

Domestic Economic Roundup

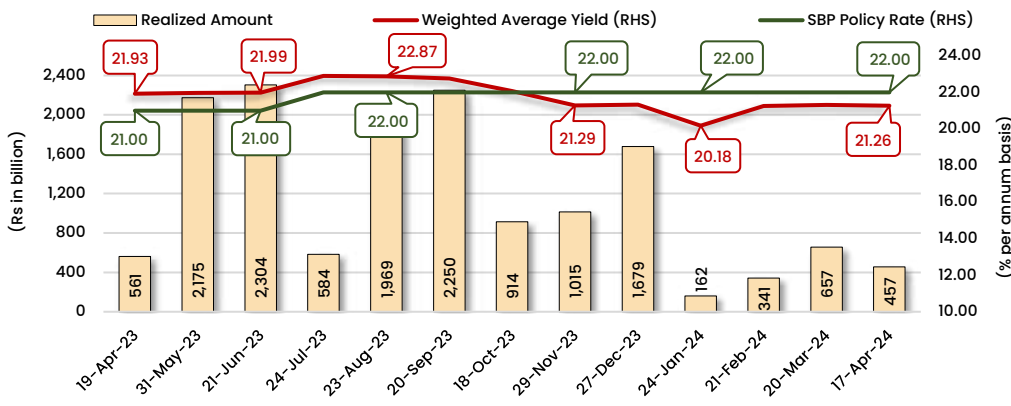
Key Money & Banking Indicators:

	Stocks at End - June 2023	Flows		Monetary Impact Since 1st July to	
		FY22	FY23	05-Apr-24	07-Apr-23
Total Deposits with Banks	22,262.4	2,615.1	2,327.6	2,054.8	271.3
Broad Money (M2)	31,523.3	3,304.9	3,920.6	1,866.4	1,248.9
Govt. Sector Borrowings (Net)	23,723.1	3,357.7	4,100.2	4,082.7	2,288.2
Credit to Private Sector	9,167.1	1,329.7	208.3	88.6	192.8

(Rs in billion)

<https://shorturl.at/hil46>

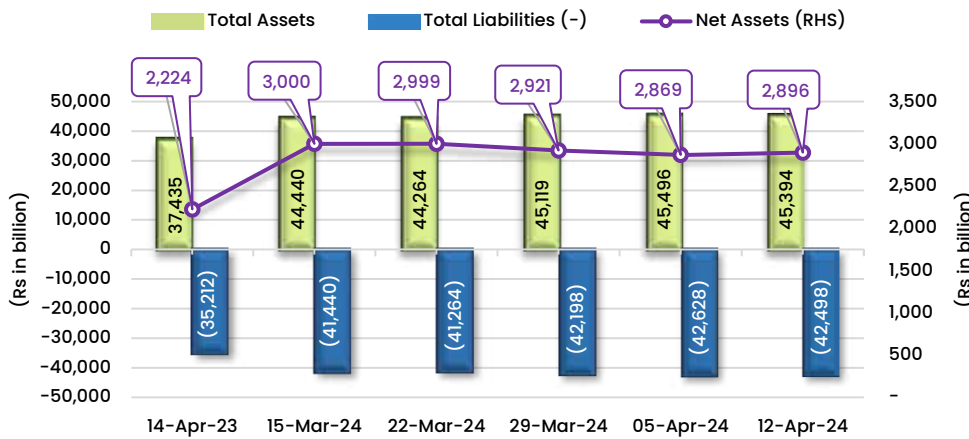
MTBs Acceptance (Auction+ Non-Competitive Bids)



MTB's : <https://shorturl.at/gkx3> SBP Policy : <https://shorturl.at/gkiz5>

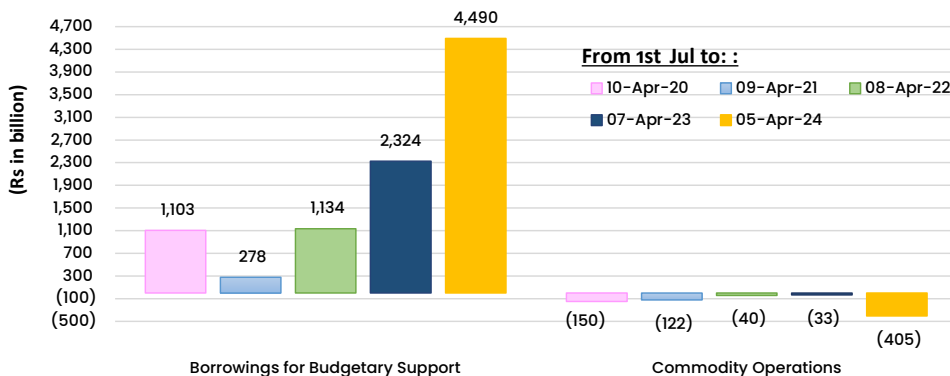
Total Assets and Liabilities of Scheduled Banks

<https://tinyurl.com/yfex7vn9>



Government Sector Borrowings (Net)

<https://shorturl.at/AFSX7>



Markets at a Glance

Rates taken till Friday, April 19, 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	21.66	21.91
Ending	21.66	21.91
Change	0	0

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

FOREX RATES

	GBP	EURO	USD
Starting	PKR 347.18	PKR 296.42	PKR 278.12
Ending	PKR 346.28	PKR 296.44	PKR 278.31
Change	-0.9	+0.02	+0.19

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

PAKISTAN STOCK EXCHANGE

	100 Index
Starting	70,545
Ending	70,910
Change	+365

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

GOLD RATES

	10 GM, 24K
Starting	PKR 209,425
Ending	PKR 213,415
Change	+3,990

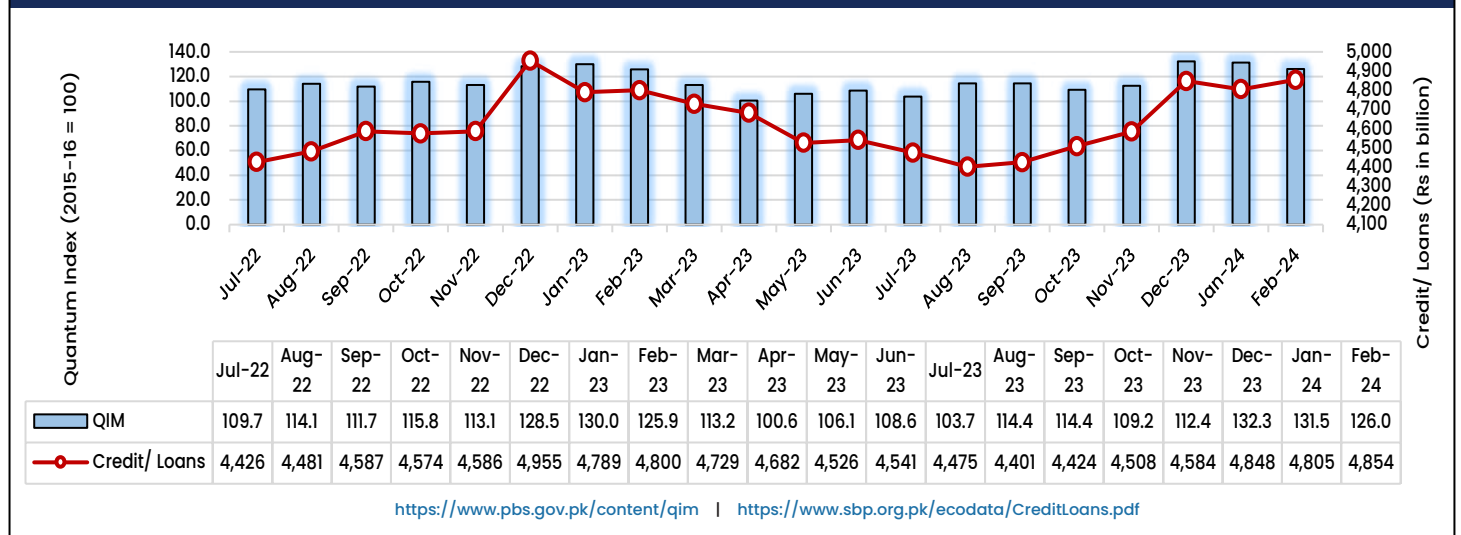
<https://www.forex.pk/bullion-rates.php>

Quantum Index Numbers of Large Scale Manufacturing Industries-LSMI (2015-16 = 100)

Jul-February		% age Growth in 2023-24 over 2022-23	Monthly Indices and Growth				
Index for			Index for			% age Growth	
2023-24	2022-23		Feb-24	Feb-23	Jan-24	MOM	YOY
117.99	118.59	-0.51	126.01	125.93	131.45	-4.14	0.06

<https://www.pbs.gov.pk/content/qim>

Quantum Index of Manufacturing (QIM) Vs. Outstanding Credit/ Loans to Manufacturing



CPI Inflation	Annual Average			Year-on-Year		
	FY20	FY21	FY22	Mar 2023	Feb 2024	Mar 2024
General	10.7	8.9	12.2	35.4	23.1	20.7
Food (Urban)	13.6	12.4	13.4	47.1	20.2	16.6
Non-Food (Urban)	8.3	5.7	10.8	24.1	28.2	25.8

<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, 2020	June 30, 2021	June 30, 2022	June 30, 2023	Apr 07, 2023	Apr 05, 2024
6,142.0	6,909.9	7,572.5	9,148.7	8,551.4	8,936.7

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

Central Banks' Gallery

State Bank of Pakistan



Governor SBP Briefs Foreign Investors about Pakistan's Significantly Improved Macroeconomic Outlook in connection with IMF-World Bank Spring Meetings

Governor SBP, Mr Jameel Ahmad, met key international investors during multiple events organized by leading global banks and financial firms, including JP Morgan, Citibank and Jefferies, on the sidelines of the IMF-World Bank Spring Meetings in Washington DC. Governor SBP informed the participants about the substantial improvement in Pakistan's macroeconomic outlook achieved over the past year as a result of a prudent monetary policy, backed adequately by fiscal consolidation and beginning of the implementation of key structural reforms.

The Governor shared that over the past year, inflation has declined sharply in Pakistan, reaching a two year low of 20.7 percent in March 2024 from a peak of 38 percent in May 2023. He explained that the deceleration in inflation is broad-based, reflecting the combined impact of monetary tightening, fiscal consolidation, ease in import supplies, improved agriculture output and base effect. More importantly, core inflation declined markedly, reaching 15.7 percent in March, after persistently staying above 20 percent throughout last year.

Mr Ahmad informed the participants that the external sector has also stabilized, as reflected in the sharp reduction in the current account deficit (CAD) to \$1 billion during Jul-Feb FY24 from \$3.8 billion in the same period last year. In addition to stabilization policies, improved agriculture output has contributed to higher food exports, while lowering the import demand of agri commodities like wheat and cotton. Workers' remittances have risen consistently since October 2023 on Year-on-Year (y/y) basis, driven by incentives and regulatory measures to divert inflows towards formal channels. These qualitative improvements in the external account have allowed the SBP to more than double its FX reserves from January 2023 (\$3.1 billion) to around \$8 billion on April 12, 2024 despite the repayment of a \$1 billion Eurobond on the same day. At the same time, the SBP's forward liabilities have also reduced significantly from US\$5.7 billion in January 2023 to US\$ 3.4 billion in February 2024.

Governor SBP stressed upon the improvement in the country's external debt dynamics, with a reduction in the gross financing requirements due to sizable CAD contraction. Moreover, the maturity profile of external debt has also improved, with share of relatively costly short-term commercial loans declining while the share of long-term concessional financing from multilateral agencies, coupled

with support from bilateral partners, is rising. Mr Ahmad also noted a recent pickup in inflows from overseas Pakistanis via Roshan Digital Accounts and also by other foreign investors, on the back of strong performance in achieving the targets and benchmarks under the IMF SBA program. Going forward, the government is hopeful of signing a long-term IMF program, which will facilitate additional external financing and the adoption of structural reforms to deal with longstanding issues in the economy.

The Governor also highlighted SBP's efforts to provide a conducive macroeconomic environment for the private sector to invest in the economy. The SBP's Strategic Plan 2028 aims to facilitate growth by achieving price and financial stability. In this regard, Mr Ahmad highlighted the widespread adoption of digital technologies to address gaps in access to financial services and to revolutionize the domestic payments system. These time-bound reforms are expected to put the economy on the path of sustainable economic growth. <https://tinyurl.com/yfxwme7s>

Saudi Central Bank (SAMA)



SAMA Announces Registration for its Investment Immersion Program

The Saudi Central Bank (SAMA) has opened registration for its fourth edition of the Investment Immersion Program (IIP) as from April 17, 2024 for six weeks. The program is an apprenticeship that aims to employ and develop local investment professionals. The program, which comprises a series of academic courses and an intensive practical training in various investment fields, is designed and developed in partnership with Wharton School of the University of Pennsylvania (one of the leading business schools in the United States) and a number of major global banks and asset managers in order to provide participants with the relevant exposure.

The program offers an advanced technical course, on-the-job training (OJT) with international banks and assets management companies, and job-rotation in the investment deputyship at the Saudi Central Bank under the supervision of experts in asset management and global financial markets. Participants will be offered a range of continuous development programs to enhance their technical investment skills, and will receive a set of distinctive employment benefits.

The program targets Saudi nationals with a bachelor's or master's degree in finance, accounting, economics, statistics, or business-related majors from Saudi or accredited international universities with a grade of no less than equivalent to 3/4 or above (or their equivalents). Other requirements include English proficiency, an age limit of 27, and passing behavioral and technical tests and interviews. Interested candidates in the Investment Immersion Program may submit their applications through <https://shorturl.at/fCM39> | <https://shorturl.at/cmtZ5>

Central Bank of the UAE



CBUAE Issues Quarterly Credit Sentiment Survey Q4 2023

The Central Bank of the UAE (CBUAE) has issued its Q4 2023 Credit Sentiment Survey report, which covers recent changes in financing conditions and credit demand in the UAE's banking sector.

Credit appetite remained strong during the last quarter of 2023, reflecting accelerated economic growth and rising consumer and business confidence. According to the Survey, many banks stated that they were increasingly willing to accommodate rising loan demand, though some banks tightened their credit standards.

Loan demand was strongest for business loans, especially in the construction, manufacturing and trade sectors. As for personal loans, demand growth was mainly driven by credit cards and real estate-related borrowing. The impact of interest rates on loan demand appears to have softened relative to previous quarters as lending rates have started declining towards the end of 2023.

Positive credit dynamics reflect persistent investment demand and indicate a sustainable post-COVID-19 rebound of economic activity. According to survey findings, this positive momentum has spilled over into the early part of this year. Banks and other licensed financial institutions remain optimistic against the background of positive overall credit sentiment.

The Survey was first launched in 2014 as part of the CBUAE's efforts to gauge both supply and demand-side factors influencing the local credit market, and to further understand the linkages between credit sentiment and the broader UAE economy. The Q4 2023 results are based on the responses received from a panel of 70 credit-providing licensed financial institutions operating in the UAE, comprising 58 banks and 12 finance companies. For detailed results of the Credit Sentiment Survey, please see the following link: <https://shorturl.at/jqwKU>
<https://shorturl.at/dsxL0>

European Central Bank:



ECB Confirms Remuneration Ceiling for Euro Area Government Deposits and Adjusts Remuneration of Other Non-Monetary Policy Deposits

The Governing Council of the European Central Bank (ECB) decided to adopt a single legal act setting out a uniform remuneration rate for non-monetary policy deposits held with the Eurosystem. This rate will be set at the €STR minus a spread of 20 basis points. The rate will also continue to

apply as a ceiling for remunerating euro area government overnight deposits. As most overnight deposits held with national central banks under the Eurosystem reserve management services (ERMS) framework have already been remunerated at the €STR minus a spread of 20 basis points, only a limited amount of remaining overnight deposits under the ERMS will be aligned to the new uniform rate.

Exceptions will apply particularly for non-monetary policy deposits held in TARGET for guarantee funds and prefunded accounts by financial market infrastructures (FMIs) domiciled in the European Economic Area (EEA). These deposits will be remunerated at the €STR. The Governing Council considers these exceptions necessary given the relevance of these deposits for the smooth operation of payment systems and financial stability in the euro area.

These decisions follow a comprehensive review of the remuneration of the different types of non-monetary policy deposits. The new regime creates a consistent set of rules robust to alternative interest rate environments and minimizes the risk of potential interference with the single monetary policy. It should maintain the incentives for the holders of these deposits to reduce their cash holdings with the Eurosystem in a gradual and orderly manner. In the long-term, the new remuneration regime aims to ensure that non-monetary policy deposits with the Eurosystem are stable over time at relatively low levels. This encourages market intermediation in line with the principle of an open market economy.

The Governing Council will continue to monitor money market developments and the evolution of these deposit holdings, and stands ready to adjust the remuneration regime if necessary.

The Governing Council has decided to bundle the legal provisions for the remuneration of non-monetary policy deposits into a single legal act to increase transparency. All changes to the remuneration regime will apply as of December 1, 2024. <https://tinyurl.com/2xc5wpzz>

The People's Bank of China



China's Central Bank Warns Against 'One-sided' Pursuit of Credit Expansion

China's central bank cautioned on April 18, 2024 against a "one-sided" pursuit of credit expansion after data showed a slowdown in bank lending, vowing to prioritize the quality of credit over size and move to revitalize existing loans.

New bank lending in China rose less than expected in March from the previous month, while broad credit growth hit a record low, boosting the case for the central bank to roll out more stimulus steps to help achieve an ambitious growth target.

The central bank will channel more funds into technology innovation, green manufacturing and small firms, the Communist party committee of the People's Bank of China (PBOC) said in an article in the official People's Daily.

"With the transition of the economy from high-speed growth to high-quality development ... credit allocation should ultimately be in line with the needs of high-quality development of the real economy. The key is to grasp the level well, rather than the more, the better." The central bank will guide financial institutions to maintain balanced credit allocation and boost stability and sustainability of loan growth, it said.

The world's second-biggest economy grew faster than expected in the first quarter, but several March indicators, such as property investment, retail sales and industrial output showed that domestic demand remains frail, weighing down momentum.

The central bank said 2024 growth of money supply and total social financing - a broad measure of credit and liquidity in the economy - would match expected goals for economic growth and inflation.

"Revitalizing existing credit is of great significance in improving the quality and efficiency of financial services to the real economy," it added.

The central bank will take steps to free up financial resources inefficiently taken up by some firms and sectors, it said, adding that China's outstanding yuan loans approach 250 trillion yuan (\$34.55 trillion).

<https://tinyurl.com/32kkmahh>



Neem Enters Fintech Associations in Singapore and MENA

After months of active collaboration, Neem is pleased to announce its full membership in both the MENA Fintech Association (MFA) and the Singapore Fintech Association (SFA).

This strategic move signifies the commitment to contributing to shaping the global fintech landscape and thought leadership. Joining both MFA and SFA enables Neem to establish deep connections within these global fintech hubs, provide unique insights representing Pakistan's fintech landscape, develop strategic partnerships, and elevate Neem on the global fintech stage. Neem's distinction as one of the leading embedded finance players adds a valuable perspective to the associations, particularly relevant to embedded finance in emerging markets.

Neem strongly believes in the value of regional and global fintech associations, as they play a critical role in shaping the agenda for digital financial services, collaborating closely with regulators and the public sector, fostering connections among all key ecosystem players, and representing the voice of the fintech industry.

Since Neem's early collaboration with both MFA and SFA, it has actively participated in conversations addressing priorities such as sustainability in financial services, embedded finance and open banking, financial inclusion, payments and remittance solutions, among others. Neem has also been featured as a case study in the pioneering MENA Sustainable Fintech 2023 Report, alongside other players including Paymentology, Klarna, M2P Fintech, and others.

For more details on MFA & SFA please visit <https://shorturl.at/egsTX> | <https://tinyurl.com/bdck3waw> <https://tinyurl.com/y2rstc2a>

Commercial Banks' Gallery

Expanding Financial Literacy: Faysal Bank's NFLP-II Targets 15 Districts in FY-2024

Faysal Bank successfully concluded its first cohort of the National Financial Literacy Program (NFLP-II) in FY-2023, with an incredible 100 percent+ achievement, providing financial education to over 3,000 individuals across 9 districts of Pakistan.

In FY-2024, NFLP-II expands its reach, with targets higher than before to cover 15 districts, aiming to reach more than 4,000 individuals, for improved financial planning. Faysal Bank's dedicated teams are readily available for inquiries at NFLP@faysalbank.com.

<https://tinyurl.com/mryx7jnm>

Economic Horizons

SECP Directs Listed Companies to Disclose Gender Gap Data

The Securities and Exchange Commission of Pakistan (SECP) has issued a directive for listed companies to include a statement on gender pay gap in their annual reports. The directive aligns with the Government's instructions under the Prime Minister's Women Empowerment Package 2024, aimed at promoting gender diversity within the corporate sector.

To facilitate compliance, the SECP has provided a suggestive template for the gender pay gap statement, along with guidance on its calculation methodology. This initiative will assist listed companies in accurately assessing and reporting gender pay differentials within their organizations. The requirement for reporting gender gap is applicable to listed companies for financial year ending on or after June 30, 2024.

The SECP remains committed to promoting gender equality and diversity in the corporate sector, and views this directive as a significant step towards achieving this objective. Through collaborative efforts with stakeholders, we aim to create a more inclusive and equitable workplace environment.

The Circular can be accessed through the link

<https://tinyurl.com/5n85shkn>

<https://tinyurl.com/f3j5mkx6>

SNIPS

Food Inflation in the US

Prices for hundreds of grocery items in the US have increased more than 50 percent since 2019 as food companies raised their prices, reports the Wall Street Journal.

SECP Publishes Report on Pakistan's Potential for Micro and Inclusive Insurance

The Securities and Exchange Commission of Pakistan has issued a report titled *Unlocking the Potential of Micro and Inclusive Insurance in Pakistan* which provides an overview of the current landscape and vast untapped potential market for inclusive insurance. The report's draft version and synopsis were presented at the International InsureImpact Conference, 2023, held in Karachi.

This report explores inclusive insurance in Pakistan, highlighting its untapped market potential, comparing it to other jurisdictions, analyzing gaps, and proposing a future course of action.

The data collected indicates a concerning status of inclusive insurance market in Pakistan. A total of 12.56 million insurance policies were sold through microfinance banks/ institutions. Out of these, 89 percent are credit life insurance, indicating a primary focus on covering the underlying credit risk. Moreover, of the 20 insurers offering inclusive insurance, only 4 are actively involved in digital distribution of small ticket products.

Commissioner Insurance, Aamir Khan in his message for report said that, "Inclusive insurance is of paramount importance for growth of the overall insurance penetration as it will assist and encourage insurers and other stakeholders in developing products and services that foster greater financial inclusivity".

Acknowledging, the urgency of this matter, collaborative efforts are required to bridge regulatory gaps, streamline processes, enhance awareness and improve product accessibility through focusing on digital distribution. By partnering with Mobile Network Operators, microinsurance providers can leverage their extensive network and digital infrastructure. The way forward to make inclusive insurance accessible to the target market is through amendments in Microinsurance Rules 2014 and leveraging technology to the fullest.

Collectively SECP, and insurance industry, along with other relevant authorities, have prioritized the development and implementation of comprehensive policies to facilitate inclusive insurance growth. The report suggests forming a synergy group and involving insurance companies, InsureTech, and the government to ensure inclusive insurance accessibility for underserved populations. The report is available at SECP's website at <https://tinyurl.com/nhzmh9we> <https://tinyurl.com/rjc7ty23>

International Economic Roundup

New Partnership Aims to Provide 300 million People with Electricity Access by 2030

The World Bank Group and African Development Bank Group are partnering on an ambitious effort to provide at least 300 million people in Africa with electricity access by 2030.

The World Bank Group will work to connect 250 million people to electricity through distributed renewable energy systems or the distribution grid while the African Development Bank Group will support an additional 50 million people.

Access to electricity is a fundamental human right and is foundational to any successful development effort. Currently, 600 million Africans lack access to electricity,

creating significant barriers to health care, education, productivity, digital inclusivity, and ultimately job creation.

"Electricity access is the bedrock of all development. It is a critical ingredient for economic growth and essential for job creation at scale. Our aspiration will only be realized with partnership and ambition. We will need policy action from governments, financing from multilateral development banks, and private sector investment to see this through," said Ajay Banga, World Bank Group President.

This partnership is a demonstration of the determination of the World Bank Group and the African Development Bank Group to be bolder, bigger, and better in tackling one of the most pressing challenges in Africa. The initiative is the most recent manifestation of the World Bank Group's commitment to become more impact-oriented and is the byproduct of a concerted workplan to build a better bank. It is aided by a constellation of regional energy programs that will now be aligned toward this common goal.

For the World Bank Group to connect 250 million people, \$30 billion of public sector investment will be needed, of which IDA, the World Bank's concessional arm for low-income countries, will be critical. In addition, governments will need to put in place policies to attract private investment, and reform their utilities so they are financially sound and efficient with tariff mechanisms that protect the poor.

Connecting 250 million people to electricity would open private sector investment opportunities in distributed renewable energy alone worth \$9 billion. Beyond that, there would be substantial opportunities for private investments in grid-connected renewable energy needed to power economies for growth.

<https://tinyurl.com/4fku24cs>

HR TIPS

Listen with Empathy

The best managers are good listeners, and the best listeners exude empathy. And despite what you may think, empathy is a skill that you can practice and develop. Here are some ways to build the muscle.

First, try "looping": When you ask your employee a question, listen carefully to their answer, then paraphrase it back to them. You might add on a simple follow-up question like "Is that right?" or "What else am I missing?" This simple tactic helps ensure you are understanding exactly what they are communicating.

Then, reframe your role in the conversation. As a leader, your job is not always to offer advice or input. Sometimes it is simply to be present and supportive. Assuming this more humble role in conversations with your reports will help you listen more deeply and focus less on what you want to say next.

Finally, take time to reflect after each conversation. Pause and ask yourself: What did I learn from this person? A post-conversation audit is a simple and effective way to confirm that you understood your colleague clearly. If you are left with more questions, write them down and follow up.

(This tip is adapted from *How to Become a More Empathetic Listener*, by Jamil Zaki - HBR.)

SNIPS

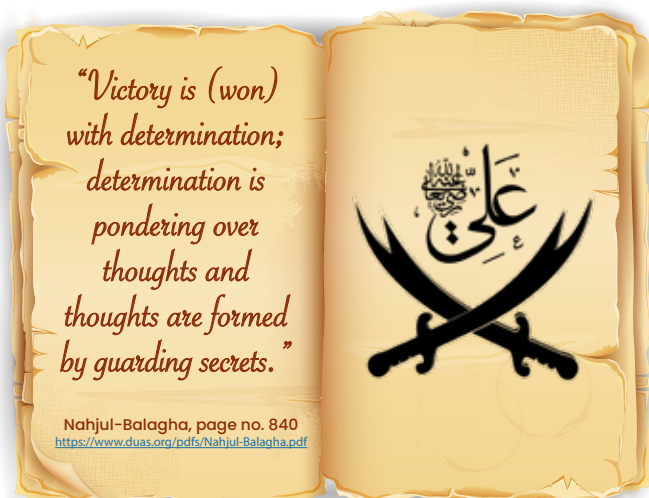
Unproductive Meetings

In one study, 71 percent of senior managers reported that their meetings were inefficient and unproductive, says HBR Ascent.

Make Your Transition Back to the Office a Smooth One

It can feel intimidating to return to an in-office routine after working remotely for an extended period of time. But there are steps you can take to make the transition back to the office a smooth one.

Redesign your routine. This means rethinking every component of your schedule. If this feels overwhelming, do not fret. Start by imagining an ideal workday. Figure out when you need to be at your desk and work backwards from there. When would you need to wake up? When would you eat each meal? When would you exercise? Writing down your dream routine is the first step toward making it a reality. And think of it as an experiment; if you find your redesigned schedule does not work for you, change it.



Nahjul-Balagha, page no. 840
<https://www.duas.org/pdfs/Nahjul-Balagha.pdf>

Get the right gear. As you organize the new flow of your day, you will want to think through what you will need for working away from home. This might involve investing in some new work clothes, gear for your commute (like a work bag or rain boots), and anything you might need for your desk in the office. Write a “back-to-the-office” checklist to make sure you have everything you need, and add to it as you get reacquainted.

Update your tech. To avoid a stressful start, do a little research. What do you need to know to set up your computer once you arrive? Are you able to access the internet? Often, the most straightforward way to get this kind of information—and avoid embarrassing hiccups—is to simply ask IT.

(This tip is adapted from *Going into the Office for the First Time?*, by Elizabeth Grace Saunders - HBR.)

SNIPS

Chinese Real Estate Collapse

The collapse in Chinese real estate in recent years has led tycoons to lose \$100 billion, according to Bloomberg.

Avoid Overwhelming a New Hire During Onboarding

A great onboarding experience can keep new hires engaged and committed, and increase their preparedness for the job. But there is such a thing as too much onboarding—overloading a new hire with so much information that they are left feeling overwhelmed and dissatisfied. Here is how to keep things manageable.

Dose information slowly. Learning is a gradual process that requires more than a week or two for a new hire. Begin the onboarding process with the essential basics, clarifying their relevance along the way. Then build on this foundation in a logical sequence over time.

Provide realistic expectations and responsibilities—and make sure they align with the job description. Then set manageable goals (both short and longer-term). Be sure to communicate a vision of what your organization is working to accomplish, and how your new hire is contributing to the big picture.

Minimize insider terminology. You want to ensure that your new hire feels a deep sense of belonging from day one. Too much organizational jargon or too many acronyms can

leave your employee feeling like an outsider. Be mindful of the language you use, and err on the side of over-explaining. You might even consider putting together a glossary of organizational terms.

(This tip is adapted from *Onboarding New Employees—Without Overwhelming Them*, by Julia Phelan - HBR.)

SNIPS

iPhone Maker's Slide Down

Apple has lost nearly \$400 billion in market value so far this year, as per Bloomberg.

Build a Thriving Employee Alumni Program

Great employees will leave your organization from time to time—but they do not have to become total strangers. Employee alumni programs can help you foster continuing relationships with former colleagues, which can be a competitive advantage in today's dynamic labor market environment. When setting up your program, keep these strategies in mind.

Build a digital community. Most companies start by creating an alumni group on LinkedIn. This allows former employees to stay in touch and up to date on opportunities at your organization. It also allows you to keep an eye on what former employees are up to after they depart.

Develop a communication plan. How and when will you reach out to your alumni pool, and what information will you include? You might plan a quarterly newsletter containing company announcements, industry insights, and information about events. If you have a smaller alumni pool, you might plan more targeted, tailored outreach.

Do not wait until the exit interview. Instead, integrate the alumni program throughout the employee lifecycle. You might even introduce it as early as the interview process or onboarding, positioning the network as another benefit of joining the organization.

(This tip is adapted from *Designing a Corporate Alumni Program? Start Here*, by Rebecca Paluch - HBR.)