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MCB-ARIF HABIB
Savings and Investments Limited

- **Inflation revised up: ADB sees 'slight' recovery in GDP growth | BR:** Pakistan's GDP growth rate is projected to recover slightly in the fiscal year 2023, but inflation is revised up substantially, says the Asian Development Bank (ADB). The bank in its latest report, "Asian Development Outlook Supplement", noted that inflation in Pakistan is the highest after Sri Lanka in the region.
- **FY22 FDI surges 2.6% to USD1.87bn | BR:** Pakistan fetched Foreign Direct Investment (FDI) USD1.87bn during the last fiscal year (FY22), the State Bank of Pakistan (SBP) reported on Thursday. According to statistics released by the SBP, the FDI recorded slight growth of 2.6% during the July-June of the last fiscal year. Overall, Pakistan attracted FDI amounting to USD1.87bn during FY22 compared to USD1.82bn during FY21, depicting an increase of USD47.3mn. During the period under review, FDI inflows were USD2.62bn as against outflow USD754.7mn.
- **Demand for dollar to ebb | BR:** Finance Minister Miftah Ismail has expressed the hope that demand for the US dollar would decrease in the next few days following reduced imports, and the situation in terms of the exchange rate would reverse. Addressing a press conference along with Minister for Defence Khawaja Asif on Thursday, the finance minister said a permanent governor of the State Bank of Pakistan (SBP) would be nominated next week and the board names would be released on Thursday.
- **Forex reserves dip by USD369mn | BR:** The country's total liquid foreign reserves dropped by USD369mn during the last week due to external debt servicing. According to State Bank of Pakistan (SBP) weekly foreign exchange reserves report issued on Thursday, the total liquid foreign reserves held by the country stood at USD15.24bn as of Jul 15, 2022 compared to USD15.61bn as of Jul 7, 2022.
- **THE RUPEE: PKR slide continues | BR:** Pakistani rupee's fall continued on Thursday as the currency depreciated to close near the 227 level against the US dollar in the inter-bank market amid renewed concerns over inflation and cost of doing business. As per the State Bank of Pakistan (SBP), the rupee settled at 226.81, a fall of PKR1.89 or 0.83%, against the greenback, a new low for the currency that has been under immense pressure this week.
- **Tax rate on income of banking firms enhanced | BR:** The tax rate on income of banking companies has been enhanced to 39% for tax year 2023 from the current 35% through an amendment in the Income Tax Ordinance 2001 through Finance Act 2022. The FBR has issued Circular No 15 of 2022-23 to explain important Amendments made in the Income Tax Ordinance, 2001.
- **Minimum tax rate on OMCs' turnover cut under Finance Act | BR:** The rate of minimum tax on turnover of oil marketing companies has been brought down from 0.75% to 0.5% under the Finance Act, 2022. According to the FBR's budget explanatory circular issued on Thursday, the minimum tax on turnover under Section 113 is payable by a resident company, permanent establishment of a non-resident company, an individual or an AOP having a turnover of PKR100mn and above under certain specific situations mentioned therein.
- **Pakistan's import tax set to apply brakes on gasoline flows from China | The News:** Pakistan's decision to slap a 10 percent duty on gasoline imports from China is set to dry up flows from the North Asian supplier to the South Asian buyer in the coming months, with these cargoes potentially heading to Southeast Asian markets, analysts and trade sources told S&P Global Commodity Insights. In fact, there were no flows in June following three straight monthly falls from a record high 574,000 mt, or 157,000 b/d, in March, data from China's General Administration of Customs showed July 20.
- **Import of CKD kits: Auto sector seeks SBP intervention for opening LCs | BR:** Auto manufacturers have sought intervention of the State Bank of Pakistan (SBP) for opening Letters of Credit (LCs) for the import of Completely Knocked Down (CKD) kits to avoid delays in car deliveries and further cost escalation. During the briefing to members Public Accounts Committee (PAC) on Thursday, representatives of auto manufacturers (Indus, Honda, Suzuki) said that their plants are running at 1/3 capacity so delays in car deliveries are imminent because of the non-availability of US dollars since May 31, 2022.
- **Financial crunch: KE demands clearance of TDC net difference | BR:** K-Electric (KE) has cautioned the federal government that it has reached an alarming and unsustainable level of bank borrowings and will not be in a position to clear over-dues unless the net difference of its KE demands clearance of Tariff Differential Claim (TDC) net difference TDC amounting to PKR25.6bn is cleared. Sources close to Chairman NEPRA told Business Recorder.

Market Indices			
	21-Jul-22	**20-Jul-22**	**30-Jun-22**
KSE 100	39,832	40,460	41,541
KSE 30	15,122	15,369	15,805
KMI 30	65,148	66,402	68,766
KSE All Shares	27,526	27,970	28,582
Volume (mn Shares)			
	21-Jul-22	**FYTD (Average)**	
KSE 100	73.1	71.1	
KSE 30	48.7	39.0	
KMI 30	50.2	43.3	
KSE All Shares	157.8	141.0	
Commodity Rates			
	21-Jul-22	**Daily Change**	**FYTD Change**
Crude Oil-Brent (USD/BBL)	103.9	-2.9%	-9.5%
Crude Oil-Arab Light (USD/BBL)	100.5	-7.3%	-6.9%
Coal (USD/Tonne)	334.9	-0.5%	-2.0%
Copper (USD/Lbs)	3.3	-0.8%	-11.1%
Cotton (¢/Lbs)	104.2	-0.7%	-5.5%
Gold (USD/Ounce)	1,718.5	1.3%	-4.9%
Currency (Interbank)			
	21-Jul-22	**Daily Change**	**FYTD Change**
US Dollar	227.0	1.0%	11.0%
UK Pound	272.2	1.2%	9.3%
Euro	232.2	1.5%	8.3%
UAE Dirham	62.1	1.2%	11.2%
Chinese Yuan	33.5	0.8%	9.9%
Fund Flows (USD mn)			
	21-Jul-22	**FYTD**	
FOREIGN INDIVIDUAL	0.00	0.07	
FOREIGN CORPORATES	1.16	3.98	
OVERSEAS PAKISTANI	0.30	2.53	
FIPI NET	**1.46**	**6.58**	
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			
	21-Jul-22	**20-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	15.12	15.01	14.98
6 Month T-Bill	15.50	15.47	15.15
12 Month T-Bill	15.69	15.68	15.30
3 Year Government Bond	13.18	13.23	13.45
5 Year Government Bond	13.22	13.25	12.93
10 Year Government Bond	12.97	12.98	12.92
3 Month KIBOR	15.21	15.19	15.16
6 Month KIBOR	15.68	15.66	15.35

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