Morning News 29-Jul-2022

MCB-ARIF HABIB Savings and Investments Limited

- **Pakistan's Outlook Cut to Negative by S&P on Rupee's Free Fall | Bloomberg:** S&P Global Ratings cut Pakistan's credit outlook to negative from neutral as the nation's external position weakens with higher commodity prices, the rupee's depreciation and tighter global financial conditions. The nation could be downgraded if support from bilateral and multilateral lenders quickly erodes or if usable foreign-exchange reserves fall further. The company also affirmed the nation's rating at B-, on par with Ecuador and Angola.
- **Inflation may continue to remain high in short run | Pakistan Today:** The Ministry of Finance in its Monthly Economic Outlook and Update July 2022 released on Thursday said that inflation may continue to remain high in the immediate short run, recalling that YoY inflation has accelerated more than 20 per cent.
- **MoF depicts a bleak picture of economy | BR:** The Finance Division has emphasized the intense need for a successful completion of the International Monetary Fund (IMF) combined 7th and 8th reviews of the Extended Fund Facility (EFF) because high international prices are still adversely affecting the external positions even in the start of the fiscal year, 2023.
- **FY22: Profit repatriation rises to $1.5bn | BR:** Foreign investors repatriated some $1.5 billion as profit and dividend on their investments in Pakistan during the last fiscal year (FY22). Despite some improvement and six percent economic growth, the repatriation of profit and dividend by foreign investors witnessed a slight increase during the last fiscal year.
- **External debt, liabilities amount to $126bn | BR:** The National Assembly was informed on Thursday that as of May 31, 2022, the country's total external debt and liabilities amounted to $126.07 billion of which $85.64 billion was on account of public external debt.
- **SBP-held foreign exchange reserves down $754mn, now stand at $8.58bn | BR:** Foreign exchange reserves held by the State Bank of Pakistan (SBP) declined a further $754 million, clocking in at $8.58 billion during the week ended July 22, 2022, a fall attributed "mainly to external debt and other payments".
- **Rupee closes near 240 against US dollar | BR:** Pressure due to import payments and the government's reported inability to intervene resulted in the rupee falling further against the US dollar on Thursday with the local currency closing near 240, another record low in the inter-bank market on Thursday.
- **Govt May Increase Petroleum Levy Due to IMF | Pro Pakistani:** International Monetary Fund (IMF) has insisted that the government increase the petroleum levy for the loan program's restoration, finance minister Miftah Ismail told the media. The government will increase the levy gradually to ease its impact on the people, Miftah said during a seminar.
- **SSGCL seeks PD's help | BR:** Sui Southern Gas Company Limited (SSGCL) has sought help from Petroleum Division for resolution of KE's Tariff Differential Subsidy (TDS) issue that would enable the power utility to pay its gas bills.
- **NEPRA Okays Tariff Hike of Rs. 9.89 Per Unit | Pro Pakistani:** The National Electric Power Regulatory Authority (NEPRA) indicated on Thursday an increase of Rs. 9.89 per unit in power tariff on account of fuel cost adjustment (FCA) for June 2022. It is pertinent to mention here that the regulator had approved a Rs. 7.90 per unit increase in monthly fuel charge adjustments (FCA) for May.
- **HBL's balance sheet crosses Rs5tr in H12022 | BR:** HBL on Thursday declared a consolidated profit after tax (PAT) of Rs12.1 billion for H12022, lower than the Rs18 billion in H12021, "as a result of the high and retrospective taxes announced in the Federal Budget".
- **ECC lifts import ban on all items except CBUs, home appliances| BR:** The Economic Coordination Committee (ECC) of the Cabinet has decided to allow the import of 200,000 metric tonnes of wheat and lifted the ban on the import of all the items except completely built units (CBUs) of auto, mobile, and home appliances.
- **Energy subsidy to be reviewed quarterly | BR:** The government has decided for a quarterly review of subsidy available to export industry for both gas and electricity, in addition to seeking list of captive units enjoying subsidy both on gas and electricity.
- **Tobacco exports witness 51.24 percent increase | Pak Observer:** Tobacco exports during the twelve months of fiscal year of 2021-22 grew up by 51.24 percent as compared to the exports of the commodity during the corresponding period of last year.

Market Indices			
	28-Jul-22	27-Jul-22	30-Jun-22
KSE 100	40,277	39,973	41,541
KSE 30	15,303	15,158	15,805
KMI 30	65,864	65,617	68,766
KSE All Shares	27,868	27,713	28,582
Volume (mn Shares)			
	28-Jul-22	FYTD (Average)	
KSE 100	119.0	72.4	
KSE 30	85.1	42.0	
KMI 30	76.7	44.4	
KSE All Shares	251.0	143.6	
Commodity Rates			
	28-Jul-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	107.1	0.5%	-6.7%
Crude Oil-Arab Light (USD/BBL)	101.9	-1.0%	-5.6%
Coal (USD/Tonne)	335.4	1.6%	-1.8%
Copper (USD/Lbs)	3.5	1.3%	-6.3%
Cotton (¢/Lbs)	107.0	2.4%	-3.0%
Gold (USD/Ounce)	1,755.5	1.3%	-2.8%
Currency (Interbank)			
	28-Jul-22	Daily Change	FYTD Change
US Dollar	239.7	1.9%	17.2%
UK Pound	291.9	2.1%	17.2%
Euro	244.4	1.8%	14.0%
UAE Dirham	65.4	1.3%	17.0%
Chinese Yuan	35.5	2.1%	16.4%
Fund Flows (USD mn)			
	28-Jul-22	FYTD	
FOREIGN INDIVIDUAL	0.00	0.07	
FOREIGN CORPORATES	0.07	2.41	
OVERSEAS PAKISTANI	0.25	3.06	
FIPI NET	**0.32**	**5.54**	
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			
	28-Jul-22	27-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	15.49	15.24	14.98
6 Month T-Bill	15.66	15.51	15.15
12 Month T-Bill	15.82	15.71	15.30
3 Year Government Bond	13.42	13.52	13.45
5 Year Government Bond	13.35	13.32	12.93
10 Year Government Bond	12.97	12.99	12.92
3 Month KIBOR	15.69	15.38	15.16
6 Month KIBOR	15.81	15.71	15.35

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