Hits £100

Driving groups have called for more support to help drivers after the cost of filling an average family car with petrol hit £100 for the first time. The RAC (Royal Automobile Club) motoring group called it "a truly dark day" as the cost of filling a 55-liter tank reached £100.27 for petrol and £103.43 for diesel. The RAC and its rival the AA (formerly The Automobile Association), the two of the biggest and most popular breakdown cover providers in the UK urged the chancellor to cut VAT on fuel or to reduce fuel duty further. The Treasury said it had provided £37 billion to ease the cost of living already. Rising petrol prices are putting pressure on household budgets, with energy bills and food prices also now at multi-year highs.

Pump prices began to soar after Russia's invasion of Ukraine in February led to oil supply fears. However, there are concerns that petrol retailers are not passing on a recent 5p cut in fuel duty to consumers. According to the RAC, the average pump price of a liter of unleaded petrol is now 182.31p while for diesel it is 188.05p. However, the motoring group has warned this could rise to over £2 a liter soon. RAC fuel spokesman Simon Williams said: "While fuel prices have been setting new records on a daily basis, households up and down the country may never have expected to see the cost of filling an average-sized family car reach three figures. A further duty cut or a temporary reduction in VAT would go a long way towards helping drivers, especially those on lower incomes who have no choice other than to drive." The AA called on the government to cut fuel duty by 10p per liter immediately and introduce a "fuel price stabilizer", which would reduce fuel duty when petrol prices go up and increase it when they drop.

Oil Prices Hit $120 as Saudi July Price Rise Eclipses OPEC+ Deal

Oil prices hit $120 a barrel on June 06, 2022 after Saudi Arabia raised crude prices for July and amid doubts that an increased OPEC+ monthly output target will help ease tight supply. Brent crude firmed 32 cents, or 0.3 percent, to $120.04 a barrel at 0858 GMT after touching an intraday high of $121.95. U.S. West Texas Intermediate (WTI) crude futures were up 40 cents, or 0.3 percent, at $119.27 a barrel after hitting a three-month high of $120.99. Saudi Arabia raised the July official selling price (OSP) for its flagship Arab light crude to Asia by $2.10 from June to a $6.50 premium, the highest since May, when prices hit all-time highs due to worries of disruption in supplies from Russia.

The price increase followed a decision last week by the Organization of the Petroleum Exporting Countries and allies, together called OPEC+, to boost output for July and August by 648,000 barrels per day, or 50 percent more than previously planned. The increased target was spread across all OPEC+ members, however, many of which have little room to increase output and which include Russia, which faces Western sanctions. "With only a handful of... OPEC+ participants with spare capacity, we expect the increase in OPEC+ output to be about 160,000 barrels per day in July and 170,000 bpd in August," JP Morgan analysts

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said in a note. On June 6, 2022, Citibank and Barclays raised their price forecasts for 2022 and 2023, saying they expected Russian output and exports to fall by around 1-1.5 million bpd by end-2022. Separately, Italy's Eni and Spain's Repsol could begin shipping small volumes of Venezuelan oil to Europe as soon as next month, five people familiar with the matter told Reuters.

SNIPS

A 'Beef' With Burgers

In a class-action lawsuit, a New York Man is seeking $50 million in damages from McDonald's and Wendy's for misleading adverts that make their burgers look much bigger than they actually are, reports BBC.

The Workers Getting 100 percent Pay for 80 percent of the Hours

Thousands of UK workers are starting a four-day week trial from June 06, 2022. About 70 companies are taking part in what is thought to be the world's biggest pilot scheme into the working pattern over the next six months. The experiment has been organized by a group campaigning for a shorter working week, but for no loss in wages. During the trial, employees will get 100 percent pay for 80 percent of the hours they would usually work, with the aim of being more productive. Academics from Oxford and Cambridge universities, as well experts at Boston College in the US, will manage the experiment in partnership with the think tank Autonomy. Companies ranging from office-based software developers and recruitment firms to charities and a local fish and chip shop are taking part.

Sam Smith, co-founder of Pressure Drop Brewery in Tottenham, north London, said it felt "like a good time" for the firm to be trying different working practices. "The pandemic's made us think a great deal about work and how people organize their lives," he added. "We are doing this to improve the lives of our staff and be part of a progressive change in the world that will improve people's mental health and wellbeing." Mr. Smith's challenge during the pilot scheme is pretty simple. His nine-strong team have to produce and package the same amount of beer as they do now, but in four days instead of five.

"I think it's about how you use your time," said Mr. Smith. "So when I talk about being productive I do not mean being faster at the task you are doing right now; it might be making use of the natural downtimes you have to prepare better for the following day."

MANAGEMENT VIEWS

Build a Team Culture That Honors Quiet Time

Life is noisier and more distracting than ever. As a manager, how can you build a team culture that truly honors quiet time? Start by deliberately talking about it. Begin an open dialogue with your team in which each member has an opportunity to answer the following questions:

- **In what ways do I create noise that negatively impacts others?** The best starting point is to have everyone check-in with themselves. Encourage people to question whether any given habit is necessary or if it is really just an unexamined impulse — a default that needs to be reset.
- **What noisy habits bother me most?** This is not an opportunity to point fingers but ask people to be honest about what most disrupts their day.
- **How can I help others find the quiet time they need?** This is an opportunity for everyone to step up and to commit to group norms such as 'no email Fridays' or 'no meeting Wednesdays.'

(This tip is adapted from *How to Build a Culture That Honors Quiet Time*, by Justin Zorn and Leigh Marz – HBR.)

Your Employee Tells You They Are Quitting. How Should You Respond?

An employee giving their notice does not have to feel like the end of the world — or the relationship. Here is how to respond in a constructive and professional way when a direct report tells you they are quitting. First, take a moment to digest the news. It is okay to show you are surprised or to say something like, "Wow, I was not expecting that." The last thing you want to do is react impulsively and say something you might regret. Show your support and genuine interest in why they are leaving and what they are going to do next. And make sure to get clarity on what they need from you — and what you need from them — before they leave to ensure a smooth transition. This may involve some give-and-take and could include finishing a specific project, training others, or even hiring their replacement. Even if you are upset, you want the person to leave with a good impression of you and the organization so you can all move on in a positive way.

(This tip is adapted from *How to Respond When an Employee Quits*, by Rebecca Zucker – HBR.)

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Pointless Trifles
Designed as a sunshade, Gucci and Adidas umbrella that sells for a whopping price tag of $1,644 (11,100 yuan) in China cannot even be used in the rain, reports Bloomberg.

How to Give Your Boss Feedback

When you work closely with your manager, you are likely to observe behaviors that they could improve on — whether it is their presentation skills or the clarity of their writing. Should you share your feedback with them? First, consider whether they would be open to it. Ask yourself: How do they take feedback from their peers or their boss? Are they typically generous about giving it themselves? If you determine that sharing your input is the right course of action, be careful about your timing. Do not just do it when it is convenient for you. Pay attention to the stress that your boss might be under and wait for a time when they are more likely to be receptive. Try framing the feedback as a way to help them. For example, if they wrote a report that is a mess, you could say, "I'd love to help you streamline the monthly report. It has a ton of useful information, but at 10 pages, I'm worried we might lose people. Would you like me to help shorten it to five pages?" Input like this will require extra work on your part, but it will make your boss — and you — look good. Lastly, be sure to give your boss positive feedback too. Point out the specific things they are doing well. Many managers do not get this sort of input and it can help build trust between you.

(This tip is adapted from *The Essentials*: *Managing Up*, by the Women at Work podcast – HBR.)

Help a Direct Report Who Has Trouble Managing Their Time

If you have a direct report who is struggling with time management, it can be challenging to know how to address the issue. You need them to get things done but you also want to support them. Before you get frustrated or deliver harsh feedback, first reflect on whether you might be contributing to the problem. Ask yourself, for example: Have there been times when you have sent them an assignment last minute or did not provide clear direction? Next, think through exactly how your direct report is lack of time management is causing issues for you, the team, or their reputation. Once you know specifically where the issue lies, calmly communicate to them exactly what you need, when you need it, and why you need it. You can also ask them what they need from you to help them be successful. You might help them prioritize, brainstorm the direction to take, set up intermediate milestones, or request daily updates. Finally, be sure to celebrate progress — especially at the beginning.

(This tip is adapted from *How to Help an Employee Who Struggles with Time Management,* by Elizabeth Grace Saunders – HBR.)

Refine Your Listening Skills

Becoming a better listener takes time and practice. Here are a few things you can do to improve this critical communication skill.

- **Establish why you are listening.** When entering a conversation, briefly reflect on the goals of the conversation and how you can best listen in that moment. For example, is your conversation partner seeking an honest critique, an analytical reflection, or an emotional connection? Then stay focused on that objective.

- **Do not make the conversation about you.** While interjecting your own personal story can be an act of empathy and relationship-building, it can also derail the focus of the conversation. It is ok to insert personal comments as long as you redirect the conversation back to the other person.

- **Always ask for more context if you need it.** Sometimes, just pausing and asking a probing follow-up question is the most powerful way to glean more information — and to show your conversation partner that you are really present.

(This tip is adapted from *What's Your Listening Style?*, by Rebecca D. Minehart et al. – HBR.)

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JUNE

Date	Workshop	Facilitator	Fee	Timings	Mode
11 Saturday	FATF & Pakistan AML/CFT/CPF Regime for Financial Institutions	Kamran Hyder	PKR 8,500 (Excluding Sales Tax)	10 AM - 2 PM	VIRTUAL TRAINING
11 Saturday	Gender Sensitization at Workplace	Muhammad Akbar	PKR 8,500 (Excluding Sales Tax)	3 PM - 7 PM	VIRTUAL TRAINING
14 Tuesday	Liquidity Risk & Treasury Risk Management	Faisal Sarwar	PKR 8,500 (Excluding Sales Tax)	2 PM - 6 PM	VIRTUAL TRAINING
14 Tuesday	State Bank's Banking on Equality Policy	Muhammad Akbar	PKR 8,500 (Excluding Sales Tax)	3 PM - 7 PM	VIRTUAL TRAINING
17 Friday	Reporting of Foreign Exchange Returns	Ejaz Ahmed Qadri	PKR 8,500 (Excluding Sales Tax)	9:30 AM - 1:30 PM	VIRTUAL TRAINING
17 Friday	Development of Positive Organizational Behavior in Banks	Aisha Bela	PKR 8,500 (Excluding Sales Tax)	9:30 AM - 1:30 PM	VIRTUAL TRAINING
18 Saturday	Preventing Common Audit Objections	Rizwan Khaleel Shamsi	PKR 8,500 (Excluding Sales Tax)	10 AM - 2 PM	VIRTUAL TRAINING
21 Tuesday	Financial Investigation Techniques	Maj ® Shabbir Ahmed	PKR 8,500 (Excluding Sales Tax)	10 AM - 2 PM	VIRTUAL TRAINING
22 Wednesday	MS Excel and Financial Modeling	Saad Zubair Vohra	PKR 8,500 (Excluding Sales Tax)	9:30 AM - 1:30 PM	VIRTUAL TRAINING
21 | Tue Faisalabad	Managing of Branch Operations - Tools & Techniques	Atif Sohail	PKR 12,500 (Excluding Sales Tax)	9 AM to 5 PM	CLASSROOM TRAINING
22 | Wed Lahore	Consumer Banking Frauds: Verification lapses	Syed Khurram Abbas	PKR 12,500 (Excluding Sales Tax)	9 AM to 5 PM	CLASSROOM TRAINING

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