Morning News 05-Jul-2022

MCB-ARIF HABIB
Savings and Investments Limited

- **IMF program 'on track', insists Miftah | BR:** Finance Minister Miftah Ismail on Monday dismissed reports about the postponement of the International Monetary Fund (IMF) loan programme for Pakistan and stated that there was "no truth" to them.
- **Agreements worth USD11.362bn signed in 3 quarters | BR:** The country has signed new agreements worth USD11.36bn as commitments during the first three quarters of the fiscal year 2021-22 including USD2.48bn with foreign commercial banks, says the Economic Affairs Division (EAD).
- **Trade deficit hits record-high of USD48.26bn | BR:** Trade deficit widened by 55.29% during the fiscal year 2021-22, and reached USD48.26bn compared to USD31.08bn during the same period of 2020-21, revealed the Pakistan Bureau of Statistics (PBS) data.
- **Export of services jumps to USD6.3bn | Dawn:** Export of services grew 17.71% in the first 11 months of 2021-22, according to the data released by the Pakistan Bureau of Statistics (PBS) on Monday. In absolute terms, the value of export of services reached USD6.32bn between July-May 2021-22 from USD5.37bn over the corresponding months of last year.
- **State Bank rejects bids offered for OMO | The News:** The State Bank of Pakistan (SBP) on Monday rejected the bids, which were offered for a 74-day reverse repo purchase (injection) during its open market operation. The offered amount for this OMO was PKR1.91tr.
- **Decline in cement despatches recorded during fiscal | BR:** Total cement despatches (domestic and exports) during the financial year ending June 30, 2022 (July 21-June 22), were recorded at 52.89mn tons which is 7.91% lower than 57.43mn tons despatched during the corresponding fiscal.
- **Cotton cess rate may surge by 400% to PKR250/bale | The News:** The government is weighing to push the cotton cess rate up by 400% to PKR250/bale from PKR50 to collect PKR3.8bn in revenues, without taking the stakeholders on board.
- **Hydro-Met, Climate Services: Approval sought for USD188mn WB-funded project | BR:** The National Coordination Committee on Foreign Funded Projects (NCC-FFP) reviewed the foreign-funded World Bank Project – "Hydro-Met and Climate Services Project worth USD188mn" and directed expediting the approval and implementation process of the project.
- **FFC MM plant shut down due to fire eruption | BR:** Fire erupted at FFC Mirpur Mathelo plant site on July 3, around 11 pm, which was extinguished immediately by adopting safety and emergency procedures (SOP). No personnel were affected during this event. As per initial report, fire occurred in the gas vessel of ammonia unit.
- **May FCA: PKR9.42/unit tariff hike approved for KE | BR:** National Electric Power Regulatory Authority (Nepra) on Monday approved an increase of PKR9.42 per unit in tariff of Karachi Electric (KE) for May 2022 under monthly Fuel Charges Component (FCA) amid consumers' hue and cry about load shedding duration of 18 hours a day.
- **Making pipes for K-IV: Crescent Steel negotiating terms with Chinese firm | BR:** Crescent Steel and Allied Products Limited is negotiating with China Harbour Engineering Company Limited for the manufacturing and coating of pipes, having diameters of 68 and 84 inches for the K-IV project, the Greater Karachi Bulk Water Supply Scheme.
- **Court allows sale of Summit Bank | Dawn:** The Sindh High Court (SHC) has recalled its injunction order of April 27 with respect to the acquisition of Summit Bank Ltd by a consortium, a regulatory filing showed on Monday. The SHC allowed the injection of fresh equity by Nasser Abdulla Hussain Lootah, a UAE-based investor leading the consortium, to acquire the majority stake in Summit Bank, which is the second smallest among the 20 listed lenders in terms of the total value of shares.
- **Ban on import of luxury items: Govt decides to release 'stuck goods' | BR:** The federal government has decided to release all those "stuck consignments" as one-time special permission, which have landed at ports or airports in Pakistan on or before June 30, 2022, sources close to Secretary Commerce told Business Recorder.
- **Imports from Afghanistan: Govt likely to amend IPO | BR:** The federal government is likely to amend Import Policy Order (IPO) aimed at allowing imports of goods of Afghan origin against Pak Rupees and without the requirement of Electronic Import Forms (EIF) for a period of one year only.
- **PTI moves SC against amendment in election law | BR:** The Pakistan Tehreek-e-Insaf (PTI) prayed before the Supreme Court to declare the impugned amendment in the Elections Act, 2017, unconstitutional, discriminatory, and violative of fundamental rights. PTI Chairman Imran Khan and General Secretary Asad Umar, on Monday, filed a constitutional petition under Article 184 (3) of the Constitution, challenging the amendment to Section 94(1) of the Elections Act, 2017 through Elections (Amendment) Act, 2022.

Market Indices

	4-Jul-22	1-Jul-22	30-Jun-22
KSE 100	41,348	41,630	41,541
KSE 30	15,737	15,861	15,805
KMI 30	68,113	68,723	68,766
KSE All Shares	28,499	28,608	28,582

Volume (mn Shares)

	4-Jul-22	FYTD (Average)
KSE 100	43.3	54.7
KSE 30	20.4	25.5
KMI 30	19.3	26.9
KSE All Shares	86.4	120.2

Commodity Rates

	4-Jul-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	113.5	1.7%	-1.1%
Crude Oil-Arab Light (USD/BBL)	111.5	0.0%	3.3%
Coal (USD/Tonne)	343.6	1.1%	0.6%
Copper (USD/Lbs)	3.6	0.0%	-2.9%
Cotton (¢/Lbs)	110.0	0.0%	-0.2%
Gold (USD/Ounce)	1,809.1	-0.1%	0.1%

Currency (Interbank)

	4-Jul-22	Daily Change	FYTD Change
US Dollar	204.5	0.0%	0.0%
UK Pound	247.5	0.1%	-0.6%
Euro	213.1	-0.1%	-0.6%
UAE Dirham	55.9	0.0%	0.0%
Chinese Yuan	30.5	0.0%	0.0%

Fund Flows (USD mn)

	4-Jul-22	FYTD
FOREIGN INDIVIDUAL	0.00	0.00
FOREIGN CORPORATES	-0.17	0.35
OVERSEAS PAKISTANI	0.25	0.19
FIPI NET	**0.08**	**0.54**

Economic Data (USD mn)

	FY22P	FY21	FY20
GDP Growth	6.0%	5.7%	-0.9%
	May-22	**Apr-22**	
Exports	2,626	2,897	
Imports	6,777	6,661	
Remittances	2,333	3,125	
Foreign Exchange Reserves	9,723	10,499	

Money Market Data

	4-Jul-22	30-Jun-22	30-Jun-22
SBP Policy Rate	13.75	13.75	7.00
CPI Inflation	21.32	13.80	9.70
3 Month T-Bill	14.90	14.98	7.28
6 Month T-Bill	15.17	15.15	7.53
12 Month T-Bill	15.44	15.30	7.81
3 Year Government Bond	13.84	13.45	8.99
5 Year Government Bond	13.22	12.93	9.49
10 Year Government Bond	13.15	12.92	9.94
3 Month KIBOR	15.32	15.16	7.45
6 Month KIBOR	15.48	15.35	7.69

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