Morning News 03-Aug-2022

MCB-ARIF HABIB
Savings and Investments Limited

- **IMF official says country has met final pre-requisite | BR:** Pakistan has met all prior conditions for the combined 7th and 8th review under the Extended Fund Facility (EFF) programme and the International Monetary Fund (IMF) Executive Board meeting is tentatively planned for late August. Esther Perez Ruiz, IMF resident representative in Pakistan, while releasing a statement Tuesday, confirmed this.
- **July exports down 24% to USD2.219bn MoM | BR:** Pakistan's exports declined by 24% on a month-on-month (MoM) basis in July 2022 and remained USD2.22bn compared to USD2.92bn in June 2022, says the Pakistan Bureau of Statistics (PBS). The bureau released imports, exports, and trade balance data on Tuesday, according to which, the trade deficit narrowed by 46.76% on MoM and stood at USD2.64bn in July 2022 compared to USD4.96bn in June 2022.
- **PKR gains 46 paise in interbank market as import bill expected to dip | Dawn:** The rupee extended its gains in the interbank market for the third consecutive day on Tuesday, rising to 238 against the dollar. The local currency, which closed at 238.84 yesterday, gained 84 paise by 10:33am, according to the Forex Association of Pakistan (FAP).
- **July cement despatches decline by 47.7% | BR:** Cement despatches during the first month of current financial year 2022-23 declined by 47.7% as total cement despatches during July 2022 were registered at 2.04mn tons against 3.90mn tons during the same month of corresponding financial year.
- **Pakistan's textile exports dip 10% in July as energy woes bite: APTMA | BR:** Pakistan's textile exports clocked in at a provisional USD1.54bn, a drop of 10%, in July 2022 compared to USD1.71bn in June 2022, stated the All Pakistan Textile Mills Association (APTMA) on Tuesday. On a yearly basis, textile exports were up 5%, compared to USD1.47bn recorded in July 2021, showed the provisional data released by APTMA. In July 2022, the percentage of textile exports in total exports reached 66%, it added.
- **Cabinet yet to approve hike in gas rates | BR:** The federal cabinet has not yet approved the recommendation to raise gas rates approved by the Economic Coordination Committee (ECC) of the Cabinet. The ECC held on 8 July partially approved the hike in gas tariff for different slabs ranging from 43 to 353% and reduced the slabs from seven to five.
- **Jul 2022 oil sales lowest since Feb 2021 | BR:** Pakistan oil sales commenced FY23 with a decline of 26% on month-on-month basis to clock in at 1.44mn tons in July 2022. The oil sales in July 2022 are the lowest since February 2021. This was mainly due to significant decline in all three petroleum products.
- **Ministry agrees to increase OMCs margin on MS, HSD | The News:** The Ministry of Energy has partially accepted a demand of the oil marketing companies (OMCs) for increasing their margins on sale of petroleum products, officials said on Tuesday.
- **Over PKR129bn PHL loans: MoF asks PD to engage lenders for rescheduling | BR:** The Finance Ministry has advised the Power Division to engage lenders for rescheduling of PKR129.31bn loans of Power Holding Limited (PHL) as fiscal constraints do not allow it to pay the principal amount.
- **SBP Slaps PKR131.4mn Fine on three major banks | Pro Pakistani:** State Bank of Pakistan (SBP) has hammered three commercial banks with different penalties to the tune of PKR131.4mn in the quarter ended on June 2022 on account of enforcement action against the violations of its prescribed regulations.
- **NBP Funds achieves another milestone | BR:** NBP Fund Management Limited (NBP Funds) announced that it had achieved a new milestone of managing over PKR20,000 crores (PKR200bn) of investors' savings as of July 31st, 2022. On the occasion, the CEO of NBP Fund Management Limited, Dr Amjad Waheed, said that NBP Funds is one of the largest and fastest growing asset management companies in Pakistan.
- **Business entities incorporated abroad | BR:** In order to facilitate the business entities incorporated abroad with majority shareholding of non-resident Pakistanis, the State Bank of Pakistan (SBP) has introduced two separate categories of foreign currency and Pak rupee accounts namely Foreign Currency Business Value Account (FCBVA) and Non-Resident Rupee Business Value Account (NRBVA).
- **PTI accepted 'illegal' donations: ECP | BR:** The Election Commission of Pakistan (ECP) finally announced Tuesday the much-hyped and long-awaited verdict in the prohibited funding case (formerly known as foreign funding case) — around eight years after the case landed in the electoral body in November with what it wanted to do [with the PTI] for quite long, and we will see what it will do with similar cases against the PPP and the PML-N". "
- **PTI to challenge verdict | BR:** Pakistan Tehreek-e-Insaf (PTI) secretary general Asad Umar on Tuesday said that the party would challenge the Election Commission of Pakistan (ECP)'s verdict in the prohibited funding case within a day or two. The top electoral watchdog – in a unanimous verdict – declared that the PTI received foreign funds from 34 individuals and 351 businesses. The donations were sent from America, Australia, Canada, and the UAE.

Market Indices			
	2-Aug-22	1-Aug-22	30-Jun-22
KSE 100	40,192	40,076	41,541
KSE 30	15,248	15,190	15,805
KMI 30	65,688	65,281	68,766
KSE All Shares	27,898	27,842	28,582
Volume (mn Shares)			
	2-Aug-22	FYTD (Average)	
KSE 100	79.4	72.5	
KSE 30	60.4	43.8	
KMI 30	58.8	45.3	
KSE All Shares	217.5	146.9	
Commodity Rates			
	2-Aug-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	100.5	0.5%	-12.4%
Crude Oil-Arab Light (USD/BBL)	101.7	0.5%	-5.8%
Coal (USD/Tonne)	320.4	-0.7%	-6.2%
Copper (USD/Lbs)	3.5	-0.7%	-5.2%
Cotton (¢/Lbs)	105.5	-2.1%	-4.3%
Gold (USD/Ounce)	1,759.8	-0.7%	-2.6%
Currency (Interbank)			
	2-Aug-22	Daily Change	FYTD Change
US Dollar	238.3	-0.4%	16.5%
UK Pound	290.0	-1.0%	16.5%
Euro	242.2	-1.3%	13.0%
UAE Dirham	64.9	-0.7%	16.2%
Chinese Yuan	35.3	-0.2%	15.6%
Fund Flows (USD mn)			
	2-Aug-22	FYTD	
FOREIGN INDIVIDUAL	-0.02	0.04	
FOREIGN CORPORATES	-0.23	4.32	
OVERSEAS PAKISTANI	0.10	2.89	
FIPI NET	**-0.14**	**7.25**	
Economic Data (USD mn)			
	FY22P	FY21	FY20
GDP Growth	6.0%	5.7%	-0.9%
	Jun-22	May-22	
Exports	2,918	2,626	
Imports	7,880	6,777	
Remittances	2,714	2,333	
Foreign Exchange Reserves	9,816	9,397	
Money Market Data			
	2-Aug-22	1-Aug-22	30-Jun-22
SBP Policy Rate	15.00	15.00	13.75
CPI Inflation	24.93	24.93	13.80
3 Month T-Bill	15.61	15.60	14.98
6 Month T-Bill	15.70	15.71	15.15
12 Month T-Bill	15.80	15.82	15.30
3 Year Government Bond	13.24	13.36	13.45
5 Year Government Bond	13.23	13.33	12.93
10 Year Government Bond	12.91	12.92	12.92
3 Month KIBOR	15.78	15.77	15.16
6 Month KIBOR	15.88	15.88	15.35

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