Morning News 21-Jul-2022

MCB-ARIF HABIB
Savings and Investments Limited

- **IMF wants assurance on Saudi funding to Pakistan before it disburses loan | BR:** The International Monetary Fund (IMF) is looking to assess Saudi Arabia's commitment to financing Pakistan before the multilateral lender disburses fresh funds to the country, Bloomberg reported, citing people familiar with the matter.
- **Weighed mainly by global commodity prices: SBP sees FY23 most challenging for economy | BR:** The ongoing fiscal year of 2022-23 is being viewed by the central bank as the most challenging for the country's economy and even worse compared to the challenge of the Covid-19 pandemic because of the global commodity prices and the geopolitical situation.
- **Miftah sees economy stabilising with inflows 'on cards' | Dawn:** Blaming political factors for the latest downturn in currency and share markets, Pakistan's economic managers tried on Wednesday to reassure that macroeconomic fundamentals were stabilising and USD8.5-10bn inflows have been lined up from friendly countries against a financing gap of USD4bn estimated by the International Monetary Fund (IMF).
- **Dollar reaches all-time high at PKR224.92 | The News:** The US dollar continued its ascent on Wednesday against the Pakistani rupee, closing at a new all time high of PKR224.92 in the interbank market. The new rate was a climb by PKR2.93 from yesterday's close of PKR221.99 to a dollar, a record high at the time.
- **Food group exports grew 32.37% in FY 2021-22 | Pak Observer:** Food group exports from the country during fiscal year ended on June 30,2022 increased by 23.37%, where as imports registered 8% growth as compared the corresponding period of last year.
- **Textile exports surge 25.5% in FY22 on high demand | The News:** Pakistan's textiles sector exports increased over a quarter during FY22 as compared to FY21, achieving highest-ever exports of USD19.35bn on the back of high international demand, data showed.
- **Italy becomes 7th billion-dollar export destination for Pakistan | BR:** Italy has become the seventh billion-dollar export country for Pakistan in the world during FY 2021-22 with a record growth of export volume to USD1.15bn, while the remittances from Italy were also on the path to touch billion dollars soon with a total of USD857mn during the year.
- **ECC okays wheat, urea imports at cheaper rates | Dawn:** The Economic Coordination Committee (ECC) of the cabinet on Wednesday approved the import of 300,000 tonnes of wheat and 200,000 tonnes of urea at eight per cent and 17% cheaper rates, respectively, at a total foreign exchange cost of about USD222mn.
- **PKR slide vs USD: Nepra indicates more hike in power tariffs | BR:** The country's power sector regulator Wednesday indicated more increase in electricity tariff through Quarterly Tariff Adjustment after the rupee plunged to over PKR225 to the US dollar against its estimates of PKR200 to the dollar.
- **Monthly FCA formula: KE, CPPA-G seek record hike in power tariffs | BR:** K-Electric (KE) and Central Power Purchasing Agency Guaranteed (CPPA-G) are said to have sought unprecedented increase of PKR11.39 per unit and PKR9.92 per unit, respectively in their tariffs for June 2022 under monthly fuel charges adjustment formula.
- **PIA slashes international fares by up to 15% | BR:** Pakistan International Airline (PIA) has slashed its international fares up to 15%, following the reduction in POL prices. According to the details, the national flag carrier had earlier reduced its domestic fares up to 10% from July 17, 2022 for next 30 days.
- **Number of 3G, 4G users up by 1.86mn in one month: PTA | BR:** The number of 3G and 4G users in Pakistan increased by 1.86mn from 113.89mn by end May 2022 to 115.75mn by end-June 2022, says the Pakistan Telecommunication Authority (PTA).
- **Capital assets in Pakistan: Tax on 'deemed income' challenged in LHC | BR:** The tax imposed on "deemed income", through the Finance Act 2022, for taxation of capital assets situated in Pakistan, has been challenged in the Lahore High Court (LHC). In this regard, the LHC has issued notice to the Attorney General of Pakistan.
- **Sindh LG polls: 2nd phase rescheduled for Aug 28 | BR:** The Election Commission of Pakistan (ECP) has moved the second phase of the Sindh local government elections from July 24 to August 28 citing "possible rains and bad weather" in the Sindh. According to a statement issued by the ECP's spokesperson on Wednesday, the by-election for NA-245 (Karachi East-IV) was also rescheduled for August 21 due to weather conditions and Muharram.

Market Indices

	20-Jul-22	19-Jul-22	30-Jun-22
KSE 100	40,460	40,389	41,541
KSE 30	15,369	15,325	15,805
KMI 30	66,402	66,365	68,766
KSE All Shares	27,970	27,931	28,582

Volume (mn Shares)

	20-Jul-22	FYTD (Average)
KSE 100	69.3	70.9
KSE 30	44.9	38.1
KMI 30	49.2	42.7
KSE All Shares	141.6	139.4

Commodity Rates

	20-Jul-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	106.9	-0.4%	-6.9%
Crude Oil-Arab Light (USD/BBL)	108.4	-0.5%	0.4%
Coal (USD/Tonne)	336.7	-0.1%	-1.5%
Copper (USD/Lbs)	3.3	1.0%	-10.4%
Cotton (¢/Lbs)	105.0	0.0%	-4.8%
Gold (USD/Ounce)	1,696.4	-0.9%	-6.1%

Currency (Interbank)

	20-Jul-22	Daily Change	FYTD Change
US Dollar	224.8	1.5%	9.9%
UK Pound	269.0	1.3%	8.0%
Euro	228.7	1.0%	6.7%
UAE Dirham	61.3	1.2%	9.8%
Chinese Yuan	33.3	1.3%	9.0%

Fund Flows (USD mn)

	20-Jul-22	FYTD
FOREIGN INDIVIDUAL	0.00	0.07
FOREIGN CORPORATES	-0.08	2.82
OVERSEAS PAKISTANI	0.03	2.23
FIPI NET	**-0.05**	**5.12**

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

	20-Jul-22	19-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	15.01	15.03	14.98
6 Month T-Bill	15.47	15.48	15.15
12 Month T-Bill	15.68	15.68	15.30
3 Year Government Bond	13.23	13.24	13.45
5 Year Government Bond	13.25	13.15	12.93
10 Year Government Bond	12.98	12.96	12.92
3 Month KIBOR	15.19	15.14	15.16
6 Month KIBOR	15.66	15.69	15.35

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