Morning News 09-May-2022

MCB-ARIF HABIB Savings and Investments Limited

- **Foreign exchange: SBP reserves fall $59m to $10.5b | Tribune:** The foreign exchange reserves held by the central bank decreased 0.56% on a weekly basis, according to data released by the State Bank of Pakistan (SBP) on Friday. On April 30, the foreign currency reserves held by the SBP were recorded at $10,499 million, down $59 million compared with $10,558.2 million on April 23. According to the central bank, the decrease came due to external debt payments.
- **Rupee sees fresh depreciation |Tribune:** Pakistani currency came under renewed pressure, as it suddenly depreciated 0.5% (around Re1) to a two-week low at Rs186.63 against the US dollar on Friday as no meaningful progress had been made in acquiring fresh bailout packages from the friendly countries. The rupee was seen consolidating around Rs185-186 before Eid holidays on expectations that Pakistan would succeed in acquiring bailout packages from the friendly countries.
- **Jul-Mar services' exports grow 17.07pc to $5.15bn YoY | BR:** The exports of services from the country witnessed an increase of 17.07 percent during the first three quarters of the current financial year (2021-22) as compared to the corresponding period of last year, Pakistan Bureau of Statistics (PBS) reported. The exports of services during July-March (2021-22) were recorded at $5,156.10 million against the exports of US $4,404.24 million during July-March (2020-21), showing-growth of 17.07 percent.
- **Jul-Apr trade deficit widens 64.79pc to $39.264bn YoY |BR:** Trade deficit widened by 64.79 percent during the first 10 months (July-April) of the current fiscal year, 2021-22, and reached $39.264 billion compared to $23.826 billion during the same period of 2020-21, revealed the Pakistan Bureau of Statistics (PBS) data. According to the PBS monthly summary on foreign trade statistics for April 2022, the country's exports increased by 25.46 percent and remained $26.228 billion in the first 10 months of the current fiscal year, 2021-22, compared to $20.905 billion during the same period of 2020-21.
- **Broadening the tax base | BR:** Pakistan Business Council (PBC) has asked the Federal Board of Revenue (FBR) to effectively use financial data including gains made in the Pakistan Stock Exchange for broadening the tax base. According to the budget proposals of the PBC for 2022-23 received at the FBR's headquarters, the mining of the FBR's database is necessary to identify new taxpayers and those not fully discharging their liabilities.
- **Power tariffs to go up for a month across country | Tribune:** The National Electric Power Regulatory Authority (Nepra) on Friday allowed ex-Wapda Distribution Companies (XWDISCOs) an increase of Rs2.87 per unit in the power tariff and a hike of Rs1.38 per unit for the consumers of K-Electric on account of the fuel charges adjustment (FCA) for the months of March and February this year respectively.
- **Cotton in jeopardy in Sindh as canals dry out | The News:** Cotton planting in many parts of Sindh has been lagging as the province faces a record-breaking heat wave and severe water shortages, raising concerns about the performance of the country's textile economy. "Shortage of irrigation water and an unusually hot summer are likely to hit the cotton crop in season," a stakeholder told The News on Saturday. Similarly, cotton-growing areas in Punjab are also facing drought-like conditions.
- **Telecom sector calls for reducing advance tax | Tribune:** The telecommunication sector in its tax proposals for fiscal year 2022-23 has urged the government to reduce advance income tax (AIT) from 15% to 8%. Currently, over 193 million telecom users in the country are subjected to exorbitant taxes of 34.5% – including 19.5% goods and services tax (GST) and 15% AIT, making Pakistan one of the highest taxed telecom markets in the world.
- **Private sector borrows record Rs1.23tr | Dawn:** Banks extended record loans to the private sector in the first 10 months of the current fiscal year as the figure is significantly higher than the combined disbursements in the last two fiscal years. The latest data issued by the State Bank of Pakistan (SBP) showed that the private sector borrowed Rs1,235.5 billion till April 22 in the current fiscal year against Rs415bn in the same period of last year.
- **FPCCI urges govt to declare 'economic emergency' | BR:** The Federation of Pakistan Chambers of Commerce and Industry (FPCCI) has urged the federal government to declare a state of economic emergency and implement proposed reforms in order to moderate the impact of the current economic turmoil. In a letter to the Prime Minister, the FPCCI President Irfan Iqbal Sheikh expressed deep concern about ongoing economic turmoil amid continuously depleting foreign reserves and tremendous inflationary pressure.
- **ARY owner to buy 25pc stake in Summit Bank | Dawn:** Salman Iqbal, owner of the ARY Group, has agreed to subscribe to up to 25 per cent shares of Summit Bank Ltd at a price of Rs2.51 per share as part of a consortium led by Nasser Abdulla Hussain Lootah, a businessman from the United Arab Emirates, said a stock filing on Friday. The consortium aims to acquire at least 51pc shareholding in the bank, which is the second smallest of the 20 listed lenders in terms of the value of shares.

Market Indices			
	6-May-22	**28-Apr-22**	**30-Jun-21**
KSE 100	44,841	45,249	47,356
KSE 30	17,149	17,315	18,962
KMI 30	72,990	74,012	76,622
KSE All Shares	30,775	30,775	32,480
Volume (mn Shares)			
	6-May-22	**FYTD (Average)**	
KSE 100	87.7	117.2	
KSE 30	60.4	54.3	
KMI 30	57.3	50.4	
KSE All Shares	189.4	309.2	
Commodity Rates			
	6-May-22	**Daily Change**	**FYTD Change**
Crude Oil-Brent (USD/BBL)	112.4	1.3%	49.6%
Crude Oil-Arab Light (USD/BBL)	114.1	1.0%	57.9%
Coal (USD/Tonne)	311.0	0.0%	170.8%
Copper (USD/Lbs)	4.3	-0.5%	0.1%
Cotton (¢/Lbs)	138.6	-3.6%	70.3%
Gold (USD/Ounce)	1,883.0	0.3%	6.4%
Currency (Interbank)			
	6-May-22	**Daily Change**	**FYTD Change**
US Dollar	186.0	0.3%	18.1%
UK Pound	229.5	0.1%	5.4%
Euro	196.3	0.4%	5.1%
UAE Dirham	50.8	0.0%	17.8%
Chinese Yuan	27.9	0.2%	14.4%
Fund Flows (USD mn)			
	6-May-22	**FYTD**	
FOREIGN INDIVIDUAL	0.00	4.21	
FOREIGN CORPORATES	-1.47	-347.36	
OVERSEAS PAKISTANI	0.31	65.78	
FIPI NET	**-1.16**	**-277.37**	
Economic Data (USD mn)			
	FY22E	**FY21**	**FY20**
GDP Growth	4.6%	5.4%	-0.5%
	Mar-22	**Feb-22**	
Exports	2,782	2,834	
Imports	6,425	5,853	
Remittances	2,810	2,190	
Foreign Exchange Reserves	17,477	22,638	
Money Market Data			
	6-May-22	**30-Apr-22**	**30-Jun-21**
SBP Policy Rate	12.25	12.25	7.00
CPI Inflation	13.37	12.72	9.70
3 Month T-Bill	14.50	14.47	7.28
6 Month T-Bill	14.74	14.73	7.53
12 Month T-Bill	14.65	14.58	7.81
3 Year Government Bond	13.10	13.27	8.99
5 Year Government Bond	12.70	12.67	9.49
10 Year Government Bond	12.84	12.95	9.94
3 Month KIBOR	14.67	14.65	7.45
6 Month KIBOR	14.87	14.83	7.69

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

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