

Domestic Economic Roundup

Key Money & Banking Indicators:

	Stocks at End - June 2024 P	Flows		Monetary Impact Since 1st July to	
		FY23	FY24 P	06-Sep-24	08-Sep-23
Total Deposits with Banks	27,264.5	2,327.6	5,002.1	-829.6	389.9
Broad Money (M2)	36,584.9	3,920.6	5,061.7	-940.3	-241.8
Govt. Sector Borrowings (Net)	31,087.3	4,100.2	7,364.2	600.7	1,425.5
Credit to Private Sector	9,531.3	208.3	364.2	-376.4	-282.3

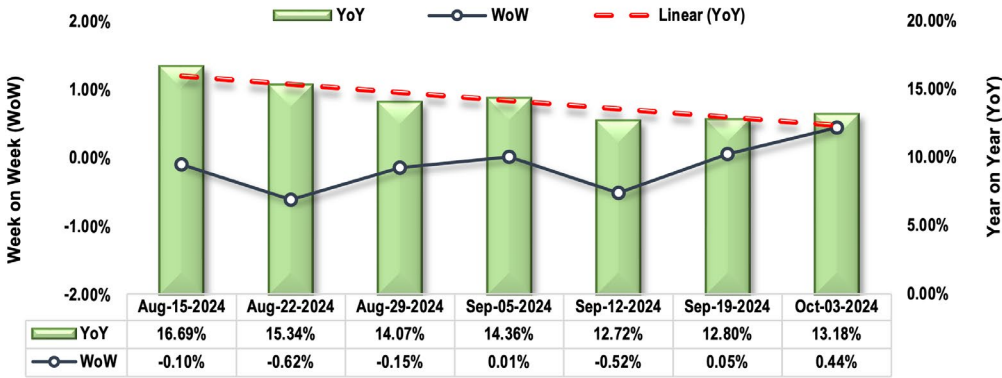
P = Provisional

* = (Latest data is available up to September 06, 2024)

<https://tinyurl.com/bdfssvdx>

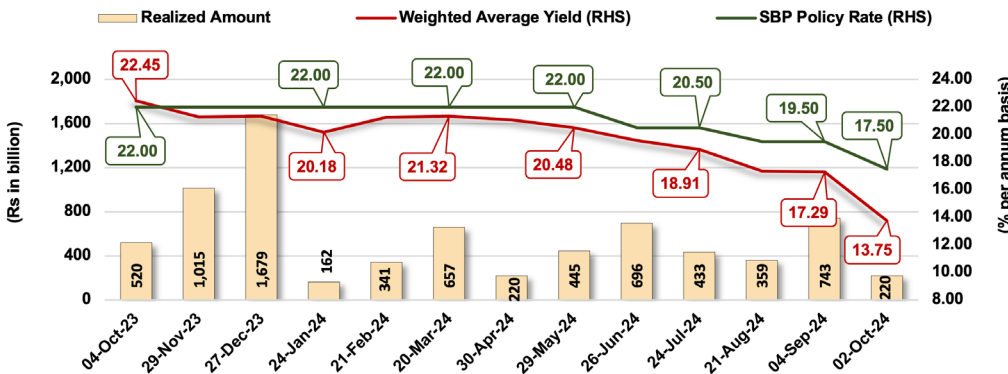
Weekly Trend in Sensitive Price Indicator (SPI)

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



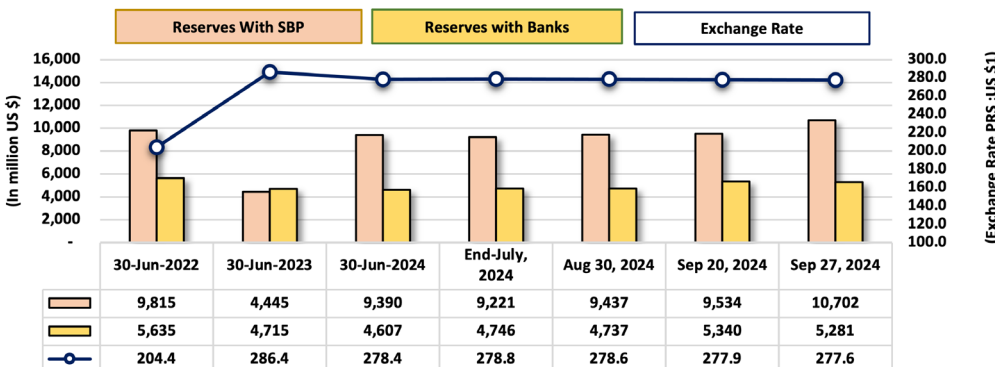
MTBs Acceptance (Auction+ Non-Competitive Bids)

MTB's : <https://shorturl.at/gkx3>
SBP Policy : <https://shorturl.at/gkiz6>



Forex Reserves and Exchange Rates as on

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



Markets at a Glance

Rates taken till Friday, October 04, 2024

SBP POLICY RATE

17.5% | Effective from September 13, 2024

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

KIBOR (3 MONTHS)

	Bid%	Offer%
Change Starting	16.07	16.32
Change Ending	15.61	15.86
Change	-0.46	-0.46

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

FOREX RATES

	GBP	EURO	USD
Change Starting	PKR 371.25	PKR 309.19	PKR 277.64
Change Ending	PKR 365.39	PKR 305.95	PKR 277.52
Change	-5.86	-3.24	-0.12

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

PAKISTAN STOCK EXCHANGE

	100 Index
Change Starting	81,292
Change Ending	83,532
Change	+2,240

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

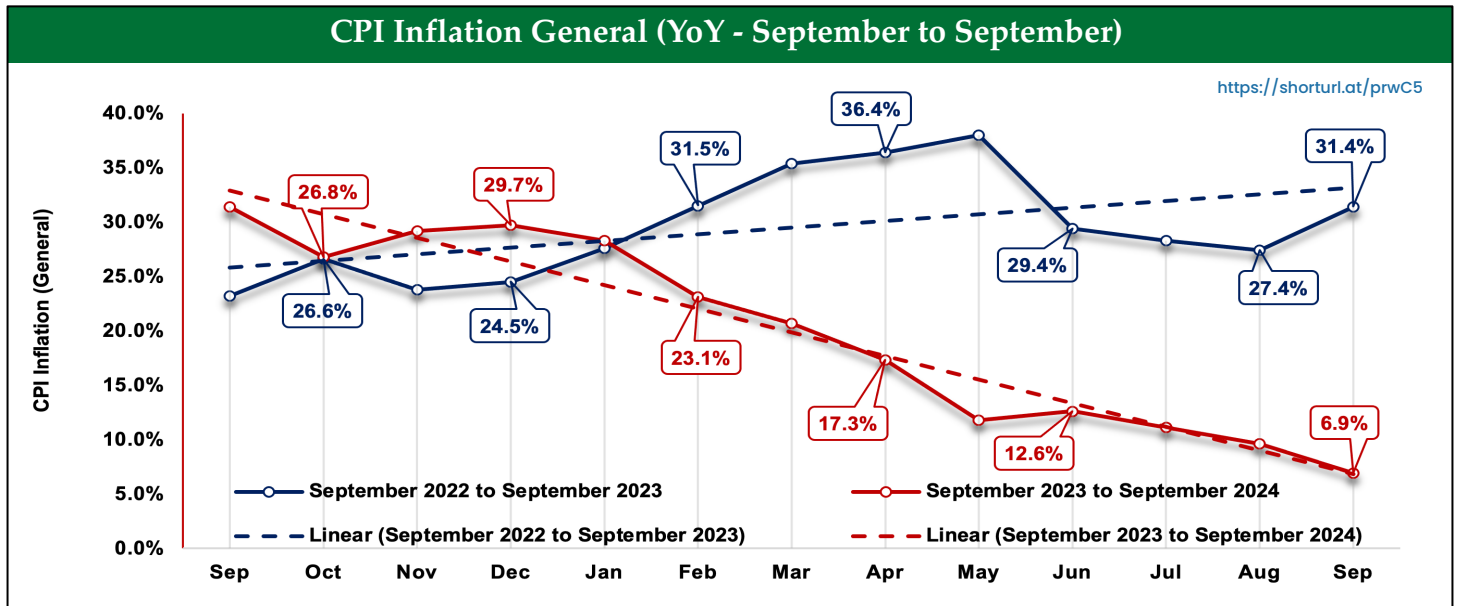
GOLD RATES

	10 GM, 24K
Change Starting	PKR 238,536
Change Ending	PKR 236,608
Change	-1,928

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

INDEX	Average July – September % Changes			September over September % Changes		
	2024-2025	2023-2024	2022-2023	2024-2025	2023-2024	2022-2023
CPI (National)	9.19	29.04	25.11	6.93	31.44	23.18
CPI (Urban)	11.37	26.98	23.66	9.29	29.74	21.20
CPI (Rural)	6.14	32.02	27.27	3.65	33.88	26.12
SPI	11.87	29.75	30.23	9.21	32.00	28.58
WP	6.10	24.61	39.55	1.95	26.39	38.87

<https://shorturl.at/ipDF3>



CPI Inflation	Annual Average			Year-on-Year		
	FY20	FY21	FY22	Sept 2023	Aug 2024	Sept 2024
General	10.7	8.9	12.2	31.4	9.6	6.9
Food (Urban)	13.6	12.4	13.4	33.9	4.1	1.7
Non-Food (Urban)	8.3	5.7	10.8	26.8	17.4	15.0

<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, 2021	June 30, 2022	June 30, 2023	Sep 08, 2023	June 30, 2024 (P)	Sep 06, 2024 (P)
6,909.9	7,572.5	9,148.7	8,527.7	9,153.1	9,092.0

P=Provisional * = (Latest data is available up to September 06, 2024)

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

Central Banks' Gallery

State Bank of Pakistan



Digitalization to Drive Financial Services and Economic Development: Governor SBP

Governor of the State Bank of Pakistan, Mr Jameel Ahmad, has stated that rapid technological change has not only enabled banks to offer innovative financial services to customers but also empowered regulators to ensure compliance effectively and efficiently through advanced data collection and processing capabilities. He delivered his keynote address at the 13th Bank of The Future Forum, focusing on the critical theme of 'The Future of Banking'. The event, organized by Systems Limited, brought together distinguished dignitaries, eminent industry leaders, and fintech experts to discuss the evolving landscape of the banking sector in Pakistan and globally.

The Governor's address covered many themes and underscored the SBP's commitment to fostering innovation and digitalization within the banking sector, paving the way for a dynamic financial sector in Pakistan. The Governor shared the SBP's digital transformation started in 2002, when SBP implemented the Temenos Banking System, and an ERP system for non-banking transactions, as well as a data warehouse for massive data-related requirements. In 2008, SBP implemented the Real-Time Gross Settlement System (RTGS) called PRISM for processing wholesale, large-value, institutional payments. Recently, SBP established its state-of-the-art, Tier-3 data center, the first of its kind in Pakistan.

The Governor shared that in 2008, SBP issued regulations for branchless banking services to enable the delivery of basic banking services from retail stores and kiriyana shops. This initiative has resulted in a significant increase in the number of unique bank accounts, from 16 percent of the adult population in 2018 to 64 percent in 2024. He shared that in 2022, SBP issued the framework for establishing Digital Banks in Pakistan to further facilitate the entry of IT-enabled, non-banking entities into the financial services industry. As a result, in-principle approvals were issued to five applicants who will shortly start pilot operations in the country.

The Governor shared that in line with international trends, SBP started working on transforming its retail payments industry by implementing the state-of-the-art ISO-20022 payment standard. Hence, Raast, our instant payment system based on the ISO 20022 standard, was launched in 2021. In a short span of almost three years, Raast has processed around 850 million transactions valuing over PKR 19 trillion. Today, with 38 million unique Raast IDs, the system processes an average of 2.5 million transactions a day. He shared that SBP is also working on integrating Raast with the Arab Monetary Fund's instant payment system called

Buna to facilitate millions of Pakistanis living in Arab countries in sending their remittances to Pakistan with ease and convenience.

The Governor shared that as a result of SBP's efforts, today in Pakistan, we have around 59 million branchless banking wallets, 19 million mobile banking apps, another 3.7 million e-money wallets, and 12 million internet banking users. Since 2020, the overall number of retail transactions processed digitally has increased by 30 percent, and the share of digital payments in total retail payments by volume has risen from 76 percent in FY23 to 84 percent in FY24. The number of transactions processed using mobile and internet banking is growing at an annual rate of 70 percent and 30 percent, respectively. This is not surprising as the majority of our population is young and adept at using mobile apps.

The Governor shared that it is heartening to see the emergence of a vibrant fintech sector in Pakistan. These fintechs are striving hard to identify new markets and use cases and offer their tech-enabled services. He encouraged the IT sector to play a pivotal role in this transformation.

<https://shorturl.at/Twgg6>

Saudi Central Bank (SAMA)



SAMA Publishes Financial Stability Report 2024, Affirms Resilience of Saudi Financial System

The Saudi Central Bank (SAMA) issued its Financial Stability Report 2024, highlighting national and global trends and significant developments in the Saudi financial system. The report affirmed that the Saudi economy proved resilient in 2023, supported by a robust financial sector, despite global economic uncertainties. It also highlighted the Kingdom's significant progress toward achieving the ambitious objectives of Vision 2030, which aims to diversify the economy. These efforts increased the share of non-oil activities in overall GDP to 49.9 percent, growing by 4.4 percent in 2023.

In 2023, the Saudi banking sector remained well-capitalized, with a capital adequacy ratio of 20.1 percent. Banks maintain a sufficient lending capacity to support the Kingdom's economic development, as banking credit continued to grow in 2023, driven primarily by corporate credit, which increased by 13.2 percent.

Furthermore, the non-banking financial institutions performed strongly in 2023 as lending by finance companies increased by 12.3 percent to reach SAR 84.7 billion in 2023, supporting the notable growth in total assets. The report also covered SAMA's efforts in enabling innovative payment solutions while ensuring a secure environment to mitigate the associated risks. The Financial Stability Report 2024 is available on SAMA's website <https://shorturl.at/xufJ4> | <https://shorturl.at/Ha1v0>

Central Bank of the Republic of Türkiye



CBRT Hosts Meeting of the Standing Committee for Economic and Commercial Cooperation (COMCEC)

The Central Bank of the Republic of Türkiye (CBRT) hosted the meeting of the Organization of Islamic Cooperation (OIC) – the Standing Committee for Economic and Commercial Cooperation of the Organization of Islamic Cooperation (COMCEC) Central Banks Forum on September 29–30, 2024 in Istanbul. The meeting was opened by Governor Fatih Karahan, Ph.D.

The first session of the meeting addressed the global economic and financial outlook, and economic developments in Organization of Islamic Cooperation (OIC) member countries.

In the second session, post-pandemic inflation dynamics were discussed. The session continued with an exchange of views on the challenges faced and policy responses to be adopted by central banks.

In the third session of the meeting, recent developments in artificial intelligence and potential areas of use of artificial intelligence in central banking were evaluated. In this context, participants shared country experiences regarding the use of artificial intelligence in central banks.

<https://t.ly/wpJRZ>

Financial Institutions' Gallery



Deposit Protection Corporation Enhances the Guarantee Amount up to PKR 1,000,000

Deposit Protection Corporation (DPC) has increased the guarantee amount for all eligible depositors of its member banks from Rs 500,000 to Rs 1,000,000 with effect from October 01, 2024, as decided by the Board of Directors of the Corporation.

This enhanced guarantee amount now provides full protection to around 96 percent of the eligible depositors. The main objective of the deposit protection scheme is to safeguard the depositors' interest and further enhance their confidence in the banking sector. This will also support financial stability in the country.

Deposit protection facility is applicable to all the eligible depositors and does not require any fee from the depositors. The guarantee amount or protected deposit

becomes payable to eligible depositors only if State Bank of Pakistan declares a bank as a failed bank and is not payable under any other circumstances.

The related circular letter is available at DPC's website at the following web link: <https://shorturl.at/R1197>

<https://shorturl.at/6GH0c>



Meezan Bank and Hamdard Laboratories Strengthening Partnership with Transaction Banking Services and Digitalized Payments & Collections

Meezan Bank, Pakistan's leading Islamic bank, and Hamdard Laboratories (Waqf) Pakistan, a pioneer in Eastern medicine, have marked a significant enhancement in their financial collaboration with the successful integration of advanced transaction banking services. This milestone was celebrated at a formal signing ceremony held at Hamdard Laboratories' headquarters.

The agreement was signed by Ms Sadia Rashid, Chairperson & Chief Mutawallia of Hamdard Laboratories, and Syed Amir Ali, Deputy CEO of Meezan Bank. Key executives from both organizations were present, including Mr Farrukh Imdad – Director General (Hamdard), Mr Faisal Nadeem – Chief Operating Officer (Hamdard), Mr M. Abdullah Ahmed, Group Head – Transaction & International Banking (Meezan) and Mr Zia Ul Hasan, Group Executive – Banking & Operations (Meezan).

The new agreement introduces a comprehensive collections integration between Meezan Bank's state-of-the-art cash management system and Hamdard Laboratories' SAP S4 HANA system. This digitalized solution aims to enhance the efficiency and accuracy of Hamdard Laboratories' distributor collections and payments, supporting streamlined financial operations and greater operational effectiveness.

Ms Sadia Rashid, Chairperson & Chief Mutawallia of Hamdard Laboratories, emphasized the significance of the partnership, “The integration of advanced transaction banking services with Meezan Bank represents a major leap forward for our organization. This collaboration will significantly refine our financial processes and bolster our capacity to serve our community with increased efficiency and precision.”

Syed Amir Ali, Deputy CEO of Meezan Bank, highlighted the impact of the new services, “We are excited to advance our partnership with Hamdard Laboratories through this integration. Our cutting-edge digitalized payment and collection solutions are designed to provide seamless and efficient financial services, reinforcing our commitment to being the main banker and a trusted partner for Hamdard Laboratories.”

The signing ceremony also celebrated the ongoing relationship between Meezan Bank and Hamdard Laboratories, which has included Payments and Collections services since 2021. The expanded agreement underscores Meezan Bank’s role as a key financial partner, driving innovation and efficiency in transaction banking. <https://t.ly/aw-Pt>

FinTech News/ Views

Alkami Technology Partners with Intrepid Credit Union to Deliver Enhanced Digital Banking Platform

Alkami Technology, Inc., a cloud-based digital banking solutions provider for financial institutions, has announced a new partnership with Intrepid Credit Union.

The partnership aims to launch Alkami’s Digital Banking Platform to provide Intrepid Credit Union’s members with an upgraded digital banking experience.

The goal is to equip members with new tools and features that enhance their financial journey while delivering a best-in-class user experience.

Alkami specializes in delivering cloud-based digital banking platforms, helping financial institutions transform their digital banking capabilities.

The company’s platform supports various services, including online account opening, payments, and financial wellness, with the goal of driving member engagement and satisfaction.

Intrepid Credit Union is a US -based credit union focused on offering a range of financial services to its members. By partnering with Alkami, the credit union seeks to improve its digital offerings, providing members with seamless banking solutions that promote growth, trust, and financial wellness. The new platform provides intuitive self-service tools and a personalized user experience for Intrepid Credit Union members.

It integrates essential digital banking services and includes Alkami’s extensive partner ecosystem, allowing Intrepid to stay competitive in the ever-evolving fintech space.

The upgrade is also designed to boost cross-selling opportunities and improve overall member satisfaction. With this platform, Intrepid Credit Union aims to lead its members into the future of banking. The launch aligns with the credit union’s commitment to enhancing the financial success of its members through user-friendly, innovative digital tools.

“Our new digital banking platform is a testament to our commitment to providing our members with the best possible banking experience for their success,” said Greg Strizich, chief executive officer at Intrepid Credit Union.

“We’re thrilled to offer a solution that is not only cutting-edge but also incredibly user-friendly. This launch marks a new era for Intrepid Credit Union, and we are excited to lead our members into the future with this new digital banking platform.”

“We are proud to support Intrepid Credit Union in delivering a banking solution that combines advanced technology with intuitive design, ensuring their members can bank with confidence and ease,” said Jeff Chen, vice president, product management at Alkami. “Seamless digital banking experiences are increasingly key for driving engagement and revenue growth, and we are confident that Intrepid Credit Union’s members will feel immediate impact and benefit as a result of this partnership.” https://t.ly/_zlxX

PMIC Launches Shariah-Compliant Financing Suite, Inks Rs 100 million Deal with SAFCO Microfinance Company

Pakistan Microfinance Investment Company – PMIC, in addition to its conventional microfinance wholesale financing, has developed Shariah compliant suite of products. The Shariah compliant suite includes Mudarabah and Musharakah products. PMIC shall offer these products to all its borrowing institutions, that aim to roll out and scale up Islamic financing solutions for masses without having to invest in product development.

PMIC signed off its first transaction under its Islamic finance facility with Safco Microfinance Company Limited worth PKR 100 million at the Annual Microfinance Conference on October 03, 2024. This is the first of many facilities PMIC will sign off with its borrowers and reach out to untapped areas and unserved clients.

The signing ceremony was graced by Dr Inayat Hussain, Deputy Governor – SBP, Mr Abid Qamar Director Agriculture Credit and Financial Inclusion Department – SBP, Ms Amna Aziz Director Lending NBFs & PF Department – SECP, along with Mr Naved A. Khan Chairman PMIC and senior management from PMIC and Safco Microfinance Company. <https://t.ly/f2No2>

General Economic Horizon

A. Domestic News

Exports Increased by 14.1 percent to \$7.9 billion during Jul-Sep 2024

The exports from the country increased by 14.1 percent during the first three months of the current fiscal year as compared to the corresponding months of last year, Pakistan Bureau of Statistics (PBS) reported.

Exports during July–September (2024–25) were recorded at \$7.9 billion against \$6.9 billion during July–September (2023–24), according to PBS data.

On the other hand, imports into the country also went up by 9.9 percent by growing from \$12.1 million last year to \$13.3 million during the first three months of the current year.

Based on the figures, the trade deficit during the months under review was recorded at \$5.4 billion against the deficit of \$5.2 billion last year, showing an increase of 4.2 percent.

Meanwhile, on year-on-year basis, the exports in September 2024 increased by 13.5 percent to \$2.8 billion from \$2.0 billion in September 2023.

On the other hand, the imports also increased by 16.1 percent by going up from \$4.0 to \$4.6 percent, according to PBS data.

On a month-on-month basis, the exports from the country increased by 1.6 percent when compared to the exports of \$2.8 billion during August 2024.

The imports also witnessed increase of 1.7 percent when compared to the imports of \$4.5 billion in August 2024, PBS reported. <https://t.ly/vzj5>

B. International News

GAFSP Launches \$75 million Financing Window to Mobilize Private Investment into High-Potential Agricultural Entrepreneurs

The Business Investment Financing Track (BIFT), a new window within the Global Agriculture and Food Security Program (GAFSP) of the World Bank, aims to bolster inclusive, climate-smart, and nutritious food systems in the poorest and most vulnerable countries.

GAFSP has launched a new \$75 million investment window to accelerate financial innovations supporting smallholder farmers and micro, small and medium-sized enterprises (MSMEs) in the agri-food sector, with the aim of boosting food security and agricultural development in low-income countries.

The Business Investment Financing Track (BIFT) aims to derisk private investments, making it easier for investment vehicles to mobilize additional finance for investments in high-potential yet traditionally underserved segments of the food system. This comes at a time when the global food system is confronting overlapping challenges, including supply chain disruptions, and more extreme weather events induced by climate change.

GAFSP is a multilateral partnership platform that has deployed more than US\$2.5 billion of donor resources for global food and nutrition security financing since its establishment by the G20 in 2010. Through the BIFT, GAFSP will support innovative blended finance solutions to foster transformative agricultural investments, particularly in underserved regions and value chains. The BIFT joins GAFSP's existing financing tracks targeting low-income country strategies and programs, agribusinesses, and producer organizations, which represent a global portfolio of 300 projects benefitting over 20 million people.

The BIFT will seek to incentivize public-private partnerships, promote civil society engagement, and strengthen co-financing platforms that aggregate funding from a range of investors, including impact investors, asset managers and banks, to support larger, more impactful programs. The BIFT requires blended finance solutions to build on strategic public investments made in nutritious food value chains, involve non-governmental organizations, and leverage grants or concessional finance instruments such as guarantees and insurance, as well as concessional debt and equity to attract private investments.

"High-potential agri-MSMEs in lower-income countries are being left behind by financial markets and have no way of breaking into regional or global markets. The BIFT will deploy systemic solutions tailored to the needs of small producers and early-stage agribusinesses so they can achieve scale and tap into conventional financing," said James Catto, Director of International Development Policy at the United States Department of the Treasury and Chair of the GAFSP Steering Committee.

The BIFT pilot will run through June 2026, in partnership with the African Development Bank, Asian Development Bank, International Finance Corporation, IDB Invest, and the UN's International Fund for Agricultural Development (IFAD). Blended finance solutions supported under the pilot will specifically target smallholder farmers, producer organizations, MSMEs, and agribusiness start-ups involved in the production or marketing of nutritious foods for local and regional markets. These segments and value chains have historically been neglected by private investors because they are seen as too small, too risky, or offer modest returns.

"BIFT is a significant step forward in addressing the smallholder financing gap by unlocking much-needed private capital," said Felipe Dizon, Acting Program Manager of the GAFSP Fund at the World Bank. "This is not just about financing projects; it is about working with a range of partners, from government to civil society to the private sector, to create long-lasting solutions that improve food security, climate resilience, and economic opportunities across some of the world's most vulnerable regions."

<https://shorturl.at/eL3qY>



SELF & BUSINESS MANAGEMENT TIPS



Optimize Your Team's Performance

In today's fast-paced, complex work environments, teams often struggle to stay aligned, collaborate effectively, and adapt to shifting priorities. Miscommunication, unclear roles, and a lack of structured feedback loops can quickly derail even the most talented groups. The solution? A systematic approach to teamwork that promotes clarity, continuous improvement, and real-time feedback.

To elevate your team's performance, start by developing an effective operating system. This system sets the stage for how team members collaborate, innovate, and support each other. It is not one-size-fits-all—it needs to reflect your organization's unique culture and goals while providing structure and flexibility for growth.

Next, invest in real-time measurement. Keep a close eye on team sentiment, productivity, and outcomes using data. Simple tools like weekly sentiment surveys or biweekly retrospectives can reveal what is working and where you need to make adjustments.

Finally, commit to continuous improvement. Empower your team to self-correct in real time by creating spaces for regular feedback. Establishing a central knowledge hub or center of excellence can also drive innovation and ensure best practices are shared across the organization.

(This tip is adapted from *New Rules for Teamwork*, by Angus Dawson and Katy George. – HBR.)

Protect Your Team from Overwork

Transforming your work culture to prevent burnout and foster well-being is not only possible, but essential as a leader. Here are five strategies you can use to create a healthier, more productive work environment where people can thrive both professionally and personally.

Shift Your Mindset. Rethink the outdated notion that long hours' equal better work. Embrace a culture that values output, not presence.

Redesign Work Processes. A well-structured system can often reduce work hours while boosting productivity. Ask your teams to rethink how they work and streamline what matters most.

Rightsize Your Workforce and Workloads. Hiring more people may seem expensive up front, but investing in the right number of workers pays off long term with increased productivity and lower burnout rates.

Prioritize Well-Being. Do not just offer wellness programs—build a culture that respects boundaries and encourages time off. Healthy, rested employees are more engaged and productive.

Be Willing to Experiment. Encourage flexibility and continuous improvement. Experiment with new ways of working, listen to employees, and embrace change for lasting impact.

(This tip is adapted from *How Companies Can End a Culture of Overwork*, by Brigid Schulte. – HBR.)

SNIPS

Learning Poverty of Poor Countries

Any child who cannot read a simple text by the age of 10 is considered to be in learning poverty, a condition affecting about 70 percent of 10-year-olds in low- and middle-income countries, potentially leading to a staggering loss of \$21 trillion in lifetime earnings globally, according to the World Economic Forum.