

Domestic Economic Roundup

Key Money & Banking Indicators:

	Stocks at End - June 2024 P	Flows		Monetary Impact Since 1st July to	
		FY23	FY24 P	09-Aug-24	11-Aug-23
Total Deposits with Banks	27,264.5	2,327.6	5,002.1	-1,124.9	-256.9
Broad Money (M2)	36,584.9	3,920.6	5,061.7	-1,131.3	-707.8
Govt. Sector Borrowings (Net)	31,087.3	4,100.2	7,364.2	318.4	-93.5
Credit to Private Sector	9,531.3	208.3	364.2	-401.5	-187.8

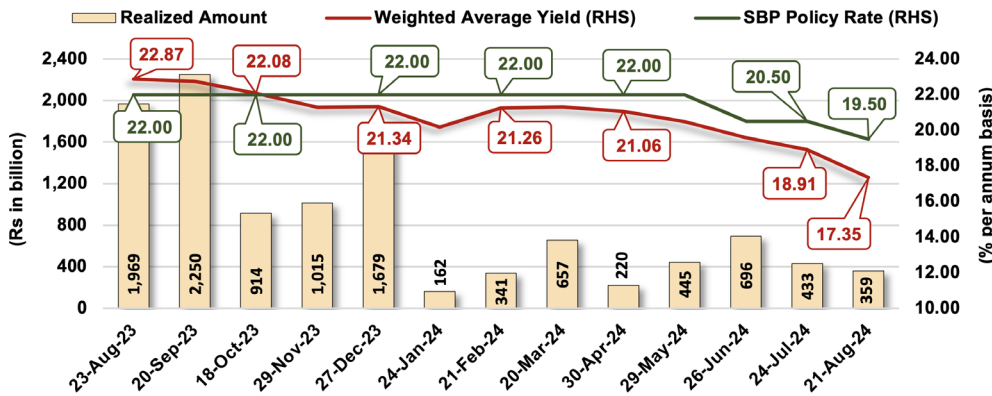
(Rs in billion)

P = Provisional

<https://tinyurl.com/bdfsvdx>

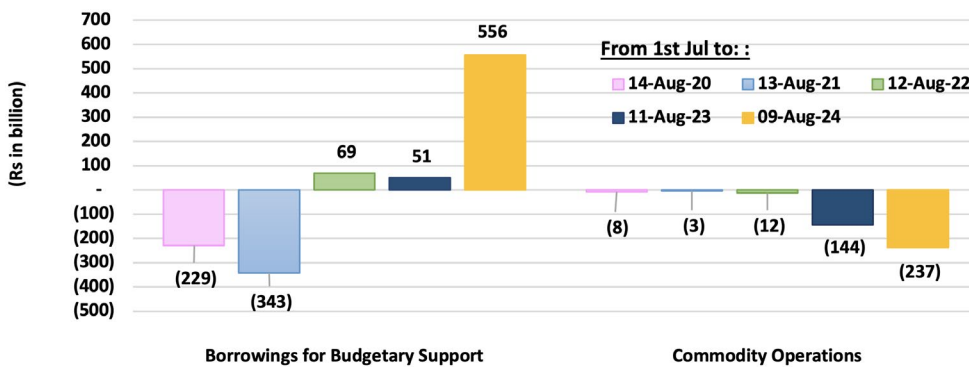
MTBs Acceptance (Auction+ Non-Competitive Bids)

MTBs: <https://shorturl.at/gkxA3>
SBP Policy: <https://shorturl.at/gklzG>



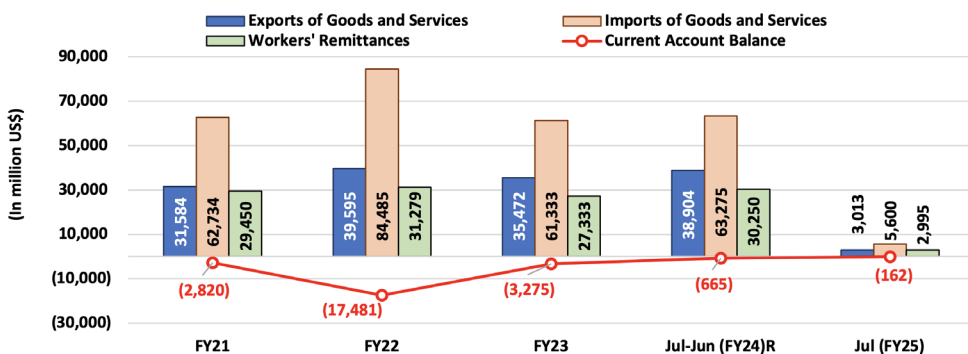
Government Sector Borrowings (Net)

<https://shorturl.at/AFSX7>



Major Components of Current Account Balance

<https://shorturl.at/yBH19>



Markets at a Glance

Rates taken till Friday, August 23, 2024

SBP POLICY RATE

19.5% | Effective from July 30, 2024

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

KIBOR (3 MONTHS)

	Bid%	Offer%
Change Starting	18.79	19.04
Change Ending	17.69	17.94
Change	-1.1	-1.1

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

FOREX RATES

	GBP	EURO	USD
Change Starting	PKR 358.80	PKR 306.01	PKR 278.54
Change Ending	PKR 365.35	PKR 309.68	PKR 278.50
Change	+6.55	+3.67	-0.04

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

PAKISTAN STOCK EXCHANGE

	100 Index
Change Starting	78,045
Change Ending	78,801
Change	+756

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

GOLD RATES

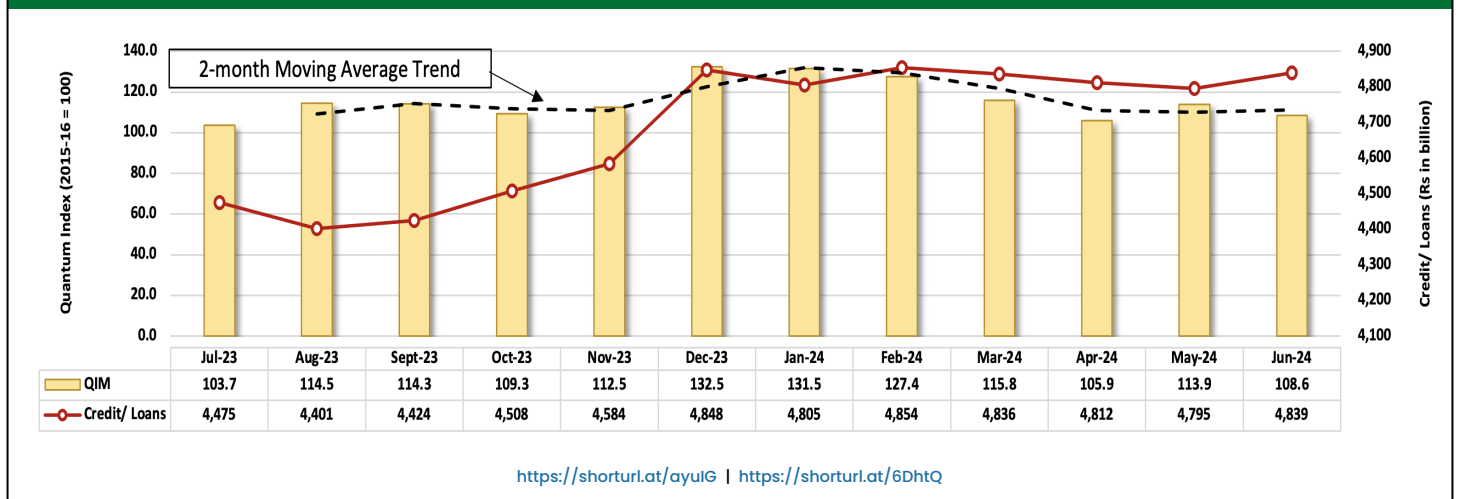
	10 GM, 24K
Change Starting	PKR 220,285
Change Ending	PKR 222,379
Change	+2,094

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

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

Jul-June		% age Growth in 2023-24 over 2022-23	Monthly Indices and Growth				
Index for			Index for			% age Growth	
2023-24	2022-23		Jun-24	Jun-23	May-24	MOM	YOY
115.83	114.78	0.92	108.61	108.64	113.97	-4.70	-0.03

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



CPI Inflation	Annual Average			Year-on-Year		
	FY20	FY21	FY22	July 2023	June 2024	July 2024
General	10.7	8.9	12.2	28.3	12.6	11.1
Food (Urban)	13.6	12.4	13.4	40.2	2.6	3.4
Non-Food (Urban)	8.3	5.7	10.8	17.3	24.3	20.7

<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	August 11, 2023	June 30, 2024 (P)	August 09, 2024 (P)
6,909.9	7,572.5	9,148.7	8,706.8	9,153.1	9,166.2

P=Provisional

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

Central Banks' Gallery

State Bank of Pakistan



Pakistan Takes a Giant Step in Global Payments by Launching Buna-Raast Connectivity Project

Pakistan takes a significant leap towards getting connected to the global payments ecosystem! The Prime Minister of Pakistan, Mian Muhammad Shehbaz Sharif, launched the Buna-Raast Connectivity Project Implementation Phase, which will connect Raast Pakistan's instant payment system with Buna the Arab Monetary Fund's cross-border payment system. This landmark initiative aims to revolutionize cross-border remittances, making them faster, more affordable, and accessible to millions of Pakistanis.

The launch event brought together a diverse range of stakeholders, including high-level government officials, international development sector leaders, banking institution representatives, and key stakeholders from the financial and economic sectors. Mian Muhammad Shehbaz Sharif, Prime Minister of Pakistan; Mr Muhammad Aurangzeb, Federal Minister for Finance & Revenue; H.E. Fahad M. Alturki, Director General Chairman of the Board of The Arab Monetary Fund (AMF); Mr Jameel Ahmed, Governor of the State Bank of Pakistan; Dr Anita Zaidi, President of the Bill & Melinda Gates Foundation; and Mr Waqas ul Hasan, CEO Karandaaz Pakistan spoke on the occasion.

The project is a result of collaborative efforts between the Ministry of Finance, State Bank of Pakistan (SBP), and Karandaaz Pakistan, with support from the Bill & Melinda Gates Foundation. <https://shorturl.at/vwvV8>

Saudi Central Bank (SAMA)



SAMA Confirms Safety of Payment Systems and Banking Systems in Saudi Arabia

The Saudi Central Bank (SAMA) confirmed the safety and integrity of its systems, national payment systems, and banking systems in the Kingdom of Saudi Arabia. The systems were not affected by the global technical outage experienced by many entities.

SAMA is committed to maintaining the highest internationally recognized standards of operational and cybersecurity practices for its own systems, national payment systems, and all other systems connected to financial institutions.

SAMA emphasized that it regularly reviews and updates its precautionary measures to ensure the efficiency and resilience of its business continuity plan, banking systems, and national payment systems. This sustained effort strengthens SAMA's overall infrastructure, enabling it to provide rigid financial services to its clients in Saudi Arabia both reliably and securely. <https://shorturl.at/at0tl>

Sveriges Riksbank (Central Bank of Sweden)



Monetary Policy Rate Cut by 0.25 percent points to 3.5 percent

Inflation has continued to fall and the prospects for inflation being in line with the target going forward are good. Long-term inflation expectations are signaling strong confidence in the target and wage increases are moderate.

Inflation has developed as expected and economic activity is weak. The Executive Board has therefore decided to cut the policy rate by 0.25 percentage points to 3.5 percent, in line with the June forecast.

Over the year, inflation has deviated less and less from the target of 2 percent. At the same time, various indicators, such as producer prices and company pricing plans, have continued to imply that inflationary pressures are compatible with the target. All of this reinforces the picture of inflation stabilizing close to the target and indicates that the risk of inflation becoming too high again has declined significantly. Moreover, new information since the Monetary Policy Report in June indicates that the growth outlook in Sweden and abroad is somewhat weaker than in the most recently published forecast.

In light of this, the Executive Board assesses that the policy rate can be cut somewhat faster than was assessed in June. If the inflation outlook remains the same, the policy rate can be cut two or three more times this year.

However, the outlook for inflation and economic activity is uncertain. There are risks linked, for instance, to the geopolitical situation, economic activity in Sweden and abroad, and the krona exchange rate that can lead to a different outcome for inflation and thereby a different monetary policy.

The decision on the policy rate will apply with effect from August 21, 2024. The minutes of the Executive Board's monetary policy meeting will be published on August 26, 2024. A press conference with Governor Erik Theodén and Åsa Olli Segendorf, Head of the Monetary Policy Department, held on August 20, 2024 at the Riksbank. <https://shorturl.at/BpayD>

CPIF

July 2024

1.7%

<https://shorturl.at/OuMw2>

Financial Institutions' Gallery



Bank Alfalah Islamic Introduces Pakistan's first Shariah-compliant Payable Finance Product under Supply Chain Financing

Bank Alfalah Islamic presents Pakistan's first Shariah-compliant Payable Finance Product under Supply Chain Financing. This innovative solution reinforces their commitment to providing top-tier financial services while adhering to Islamic principles.

Building on its leadership position, the Bank is also developing a robust Digital Supply Chain Finance (DSCF) system in collaboration with the Transaction Banking Shariah Compliance (SCD) and Product Development (IBG) Teams. <https://shorturl.at/o5QUN>

NRSP Microfinance Bank Signs MoU with Fauji Fertilizer Company to Enhance Agricultural Financing

National Rural Support Programme (NRSP) Microfinance Bank announced a new strategic partnership with Fauji Fertilizer Company Limited (FFC), aimed at advancing agricultural financing across Pakistan. The Memorandum of Understanding (MoU) was formalized on August 20, 2024, at FFC's Head Office.

This collaboration is designed to improve access to credit for farmers and provide financial solutions specifically tailored to their needs. By leveraging NRSP Bank's microfinance expertise and FFC's agricultural leadership, the partnership is set to drive significant progress in agricultural development.

The initiative reflects NRSP Microfinance Bank's commitment to fostering sustainable agricultural growth and enhancing the livelihoods of farming communities nationwide. Both organizations share a unified vision of expanding financial access and boosting agricultural productivity, creating a more supportive environment for innovation in the sector.

Senior Officials from NRSP Microfinance Bank and FFC expressed their strong support for the initiative, highlighting its potential to bring about substantial benefits to farmers and rural economies throughout Pakistan.

<https://shorturl.at/NoxFN>



FinTech News/ Views

Pakistan's PostEx Raises \$7.3 million in pre-Series A led by Conjunction Capital

PostEx, one of Pakistan's top FinTech companies, has successfully closed a US\$7.3 million pre-Series A funding round. The investment was spearheaded by Conjunction Capital, a global venture capital firm with a technology focus. Participating in this round were new investors including Dash Ventures and Sanabil500, alongside existing investors VSQ, FJ Labs, and Zayn VC.

PostEx operates at the intersection of FinTech and logistics, providing innovative financial solutions integrated with logistics services. The company offers immediate capital access, overcoming traditional financing barriers, while its embedded logistics solutions enhance the efficiency of ecommerce deliveries, addressing cash flow challenges for its clients.

The newly acquired funds are earmarked for strengthening PostEx's market leadership in Pakistan and supporting its ambitious expansion plans into the Gulf Cooperation Council (GCC) countries. This expansion is expected to open new markets and customer bases to PostEx's services.

Amid a favorable market environment, PostEx is disrupting traditional finance and logistics industries within Pakistan. The nation's ecommerce sector, though only accounting for 1-2 percent of total retail transactions, presents significant growth opportunities compared to the global average of approximately 15 percent.

In the last 18 months, PostEx has achieved numerous financial and operational milestones, including reaching an

Annual Recurring Revenue of \$21 million and attaining profitability. The company, now processing over four million transactions monthly, has maintained its market leadership for the past two years, showing remarkable growth since its inception less than three years ago.

Additionally, PostEx expanded its operational footprint across Pakistan by acquiring the logistics service provider, Call Courier, in 2022. Before this round, the company had raised US\$8.6 million from several investors, including Global Founder Capital, MSA Capital, and Shorooq Partners. <https://shorturl.at/5S4a2>

PayPal and Adyen Expand Strategic Partnership to Enhance Guest Checkout Experience with Fastlane

PayPal, a global leader in online payments, and Adyen, a renowned financial technology platform serving leading enterprises worldwide, have announced the expansion of their global strategic partnership.

This strengthened collaboration is aimed at enhancing guest checkout flows for enterprise and marketplace customers in the US, with the intention of extending this offering globally, according to an international news agency.

With this expanded partnership, Adyen will now offer Fastlane by PayPal as a guest checkout option, allowing its enterprise customers to benefit from accelerated checkout flows.

Fastlane aims to speed up the time it takes for consumers to complete their purchases and pre-fills saved card and shipping information on future purchases, leading to increased conversion rates. The companies are planning to roll out this feature globally.

This move is set to improve consumer shopping experiences and increase conversion rates for businesses using Adyen's platform. Through the integration of Fastlane by PayPal, the companies seek to provide a faster and more seamless checkout process, enhancing overall user satisfaction and boosting business performance. PayPal is a globally trusted payment platform, offering millions of consumers and businesses a secure and convenient way to make transactions online.

The platform has evolved into a comprehensive service provider for leading commerce brands, technology companies, and payment processors, enabling smooth commerce experiences worldwide.

Adyen is a global FinTech platform that powers payment solutions for many of the world's leading enterprises. The company is known for its seamless payment processes and robust infrastructure that supports a range of payment methods, including PayPal, Venmo, and Buy Now, Pay Later (BNPL) solutions.

The collaboration also reinforces Adyen and PayPal's longstanding relationship, which already includes the integration of PayPal's payment solutions into Adyen's platform.

The partnership is set to further enhance the consumer experience, with both companies exploring new ways to drive value for businesses. <https://shorturl.at/Vzblv>

JazzCash Transforms 350,000 Businesses' Smartphones into POS machines

JazzCash, Pakistan's leading fintech platform has launched its latest feature, 'Tap-Pay for Businesses', enabling over 350,000 businesses across the country to accept payments through their Android smartphones.

This cutting-edge feature allows businesses to seamlessly receive payments from any contactless debit or credit card or another smartphone with a simple tap on the businesses' NFC-enabled device, said a news release.

The launch closely follows JazzCash's recent introduction of the 'Tap-Pay' feature for customers, which allows customers to make payments directly from their phones. Together, these features will help establish an end-to-end contactless payment ecosystem in Pakistan.

As of Q3 of FY 2023-24, over 47 million debit and credit cards are in circulation in Pakistan, and the State Bank of Pakistan (SBP) reported card purchases on POS machines totaling Rs 394 billion during the same period.

By enabling businesses using JazzCash to tap into this market, the fintech platform is opening new revenue streams for businesses and fostering greater financial inclusion.

The introduction of the 'Tap-Pay for Businesses' feature has been made possible through a strategic collaboration with Mastercard, technology partner Wizzit Holdings, and acquiring partner Bank of Punjab (BoP).

These partnerships have been crucial in developing the infrastructure required to bring this innovative feature to market. <https://shorturl.at/zvblB>

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Global Influencer Economy

Brands are expected to pour \$24 billion into influencer marketing in 2024 globally, per a recent research report from Influencer Marketing Hub, up about 50 percent from 2022.

General Economic Horizon

A. Domestic News

Government Committed to Support Initiative Advancing Green Technology: Finance Minister

Minister for Finance and Revenue Senator Muhammad Aurangzeb on August 17, 2024 said that the government was committed to support such initiatives that would not only advance green technology but also provide a significant boost to the local economy. These initiatives help in creating new job opportunities and fostering technological advancements in the automotive sector, he said while addressing the BYD Brand launching in Pakistan.

The minister underscored the importance of sustainable innovation for Pakistan's future, said a press release issued by the Ministry of Finance.

Senator Aurangzeb welcomed BYD's arrival, highlighting the company's commitment to cutting-edge technology and environmental stewardship.

"BYD's entry into our market is not just about introducing new vehicles; it is about embracing a sustainable future and aligning with Pakistan's environmental goals, of achieving energy efficiency," he added.

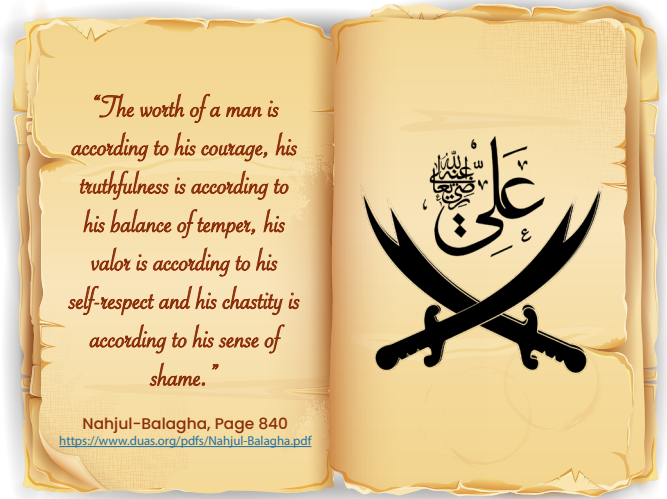
BYD, a global frontrunner in electric vehicles and renewable energy solutions, made a significant entry into the Pakistani market, promising a new era of eco-friendly transportation.
<https://shorturl.at/DPKrE>

B. International News

Climate Change Response in Asia and Pacific Held Back by Insufficient Data

Policy makers in Asia and the Pacific are struggling to collect and analyze the data they need to effectively respond to climate change, hampering efforts in a region considered the world's most vulnerable to the effects of a warming planet.

Some national statistical offices in the region say they do not have enough staff working on climate data, and others do not have a unit dedicated to it, according to a new survey by the Asian Development Bank (ADB), published on August 22, 2024. Most respondents also said their access to geographically granular data was "fair" at best for many types of data, including on climate change drivers such as fossil fuel use and total greenhouse gas emissions. Key data on impacts on ecosystems, infrastructure, specific geographic areas, and water security are lacking.



Asia and the Pacific accounts for more than half of all global greenhouse gas emissions and is hit harder by disasters and other climate risks than any other region. Without high-quality data and the ability to analyze it, policy makers in the region cannot design effective, targeted measures to tackle the causes and effects of climate change—and evaluate their effectiveness.

"Asia and the Pacific is at the forefront of the climate battle," said ADB Chief Economist Albert Park. "The deadly heat waves and catastrophic floods we've seen in recent months show us what's at stake. We need high-quality data and robust statistical capacity to avoid policy blind spots and make sure our strategies for tackling the climate crisis are well-informed. This means we need to invest in our statistical systems, our people, and our institutions. The cost of not doing so will be far higher than the cost of these investments."

The findings of ADB's survey, which covered 29 national statistical offices in Asia and the Pacific, were released as part of *Key Indicators for Asia and the Pacific 2024*. The report explains how data and statistics can play a crucial role in combating climate change.

For instance, having the right data enables more localized monitoring of climate change impacts, providing context for a more effective policy response that is data-driven and evidence-based. Geographically granular data can also help identify areas for policy prioritization, ensuring resources are directed where they are most needed.

The report notes that national statistical offices are challenged not only by limited capacity and insufficient access to climate data, but also by a lack of uniform definitions and methodologies. Asked about the reasons for these shortcomings, survey respondents cited insufficient technical staffing, limited financial resources, methodological and technical difficulties, a lack of coordination with other stakeholders, and climate change data not being seen as a priority.

The report features a special supplement focusing on the Statistical Data and Metadata eXchange (SDMX) standard, which provides a comprehensive framework to streamline data activities that can help economies in Asia and the Pacific design and implement effective, data-driven, and evidence-based policies. Adopting the SDMX standard can help countries collect, exchange, analyze, and disseminate statistical data to help tackle climate change.

<https://shorturl.at/k6UAM>

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Possible Fed Cut

US's inflation data marked the first time the headline US CPI had fallen below 3 percent since March 2021 last week, bolstering the case for the Federal Reserve to cut interest rates at its next meeting in September, according to the Financial Times.

IsDB Seeks Nominations for 2025 Prize in Islamic Economics

The Islamic Development Bank (IsDB) has announced the call for nominations to win prizes for the 2025 IsDB Prize for Impactful Achievement in Islamic Economics.

Individuals and institutions may submit before October 30, 2024 to nominate projects that have had positive and significant economic impacts on people's lives based on Islamic principles.

The prize comes with a US\$ 100,000 award for the first-place winner. The second and third places are to win US\$ 70,000 and US\$ 30,000, respectively.

The nominated projects are required to have been successfully initiated in IsDB member countries within the previous seven years and they should be replicable in other countries.

The invitation is staged by IsDB's research and training arm, the Islamic Development Bank Institute (IsDBI).

The 2025 IsDB prize is solely focused on the 'Development Solutions Achievement' category aiming to recognize and reward successful projects that solve important development challenges in IsDB Member Countries.

The prize winner and runners-up will be honored at a ceremony during the 2025 IsDB Group Annual Meetings due to be held in Algiers, Algeria.

For more information about the call for nominations, contact on isdbprize@isdb.org.

<https://shorturl.at/8Nvzc>

HR TIPS

Help New Hires with a Knowledge Map

New employees who do not get the chance to develop strategic relationships may struggle to integrate into your organization—so it is critical to help them understand who knows what and how all the people and groups fit together. You can accelerate that understanding by creating a knowledge map for newcomers to use as a resource. Here is how.

Revamp Your Existing Org Chart. An org chart typically shows individual roles, as well as your company's hierarchy. To turn it into a knowledge map, add in people's photographs, and their areas of expertise, achievements, skills, and talents. The annotated map should make the functions of different departments clear and highlight how groups are connected and interact with one another.

Analyze with AI. Use company-approved AI tools to analyze data from across your organization to help populate your knowledge map. Think resumes, project work, job descriptions, and skills endorsements from peers.

Crowdsource Information. Other people within your organization may know certain people or teams better than you do—so ask them! You could also put together a quick survey asking employees about their skills and expertise and incorporate the results into your map.

(This tip is adapted from *Kickstart Your New Hire's Success by Connecting them to the Right People*, by Julia Phelan – HBR.)

Create a Schedule That Allows You to Work Smarter

Being busy does not automatically equate to doing important work. Instead of filling your calendar with busywork that will burn you out or stunt your career growth, be more intentional with your time. Here are two ways high-achieving workers can build a smarter schedule.

Do not Overcommit. When your calendar is packed with back-to-back meetings, it is a sign that you have too many priorities. You should intentionally leave space in your schedule to decompress and process your work. Aim to commit to only 80 percent of the opportunities and responsibilities presented to you. This also forces you to consider and name your priorities.

Be Intentional About Your Time. You control your schedule; your schedule does not control you—or at least it should not. For example, if you decide you will work all afternoon because you have meetings all morning—despite the afternoon being the time of day when you typically hit a creative wall—then you are letting your schedule guide you.

Instead of accepting this, make a change, and let the people in your professional and personal life know what you need to be at your best.

(This tip is adapted from the HBR IdeaCast episode, *Treat Email Like Laundry—and Other Tips from Google’s Productivity Expert*, featuring Laura Mae Martin in conversation with HBR’s Curt Nickisch – HBR.)

Make the Most of Your One-on-Ones with Your Employees

As a manager, you are likely meeting regularly with your direct reports—but do your conversations feel productive? Do you feel like you are both getting what you need from the conversations? Here are two common mistakes to avoid to make the most of your one-on-ones.

You do the Majority of the Talking. A one-on-one meeting is where the employee experiences you as a human being and vice versa. As important as it is for them to understand you and your way of thinking, you also need to be asking well-rounded questions that allow the employee to lead the conversation, surface their concerns, and feel supported.

You Hold One-on-ones too Infrequently. A typical cadence for one-on-one meetings is once a month, but when you are meeting that infrequently, you tend to talk exclusively about things that happened just that past week. Aim for weekly, 25-minute meetings or 45-minute bi-weekly meetings. Whether they are a new employee or an experienced veteran, employees of all levels actually favor more frequent one-on-ones.

(This tip is adapted from the HBR IdeaCast episode, *Supercharge Your One-on-One Meetings*, featuring Steven Rogelberg in conversation with HBR’s Alison Beard – HBR.)

Strike a Balance between Micromanaging and Being Too Hands Off

Micromanagers can make employees feel underappreciated and constrained. On the flip side, hands-off managers can leave their reports with too little direction and support. How can you strike the right balance? Here are three signs you are leaning too far in one direction—and what you can do instead.

You are Focused on How you are Coming Across as a Leader. It is understandable that you want to demonstrate that you are a capable manager. But in trying to direct how you are perceived, you may be exerting too much control or going too easy on your employees. Instead of focusing on your image, concentrate on helping your reports grow. Your leadership will then speak for itself.

You are Constantly Redoing your Team’s Work. Whether you are redoing it because you do not want to tell your employee it did not meet your standards or because you demand perfection, you will diminish your employees’ confidence, trust, and engagement. Instead, clearly communicate project parameters to your employees and align on your expectations when you first assign the work.

Projects Move Slowly and People Miss Deadlines. If everything requires your input or approval, you become a bottleneck. On the other hand, when you are not there to make key decisions, give guidance, or clear roadblocks, it also slows the process down. Schedule periodic, brief check-ins with your team members to ask questions and listen. You will not only help advance the project—you will help your employees develop strong judgment so they can grow their skills and confidence.

(This tip is adapted from *Are You a Micromanager or Too Hands-Off?* by Carole-Ann Penney – HBR.)

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Underinsurance Costs of Housing in the US

More than 17 million homes, representing nearly 19 percent of total US home value, are at risk of suffering what could total \$1.2 trillion in value destruction because of underinsurance of wildfire and flood risks, according to investment research and consulting firm DeltaTerra Capital.