

## Domestic Economic Roundup

### Key Money & Banking Indicators:

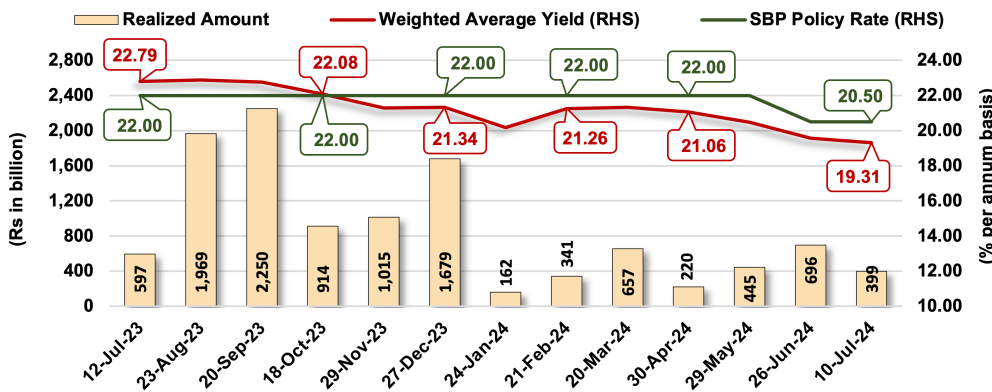
	Stocks at End - June 2023	Flows		Monetary Impact Since 1st July to	
		FY22	FY23	28-Jun-24	30-Jun-23
Total Deposits with Banks	22,262.4	2,615.1	2,327.6	4,870.4	2,327.6
Broad Money (M2)	31,523.3	3,304.9	3,920.6	4,877.8	3,920.6
Govt. Sector Borrowings (Net)	23,723.1	3,357.7	4,100.2	7,494.3	4,100.2
Credit to Private Sector	9,167.1	1,329.7	208.3	368.4	208.3

(Rs in billion)

<https://tinyurl.com/bdfssvdx>

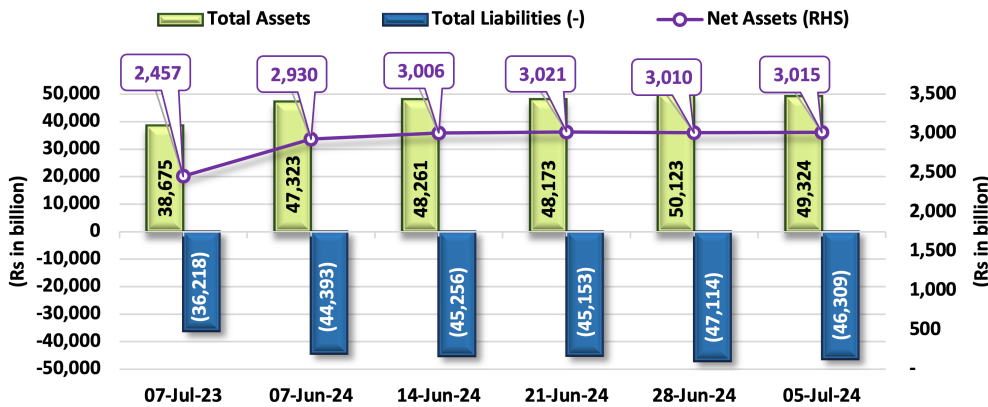
### MTBs Acceptance (Auction+ Non-Competitive Bids)

MTB's: <https://shorturl.at/gkxkA3>  
SBP Policy: <https://shorturl.at/gkltz6>



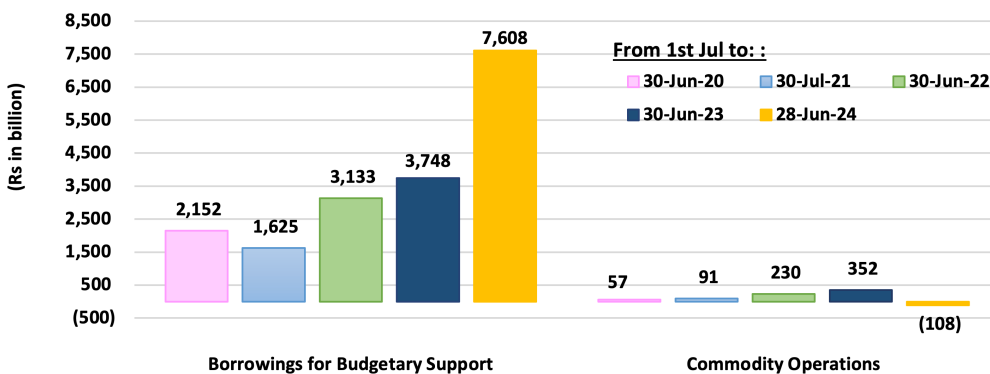
### Total Assets and Liabilities of Scheduled Banks

<https://tinyurl.com/yfex7vn9>



### Government Sector Borrowings (Net)

<https://shorturl.at/AFSx7>



## Markets at a Glance

Rates taken till Friday, July 12, 2024

### SBP POLICY RATE

**20.5%** | Effective from June 11, 2024

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

### KIBOR (3 MONTHS)

	Bid%	Offer%
Change Starting	19.94	20.19
Change Ending	19.89	20.14
Change	-0.05	-0.05

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

### FOREX RATES

	GBP	EURO	USD
Change Starting	PKR 355.72	PKR 301.44	PKR 278.38
Change Ending	PKR 360.03	PKR 302.86	PKR 278.40
Change	+4.31	+1.42	+0.02

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

### PAKISTAN STOCK EXCHANGE

	100 Index
Change Starting	80,213
Change Ending	79,944
Change	-269

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

### GOLD RATES

	10 GM, 24K
Change Starting	PKR 211,149
Change Ending	PKR 216,628
Change	+5,479

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

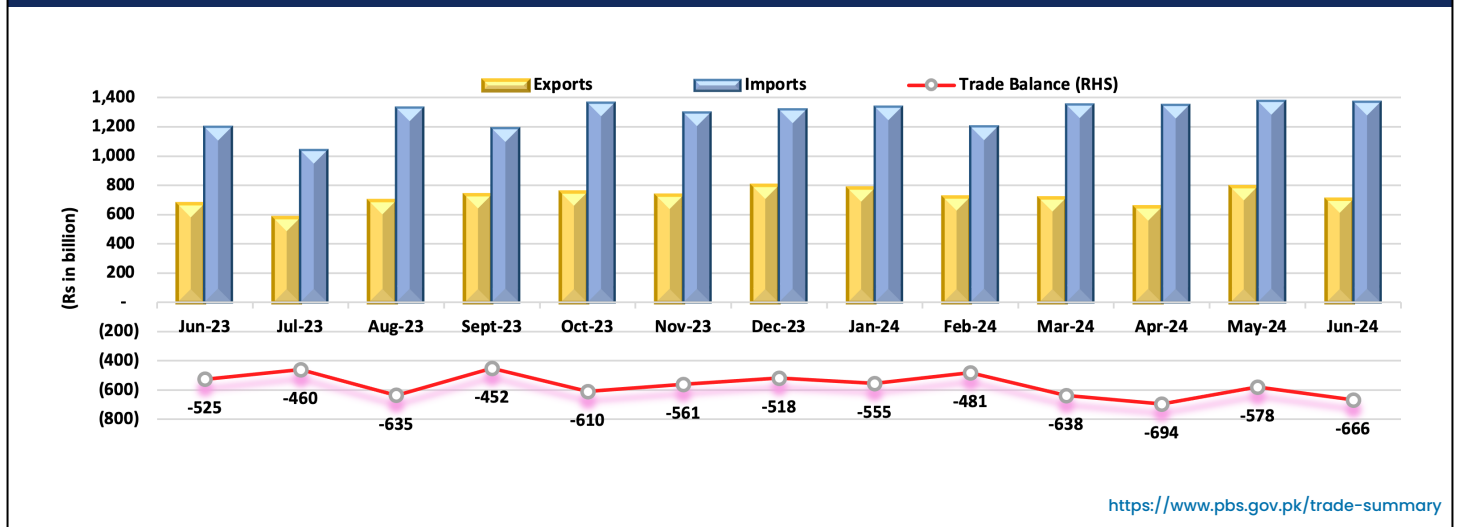
## Balance of Trade Summary

(Rs in billion)

	June, 2023 (F)	May, 2024 (F)	June, 2024 (P)	% Change (June, 2024 over May, 2024)	% Change (June 2024 over June 2023)
Exports	675.3	789.9	704.8	(10.8)	4.4
Imports	1200.4	1367.7	1371.0	0.3	14.2
Balance of Trade (Trade Deficit)	(525.1)	(577.7)	(666.2)	15.3	26.9

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

## Trends in Merchandised Trade



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

CPI Inflation	Annual Average			Year-on-Year		
	FY20	FY21	FY22	June 2023	May 2024	June 2024
General	10.7	8.9	12.2	29.4	11.8	12.6
Food (Urban)	13.6	12.4	13.4	40.8	2.2	2.6
Non-Food (Urban)	8.3	5.7	10.8	18.7	23.6	24.3

<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	June 30, 2023	June 28, 2024
6,142.0	6,909.9	7,572.5	9,148.7	9,148.7	9,114.4

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

## Central Banks' Gallery

### State Bank of Pakistan



#### Continuous Investment in Skill Development Key to Financial Industry's Success, says Dr Inayat Hussain Deputy Governor SBP at Treasury Management Certification Launching Ceremony

Deputy Governor of the State Bank of Pakistan (SBP), Dr Inayat Hussain highlighted the pivotal role of continuous learning in ensuring the long-term success of professionals within the financial industry. His remarks were delivered during the launch of the Treasury Management Certification on July 09, 2024 at IBP, Karachi, where he underscored the importance of providing treasury professionals with the skills necessary to navigate the challenges of an evolving financial landscape. The course has been jointly developed by CFA Society Pakistan and National Institute of Banking and Finance (NIBAF).

Dr Hussain commended the collaborative efforts of the SBP, National Institute of Banking and Finance (NIBAF) Pakistan, the CFA Society Pakistan, and the Financial Market Association for developing a certification program tailored to meet local market needs. He emphasized the challenge of maintaining quality standards and ensuring the curriculum remains aligned with advancing technology and market practices.

Encouraging the financial industry to seize this opportunity, Dr Hussain urged institutions to encourage their treasury staff register for the certification. He stressed that investing in staff development enables professionals not only to effectively manage risks and ensure compliance, but also to leverage new technologies, and adapt to dynamic market conditions.

Director CFA Society Pakistan, Mr Mohammad Shoab said that NIBAF and the CFA Society Pakistan have collaborated to design and develop a local certification in treasury management that is custom designed to meet the requirements of the local capital and money markets. He added that this Certification covers conventional treasury products and concepts besides offering learning opportunities in Islamic treasury functions which is critical for the conversion of the entire financial system to an Islamic mode as per the directive of Supreme Court of Pakistan.

The event, attended by executives from the SBP, the CFA Society Pakistan, Financial Market Association, and NIBAF marked a significant step towards enhancing the professional capabilities of the treasury staff in the financial sector. <https://tinyurl.com/mrxts272>

### Workers' Remittances Recorded US\$ 3.2 billion in June 2024

Workers' remittances recorded an inflow of US\$ 3.2 billion during June 2024. In terms of growth, during June 2024, remittances increased by 44.4 percent on Year-on-Year (y/y) basis. Cumulatively, with inflow of US\$ 30.3 billion workers' remittances increased by 10.7 percent during FY24 compared to inflow of US\$ 27.3 billion recorded in FY23. Remittances inflows during June 2024 were mainly sourced from Saudi Arabia (US\$ 808.6 million), United Arab Emirates (US\$ 654.3 million), United Kingdom (US\$ 487.4 million) and United States of America (US\$ 322.1 million). <https://tinyurl.com/c4snvr6u>

### Bank Negara Malaysia



#### Bank Negara Malaysia Maintains Overnight Policy Rate (OPR) at 3.00 percent

At its meeting July 11, 2024, the Monetary Policy Committee (MPC) of Bank Negara Malaysia decided to maintain the Overnight Policy Rate (OPR) at 3.00 percent.

The global economy continues to expand amid resilient labor markets and continued recovery in global trade. Looking ahead, global growth is expected to be sustained, as headwinds from tight monetary policy and reduced fiscal support will be cushioned by positive labor market conditions and moderating inflation. Global trade continues to strengthen as the global tech upcycle gains momentum. Global headline and core inflation continued to edge downwards in recent months with some central banks commencing monetary policy easing. The growth outlook remains subject to downside risks, mainly from further escalation of geopolitical tensions, higher-than-anticipated inflation outturns, and volatility in global financial markets.

Both headline and core inflation averaged 1.8 percent in the first five months of the year. As expected, inflation will trend higher in the second half of 2024, amid the recent rationalization of diesel subsidies. Nevertheless, the increase in inflation will remain manageable given the mitigation measures to minimize the cost impact on businesses. Going forward, the upside risk to inflation would be dependent on the extent of spillover effects of further domestic policy measures on subsidies and price controls to broader price trends, as well as global commodity prices and financial market developments. For the year as a whole, headline and core inflation are expected to average within the earlier projected ranges of 2.0 percent - 3.5 percent and 2.0 percent - 3.0 percent respectively.

The ringgit continues to be primarily driven by external factors, namely expectations of major economies' monetary policy paths and ongoing geopolitical tensions. The positive impact of the coordinated initiatives by the Government and Bank Negara Malaysia (BNM) with the Government-Linked Companies (GLCs) and Government-Linked Investment Companies (GLICs), and

corporate engagements have continued to cushion the pressure on the ringgit. BNM will continue to manage risks arising from heightened financial market volatility. Over the medium term, domestic structural reforms will provide more enduring support to the ringgit.

At the current OPR level, the monetary policy stance remains supportive of the economy and is consistent with the current assessment of inflation and growth prospects. The MPC remains vigilant to ongoing developments to inform the assessment on the domestic inflation and growth trajectories. The MPC will ensure that the monetary policy stance remains conducive to sustainable economic growth amid price stability. <https://tinyurl.com/yc234tnp>

### CPI Inflation:

YoY (June 2024)

2.0%

<https://shorturl.at/YDmnB>

## Financial Institutions' Gallery



### IBP conducts Open Forum on Impact of Changes in Tax Regime on the Banking Sector and Pakistan's Economy

An Open Forum on Impact on Changes in Tax Regime on the Banking Sector and Pakistan's Economy was organized by the Publications & Communications Department at IBP. The forum was conducted to invite perspectives from banking and finance industry experts. [on how.](#)

The speakers on this occasion were banking and finance industry experts including Mr Sirajuddin Aziz, Banking Mohtasib (Ombudsman); Mr Asif Haroon, Tax Partner, A.F Ferguson; Mr Muhammad Saad Niazi Co-Founder & CEO at Wemsol (Keenu); Mr Omer bin Ahsan, Founder & CEO of Haball. The event was moderated by Dr Shujaat Mubarik, Associate Professor at, Heriot-Watt University, Edinburgh, UK.

The speakers shared their perspectives and insights based on facts and figures, coupled by their real life experiences eliciting a thought provoking session and intelligent discussion.

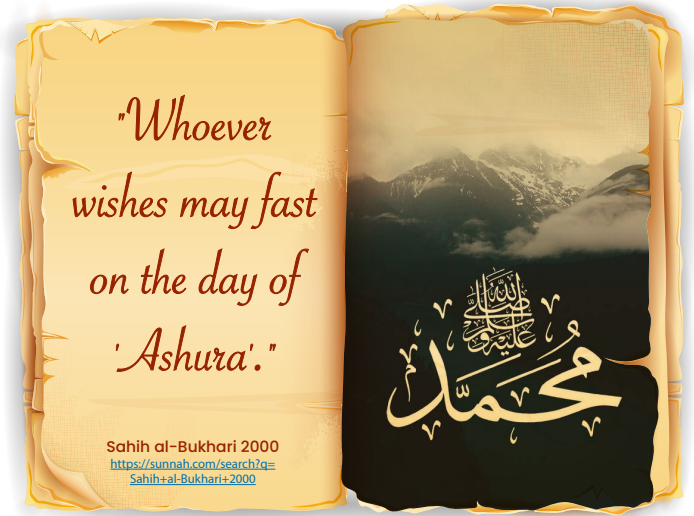
The session invited representation from newly emerging fintech and the Electronic Money Institutions (EMI's) who are playing a significant role in promoting the SBP agenda of digitization of payments system in Pakistan, adding to the perspectives on the impact of direct and indirect taxation of the Finance Act 2024.

The session was followed by Q&A session from the online viewers and audience. Further details of the session may be viewed on IBP official Facebook page

<https://www.facebook.com/IBPakistan>

The video is available on the following link:

<https://www.facebook.com/IBPakistan/videos/478348738116872>



### Meezan Bank and AAOIFI Jointly host a Public Hearing Session on the new AAOIFI Sukuk Standard.

Meezan Bank and Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) jointly hosted a significant public hearing session on the draft Shariah Standard on Sukuk. The event took place in Karachi on July 11, 2024 and brought together prominent figures from the Islamic finance industry, regulatory bodies, notable Shariah Scholars, Shariah Board members from various Islamic Financial Institutions, academia and university professors.

Key attendees included Justice (Retd.) Muhammad Taqi Usmani (Chairman Shariah Board of AAOIFI and Meezan Bank), Mr Omar Mustafa Ansari (General Secretary AAOIFI), Mufti Irshad Ahmed Ijaz (Chairman Shariah Advisory Committee of State Bank of Pakistan and Security and Exchange Commission of Pakistan), Mr Irfan Siddiqui (President & CEO, Meezan Bank), Syed Amir Ali (Deputy CEO, Meezan Bank), Mr Ghulam Muhammad Abbasi (Director, Islamic Finance Policy Department - SBP) and Ms Nighat Tanweer (Director, Islamic Finance Development Department - SBP).

In his keynote address Justice (Retd.) Muhammad Taqi Usmani emphasized the importance of Sukuk as vital Islamic finance instrument. He also encouraged the industry to explore innovative ways to utilize Sukuk effectively for development projects beyond addressing budgetary deficits.

AAOIFI is a leading standard setting body for Islamic finance. It develops and maintains Shariah, accounting and auditing standards to promote transparency, consistency and ethical practices in the industry. <https://shorturl.at/3uBGf>

### BOP Awarded Best Domestic Technology and Operations Bank

The Bank of Punjab's (BoP's) Transaction Banking team won the Best Domestic Technology & Operations bank in Pakistan award from Asia Banking & Finance panel of jurists in Singapore. <https://shorturl.at/zftCt>

## General Economic Horizon

### A. Domestic News

#### Planning Ministry Launches PC-III Module under iPAS for Projects' Monitoring

Ministry of Planning, Development and Special Initiatives on July 11, 2024 announced the launch of the PC-III module under the Intelligent Project Automation System (iPAS), replacing the previous Project Monitoring and Evaluation System (PMES).

"The PC-III module is now functional as of July 01, 2024, replacing the PMES (Project Monitoring & Evaluation System)," the ministry said in a news release. It said all Focal Persons and Project Directors of respective ministries and divisions will upload their project progress/data on the new PC-III module under iPAS, which covered "Project Profiles from PC-I, PC-III-A (Cash Plan and Work Plan) and PC-III (B) Progress Report (Physical Progress)."

This development builds on the Planning Commission's earlier success in launching automated PSDP Formulation, PC-I, and PC-II under the iPAS project three years ago. The introduction of the PC-III module is expected to further enhance the efficiency and transparency of project monitoring and evaluation.

The iPAS aims to revolutionize project management in Pakistan by providing a unified digital platform for project planning, monitoring, and evaluation.  
<https://shorturl.at/uFskL>

#### CDNS Accomplish Rs 1.7 trillion Targets in Fresh Bond in FY 2023-24

The Central Directorate of National Savings (CDNS) has realized a target of Rs 1.7 trillion in fresh bonds and 100 percent of the annual target in the last fiscal year 2023-24, from July 1, 2023 to June 30 2024.

The National Savings has set an annual target of Rs 1.7 trillion for the year 2023-24, it is encouraging that 100 percent of the target has been achieved, the senior official of CDNS told local news agency on July 11, 2024.

The CDNS surpassed the annual target and achieved the target of Rs 1.6 trillion in fresh bonds in the fiscal year 2022-23, he said.

He said this was an Rs 200 billion additional annual target than the target of Rs 1300 billion for the previous financial year 2021-22.

The CDNS has set a reviewed saving target of Rs 1.4 trillion for the financial year (2021-22) which will promote savings culture in the country, he said. Given the current market trend in the country the ambitious target had been set to improve the savings culture further, he added.

The official said that work was being done on institutional reforms in CDNS and new reforms and innovations were being introduced. At this time Automated Teller Machine (ATM) has also been introduced in CDNS which will provide enough facilities to the users," he added.

The official added that the directorate had set a target of Rs 75 billion for the new financial year 2023-24 for Islamic finance bonds. Replying to a question; he said the CDNS aimed to introduce new dimensions in the Islamic finance sector.

Islamic finance has a very important role in the global financial sector at this time and a large part of the economy of many major countries currently includes Islamic finance," he added. <https://shorturl.at/fm8Qm>

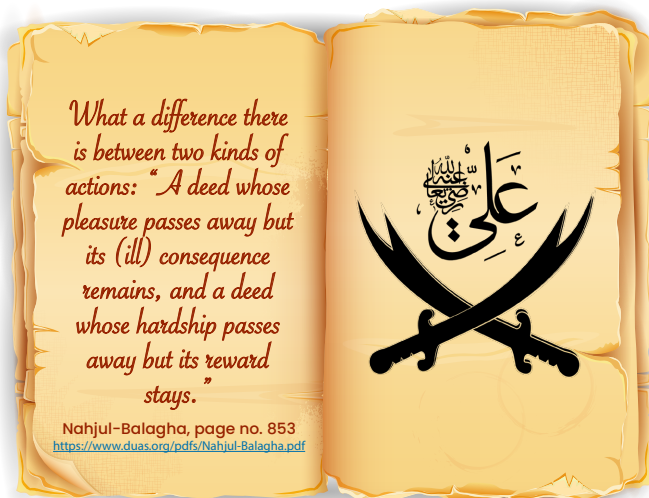
#### CCP Green-Lit Merger of SCL in JKSM

The Competition Commission of Pakistan (CCP) has approved a Scheme of Arrangement for the merger of M/s Shamim & Company (Pvt.) Ltd with M/s JK Sugar Mills (Pvt.) Ltd (JKSM).

JKSM is a private limited company with the business of production and sale of sugar or related products in Pakistan. JKSM primarily produces refined white sugar, along with three by-products namely, molasses, bagasse, and mud. SCL, since 1967 is into the business of manufacturing and distribution of PepsiCo products across Pakistan.

The Phase-I competition assessment by the CCP identified two relevant markets namely, 'Sugar and by-products' and 'Non-alcoholic beverages'. As per the Scheme of Arrangement, the transaction involves merger of SCL with in JKSM. Moreover, post-transaction, SCL would be dissolved and JKSM would be the surviving entity where the Board of Directors of JKSM will continue to serve as directors of the merged entity.

The assessment further confirmed that post-transaction, SCL's market shares in 'Non-alcoholic beverages' will remain unchanged posing no threat for creation of dominance by JKSM. The proposed transaction would result in benefits in saving costs through streamlining procedures and reduction in overhead and working expenses. There will be an increase in efficiency after the unified control. Improvement in the operations shall ultimately benefit shareholders, employees, customers and others generally.  
<https://cc.gov.pk/home/viewpressreleases/512>



## B. International News

### Monthly US Consumer Prices Post First Drop in Four Years as Inflation Subsides

US consumer prices fell for the first time in four years in June amid cheaper gasoline and moderating rents, firmly putting disinflation back on track and drawing the Federal Reserve another step closer to cutting interest rates in September.

The second straight month of benign consumer price readings reported by the Labor Department on Thursday should help to bolster confidence among officials at the US central bank that inflation is cooling after surging in the first quarter.

The report also showed a measure of underlying inflation posting the smallest increase since August 2021 on a monthly basis. Financial markets saw a very high probability of the Fed starting its easing cycle in September.

"Barring rogue price data in July, the Fed has a checkered flag to reduce rates in September," said Brian Bethune, an economics professor at Boston College. "This guidance will be solidified at the July meeting."

The consumer price index dipped 0.1 percent last month, the first drop since May 2020, after being unchanged in May, the Labor Department's Bureau of Labor Statistics said. The CPI was weighed down by a 3.8 percent decline in gasoline prices, which followed a 3.6 percent decrease in May. Shelter costs, which include rents, increased a moderate 0.2 percent after advancing 0.4 percent in May.

Food prices rose 0.2 percent after edging up 0.1 percent in May. Grocery store prices ticked up 0.1 percent, with increases in dairy products, meat, fish and eggs offset by declines in the costs of fruits and vegetables as well as cereals.

In the 12 months through June, the CPI climbed 3.0 percent, the smallest gain since June 2023. That followed a 3.3 percent advance in May. Economists polled by an

international news agency had forecast the CPI ticking up 0.1 percent and gaining 3.1 percent year-on-year.

The annual increase in consumer prices has slowed from a peak of 9.1 percent in June 2022. The CPI report followed news last week that the unemployment rate rose to a 2-1/2-year high of 4.1 percent in June from 4.0 percent in May.

Economic growth has also slowed in response to the central bank's hefty rate hikes in 2022 and 2023, with second-quarter gross domestic product forecast near the 1.8 percent annualized rate that policymakers view as the non-inflationary growth pace. <https://tinyurl.com/yeyyb2ha>

### AMF and SBP Announce the Interlinking between Buna and Raast and the Inclusion of PKR in Buna

The cross-border payment interlinking between Buna and Raast instant payment systems has reached an important milestone with the signing of key agreements among the Arab Monetary Fund (AMF), the State Bank of Pakistan (SBP), and Karandaaz Pakistan.

This milestone marks the end of feasibility and design phase and moves the project to the implementation phase, with the aim to enhance cross-border payment flows between the Arab region and Pakistan. This development will also enable the inclusion of the Pakistani Rupee (PKR) as a settlement currency in Buna, in addition to the existing international and Arab currencies.

The Buna-Raast interlinking and the inclusion of PKR as a currency for cross-border instant payments will enhance accessibility and convenience for banks and their customers and provide a cost-effective experience. The project is envisioned to bring more flows to the formal channels by addressing the critical challenges faced in cross-border remittances which are often affected by inefficiencies and high costs. The Buna-Raast project will offer a transparent and secure solution that will support the economic well-being of families and support greater financial inclusion.

Commenting on this milestone, H.E. Fahad M. Alturki, Director General Chairman of the Board of The Arab Monetary Fund (AMF) and Chairman of the Board of ARPCSO, said, "We greatly appreciate the collaboration with the State Bank of Pakistan, and the support of Karandaaz and the Bill and Melinda Gates Foundation. By leveraging the strengths of Buna and Raast, remittances will reach their intended recipients swiftly and securely. Our joint efforts are a testament to our shared vision of advancing financial inclusion and creating lasting values for our economies."

Mr Jameel Ahmad, Governor State Bank of Pakistan said, "Raast and Buna integration and addition of PKR in BUNA as a settlement currency is a strategic milestone aimed at increasing the speed, safety, and cost-effectiveness of remittances and other cross border payments between Pakistan and Arab countries. The collaboration will increase remittances to Pakistan through formal channels, with

enhanced customer convenience and efficiency. We are committed to complete the necessary work and operationalize the connectivity between Raast and Buna in shortest possible time. On this occasion, we would like to thank the Director General Chairman of Board of The AMF and his colleagues for their instrumental support to this initiative."

Mr Waqas ul Hasan, Chief Executive Officer of Karandaaz Pakistan said, "Karandaaz is proud partner of SBP and has implemented Raast in Pakistan. Raast is already changing the payment landscape in Pakistan. We are very excited to enter Raast-Buna partnership, this will be a transformational initiative for easing remittance inflows to Pakistan and a great example for future of cross-border flows around the world. We remain grateful to BMGF for funding and to SBP and AMF for their shared vision."  
<https://tinyurl.com/24y4tcrb>

## HR TIPS



### Develop—and Retain—Your High Performers

While most employees strive to excel, being a high performer can come with drawbacks, including high-pressure goals, meeting overload, and reduced flexibility. Retaining your high performers—and developing new ones—is critical in today's uncertain, fast-paced business environment. Here is how to do it.

**Minimize meetings.** Cut down on unnecessary meetings to free up your employees' time for truly impactful work. This means establishing a simple, predictable weekly meeting schedule for your team, as well as optimizing your one-on-ones.

**Measure motivation.** Use surveys regularly to assess your team members' motivation and understand what excites or creates stress for them. For example, ask: What habits does the team want to improve? What are some specific ideas to improve those habits? Then create quarterly improvement plans to address any pain points.

**Mentor high-potential employees on key skills.** To ensure your high performers feel challenged and your developing employees are growing, schedule quarterly skill-development meetings for each of your direct reports. Use that time to identify one concrete, high-leverage skill (think problem-solving or leadership) for them to improve in the next quarter.

(This tip is adapted from *3 Ways to Build a Culture That Lets High Performers Thrive* by Lindsay McGregor and Neel Doshi – HBR.)

### Adopt an Innovator's Mindset

To set yourself apart in a business landscape that prizes creative thinking and breakthrough results, you need to adopt an innovator's mindset. Here is how to consistently bring fresh ideas to the table and demonstrate a proactive approach to problem-solving.

Approach problem-solving with curiosity. Question the status quo and explore new possibilities. Before starting any project, ask: What is the root cause of this problem? How can I add value quickly and efficiently? And after each project, reflect on what did not work to build resilience and drive improvement.

Foster continuous learning by staying updated on industry trends and regularly developing new skills. Dedicate time each week to learning through news, courses, or networking. Spending time on creative hobbies can also enhance problem-solving skills.

Innovation thrives in collaborative environments. Facilitate monthly brainstorms to share ideas and feedback on your team. This generates novel and diverse solutions and fosters teamwork. You might even keep a weekly innovation journal to jot down ideas and reflections, then share them with your team to inspire collective creativity.

(This tip is adapted from *3 Steps to Cultivate an Innovator's Mindset*, by Soren Kaplan – HBR.)

### Try These Exercises to Manage Intense Emotions

Everyone struggles to manage their emotions at times. It is normal to experience negative feelings at work, and we cannot expect ourselves or others to leave those feelings at home. To manage them in a healthy way, here are three elements of emotional intelligence you need to develop.

**Tap into your self-awareness.** When strong emotions strike, tap into your self-awareness with this simple exercise. First, notice your body. Scan from head to toe. Are you tense? Where is your energy level? Then check in with your thoughts. Are they loud or quiet? Clear or confused? Finally, identify your emotions. How pleasant or unpleasant are they? How intense are they? If you can, name the feeling.

**Self-regulate using your breath.** Taking a few minutes to slow down and lengthen your exhales will activate your parasympathetic nervous system and slow down your heart rate, reducing stress and shifting you from a heightened emotional state to a more relaxed one.

**Find small moments to uplift others.** Try to see every encounter at work as an opportunity to leave the other person feeling uplifted. Use appropriate compliments, smiles, or a simple, kind greeting to foster strong, productive relationships that will help boost your emotional well-being.

(This tip is adapted from *3 Exercises to Boost Your Emotional Intelligence, According to Research*, by Emma Seppälä – HBR.)