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MCB-ARIF HABIB
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- **Deal with IMF expected anytime | BR:** The federal capital is rife with speculation that the staff-level agreement on the seventh review between Pakistan and the International Monetary Fund (IMF) under the USD6bn Extended Fund Facility (EFF) programme is imminent and will be announced soon. However, till the filing this report, the IMF had not uploaded any press release on the successful completion of the review and neither did the Ministry of Finance officially confirm the agreement. A well-placed source within the Ministry of Finance; however, told this correspondent that the agreement with the Fund is almost finalized and the lender will release an official statement soon.
- **Global economy: IMF says outlook has 'darkened significantly' | BR:** The global economic outlook has "darkened significantly" and could deteriorate further, the IMF's managing director said Wednesday, citing Russia's war in Ukraine and the rapid inflation it has caused, threatening widespread hunger and poverty. The warning comes just months after the IMF already cut its global growth forecast for 2022 and 2023. The Ukraine war hit as the world was struggling to recover from the ongoing impact of the Covid-19 pandemic, and has caused an acceleration of inflation that endangers the gains of the past two years.
- **Govt raises PKR506bn from sale of MTBs | BR:** The federal government on Wednesday raised some PKR506bn against sale of short-term security paper. The State Bank of Pakistan (SBP) conducted an auction for sale of 3-month, 6-month and 12-month Government of Pakistan Market Treasury Bills (MTBs) through Primary Dealers on Wednesday (July 13) with settlement date on July 14, 2022. This was the first auction after the monetary policy announced on July 7, in which the monetary policy committee of the SBP increased the policy rate by 125 basis points to 15%. Accordingly, margin on all MTBs also rose by 52bps to 100bps in the auction held on Wednesday. Overall, bids of PKR1.57 trillion were received for all three papers. Most bids were submitted for the 3-month MTBs as the market is anticipating further monetary tightening in the future, if inflationary pressure on the economy persists.
- **Rupee crosses 210 level against dollar | The News:** Heavy dollar demand post-Eid holidays and appreciation in the reserve currency against major global currencies made the local unit shed 2.19 rupees or 1.04% against greenback on Wednesday. Interbank market saw the rupee close at 210.10 per dollar, compared with 207.91 last Thursday. In the kerb market, domestic currency fell 2 rupees to end at 211.50 versus the greenback. Analysts said the weakness in dollar supplies due to the decline in foreign exchange reserves and slowdown in remittances from overseas Pakistani workers put pressure on the local unit.
- **MoF makes guidelines on lending to provinces, PSEs | BR:** Ministry of Finance (MoF) has reportedly decided to lend provinces and Public Sector Entities (PSEs) on account of loans, advances and investments subject to re-payments of due loans or deduction at source, well informed sources told Business Recorder. Funds for foreign exchange payments shall require prior approval of the External Finance Wing of Finance Division. While examining requests for such funds, External Finance Wing shall consider availability of foreign exchange, the sources added.Finance Ministry's Budget Wing, sources said, has issued these instructions to all the Principal Accounting Officers of Ministries, Auditor General of Pakistan, Accountant General of Pakistan, State Bank of Pakistan and Heads of all concerned Organizations/ Entities.
- **Development budget for FY2022-23: Finance Division issues strategy for release of funds | BR:** The Finance Division has issued a strategy for the release of funds for the development budget for the fiscal year 2022-23, under the Public Finance Management Act and stated that these guidelines should be strictly adhered to. As per the strategy, the Ministry of Planning, Development and Special Initiatives shall release funds for the development budget out of the Public Sector Development Programme (PSDP) allocation for the current fiscal year for the approved projects at the level of 20% for first quarter, 25% for second quarter, 30% for third quarter, and 25% for fourth quarter.
- **Traders propose major changes in Finance Act | BR:** Traders on Wednesday highlighted serious issues in the implementation of the key budgetary measures, enforced from July 1, 2022, including the concept of "deemed rental income" on immovable properties. During a post-budget meeting with Finance Minister Miftah Ismail, the traders proposed major changes in the Finance Act 2022, to review a new concept of "deemed rental income" on immovable properties and a revision of the import ban list.
- **15% cut in oil prices recommended | BR:** On Prime Minister Shehbaz Sharif's explicit instructions to reduce the price of petroleum and products in line with the reduction in their international price. The Finance Division on Wednesday moved a summary seeking up to 15% reduction in petroleum prices with effect from July 16 – one day prior to the 20 by-elections to be held in Punjab that would determine the fate of the Punjab government. As is the usual practice, the Prime Minister in this regard will take the final decision.
- **Hydel, solar power projects: WB mission due for joint implementation support | BR:** A World Bank Mission is likely to conduct a joint Implementation Support Mission for Dasu Hydropower Project and Tarbela 4th Extension Project, as well as, a Preparation Mission for Floating Solar Project during the period from July 27 to August 26, 2022, official sources told Business Recorder. The Mission intends to have a meeting with the Ministry of Water Resources (MoWR), Ministry of Energy (Power Division), KP Government, Managements of WAPDA and NTDC, and the Project Implementation Units for Dasu and Tarbela projects.
- **Restoration of power supply from Neelum-Jhelum project ordered | Dawn:** Prime Minister Shehbaz Sharif on Wednesday took notice of a technical fault in the 969MW Neelum-Jhelum Hydropower Project and directed relevant departments to ensure immediate restoration of power supply from the project. The prime minister, who chaired a meeting on the matter, expressed annoyance over the technical failure of the project which suspended the supply of environment-friendly electricity to the national grid during the peak summer season. The meeting was told that power production from the project had been affected owing to the closure of 3km tailrace water tunnel.
- **Growers reject urea price hike to PKR2,350 | Dawn:** Sindh Chamber of Agriculture has rejected unilateral increases in urea prices and accused manufacturers of passing on the burden of 10%t super tax to growers. In a statement issued on Wednesday, vice-president Nabi Bux Sathio said the agriculture inputs have already become costlier manifold during the last few months and the urea manufacturers increased the per bag rate to PKR2,350 from PKR1,950 without any justification. He said the level of loot and plunder of fertiliser companies could be gauged from the fact that the federal government imposed a 10% super tax on total annual income while these companies increased the 20% rate on each bag of urea.

Market Indices			
	13-Jul-22	**7-Jul-22**	**30-Jun-22**
KSE 100	41,863	41,344	41,541
KSE 30	15,964	15,728	15,805
KMI 30	69,052	67,947	68,766
KSE All Shares	28,778	28,474	28,582
Volume (mn Shares)			
	13-Jul-22	**FYTD (Average)**	
KSE 100	80.8	54.9	
KSE 30	50.2	29.3	
KMI 30	61.7	33.1	
KSE All Shares	164.6	113.2	
Commodity Rates			
	13-Jul-22	**Daily Change**	**FYTD Change**
Crude Oil-Brent (USD/BBL)	99.6	0.1%	-13.3%
Crude Oil-Arab Light (USD/BBL)	101.0	1.2%	-6.4%
Coal (USD/Tonne)	354.5	-0.7%	3.8%
Copper (USD/Lbs)	3.3	1.0%	-10.4%
Cotton (¢/Lbs)	100.1	-2.9%	-9.3%
Gold (USD/Ounce)	1,735.2	0.6%	-4.0%
Currency (Interbank)			
	13-Jul-22	**Daily Change**	**FYTD Change**
US Dollar	210.0	1.5%	2.7%
UK Pound	249.7	1.6%	0.3%
Euro	211.3	1.7%	-1.4%
UAE Dirham	57.5	1.7%	2.9%
Chinese Yuan	31.2	1.6%	2.4%
Fund Flows (USD mn)			
	13-Jul-22	**FYTD**	
FOREIGN INDIVIDUAL	0.02	0.02	
FOREIGN CORPORATES	0.16	1.21	
OVERSEAS PAKISTANI	0.26	1.29	
FIPI NET	**0.43**	**2.52**	
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			
	13-Jul-22	**7-Jul-22**	**30-Jun-22**
SBP Policy Rate	15.00	15.00	13.75
CPI Inflation	21.32	21.32	13.80
3 Month T-Bill	15.48	15.13	14.98
6 Month T-Bill	15.71	15.20	15.15
12 Month T-Bill	15.86	15.18	15.30
3 Year Government Bond	14.07	13.84	13.45
5 Year Government Bond	13.37	13.20	12.93
10 Year Government Bond	13.23	13.05	12.92
3 Month KIBOR	15.63	15.36	15.16
6 Month KIBOR	15.87	15.52	15.35

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