Morning News 29-Jun-2022

MCB-ARIF HABIB
Savings and Investments Limited

- **July-May period: C/A deficit crosses USD15bn mark | BR:** The country's current account deficit crossed the USD15bn mark during the first eleven months of this fiscal year (FY22), mainly due to higher import bill following soaring commodity prices in the world markets. The State Bank of Pakistan (SBP) Tuesday reported that the country's current account deficit rose by 1,185% during this fiscal year.
- **PM Shehbaz says Pakistan could receive USD2bn from IMF | Dawn:** Prime Minister Shehbaz Sharif on Tuesday said that Finance Minister Miftah Ismail informed him that Pakistan could receive USD2bn from the International Monetary Fund (IMF). "Miftah Ismail relayed a message in the morning saying that we will hopefully be receiving not USD1bn from the IMF, but USD2bn.
- **Combined 7th, 8th reviews: MEFP received from IMF | BR:** Finance Minister Miftah Ismail has stated that Pakistan has received a memorandum of economic and financial policies for the combined 7th and 8th reviews of the Extended Fund Facility (EFF) after fulfilling the conditions of the Fund with regard to the budget for the next fiscal year.
- **Amendments to Finance Bill to be approved today | BR:** The National Assembly Wednesday (June 29) would approve the Finance Bill, 2022, with significant numbers of amendments including the imposition of 10% supertax on 13 sectors/industries announced by the finance minister after presenting the Budget-2022-23, it is learnt.
- **Finance bill further amended | BR:** The amended Finance Bill, 2022, has incorporated further new amendments late Tuesday night including a further increase in the incidence of Federal Excise Duty (FED) on cigarettes, a possible reduction in the sales tax rate from 17 to 1% on the import of pharmaceutical raw materials.
- **Pakistan's ability to generate dollar inflows through loans, grants diminishes | The News:** Pakistan's ability to generate dollar inflows in the shape of loans and grants has diminished as the government could obtain only USD505mn in loans/grants in May 2022 against USD699mn in the same month of the last financial year.
- **FBR collects highest-ever tax of PKR6tr in FYTD | Mettis Global:** The amount of tax collection by the Federal Board of Revenue (FBR) for the first time reached PKR6 trillion in the fiscal year to date (FYTD). Last week, the FBR tax collection stood at PKR5.82tr. FBR will likely achieve a tax collection target of PKR6.1tr by the end of FY22.
- **Foreign debt of USD13.54bn incurred in 11 months | BR:** Pakistan incurred foreign debt of USD13.54bn from multiple financing sources in the first 11 months (July-May) of 2021-22 including USD2.62bn from foreign commercial banks (19%) against the total budgeted external loans of USD14.09bn for the entire fiscal year.
- **NA approves 48 demands for grants worth PKR943.16bn | BR:** The National Assembly on Tuesday approved 48 demands for grants worth over PKR943.16bn after voice voting, rejecting all the 301 cut motions moved by opposition members. The state minister for finance and revenue, Dr Aisha Ghaus Pasha, presented the demands for grants one by one, which were passed by the house after discussion.
- **Margin Trading System to not available on June 29 | Mettis Global:** Margin Trading System (MTS) shall not be available on June 29, 2022, said a notification issued by Pakistan Stock Exchange (PSX) on Tuesday. However, MTS Release Session will be made available on the said date.
- **IT exports fall 27% in May to lowest level since February 2021 | The News:** Pakistan's information technology exports fell by 27% month-on-month in May to lowest monthly level since February 2021, data showed on Tuesday. IT exports stood at USD183mn in May, down from USD249mn a month ago, figures from the State Bank of Pakistan showed. The exports declined by 8% year on year.
- **PKR15.2bn payment: IPPs serve notice to govt | BR:** Three Independent Power Producers (IPPs) have served notice to Government of Pakistan (GoP) for default in payment of PKR15.2bn on due date of invoices under respective Power Purchase Agreements (PPAs), sources in PPIB told Business Recorder.
- **To save forex: Govt decides to allow minimum load shedding till Dec | BR:** The government has reportedly decided to continue minimum average monthly load shedding of three hours till December 2022 to avoid forex outflow on imported fuels, well informed sources told Business Recorder. On Tuesday, power shortfall was recorded at 8911 MW, of which 6230 MW shortfall was on account of generation whereas 2681 MW was high loss/ ATC (recovery-based load shedding).
- **PSO's price differential claims paid in full | The News:** The government has cleared all the outstanding price differential claims (PDCs) of Pakistan State Oil (PSO), accumulated owing to sale of diesel and petrol at the rates locked by the last government for three and half months.
- **Project for HRD scholarship: Japan extends USD2.3mn grant assistance | BR:** The government of Japan on Tuesday extended grant assistance worth Japanese yen 313mn (around USD2.3mn) to the government of Pakistan for "The Project for Human Resource Development Scholarship for fiscal year 2022."
- **PML-N leader Ishaq Dar confirms his return to Pakistan next month | tribune:** Pakistan Muslim League-Nawaz (PML-N) senior leader and former finance minister Senator Ishaq Dar has said that he is returning to Pakistan next month. Dar, who has been living in London since 2017, confirmed to the BBC Urdu saying his "intention to return to Pakistan next month is almost confirmed".

Market Indices

	28-Jun-22	27-Jun-22	30-Jun-21
KSE 100	41,766	41,879	47,356
KSE 30	15,934	16,009	18,962
KMI 30	68,795	68,934	76,622
KSE All Shares	28,661	28,646	32,480

Volume (mn Shares)

	28-Jun-22	FYTD (Average)
KSE 100	120.0	115.7
KSE 30	69.7	56.5
KMI 30	66.6	52.3
KSE All Shares	256.9	298.6

Commodity Rates

	28-Jun-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	118.0	2.5%	57.0%
Crude Oil-Arab Light (USD/BBL)	113.6	2.1%	57.2%
Coal (USD/Tonne)	340.0	-2.1%	196.0%
Copper (USD/Lbs)	3.8	0.4%	-11.4%
Cotton (¢/Lbs)	106.0	-1.6%	30.3%
Gold (USD/Ounce)	1,819.7	-0.2%	2.8%

Currency (Interbank)

	28-Jun-22	Daily Change	FYTD Change
US Dollar	206.5	-0.1%	31.1%
UK Pound	251.6	-0.8%	15.5%
Euro	217.2	-0.7%	16.3%
UAE Dirham	56.5	0.0%	31.1%
Chinese Yuan	30.8	-0.3%	26.2%

Fund Flows (USD mn)

	28-Jun-22	FYTD
FOREIGN INDIVIDUAL	0.00	4.06
FOREIGN CORPORATES	0.45	-366.29
OVERSEAS PAKISTANI	0.04	64.60
FIPI NET	**0.49**	**-297.62**

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

	28-Jun-22	27-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	14.55	14.58	7.28
6 Month T-Bill	15.14	15.16	7.53
12 Month T-Bill	15.33	15.38	7.81
3 Year Government Bond	13.45	13.53	8.99
5 Year Government Bond	12.85	12.86	9.49
10 Year Government Bond	12.89	12.89	9.94
3 Month KIBOR	14.77	14.79	7.45
6 Month KIBOR	15.31	15.32	7.69

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