# Morning News 02-Sep-2026

- **US launches new barrage of strikes on Iran around Strait of Hormuz | BR:** The US launched new air strikes on Iranian targets on Tuesday, quashing hopes that an exchange of fire last weekend might not lead to a wider renewal of hostilities.
- **Oil prices jump over USD4 a barrel | BR:** Oil prices jumped more than USD 4 a barrel on Tuesday, settling at a five-week high, as traders feared more supply disruptions from the Middle East due to renewed fighting between the US and Iran.
- **August CPI-based inflation clocks in at 11.1pc YoY | BR:** The Consumer Price Index (CPI)-based inflation in August 2026 clocked in at 11.1 percent on a year-on-year (YoY) basis, compared to 9.2 percent in the previous month and 3.1 percent in August 2025, according to the Pakistan Bureau of Statistics (PBS).
- **Prohibition on sales from EPZs to domestic market: Govt fails to convince IMF to withdraw condition | BR:** The government has failed to convince the International Monetary Fund (IMF) to withdraw its condition of prohibiting sales from Export Processing Zones (EPZs) to the domestic market, with the issue is set to be taken up again during the Fund's next review later this month, as Pakistan has committed under the Extended Fund Facility (EFF) arrangement to meet the condition by September 2026.
- **USD benchmark dual-tranche Eurobond: MoF initiates process | BR:** The Ministry of Finance has initiated the process for a US dollar-denominated benchmark dual-tranche Eurobond, targeting long five-year and 10-year maturities, subject to market conditions, marking Pakistan's renewed return to international capital markets.
- **OGDC turns to US firm to boost oil output | Tribune:** Oil and Gas Development Company Limited (OGDC) has signed a contract with Baker Hughes, a US energy technology company, to deploy Mature Assets Solutions aimed at revitalising ageing oil and gas wells and increasing Pakistan's indigenous hydrocarbon production, a statement said on Tuesday.
- **Refining margins surge to $28.8/barrel in August | The News:** Gross refining margins (GRMs) averaged $28.8 per barrel in August 2026, marking a sharp improvement from $5.4 per barrel recorded in the same month last year, according to industry data.
- **Govt raises petrol price by Rs1.08, high-speed diesel by Rs0.51 | Dawn:** The government on Tuesday raised the price of petrol by Rs1.08 per litre and that of high-speed diesel (HSD) by Rs0.51 per litre. Following the revision, petrol will retail at Rs343.87 per litre while HSD will cost Rs370.92 per litre. The government continues to levy Rs114 per litre in taxes and duties on petrol and Rs100 per litre on diesel.
- **Ahsan reviews progress on implementation of CPEC Action Plan for 2025–29 | BR:** Federal Minister for Planning, Development & Special Initiatives Ahsan Iqbal has said that CPEC Phase-I brought around USD 25 billion in Chinese investment, added nearly 8,000 megawatts to electricity generation capacity, and helped Pakistan overcome the energy crisis and strengthen energy security.
- **Ahsan Iqbal proposes 15 new provinces | Tribune:** Planning Minister Ahsan Iqbal on Tuesday called for a fundamental restructuring of Pakistan's governance system, saying the country must either create 15 more provinces or establish 160 fully empowered district governments to address its deteriorating social indicators.
- **Refineries to ink plant upgrade deals in 45 days | Tribune:** The federal cabinet has sidelined the Oil and Gas Regulatory Authority (Ogra) in $6 billion worth of plant upgrade projects of oil refineries and has decided, under an amended policy, that the refineries will sign agreements with the Ministry of Energy (Petroleum Division) within 45 days instead of 60 days.
- **NEPRA orders K-Electric to end load-shedding | Tribune:** The National Electric Power Regulatory Authority (Nepra) has ordered K-Electric to immediately stop unannounced, unscheduled and excessive load shedding in Karachi and banned the utility from cutting power to entire feeders on the basis of aggregate technical and commercial (AT&C) losses, saying the practice unlawfully penalises paying consumers.
- **Average recovery projected: Fitch assigns 'B-' rating to USD bond, MTN programme | BR:** Fitch Ratings has assigned Pakistan's proposed US dollar bond and Medium-Term Note (MTN) programme a 'B-' rating with a Recovery Rating of 'RR4', citing average recovery prospects in the event of a sovereign default.
- **Engro to sell EPCL stake to Lotte Chemical | The News:** Engro Corporation Limited, a wholly owned subsidiary of Engro Holdings Limited, has entered into a share purchase agreement with Lotte Chemical Pakistan Limited for the sale of its entire shareholding in Engro Polymer & Chemicals Limited (EPCL).

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**Market Indices**

| | 1-Sep-26 | 31-Aug-26 | DoD Δ |
|---|---|---|---|
| KSE 100 | 176,467 | 176,976 | -0.3% |
| KSE 30 | 52,632 | 52,703 | -0.1% |
| KMI 30 | 251,849 | 251,657 | 0.1% |
| KSE All Shares | 107,179 | 107,432 | -0.2% |

**Volume (mn Shares)**

| | 1-Sep-26 | FYTD (Average) |
|---|---|---|
| KSE 100 | 391.9 | 357.1 |
| KSE 30 | 92.9 | 119.7 |
| KMI 30 | 126.9 | 120.4 |
| KSE All Shares | 782.0 | 817.6 |

**Commodity Rates**

| | 1-Sep-26 | DoD Δ | FYTD Δ |
|---|---|---|---|
| Crude Oil-Brent (USD/BBL) | 94.7 | 4.6% | 29.8% |
| Crude Oil-Arab Light (USD/BBL) | 90.5 | 4.6% | 8.4% |
| Coal (USD/Ton) | 123.5 | 2.2% | 14.9% |
| Copper (USD/Ton) | 14,405.6 | -0.3% | 7.9% |
| Cotton (¢/Lbs) | 101.3 | 0.0% | 18.8% |
| Gold (USD/Ounce) | 4,328.8 | -2.4% | 8.0% |
| RLNG (USD/MMBTU) | 18.0 | 0.0% | 0.0% |

**Currency (Interbank)**

| | 1-Sep-26 | DoD Δ | FYTD Δ |
|---|---|---|---|
| US Dollar | 277.5 | 0.0% | -0.2% |
| Euro | 321.9 | -0.2% | 1.3% |
| Chinese Yuan | 41.3 | 0.0% | 0.8% |
| Japanese Yen | 1.7 | -0.2% | 1.2% |
| Saudi Riyal | 74.0 | 0.1% | -0.2% |

**Fund Flows (USD mn)**

| | 1-Sep-26 | FYTD Δ |
|---|---|---|
| FOREIGN INDIVIDUAL | -0.01 | -1.72 |
| FOREIGN CORPORATES | -1.93 | -6.73 |
| OVERSEAS PAKISTANI | 1.54 | 22.35 |
| **FIPI NET** | **-0.39** | **13.89** |

**Economic Data (USD mn)**

| | FY26 | FY25 | FY24 |
|---|---|---|---|
| GDP Growth | 3.7% | 3.0% | 2.6% |
| | **Jul-26** | **Jun-26** | |
| Exports | 2,939 | 2,242 | |
| Imports | 6,887 | 6,899 | |
| Remittances | 3,631 | 3,475 | |
| Foreign Exchange Reserves | 17,043 | 18,376 | |

**Money Market Data**

| | Current | Previous | Jun-25 |
|---|---|---|---|
| SBP Policy Rate | 11.50 | 10.50 | 11.00 |
| | **Aug-26** | **Jul-26** | **Jun-26** |
| CPI Inflation | 11.10 | 9.20 | 11.10 |
| | **1-Sep-26** | **31-Aug-26** | **30-Jun-26** |
| 3 Month T-Bill | 11.51 | 11.51 | 11.60 |
| 6 Month T-Bill | 11.70 | 11.70 | 11.63 |
| 12 Month T-Bill | 11.96 | 11.95 | 11.60 |
| 3 Year Government Bond | 11.91 | 11.91 | 11.69 |
| 5 Year Government Bond | 11.92 | 11.90 | 11.80 |
| 10 Year Government Bond | 12.17 | 12.17 | 12.19 |
| 3 Month KIBOR | 11.74 | 11.73 | 11.79 |
| 6 Month KIBOR | 11.83 | 11.81 | 11.80 |

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