Morning News 04-Feb-2025

MCB FUNDS
Investments for Life

- **Meeting IMF condition: Sindh PA passes agri income tax bill | BR:** The Sindh Assembly on Monday unanimously adopted a landmark agriculture taxation law
- **NA panel told: $20bn World Bank pledge under CPF depends on project readiness | BR:** The World Bank's pledge of $20 billion for Pakistan under the Country Partnership Framework (CPF) would depend on project readiness
- **Private sector investment in new aircraft: IMF agrees to 18pc GST removal if PIA privatized | BR:** International Monetary Fund (IMF) agreed that if Pakistan International Airline (PIA) is privatised, 18 percent GST could be removed to encourage private sector investment in new aircrafts, a Standing Committee on Privatisation was apprised in a meeting held under the chairmanship of Muhammad Farooq Sattar here on Monday
- **Pakistan, SFD sign $1.61b agreements to boost economic cooperation | Tribune:** Prime Minister Shehbaz Sharif and the Chief Executive Officer of Saudi Fund for Development (SFD), Sultan Abdulrahman Al-Marshad, witnessed the signing of two significant agreements between Pakistan and SFD, valued at $1.61 billion
- **Saudi oil: accord signed to defer $1.2bn payment | BR:** In a significant move to bolster economic relations amid Pakistan's economic challenges, Pakistan and Saudi Arabia on Monday inked two agreements totaling $1.61 billion
- **Jul-Jan exports up 9.98pc to $19.551bn YoY | BR:** The country's exports increased by 9.98 percent during the first seven months (July-January) of current fiscal year 2024-25 and stood at $19.551 billion compared to $17.777 billion during the same period of last fiscal year (2023-24)
- **Jan CPI inflation clocks in at 2.4pc YoY | BR:** The Consumer Price Index (CPI)-based inflation clocked in at 2.4 per cent on a year-on-year basis in January 2025 as compared to 4.1 per cent in the previous month and 28.3 per cent in January 2024, says Pakistan Bureau of Statistics (PBS)
- **Govt plans to issue domestic debt worth Rs6.83tr in three months | The News:** The government intends to borrow Rs6.825 trillion via Treasury bills and bonds from the domestic debt market between February and April to meet its budgetary needs
- **Rate cut fallout: Foreign investment in T-Bills takes a hit | BR:** Foreign investment in market treasury bills has sharply declined, with foreign investors withdrawing $149 million so far in January 2025
- **Exports to US surge to $3bn in H1FY25 | The News:** Pakistan's exports to the United States surged to nearly $3 billion in the first six months of the current fiscal year, reflecting strong growth of 12 per cent, according to official data released by the Trade Development Authority of Pakistan (TDAP). The country exported $2.5 billion worth of goods to the US during July-December 2022-23, which increased to $2.9 billion in the corresponding period of 2023-24
- **ECC approves key policy interventions in EFS | BR:** The Economic Coordination Committee (ECC) of the Cabinet approved introduction of necessary policy interventions in the Export Facilitation Scheme (EFS) 2021, including reduction in input utilisation period as well as withdrawal of EFS facility from importers of iron, envisaging to plugging revenue leakages
- **Gwadar Port, GFZA: FBR allows duty, tax-free import of vehicles | BR:** The Federal Board of Revenue (FBR) has allowed duties and taxes-free import of vehicles by concession holders and their operating companies for construction, development and operations of Gwadar Port and Gwadar Free Zone Area
- **Senate panel says FTAs with China, Sri Lanka are 'disasters' | BR:** Senate Standing Committee on Commerce has labelled the Free Trade Agreement (FTAs) with China and Sri Lanka "disasters" for the country as they were negotiated by those with little knowledge of such pacts
- **Cement dispatches slightly increase in January | The News:** Domestic cement intake showed signs of recovery in January 2025 after several sluggish months, with local deliveries rising to 3.313 million tonnes compared to 2.967 million tonnes in January 2024, reflecting an 11.64 per cent year-on-year increase
- **Services for RPPC takeover: PD seeks exemption from PPRA Rules | BR:** The Power Division has sought exemption from PPRA Rules for procurement of various services required by the NPPMCL for taking over of Rousch Power Plant Complex (RPPC)
- **Security deposits, user-paid infrastructure: APTMA urges Nepra to make audit report public | BR:** All Pakistan Textile Mills Association (Aptma) has urged National Electric Power Regulatory Authority (Nepra) to make public the audit report on security deposits, consumer-funded infrastructure and their utilization, in the interest of transparency before any revision of security deposit rates

Market Indices

	3-Feb-25	31-Jan-25	DoD Δ
KSE 100	112,745	114,256	-1.3%
KSE 30	35,360	35,870	-1.4%
KMI 30	168,959	171,979	-1.8%
KSE All Shares	69,856	70,604	-1.1%

Volume (mn Shares)

	3-Feb-25	FYTD (Average)
KSE 100	165.9	281.9
KSE 30	84.8	113.0
KMI 30	104.6	118.7
KSE All Shares	399.5	680.3

Commodity Rates

	3-Feb-25	DoD Δ	FYTD Δ
Crude Oil-Brent (USD/BBL)	76.0	-1.0%	-12.1%
Crude Oil-Arab Light (USD/BBL)	78.5	-3.9%	-10.8%
Coal (USD/Ton)	102.8	1.5%	-3.5%
Copper (USD/Ton)	8,978.6	0.6%	-5.0%
Cotton (¢/Lbs)	77.3	0.0%	-8.7%
Gold (USD/Ounce)	2,815.2	0.6%	21.0%
RLNG (USD/MMBTU)	15.3	0.0%	43.6%

Currency (Interbank)

	3-Feb-25	DoD Δ	FYTD Δ
US Dollar	279.0	0.0%	0.3%
Euro	288.6	-0.1%	-3.2%
Chinese Yuan	38.5	0.0%	0.2%
Japanese Yen	1.8	0.1%	3.9%
Saudi Riyal	74.4	0.1%	0.2%

Fund Flows (USD mn)

	3-Feb-25	FYTD Δ
FOREIGN INDIVIDUAL	0.00	-2.60
FOREIGN CORPORATES	-1.88	-208.69
OVERSEAS PAKISTANI	0.31	7.80
FIPI NET	**-1.56**	**-203.48**

Economic Data (USD mn)

	FY25E	FY24	FY23
GDP Growth	2.8%	2.5%	-0.2%
	Dec-24	**Nov-24**	
Exports	2,919	2,833	
Imports	5,394	4,500	
Remittances	3,079	2,915	
Foreign Exchange Reserves	11,732	12,038	

Money Market Data

	Current	Previous	Jun-24
SBP Policy Rate	12.00	13.00	20.50
	Jan-25	**Dec-24**	**Jun-24**
CPI Inflation	2.40	4.10	12.60
	3-Feb-25	**31-Jan-25**	**28-Jun-24**
3 Month T-Bill	11.75	11.75	19.97
6 Month T-Bill	11.63	11.66	19.91
12 Month T-Bill	11.46	11.47	18.68
3 Year Government Bond	11.67	11.66	16.50
5 Year Government Bond	12.24	12.24	15.37
10 Year Government Bond	12.12	12.16	14.09
3 Month KIBOR	11.84	11.83	20.24
6 Month KIBOR	11.73	11.72	20.14

Data Sources : Reuters, PSX, NCCPL, PBS, SBP

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