

## Domestic Economic Roundup

### Key Money & Banking Indicators:

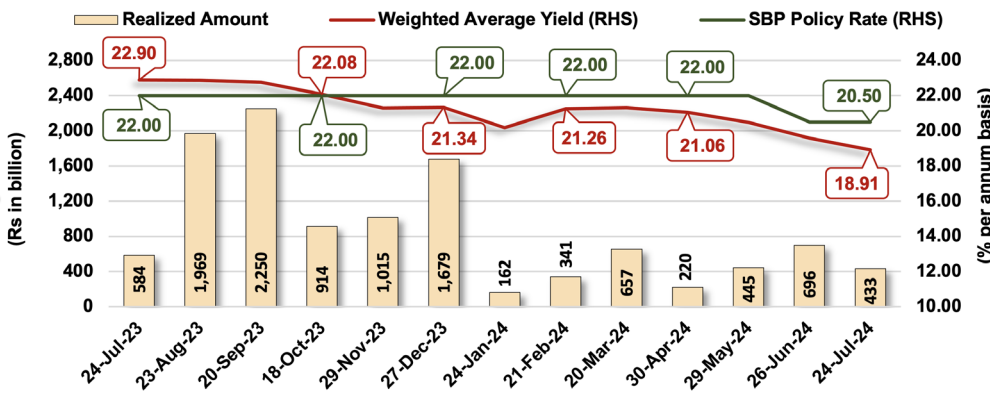
	Stocks at End - June 2024 P	Flows		Monetary Impact Since 1st July to	
		FY23	FY24 P	12-Jul-24	14-Jul-23
Total Deposits with Banks	27,239.6	2,327.6	4,977.1	-1,273.6	-456.8
Broad Money (M2)	36,560.0	3,920.6	5,036.7	-1,174.8	-637.6
Govt. Sector Borrowings (Net)	31,062.5	4,100.2	7,339.4	-212.0	-299.7
Credit to Private Sector	9,531.3	208.3	364.2	-300.1	-169.1

P = Provisional

<https://tinyurl.com/bdfssvdx>

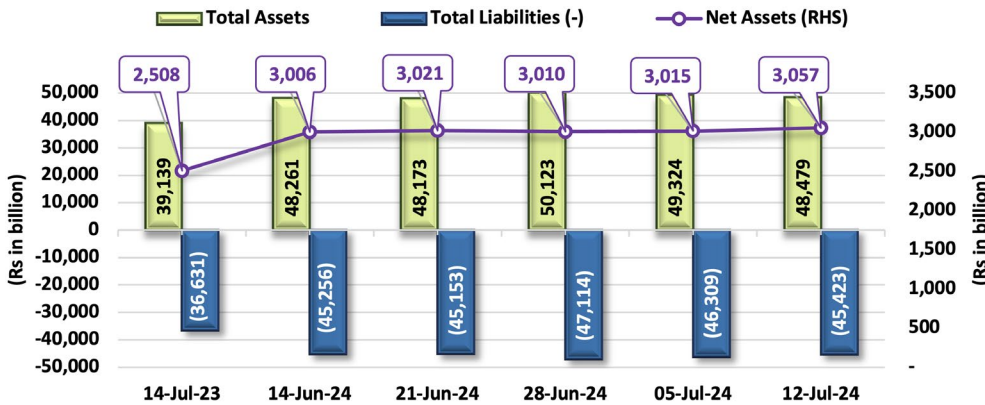
### MTBs Acceptance (Auction+ Non-Competitive Bids)

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



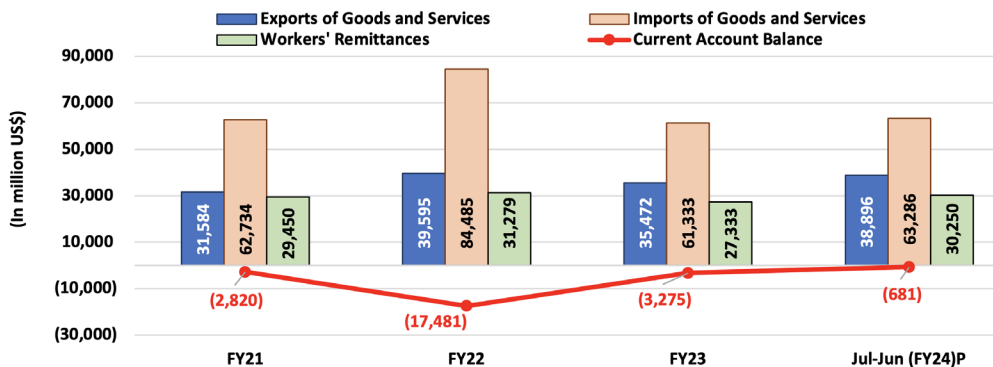
### Total Assets and Liabilities of Scheduled Banks

<https://tinyurl.com/yfex7vn9>



### Major Components of Current Account Balance

<https://shorturl.at/yBH19>



## Markets at a Glance

Rates taken till Friday, July 26, 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	19.87	20.12
Change Ending	19.34	19.59
Change	-0.53	-0.53

[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 359.69	PKR 302.82	PKR 278.13
Change Ending	PKR 358.21	PKR 302.05	PKR 278.34
Change	-1.48	-0.77	+0.21

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

### PAKISTAN STOCK EXCHANGE

	100 Index
Change Starting	80,118
Change Ending	78,030
Change	-2,088

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

### GOLD RATES

	10 GM, 24K
Change Starting	PKR 220,373
Change Ending	PKR 211,564
Change	-8,809

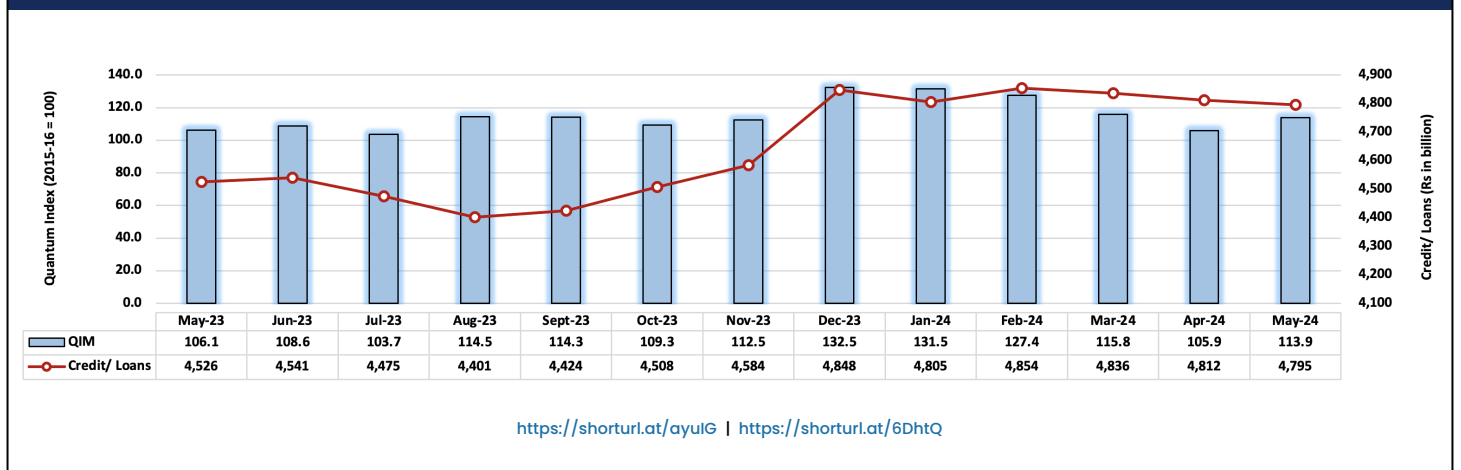
<https://www.forex.pk/bullion-rates.php>

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

Jul-May		% age Growth in 2023-24 over 2022-23	Monthly Indices and Growth				
Index for			Index for			% age Growth	
2023-24	2022-23		May-24	May-23	Apr-24	MOM	YOY
116.48	115.33	0.99	113.90	106.12	105.94	7.52	7.33

<https://www.pbs.gov.pk/content/qjm>

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



<https://shorturl.at/ayuIG> | <https://shorturl.at/6DhtQ>

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, 2021	June 30, 2022	June 30, 2023	July 14, 2023	June 30, 2024 (P)	July 12, 2024
6,909.9	7,572.5	9,148.7	8,980.9	9,153.1	9,270.7

P=Provisional

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

## Central Banks' Gallery

### Bank of Canada



#### Bank of Canada Cuts Policy Rate by 25 basis points

The Bank of Canada on July 24, 2024 reduced its target for the overnight rate to 4.50 percent, with the Bank Rate at 4.75 percent and the deposit rate at 4.50 percent. The Bank is continuing its policy of balance sheet normalization.

The Canadian dollar has been relatively stable and oil prices are around the levels assumed in April's Monetary Policy Report (MPR).

In Canada, economic growth likely picked up to about 1.50 percent through the first half of this year. However, with robust population growth of about 3 percent, the economy's potential output is still growing faster than GDP, which means excess supply has increased. Household spending, including both consumer purchases and housing, has been weak. There are signs of slack in the labor market. The unemployment rate has risen to 6.4 percent, with employment continuing to grow more slowly than the labor force and job seekers taking longer to find work. Wage growth is showing some signs of moderating, but remains elevated.

GDP growth is forecast to increase in the second half of 2024 and through 2025. This reflects stronger exports and a recovery in household spending and business investment as borrowing costs ease. Residential investment is expected to grow robustly. With new government limits on admissions of non-permanent residents, population growth should slow in 2025.

Overall, the Bank forecasts GDP growth of 1.2 percent in 2024, 2.1 percent in 2025, and 2.4 percent in 2026. The strengthening economy will gradually absorb excess supply through 2025 and into 2026.

CPI inflation moderated to 2.7 percent in June after increasing in May. Broad inflationary pressures are easing. The Bank's preferred measures of core inflation have been below 3 percent for several months and the breadth of price increases across components of the CPI is now near its historical norm. Shelter price inflation remains high, driven by rent and mortgage interest costs, and is still the biggest contributor to total inflation. Inflation is also elevated in services that are closely affected by wages, such as restaurants and personal care.

The Bank's preferred measures of core inflation are expected to slow to about 2.50 percent in the second half of 2024 and ease gradually through 2025. The Bank expects CPI inflation to come down below core inflation in the

second half of this year, largely because of base year effects on gasoline prices. As those effects wear off, CPI inflation may edge up again before settling around the 2 percent target next year.

With broad price pressures continuing to ease and inflation expected to move closer to 2 percent, Governing Council decided to reduce the policy interest rate by a further 25 basis points. Ongoing excess supply is lowering inflationary pressures. At the same time, price pressures in some important parts of the economy—notably shelter and some other services—are holding inflation up. Governing Council is carefully assessing these opposing forces on inflation. Monetary policy decisions will be guided by incoming information and our assessment of their implications for the inflation outlook. The Bank remains resolute in its commitment to restoring price stability for Canadians.

<https://shorturl.at/KZG6x>

#### CPI Inflation:

YoY (June 2024)

2.7%

<https://shorturl.at/Gz9UO>

### Central Bank of the Republic of Türkiye



#### MPC Decides to Keep the Policy Rate Unchanged at 50 percent

The Monetary Policy Committee has decided to keep the policy rate (the one-week repo auction rate) constant at 50 percent.

The underlying trend of monthly inflation registered a notable decline in June. Leading indicators suggest that monthly inflation will rise temporarily in July due to adjustments in administered prices and taxes as well as supply-side factors in unprocessed food prices, which are relatively beyond the control of monetary policy. However, the rise in the underlying inflation is expected to be relatively limited. Recent indicators confirm that domestic demand, albeit still at inflationary levels, continues to slow down. In addition to the high level of and the stickiness in services inflation, inflation expectations, geopolitical risks, and food prices keep inflationary pressures alive. The Committee closely monitors the alignment of inflation expectations and pricing behavior with projections.

The effects of monetary tightening on credit conditions and domestic demand are closely monitored. Considering the lagged effects of the monetary tightening, the Committee decided to keep the policy rate unchanged, but reiterated that it remains highly attentive to inflation risks. The tight monetary stance will be maintained until a significant and sustained decline in the underlying trend of monthly inflation is observed, and inflation expectations converge to the projected forecast range. Monetary policy stance will be



tightened in case a significant and persistent deterioration in inflation is foreseen. The decisiveness regarding tight monetary stance will bring down the underlying trend of monthly inflation through moderation in domestic demand, real appreciation in Turkish lira, and improvement in inflation expectations. Consequently, the disinflation process will gain strength.

Based on loan growth and its composition, additional measures were taken for FX loans to support the macro financial stability and the monetary transmission mechanism. In case of unanticipated developments in credit and deposit markets, monetary transmission mechanism will continue to be supported via additional macroprudential measures. Liquidity conditions are assessed with respect to prospective developments and closely monitored. Sterilization will be implemented effectively by also enriching the toolset whenever needed.

Taking into account the lagged effects of monetary tightening, the Committee will make its policy decisions so as to create the monetary and financial conditions necessary to ensure a decline in the underlying trend of inflation and to reach the 5 percent inflation target in the medium term.

Indicators of inflation and underlying trend of inflation will be closely monitored, and the Committee will decisively use all the tools at its disposal in line with its main objective of price stability.

The Committee will make its decisions in a predictable, data-driven and transparent framework.

<https://shorturl.at/Rm1FQ>

#### CPI Inflation:

YoY (June 2024)	71.60%	MoM (June 2024)	1.64%
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<https://shorturl.at/a7rzY>

## Financial Institution's Gallery



### HBL Wins 'Best Bank in Pakistan 2024' Award by Euromoney

Euromoney Awards for Excellence 2024 has awarded HBL the accolades of Pakistan's Best Bank, Pakistan's Best Bank for Corporates and Pakistan's Best Bank for ESG.

These awards are the most prestigious recognition in the banking industry, globally. They are a recognition of HBL's leadership performance and innovative approach reaffirming its dedication to providing superior banking services and sustainable business practices.

The Euromoney citation for HBL acknowledges that "HBL achieved a record profit before tax of \$403 million in 2023, a 47 percent increase compared with 2022."

The citation went on to note that HBL is undergoing a transformation that is "focused around creating synergy between the largest physical network in the country and its advanced digital capabilities to serve its base of over 37 million customers".

The citation mentioned that HBL had improved "its internal environmental, social and governance structure, updating its social and environmental management policy and developing a sustainable environmental management operating procedure."

Euromoney is a global English-language publication focused on business and finance.

<https://shorturl.at/1l2em>

### Bank of Punjab Leads Landmark Rs 75 billion Syndicated Term Finance Facility for Jazz's 4G Network Expansion and Technological Upgrades

The Bank of Punjab (BOP), as the facility agent, investment agent, and mandated lead advisor and arranger, successfully led the largest syndicated term finance facility in the private sector for Jazz, Pakistan's leading digital operator. This landmark Rs 75 billion, 10-year financing arrangement will significantly enhance Jazz's 4G network expansion and technological upgrades, supporting its new ServiceCo model.

"The successful closure of this Rs 75 billion syndicated term finance facility is a testament to the strength of our banking sector, the trust in Jazz's business model, and our collective commitment to driving Pakistan's economic progress", said a social media post.

"The Bank of Punjab (BOP) is proud to have led the largest private sector syndicated finance facility for Jazz, Pakistan's leading digital operator. The delivery of this monumental Rs75 billion transaction was made possible through the collaboration and support of our esteemed partners and Mandated Lead Advisors & Arrangers: MCB Bank Limited, HBL, Meezan Bank Limited, Allied Bank Limited, MCB Islamic Bank, Askari Bank, Bank Alfalah Limited, BankIslami Pakistan Limited, Soneri Bank Limited, and HABIBMETRO Bank."

This significant milestone was celebrated at a signing ceremony in Karachi, attended by Mr Kaan Terzioglu, VEON Group CEO, Mr Aamir Ibrahim, CEO of Jazz, and the Presidents and representatives of the participating banks. <https://shorturl.at/f430y>

## General Economic Horizon

### A. Domestic News

#### US, China, and UAE Top Destinations for Pakistani Exports during FY 2023-24

The United States (US) remained the top export destination of Pakistani products during the fiscal year 2023-24, followed by China and the United Arab Emirates (UAE).

Total exports to the US during July-June 2023-24 were recorded at US 5,432.9 million against the exports of US \$5,932.4 million during July-June 2022-23, showing a decline of 8.4 percent, according to the State Bank of Pakistan (SBP).

This was followed by China, wherein Pakistan exported goods worth US \$2,707.2 million against the exports of US \$2,025.7 million last year, showing an increase of 33.6 percent.

UAE was the third top export destination, where Pakistan exported products worth US \$2,082.2 million during the year under review against the exports of US \$1,475.8 million, SBP data revealed.

Among other countries, Pakistani exports to United Kingdom (UK) stood at US \$2,012.6 million against US \$1,968.4 million last year while the exports to Germany were recorded at US \$1,512.5 million against US \$1,600.4 million last year, data said.

During fiscal year 2023-24, the exports to Holland were recorded at \$1,383.1 million against \$1,445.7 million whereas the exports to Italy stood at \$1,121.8 million against \$1,151.2 million.

Pakistan's exports to Spain were recorded at \$1,449.5 million against the exports of US \$1,375.0 million while the exports to Afghanistan were recorded at \$554.0 million against \$522.3 million last year.

The exports to Bangladesh stood at US \$666.5 million against US \$768.5 million.

Similarly, the exports to France during the year under review were recorded at US \$507.7 million against US \$570.1 million while the exports to Belgium stood at US \$556.163 million against US \$701.013 million.

Pakistan's exports to Saudi Arabia were recorded at US \$710.3 million compared to US \$503.9 million last year whereas the exports to Turkiye stood at US \$335.1 million against US \$323.4 million. <https://shorturl.at/Nm7GW>

#### Pakistan Earns \$2.9 billion from IT Services' Export in 11 Months

Pakistan earned US \$2.9 billion by providing different Information Technology (IT) services to various countries during the first eleven months of the fiscal year 2023-24.

This shows a growth of 23.3 percent as compared with the US \$2.4 billion earned through the provision of services during the corresponding months of the last fiscal year 2022-23, the Pakistan Bureau of Statistics (PBS) reported.

During the months under review, the export of computer services grew by 26.7 percent as it surged from US \$1.9 billion last year to US \$2.4 billion during July-May 2023-24. Among the computer services, the exports of software consultancy services witnessed an increase of 13.6 percent, from US\$ 698.1 million to US\$ 792.6 million whereas the export of hardware consultancy services also surged by 17.1 percent, from US\$ 5.3 million to US\$ 6.1 million during the period under review.

The export of repair and maintenance services however decreased by 46 percent from US \$2.8 million to US \$1.5 million while the export and imports of computer software services surged by 7.6 percent, from \$540.2 million to \$581.1 million.

Meanwhile, the export of information services during the months under review witnessed an increase of 111 percent from US \$4.5 million to US \$9.5 million.

Among the information services, the exports of news agency services surged by 176.3 percent, from US \$2.6 million to US \$7.3 million whereas the exports of other information-related services increased by 17.8 percent, from US \$1.9 million to US \$2.2 million.

The export of telecommunication services increased by 8.29 percent as these went up from US \$457.8 million to US \$495.7 million, the data revealed.

Among the telecommunication services, the export of call centers services increased by 12 percent during the months as its exports increased from US \$212.8 million to US \$238.3 million whereas the export of other telecommunication services witnessed an increase of 5.1 percent, from US \$245 million to US \$257.4 million during the fiscal year 2023-24, the PBS data revealed. <https://shorturl.at/wdxqR>

## B. International News

### \$50 million ADB Grant to Support Climate-Friendly Business Environment in Tajikistan

The Asian Development Bank (ADB) has approved a \$50 million policy-based grant to help the Government of Tajikistan foster a climate-responsive business environment and support small and medium-sized enterprises (SMEs) in the country.

The Enabling Climate-Responsive Business Environment Improvement Program aims to transform Tajikistan's business environment, including through digitalization, reforms to increase exports, improving infrastructure governance, fiscal transparency, and support for climate-friendly SMEs.

"This program underscores ADB's commitment to supporting Tajikistan in its transition to a green economy," said ADB Director General for Central and West Asia Yevgeniy Zhukov. "By promoting climate-responsive investments and improving the overall business environment, we aim to stimulate economic growth, create green jobs, and enhance the country's resilience to climate change."

The program supports reforms that provide climate-friendly SMEs with subsidized financing, prioritizing funds for women entrepreneurs. It advances digitalization and e-commerce through the operationalization of the Agency for Innovation and Digitalization and approval of the E-Commerce program.

The program also supports enhanced public investment management through assessments to recommend improvements and prioritize climate-focused projects. Fiscal transparency is improved by building the Ministry of Finance's capacity to publish government finance statistics. The program promotes international trade and investment by streamlining trade documentation processes and updating regulatory frameworks for issuing local and green bonds.

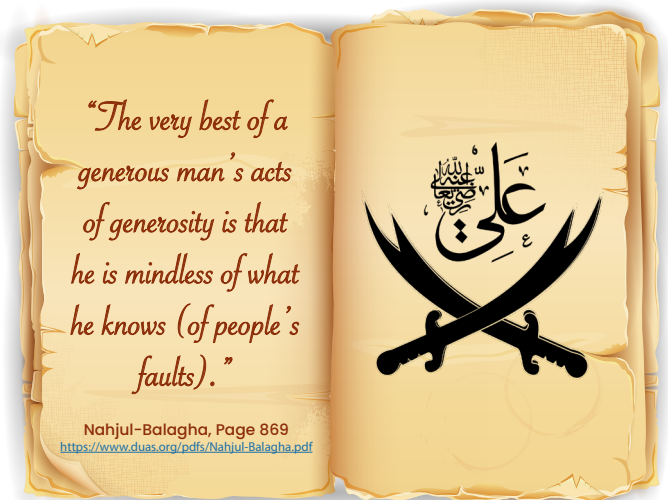
The program supports Tajikistan's National Development Strategy 2030 and the Green Economy Development Strategy 2023–2037. It is also aligned with ADB's country partnership strategy for Tajikistan, 2021–2025, which focuses on creating an inclusive and sustainable environment for economic growth.

A \$500,000 technical assistance grant was also approved to further support the Government of Tajikistan in implementing additional reforms to improve the climate-responsive business environment in the country. This technical assistance will focus on policy, legal, and regulatory reforms, as well as capacity development for various government agencies.

The program has been implemented in close collaboration with development partners, ensuring effective coordination and leveraging combined expertise to achieve its climate-responsive and economic development goals.

Tajikistan joined ADB in 1998. For 26 years, ADB has supported a wide range of sectors from strategic road and energy infrastructure to health, education, agriculture, urban development, public sector management and finance for a total of over \$2.6 billion in assistance—including over \$2 billion in grants.

<https://shorturl.at/Juabs>



## HR TIPS

### How to Foster Psychological Safety that Lasts

Psychological safety is critical for new hires because it enables learning behaviors such as asking a question or seeking help. New research finds that while people typically experience high levels of psychological safety when they start a new job, that feeling tends to erode quickly—and it is hard to get it back once it does. How can you cultivate and reinforce a climate favorable to learning on your team?

**Respond appreciatively when a new hire raises—or causes—an issue.** When responding to their questions, ideas, or mistakes, show curiosity, support, and gratitude for their effort. This positive reinforcement will ensure that their psychological safety does not dwindle, but rather deepens as they get acclimated to the job.

**Establish the need for interpersonal risk-taking to do a good job at work.** For example, framing work as complex and uncertain clarifies the expectation that things will go wrong, and the sooner someone notices and speaks up about it, the better off everyone is.

**Ask questions and listen attentively.** This demonstrates appreciation for ambiguity, nuance, and uncertainty and fosters a culture of openness and learning.

(This tip is adapted from Research: *New Hires' Psychological Safety Erodes Quickly*, by Derrick P. Bransby et al. – HBR.)

## Build a Team Culture of Speaking Up—and Listening

Speaking up at work is crucial for fostering innovation, inclusion, and high performance. Here is how to ensure your team is a safe community where everyone feels that their voice is heard and their contributions are valued.

**Frame conversations as learning opportunities.** Before team meetings and discussions, highlight how learning contributes to your team's effectiveness, and emphasize the importance of hearing everyone's voice. At the end of meetings, reserve a few minutes to assess the quality of the conversation and create space for final thoughts.

**Notice critical moments.** Pay attention to feelings of tension or frustration that might emerge when someone speaks up; these are cues to reflect and inquire. This reflection fuels improvement.

**Implement process tools.** Create systems to solicit reflections and feedback from your team—and to share your own. You might also introduce pauses in meetings to discuss interactions that require more attention. This practice, known as meta-awareness, keeps teams alert to real-time dynamics and helps people feel comfortable speaking up.

**Focus on long-term learning.** Make sure your team is not concerned solely with short-term targets. Shift their focus to long-term development by asking questions encouraging reflection on leadership and team growth. Recognize and reward team members who reflect openly—and share your own speaking and listening experiences to set a positive example.

(This tip is adapted from *When a Team Member Speaks Up—and It Doesn't Go Well*, by Megan Reitz and Amy C. Edmondson – HBR.)

## SNIPS

### Global Economic Growth

The IMF continues to forecast world economic growth at 3.2 percent for this year but raises its forecast for next year to 3.3 percent from 3.2 percent.

## Weave Micro-Mindfulness Practices into Your Workday

Practicing mindfulness can be an effective way to handle pressure and overwhelm at work, and it does not need to be a huge commitment—you can build small moments of mindfulness into your daily routine. Here are three simple yet powerful micro-mindfulness techniques that can seamlessly integrate into your busy work schedule.

**Take three deep breaths.** When you are feeling stressed or simply have a few moments between meetings, stop and take three slow, conscious breaths. Inhale deeply, feeling your stomach expand, hold for a brief moment, then exhale slowly and completely. If you can, repeat this pattern a few times.

**Check in with your senses.** Take a 30-second break to ground yourself in the present moment. Focus your attention on what you can perceive through your senses. Notice what you see and hear around you, and the feeling of your chair or desk.

**Do a full body scan.** Do a rapid top-to-bottom scan of your body to identify areas of tension. Observe whether you feel tightness in your shoulders, jaw, or other areas—then consciously try to relax them.

**Take a 'mindful minute.'** Pause whatever you are doing, close your eyes if possible, and turn your attention to your breath for 60 seconds. Notice the natural rise and fall of your chest and the sensation of air flowing through your nostrils. If your mind gets carried away by thoughts, gently guide it back to the breath.

**Go for a meditative walk.** Step away from your desk and move around. Rather than scrolling through your phone or mentally rehearsing what you shall say in your next meeting, focus on being present and experiencing the sensations of your body in motion.

**Pause for gratitude.** Take 30 seconds to focus on something you are grateful for. This could be a meaningful aspect of your work, a supportive colleague, a positive experience, or a simple comfort like the warmth of your coffee.

**Grab a bite—and really savor it.** Resist the urge to multitask during meals. Even if you can only spare a few minutes for lunch, unplug during that time and focus on enjoying your food.

(This tip is adapted from *7 Ways to Weave Mindfulness into Your Workday*, by Michael D. Watkins – HBR.)