Morning News 25-May-2022

MCB-ARIF HABIB
Savings and Investments Limited

- **KSA finalising extension of USD3bn deposit | BR:** Saudi Arabia is finalising the extension of the kingdom's USD3 billion deposit to Pakistan, Saudi Minister of Finance Mohammed al-Jadaan told Reuters. "We are currently finalising extending the USD3 billion deposit to Pakistan," he said on the sidelines of the World Economic Forum in Davos. Last year, Saudi Arabia deposited USD3 billion in Pakistan's central bank to help support its foreign reserves.
- **Macro-budget, the toughest task at hand | The News:** Economic planners are having difficulty preparing the budget for fiscal year 2022-23 given the expected slowdown in GDP growth and mounting inflationary pressures. The general public would likely continue to face double-digit consumer price index (CPI) inflation in the range of 11-12%% in the next fiscal, along with an increased risk of food shortages. CPI-based inflation stood at 13.4% in April 2022. Forecasts put it in the range of 11.8 to 12.5% on average for the outgoing fiscal year ending on June 30, 2022.
- **14 sessions of decline: Rupee falls to 201.41 against dollar | BR:** The rupee extended its fall for the 14th consecutive session against the US dollar on Tuesday as lack of developments in the government's talks with the International Monetary Fund (IMF), prolonged political uncertainty and lack of clarity on the future of the economy hammered the local currency. The rupee fell to 201.41, down 0.24%, against the US dollar in the inter-bank market on Tuesday. The political uncertainty is expected to accelerate as the government said it will not let Pakistan Tehreek-e-Insaf (PTI) hold its long march to Islamabad on May 25.
- **Auto financing facility tenor reduced by SBP | BR:** The State Bank of Pakistan (SBP) has announced to reduce the maximum tenor of auto finance facility by two years with immediate effect. The SBP has amended the Regulation R-11 of Prudential Regulations for Consumer Financing (PRCF) related to auto loans and financing to reduce the maximum tenor of auto loans being provided by the banks to the customers. As per amendment in Regulation R-11 of PRCF the maximum tenure of auto finance facility is reduced from five (5) years to three (3) years for vehicles above 1,000 cc engine displacement.
- **Ministry stops PSEs from depositing funds in private banks | BR:** The finance ministry has barred Public Sector Entities (PSEs) and local/ autonomous bodies working under the federal government from depositing working balances and surplus funds in private banks, well-informed sources have told Business Recorder. According to the sources, the ministry has withdrawn at least four office memoranda which allowed PSEs and local/ autonomous bodies to deposit their funds in private banks.
- **Moody's lists key driving forces behind IBI's growth | BR:** Pakistan's Islamic Banking Industry is growing rapidly with a combination of a predominantly Muslim population, still modest financial inclusion, and the commitment of the government and regulators as the key driving forces, says Moody's Investors Services (Moody's). The rating agency in its report on Pakistan stated that huge growth over the past decade shows no signs of slowing. Islamic banking assets in Pakistan have grown by an average of 24% per annum over the past decade to PKR5,58bn (USD31.2bn), accounting for around 19% of total banking assets, up from 8 per cent in 2011.
- **Import of various products: DGCV Karachi revises customs values | BR:** Directorate General of Customs Valuation, Karachi has revised customs values on the import of ceramic/porcelain sanitary wares from Turkey/Thailand-Indonesia/Malaysia; Acrylic Yarn (raw white and dyed) of all origin; low-end brand shoes, slippers, sandals, chappals and joggers of all origin; values of spices/herbs and edible gums and values of sweet corn, canned pineapple and fruit cocktail imported from the Philippines and all origins. In this connection, the directorate has issued valuation rulings on Tuesday.
- **Chinese power firms receivables hit Rs340bn | The News:** Chinese power companies operating in Pakistan have demanded the authorities to clear their outstanding dues of PKR340bn as increasing liquidity challenges are pushing them to the verge of shutdown, The News learnt on Tuesday. These companies have also presented some proposals to sort out the issues hampering their operations as well as execution of new projects. Chinese power companies submitted a detailed report, covering the whole range of issues with Prime Minister Shahbaz Sharif recently.
- **Investment in securities by directors, employees: AMCs must put in place policies and procedures: SECP | BR:** The Securities % Exchange Commission of Pakistan (SECP) has made it mandatory for the Asset Management Companies (AMCs) to put in place appropriate policies and procedures which govern trading or investment in securities by AMC employees, directors, sponsors their spouses and dependent children. Through a notification issued on Tuesday, the SECP has issued draft amendments to the Non-Banking Finance Companies and Notified Entities Regulations, 2008.
- **Meezan Bank attracts USD1bn in RDAs | Dawn:** State Bank of Pakistan Acting Governor Dr Murtaza Syed on Tuesday asked banks to focus on Roshan Digital Accounts (RDA) to improve dollar inflows. During the visit to the head office of Meezan Bank, the governor congratulated the bank's RDA team for channeling a substantial volume of remittances and achieving remittances of USD1bn though RDAs, said a press release issued by the Meezan Bank on Tuesday. He said that other banks should also focus their attention on increasing remittances through RDAs and come up with innovative means for achieving this milestone.
- **Cabinet approves Elections (Amendment) Bill 2022 | The News:** The federal cabinet on Tuesday approved the Elections (Amendment) Bill 2022 and allowed introduction of the same in the National Assembly. It also decided to launch pilot projects through the Election Commission of Pakistan (ECP) for giving the right of vote to overseas Pakistanis and using Electronic Voting Machines (EVMs) in elections. The approval to present the Elections (Amendment) Bill 2022 in the National Assembly was given in the light of decisions taken by the Cabinet Committee on Disposal of Legislative Cases (CCLC) on May 19 and 25.
- **Fears grow as IK says will defy ban on long march | BR:** Interior Minister Rana Sanaullah Tuesday announced that the federal cabinet has decided to stop the Pakistan Tehreek-e-Insaf (PTI) from holding a long march to the federal capital in order to ensure the safety and security of the residents of the capital. Rejecting the ban on long march, former prime minister and chairman of Pakistan Tehreek-e-Insaf (PTI) Imran Khan (IK) said that he would go ahead with planned long march to Islamabad scheduled to begin today. Addressing a press conference after the cabinet meeting presided over by Prime Minister Shehbaz Sharif, he said that keeping in view the present circumstances and the past record of the PTI.

Market Indices

	24-May-22	23-May-22	30-Jun-21
KSE 100	41,950	42,440	47,356
KSE 30	15,903	16,093	18,962
KMI 30	67,086	68,029	76,622
KSE All Shares	28,716	28,953	32,480

Volume (mn Shares)

	24-May-22	FYTD (Average)
KSE 100	76.0	116.8
KSE 30	55.9	55.0
KMI 30	48.5	51.0
KSE All Shares	169.6	305.3

Commodity Rates

	24-May-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	113.6	0.1%	51.2%
Crude Oil-Arab Light (USD/BBL)	112.8	3.0%	56.1%
Coal (USD/Tonne)	329.5	-0.8%	186.9%
Copper (USD/Lbs)	4.3	-0.9%	1.0%
Cotton (¢/Lbs)	136.5	-0.9%	67.7%
Gold (USD/Ounce)	1,865.9	0.7%	5.4%

Currency (Interbank)

	24-May-22	Daily Change	FYTD Change
US Dollar	200.1	-0.1%	27.0%
UK Pound	250.7	-0.6%	15.1%
Euro	214.8	0.3%	15.0%
UAE Dirham	54.6	-0.6%	26.8%
Chinese Yuan	30.1	-0.2%	23.3%

Fund Flows (USD mn)

	24-May-22	FYTD
FOREIGN INDIVIDUAL	0.01	4.27
FOREIGN CORPORATES	-0.40	-356.48
OVERSEAS PAKISTANI	-0.12	65.81
FIPI NET	**-0.51**	**-286.40**

Economic Data (USD mn)

	FY22E	FY21	FY20
GDP Growth	4.6%	5.4%	-0.5%
	Apr-22	**Mar-22**	
Exports	2,897	2,777	
Imports	6,679	6,407	
Remittances	3,125	2,810	
Foreign Exchange Reserves	10,499	11,425	

Money Market Data

	24-May-22	23-May-22	30-Jun-21
SBP Policy Rate	13.75	13.75	7.00
CPI Inflation	13.37	13.37	9.70
3 Month T-Bill	14.50	14.64	7.28
6 Month T-Bill	14.62	14.81	7.53
12 Month T-Bill	14.65	14.75	7.81
3 Year Government Bond	13.82	13.66	8.99
5 Year Government Bond	12.98	13.00	9.49
10 Year Government Bond	12.94	12.97	9.94
3 Month KIBOR	14.69	14.68	7.45
6 Month KIBOR	14.86	14.91	7.69

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