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MCB-ARIF HABIB
Savings and Investments Limited

- **FY23: FBR considering SECP's proposals | BR:** The Federal Board of Revenue (FBR) is seriously considering the budget proposals of the Securities and Exchange Commission of Pakistan (SECP) to grant tax credit to private funds, restoration of tax credit on enlistment, non-applicability of capital gains tax (CGT) on foreigners, align rates of CGT on disposal of securities with other regional exchanges and documentation of real estate sector through the real estate investment trusts (REITs). In this regard, the FBR has received the budget proposals of the SECP for consideration in the next fiscal budget. "The viable budget proposals would be incorporated in the Finance Bill 2022," officials engaged in budget preparation exercise told Business Recorder.
- **Jul '21-May '22: Provisional tax collection stands at PKR5.349trn | BR:** The Federal Board of Revenue (FBR) has provisionally collected net revenue of PKR5,349bn during July 2021-May 2022 against the assigned target of PKR5,130bn, reflecting an increase of PKR219bn. The monthly tax collection for May 2022 stood at PKR490bn against the target of PKR511bn, reflecting a shortfall of PKR21bn. Now, the FBR has to collect an amount of PKR751bn in June 2022 to meet the upward revised target of PKR6,100bn. In June 2021, the tax machinery had collected PKR571bn.
- **202% jump in private sector borrowing | Dawn:** The private sector borrowing from banks has gone up by over 200% from July to May 20 of the current fiscal year, reflecting that the higher economic activities remained intact despite the change of government in Islamabad. During the last one month, from April 20 to May 20, the private sector borrowed PKR179bn, more than the average monthly borrowing of PKR130bn. Despite political uncertainty during this period of one month, the growth in private sector credit offtake remained high. According to data released by the State Bank of Pakistan (SBP) on Tuesday, the private sector borrowed PKR1,414bn from July 1 to May 20, FY22, up from PKR468bn in the same period last year, a 202% increase.
- **Import ban doesn't apply to industrial inputs: ministry | BR:** The Ministry of Commerce has clarified that the ban on the imported items under SRO598(1) 2022 shall not apply to raw material, intermediate goods and industrial equipment/machinery required by manufacturing/industrial concerns and foreign grant-in-aid projects. In this connection, the Commerce Ministry has issued an office memorandum regarding SRO598(1) 2022 dated 19 May 2022, whereby, the import of certain luxury and non-essential items has been prohibited.
- **Power tariffs raised by PKR4/unit for April | BR:** National Electric Power Regulatory Authority (Nepra) has allowed power Distribution Companies (Discos) to increase their tariffs by PKR4 per unit for April 2022 under monthly Fuel Charges Adjustment (FCA) mechanism, amid CPPA-G's acknowledgement that plants are not being operated due to expensive fuel and foreign exchange constrains. The increase will be recovered in the bills of June 2022 sans lifeline consumers, whose share in total number of consumers is negligible in summer. The consumers will have to bear the brunt of additional burden of PKR51bn.
- **Import of 0.2MMT granular urea on G2G basis: TCP allowed to sign MoU with Chinese firm | BR:** The Federal Government has allowed Trading Corporation of Pakistan (TCP) to sign Memorandum of Understanding (MoU) with Chinese Firm M/s CNAMPGC for import of 0.2 MMT granular urea from China on G2G basis, official sources told Business Recorder. Sharing the details, sources said, Ministry of Industries and Production noted that ECC of the Cabinet in its decision on May 15, 2022 had allowed import of 0.2 MMT of urea on G2G basis with stipulation that the procurement shall be made on deferred payment basis. The Federal Cabinet on May 17, 2022 ratified the decision.
- **Manufacturers cut urea price to PKR1,850/bag on govt's assurance of PKR80bn dues payment | The News:** The fertiliser industry has slashed urea prices to PKR1,850 per 50-Kg bag after a firm commitment from the government to settle the industry's over PKR80bn outstanding receivable issue in the coming Budget 2022/23. The government has also assured them a supply of gas under the fertiliser policy, the industry sources told The News on Tuesday. "The government has assured us and has given a firm commitment that it would resolve all lingering fertiliser sector difficulties in the forthcoming budget 2022-23. Following which, we have reduced the price of urea to PKR1,850 per bag," said a top executive of a fertilizer manufacturing industry. "Earlier due to 'cost pressure', manufacturing urea was not feasible for us, so prices were increased." "With the government, we have around PKR60bn in sales tax receivables and another PKR19bn in subsidy receivables. The government has promised that it will settle this amount in the coming federal budget."
- **POL products' prices remain unchanged | BR:** Federal government on Tuesday announced to keep the prices of petroleum products at current level with effect from June 1, 2022. In a statement, Finance Division says, "With a view to provide maximum relief to the consumers, the Prime Minister of Pakistan has directed that the current prices of petroleum products as notified on 27th May, 2022 shall remain unchanged, despite revenue losses due to rising petroleum prices globally".
- **Price of LPG slashed by PKR13 for domestic cylinders | BR:** The Oil and Gas Regulatory Authority (OGRA) on Tuesday slashed the price of LPG by PKR13 per kg to PKR218.76 per kg for domestic cylinders for the month of June. The prices of domestic LPG cylinder reduced from PKR2,735.83 in May to PKR2,581.35 for June. According to the notification of the OGRA, the price of LPG cylinder has come down PKR154.48 per cylinder following decline in the price of LPG globally. The new price will be applied from June 1, 2022, after the drop, the per kg price of LPG will be set at PKR218.75. In May, the LPG price had gone down by PKR15.27 per kilogram and settled at 231.85 per kilogram.
- **Govt shocks consumers with PKR213 per litre hike in cooking oil prices | Dawn:** The government on Tuesday shocked consumers by pushing up ghee and cooking oil rates by an unprecedented PKR208 and PKR213 to an all-time high of PKR555 per kg and PKR605 per litre, respectively, even though "these rates still do not exist in the retail markets." An official in the Utility Stores Corporation (USC) in Karachi confirmed to Dawn that the USC had issued a notification of this whooping jump in ghee and cooking oil rates effective June 1. The official, however, did not comment as to why the rates had been jacked up so mercilessly which would hit the consumers badly. The maximum rate of ghee and cooking of renowned brands in the retail markets still hovers between PKR540-560 per kg/litre.
- **Riba-free Islamic banking system: 5-year time frame by FSC 'too ambitious': Miftah | BR:** Federal Minister for Finance and Revenue, Miftah Ismail Tuesday said the 5-year timeframe granted by the Federal Shariat Court (FSC) for conversion of the current mix between Islamic and interest-based conventional banking into a full-fledged Riba-free Islamic banking system is too 'ambitious' and perhaps requires a little longer to achieve the target. However, he vowed that Pakistan will go for the implementation of Riba free banking system, incompliance with the FSC rulings.
- **Park View Enclave intends to acquire 51% control of Silk Bank | BR:** M/s Park View Enclave (Private) Limited, owned by businessman and politician Aleem Khan, has expressed its intention to acquire at least 51% of the voting shareholding / control in Silk Bank Limited through subscription of new ordinary shares by way of a fresh equity injection of up to PKR12bn. The Acquirer intends to subscribe, directly or indirectly through an SPV and/or through a consortium led by the acquirer. Additional shares will be acquired from the minority shareholders by way of a public offer in accordance with applicable laws.
- **PM sets USD5bn target for Pak-Turk bilateral trade | BR:** Prime Minister Muhammad Shehbaz Sharif Tuesday, while assuring his government's all-out support, urged the business community of Pakistan and Turkey to take the bilateral trade to the USD5bn mark within next three years. "The USD1.1bn trade is nothing… Let us resolve to take the two-way trade to USD5bn… Let us do it speedily. The time and tide wait for none," he said addressing a dinner reception hosted by President of the Union of Chambers and Commodity Exchanges of Turkey (TOBB) Riffat Hisarciklioglu in his honour. The prime minister, along with a high-level delegation, is on his maiden visit to Turkey, since he assumed office on April 11.

Market Indices			
	31-May-22	**30-May-22**	**30-Jun-21**
KSE 100	43,078	43,040	47,356
KSE 30	16,453	16,383	18,962
KMI 30	70,045	69,654	76,622
KSE All Shares	29,311	29,342	32,480
Volume (mn Shares)			
	31-May-22	**FYTD (Average)**	
KSE 100	122.5	117.2	
KSE 30	60.0	55.8	
KMI 30	61.5	517.9	
KSE All Shares	285.3	305.5	
Commodity Rates			
	31-May-22	**Daily Change**	**FYTD Change**
Crude Oil-Brent (USD/BBL)	122.8	1.0%	63.5%
Crude Oil-Arab Light (USD/BBL)	114.8	-0.9%	58.9%
Coal (USD/Tonne)	341.5	6.8%	197.3%
Copper (USD/Lbs)	4.3	-0.2%	0.8%
Cotton (¢/Lbs)	134.0	-0.3%	64.6%
Gold (USD/Ounce)	1,837.1	-1.0%	3.8%
Currency (Interbank)			
	31-May-22	**Daily Change**	**FYTD Change**
US Dollar	198.7	0.1%	26.1%
UK Pound	250.4	-0.4%	14.9%
Euro	213.3	-0.4%	14.2%
UAE Dirham	54.3	0.5%	26.1%
Chinese Yuan	29.8	-0.1%	22.1%
Fund Flows (USD mn)			
	31-May-22	**FYTD**	
FOREIGN INDIVIDUAL	0.00	4.23	
FOREIGN CORPORATES	2.41	-354.32	
OVERSEAS PAKISTANI	0.11	65.06	
FIPI NET	**2.52**	**-285.03**	
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			
	31-May-22	**30-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	14.34	14.31	7.28
6 Month T-Bill	14.50	14.49	7.53
12 Month T-Bill	14.61	14.61	7.81
3 Year Government Bond	13.59	13.53	8.99
5 Year Government Bond	12.63	12.60	9.49
10 Year Government Bond	12.64	12.59	9.94
3 Month KIBOR	14.49	14.49	7.45
6 Month KIBOR	14.70	14.71	7.69

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