

Domestic Economic Roundup

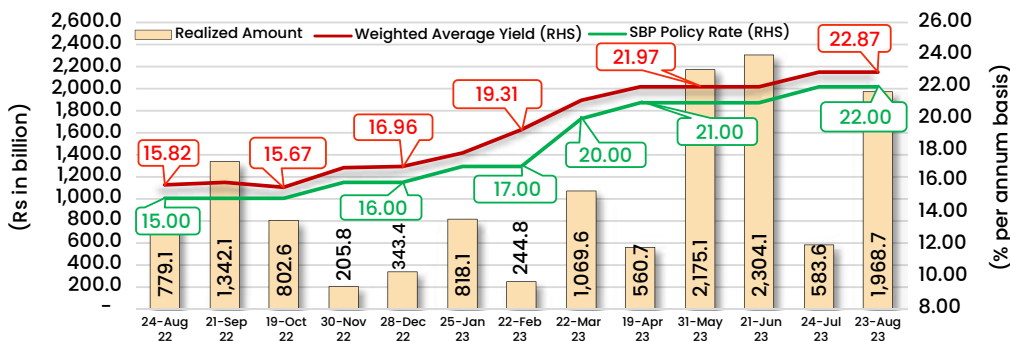
Key Money & Banking Indicators:

	Stocks at End - June 2023*	Flows		Monetary Impact Since 1st July to	
		FY22	FY23*	11-Aug-23	12-Aug-22
Total Deposits with Banks	22,262.4	2,615.1	2,327.6	(264.5)	(1,106.5)
Broad Money (M2)	31,530.3	3,304.9	3,927.7	(715.5)	(705.8)
Govt. Sector Borrowings (Net)	23,719.9	3,357.7	4,097.0	(94.0)	56.1
Credit to Private Sector	9,168.3	1,612.1	211.4	(188.9)	99.5

https://www.sbp.org.pk/ecodata/BroadMoney_M2.pdf

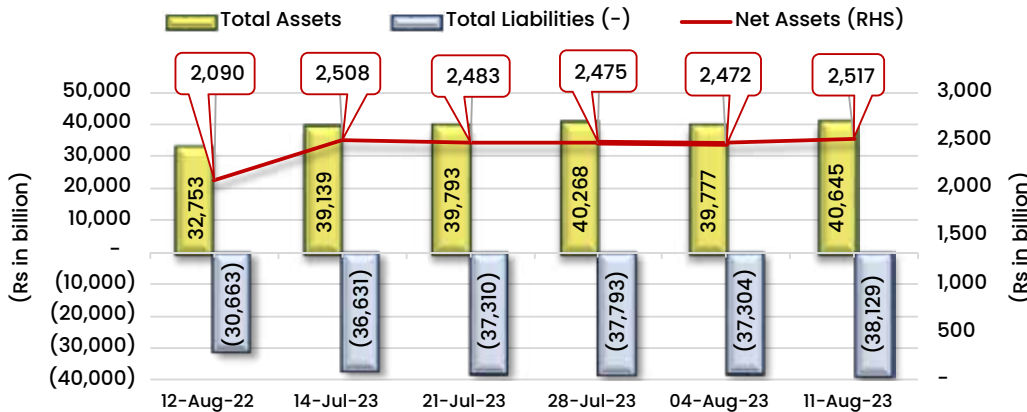
P = Provisional

MTBs Acceptance (Auction+ Non-Competitive Bids)



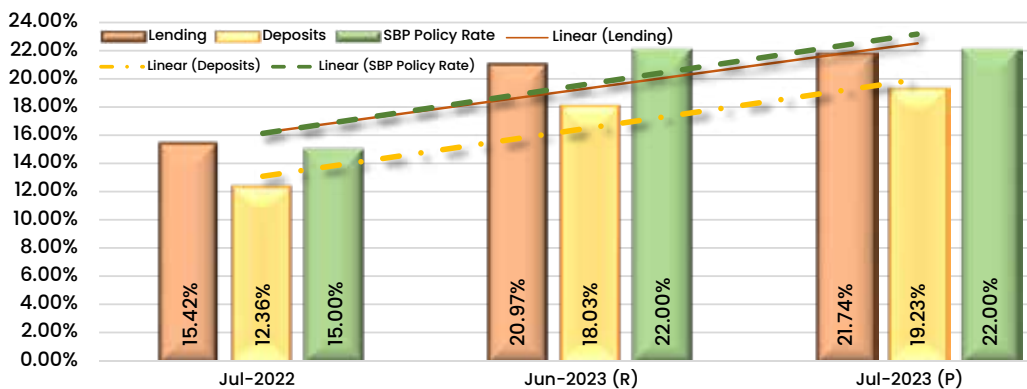
MTB's: <https://www.sbp.org.pk/ecodata/auction-tbills.pdf> | SBP Policy: <https://www.sbp.org.pk/ecodata/sir.pdf>

Total Assets and Liabilities of Scheduled Banks



https://www.sbp.org.pk/publications/press_comm/index.htm

Weighted Average Lending and Deposit Rates (All Banks)



<https://www.sbp.org.pk/ecodata/Lendingdepositrates.pdf>

Markets at a Glance

Rates taken till Friday, August 25, 2023

SBP POLICY RATE

22.00% | Effective from June 27, 2023

<https://www.sbp.org.pk/ecodata/sir.pdf>

KIBOR (3 MONTHS)

	Bid%	Offer%
Change Starting	22.85	23.10
Change Ending	22.83	23.08
Change	-0.02	-0.02

https://www.sbp.org.pk/ecodata/kibor_index.asp

FOREX RATES

	GBP	EURO	USD
Change Starting	PKR 376.05	PKR 321.60	PKR 295.78
Change Ending	PKR 378.87	PKR 324.81	PKR 301.00
Change	+2.82	+3.21	+5.22

<https://www.sbp.org.pk/ecodata/rates/m2m/M2M-Current.asp>

PAKISTAN STOCK EXCHANGE

	100 Index
Change Starting	48,218
Change Ending	47,671
Change	-547

<https://dps.psx.com.pk/>

GOLD RATES*

	10 GM, 24K
Change Starting	PKR 179,256
Change Ending	PKR 186,426
Change	+7,170

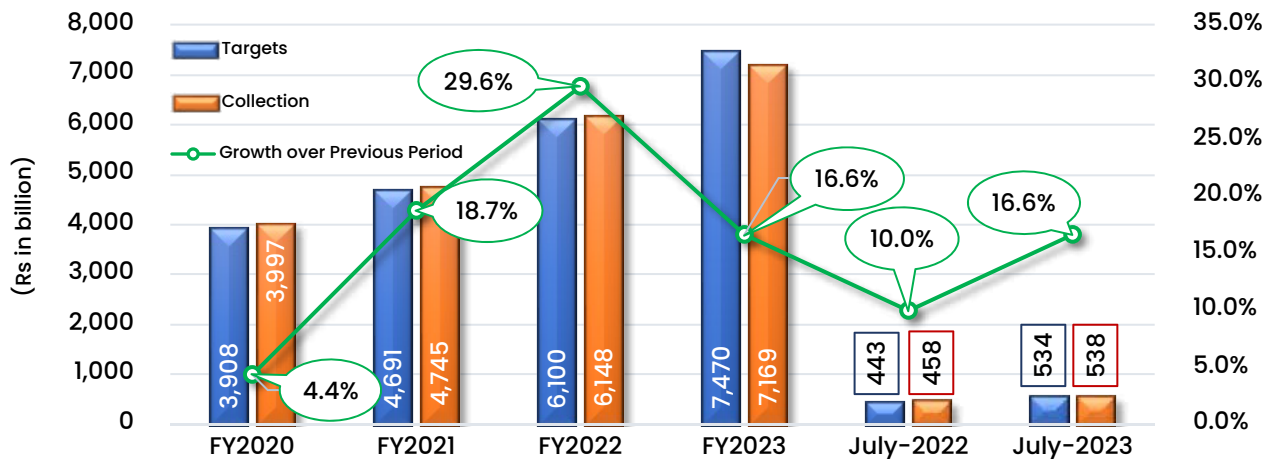
<https://www.forex.pk/bullion-rates.php>

FBR Tax Targets and Collection Profile

(Rs in billion)

Year	Targets	Collection	Growth over Previous Period	%age of Target Achieved
FY2020	3,908	3,997	4.4%	102.3%
FY2021	4,691	4,745	18.7%	101.2%
FY2022	6,100	6,148	29.6%	100.8%
FY2023	7,470	7,169	16.6%	96.0%
July-2022	443	458	10.0%	103.4%
July-2023	534	538	16.6%	100.8%

FBR Tax Targets and Collection Profile



<http://rb.gy/w9fkz> and <http://rb.gy/03hvw> | <https://shorturl.at/zRV09> | <https://shorturl.at/aDFIT>

CPI INFLATION

Annual Average

Year-on-Year

	FY20	FY21	FY22	Jul 2022	Jun 2023	Jul 2023 ^P
General	10.7	8.9	12.2	24.9	29.4	28.3
Food (Urban)	13.6	12.4	13.4	27.4	40.8	40.2
Non-Food (Urban)	8.3	5.7	10.8	21.3	18.7	17.3

<https://www.sbp.org.pk/ecodata/MPM-New.pdf>

<https://www.pbs.gov.pk/cpi>

Currency in Circulation as on (Stock data)

(Rs in billion)

June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	Aug 12, 2022	Aug 11, 2023
4,950.0	6,142.0	6,909.9	7,572.5	7,974.3	8,706.8

P = Provisional | R = Revised | F = Final

https://www.sbp.org.pk/ecodata/BroadMoney_M2.pdf

Central Banks' Gallery

State Bank of Pakistan:



Launch of Pre-Departure Briefing Program at Protectorate of Emigrants Offices

Executive Director State Bank of Pakistan (SBP) Mr Akhtar Javed and Director General, Bureau of Emigration and Overseas Employment (BE&OE) Mr Akram Ali Khowaja jointly launched the Predeparture Briefing Program for outgoing workers. The program will be organized in all Protectorate of Emigrants (PE) Offices across Pakistan. The launch event was attended by the senior officials of SBP, PRI, BE&OE and representatives of the large remittance mobilizing banks. The Pre-Departure Briefing Program has been developed by Pakistan Remittance Initiative (PRI) in collaboration with Bureau of Emigration and Overseas Employment (BE&OE) and banks. The program is the key initiative for domestic outreach for educating outgoing workers to use formal channels for sending home remittances. As the outgoing workers are required to register with PE Offices across Pakistan; therefore, the program presents an excellent opportunity, on ongoing basis, to educate outgoing workers for using formal channels for sending remittances back home and opening their own and their beneficiary's bank accounts.

The program aims to educate intending overseas workers about formal channels for sending remittances, assist them in opening bank accounts, especially joint accounts, highlight the risks involved in using informal channels and update outgoing workers about government's programs / schemes as well as banks' products related to home remittances.

In his address, Mr Akhtar Javed highlighted the significance of home remittances for the Pakistan's economy. He elaborated that the remittances provide stability to the country's economy by boosting foreign exchange reserves and supporting the balance of payments. Shedding light on the importance of the Pre-Departure Briefing Program, he hoped that it will play a crucial role in raising awareness among intending overseas workers about formal channels besides informing them about the risks involved in the informal channels.

Head PRI Mr Zulfiqar Khokhar provided details of the program, the activities to be undertaken and roles and responsibilities of banks, SBP/PRI and BOE&OE. While concluding the event, Director General Mr Akram Ali Khowaja appreciated State Bank of Pakistan, PRI and banks for initiating the program for the overseas workers. He further assured that BE&OE will fully cooperate and provide platform to banks to successfully achieve the desired objectives of the program. <https://shorturl.at/krQT1>

The Central Bank of the Republic of Türkiye



CBRT Decided to Raise 750 Basis Points

Hafize Gaye Erkan (Governor), Osman Cevdet Akçay, Elif Haykır Hobikoğlu, Yaşar Fatih Karahan, Hatice Karahan. The Monetary Policy Committee (the Committee) has decided to raise the policy rate (the one-week repo auction rate) from 17.5 percent to 25 percent. The Committee decided to continue the monetary tightening process in order to establish the disinflation course as soon as possible, to anchor inflation expectations, and to control the deterioration in pricing behavior. <https://shorturl.at/cfnz1>

CPI Inflation:

Monthly (July 2023)	9.49%	Annually (July 23)	47.83%
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<https://shorturl.at/lnEP8>

Bank of Russia:



Inflation Expectations Increase

According to the in FOM's survey, inflation expectations of households for the year ahead increased to 11.5 percent in August 2023, which corresponded to the level of 2023 Q1. The monthly in FOM poll is commissioned by the central bank and plays an important role in decision-making regarding monetary policy measures. Long-term inflation expectations of households for the next five years did not change. The consumer sentiment index edged up, staying close to its five-year high. Price expectations of companies for the coming three months rose to the maximum level since May 2022. <https://shorturl.at/uxGPU>

Bank of Indonesia:

Indonesia's Balance of Payments Remained Solid Despite Global Uncertainty

Indonesia's Balance of Payments (BOP) in the second quarter of 2023 was maintained despite global uncertainty. The current account recorded a narrow deficit against a backdrop of lower international commodity prices and global economic moderation, coupled with increasing domestic demand. Consequently, Indonesia's BOP in the second quarter of 2023 recorded a USD7.4 billion deficit and the position of reserve assets at the end of June 2023 stood at USD137.5 billion, equivalent to 6.0 months of imports and servicing government external debt, which is well above the international adequacy standard of around 3 months of imports. Bank Indonesia observes that maintained BOP performance in the second quarter of 2023 continued to support external resilience in Indonesia. <https://rb.gy/j2g2l>

Commercial Banks' Gallery

Askari Bank Reports 45 percent Increase in Profit After Tax in 2022

Askari Bank's profit before tax of Rs 27.5 billion for 2022 recorded an increase of 76 percent over last year.

Profit after tax increased by 45 percent, a lesser growth due to higher and excessive taxation on banking companies introduced in the Finance Bill, which also included retrospective application. The Bank is reporting earnings per share of Rs 11.1 for 2022 compared to Rs 7.7 last year.

Revenues increased by 23 percent YoY, to Rs 51.6 billion from Rs 41.8 billion last year. Net mark-up income increased to Rs 40.0 billion from Rs 32.4 billion, a 23 percent YoY increase driven by a combination of solid growth in earning assets and well positioned asset liability book aligned with the changes in market rates. <https://shorturl.at/eqJKP>

Mashreq Bank Announces Incorporation in Pakistan - Digital Banking Operations to Commence Soon

On August 21, 2023 Mashreq Bank, one of the leading financial institutions in the MENA region, is proud to announce the successful incorporation in Pakistan. This marks a significant milestone in Mashreq's strategic expansion and underlines its commitment in driving digitization and financial inclusion in high growth markets.

To mark this significant occasion, a high-level Mashreq delegation including senior members of the executive committee visited Pakistan to strengthen ties and consider collaboration to recognize this momentous milestone along with our independent board members Syed Naseer Hassan and Rashid Khan.

Fernando Morillo, Group Head of Retail Banking at Mashreq, said: "Our foray into Pakistan is a pivotal moment for Mashreq, marking a new chapter in our strategic expansion. We eagerly anticipate the opportunities to collaborate with local stakeholders and contribute towards a robust digital ecosystem that will transform the country's financial landscape. We are committed to playing a vital role in the country's digitization efforts and financial development, particularly in the sectors of SME, payments, and inclusion. The bank's tech- ready infrastructure, coupled with its digital DNA, will be leveraged to empower customers in the market, meet their evolving needs, deliver seamless banking experiences and support the country's vision of a financially inclusive, digitally led economy." <https://shorturl.at/mJZ78>

Economic Horizons

Multinet Pakistan & P@SHA Partnership: Introducing MyCloud, Infosec, & Connectivity to Uplift Local ICT Landscape

Multinet Pakistan, a leading Telecommunication and Information Technology Service provider, has signed an MOU to forge a strategic partnership with the Pakistan Software Houses Association (P@SHA), aimed at providing members of the association with MyCloud's enterprise-ready onshore Cloud, Information Security and Connectivity portfolio. The agreement is expected to pave the way for premium Cloud computing, Security and Connectivity Solutions for P@SHA's extensive network of IT and Software Companies.

P@SHA, a prominent industry body representing Pakistan's Software and IT Services sector, has been at the forefront of promoting technological innovation and collaboration within the industry. With Multinet Pakistan joining hands with P@SHA, its members can now benefit from preferential tariff packages designed to cater to the specific needs of the IT sector. The membership benefit agreement was inked during a signing ceremony held at P@SHA office in Karachi. Representatives from both organizations expressed enthusiasm for the collaborative effort and the potential it holds for the local tech ecosystem.

P@SHA members can avail special tariff all year round with their membership ID number. Not only this, if members' signup a yearly contract with Multinet Pakistan for its products and services, they can avail last 2 months absolutely free. <https://shorturl.at/jnH12>

Commerce Ministry, FBR to Introduce Track, Trace System for Transparent Cotton Trade

The Ministry of Commerce and Federal Board of Revenue (FBR) on August 24, 2023 collaborated to introduce track and trace system for transparent cotton trade.

The development took place in a meeting of Malik Amjad Zubair Tiwana, Chairman of the Federal Board of Revenue (FBR), with Dr Gohar Ejaz, the Caretaker Federal Minister for Commerce, Industries and Production, said a press release issued here by the Ministry of Commerce. During the meeting, it was decided that the FBR, in collaboration with federal ministries and provincial departments would introduce a Track and Trace System at ginning factories in Pakistan to promote transparent cotton trade. This initiative aims to assist the textiles and apparel industry in meeting the traceability standards set by various trading blocs, nations, brands and retailers. <https://shorturl.at/kACPI>



Exports increase by 17.7 percent to Rs 581.1 billion in July 2023

Exports from the country in rupee term witnessed an increase of 17.7 percent during the month of July 2023 as compared to the same month of last year, Pakistan Bureau of Statistics (PBS) reported on August 21, 2023.

Exports during July 2023 were recorded at Rs 581,102 million as against Rs 493,786 million during the corresponding period of last year, showing an increase of 17.7 percent, according to provisional data released by PBS.

On month-on-month basis, the exports however decreased by 14.0 percent when compared to the exports of Rs 675,280 million in June 2023. <https://rb.gy/ud47k>

SECP Seeks Public Consultation on Proposed Amendments to Listed Companies Regulations

On August 18, 2023 the Securities and Exchange Commission of Pakistan (SECP), has notified draft amendments to the Listed Companies (Substantial Acquisition of Voting Shares and Takeovers) Regulations, 2017 soliciting public comments.

The proposed amendments are focused on creating a conducive environment for takeover transactions through the acquisition of shares of listed companies in a fair, transparent and competitive manner. As part of SECP's progressive review of regulatory requirements, the subject amendments also address key observations emanating from feedback provided by various stakeholders in relation to prevalent takeover regulatory regime.

A consultation paper explaining the key considerations in drafting the proposed amendments inclusive of notification of draft amendments to subject regulations has been placed on the SECP website. <https://rb.gy/v0pcr>

International Economic Roundup

T-Mobile US to Cut 5,000 Jobs as Cheaper Plans Weigh on Costs

T-Mobile US said on August 24, 2023, it would reduce its workforce by about 7 percent by cutting 5,000 jobs in the United States as the wireless carrier grapples with rising costs related to adding more subscribers in a competitive market.

The carrier has been taking the lion's share of subscribers looking for cheaper plans in the last three quarters through discounted bundles, but that has taken a toll on T-Mobile. "What it takes to attract and retain customers is materially more expensive than it was just a few quarters ago," CEO Mike Sievert said in an email to employees.

The jobs cuts over the next five weeks will target corporate and back-office roles, and some technology jobs, Sievert said, adding that retail and consumer care divisions will not be impacted. The carrier expects to incur a pre-tax charge of about \$450 million in the third quarter.

T-Mobile had said in July that it expects wireless subscriber net additions between 5.6 million and 5.9 million. Sievert said some areas of the business will implement more centralized models to improve efficiency and save costs. Rival AT&T had also expanded its cost-cutting plan to \$2 billion in July. <https://shorturl.at/zGU89>

SNIPS

Ukraine's Record Reserves

A steady flow of financial aid has pushed up Kyiv's currency reserves to a record \$41.7 billion, according to the Financial Times.

Sandwich Chain Subway to Sell Itself for \$9.6 billion to Roark Capital – Sources

Subway would sell itself to private equity Roark Capital for \$9.6 billion after agreeing to attach conditions to some of the windfall the two families that own it will get, sources said, ending a long-drawn auction that saw several competing bids.

These conditions, known as an earn-out, defer payment on part of the deal consideration, the sources familiar with the matter said. For the full price to be paid, Subway's cash flow would need to reach certain milestones over a specified period after the deal closes, they said.

The deal was valued at \$9.0 billion, excluding the earn-out target, sources said. Roark beat out a late challenge from a rival bidding group led by TDR Capital and Sycamore Partners, which submitted a final bid of \$8.8 billion or \$8.3 billion excluding an earn-out, according to people familiar with the matter.

The arrangement helped bridge a gap in the valuation expectations between Roark Capital and the DeLuca and Buck families that own Subway, according to the sources. Subway, which has roughly 37,000 restaurants in more than 100 countries, did not disclose the terms of the deal on August 24, 2023.

The deal will make Roark Capital one of the largest restaurant operators in the world. It controls Inspire Brands, the owner of restaurant chains including Jimmy John's, Arby's, Baskin-Robbins and Buffalo Wild Wings.

"Roark brings more to the table than other investors would have," said Neil Saunders, managing director of GlobalData. <https://shorturl.at/cyIL8>

SNIPS

China's Property Crisis

Chinese property development mogul Yang Huiyan saw her fortune slump \$28.6 billion over two years, making it the biggest dollar decline among billionaires in that period, according to Bloomberg's data.

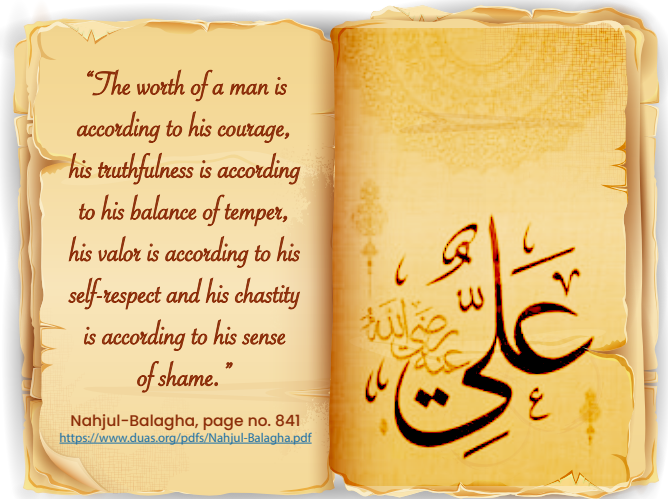
BRICS to Welcome Six New Members, A 'Historical Milestone'

The BRICS countries welcomed six new members from three different continents on August 24, 2023, marking a historical milestone that underscored the solidarity of BRICS and developing countries and their determination to work together for a better future, officials and experts said.

They stated that the expansion of the BRICS, as a new starting point for multilateral cooperation, will play a positive role in more equitable and just global governance.

The BRICS countries have decided to invite six countries – Argentina, Egypt, Ethiopia, Iran, Saudi Arabia and the United Arab Emirates – to become new members of the grouping, South African President Cyril Ramaphosa said on August 24, 2023. It will be the first expansion since 2010 and the new candidates will be admitted as members on January 1, 2024, according to media reports.

With the expansion of the BRICS topping the agenda of the three-day 15th BRICS summit in Johannesburg, BRICS countries have reached a consensus on guiding principles, standards, criteria and procedures of the grouping's expansion process, South African President Cyril Ramaphosa told a briefing on August 24, 2023.



Chinese President Xi Jinping said at the briefing that the BRICS expansion is historic and a new starting point for BRICS cooperation. It demonstrates the determination of the BRICS countries to unite and cooperate with other developing countries, meets the expectations of the international community, and serves the common interests of emerging markets and developing countries. The expansion will also inject fresh vitality into the BRICS cooperation mechanism, and further strengthen the forces for world peace and development, Xi said, noting that as long as the BRICS countries pull together, a lot can be achieved in BRICS cooperation, and a promising future awaits the BRICS countries. <https://shorturl.at/guATU>

HR TIPS

Encourage Your Employees at Every Level to Speak Up

When employees at every level speak up, they circulate knowledge, expand creativity, and prevent collective tunnel vision. Here are three steps you can take to empower your employees to use their voice.

- **Prioritize unconditional inclusion.** If you want your employees to feel confident to speak up, they must first feel a sense of acceptance based on their fixed, intrinsic worth. In other words, make it clear that everyone's voice matters, regardless of their seniority or direct impact on the organization's bottom line.
- **Give people permission to disagree.** Groupthink can undermine your team's ability to come up with truly innovative ideas. Encourage people at every level to speak up if they disagree with a consensus, rather than simply falling in line.

- **Commend employees who speak up—even if you do not adopt their ideas.** As a leader, you cannot say yes to every idea your employees raise. But you can make it clear that you hear them and are grateful for their input.

(This tip is adapted from *Building a Culture Where Employees Feel Free to Speak Up*, by Timothy R. Clark – HBR.)

SNIPS

Inking its Way to billions

Almost one-third of American adults are permanently inked, a Pew Research Centre poll said, estimating that the tattoo industry could be worth \$3.9 billion by 2030.

Be Proactive About Your Career Development

Some people enter the workforce thinking their manager is responsible for their career development, but that strategy is rarely successful. Instead of waiting for your boss to bring it up, take your career-development conversation into your own hands. Start with self-reflection. Develop a clear understanding of where you are right now, where you want to be in a few years, and what long-term success ultimately means to you. Once you have reflected on your trajectory, request a meeting with your manager (and be sure not to fold this conversation into your routine check-in). During the meeting, talk about your self-reflection, ask for their feedback, and express your desire to discuss your career development. Finally, after the meeting, draft a forward-looking plan that outlines next steps, including new skills you would like to acquire, projects you have agreed to take on, and stakeholders you would like to begin building relationships with. Once you have outlined your goals and milestones, set up some time to review your plan with your manager, and check in periodically to ensure you stay on track.

(This tip is adapted from *How to Talk to Your Boss about Your Career Development*, by Antoinette Oglethorpe – HBR.)

Speak with Confidence When You are Put on the Spot

To be a truly impactful leader, you need to master the art of spontaneous speaking. This means not just delivering your carefully crafted keynote, but nailing the Q&A and small talk afterward, or making memorable off-the-cuff toasts and speeches. And contrary to popular assumptions, you do not need to be an inherently charming extrovert to communicate effectively when put on the spot. Here's how to build the muscle. First, avoid predictable default responses, which prevent you from connecting with others in more

genuine, appropriate, creative, and productive ways. Instead, invoke analogies or shared references that can help you engage your listeners. For example, when you're asked to make a public introduction, do not just list the roles on the person's résumé—tell a story about how they added value to the team. To take some pressure off yourself, remember that you do not need to be the star of the show. Listeners are more apt to trust and approve of you when you speak like a human being rather than an actor or a robot. And finally, do not underestimate the power of listening. Give yourself space to process the information. Paraphrasing or asking open-ended follow-up questions can help confirm your understanding and provide extra time to think about your response.

(This tip is adapted from *How to Shine When You're Put on the Spot*, by Matt Abrahams – HBR.)

Keeping Your Team Motivated When Times are Tough at Your Company

It is natural for people to feel distracted and lose their drive amid cost-cutting, layoffs, and general uncertainty. And while eliminating every ounce of your team's anxiety is unrealistic, you can foster an engaging and supportive environment that keeps your team on track when times are tough. Here is how.

- **Show you can talk about hard things.** There is value in working through hard things together. Hold honest conversations about difficult topics to help build trust, especially during hard times.
- **Get creative about motivating people.** If promotions and raises are off the table, it can be hard to keep people engaged and incentivized to give their full effort. Ask your employees directly: What would motivate you over the next year? And how can I support you?
- **Help your team stay focused.** Devote more attention to one-on-one check-ins. Making more time for your people on a weekly and even daily basis will help them feel more connected.
- **Watch out for burnout.** Doing more with less can take a toll on you and your team, leading to overwork and exhaustion. Using paid time off and flexible scheduling can help, but it is also important to take a broader approach by building an empathetic, psychologically safe culture that supports everyone.

(This tip is adapted from *Keep Your Team on Track Amid Cost-Cutting, Layoffs, and Uncertainty*, by Rebecca Knight – HBR.)