

Domestic Economic Roundup

Key Money & Banking Indicators:

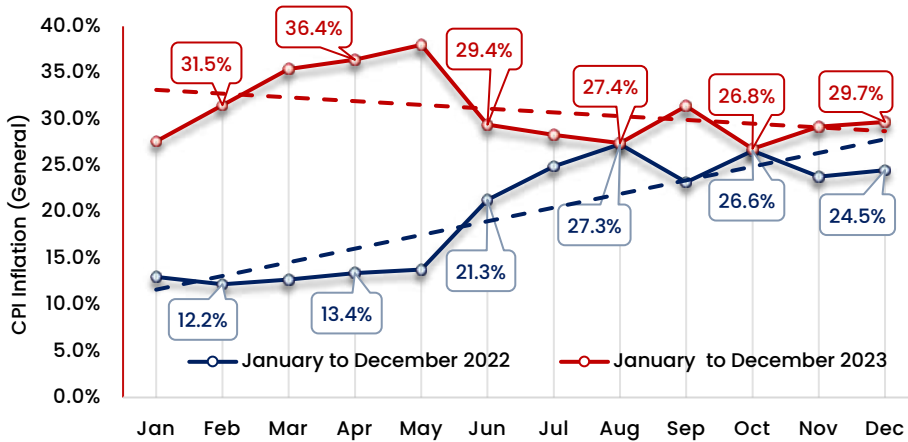
	Stocks at End - June 2023	Flows		Monetary Impact Since 1st July to	
		FY22	FY23	22-Dec-23	23-Dec-22
Total Deposits with Banks	22,262.4	2,615.1	2,327.6	1,280.8	97.9
Broad Money (M2)	31,523.3	3,304.9	3,920.6	692.9	263.7
Govt. Sector Borrowings (Net)	23,723.1	3,357.7	4,100.2	2,470.6	879.6
Credit to Private Sector	9,167.1	1,329.7	208.3	57.8	267.2

(Rs in billion)

<https://shorturl.at/hil46>

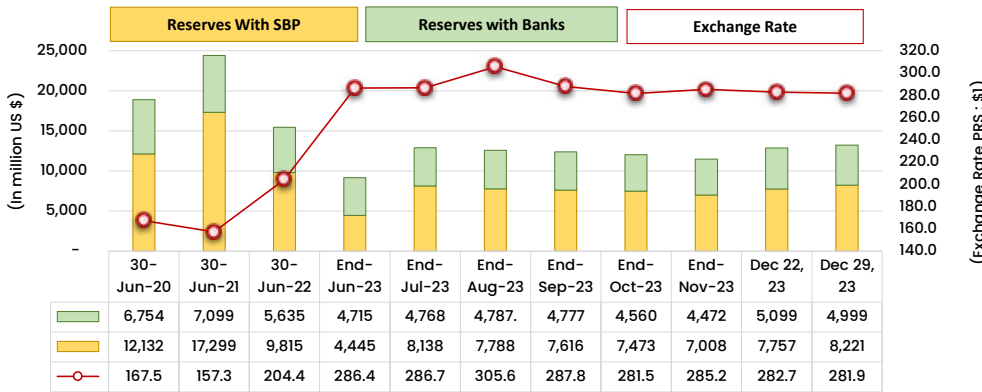
CPI Inflation General (YoY - January to December)

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



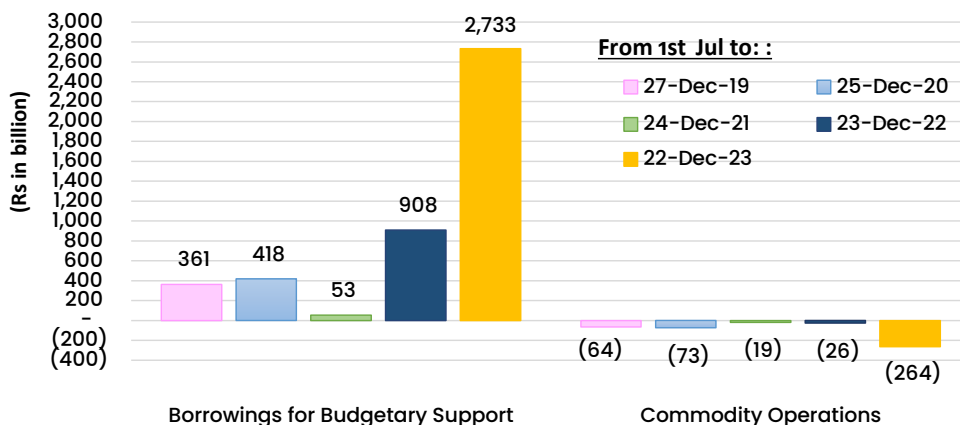
Forex Reserves and Exchange Rate

<https://shorturl.at/dxNU7> | <https://shorturl.at/aJM22>



Government Sector Borrowings (Net)

<https://shorturl.at/AFSX7>



Markets at a Glance

Rates taken till Friday, January 05, 2024

SBP POLICY RATE

22.00% | Effective from June 27, 2023

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

KIBOR (3 MONTHS)

	Bid%	Offer%
Starting	21.21	21.46
Ending	21.08	21.33
Change	-0.13	-0.13

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

FOREX RATES

	GBP	EURO	USD
Starting	PKR 358.60	PKR 311.50	PKR 281.86
Ending	PKR 356.67	PKR 307.34	PKR 281.40
Change	-1.93	-4.16	-0.46

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

PAKISTAN STOCK EXCHANGE

	100 Index
Starting	62,451
Ending	64,515
Change	+2,064

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

GOLD RATES

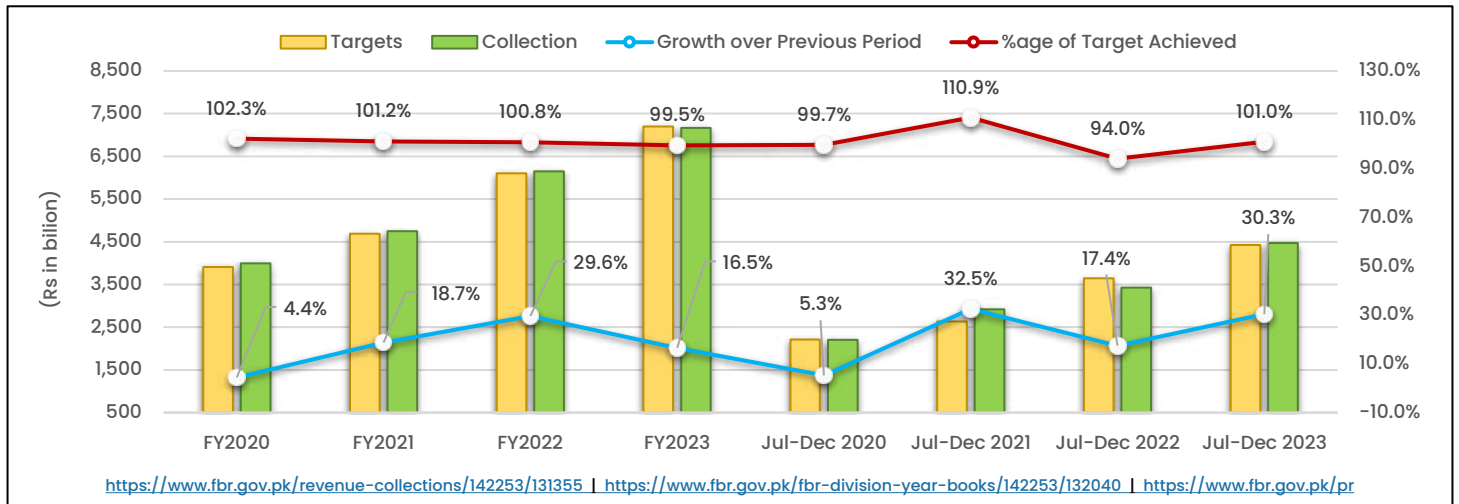
	10 GM, 24K
Starting	PKR 185,784
Ending	PKR 185,301
Change	-483

<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	7,200	7,164	16.5%	99.5%
Jul-Dec 2020	2,210	2,204	5.3%	99.7%
Jul-Dec 2021	2,633	2,920	32.5%	110.9%
Jul-Dec 2022	3,646	3,429	17.4%	94.0%
Jul-Dec 2023	4,425	4,468	30.3%	101.0%



CPI Inflation	Annual Average			Year-on-Year		
	FY20	FY21	FY22	Dec 2022	Nov 2023	Dec 2023
General	10.7	8.9	12.2	24.5	29.2	29.7
Food (Urban)	13.6	12.4	13.4	32.7	29.8	28.8
Non-Food (Urban)	8.3	5.7	10.8	14.8	30.9	32.4

<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	Dec 23, 2022	Dec 22, 2023
4,950.0	6,142.0	6,909.9	7,572.5	7,745.5	8,560.4

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

Central Banks' Gallery

State Bank of Pakistan



Rising Trend of Digital Payment in Pakistan's Retail Landscape - Q1 FY24

Quarterly Payment Systems Report for the quarter Q1 of FY2023-24 was released by the State Bank of Pakistan (SBP) on December 30, 2023, highlighting key advancements within the country's payment ecosystem and providing an inclusive overview of digital transactional activities.

As of quarter-end, there were 33 Banks, 11 Microfinance Banks (MFBs), 4 Electronic Money Institutions (EMIs) and 5 Payment Service Providers/ System Operators (PSOs/PSPs) providing payment services across the country. In addition, Real-time Gross Settlement System (RTGS) and Raast – an instant payment solution, both operated by SBP, further enrich country's payments infrastructure. Moreover, 16 banks and MFBs extended their offerings to Branchless Banking (BB) services thereby expanding the accessibility of the financial services.

Regarding digital platform users, there were 17.0 million mobile banking users, 10.3 million internet banking users, 2.4 million e-wallet holders (issued by EMIs) and 61.3 million m-wallet holders (issued by BB service providers) by the end of quarter. Alongside this, there were 54.3 million payment cards issued to the customers of which 79 percent were debit cards, 17 percent were social welfare cards and 4 percent were credit cards.

The share of digital payments in retail transactions of banking system increased to 80 percent during the quarter in comparison to 74 percent in the same quarter of last year. While share of over-the-counter (OTC) transactions was 20 percent in retail transactions this quarter, its share by value was 87 percent indicating customers' preference of OTC channel for higher value transactions.

In terms of volume, Large Value Payments (LVPs) settled by RTGS was 1.4 million amounting to PKR 199 trillion, whereas, retail transactions processed by banks, MFBs and EMIs during the quarter was 702 million with value of almost PKR 134 trillion. Retail transactions mainly comprised of funds transfers (37 percent), cash withdrawals (36 percent), purchases at POS & e-commerce platforms (10 percent), bill payments & mobile top-ups (7 percent), cash/cheque deposits (7 percent) and 3 percent rest of the payments. Funds transfers was the most prevailing transaction on digital channels by volume, while on OTC, cash/cheque deposits were the most prominent transaction mode.

All these retail transactions were facilitated by the payments network provided by the banks, MFBs and EMIs. This included a network of 17,768 bank branches, 18,117 ATMs, 118,444 POS terminals and 7,310 registered e-commerce merchants (with banks/MFBs).

The report may be viewed at the following link:

<http://tinyurl.com/ysujkz5b> | <http://tinyurl.com/muvsabfs>



Central Bank of Oman



Government Treasury Bills worth RO 9 million were issued this Week

The total issuance of Government Treasury Bills amounted RO (Rial Omani) 9 million. The value of the allotted Treasury bills amounted to Omani rial (OMR) 9 million, for a maturity period of 28 days. The average accepted price reached OMR 99.590 for every OMR 100, and the minimum accepted price arrived at OMR 99.590 per OMR 100. The average discount rate and the average yield reached 5.34464 percent and 5.36665 percent, respectively.

Treasury Bills are short-term highly secured financial instruments issued by the Ministry of Finance, and they provide licensed commercial banks the opportunity to invest their surplus funds. The Central Bank of Oman acts as the Issue Manager and provides the added advantage of ready liquidity through discounting and repurchase facilities (Repo).

It may be noted that the interest rate on the Repo operations with Central Bank of Oman (CBO) is 6.00 percent while the discount rate on the Treasury Bills Discounting Facility with CBO is 6.50 percent.

Furthermore, Treasury Bills promote the local money market by creating a benchmark yield curve for short-term interest rates. Additionally, the government may also resort to this instrument whenever felt necessary for financing its recurrent expenditures. <http://tinyurl.com/mry4es5e>

Commercial Banks' Gallery

HABIBMETRO Bank and ACE Money Transfer Partner to make Remittance Processes Secure and Hassle-free

HABIBMETRO Bank and ACE Money Transfer have joined hands to facilitate overseas Pakistanis. Through this partnership, overseas Pakistanis residing in UK, Europe, Canada & Australia can send remittance to Pakistan through legal channels and contribute towards the economic growth of the country.

<http://tinyurl.com/3mhx6yxc>

HBFC Signs Term Finance Facility Agreement with HBL to strengthen its Home Financing Portfolio

House Building Finance Company (HBFC), Pakistan's pioneering specialized housing finance institution with a legacy spanning over 70 years, has officially signed a Term Finance Facility Agreement with HBL, Pakistan's leading bank on January 01, 2024.

Under the terms of this agreement, HBL becomes the first commercial bank to provide PKR 1 billion to HBFC payable over 5 years, earmarked for the expansion of HBFC's home finance portfolio. This strategic initiative will enable HBFC to effectively pursue its mission of making accessible and affordable housing loans available to its targeted client base.

Faisal N. Lalani, Head International Banking - HBL commenting on the alliance expressed, "HBL consistently seeks opportunities for meaningful collaboration. We recognize HBFC as a trustworthy partner for fostering growth in the housing finance sector. This partnership underscores our shared commitment to advancing housing finance solutions in the country, contributing to the overall development."

Speaking at the ceremony, Imran Ahad, Managing Director & CEO - HBFC stated, "We are thankful to HBL for extending this financing arrangement to HBFC. This represents another step in the ever-strengthening relationship between the two organizations. The favorable terms of this financing agreement will certainly boost HBFC's efforts to expand the Home Finance proposition, reaching an even broader client base." <http://tinyurl.com/2fe5bmzu>

SNIPS

Upskilling at Work

Research by TalentLMS and Vyond indicates that 66 percent of US employees agree they need new skills to be successful in their jobs.

Economic Horizons

8.2 million Cotton Bales Reach Ginneries across Pakistan, 77 percent Increase Recorded

Seed cotton (Phutti) equivalent to 8.2 million or 81,71,082 bales have reached ginneries across Pakistan till December 31, 2023 recording an increase in arrivals by 77.1 percent compared to corresponding period of the year 2022.

According to a fortnightly report issued by Pakistan Cotton Ginners Association (PCGA) on January 03, 2024, arrivals to factories increased by over 3.5 million bales, hence the 77.14 percent increase recorded in 2023 till December 31 compared to 2022.

Over 4 million or 40,78,769 bales' arrival was recorded at ginning factories in Punjab, showing a surge by over 1.3 million bales compared to the year 2022 calculated at 47.7 percent. In Sindh, arrivals were recorded at over 4 million or 40,92,313 bales, showing a jump by 2.241 million bales, recording a whopping 121.2 percent increase compared to corresponding period of 2022.

Over 8 million or 80,82,744 bales were converted into bales at ginning factories.

Textile sector continued to maintain its position as the biggest buyer with a figure of over 7.3 million or 73,14,127 bales bought while exporters and traders bought 2,92,126 bales.

Exactly 241 ginning factories were operational in the country including 210 alone in Punjab that have so far prepared over 4 million or 40,80,064 bales in the province.

Arrival of cotton to ginneries in Balochistan was recorded at 187221 bales.

Exactly 5,64,829 bales were still present at the ginneries as unsold stock. <http://tinyurl.com/3d5csebn>

SECP Organizes Workshop on Capital Markets

The Securities and Exchange Commission of Pakistan (SECP) held a capacity building workshop for journalists at its head office in Islamabad on January 02, 2024, focusing on equity trading at the Pakistan Stock Exchange, trading activity surveillance, and systemic risk. The event aimed to raise public awareness and understanding of capital markets.

The SECP team explained that the stock exchange plays an important role in capital formation, financial inclusion, and diversification of investments. The participants were briefed on the trading, clearing, settlement, and custodial functions of the Pakistan Stock Exchange, the National Clearing

Company, and the Central Depository Company of Pakistan Limited, collectively referred to as Capital Market Infrastructure Institutions (CMIIs).

The presentation on digital online account opening process emphasized the convenience offered by the newly introduced Centralized Gateway Portal (CGP) for retail investors across all financial intermediaries i.e., brokers, asset management companies, and insurance companies. The new process has simplified the process for opening accounts with multiple financial intermediaries by ensuring that most of the required documents and details are available in the CGP.

The presentations were followed by a question and answers session with active participation from both sides. The participants agreed that regular communication between regulators and the media is a good practice that will lead to more effective regulation by the regulators and more responsible reporting by the media.

<http://tinyurl.com/yc53kzpz>

SNIPS

Untrained Remote Managers

Roughly 57 percent of US managers' report receiving no training on managing hybrid or remote teams despite the rise in its prevalence, as per Gallup's research.

FBR Collects over 1 trillion Gross Revenue in a Single Month for the First Time

Federal Board of Revenue (FBR) created history by collecting Rs 1021 billion in December, 2023 and after adjusting refunds of Rs 38 billion issued during the month, reached net collection of Rs 984 billion. Targets for the month as well as for the first six months of the current financial year were also surpassed. Target for the first six months was Rs 4425 billion (as agreed with IMF), which was surpassed by 43 billion and recorded collection of Rs 4468 billion. FBR in the corresponding six months of the previous year collected Rs 3428, thus registering an increase of more than 1 trillion. This is despite the fact that refunds of Rs 230 billion have been issued against Rs 177 billion issued during corresponding period of the previous year and continuous import compression.

It would not be out of place to mention that FBR collected 1 trillion as annual collection back in 2007-08. It took 50 years to achieve this milestone. Whereas, in a span of only 15 years, this feat has been accomplished in a single month; through untiring efforts, sheer dedication and hard work of field formations and top brass of FBR.

Chairman FBR congratulates Member (Customs Operations), Member (IR- Operations) and their teams for achieving this unsurmountable task. He also thanks the taxpayers, without whose continuous support and correct declarations, this target could not have been accomplished. <http://tinyurl.com/ymcxr48p>

International Economic Roundup

ADB, Maldives Sign Agreements to Expand Renewable Energy Access

The Asian Development Bank (ADB) and the Government of Maldives have signed loan and grant agreements of up to \$50.5 million to expand renewable energy generation and distribution in Maldives on January 03, 2024.

ADB Deputy Director General for South Asia Cindy Malvicini and Finance Minister Mohamed Shafeeq signed the agreements at the Ministry of Finance for the Accelerating Sustainable System Development Using Renewable Energy (ASSURE) Project. Climate Change, Environment, and Energy Minister Thoriq Ibrahim and Japan's Ambassador to Maldives Midori Takeuchi participated in the ceremony.

"The project is designed to enhance energy security and facilitate the sustainable transition of the power sector in the Maldives through strategic capital-intensive investments in energy storage and related technologies—supporting scalable investments and preparedness of island grids for heightened renewable energy integration and private sector investment in renewable energy on the outer islands," said Ms Malvicini. "ADB recognizes and appreciates the collaborative synergy that has been fostered through this partnership, underscoring the collective determination to propel Maldives toward a more resilient, green, and energy-efficient future."

The ASSURE project will install grid-scale energy storage, energy management systems, and distribution grid upgrades in 20 outer islands, to attract private sector investments to establish solar photovoltaic facilities in these areas. Emerging technologies, such as ocean-based floating solar panels, ocean energy devices, small wind turbines, and flow batteries, will be installed. ADB will also provide support through transaction advisory in developing public-private partnerships for solar independent power producer projects.

The project will also strengthen the capacity of the Ministry of Environment, Climate Change, and Technology, as well as other related agencies. This includes enhancing skills in financial management and design and implementation of emerging renewable energy systems and technologies.

"During the high-level segment of COP28, President Mohamed Muizzu announced the government's target to produce 33% of electricity in Maldives within 5 years from renewable energy sources with support from international partners," said Mr. Ibrahim. "The loan agreement that we signed today is a testament to the ADB's contribution to our country. It will greatly contribute to achieving the renewable energy targets of this government."

<http://tinyurl.com/429apaed>

Five More Countries Formally Join BRICS

The BRICS memberships of Saudi Arabia, Egypt, the United Arab Emirates, Iran and Ethiopia officially took effect on January 01, 2024.

The countries were invited to join the group in August 2023 after the 15th BRICS Summit in Johannesburg, South Africa, CGTN reported.

Originally comprising Brazil, Russia, India, China, and South Africa, BRICS, an important platform for cooperation among emerging markets and developing countries, has received numerous membership requests in recent years.

<http://tinyurl.com/28k9b25z>

HR TIPS



Kick Off a New Job Search in the New Year

Are you trying to make a career change this year? If finding a new, better, or more fulfilling job is one of your New Year's resolutions, here are steps you can take to get the process started.

Determine what you want to do, not just what you can do.

Start by asking yourself these questions: What do I enjoy doing, or what gives me energy, and why? What kind of environment do I want to work in, and why? What kind of interactions do I want to have at work, and why? Identifying your values first—rather than your skills—will clarify the kinds of jobs that will make you feel fulfilled.

Update your resume. Resumes are not meant to list every accomplishment; they should only show that you have the skills relevant to the job you are pursuing. Once you have identified the type of role you want, search for job descriptions with similar titles. Then identify keywords and themes the descriptions have in common, and consider how you might present your own experience using the same language.

Prepare consistent messaging for interviews. When your resume is ready to go, you can move on to preparing for interviews. Identify five accomplishments that showcase skills listed in the job requirements. Then prepare a two-minute story for each one that highlights your results and demonstrates the unique value you would bring to the role.

(This tip is adapted from *New Year, New Job? Start Planning Now*, by Marlo Lyons - HBR.)



10 Questions to Ask Your Boss in Your Next Check-In

Do you feel like you are not getting the guidance, clarity, or feedback you need from your manager in your one-on-one meetings? If so, redirect the focus by asking the right questions.

Ask for guidance on tasks and projects:

- I am having some challenges with X. Can you help me think about how to navigate it successfully?
- What do you think of my idea Z? Do you have any suggestions for how to improve it, or an alternative idea I should consider?

Clarify priorities and expectations:

- Given what is on my plate, what should I be prioritizing right now, and can you help me understand why?
- As you review my workload, am I taking on the right projects?

Align with the organization and its strategy:

- To help me better understand the big picture, how does the work I am doing fit into the company's broader goals?
- What is new in our company's strategic priorities that you feel I should know about?

Seek growth opportunities and career advancement:

- What can I do to prepare myself for greater opportunities or to pursue X interest of mine?
- What should I be targeting as my next career move and why?

Get feedback on your performance:

- Am I meeting your expectations? I really value your perspective on my performance.
- What should I start, stop, or continue doing?

(This tip is adapted from *28 Questions to Ask Your Boss in Your One-on-Ones*, by Steven G. Rogelberg et al. - HBR.)