Economic Outlook for Pakistan—With or Without the IMF

20 Networking Events

Karachi Lahore Islamabad

Article: Should Pakistan keep a sub 100 REER? We think Yes.

20 Society Governance Updates

Induction of the New Board Change in Election Process Launch of the Islamabad Chapter

21 Article: Dire Need of Promoting a Savings Culture in Pakistan

Seminars, Workshops and Panel Discussions

Seminar on IFRS 9- Karachi Seminar on IFRS9- Lahore Panel Discussion on Fintech Training on Business Intelligence & Data Analytics

Article: IFRS 9

Knowledge-based Speaker Sessions


27 Economic Outlook for Pakistan—With or Without the IMF

16 University Outreach
Dear Colleagues,

We take pride in affirming that the CFA Qualification is increasingly recognized and encouraged in the local Financial Industry as a sophisticated professional qualification. The benchmark of Gold Standard in Investment Profession that CFA Qualification is globally associated with is not only an outcome of technical prowess but also because of the leadership that strives for highest ethical and professional standards of practice. Our objective is to position ourselves closest to this global perception in the local market. On behalf of the new Board, I invite all members to come forward and share their ideas and work with us towards accomplishing our objective.

We managed to organize several events during a short period of 8 months, in line with this objective and aimed at delivering value to our members in the best way possible. We were honored to have Member of CFA Institute Board of Governors, Mr. Geoffrey Ng visit Karachi and Islamabad in December 2018. During his visit, Mr. Geoffrey Ng along with the Board Members of CFA Society Pakistan met several industry leaders in Karachi, conducted sessions on professional standards with regulators and associations in Karachi and Islamabad both, and attended the Charter Award Ceremony to award the Charter to over 80 Charterholders in Pakistan.

A unique panel discussion on Fintech was organized to keep members up to date with the changing dimensions in the sector of banking, insurance, payments and financial services since the inception of Fintech and the impact it is likely to have on the future of Finance in our country. A session on IFRS-9 was also arranged to give an analytical insight into the implications on the Financial Sector.

Given the unstable economic environment in the country, we brought two renowned speakers/economists, Mr. Saqib Sherani and Dr. Waqar Masood to talk about the current economic situation and the future outlook. The 11th Local CFA Institute Research Challenge was conducted in the presence of a Panel of Senior Industry Professionals as Judges and participation from 13 universities from across Pakistan. A Networking session with the Corp Commander 5 was organized to provide members with interesting and engaging insights on Security and Defense Policies in context of economic stability and direction.

We successfully launched the Live Members Directory on the CFA Society Pakistan website which features profiles of our members in Pakistan that aims to increase the visibility of their profiles to potential employers. A record number of institutions signed up for our Corporate Training Program which is aimed at increasing employment prospects for young Charterholders and CFA Candidates.

I am pleased to congratulate our members in Islamabad on the successful launch of the Islamabad Chapter in May 2019. The current board recognizes the need for development of the Lahore and Islamabad Chapters and would like to reiterate our commitment towards these newly created Chapters. Lahore Chapter is already working with the Board on several initiatives that we are hopeful will soon materialize.

A lot more exciting activities and learning opportunities are on the way! We are working on areas pertaining to members’ professional development and society outreach and hope to get more engagement from our fellow members in the upcoming year.

Lastly, it is indeed an honor for me to lead the prestigious Society with some very senior colleagues and younger Board Members, all committed to deliver value to the Society. I appreciate the efforts of the outgoing Board, under the leadership of Ashraf Bava, CFA, that made a lot of progress and we hope to continue to excel in future.
Dear Members,

It is a pleasure to present to you our annual newsletter yet once again for a year full of positive developments. It is heartening to see growing member participation in CFA Society Pakistan’s activities. As a result, many volunteers came on the Board of Directors last year in fairly competitive elections, with two of the seven elected directors being women. With elections due next year, let us hope for a greater gender balance on the Board!

On this note, I would like to update you on our initiatives on gender diversity, which is an endeavour fully supported by CFA Institute. In fact, you will be pleased to hear that Ms. Margaret Franklin, CFA, will be joining CFA Institute as the new President and CEO of CFA Institute on September 2, 2019. Along with her strong professional credentials, Ms. Franklin is a founding member of the CFA Institute Women in Investment Management Initiative so we expect to see many good initiatives in this area!

We instituted ‘Recognizing Gender Diversity at Workplace’ Awards two years ago as part of our hallmark Annual Excellence Awards which traditionally had focussed on conventional achievements in corporate performance. Through these Award we acknowledge the efforts being made by companies in creating an enabling and inclusive workplace for women. The Awards put Pakistan on the global map as the Award Winner, CEO of Unilever, Ms. Shazia Syed was invited as a Speaker at the CFA Institute Women in Investment Management Conference 2018 and her exclusive interview with CFA Institute was also aired online. It definitely makes us proud to project local leaders on global forums particularly in areas in which we lag behind and suffer from poor perception.

We encourage you to advise your women colleagues and acquaintances to apply for the Women Scholarships for CFA Program which the CFA Institute offers each year exclusively under this initiative. I would also urge you to convince your respective organizations to participate actively in the Awards as we plan to develop further activities for participating institutions with a view to exchange notes and best practices on what works best for different kinds of institutions. The request letters have already been sent to your organizations.

A truly ambitious project that we are undertaking this year is replicating CFA Institute’s Young Women in Investment Management in Pakistan. This project has been done only in India so far. It is a socially driven project with the aim of increasing inclusiveness of young women with challenging backgrounds in the financial industry so that they have a greater chance of success and lift their profile. It is an ambitious project which involves free of cost intensive short duration training on soft and hard skills, subsequent placements in relevant organizations for internships, creating a mentor program and overall supporting their take-off in the financial sector. We will be approaching universities, employers, trainers / professors as project partners shortly. Please support us in this endeavor which will truly make a difference to our society by uplifting as many households as our targeted protégés!

We have taken another unique initiative this year. We are conducting a series of video interviews to highlight some prominent personalities and their legacies in Pakistan. While the country is going through a tough time, we feel that it is a timely effort to highlight people with unique ideas and setups which have survived the trials of time, communicate their message to our youth, build stronger contacts with industry from forum of CFA Society Pakistan as well as highlight our shining stars on a global forum through our association with CFA Institute.

The update on the CFA Institute Asia Pacific Research Exchange (ARX) is encouraging. In our recent global meeting, a representative aptly termed the effort as truly Asia – i.e. an effort we should own as a region and work to position it at par with any other global forum or research landscape which is currently dominated by the western world. If you work in research or have colleagues, family and friends who do – spread the word to contribute their work as well as gain information from www.arx.cfa.

Please remain connected with CFA Society Pakistan, notch up your participation, and let us know your views and suggestions.
CFA Society Pakistan's signature event, the prestigious Annual Excellence Awards were held on 29th August, 2018 at Global Marquee, Karachi. Through these awards, CFA Society Pakistan recognizes the outstanding players in the financial market including organizations and individuals. This year the event was attended by over 400 professionals from the financial industry.

The Society was honored to have Dr. Ishrat Husain, Advisor to the Prime Minister on Institutional Reforms and Austerity, grace the event as the Chief Guest and Guest Speaker. He spoke about his book "Governing the Ungovernable" and shared valuable insights on Pakistan's Economy. It was an added bonus to have him autograph the book for the enthusiastic participants on the venue!

It was exciting to host Mr. Nick Pollard, Managing Director, Asia Pacific - CFA Institute, who especially flew in to attend the flagship event. It was Nick's second visit to Pakistan after the Pakistan Investment Conference in 2017 and he whole heartedly appreciated the good work and the good company!

Mr. Thomas Ma, CFA, Director Government and Regulator Relations, Asia Pacific – CFA Institute also attended the event.
## Banking Awards

<table>
<thead>
<tr>
<th>Award</th>
<th>Winner</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment Ideas Award</td>
<td>Adnan Sami Shaikh</td>
</tr>
<tr>
<td>Best Bank of the Year 2017 – Large Size Banks</td>
<td>MCB Bank Limited</td>
</tr>
<tr>
<td>Best Bank of the Year 2017 – Mid Size Banks</td>
<td>Bank Al Habib Limited</td>
</tr>
<tr>
<td>Best Bank of the Year 2017 – Small Size Banks</td>
<td>Industrial and Commercial Bank of China (ICBC)</td>
</tr>
<tr>
<td>Best Islamic Bank of the Year 2017</td>
<td>Meezan Bank Limited</td>
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<tr>
<td>Best Islamic Window of the Year 2017</td>
<td>Habib Bank Limited Islamic Window</td>
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## Corporate Finance Awards

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<tr>
<th>Award</th>
<th>Winner</th>
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<tbody>
<tr>
<td>Corporate Finance Transaction of the Year 2017</td>
<td>Dasu Hydropower Project by Habib Bank Limited</td>
</tr>
<tr>
<td>Best Corporate Finance House of the Year (Fixed Income) 2017 – Winner</td>
<td>United Bank Limited</td>
</tr>
<tr>
<td>Best Corporate Finance House of the Year (Fixed Income) 2017 – Runner Up</td>
<td>Habib Bank Limited</td>
</tr>
<tr>
<td>Best Corporate Finance House of the Year (Equity &amp; Advisory) - Banks 2017 – Winner</td>
<td>Bank Alfalah Limited</td>
</tr>
<tr>
<td>Best Corporate Finance House of the Year (Equity &amp; Advisory) - Banks 2017 – Runner up</td>
<td>United Bank Limited</td>
</tr>
<tr>
<td>Best Corporate Finance House of the Year (Equity &amp; Advisory) - Security Firms 2017 - Winner</td>
<td>Arif Habib Limited</td>
</tr>
<tr>
<td>Best Corporate Finance House of the Year (Equity &amp; Advisory) - Security Firms 2017 – Runner Up</td>
<td>AKD Securities Limited</td>
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## Investor Relations Award

<table>
<thead>
<tr>
<th>Award</th>
<th>Winner</th>
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<tbody>
<tr>
<td>Best Investor Relations – Listed Companies 2017 – Winner</td>
<td>Bank Alfalah Limited</td>
</tr>
<tr>
<td>Best Investor Relations – Listed Companies 2017 – Runner Up</td>
<td>Engro Fertilizers Limited</td>
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### Gender Diversity at Workplace Award

<table>
<thead>
<tr>
<th>AWARD</th>
<th>WINNER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Recognizing Gender Diversity at Workplace Award 2017</td>
<td>Unilever Pakistan Limited</td>
</tr>
<tr>
<td>Recognizing Gender Diversity Award – Special Recognition: Local Industry 2017</td>
<td>National Foods Limited</td>
</tr>
<tr>
<td>Recognizing Gender Diversity Award – Special Recognition: Local Banks 2017</td>
<td>Habib Bank Limited</td>
</tr>
<tr>
<td>Recognizing Gender Diversity Award – Special Recognition: Non-Bank Financial Institutions</td>
<td>Alfalah GHP Investment Management Limited</td>
</tr>
</tbody>
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### Brokerage Awards

<table>
<thead>
<tr>
<th>AWARD</th>
<th>WINNER</th>
</tr>
</thead>
<tbody>
<tr>
<td>Best Equity Brokerage House of the year 2017 – Winner</td>
<td>BMA Capital Management Limited</td>
</tr>
<tr>
<td>Best Equity Brokerage House of the year 2017 – Runner Up</td>
<td>JS Global Capital Limited</td>
</tr>
<tr>
<td>Best Equity Trader of the year 2017 – Winner</td>
<td>Arhum Ghous Kalsekar (JS Global Capital Limited)</td>
</tr>
<tr>
<td>Best Equity Trader of the year 2017 – Runner Up</td>
<td>Furqan Punjani (Alfalah Securities (Pvt.) Limited)</td>
</tr>
<tr>
<td>Best Equity Analyst 2017 - Winner</td>
<td>Hamad Aslam, CFA (Elixir Securities Pakistan (Pvt.) Limited)</td>
</tr>
<tr>
<td>Best Equity Analyst 2017 - Winner</td>
<td>Tahir Abbas (Arif Habib Limited)</td>
</tr>
<tr>
<td>Best Equity Analyst 2017 – Runner Up</td>
<td>Saad Hashmey (Topline Securities (Pvt.) Limited)</td>
</tr>
<tr>
<td>Best Economic Research House 2017 - Winner</td>
<td>Topline Securities (Pvt.) Limited</td>
</tr>
<tr>
<td>Best Economic Research House 2017 – Runner Up</td>
<td>Intermarket Securities Limited</td>
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The event qualified for 1 CE hour for CFA Society Pakistan members.
The annual Charter Award Ceremony by CFA Society Pakistan was held on 18th December, 2018 at Pearl Continental Hotel, Karachi. It is always a pleasure to welcome the new charterholders and celebrate their accomplishment, their immense hardwork and effort, which is required to clear all the three levels of the CFA Exams and meet the 4 years’ relevant work experience requirement to become a Charterholder. This year 98 new Charterholders were presented the Charter at the ceremony.

Mr. Geoffrey Ng, Member, Board of Governors, CFA Institute and Mr. Inayat Hussain, CFA, Executive Director, Banking Supervision Group, State Bank of Pakistan graced the event as Chief Guests and welcomed the new Charterholders to the CFA Family.
The CFA Institute Research Challenge is a renowned, global competition organized by the CFA Institute on an annual basis. Each Research Challenge season leverages the efforts of over 140 CFA member societies and each society holds a local competition in their own country and the local winner moves on to the regional final.

This year, the subject company of the Local Final organized by CFA Society Pakistan was Honda Atlas Cars (Pakistan) Limited (HCAR).

The Research Challenge is in itself a very challenging exercise which cannot be done except with keen enthusiasm and investment of time from the various people involved including the subject company which provides information, the mentors who guide their teams through the whole process, the graders who evaluate the reports, the judges who grill the teams to prepare them for the Regional Challenge as well as the Project Head, Raza Jafri, CFA this year, who has to coordinate with all these groups along with the university teams to ensure smooth process.
Kick-Off Meeting and Company Presentation

Kick Off Meeting: The local competition began with a kick-off meeting held on 7th November, 2018 at Institute of Business Administration (IBA), Karachi, where the University Relations Chair, Mr. Raza Jafri and Co-chair, Mr. Sateesh Balani explained the rules of the competition to the participating students, faculty advisers and industry mentors. They also gave detailed guidance on how to go about writing the equity report.

Company Presentation: Later a Company Presentation session was held on 17th November, 2018 at Avari Towers Hotel where the CFO of Honda Atlas Cars (Pakistan) Limited, Mr. Ahmad Umair Wajid gave a brief orientation and introduction of the company to the students. The session was followed by a detailed question and answer session. Teams from cities other than Karachi were connect virtually via video conferencing.

Local Final

Out of a total of 13 participating teams from all over Pakistan, the following four universities qualified for the Local Final.

- Institute of Business Administration
- Institute of Business Management
- Karachi School of Business and Leadership
- Lahore Institute of Management Science

The Local Final of CFA Institute Research Challenge was held on 1st February, 2019 at Avari Towers Hotel, Karachi. KSBL (Karachi School of Business and Leadership) was pronounced the Winner of the competition by our esteemed judges and Team B of Institute of Business Administration was the Runner up. KSBL has won the competition for the 3rd time this year. Many congrats to them and a challenge for other business schools!

KSBL moved to the Asia-Pacific Regional Finals to be held in Sydney, Australia in March 2019. In an unfortunate turn of events, the students could not get visa for Australia despite our maximum support. The CFASP team organized their live e-participation from Pakistan at 1 am which was the best time CFA Institute could offer due to the time difference. While the team could not put their best foot forward due to the circumstances, their spirit was incredible and highly appreciated globally.

Our Panel of esteemed judges included the following:

- Farid Ahmed Khan, CFA, CEO, HBL Asset Management Limited
- Maheen Rahman CEO, Alfalah GHP Investment Management
- Jafar Khan, CFA, Deputy Head of MENA/GCC Region, Internal Equities, Abu Dhabi Investment Authority
- Murad Ansari, Head of Asia Frontier Research, EFG Hermes

Mr. Shahid Nasim, Executive Director, Supervision Department, SECP graced the event as the Chief Guest and Mr. Ahmad Umair Wajid, CFO, HCAR was the Guest of Honor.

The event qualified for 2 CE hour for CFA Society members.
The Corporate Training Program initiative by CFA Society Pakistan is one of its kind amongst all 150 societies of the CFA Institute. Through this program CFA Society Pakistan in collaboration with top employers of Pakistan launched a trainee program for CFA Program Candidates.

Under this Program, employers recruit, select and train from CFA Candidates from all over Pakistan facilitated by CFA Society Pakistan. The training program at each company will typically last for 12 months to 24 months depending on the requirement of the company and the term and conditions vary with each Company. The CFA Candidates get a golden opportunity of working in the best corporates in Pakistan while it is also possible that some bright minds are picked up by the same companies for permanent employment.

The first Corporate Training Program was launched in Unilever Pakistan Limited in September 2018. It was a huge success that invited more than 400 applications. The success generated much interest in the industry and Unilever was followed by Al-Meezan Investment Management Limited, MCB-Arif Habib Savings and Investments Limited, UBL Fund Managers, NBP Fund Management Limited, Alfalah GHP Investment Management Limited, Engro Foods (Friesland Campina), Engro Fertilizers and TPL Corp Ltd. We hope to have more companies collaborate with us for the same program in near future.

The Corporate Training Program was highly appreciated by the CFA Institute and an article about the program was published in Connexions, an in-house Magazine published monthly by the CFA Institute.

CFA Society Pakistan launched the Online Member Directory in March 2019. The entire process of member directory was extremely rigorous that required collecting academic and professional information of CFA Society members through an online form which was later transferred in standardized template to create individual profile of each member. These have been collectively published as a directory on the Society website.

The purpose of Member Directory is to increase visibility of the profiles of CFA Society Pakistan members to potential employers. Updates will be made on the member directory bi-annually. Members can request change in information or add their profile if not there already.

A total of 30 jobs from the industry were posted on the Jobline page of Society website this year.
A one-on-one talk with
DIRECTOR GENERAL, DEBT POLICY, FINANCE MINISTRY, GOVERNMENT OF PAKISTAN

PROFILE

1. Briefly tell us about your professional career

I began my career as a civil servant in 1995. I served the Federal Board of Revenue for almost ten years as Assistant Commissioner and Deputy Commissioner of Income Tax. In 2006, I resigned from civil service and worked in the investment management industry until 2015. I worked for three different fund management entities – including NBP Fund Management Limited, UBL Fund Management Limited and Punjab Pension Fund – in various roles including financial analyst, fund manager, head of research, head of investments and chief investment officer. From 2015 till March 2019, I served Government of Punjab in Finance Department in various roles including technical consultant, debt management specialist and head of tax reforms unit.

2. Tell us briefly about your new role and how you feel CFA Qualification is likely to make you more effective in your role?

CFA qualification has been the major contributor to my professional and career development. In my new role, I will rely heavily on the knowledge and skills acquired through the CFA program. The new role focuses on developing and implementing a debt management strategy that focuses on sustainability and transparency of national debt.

3. You have the experience of working both in public and private institutions. Public Sector has unique challenges due to significant structural and procedural differences. How has your experience been and how do you plan to deliver the expectations amid the limitations and challenges for this job?

Both public and private sectors have their own advantages and disadvantages. Having worked in both sectors has made me realize the importance of cultural factors and behavioral issues in work life. It has taught me the importance of attitudes such as patience, communication, empathy and adaptability. My plan is to improve debt sustainability through diversification at all levels including introduction of new products and broadening of investor base. This will provide more borrowing options to the government and more lending options to the investors, and will, hopefully, result in better outcomes for both parties.

• Mr. Abdul Rehman Warraich, CFA, FRM, has an overall experience of more than 23 years including Debt Management (Government of Pakistan as well as Government of Punjab), Taxation Reforms (Government of the Punjab), Financial Consulting (Oxford Policy Management), Investment Management and Research (NBP Fullerton Asset Management Limited, Punjab Pension Fund, UBL Fund Managers Limited), Risk Management (Government of the Punjab), Civil Service (Federal Board of Revenue) and Teaching.

• Currently working as Director General, Debt Policy and Coordination Office in Finance Ministry, Government of Pakistan.

INTERVIEW
4. Economy is passing through a very challenging phase and you have been given one of the most critical tasks of managing the debt profile. What are major challenges and what would your first priority areas of focus be?

Major challenges include an improved external borrowing program through a combination of concessional development loans and regular issuance of Eurobonds in international markets while reducing reliance on short-term bank loans; and to extend maturity profile of domestic debt without excessively increasing the borrowing cost.

5. What strategy do you have in mind to meet the challenge of huge fiscal deficit financing with limited room for borrowing from Central Bank?

The strategy consists mainly of introducing new borrowing instruments and enabling a variety of investors to invest directly or efficiently in such instruments. Close coordination with the fiscal management team will of course be crucial in this regard.

6. Reportedly, IMF has remained concerned on the short-term profile of public debt. What are your views on it?

IMF is concerned about short-term profile of domestic debt. The concern is fair, but the maturity profile needs to be extended without an exorbitant increase in long-term borrowing costs of the government. This requires introduction of new instruments such as floating-rate bonds and a carefully implemented strategy of greater issuance of long-term instruments over the interest rate cycle.

7. Floating Rate Bonds are a relatively unique phenomena with respect to Public Debt. What are your views on this instrument and how do you think this instrument can be utilized by the government?

It is a useful instrument not only for the government but also for the investors who are averse to investing in medium-to long-term fixed rate instruments. It is expected to, on one hand, provide more flexibility to the government in choosing among its borrowing options and, on the other hand, enable investors having a preference for floating-rate instruments to invest in line with their risk appetites and investment objectives.

8. Efforts have long been made without much success to increase awareness and participation of wider participation in public debt instruments. How do you think the government can increase its effectiveness in this regard?

Direct investment in government securities by individuals, both residents and non-residents, needs to be made easier and the taxation anomalies, e.g. an investor purchasing a security from secondary market – and holding it until maturity – ends up paying the entire withholding tax, need to be remove. Non-banking financial institutions, e.g. mutual funds and insurance companies, have an important role to play by educating and enabling the investors to invest indirectly but more efficiently in government securities. Corporates, and their regulators, also need to set higher performance standards for the employee funds in order to incentivize efficient investment strategies.

9. Fiscal and Debt limitation act envisages a gradual reduction in Debt to GDP ratio in medium term to long term. What would be a sustainable Debt Level and do you think targets defined in the Act are achievable?

Sustainable debt level is a dynamic variable which depends on the expected trajectory of real interest rates, real growth rates, exchange rate movements and primary fiscal balances. With sufficient discipline in its fiscal management and by undertaking pro-growth economic reforms, the government can achieve these targets.

10. Along with Public Debt, there is a huge contingent debt along with sovereign guarantees and public retirement schemes with huge potential funding gaps. Debt office is likely to have little control over their size and direction. What would be your plans in this regard?

Debt office intends to play a more proactive role in management of contingent liabilities. It will propose adoption of broader definitions of debt which include such liabilities to the extent these are underfunded. It will also make efforts to enhance the accountability of public sector enterprises benefitting from such guarantees.

11. What message do you want to share with CFA Candidates and members of CFA Society Pakistan?

CFA designation is already making its mark in both public and private sectors. Professionals holding this designation are in high demand. This puts a huge responsibility on our shoulders. We need to adhere to high standards of professional competence and ethics in order to uphold and enhance the credibility of this designation.
To Apply:
Visit www.cfainstitute.org/en/programs/cfa/scholarships
Mock Exam

KARACHI AND LAHORE
NOVEMBER 10, 2018 & MAY 4, 2019

As part of past practice, CFA Society Pakistan conducted Mock Exams by Kaplan Schweser for CFA Level I candidates appearing in the December session on 10th November, 2018 and for candidates of all Levels of CFA appearing in the June 2019 session on 4th May, 2019 at the Avari Towers Hotel in Karachi and at ICMAP in Lahore.

Mock exam is the best way to enable candidates to assess their knowledge and practice for the future exam. CFA Society Pakistan’s mission has always been to enhance learning for its candidates and has been successfully conducting CFA Mock Exams in collaboration with Kaplan Schweser since May 2011.

Volunteers at this year’s mock exam included Muhammad Zeeshan, CFA, Sana Abdullah, CFA, Ali Iqbal, CFA and Mansoor Sheikh, CFA from Karachi and Umer Mehmood Khalid, CFA, Nadeem Sheikh, CFA, Muhammad Hassan, CFA, Masooma Zahid, CFA, Hamza Ghalib, CFA, Ali Haider Hamdani, CFA and Faizan Arif Sufi, CFA from Lahore.

Scholarships

Every year, CFA Society Pakistan’s Board of Directors and Volunteers assess thousands of applications in a month, through an online system of CFA Institute to allot Access scholarships to candidates in Pakistan for the next year’s CFA exam.

Access scholarship is the need-based scholarship given to the less affording but deserving candidates in Pakistan aspiring to pursue the CFA Program. This year 247 Access Scholarships were allocated to candidates in Pakistan.
Let's Measure Up!

Brand Campaign 2018

CFA Society Pakistan went all digital with its Brand Campaign during July to September 2018 which revolves around Building Trust in the Industry, Creating Jobs and Better World for Investing.

Let's Measure Up creatives with attention seeking taglines were posted on Facebook, LinkedIn and Twitter pages of the Society. Ads of the same campaign were placed on popular websites like Business Recorder, Tribune, Forbes, Hamari Web, Pak Biz, The Nation, and Google network to reach the target audience that included potential employers of CFA Charterholders.

Apart from the digital campaign, print ads were also given in Aurora, Synergyzer and Herald Magazine.
Speaker Session: Pakistan’s Capital/Equity Market: Inefficiencies and Biases

INSTITUTE OF BUSINESS ADMINISTRATION – IBA
FEBRUARY 6, 2019

Mr. Raza Jafri, CFA, Board Member of CFA Society Pakistan, was invited as a guest speaker by the Institute of Business Administration (IBA) for the benefit of their finance students.

Financial Modelling and Research Competition

INSTITUTE OF BUSINESS MANAGEMENT – IOBM
OCTOBER 27, 2018

CFA Society Pakistan collaborated with Institute of Business Management Finance Society and Shajar Capital at the inaugural session of Financial Modeling Competition 2018 on October 27, 2018. Mr. Sateesh Balani, CFA, Board Member of CFA Society Pakistan and Head of Research at HBL Asset Management Limited was the Speaker at the Inaugural Ceremony while Society President and other board members were also invited to the final round of the competition held on December 1, 2018.

Students presented investment case of respective companies. Society president, Muhammad Asim, CFA, CIO, MCB-Arif Habib Savings and Investments was one of the three judges in the competition while one of the board members, Ms. Rukhsana Narejo, CFA, Head of Treasury, Sindh Bank Ltd was a panelist for evaluation of financial models.

Asia-Pacific Research Exchange

AUGUST, 2018

Mr. Thomas Ma, CFA, Director Government and Regulator Relations, Asia Pacific – CFA Institute, along with Board Members of CFA Society Pakistan visited IOBM (Institute of Business Management) and IBA (Institute of Business Administration) in Karachi and LSE (Lahore School of Economics) and LUMS (Lahore University of Management Sciences) in Lahore during the last week of August 2018 to give a presentation on CFA Institute, CFA Program and the ARX portal i.e. the Asia Pacific Research Exchange. The sessions were quite fruitful and all universities were convinced with the idea of bringing the ARX portal to use.
Pakistan's Current Account Deficit (CAD) is estimated to fall between 4.0-4.5% in FY19, a substantial improvement from a peak of 6.1% in FY18. The performance becomes even more impressive if we consider that the CAD averaged 2.9% of GDP during 3QFY19, against 5.1% of GDP during 1H FY19.

Drivers behind the reduction in CAD; falling imports and rising remittances

The reduction in CAD during the last few months has almost entirely been driven by a reduction in imports and an increase in remittances whereas exports are still struggling despite currency devaluation. After growing by 3.4% in 1QFY19, imports fell by 0.8% YoY in 2QFY19 and a sharp 16.6% YoY in 3QFY19. On the flip side, exports slowed from a growth of 4.2% YoY in 1QFY19 to a decline of 3.0% YoY in 2QFY19 and subsequently worsened even further to a decline of 4.6% YoY in 3QFY19. Exports growth averaged 13% YoY in FY18. CAD has further received support from increase in worker remittances, which rose 3.5% YoY during 9MFY19.

Decline in exports is concerning; but what are the reasons?

The performance on exports front is a cause of concern and reiterates the economic thought that while imports may decline almost immediately after a devaluation in currency, exports growth may come with a significant lag. In fact, exports may even fall in the short term as exporters tend to pass on a significant share of the currency benefit to their buyers. While the exporting country becomes more competitive in terms of pricing, the increase in volumes is conditional upon availability of surplus capacity. This phenomenon is evident when we look at the volumetric export growth figures available with Pakistan Bureau of Statistics. While headline textile exports remained flatterish during 9MFY19, volumetric growth across major textile categories ranged between a low of 10% YoY for bedwear to a high of 28% YoY for garments.
REER can help us estimate the fair or equilibrium value of PKR...

Pakistan has a cross elasticity of 0.1 between its Current Account Deficit (CAD) and PKR devaluation. This means that for every 10% devaluation in PKR, CAD should come down by 1.0% of GDP. While 3QFY19 CAD at 2.9% is still high and not sustainable, the current CAD reading may not yet be reflecting the full impact of recent devaluation, at least with respect to exports. In this backdrop, it may be useful to resort to techniques for evaluating the fair value of Pakistan's currency. One commonly used method is evaluating a currency's Real Effective Exchange Rate or REER. A currency is considered as fairly valued if its REER is at 100. Pakistan's REER stood at 103.3 in Feb-19 and during the same month PKR/USD was at 138.7, which means that PKR @ 138.7 was overvalued by 3.3% in Feb-19. REER is affected by the difference in inflation between a country and its trading partners, measured by Relative Price Index or RPI, which has averaged 5.9% during the last 3 months. Assuming the same RPI between Mar-19 to Jun-19, equilibrium exchange rate at a REER of 100 would likely be at PKR 146 /dollar by Jun-19.

...but a currency can settle below its equilibrium indicated by REER

REER at 100 is not a guaranteed solution for addressing a country’s external account woes. There is a strong argument that Pakistan may require a sub 100 REER in the medium term, to give impetus to export growth. In the recent past, barring FY17-18, Pakistan's exports as a % of GDP have risen only in times of a sub 100 REER. Hence, IMF may push Pakistan to maintain a sub 100 REER until the time that structural issues affecting exports are addressed. REER for a large number of our exports' buyers and competitors is below 100. This could render a sub 100 REER as a necessity for making Pakistan's export competitive. A REER of 95 would mean a PKR/USD parity at 153.3 by Jun-19.

In addition, a sub 100 REER may also help in keeping aggregate demand in check in the medium term and prevent a consumption led growth in imports, especially considering Pakistan's demographics, which amplify its population's tendency to spend and weaken its tendency to save. The country has one of the highest age dependency ratios in the region, which is due to a young population base with a median age of 24 years, lowest in the region. As a result, savings as a percentage of GDP remain one of the lowest in the region, and consumption, as a percentage of GDP remains very high. This means that a growth revival in the medium term can put substantial strains on the current account. A sub 100 REER would push up imported inflation and keep aggregate demand, GDP growth and associated pressures on CAD in check.
Karachi

A networking dinner was arranged at the Movenpick Hotel in Karachi on 23rd April, 2019 for members and Charterholders. Lieutenant General Humayun Aziz, Hilal-e-Imtiaz Military, Commander 5 Corps graced the event as our special guest for the evening.

Lahore

A networking dinner was organized at Cocoo’s Den in Lahore on 25th November, 2018. Ms. Reseena Abdullah, Manager, Society Relations, CFA Institute and Ms. Karyn McLean, CFA, Head of Marketing and Communications, APAC - CFA Institute, were also present at the event along with members of CFA Society Pakistan. Certificates were presented to members who attended the Data Analytics Training organized by Northern Chapter of CFA Society Pakistan in September 2018.

Islamabad

A networking lunch was held at Tuscany Courtyard in Islamabad on 17th December, 2018. Mr. Geoffrey Ng, Member, Board of Governors, CFA Institute was also present at the lunch along with a few members of CFA Society Pakistan.

Induction of the New Board

The elections of CFA Society Pakistan were held in August 2018. The new board of CFA Society Pakistan took charge on October 1, 2018. The details of the Board members, their respective chairs and contact details can be found on the website and at the end of the newsletter.

Change in Election Process

CFA Society Pakistan has always sought active advice and guidance from senior members. After lengthy consultations, some changes were recommended for the Board election process which we believe are critical to take the Society forward. The Board term was reduced with view of bringing in fresh ideas and interest. At the same time, condition of prior volunteer experience has been introduced as in order to function effectively as a Board member, certain degree of seniority and knowledge of how the Society works is necessary.

These were approved in the Annual General Meeting after following due process:

1. Board Term shall be for two years instead of three years
2. Five years Membership and some Volunteer Experience shall be necessary for Board Election Candidates

Launch of the Islamabad Chapter

The Board of CFA Society Pakistan is pleased to announce the launch of our new Islamabad Chapter in May 2019. First networking event of the newly launched Chapter of CFA Society Pakistan was arranged on 22nd May, 2019 at the Monal, Islamabad.

Mr. Usman Hayat, CFA, CEO of Audit Oversight Board Pakistan who is also a member of CFA Society Pakistan has volunteered to lead the Islamabad Chapter.
The most popular analogy of economic growth is that consumption is the fuel of the engine that drives economic growth. The Keynes's theory asserts that aggregate demand, measured as the sum of spending by businesses, households, and government, is the most important driving force in an economy. While it's true that consumption spurs economic growth, it's nevertheless the "Sustainable Consumption/Spending" that results in sustainable growth. It is imperative to save and invest to produce Capital goods which are important not only for job creation but also creating those consumable goods.

Case in point is of Pakistani economy. The consumption has been continuously fuelled by Households and Government spending as witnessed from the fact that our Consumption to GDP ratio went from 84.0% in year 2000 to an unprecedented level of 94.5% in 2018. This implies we are left with little money to invest in capital goods, which are primarily responsible to produce the goods which we consume. With the scarcity of supply side capacity, we are forced to import those goods, and imports are not a sustainable option since we have to rely on foreign capital to fund those imports. Indeed, we have been extensively using foreign savings to fund our consumption and investments. During the last 4 years Pakistan's net external debt increased by USD 30 billion as ample global liquidity along with borrowing from friendly countries have piled up our external debt to a record high. This phenomenon is unsustainable since global liquidity is fickle and our friendly allies cannot continuously fund us until we improve our capacity to repay. Thus, we cannot afford to be dependent on foreign inflows and there is a dire need to inculcate a culture of domestic savings.

A Wiseman once said, "A Penny saved is penny earned". With one of the worst Savings to GDP ratio, we have been ignoring this wise saying. Why savings lie at the heart of the economy and how do they affect economic growth? The answer lies in the fact that investment ("I"), an essential driver of national income highly depends on savings available in the economy. What happens in reality is that entities in need of capital access available savings from households or other companies through financial intermediaries (banks or capital markets). If there is a dearth of savings in the economy, then eventually the economy will struggle to meet its financing needs, which in turn will lead to suboptimal economic growth, insufficient job creation and inferior living standards. Empirical evidence shows that countries with higher Savings-to-GDP ratio have recorded exceptional economic growth compared to countries with lower Savings-to-GDP ratio. The table on the next page provides a comparison of economic growth of regional countries with their level of Savings-to-GDP ratio.

Saving can be defined as portion of the income which is not deemed necessary to be spent on current consumption. Generally, three segments accumulate together to provide savings in an economy; households, corporate entities and government. Households save to cover for their future expenses (to provide for children's education or to protect themselves against..."
any rainy days), while corporations save or retain their earnings to finance for their future investment needs. Government saves when its tax revenues exceed its current expenditures, hence, it has money left to spend on the building of new roads, bridges, hospitals, schools, etc. The former two entities are also called private savers, whilst government is included in the category of public saver. Collectively, savings from these three entities form the domestic savings of the economy. Finally, national savings can be arrived by incorporating the impact of net income from abroad to domestic savings.

The low level of savings could be blamed on high fiscal deficits, low levels of disposable income, aggressive marketing of consumption products instead of saving products and below par understanding of availability of saving avenues. While the first issue would settle with time, financial institutions could play their part in dealing with proceeding metrics. Banks have focused on promoting credit cards rather than saving deposits. Similarly, people with bank deposits have little knowledge that a money market fund offers much better return besides having characteristics similar to a normal bank account. Wealth which isn’t needed for any short term requirement could be invested in an equity fund for lucrative returns. Sustainable level of savings and consumption patterns need to be encouraged to solve the revolving economic constraints Pakistan faces. The mutual funds can, to a great extent provide competitive risk-adjusted returns and purchasing power protection to the masses. However, there is a strong need to increase awareness of these products (through advertisements, seminars etc) in order to increase its retail penetration as majority of the population is not cognizant of mutual fund and its advantages.

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<tr>
<th>Country</th>
<th>As a % of GDP</th>
<th>Economic Growth (%)</th>
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<tbody>
<tr>
<td></td>
<td>Domestic</td>
<td>Investments</td>
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<tr>
<td></td>
<td>Savings</td>
<td></td>
</tr>
<tr>
<td>China</td>
<td>49.3</td>
<td>46.0</td>
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<tr>
<td>India</td>
<td>31.8</td>
<td>35.9</td>
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<tr>
<td>Bangladesh</td>
<td>21.9</td>
<td>28.0</td>
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<tr>
<td>Vietnam</td>
<td>26.6</td>
<td>30.1</td>
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<tr>
<td>Philippines</td>
<td>16.1</td>
<td>20.6</td>
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</tbody>
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* The data is average for the last 10 years till 2017
Seminar on IFRS 9 - Karachi

CRYSTAL BALL, MARRIOTT HOTEL
FEBRUARY 11, 2019

The Seminar on IFRS 9 was held in Karachi on February 11, 2019 in collaboration with Financial Markets Association of Pakistan (FMAP). Mr. Arslan Khalid, Partner, Assurance & Financial Accounting Advisory Services, EY Ford Rhodes was the key speaker at the event. He explained IFRS 9, the New Accounting model for Financial Instruments to the audience through a detailed presentation.

IFRS 9 is considered one of the most impactful accounting changes on the horizon particularly for Financial Institutions and most importantly for the Banking Sector.

Later, an engaging panel discussion on IFRS 9 was moderated by Mr. Imtiaz Gadar, CFA, DGM – Head of Capital Markets, Bank Alfalah Limited. The event was followed by hi-tea.

Panelists of the discussion included the following Banking Industry Leaders and Finance Professionals:

- Risha A. Mohyeddin, Global Treasurer, Habib Bank Limited (HBL)
- Syed Tariq Hassan, CFA, Senior Executive Vice President/Chief Risk Officer, Meezan Bank Limited
- Abdul Wahid Sethi, CFO, National Bank of Pakistan
- Syed Irfan Ali, Executive Director, Banking Policy and Regulations Group, State Bank of Pakistan
- Arslan Khalid, Senior Partner, Assurance & Financial Accounting Advisory Services, EY Ford Rhodes

This seminar qualified for 2 CE hours for CFA Society members.

Seminar on IFRS 9 - Lahore

INSTITUTE OF CHARTERED ACCOUNTANTS OF PAKISTAN (ICAP)
FEBRUARY 12, 2019

The same Seminar was held in Lahore in collaboration with The Institute of Chartered Accountants of Pakistan (ICAP) on 12th February, 2019 at ICAP. Mr. Arslan Khaid was again the key speaker and his presentation was followed by a panel discussion, moderated by Mr. Shahzad Saleem, CFA, COO, PACRA. The event was followed by dinner.

Panelists of the discussion included the following:

- Zubair Sohail, Deputy Director, State Bank of Pakistan
- Arslan Muhammad Iqbal, CRO, Bank of Punjab
- Muhammad Farhanullah Khan, CFO, Allied Bank Limited
- Arslan Khalid, Senior Partner, EY Ford Rhodes

This seminar qualified for 2 CE hours for CFA Society members.
Panel Discussion on Fintech
MARQUEE, PEARL CONTINENTAL HOTEL
KARACHI
DECEMBER 18, 2018

The debate around Fintech has been raging in the Pakistani Industry for about half a decade, if not more. CFA Society Pakistan is the first among the Pakistani industry to take an initiative to spread awareness regarding Fintech. Mr. Larry Cao, Director Content, CFA Institute-APAC, was invited in November 2017 to give a talk on Fintech as the Future State of Investment Profession and this year ‘The Panel discussion on Fintech’ was organized alongside the Charter Awards Ceremony. Fintech Report on Asia Markets by Mr. Larry Cao was also distributed among new Charterholders.

CFA Society Pakistan is the first one to bring together Fintech Evangelists and Industry Leaders from Banking, Payments, Miro finance and Key Strategic Partners to engage in a debate on the state and direction of FinTech in Pakistan. The high-profile panel comprised of the following finance professionals:

Panelists
- Omer Salimullah, Head of Open Banking, JS Bank
- Faisal Khan, CEO, Faisal Khan & Co, Payments
- Shahid Mustafa, CEO, Telenor Bank
- Atyab Tahir, GM, Digital Innovation and Transformation, HBL
- Faizan Siddiqi, MD, Interlink Multi Media (IMM)
- Zeshan Nawaz, Secretary, Fintech Working Group, SECP

Moderators
- Jawwad Farid, CEO, Alchemy Technologies
- Ali Farid Khawaja, CEO, Oxford Frontier Capital/ MD, KASB Securities

The event qualified for 5 CE hours for CFA Society members.

Training on Business Intelligence and Data Analytics

CAMPUS COWORKING SPACE, LAHORE
SEPTEMBER 1 AND 2, 2018

A two-day training on Business Intelligence and Data Analytics was organized by the Northern Chapter of CFA Society Pakistan for members of the Society. The Trainer was Senior Data Analyst in Bank Alfalah’s SME Unit and an expert in the subject. Around 15 members of the Society attended the training. The workshop qualified for 2 CE hours for CFA Society Pakistan Members.
IFRS 9

Raza Jafri, CFA
Board Member, CFA Society Pakistan
Executive Director, Research & Business Development, Intermarket Securities Ltd (IMS)

“Pakistani banks are currently in the midst of assessing the impact of IFRS 9 implementation on their loan portfolios and capitals. Some banks with overseas operations have seen a partial impact come through already...”

IFRS 9 has replaced IAS 39 as the global accounting standard for the recognition and measurement of financial instruments. In Pakistan, the SECP has deferred the applicability of IFRS 9 until the reporting period on or after June 30, 2019. For banks, applicability may not occur until 2020, at the earliest.

Conversion to IFRS 9 will be the most important accounting change in many years. Banks and diversified financials will understandably be more impacted, but any firm that owns financial instruments (e.g. government securities, private TFCs, equities etc.) will also be affected.

There are diverse implications of IFRS 9. For simplicity, this article only contends itself with the impact on banks, in particular the recognition of nonperforming loans / provisions.

Currently, Pakistani banks follow a time based criteria for NPL recognition and provisions. In general, depending on the time that has elapsed since a loan becomes nonperforming, banks have to provide 25%, 50% or 100% provisioning against it. This inherently makes the accounting treatment a backward looking one, with banks typically waiting for a loan to become nonperforming before providing for it (incurred loss model).

IFRS 9 seeks to be more forward looking by introducing a probability-based expected loss model. Some provisions, based on the 12 month expected credit loss, are required on the day a new loan is extended. If the risk associated with that loan increases (e.g. if macroeconomic conditions deteriorate or there is a change in repayment behavior), then banks have to recognize additional provisions based on the expected lifetime credit loss. In doing so, banks do not have to wait until the loan actually becomes nonperforming before providing for it. IFRS 9 is effectively an expected loss model.

Pakistani banks are currently in the midst of assessing the impact of IFRS 9 implementation on their loan portfolios and capitals. Some banks with overseas operations have seen a partial impact come through already, but it has not been very large (0.1%-0.2% of assets). The migration to IFRS 9 in Pakistan will likely entail an initial one-off impact, which is likely to be allowed to be taken straight into the balance sheet, and possibly also staggered over a number of years if the impact is material enough. For some banks with high discretionary general provisions, the impact may be minimal. On a recurring basis however, IFRS 9 may smoothen the cost of risk through the cycle, while also leading to safer banks. Since loans will now be extended mindful of the expected loss basis, weaker quality loans may no longer make the cut. As such, IFRS 9 may embed a better risk culture in banks.

For the equity analyst, assessing and valuing banks may get a little more complicated after IFRS 9 is implemented. Some impacts, for example gains/losses on equity investments, are likely to be routed to other Comprehensive Income, which is largely ignored by analysts at present. In general however, IFRS 9 is simply a means to an end, and a bank with a superior asset quality track record will likely continue to display a lower cost of risk, regardless of accounting standards in place at the back end.

This article borrows heavily from the presentation delivered by Mr. Arslan Khalid (Partner – Ernst & Young) in connection with the seminar on IFRS 9 arranged by the CFA Society Pakistan on 11th February, 2019.

This article borrows heavily from the presentation delivered by Mr. Arslan Khalid (Partner – Ernst & Young) in connection with the seminar on IFRS 9 arranged by the CFA Society Pakistan on 11th February, 2019.
CFA Society Pakistan collaborated with Alfalah Securities to provide its members a unique opportunity to listen to Mr. Christopher Wood, a globally renowned strategist, talk about the Asian and Pakistani Capital Markets. Mr. Christopher Wood is currently Chief strategist at CLSA (Credit Lyonnais Securities Asia), Asia’s leading Capital Markets & Investment Group and China's largest Investment Bank and Securities Firm.

Later on at an Investment Conference in Delhi, India, Mr. Wood surprised everyone by saying that within Asia, Pakistan stock market is his favorite. Despite the economy of Pakistan being in dire strait, and the government desperately looking for a bailout, the stock market is surprisingly holding up.

The event was followed by Hi-tea at Movenpick hotel where participants got an opportunity to freely interact with Mr. Wood.

The session qualified for 1 CE hour for CFA Society members.

Presentation on Asia-Pacific Research

Presenter: Thomas Ma, CFA
Director Government and Regulator Relations, APAC – CFA Institute
August 30, 2018
Dilkushan Banquet, Pearl Continental Hotel, Karachi

Mr. Thomas Ma, CFA, Director Government and Regulator Relations, Asia Pacific – CFA Institute, joined the CFA Society Pakistan in Karachi on 30th August, 2018 to give a presentation on ARX portal i.e. the Asia Pacific Research Exchange, sponsored by the CFA Institute. ARX aims to be the central hub for all investment management related research pertaining to the APAC region.

The presentation was followed by a networking lunch and discussion on the current situation of Investment Management Industry. The session was attended by professionals engaged in Research side of Invest Management. Non-member Research professionals were also invited.

Presentation on Malaysian Capital Markets

Speaker: Mr. Geoffrey Ng, CFA
Member, Board of Governors, CFA Institute
December 17, 2018
Islamabad and Karachi

Mr. Geoffrey Ng, CFA, Member, Board of Governors, CFA Institute gave a detailed presentation on Malaysian Capital Markets at SECP (Securities and Exchange Commission of Pakistan), Islamabad on 17th December, 2018 and at MUFAP (Mutual Funds Association of Pakistan), Karachi on 18th December, 2018. Mr. Geoffrey is an Asset Manager based in Malaysia with extensive exposure to the Capital Markets. He was visiting Pakistan to attend the Charter Awards Ceremony as a guest speaker and agreed to give presentation on the Malaysian Capital Markets to a smaller audience of members in Islamabad and Karachi.

Each presentation session qualified for 1 CE hour for CFA Society Pakistan members.
Economic Policy and Direction

Speaker: Dr. Waqar Masood
Ex-Secretary, Finance Division, Govt. of Pakistan
April 12, 2019
Governors Hall, Marriott Hotel, Karachi

A speaker session on economic Policy and Direction was arranged by the CFA Society Pakistan for its members on 12th April, 2019 at Governors Hall, Marriott Hotel, Karachi.

The speaker of the session, Dr. Waqar Masood, being part of economic management and policy making of the country in past, shared his insights on the Economic Policy of Pakistan and the future outlook. He is also a PhD in Economics and has several publications to his credit.

The event qualified for 1 CE hour for CFA Society Pakistan members.

CONGRATULATIONS, MOHAMMAD SHOAIB, CFA!

Board Member of CFA Society Pakistan, Mohammad Shoaib, CFA made us all proud by winning the Volunteer of the Year: Lifetime Achievement Award at the 2019 Global CFA Society Leadership Conference held in London, England by the CFA Institute.

Mohammad Shoaib, CFA is the founder of CFA Society Pakistan and has been volunteering for the Society devotedly since its inception in 2002. CFA Society Pakistan highly appreciates his contribution and is proud of his services to the member body.

TALK BY SAKIB SHERANI ON

"ECONOMIC OUTLOOK FOR PAKISTAN – With or Without IMF Program"

Speaker: Sakib Sherani
Ex-Member, Economic Advisory Council, Pakistan
February 22, 2019
Governor Hall, Marriott Hotel, Karachi

Moderator: Mohammad Shoaib, CFA
Director, CFA Society Pakistan

Around 180 professionals including investment managers, business leaders, bankers, analysts, and brokers attended the event and also participated in live polling before and after the session.

Our esteemed sponsors included:

- Platinum Sponsor: Al Meezan Investment Management Limited
- Gold Sponsors: MCB – Arif Habib Savings and Investment Limited and NBP Fund Management Limited
- Silver Sponsors: UBL Fund Managers Limited, Al-falah GHP Investment Management Limited, and HBL Asset Management Limited

The event qualified for 1.5 CE hour for CFA Society Members.
ECONOMIC OUTLOOK FOR PAKISTAN- WITH OR WITHOUT IMF PROGRAM

Event started with a live poll on following three key questions pertaining to economic outlook:

1. What will be GDP growth rate of Pakistan in FY20?
2. What will be the Policy rate on 1st July 2019?
3. Given the external financing we have received and which is committed from Saudi Arabia, UAE and China, should Pakistan go for IMF program this year?

Following the poll, Mr. Sakib Sherani provided detailed insights on Pakistan's economy with focus on past performance, IMF program's relevance and future outlook. He initiated the talk and mentioned that since he has been involved in Government meetings on IMF program and other economic planning, "he shall engage in a broad, non-specific discussion on the exchange rate as well as IMF conditions". He explained that Pakistan's economy has faced different peaks and troughs within short periods and highlighted that we have experienced at least 12 episodes of Balance of Payment (BOP) stress since 1988.

Mr. Sherani presented comparison of country's exports with regional peers where Pakistan stands lowest with exports to GDP of mere 9% against peer average of ~20%. He mentioned that our imports have outpaced exports over the recent past, aggravating BOP stress in a tough global environment with challenges such as US-China trade war, emerging markets' currency crisis and volatility in international oil prices.

During the session, he compared recent policy steps with regional countries and mentioned that adjustments on monetary and exchange rate were "up to mark" against common myth that Government had "overdone". Mr. Sherani explained the IMF program philosophy that it demands front loaded & fast-track pricing (energy, exchange rate) and fiscal adjustments which makes it difficult for any government to move ahead with the program without negotiations. He concluded his presentation and informed that it is his underlying assumption that IMF program will be in place within FY19 and it will be marked by last leg of macroeconomic adjustments.

Following the presentation, live polling was repeated with same three questions. It was interesting to note that results were different this time (presented in graphs).

Second round of polling was followed by a Q&A session with focus on issues like circular debt, political landscape and documentation of economy were further discussed in detail.
Muhammad Asim, CFA  
President, CFA Society Pakistan  
Chief Investment Officer, MCB Arif Habib Savings and Investment Limited

Mohammad Shoaib, CFA  
GIPS & Standards and Advocacy Chair, CFA Society Pakistan  
CEO, Al Meezan Investment Management Limited

Muhammad Zeeshan, CFA  
Treasurer and Member Relations & Volunteer Management Chair, CFA Society Pakistan  
Senior Manager, Treasury & Capital Markets Group, Bank Alfalah Limited

Rukhsana Narejo, CFA  
General Secretary and Career Services & Employer Outreach Chair, CFA Society Pakistan  
Head of Treasury Department, Sindh Bank Limited

Sadaf Shabbir, CFA  
Vice President and Communications & Technology Chair, CFA Society Pakistan  
Head, Structured Finance, Awwal Modaraba

Sateesh Balani, CFA  
Director, CFA Society Pakistan  
Head of Research, HBL Asset Management Limited

Syed Raza Jafri, CFA  
University Relations Chair, CFA Society Pakistan  
Executive Director, Research & Business Development, Intermarket Securities Ltd
C O - O P T E D  B O A R D  D I R E C T O R S

Dr. Inayat Hussain, CFA
Co-opted Director
Executive Director, Banking
Supervision Group, SBP

Asif Iqbal Qureshi, CFA
Co-opted Director
General Manager Billing, SNGPL

N O R T H E R N  C H A P T E R  L E A D E R S H I P

Shahzad Saleem, CFA
Chairman, CFA Society
Pakistan - Northern
Chapter
Chief Operating Officer, PACRA

Samiya Mukhtar, CFA
Member, CFA Society
Pakistan - Northern
Chapter
Corporate Governance
Specialist, Govt. of Punjab

Umer M. Khalid, CFA
Member, CFA Society Pakistan
- Northern Chapter
Relationship Manager - Vice
President, Meezan Bank
Limited

Sh. Umar Saeed - FCCA, CFA
Member, CFA Society Pakistan - Northern
Chapter
Corporate Governance
Specialist, Govt. of Punjab

I S L A M A B A D  C H A P T E R  L E A D E R S H I P

Usman Hayat, CFA
Chairman, CFA Society Pakistan - Islamabad Chapter
CEO, Audit Oversight Board
(Pakistan)

Huraiina Asif
Associate Executive Director,
CFA Society Pakistan

S O C I E T Y  O F F I C E
CONTRIBUTE
JOIN
PARTICIPATE

Please send feedback or interesting articles, industry comments, book reviews, humor, lighter reading, personal experiences etc. to be covered in the Newsletter.

Connect with CFA Society Pakistan member group on Linkedin, Facebook and Twitter.

Increase your visibility by being a speaker at our events, a contributor to our newsletter and by attending events and networking sessions of the society.

VOLUNTEER

We welcome member participation which makes the society more vibrant, dynamic and relevant to today's professional environment. The Society offers an unparallel platform to the members in terms of networking, profiling, keeping abreast of latest developments as well as giving back to the profession.

To understand more and assist any of the chairs, you can reach out to the board members directly.

Designated by: Saadia Humayn
Contact: saadiahumayun09@gmail.com
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