Morning News 23-Jun-2022

MCB-ARIF HABIB
Savings and Investments Limited

- **Progress made over FY23 budget | BR:** Key progress has been made in talks on the revival of Pakistan's International Monetary Fund bailout programme, both sides said on Wednesday, with Islamabad expecting the lender to increase the size and duration of the 39-month, USD6bn facility. The statements came as Pakistan's economy teeters on the brink of a financial crisis, with foreign exchange reserves drying up fast and the Pakistani rupee at record lows against the US dollar as uncertainty surrounded the IMF programme.
- **USD2.3bn loan agreement signed with Chinese consortium | BR:** Minister for Finance and Revenue Miftah Ismail Wednesday said the Chinese consortium of banks on Tuesday signed an RMB 15bn (USD2.3bn) loan facility agreement. The minister, in a tweet, said the inflow was expected within a couple of days. "We thank the Chinese government for facilitating this transaction," he added.
- **SBP raises PKR155bn through PIB auction | Mettis Global:** The State Bank of Pakistan (SBP) raised PKR155bn on Wednesday, against the target of PKR150bn by selling fixed-rate Pakistan Investment Bonds (PIBs). The cut-off yield for 3-year and 5-year PIBs dropped by 3bps and 1bps to 13.97% and 13.18, respectively. On the other hand, the cut-off yield for 10-year witnessed no change as it stood at 13.15%. Against the auction target of PKR150bn, SBP received total bids of PKR544.55bn.
- **FBR achieves budgeted target of PKR5.829trn | BR:** The Federal Board of Revenue (FBR) has achieved the budgeted target of PKR5,829bn set for the whole fiscal year (2021-22) and is expected to amass an upward revised target of PKR6,100bn by end June 2022. According to the provisional data compiled by the FBR on Wednesday, the FBR has collected net PKR5,882bn during July-June 22 (2021-22) against the revised target of PKR6,100bn for the outgoing fiscal year.
- **Dollar gains 45 paise to reach PKR211.93 | Dawn:** The dollar gained 45 paise against the rupee on Wednesday, pushing the US currency's price up to PKR211.93 in the inter-bank market. Currency dealers said the rupee appreciated against the dollar for a brief period during the first session, but the greenback succeeded in dominating again. There was no apparent reason for rupee's appreciation, except Finance Minister Miftah Ismail's statement about the bailout deal with the International Monetary Fund.
- **Banking sector expands 19.6% | Dawn:** The banking sector posted a growth of 19.6% particularly due to much higher private sector participation in the economic growth during the calendar year 2021, said the State Bank of Pakistan (SBP) on Tuesday. In its Financial Stability Review (FSR) for CY21 issued on Tuesday, the central bank presents the performance and risk assessment of various segments of the financial sector including banks, non-bank financial institutions, financial markets, financial market infrastructures and non-financial corporate.
- **OGDCL discovers oil, gas reserves in Sindh and Punjab | BR:** The Oil and Gas Development Limited (OGDCL) on Wednesday announced the discovery of oil and gas reserves from its exploratory wells located in Sindh and Punjab. The discoveries were made in Rajanpur, a tribal area in Punjab,, as well as district Tando Allah Yar, Sindh, announced the company in its notices to the Pakistan Stock Exchange (PSX).
- **ECC approves PKR149bn payments to IPPs, KE | BR:** The Economic Coordination Committee (ECC) of the Cabinet has approved PKR149bn for the power sector to be paid to the IPPs and K-Electric in the current fiscal year. The meeting of the ECC presided over by Finance Minister Miftah Ismail was informed by the Power Division that as per agreement, IPPs' second and final instalment was required to be paid in the first week of the next month.
- **ECC approves Re0.571/unit tariff rationalisation for KE | The News:** Economic Coordination Committee (ECC) on Wednesday approved tariff rationalisation for K-Electric by increasing Re0.571/unit, while also allowing usage of PKR36.95bn as advance subsidy to Central Power Purchasing Agency (CPPA-G). The ECC meeting was presided over by Federal Minister for Finance and Revenue Miftah Ismail at the Finance Division on Wednesday.
- **Pakistan issues tender to buy 500,000 tonnes wheat | BR:** A government agency in Pakistan has issued an international tender to purchase and import 500,000 tonnes of milling wheat, European traders said on Wednesday. The deadline for submission of price offers in the tender from the Trading Corporation of Pakistan (TCP) is July 1. Pakistan was believed by traders to have a large wheat import requirement following drought and the impact of higher fertiliser prices.
- **FTA signing with GCC agreed | BR:** Pakistan and Gulf Cooperation Council (GCC) are said to have agreed on signing of Free Trade Agreements (FTA) for which tariff reduction modalities have been divided into five categories, well-informed sources told Business Recorder. Sharing the details, the sources said, during the third round of Pak-GCC FTA negotiations held from May 30 to June 2, 2022.
- **Ban on import of luxury items: Around 600 to 900 containers stuck at Karachi ports | BR:** Around 600 to 900 containers are stuck at Karachi ports, following a ban imposed on import of luxury items vide SR0.598 (i)/2022 dated 19th May 2022. According to the details, the incumbent federal government has imposed a ban on import of luxury items vide SR0.598 (i)/2022 dated 19th May 2022. Consequently, around 600 to 900 containers are stuck at Karachi ports due to delay of vessel sailing from origin and Bill of Lading issued after May 19, 2022.
- **'Allah is my witness': Imran says he never planned to bring in army chief of his choice | Tribune:** Pakistan Tehreek-e-Insaf (PTI) Chairman Imran Khan has finally broken his silence on a theory purportedly fed to the media by his political rivals that he had fallen out with the military leadership because he wanted to bring in the next army chief of his choice. "Allah is my witness. I never planned who I will approve as the next army chief in November [2022]. This had never crossed my mind because this was never an issue.

Market Indices	22-Jun-22	21-Jun-22	30-Jun-21
KSE 100	42,458	42,526	47,356
KSE 30	16,259	16,256	18,962
KMI 30	70,117	70,475	76,622
KSE All Shares	28,968	29,004	32,480

Volume (mn Shares)	22-Jun-22	FYTD (Average)
KSE 100	113.6	115.0
KSE 30	80.4	55.9
KMI 30	62.0	51.8
KSE All Shares	265.8	298.3

Commodity Rates	22-Jun-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	111.7	-2.5%	48.7%
Crude Oil-Arab Light (USD/BBL)	105.6	-3.0%	46.1%
Coal (USD/Tonne)	331.2	-0.1%	188.3%
Copper (USD/Lbs)	4.0	-2.4%	-7.5%
Cotton (¢/Lbs)	119.0	-4.8%	46.2%
Gold (USD/Ounce)	1,837.4	0.3%	3.8%

Currency (Interbank)	22-Jun-22	Daily Change	FYTD Change
US Dollar	211.3	-0.1%	34.1%
UK Pound	259.1	-0.2%	19.0%
Euro	223.2	0.3%	19.5%
UAE Dirham	57.8	-0.6%	34.1%
Chinese Yuan	31.5	-0.3%	29.1%

Fund Flows (USD mn)	22-Jun-22	FYTD
FOREIGN INDIVIDUAL	-0.01	4.08
FOREIGN CORPORATES	-1.28	-366.74
OVERSEAS PAKISTANI	0.24	62.83
FIPI NET	**-1.06**	**-299.83**

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	22-Jun-22	21-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	14.82	14.75	7.28
6 Month T-Bill	15.34	15.25	7.53
12 Month T-Bill	15.56	15.57	7.81
3 Year Government Bond	13.75	13.72	8.99
5 Year Government Bond	13.00	13.00	9.49
10 Year Government Bond	12.95	12.90	9.94
3 Month KIBOR	15.01	14.98	7.45
6 Month KIBOR	15.44	15.43	7.69

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