

Domestic Economic Roundup

Key Money & Banking Indicators:

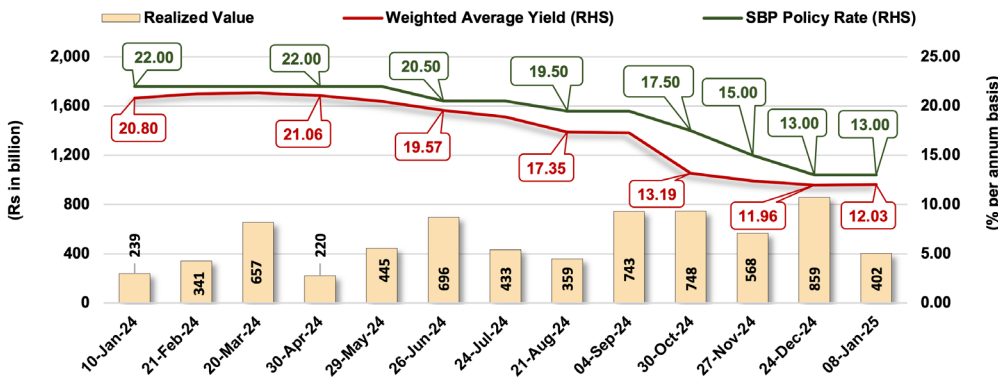
	Stocks at End - June 2024	Flows		Monetary Impact Since 1st July to	
		FY23	FY24	27-Dec-24	29-Dec-23
Total Deposits with Banks	26,665.8	2,593.0	4,921.0	-899.3	2,007.0
Broad Money (M2)	35,881.8	4,175.1	4,938.8	-876.7	1,274.5
Govt. Sector Borrowings (Net)	31,078.8	4,100.4	7,366.1	-2,362.0	2,211.5
Credit to Private Sector	8,866.9	45.9	512.9	1,907.0	522.0

(Rs in billion)

<https://tinyurl.com/bdfssvdx>

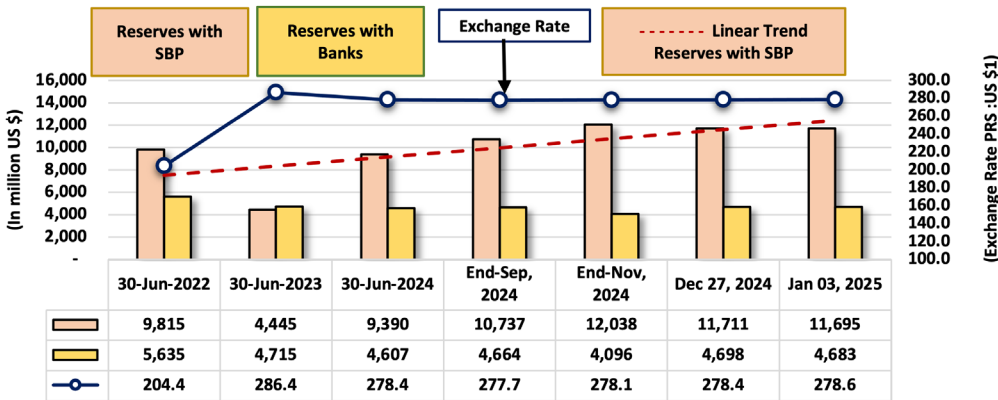
MTBs Acceptance (Auction+ Non-Competitive Bids)

MTB's : <https://shorturl.at/gkx3>
SBP Policy : <https://shorturl.at/gklz6>



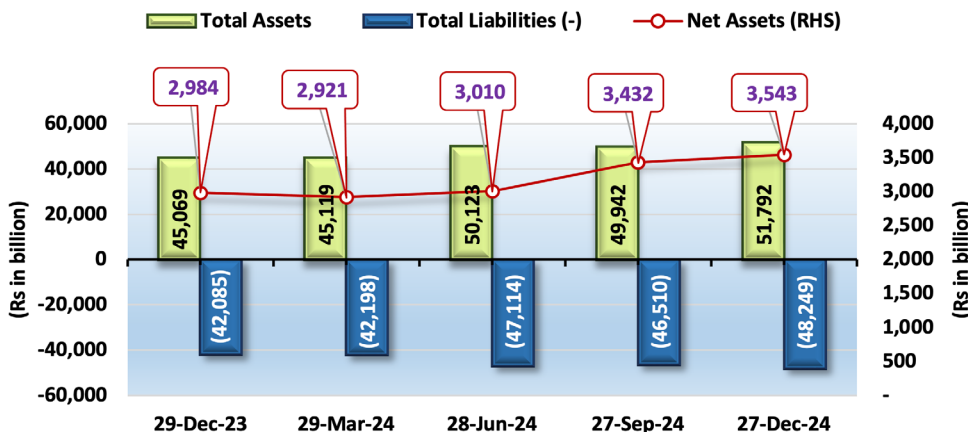
Forex Reserves and Exchange Rates as on

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



Total Assets and Liabilities of Scheduled Banks

<https://tinyurl.com/yfex7vn9>



Markets at a Glance

Rates taken till Friday, January 10, 2025

SBP POLICY RATE

13%

Effective from December 17, 2024

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

KIBOR (3 MONTHS)

	Bid%	Offer%
Change	11.81	12.06
Ending	11.63	11.88
Starting	-0.18	-0.18

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

FOREX RATES*

	GBP	EURO	USD
Change	PKR 345.56	PKR 286.57	PKR 278.56
Ending	PKR 342.30	PKR 286.78	PKR 278.58
Starting	-3.26	+0.21	+0.02

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

PAKISTAN STOCK EXCHANGE

	100 Index
Change	117,587
Ending	113,247
Starting	-4,340

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

GOLD RATES

	10 GM, 24K
Change	PKR 238,306
Ending	PKR 239,075
Starting	+769

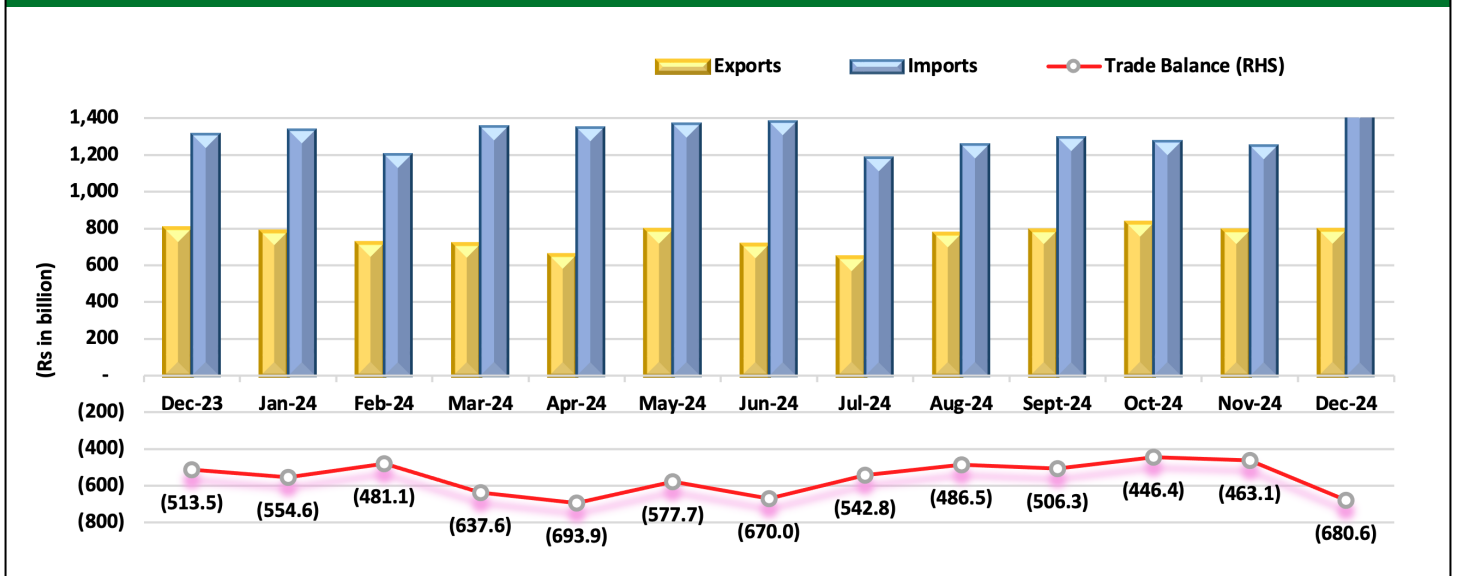
<https://www.forex.pk/bullion-rates.php>

Balance of Trade Summary

(Rs in billion)

	Dec-2024 (P)	Nov-2024 (F)	Dec- 2023 (F)	% Change (Dec - 2024 over Nov - 2024)	% Change (Dec - 2024 over Dec - 2023)
Exports	791.0	787.0	799.5	0.51	(1.07)
Imports	1471.5	1250.1	1313.0	17.72	12.07
Balance of Trade - Deficit	(680.6)	(463.1)	(513.5)	46.96	32.54

Trends in Merchandised Trade:



<https://www.pbs.gov.pk/trade-summary>

CPI Inflation	Annual Average			Year-on-Year		
	FY22	FY23	FY24	Dec 2023	Nov 2024	Dec 2024
National CPI	12.1	29.2	23.4	29.7	4.9	4.1
Food (Urban)	13.4	37.6	22.1	28.8	1.7	2.5
NFNE (Urban)	8.1	16.2	16.1	32.4	7.8	5.7

<https://www.sbp.org.pk/reports/annual/Gov-AR/pdf/2024/Gov-AR.pdf> * NFNE = Non Food and Non Energy

<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	Dec 29, 2023	June 30, 2024	Dec 27, 2024
6,909.9	7,572.5	9,148.7	8,408.8	9,153.1	9,191.5

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

Central Banks' Gallery

State Bank of Pakistan



USD 3.1 billion inflow of Workers' Remittances in December 2024

Workers' remittances recorded an inflow of US\$ 3.1 billion during December 2024. In terms of growth, remittances increased by 29.3 percent on Year-on-Year (y/y) and 5.6 percent on Month-on-Month (m/m) basis. Cumulatively, with an inflow of US\$ 17.8 billion, workers' remittances increased by 32.8 percent during H1FY25 compared to US\$ 13.4 billion received during H1FY24. Remittances inflows during December 2024 were mainly sourced from Saudi Arabia (\$770.6 million), United Arab Emirates (\$631.5 million), United Kingdom (\$456.9 million) and United States of America (\$284.3 million). <https://shorturl.at/ob4DQ>

Central Bank of the Republic of Türkiye



Results of Oversight and Supervision of Payment and Electronic Money Institutions in 2024

The Central Bank of the Republic of Türkiye (CBRT) continued to actively carry out oversight and supervision activities in 2024 to ensure safe, smooth, effective and efficient operation of payment and electronic money institutions.

Over this period, the CBRT approved eight companies' applications for an operating license in the field of payment and electronic money institutions, seven institutions' applications for expansion of activities, and five institutions' applications for transfer of shares. Meanwhile, one operating license was suspended, and one operating license was revoked.

Following are the oversight and supervision activities carried out at institutions in 2024,

- Pursuant to Article 27 titled "Violation of regulations and decisions" of Law No. 6493, 55 institutions were charged with administrative fines amounting to TRY 160.3 million in total.
- Over 280 technical inspections were conducted for suspected unauthorized payment service providers. Regarding the violations of Law No. 6493 identified during the inspections, the CBRT applied in writing to the relevant Chief Public Prosecutor's Offices.

Moreover, in order to inform the public, the CBRT responded to a total of 1,224 requests for information on payment and electronic money institutions, payment services and electronic money issuance.

The aim of these efforts is to strengthen the sector and protect consumer rights. To ensure that payment and electronic money institutions operate in a secure financial ecosystem, the CBRT will decisively continue its oversight and supervision activities towards compliance with national and international regulations and standards.

<https://shorturl.at/EAnwb>



Saudi Central Bank (SAMA)



SAMA Licenses "SEULAH ALAWLA" Company to Provide Consumer Microfinance Solutions

The Saudi Central Bank (SAMA) licensed "SEULAH ALAWLA" company to provide consumer microfinance solutions. With SEULAH ALAWLA, there are now 7 licensed companies offering consumer microfinance solutions in Saudi Arabia. This addition brings the total number of finance companies licensed by SAMA to 63 companies.

This decision reflects SAMA's endeavor to support the financial sector, increase the efficiency of financial transactions, and promote innovative financial solutions for financial inclusion in Saudi Arabia.

SAMA emphasizes the importance of dealing exclusively with authorized financial institutions. To view licensed and permitted financial institutions, visit SAMA's official website <https://shorturl.at/IgmwY> | <https://shorturl.at/WsDm4>

Financial Institutions' Gallery



Faysal Bank Bags 14 Global Diversity, Equity & Inclusion Benchmark Awards 2025

Faysal Bank has secured 14 accolades at the Global Diversity, Equity & Inclusion Benchmark (GDEIB) Awards 2025, including 10 Best Practice Awards and 4 Progressive Category Awards.

With an impressive 25 percent rise in its inclusivity score to 88 percent, Faysal Bank now ranks among the Top 10 Most Inclusive Organizations and the Top 2 Most Inclusive Commercial Banks in Pakistan. It remains the only Islamic bank recognized for its inclusive practices.

This recognition from HR Metrics underscores Faysal Bank's unwavering commitment to embedding DEI into its core values, setting new benchmarks for inclusivity, and creating meaningful impact across the communities it serves.

<https://shorturl.at/MfjDX>

Finance Minister Highlights EXIM Bank's vital role in Export-Led Economic Growth

On January 06, 2025, Honorable Federal Minister for Finance and Revenue Muhammad Aurangzeb briefed the Senate's Standing Committee on Finance on the newly operationalized EXIM Bank, emphasizing its crucial role in Pakistan's export-led economic growth. The Honorable Minister highlighted its potential to significantly drive economic growth, underscoring the government's commitment to strengthening the bank's capabilities for long-term economic prosperity.

The CEO & President (Acting) – EXIM Bank, Mr Abdul Hafeez, briefed the Committee on the operations and achievements of the bank since its inception. He further informed the Committee that the bank has successfully and timely met the structural benchmark of the transition of the Export Refinance Facility from SBP to EXIM Bank and surpassed the year's targets.

For more information on EXIM Bank and offered services and products please visit: www.eximbank.gov.pk
<https://shorturl.at/8eFJU>

UK's Flatlined Economy

At zero percent, Britain's economy failed to achieve any growth in the three months to September, according to the UK's Office for National Statistics.

FinTech News/ Views

Saudi-based Bubbl App Raises \$350,000 in Pre-Seed Funding

Bubbl, the fast-growing social networking platform, has secured \$350,000 in a Pre-Seed funding round led by prominent angel investor Mr Abdullah Al-Dosari. The app, founded by Ms Aya Al-Hammoud and launched in March 2024, has quickly become a sensation, amassing over 60,000 daily active users within months of its debut.

Bubbl has earned recognition as one of the top communication applications on the Apple App Store, even clinching the top spot on the Saudi App Store charts. The app's innovative approach to social networking has resonated strongly with local audiences, with approximately 80 percent of its active users based in Saudi Arabia.

Commenting on the funding, Mr Abdullah Al-Dosari expressed confidence in Bubbl's potential to compete in a space historically dominated by global platforms. "Bubbl represents the innovation and determination of local tech talent. It is proof that Saudi-made applications can lead and thrive in the international tech arena," Mr Al-Dosari remarked.

With this new funding, Bubbl aims to scale its user base to 1 million daily active users. The investment will be channeled into strengthening the platform's foothold in Saudi Arabia and fueling its expansion into regional and international markets.

User Demographics: Approximately 98 percent of Bubbl's active users access the platform via iPhones, reflecting its appeal to tech-savvy audiences.

Marketing Reach: Bubbl's campaigns have reached over 10 million people across social media, showcasing its impactful promotional strategies.

Bubbl's rapid rise and innovative edge position it as a leading contender in the social networking landscape, paving the way for Saudi Arabia to establish itself as a hub for groundbreaking tech applications.

<https://shorturl.at/nRMxO>

SNIPS

Grid-Scale Storage

Grid-scale storage is now the fastest-growing of all the energy technologies, with some 80GW of new grid-scale energy storage to be added globally in 2025, an eight-fold increase from 2021, according to The Economist.

General Economic Horizon

A. Domestic News

ADB and SECP Collaborate to Enhance Gender Diversity in Non-Banking Microfinance Sector

The Asian Development Bank (ADB) and the Securities and Exchange Commission of Pakistan (SECP) conducted a two-day Training of Trainers (ToT) workshop on December 17-18, 2024, to enhance gender diversity in Non-Banking Microfinance Companies (NBMFCs). Representative of all NBMFCs regulated by SECP had attended this session. The initiative prioritized promoting gender inclusivity within organizations and enhancing services tailored to women, who constitute over 70 percent of the sector's clientele.

The workshop trained participants to identify gender biases, implement inclusive policies, and tailor financial products for women, encouraging a customer-centric approach. SECP's Executive Director, Khalida Habib, highlighted the importance of the initiative, stating, "This workshop is a step forward in promoting gender diversity in Pakistan's financial ecosystem, equipping companies to address gender-related challenges and contribute to national goals of inclusion and equity."

ADB's Deputy Country Director, Mr Asad Aleem underscored ADB's commitment to gender equity, adding, "Gender diversity is vital for sustainable development. This collaboration reflects our shared vision of inclusive financial systems that empower women and drive economic resilience in Pakistan."

In addition, an exclusive session on consumer protection was held on December 23, 2024, focusing on Consumer Protection Framework for NBMFCs and its link to the Women Equality in Finance Policy for NBMFC approved by SECP. This reinforced SECP's commitment to balancing gender equity with robust consumer safeguards.

The (ToT) model ensures long-term impact by enabling participants to train other colleagues at NBMFC, amplifying the reach of this initiative. This collaboration demonstrates ADB's and SECP's dedication to empowering women and fostering inclusive growth in Pakistan's financial landscape.
<https://shorturl.at/wUJx8>

CEO PMEX Prioritizes for Integrating Local Market with Global Competitive Market

Chief Executive Officer of Pakistan Mercantile Exchange (PMEX), Mr Khurram Zafar on January 07, 2025 prioritized for integrating the local market with the global competitive market through automation and digitization in the local supply value chain. Mr Khurram Zafar, CEO of PMEX, told a local news agency in an exclusive interview that modernization is necessary to connect our markets with

global markets and improve our export potential. It will compel the use of best practices like commodity grading and standardization, which international buyers rely upon.

Mr Zafar said that PMEX wants to introduce innovation in the agriculture and commodity markets to make them more efficient, improve price discovery and reduce wastage.

"We are envisioning a future where currently fragmented commodity markets seamlessly integrate into a national trading platform that brings down the cost of intermediation, enhances price discovery, and allows traders to easily obtain financing against their commodities," CEO, PMEX said that Commodity futures are derivative contracts in which the trader agrees to buy or sell a specific quantity of a physical commodity at a specified price on a particular date in the future to hedge the adverse price risk in the future.

Derivatives are investment contracts that derive their value from the price of another asset, typically called the underlying asset, and currently PMEX is the only regulated Exchange in Pakistan that can issue and trade these derivatives, he said, adding that the Exchange registered a trading volume of around Rs 3,800 billion already in the current Fiscal Year.

He said that Pakistan Mercantile Exchange is now focused on linking these derivative futures contract with the local economy of Pakistan by facilitating the development of efficient markets for spot price discovery of the underlying commodities.

He said that there is a need to digitize the agriculture and commodity markets across the country, and PMEX is aggressively working to collaborate with partners that will constitute this future ecosystem including warehouse operators, quality graders, farmers, traders, buyers, banks, insurance companies and agriculture inputs suppliers.

The CEO, PMEX said that currently there is an acute dearth of storage infrastructure in the country which results in a large percentage of our agricultural output to go to waste. The new market ecosystem will encourage small and large investors to build accredited storage facilities where farmers can safely store their harvest and obtain financing from banks against it. This will have a huge positive impact on our agricultural economy.

Mr Zafar said that the government needs to collaborate with PMEX to modernize the market economy in Pakistan so that the country's economy can move forward. Just like Special Economic Zones for industry, the government needs to notify Special Agriculture Markets Zones to encourage investment in the new markets ecosystem and create incentives for farmers, traders, commission agents and buyers to trade on this platform.

He said that the role of existing stakeholders, especially the commission agents or Aarhtis is very important to bring liquidity to the new markets and the design has to ensure that they are an integral part of the new ecosystem.

Pakistan Mercantile Exchange Limited (PMEX) is the country's first and only demutualized commodity futures exchange, licensed and regulated by the Securities and Exchange Commission of Pakistan (SECP), he said.

CEO PMEX said that based on sophisticated risk management infrastructure and state-of-the-art technology, PMEX offers a complete suite of services i.e. trading, clearing and settlement, custody as well as back office, all under one roof.

He said that PMEX, formerly National Commodity Exchange, initially started trading in Gold only. Additional products were progressively introduced across all four asset classes: Metals, Financials, Energy, and Agriculture.

One of the latest products introduced by PMEX is 24K fractional gold contracts where anyone can invest in gold from as low as 300 Rupees.

PMEX ensures the gold's purity, safe storage and insurance while providing investors an option to sell the gold any time or request physical delivery if the held amount exceed minimum delivery size requirements.

Finally, he said that the commodity market has its due potential to play a significant role in sustainable economic development of the country, for which coordination and integration of the local market is pivotal and PMEX is fully geared up to play the role of an anchor in this regard.

PMEX's international affiliations include memberships of Association of Futures Markets (AFM), The World Federation of Exchanges (WFE), and Memorandum of Understanding (MoUs) with different Commodity Exchanges of the world, he said. <https://linkcuts.com/zhnv0rvk>

B. International News

ADB Sells \$5 billion 3-Year Global Benchmark Bond

The Asian Development Bank (ADB) has priced a \$5 billion 3-year global benchmark bond, proceeds of which will be part of ADB's ordinary capital resources.

"ADB saw exceptional demand for its first US dollar global offering of the year," said ADB Treasurer Tobias Hoschka. "The record investor orderbook above \$16 billion supported by a diverse and global investor base, shows the ongoing appeal of ADB's high quality credit. ADB's borrowing program provides it with the necessary resources to assist its developing members in Asia and the Pacific."

The 3-year bond, with a coupon rate of 4.375 percent per annum payable semi-annually and a maturity date of January 14, 2028, was priced at 100 percent to yield 10.3 basis points over the 4.25 percent US Treasury notes due January 2028.

The transaction was lead-managed by Barclays, BofA Securities, Morgan Stanley and TD Securities. A syndicate group was also formed consisting of Daiwa Capital Markets Europe, ING, NatWest Markets, and Standard Chartered Bank.

The issue achieved wide primary market distribution with 54 percent placed in Europe, Middle East, and Africa, 30 percent in the Americas; and 16 percent in Asia. By investor type, 52 percent went to central banks and official institutions, 38 percent to banks, and 10 percent to fund managers and other types of investors.

ADB plans to raise about \$34 billion–\$36 billion from the capital markets in 2025. <https://shorturl.at/6pT7x>

SELF & BUSINESS MANAGEMENT TIPS



Set Your Change Initiative Up for Success

Leaders often launch change initiatives with the best of intentions but then struggle to achieve their goals. Many fall into a common trap: rushing into one-size-fits-all transformations without understanding who they are asking to change and why. Here's how you can set your change initiative up for success.

Diagnose your change type. Departments within your organization have differing needs. Those that face digital disruption likely need a strategy of exploration focused on innovating and taking risks, whereas others would benefit more from an exploitation strategy focused on optimizing existing processes.

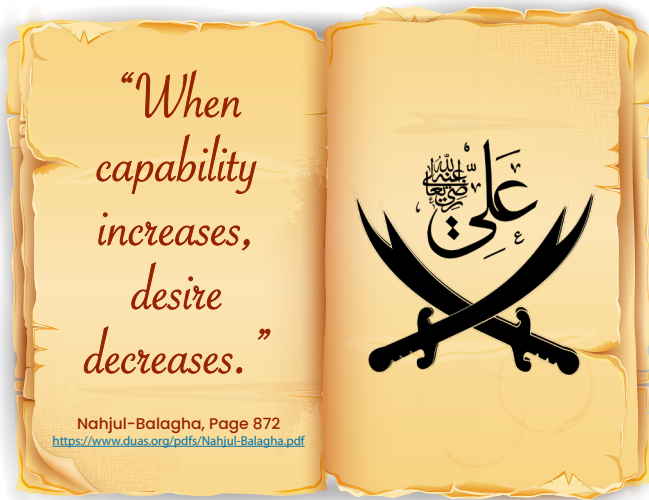
Map motivational styles. Understand how team members approach tasks and challenges. Do they focus on potential gains, moving quickly toward solutions? Or do they prioritize avoiding mistakes, taking a more cautious, methodical approach?

Match motivations to initiatives. With a clear understanding of both your change type and the motivational styles of the employees on your teams, strategically assign employees to projects that align with their natural tendencies.

Tailor your change messaging. Keep an eye on employee stress levels, which can reveal when there is misalignment between your change narrative and employees' understanding.

Encourage a paradox mindset. You shall inevitably face situations that call for pursuing contradictory goals simultaneously. Helping employees get comfortable in that zone of contradiction is critical for sustaining change.

(This tip is adapted from *3 Reasons Change Initiatives Fail—and How to Ensure Yours Succeeds*, by Nicolas T. Deuschel et al. – HBR.)



Ask Smarter Strategic Questions

With organizations facing increased urgency and unpredictability, being able to ask smart questions has become a key leadership skill—especially when setting strategy. Here are five types of questions to ask that can boost strategic decision-making.

Investigative: What is Known? When facing a problem or opportunity, the best decision-makers start by clarifying their purpose, asking themselves what they want to achieve and what they need to learn to do so.

Speculative: What If? These questions help you consider the situation at hand more broadly, reframing the problem and exploring outside-the-box solutions.

Productive: Now What? Assessing the availability of talent, capabilities, time, and other resources ultimately helps you determine a course of action.

Interpretive: So, What? This natural follow-up can push you to continually redefine the core issue—to go beneath the surface and draw out the implications of an observation or idea.

Subjective: What is Unsaid? This final question deals with the personal reservations, frustrations, tensions, and hidden agendas that can push decision-making off course.

(This tip is adapted from *The Art of Asking Smarter Questions*, by Arnaud Chevallier et al. – HBR.)

Become a Better Listener

Leaders who listen well create company cultures where people feel heard, valued, and engaged. Here are three ways to practice listening more effectively—and to deepen your understanding of your team members.

Listen Until the End. Whether due to social anxiety or a desire to connect, people often begin planning what to say while the other person is still speaking. Instead of speaking too soon or turning the conversation back toward yourself, after the other person finishes speaking, take a moment to think about what you have just heard, then provide a slower, more thoughtful response.

Listen to Summarize, not to Solve. Keep in mind that you do not need to remember every single word the other person says. Instead, try to understand the big picture. This shows the speaker that your intention is to get on the same page and will help build a foundation of trust.

Listen to Learn Values. When your employee shares a challenge with you, it is an opportunity to learn more about what is important to them. Ask yourself: “What story is my direct report telling themselves? How do their values impact their perception of the situation?” You may not be able to solve every issue in the moment, but acknowledging their values is a supportive response that can help create an engaging environment.

(This tip is adapted from *4 Listening Skills Leaders Need to Master*, by Debra Schiffrin. – HBR.)

SNIPS

Increase in Tourism Emissions

Researchers at the University of Queensland found that between 2009 and the start of the Covid-19 pandemic in 2020, global emissions from tourism grew by an average of 3.5 percent a year, double the rate of emissions in general, states the Economist.