

## Domestic Economic Roundup

### Key Money & Banking Indicators:

	Stocks at End - June 2023*	Flows		Monetary Impact Since 1st July to	
		FY22	FY23*	10-Nov-23	11-Nov-22
Total Deposits with Banks	22,262.4	2,615.1	2,327.6	477.3	(30.2)
Broad Money (M2)	31,523.3	3,304.9	3,920.6	3.2	198.4
Govt. Sector Borrowings (Net)	23,723.1	3,357.7	4,100.2	2,139.4	498.2
Credit to Private Sector	9,167.1	1,329.7	208.3	(176.0)	(44.0)

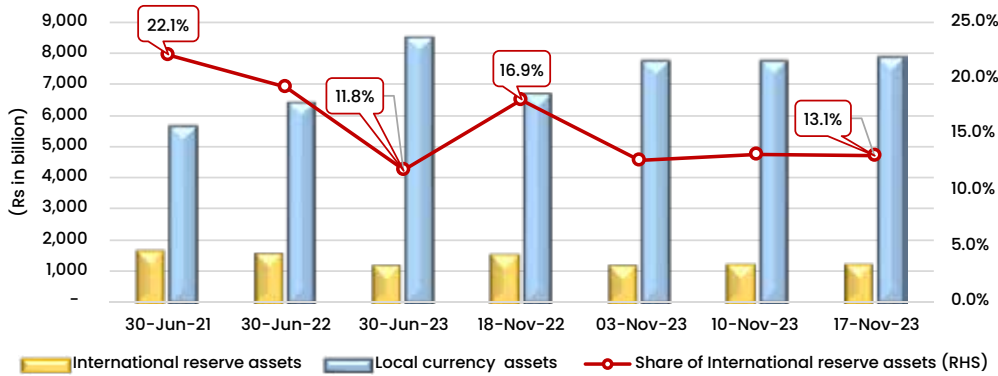
[https://www.sbp.org.pk/ecodata/BroadMoney\\_M2.pdf](https://www.sbp.org.pk/ecodata/BroadMoney_M2.pdf)

P = Provisional

(rs in billion)

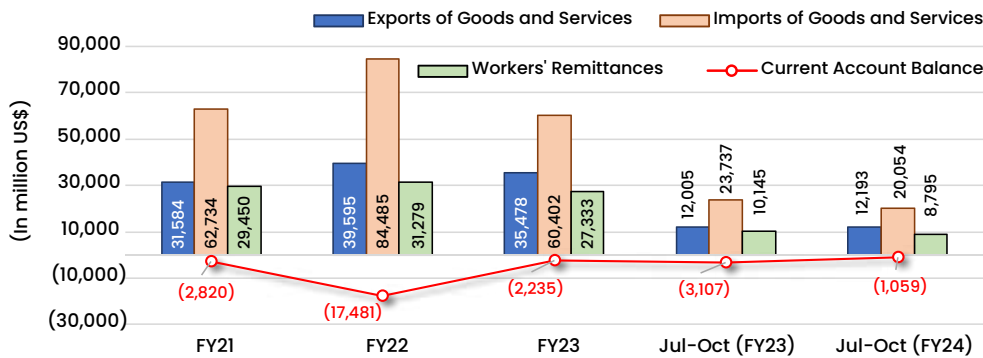
### Assets Composition of Total Banknotes Issued

<https://shorturl.at/joZ79>



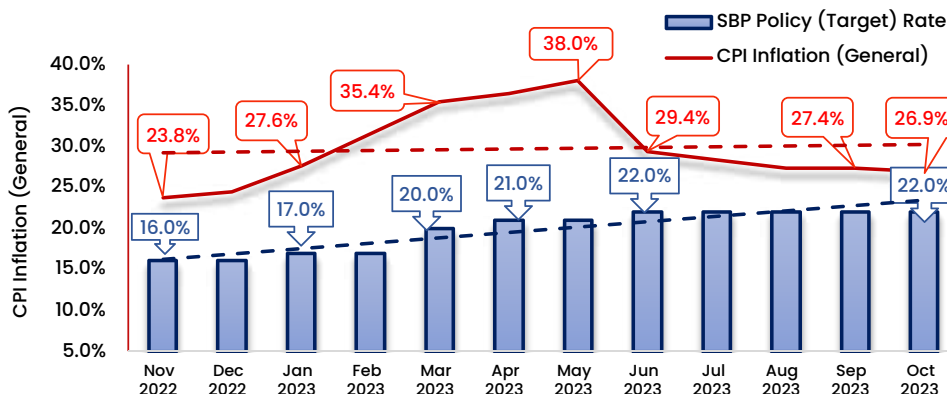
### Major Components of Current Account Balance

<https://shorturl.at/yBH19>



### SBP Policy Rate Vs. CPI Inflation (YoY)

<https://shorturl.at/glnwZ> | <https://shorturl.at/bewCT>



## Markets at a Glance

Rates taken till Thursday, November 23, 2023

### SBP POLICY RATE

22.00% | Effective from June 27, 2023

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

### KIBOR (3 MONTHS)

	Bid%	Offer%
Starting	20.95	21.20
Ending	21.16	21.41
Change	+0.21	+0.21

[https://www.sbp.org.pk/ecodata/kibor\\_index.asp](https://www.sbp.org.pk/ecodata/kibor_index.asp)

### FOREX RATES

	GBP	EURO	USD
Starting	PKR 354.80	PKR 310.25	PKR 286.50
Ending	PKR 356.77	PKR 311.22	PKR 285.27
Change	+1.97	+0.97	-1.23

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

### PAKISTAN STOCK EXCHANGE

	100 Index
Starting	57,063
Ending	58,900
Change	+1,837

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

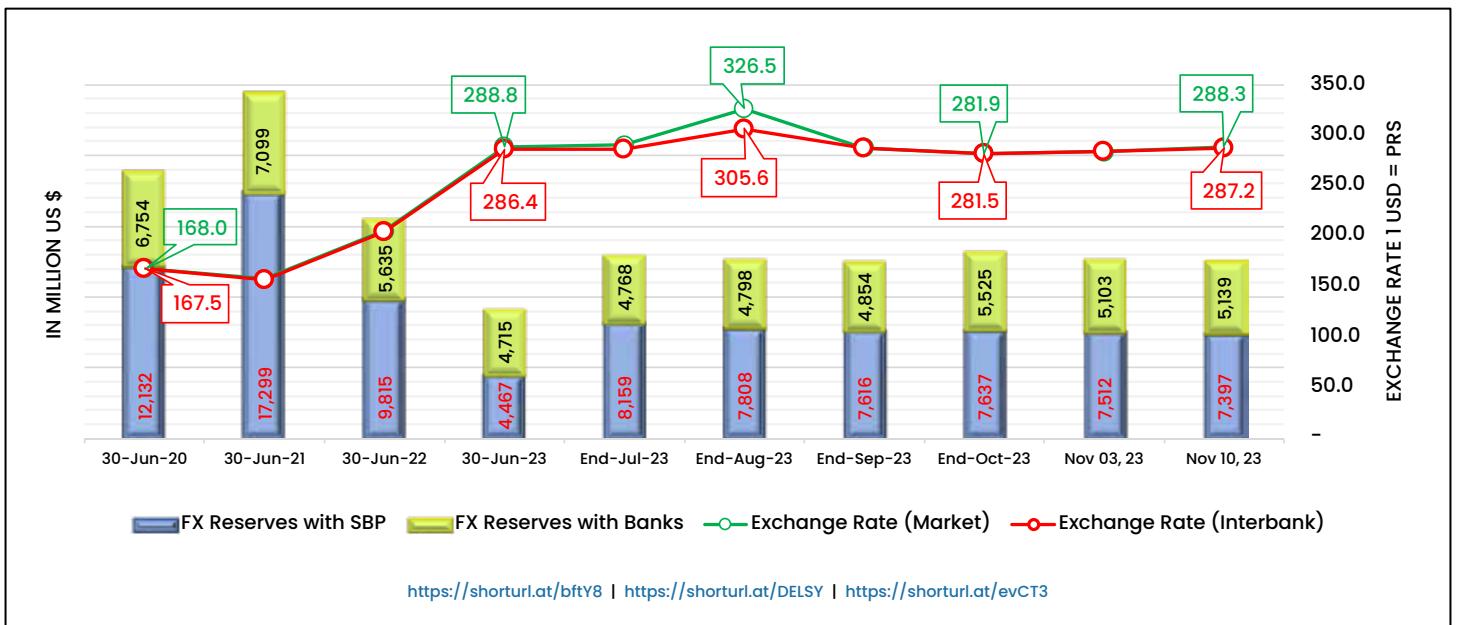
### GOLD RATES\*

	10 GM, 24K
Starting	PKR 183,618
Ending	PKR 182,309
Change	-1,309

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

## Liquid Foreign Exchange Reserves and Exchange Rate

	30-Jun-20	30-Jun-21	30-Jun-22	30-Jun-23	End-Jul-23	End-Aug-23	End-Sep-23	End-Oct-23	Nov 03, 23	Nov 10, 23
FX Reserves with SBP	12,132	17,299	9,815	4,467	8,159	7,808	7,616	7,637	7,512	7,397
FX Reserves with Banks	6,754	7,099	5,635	4,715	4,768	4,798	4,854	5,525	5,103	5,139
Exchange Rate (Market)	168.0	158.0	205.3	288.8	290.5	326.5	287.6	281.9	283.8	288.3
Exchange Rate (Interbank)	167.5	157.3	204.4	286.4	286.7	305.6	287.8	281.5	284.3	287.2
Total Liquid FX Reserves	18,886	24,398	15,450	9,181	12,928	12,606	12,470	13,162	12,614	12,536



CPI Inflation	Annual Average			Year-on-Year		
	FY20	FY21	FY22	Oct 2022	Sep 2023	Oct 2023
General	10.7	8.9	12.2	26.6	31.4	26.9
Food (Urban)	13.6	12.4	13.4	34.7	33.9	28.9
Non-Food (Urban)	8.3	5.7	10.8	18.2	26.8	23.1

<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	Nov 11, 2022	Nov 10, 2023
4,950.0	6,142.0	6,909.9	7,572.5	7,811.6	8,677.0

P = Provisional | R = Revised | F = Final

[https://www.sbp.org.pk/ecodata/BroadMoney\\_M2.pdf](https://www.sbp.org.pk/ecodata/BroadMoney_M2.pdf)

## Central Banks' Gallery

### State Bank of Pakistan



#### SBP Issues Standardization of Purpose List for Domestic Electronic Fund Transfers

Payment Systems Policy and Oversight Department (PSP&OD) of State Bank of Pakistan (SBP) vide their circular letter issued on November 22, 2023 advised all regulated entities to implement the standardized purpose list for domestic electronic fund transfer. The circular mentions: At present, all Regulated Entities (REs) providing EFT facility have in place their own list of purposes for the customers to choose from while conducting transactions through internet and/or mobile banking channels. In order to streamline the list of purposes and provide convenience to the customers, a standardized list has been prepared after consultation with the banking industry.

All REs are advised to implement the standardized list of purposes (as enclosed in Annexure-A) and make necessary changes in their digital applications (internet and/or mobile banking), if any, by December 31, 2023.

All other instructions on the subject shall remain same.  
<https://shorturl.at/hzDKN>

### Bank of Indonesia



#### Indonesia's Balance of Payments Improving, External Sector Stability Maintained

Indonesia's Balance of Payments (BOP) improved in the third quarter of 2023 despite increasing global economic uncertainty. Indonesia's BOP in the third quarter of 2023 recorded a significant improvement, amassing a shallower \$1.5 billion deficit compared with a \$7.4 billion deficit in the previous period. BOP performance was supported by improvements in terms of the current account deficit and capital and financial account deficit in the reporting period. Consequently, the position of reserve assets at the end of September 2023 remained high at \$134.9 billion, equivalent to 6.0 months of imports and servicing government external debt, which is well above the international adequacy standard of three months of imports.

The current account improved in the reporting period, underpinned by a solid goods and services trade balance. In the third quarter of 2023, the current account recorded a \$0.9 billion deficit (0.2 percent of GDP), significantly lower

from a \$2.2 billion deficit (0.6 percent of GDP) in the previous period. Bank Indonesia observes stronger BOP performance in the third quarter of 2023, thereby continuing to support external resilience in Indonesia. Moving forward, Bank Indonesia will remain vigilant of global economic dynamics that could influence the BOP outlook and continue strengthening the policy mix response, supported by close policy synergy with the Government and other relevant authorities to reinforce external sector resilience.  
<https://shorturl.at/enrHT>

### Saudi Central Bank



### Bank of China (BoC)



#### Saudi Central Bank and People's Bank of China Establish a Bilateral Currency Swap Arrangement

The Saudi Central Bank (SAMA) and the People's Bank of China have signed a three-year agreement to establish a bilateral currency swap arrangement. The maximum value of the swap is 50 billion Chinese yuan.

The agreement has been established in the context of financial cooperation between the Saudi Central Bank and the People's Bank of China, reflecting the strengthening collaboration between the two central banks.  
<https://shorturl.at/bf168>

### Central Bank of the UAE



#### CBUAE hosts Sixth Annual Meeting of the CEBRA International Trade and Macroeconomic program

His Excellency Khaled Mohamed Balama, Governor of the Central Bank of the UAE (CBUAE), on November 20, 2023, inaugurated the Sixth Annual Meeting of the International Trade and Macroeconomic program of the Central Bank Research Association (CEBRA), hosted in collaboration with the Emirates Institute of Finance and the New York University Abu Dhabi. Taking place for the first time in the Middle East on November 20 and 21, 2023, CBUAE's hosting of the meeting is in keeping with its commitment to facilitate the exchange of expertise and best international practices in support of the continuous improvement of the UAE's banking, financial and insurance sectors as well as the study of the global financial system. The meeting brought together central bank experts from across the world as well as chief economists of leading international institutions

such as the International Monetary Fund, the World Bank and the European Central Bank. This is in addition to a number of researchers from various academic institutions including the Emirates Institute of Finance, New York University Abu Dhabi, the University of California, the University of Texas, and the University of Rochester, as well as the London School of Economics, and London Business School. A number of key issues relating to the global economy were raised and discussed during the meeting, including the state of economic policymaking in light of current challenges and risks, as well as topics concerning the macroeconomic environment, investment and international trade, and the monetary policies necessary to ensure a more stable and agile global financial system. Also discussed were a series of research papers on important subjects including the impact of tariffs on globalization and developments in world GDP.

<https://shorturl.at/dmHW7>

**SNIPS**

### A Healthier Heart

Harvard scientists found that flexible working can make your heart 10 years younger, says the World Economic Forum.

## Commercial Banks' Gallery

### Chikoo and Bank Alfalah Announce POS Payment Device Partnership

Chikoo, a leading digital business platform, and Bank Alfalah, one of the leading commercial banks in Pakistan, announced their strategic partnership at the largest technology conference, +92Disrupt, organized by Katalyst Labs. The industry-first partnership aims to empower the more than 5 million Micro, Small, and Medium Enterprises (MSMEs) in Pakistan with a comprehensive suite of digital solutions seamlessly integrated with cutting edge payments technology from Bank Alfalah.

The collaboration will enable the integration of the Chikoo platform into the cutting-edge smart Point-of-Sale (POS) devices by Bank Alfalah, revolutionizing the landscape for businesses by enabling seamless digitization of sales, payments, and customer management from Bank Alfalah POS device. This facilitates the transition from a traditional brick-and-mortar model to a more efficient digital framework for enterprises of all natures.

<https://shorturl.at/lqLS6>

### HBL Finances Rs 1 billion for Solar Tube Wells to Boost Renewable Energy in Pakistan's Agriculture Sector

Farmers are facilitated with easy and quick access to credit through the Bank's vast rural footprint. The milestone fosters HBL's commitment towards sustainable and climate-smart agriculture in line with Aga Khan Development Network's (AKDN) Net Zero Goal of 2030.

HBL as a signatory of Principles of Responsible Banking (PRB) and Net Zero Banking Alliance (NZBA), is striving to promote renewable energy sources in the agricultural ecosystem and minimize carbon emissions by limiting the use of fossil fuels. Solarization of tube wells is the cost-effective solution that ensures a timely supply of irrigation water in the right quantity. These technologies considerably reduce the cost of production and improve farm productivity resulting in higher profit margins.

<https://shorturl.at/aAPRW>

## Economic Horizons

### Exports Increased by 30.0 percent to Rs 2.7 trillion in First Four Months of FY24

The exports from the country in the rupee term witnessed an increase of 30.0 percent during the first four months of the current fiscal year as compared to the corresponding period of last year, the Pakistan Bureau of Statistics (PBS) reported. Exports during July-October (2023-24) were recorded at Rs 2,767,606 million as against Rs 2,129,652 million during the corresponding period of last year, showing an increase of 30.0 percent, according to provisional data released by PBS.

On a year-on-year basis, the exports during October 2023 increased by 43.4 percent and were recorded at Rs754,073 million compared to the exports of Rs 525,782 million in October 2022. On a month-on-month basis, the exports increased by 2.3 percent when compared to the exports of Rs 737,295 million in September 2023. On the other hand, imports during July-October (FY2023-24) totaled Rs 4,924,337 million as against Rs 4,660,743 million during the corresponding period of last year, showing an increase of 5.7 percent.

On a year-on-year basis, imports into Pakistan during October 2023 amounted to Rs 1,363,574 million as against Rs 1,010,474 million in October 2022, showing increase of 34.9 percent. On a month-on-month basis, imports into the country witnessed an increase of 14.7 percent in September 2023 when compared to the imports of Rs 1,189,167 million in September 2023. <https://shorturl.at/lzCN5>





## FBR Establishes District Tax Offices All Across the Country to Broaden the Tax Base

As part of restructuring measures, Federal Board of Revenue has established 145 District Tax Offices which will focus on bringing 1.5 to 2 million new taxpayers into the tax net till June, 2024.

Federal Board of Revenue on November 17, 2023, notified the establishment of these offices, a new initiative that will help broadening the tax base and ultimately raising tax-to-GDP ratio to a desired level. These offices would be headed by District Tax Officers entrusted with the responsibility of enforcing Income Tax Returns from non-filers and stop filers.

Establishment of these offices heralds a new chapter that would expand tax net to fill a critical tax gap on the path to bring all potential taxpayers into the tax net. These new offices would be headed by dedicated Inland Revenue Officers in BS-17/18 which would obtain and utilize third party data acquired from multiple departments and agencies that hold critical information regarding investment in assets and incurring of huge expenditures by potential taxpayers who till now have managed to escape and stay away from the taxation system including registration and filing of tax returns.

The initiative would not only strengthen FBR capacity to enforce tax laws but will also facilitate taxpayers in filing tax returns by establishing dedicated offices.

<https://shorturl.at/kpzJQ>

## SNIPS

### Reporting Unethical Behavior

Despite nine out of 10 workers saying they would report unethical behavior, only four in 10 actually do it, according to Gallup.

## International Economic Roundup

### Government of UK Borrowing Rises Ahead of Autumn Statement

Government borrowing in October 2023 was higher than expected at £14.9 billion, largely pushed up by higher benefit payments, official figures show. But the figures showed a smaller-than-expected deficit across the first half of the financial year. This was due to higher tax receipts in previous months, reflecting higher wages and inflation. It comes as speculation mounts there could be tax cuts in the chancellor's Autumn Statement on November 22, 2023. Spending on cost-of-living payments and higher interest on public debt - the biggest of any October since monthly records began - meant the public finances saw a bigger shortfall than at the same point last year. Borrowing was up £4.4 billion from a year earlier and the second highest figure for October, behind only 2020's figure when spending was affected by the pandemic. The borrowing figure - the difference between spending and tax income - was also higher than the £13.7 billion forecasts by the UK's fiscal watchdog, the Office for Budget Responsibility (OBR). It was the first-time borrowing has surpassed the OBR's predictions this financial year. But better-than-expected tax receipts earlier in the financial year have resulted in an overall smaller deficit than the OBR forecast at the time of the spring Budget. The ONS said the government had borrowed £98.3 billion in total since the start of the financial year. The figure was £21.9 billion more than a year earlier, but less than the £115.2 billion that was forecast by the OBR in March. <https://shorturl.at/gixMU>

## HR TIPS

### Promote Mental Health on Your Team

As a manager, you have the ability to promote a positive culture of mental health on your team. Here are three evidence-based strategies you can use to support your team members on a regular basis.

- **Encourage acts of kindness.** Acts of kindness toward others can improve mental health because they take people's minds off of their own problems. Lead by example: Express gratitude to people for their specific contributions, ask them what you can do to improve their experience at work, and help them pursue career-development goals. If your team sees that you value kindness, they will feel more inclined to extend kindness to their coworkers.

- **Promote physical exercise.** The simple activity of walking in nature has been shown to decrease rumination and neural activity associated with mental illness. Exercise that involves others, such as team sports and group fitness classes, can also be especially helpful by adding an element of positive social engagement. Encourage your team to take breaks throughout the day to get moving in whatever way works best for them.
- **Make work meaningful.** Focus your team's attention on how their work serves a greater good, not just how it benefits them personally. When people are driven by a purpose outside of themselves, they become more mentally resilient to stressful life events and more motivated to engage in activities and relationships that promote good mental health.

(This tip is adapted from *3 Ways to Build an Organizational Culture That Supports Mental Health*, by Clay Routledge - HBR.)

## Cultivate Your Own Curiosity

Being curious can help you become a better leader, learner, and a more valuable employee. Here are four science-based ways to strengthen your curiosity muscle. First, ditch all excuses. Stop telling yourself that you are too busy to learn something new or that it is on your boss to motivate you to cultivate new skills and find new opportunities. Acknowledge the fact that your curiosity is your own responsibility, and set aside time to explore your interests.

Then, find the right angle. Ask yourself what you would like to know more about and what you want to be an expert in. Set aside 20 to 30 minutes each day to intentionally cultivate those things—whether that is through reading, writing, or having conversations with likeminded people.

Next, be prepared to change your routine. Do not underestimate the power of switching when and how you perform your daily tasks; what route you take to work; where you eat; or even what you do on the weekend. Even small changes to your daily habits can have a big impact on your mindset, opening up new opportunities to make connections and expand your curiosity.

Finally, do not be afraid to experiment and explore. Try things out, especially if they are not obviously related to your values, preferences, and experiences. Discover the joy of new interests, guilty pleasures, and variety. And if something leaves you bored or does not quite work out, make a change.

(This tip is adapted from *How to Strengthen Your Curiosity Muscle*, by Tomas Chamorro-Premuzic - HBR.)



## What Really Engages Employees

Most leaders understand that employee engagement is an important driver of productivity. But what does it really mean—and how can you actually engage the people on your team? It is all about making them feel seen, heard, and encouraged.

To help your employees feel seen, be proactive about fostering a sense of belonging on your team. This means making sure each person understands the value they bring to the table, and that their presence would be missed if they were absent. Greet people by name, ask them about their lives outside of work, express appreciation for their contributions, and create time and space for friendships and a sense of community to form in the workplace.

Making your employees feel heard entails soliciting their feedback, suggestions, and ideas—even if they are unconventional. While you cannot expect to implement every suggestion every time, the act of asking and listening alone will promote engagement.

Encouraging your employees requires more than the occasional “good job” or “thank you.” It is about personalizing each employee's development and connecting their individual goals to the team's collective mission.

(This tip is adapted from *4 Fundamental Ways to Boost Employee Engagement*, by Dorie Clark and Alexis Redding - HBR.)