# Morning News 22-Jun-2022

MCB-ARIF HABIB Savings and Investments Limited

- **Pakistan, IMF clinch accord on budget | The News:** Pakistan and the IMF on Tuesday night evolved a broader agreement on the budget 2022-23 for revising upward the FBR target and slashing down the expenditures to achieve revenue surplus in the next fiscal year. Pakistan and the Fund staff achieved substantial progress for striking a consensus on budget 2022-23 and now the IMF will share draft Memorandum of Economic and Financial Policies (MEFP) on coming Friday or Monday.
- **Launch of sukuk plan approved | BR:** The Cabinet on Tuesday approved the launch of the Local and International Monopoly Sukuk Programme on the recommendation of the Finance Division. The Cabinet also approved reducing the price of 100mg Remdesivir injections used in the treatment of Coronavirus from PKR2,308.63 to PKR1,892.
- **Govt mulls pledging five federal assets to issue sukuk | The News:** Cabinet on Tuesday approved the issuance of domestic and sovereign sukuk, signifying need to raise funds from local and international debt markets to fix deteriorating finances and boost the Islamic finance industry. Islamic banking experts said it seems that the government has given the finance ministry go-ahead to take measures aimed at issuing Ijara sukuk in the domestic market and sovereign sukuk in the international market.
- **RDA receives highest single day deposits of USD57mn | The News:** Roshan Digital Account (RDA) received USD57mn from overseas Pakistanis on Tuesday, setting an all-time deposits record for a single day. “Today marks yet another historic day in Roshan Digital Account, with USD57mn in deposit inflows, the highest ever daily figure. With this significant increase, total deposits in RDA have crossed USD4.5bn,” the State Bank of Pakistan’s official Twitter handle said.
- **Revenue collection target may be raised to PKR7.42trn | BR:** The federal government is expected to increase the revenue collection target of the Federal Board of Revenue (FBR) from PKR7,004bn to PKR7,426bn for 2022-23, reflecting an increase of PKR422bn. Sources told Business Recorder that the FBR will achieve the upward revised target of PKR6.1 trillion by the end of current fiscal year.
- **THE RUPEE: PKR still under immense pressure | BR:** High demand for the US dollar kept Pakistan's rupee under pressure, as the local currency registered a decline for the eighth consecutive session, closing at yet another all-time low of 211.48 in the inter-bank market on Tuesday. During intra-day trading, the currency was even quoted at 212 against before it posted a minor recovery.
- **May banking spread plunges by 42bps MoM | BR:** The provisional banking spread has declined by 42bps on month-on-month basis during May 2022 and stood at 4.6%. This is the highest level of monthly decline in the spread during last 20 months. Lending rates stood at 10.8% during May, up by 52bps on month-on-month basis. On the other hand, deposit rates increased by 94bps MoM to 6.2% during the month under review.
- **Power tariff raise put off | The News:** The Federal Cabinet on Tuesday decided to postpone PKR7.99 per unit increase in the basic power tariff. The Economic Coordination Committee had proposed the increase that was part of the cabinet meeting agenda for ratification, but it was dropped. The cabinet also approved issuance of Sukuk bonds to support the government’s budgetary position and promote Islamic banking industry in the country.
- **Subsidy waiver on use of HSD by power sector | BR:** The Economic Coordination Committee (ECC) of the Cabinet is all set to consider a proposal of the Petroleum Division regarding withdrawal of subsidy on consumption of High Speed Diesel (HSD) by the power sector, sources told Business Recorder. The Petroleum Division argues that in order to provide relief to the consumers, the government has decided to keep oil prices stable till the end of the current fiscal year, effective from March 1, 2022.
- **Pakistan inks pact with Iran for additional 100MW | The News:** Pakistan and Iran inked an agreement for additional supply of 100MW electricity to Balochistan on Tuesday at Tehran. The agreement was signed by officials of the National Transmission and Despatch Company (NTDC-Pakistan) and Tavanir (Iran) on behalf of their respective organisations, said a press release issued here. Minister for Power Khurram Dastgir said the project would be completed shortly and it would help provide immediate relief to the people of Balochistan.
- **10% RD imposed on motor spirit’s import till 30th | BR:** The Federal Board of Revenue (FBR) has imposed a 10% regulatory duty on the import of motor spirit till June 30, 2022. However, the imports of motor spirit where 10% customs duty is paid shall be exempted from the levy of regulatory duty. According to a notification issued by the FBR here on Tuesday, in the exercise of the powers conferred by sub-section (3) of section 18 of the Customs Act, 1969.
- **Steel bar prices raised to PKR236,000 a tonne | Dawn:** Manufacturers further pushed up steel bar prices to PKR236,000 per tonne following an increase of PKR5,000. In the second week of June, steel bar makers increased prices by PKR7,000 per tonne. According to the rates shared by various manufacturers, Amreli Steel Limited (ASL) increased the prices to PKR236,000 per tonne for sizes 9.5-10mm and 12mm and PKR234,000 per tonne for sizes 16mm and above.
- **DGKC establishes LC for 6.952MW solar power plant | Mettis Global:** D.G. Khan Cement Company Limited (DGKC) has signed an agreement and established a Letter Of Credit (LC) for the supply and installation of the on-grid solar power plant of 6.952MW at its site in Khairpur, Distt Chakwal, in favour of Reon Energy Limited, the company's filing on PSX showed today.
- **National Foods to set up fifth plant in Faisalabad | Dawn:** National Foods Ltd is setting up its fifth plant in the M4 Industrial City of Faisalabad, said a company official on Tuesday. Briefing a group of journalists at the Port Qasim factory of the manufacturer of convenience-based food products, the official said the 30-acre Faisalabad plant will be the company’s biggest production facility upon its completion by the end of 2022.
- **Economic recovery: PM signals announcement of more tough decisions | BR:** Prime Minister Shehbaz Sharif Tuesday stated that the coalition government would not hesitate to take more tough and bold decisions for the economy, if needed. In a media talk along with the coalition parties’ members after the cabinet meeting on Tuesday, the premier said that the government of the ruling coalition had taken bold decisions and if there would be a need to take more such decisions it would not hesitate to for the sake of the economy.

| Market Indices | | | |
|---|---|---|---|
| | 21-Jun-22 | 20-Jun-22 | 30-Jun-21 |
| KSE 100 | 42,526 | 41,777 | 47,356 |
| KSE 30 | 16,256 | 15,954 | 18,962 |
| KMI 30 | 70,475 | 69,015 | 76,622 |
| KSE All Shares | 29,004 | 28,600 | 32,480 |
| **Volume (mn Shares)** | | | |
| | 21-Jun-22 | FYTD (Average) | |
| KSE 100 | 135.3 | 115.0 | |
| KSE 30 | 95.2 | 55.8 | |
| KMI 30 | 82.9 | 51.7 | |
| KSE All Shares | 300.2 | 298.4 | |
| **Commodity Rates** | | | |
| | 21-Jun-22 | Daily Change | FYTD Change |
| Crude Oil-Brent (USD/BBL) | 114.7 | 0.5% | 52.6% |
| Crude Oil-Arab Light (USD/BBL) | 108.8 | -0.6% | 50.6% |
| Coal (USD/Tonne) | 331.5 | 0.7% | 188.6% |
| Copper (USD/Lbs) | 4.0 | 0.5% | -5.2% |
| Cotton (¢/Lbs) | 125.0 | -3.5% | 53.6% |
| Gold (USD/Ounce) | 1,832.6 | -0.3% | 3.6% |
| **Currency (Interbank)** | | | |
| | 21-Jun-22 | Daily Change | FYTD Change |
| US Dollar | 211.5 | 1.0% | 34.3% |
| UK Pound | 259.6 | 1.2% | 19.2% |
| Euro | 222.6 | 1.2% | 19.2% |
| UAE Dirham | 58.1 | 1.2% | 34.9% |
| Chinese Yuan | 31.6 | 1.1% | 29.6% |
| **Fund Flows (USD mn)** | | | |
| | 21-Jun-22 | FYTD | |
| FOREIGN INDIVIDUAL | -0.01 | 4.09 | |
| FOREIGN CORPORATES | -1.58 | -365.45 | |
| OVERSEAS PAKISTANI | 0.10 | 62.59 | |
| **FIPI NET** | **-1.48** | **-298.77** | |
| **Economic Data (USD mn)** | | | |
| | FY22P | FY21 | FY20 |
| GDP Growth | 6.0% | 5.7% | -0.9% |
| | 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** | | | |
| | 21-Jun-22 | 20-Jun-22 | 30-Jun-21 |
| SBP Policy Rate | 13.75 | 13.75 | 7.00 |
| CPI Inflation | 13.80 | 13.80 | 9.70 |
| 3 Month T-Bill | 14.75 | 14.75 | 7.28 |
| 6 Month T-Bill | 15.25 | 15.22 | 7.53 |
| 12 Month T-Bill | 15.57 | 15.58 | 7.81 |
| 3 Year Government Bond | 13.72 | 13.70 | 8.99 |
| 5 Year Government Bond | 13.00 | 13.00 | 9.49 |
| 10 Year Government Bond | 12.90 | 12.90 | 9.94 |
| 3 Month KIBOR | 14.98 | 15.02 | 7.45 |
| 6 Month KIBOR | 15.43 | 15.43 | 7.69 |

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