

Domestic Economic Roundup

Key Money & Banking Indicators:

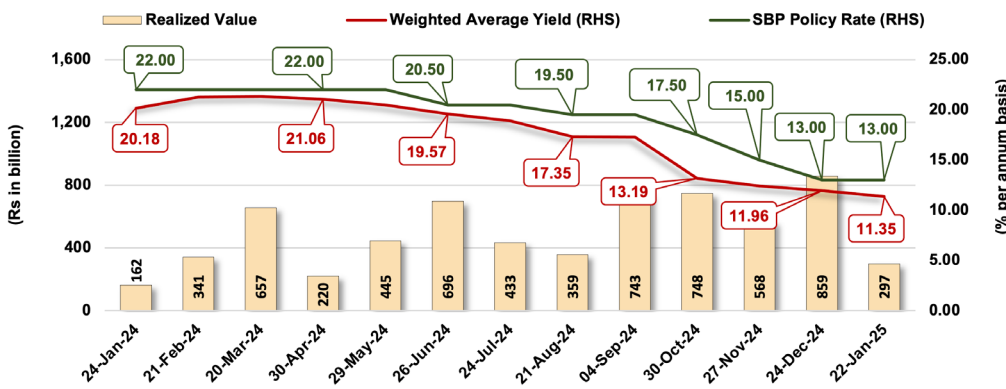
	Stocks at End - June 2024	Flows		Monetary Impact Since 1st July to	
		FY23	FY24	10-Jan-25	12-Jan-24
Total Deposits with Banks	26,665.8	2,593.0	4,921.0	(939.5)	1,149.9
Broad Money (M2)	35,881.8	4,175.1	4,938.8	(706.7)	662.0
Govt. Sector Borrowings (Net)	31,078.8	4,100.4	7,366.1	(2,110.4)	2,590.5
Credit to Private Sector	8,866.9	45.9	512.9	1,632.6	123.3

(Rs in billion)

<https://tinyurl.com/bdfssvdx>

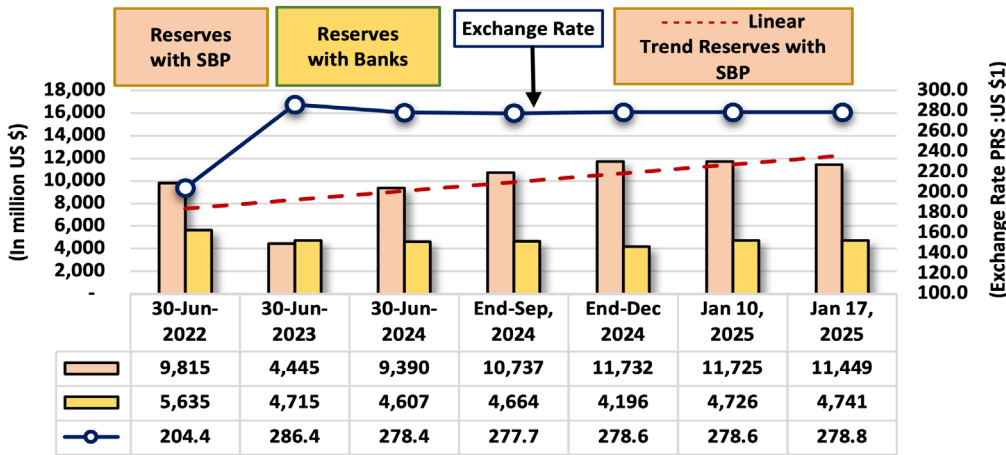
MTBs Acceptance (Auction+ Non-Competitive Bids)

MTB's : <https://shorturl.at/gkxA3>
SBP Policy : <https://shorturl.at/gkIzG>



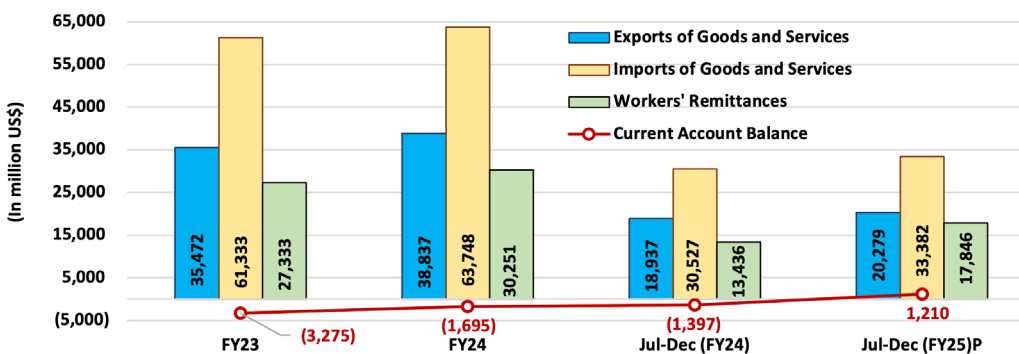
Forex Reserves and Exchange Rates as on

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



Major Components of Current Account Balance

<https://shorturl.at/yBH19>



Markets at a Glance

Rates taken till Friday, January 24, 2025

SBP POLICY RATE

13%

Effective from December 17, 2024

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

KIBOR (3 MONTHS)

	Bid%	Offer%
Change	11.65	11.90
Ending	11.48	11.73
Starting	-0.17	-0.17

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

*Rates on Thursday, January 23, 2025

FOREX RATES*

	GBP	EURO	USD
Change	PKR 339.85	PKR 286.98	PKR 278.71
Ending	PKR 345.29	PKR 291.62	PKR 278.75
Starting	+5.44	+4.64	+0.04

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

PAKISTAN STOCK EXCHANGE

	100 Index
Change	115,272
Ending	114,880
Starting	-392

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

GOLD RATES

	10 GM, 24K
Change	PKR 243,788
Ending	PKR 247,061
Starting	+3,273

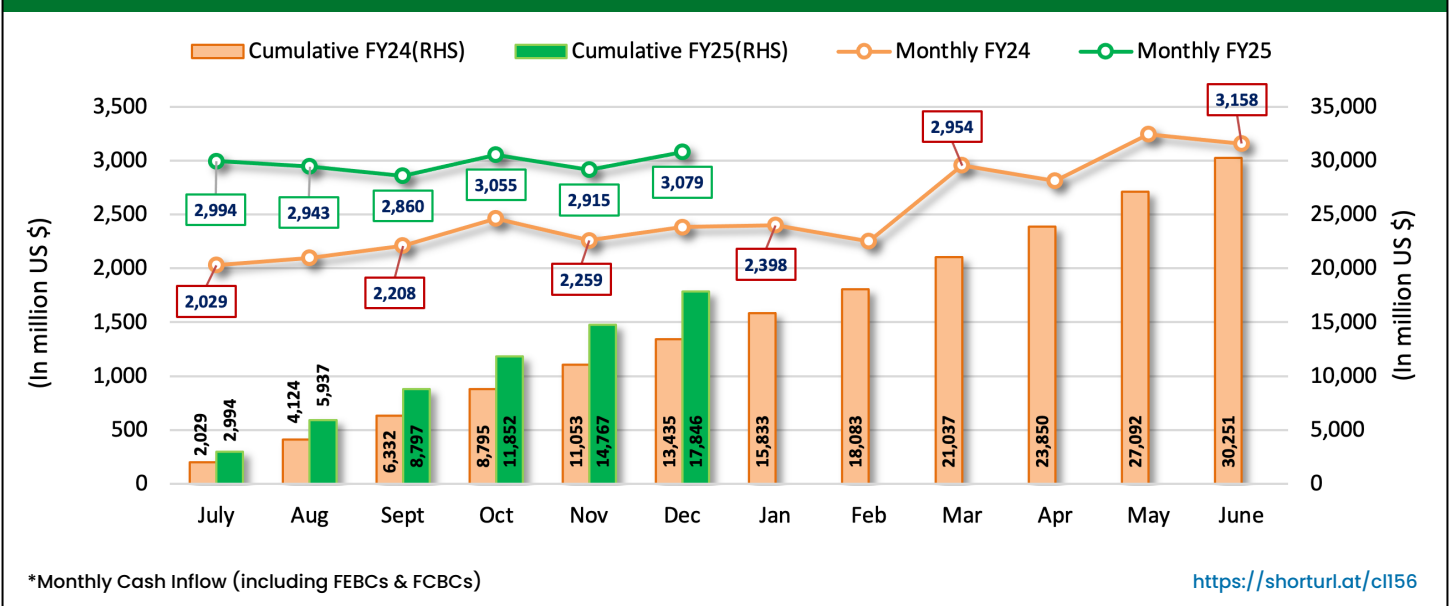
<https://www.forex.pk/bullion-rates.php>

Monthly Workers' Remittances

(\$ US in million)

Month	July	Aug	Sept	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	June
FY24	2,029	2,095	2,208	2,463	2,259	2,382	2,398	2,250	2,954	2,813	3,242	3,158
FY25	2,994	2,943	2,860	3,055	2,915	3,079						
Cumulative FY24 (RHS)	2,029	4,124	6,332	8,795	11,053	13,435	15,833	18,083	21,037	23,850	27,092	30,251
Cumulative FY25 (RHS)	2,994	5,937	8,797	11,852	14,767	17,846						

Monthly Workers' Remittances* (FY24 Vs. FY25)



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>

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

* NFNE = Non Food and Non Energy

Currency in Circulation as on (Stock data)

(Rs in billion)

June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	Jan 12, 2024	Jan 10, 2025
6,909.9	7,572.5	9,148.7	9,153.1	8,657.6	9,398.5

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

Central Banks' Gallery

Central Bank of the UAE



CBUAE Issues Silver Commemorative Coins marking its Golden Jubilee and Launches Digital Service for Commemorative Coin Sales

In commemoration of the Central Bank of the United Arab Emirates (CBUAE) Golden Jubilee, the CBUAE has announced the issuance of silver coins to mark this occasion.

The CBUAE's 50th anniversary silver coin embodies its achievements in developing the banking and financial sector over the past decades. This coin signifies its pivotal role in driving economic development, aligning with the vision of the wise leadership of positioning the CBUAE among the top central banks in the world.

The CBUAE has issued 3,000 of these commemorative coins, each weighing 60 grams. The obverse features the image of His Highness Sheikh Mohamed bin Zayed Al Nahyan, President of the UAE, surrounded by His Highness's name in Arabic and the phrase "President of the United Arab Emirates." The reverse of the coin features an illustration of the CBUAE building, along with the phrase "50 Years of the Central Bank of the UAE" on the upper and lower edges in Arabic and English, the years 1973-2023, and the nominal value of 50 Dirhams.

Simultaneously, the CBUAE launched a digital service for the sale of commemorative coins through a dedicated page on its website. This user-friendly service offers easy and simple steps, with several advantages, most notably instant and secure login via the UAE Pass. The CBUAE's Golden Jubilee will also be available for purchase through the website for AED 650, including delivery fees.

This initiative demonstrates the CBUAE's commitment to implementing international best practices to elevate financial sector services, enhance efficiency, deliver leading institutional services with global standards, reduce time, effort, and resources, and provide a seamless and fast experience by facilitating access to services and alleviating unnecessary burden on consumers within and outside the UAE.

The online purchase service allows everyone to acquire a number of commemorative coins issued by the CBUAE in previous years starting from January 22, 2025.

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

Bank Negara Malaysia



MPC Decides to Maintain the OPR at 3 percent

The Monetary Policy Committee (MPC) of Bank Negara Malaysia decided to maintain the Overnight Policy Rate (OPR) at 3 percent.

The global growth for 2024 turned out higher than expected, reflecting better outturns in the major economies and stronger global trade. For 2025, the global economy is anticipated to be sustained by positive labor market conditions, moderating inflation and less restrictive monetary policy. Global trade is expected to remain broadly sustained, supported by the continued tech upcycle. However, this outlook could be affected by the uncertainty surrounding more trade and investment restrictions. The elevated policy uncertainties could also lead to greater volatility in the global financial markets.

For the Malaysian economy, the overall growth for 2024 was within expectations. Moving forward, the strength in economic activity is expected to be sustained in 2025, driven by resilient domestic expenditure. Employment and wage growth, as well as policy measures, including the upward revision of the minimum wage and civil servant salaries, will support household spending. The robust expansion in investment activity will be sustained by the progress of multi-year projects in both the private and public sectors, the continued high realization of approved investments, as well as the ongoing implementation of catalytic initiatives under the national master plans. These investments, supported by higher capital imports, will raise exports and expand the productive capacity of the economy. Exports are expected to be supported by the global tech upcycle, continued growth in non-electrical and electronics goods and higher tourist spending. The growth outlook is subject to downside risks from an economic slowdown in major trading partners amid heightened risk of trade and investment restrictions, and lower-than-expected commodity production. Meanwhile, growth could potentially be higher from greater spillover from the tech upcycle, more robust tourism activity, and faster implementation of investment projects.

Headline and core inflation averaged 1.8 percent in 2024. Going into 2025, inflation is expected to remain manageable, amid the easing global cost conditions and the absence of excessive domestic demand pressures. Global commodity prices are expected to continue to trend lower, contributing to moderate cost conditions in the near term. In this environment, the overall impact of the recently announced domestic policy reforms on inflation is expected to be contained. Upside risk to inflation would be dependent on the extent of spillover effects of domestic policy measures, as well as global commodity prices and financial market developments.

Ringgit performance continues to be primarily driven by external factors. The narrowing interest rate differentials between Malaysia and the advanced economies are positive for the ringgit. While financial markets could experience bouts of volatility due to global policy uncertainties, Malaysia's favorable economic prospects and domestic structural reforms, complemented by ongoing initiatives to encourage flows, will continue to provide 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 outlook. The MPC will ensure that the monetary policy stance remains conducive to sustainable economic growth amid price stability. <https://shorturl.at/Om5ft>

Bank of Russia



IPO to be Conducted in New Format

The Bank of Russia proposes to enhance transparency of public offerings, change the content of information disclosed by issuers, adapt it to the needs of retail investors, and improve the quality of IPOs. The assessment of the current practices of offerings and the regulator's proposals to change them are given in the consultation paper.

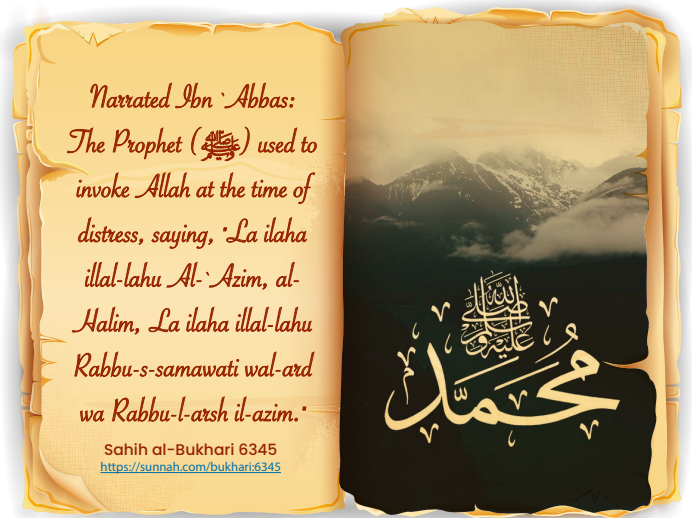
The Russian equity market is restoring its potential thanks to internal resources. The role of retail investors has become more important. In order to ensure long-term investments, it is necessary to strengthen the trusted environment and transparency of issuers' information both during the period of companies' entry into the capital market and afterwards.

The Bank of Russia deems it necessary to update the requirements for the content of documents important to investors. First, this concerns a securities prospectus. It should include issuers' forecast indicators, which will enable investors to make balanced investment decisions. Nevertheless, the prospectus summary should be brief and clear, containing key information about the issuer: financial indicators in comparison with previous periods, an investment strategy description, and an assessment of further development.

Companies should also disclose information sensitive to investors about the planned and actual allotment of shares among buyers. In addition, investors should understand the terms of the protective measures taken. Before a public offering, it is required to disclose information on existing restrictions on the sale of securities by the issuer and current shareholders, as well as on the mechanisms used to stabilize the price of shares to decrease their volatility after the IPO.

Also, the Bank of Russia proposes to discuss the possibility of regulating and standardizing services rendered by offering organizers. The participation of professionals should increase the quality of IPOs.

According to the regulator, the implementation of these initiatives will help improve the protection of investors' interests, increase their trust in the Russian securities market, and expand the practice of conducting IPOs as a tool for fund-raising. <https://shorturl.at/fXVfM>



Financial Institutions' Gallery



HLB Konnect, Virtual Remittance Gateway, and Easypaisa Partners for Agent Interoperability

In a landmark move towards enhancing financial inclusion in Pakistan, Virtual Remittance Gateway (VRG), HBL Konnect, and Easypaisa have signed a historic agreement for agent interoperability. The ceremony, held in the presence of senior officials from the State Bank of Pakistan (SBP), marks a significant step in the evolution of branchless banking in the country.

This collaboration aligns with SBP's vision of a digitally inclusive and financially empowered Pakistan. By fostering innovation and collaboration among financial institutions and their agent networks, the partnership aims to provide accessible and convenient financial services to millions of Pakistanis across urban and rural areas.

Central to the agreement is VRG's cutting-edge Interop Switch, which will connect the agent networks of multiple financial service providers. The unified platform will enable users of any participating bank to perform financial and

non-financial transactions on any agent network. This initiative is expected to eliminate key barriers to financial inclusion, such as accessibility and convenience, by offering a secure, efficient, and reliable banking experience nationwide.

The Interoperable Agent Platform presents numerous benefits, including the facilitation of government grant disbursements, bill payments, credit services, and micro-insurance. Moreover, it has the potential to drive economic opportunities for women and underserved communities in rural areas, addressing the financial inclusion gender gap and creating greater socio-economic impact.

Speaking on the occasion, senior officials highlighted the significance of this agreement in promoting innovation and extending the reach of financial services. The platform not only maximizes outreach but also strengthens Pakistan's journey toward achieving a fully digital and inclusive financial ecosystem. <https://shorturl.at/uGEWR>

PTCL Group has Injected a Capital of PKR 4 billion (USD 15 million) into U Bank

Pakistan Telecommunication Company Ltd. (PTCL) Group, the parent company of U Microfinance Bank (U Bank), has injected a significant capital investment of PKR 4 billion (equivalent to USD 15 million) into U Bank, to drive the growth of its Islamic Banking services and digital innovation initiatives. This strategic equity boost underscores the unwavering confidence that PTCL Group has in U Bank's promising growth strategy, upward trajectory, and viable vision for its future.

This injection comes at a pivotal moment for U Bank as it prepares for its Year of Transformation in 2025 – a year dedicated to evolving, scaling up the business, and furthering its commitment to financial inclusion. U Bank's transformational strategy encompasses initiating its operational conversion to Islamic Banking, catering to the growing demand for riba-free and Shari'ah-compliant financial solutions in the microfinance industry in Pakistan.

The bank also aims to significantly enhance its digital capabilities to position itself as one of the leaders in Pakistan's digital microfinance banking space, providing innovative and customer-centric solutions. Strengthening its commitment to empower rural communities, small businesses, and SMEs, the bank will further facilitate access to tailored financial products and services in remote regions. Additionally, U Bank aims to collaborate with like-minded organizations to further its mission of financial inclusion and empowerment.

Mr Mohamed Essa Al Taheri, President & CEO – U Bank, expressed his enthusiasm about the capital injection, stating, "This landmark investment by PTCL Group is a testament to their continued trust in U Bank's potential and our commitment to transforming the microfinance landscape of Pakistan. 2025 is our Year of Transformation, and with this support, we are poised to leverage technology and create a lasting impact."

Mr Hatem Bamatraf, President and Group CEO, PTCL & Ufone 4G, stated: "At PTCL Group, we are committed to empowering initiatives that drive financial inclusion, innovation, and community uplift across Pakistan. This capital injection into U Bank underscores our unwavering belief in its transformative vision for 2025 and its potential to redefine the microfinance banking ecosystem. By enabling U Bank to expand its Islamic Banking services and enhance its digital capabilities, we are not just investing in a bank, but in the economic empowerment of underserved communities and the future of inclusive financial growth in the country. We are proud to support U Bank in this pivotal phase of its journey toward sustainable progress and innovation."

PTCL Group has over the years provided capital injections of over PKR 13 billion (approximately USD 46 million) in U Bank, making the bank one of the strongest microfinance banks in terms of equity base in the country. With this fresh capital, U Bank aims to leverage the resources to set the stage for an impactful year ahead that will transform the face of the bank.

To read the full press release, please visit the link: <https://shorturl.at/4zP02>

FinTech News/ Views

Dubai Islamic Bank Pakistan Joins hands with Haball for Digitization of Supply Chain Financing in Pakistan

Dubai Islamic Bank Pakistan has partnered Haball, a pioneering provider of digital financial solutions, to deliver an end-to-end digital supply chain financing solution aimed at enhancing access to finance for Small and Medium Enterprises (SMEs) across the country.

This collaboration addresses the persistent credit gap faced by Pakistani SMEs, which constitute approximately 90 percent of all enterprises and contribute significantly to employment and GDP. Despite their economic importance, SMEs receive only about 6-7 percent of private sector financing, highlighting a substantial opportunity for growth and development.

The digital platform automates the entire financing process, from application to disbursement, streamlining operations for SMEs and reducing processing times. The solution aims to empower SMEs to receive early payments for invoices, enhancing liquidity and supporting uninterrupted business operations. <https://shorturl.at/FNf01>

General Economic Horizon

A. Domestic News

Pakistan says it has agreed \$1 billion loan with two Middle Eastern Banks

Pakistan has agreed terms for \$1 billion loan with two Middle Eastern banks at a 6-7 percent interest rate, Finance Minister Mr Muhammad Aurangzeb told an international news agency on January 21, 2025.

“With two institutions we have now gone forward in signing up the term sheet – one bilateral and one for trade (finance),” Aurangzeb said during an interview on the sidelines of the World Economic Forum annual meeting in Davos, said a press issue. The loans were short-term– or up to one year, he added.

Mr Aurangzeb said Pakistan aims to boost its finances after securing a \$7 billion International Monetary Fund (IMF) bailout in September 2024, with the first review set for late February. He said, “We have the first formal review of the EFF coming through towards (the) end of February ‘2025, I do think we are in good stead for that review.”

IMF extended fund facilities (EFFs) provide financial assistance to countries facing serious medium-term balance of payments problems resulting from structural weaknesses that require time to address.

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

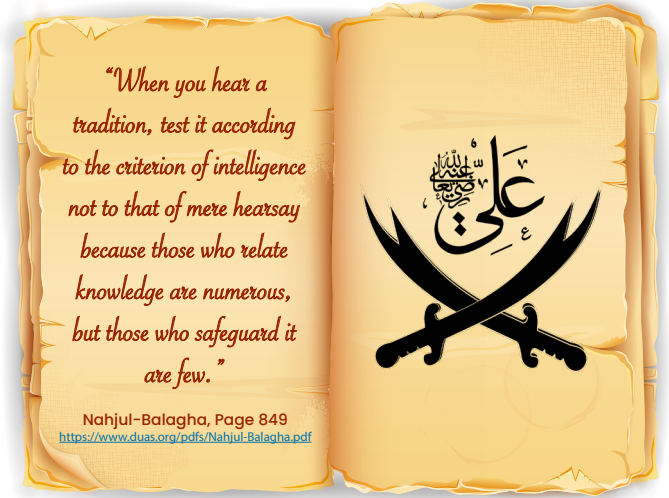
Mastercard Collaborates with Foodpanda to Fuel the Growth of Pakistan’s Digital Economy

Mastercard has once again collaborated with Foodpanda to boost digital payment in Pakistan and support the nation’s transition toward a cashless economy.

According to data from the State Bank of Pakistan, currency in circulation (CIC) in the country increased by 11.2 percent during the first half of 2024. The partnership introduces initiatives designed to encourage the use of digital payment methods over cash on delivery (COD).

By leveraging Foodpanda’s extensive network, Mastercard will drive awareness and usage of secure, rewarding payment options for millions of consumers across the country.

Mr Muhammad Nana, senior vice president, Digital Partnerships, Eastern Europe Middle East, and Africa region (EEMEA), Mastercard said, “By combining our global expertise in seamless and secure payment technologies with Foodpanda’s vast reach, we are making digital payments more accessible and convenient for consumers across the country.” <https://shorturl.at/H8Lqj>



B. International News

IFC Invests in Ulaanbaatar’s Pioneering Municipal Bond to Support Mongolia’s Energy Transition

The Governor’s Office of the Capital City of Mongolia (MUB) has successfully issued its first over-the-counter (OTC) market bond through a private placement to the International Finance Corporation (IFC). The proceeds will fund a new 50-megawatt Battery Energy Storage System (BESS) in Baganuur District, enhancing Mongolia’s power supply reliability and supporting renewable energy integration.

This five-year bond marks the first non-sovereign guaranteed municipal bond to a foreign investor in Mongolia, freeing up valuable public funds and establishing a new asset class for attracting investments in sustainable infrastructure. Once operational, the BESS will provide uninterrupted electricity for up to four hours daily, benefiting 25,000 households. With nearly half of Mongolia’s population residing in Ulaanbaatar, the city faces growing energy demands amid challenges like air and soil pollution, traffic congestion, and the need for a reliable power supply.

“Ulaanbaatar is rapidly expanding, and we must ensure our energy infrastructure keeps pace. The Baganuur BESS is a significant step toward a greener, more resilient future for our city, as it enables integration of more wind and solar energy into use. By partnering with IFC and Envision Energy, we are demonstrating our commitment to harnessing innovative, world-class solutions that will benefit our growing population and help us meet our sustainability goals,” said Mr Nyambaatar Khishgee, Mayor of Ulaanbaatar City and Governor of the Capital.

“Our latest research indicates that to achieve Mongolia’s climate and development goals, an additional investment of more than \$10 billion is needed over the next 25 years,”

said Mr Matthieu Le Blan, IFC's newly appointed Resident Representative for Mongolia. "Public and private partnerships are essential for mobilizing the capital required to expand energy-efficient measures, including energy storage, which are key to accelerating Mongolia's energy transition. We remain ready to support the Municipality of Ulaanbaatar on its journey towards a sustainable future."

IFC's investment also includes funding from the Canada-IFC Blended Climate Finance Program. This marks IFC's first municipal investment in the Asia Pacific region and is part of the World Bank Group's strategic engagement in Mongolia's energy transition plan. Other initiatives include a comprehensive diagnosis of Mongolia's energy sector, funding for a 188 km, 220 kV double circuit transmission line from Baganuur to Choir, and a feasibility study for a 200MW grid-side battery storage project. Since 2021, IFC has been supporting MUB in exploring new ways to attract private sector participation in Ulaanbaatar's sustainable infrastructure development program.

The BESS comprises 27 battery blocks with an advanced liquid cooling and battery management system, a new 110/35 kV substation and control building, over-head transmission line, expansion of the grid substation, and access roads. Ulaanbaatar City Development Corporation JSC will oversee the station's operations moving forward.
<https://shorturl.at/2eRPN>

SELF & BUSINESS MANAGEMENT TIPS



Look to Yourself—Not Others—for Validation at Work

Work can empower you—or it can erode your self-esteem. To stay confident in challenging professional environments, shift from seeking validation from others to nurturing your internal self-worth. Here is how.

Normalize insecurity. Doubting yourself is not a flaw; it is often a rational response to unclear expectations, bias, or workplace pressures. Instead of criticizing your insecurities, acknowledge them as natural and reframe your self-talk to focus on your commitment to growth.

Focus on your strengths. Redirect energy from fixing weaknesses to amplifying strengths. Identify your natural talents by seeking feedback from trusted colleagues and keeping a file of your wins and positive attributes. Review it when self-doubt creeps in.

Redefine success. Move beyond societal and workplace metrics. Define success on your terms, balancing professional and personal goals that reflect your values. This ensures your achievements align with what truly matters to you.

Audit your relationships. Surround yourself with colleagues who uplift and inspire you. Minimize interactions with those who drain your energy or undermine your confidence. Supportive connections are vital for resilience and well-being.

(This tip is adapted from *Stop Relying on Others for Validation at Work*, by Dina Denham Smith. – HBR.)

Unlock Your Creativity in the AI Era

In the age of gen AI, human creativity matters more than ever, and it can help you grow your career. These strategies can help you approach problem-solving in a new way and bring your most creative mind to work.

Spark change. When you are stuck, challenge yourself to think bigger and break away from the usual patterns. Imagine solving problems with no constraints on resources or possibilities. Identify the unspoken rules in your work, question them, and explore what would happen if you did the opposite.

Nourish and flourish. After a creative lull, reframe your challenges to see them from a new perspective. And revisit past approaches or ideas that were set aside—they may hold untapped potential in the current context.

Refresh and renew. To sustain success, focus on what is missing or unexplored in your market or team. Seek out opportunities others are overlooking, and consider how you might address those gaps. Anticipate challenges or moves from competitors and find ways to act first or differently.

Test transformation. When major change is needed, act decisively and set strict deadlines to drive progress. Break big ideas into manageable steps and focus on rapid execution. Push beyond the obvious solutions until you find something bold enough to inspire meaningful change.

(This tip is adapted from *To Jumpstart Creativity, Try These 8 Prompts*, by Kathryn Jacob and Sue Unerman. – HBR.)

