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MCB-ARIF HABIB
Savings and Investments Limited

- **Letter of Intent from IMF 'anytime soon' | The News:** Pakistan's deal with the International Monetary Fund (IMF) to release two tranches worth USD1.17bn under a stalled loan facility is trudging closer to the finish line as an agreement on the Letter of Intent (LoI) appears likely before the weekend, officials said on Wednesday. Senior officials at the Finance Ministry said the Fund was likely to send a LoI (Letter of Intent) "anytime soon, as the IMF's mission chief had to rush to Australia for some personal engagement". "We may receive LoI within the next 24 hours and then it will be jointly signed by the Minister for Finance Miftah Ismail and Governor SBP."
- **Framework agreement signed: Denmark to provide interest-free loans in four sectors | BR:** Pakistan signed an inter-governmental framework agreement with the Government of Denmark for interest-free loans in renewable energy, energy efficiency, water supply and wastewater treatment sectors. This framework agreement offers the Danida Sustainable Infrastructure Finance (DSIF) Facility by the Danish side, which would provide interest-free but tied loans up to but not limited to €100m who would also facilitate transfer of technology and know-how from Denmark to Pakistan.
- **Govt raises PKR467bn via MTBs' sale | The News:** The government on Wednesday raised PKR467bn through the auction of Market Treasury Bills (MTBs) against the target of PKR550bn. The yields on shorter and longer duration T-bills remained unchanged, the auction result showed. The cut-off yield on the three-month T-bill stood at 15.75%, unchanged from the previous auction held on July 27. The yield on the six-month paper stayed flat at 15.80% and the yield on the 12-month paper was 15.94%, unchanged from the previous auction.
- **Rupee continues to gain ground against dollar, closes at 221.91 in interbank | The News:** The Pakistani rupee continued to gain ground against the US dollar for the seventh consecutive session in the interbank market on Wednesday. According to the State Bank of Pakistan, the local unit extended its gains by PKR2.13 or 0.96% against the dollar and closed at 221.91 in the interbank market. Apart from all positive cues, the latest development that played a factor in the rupee's appreciation includes the announcement that the United Arab Emirates (UAE) intends to invest USD1bn in Pakistani enterprises.
- **Yields ease on Pakistan's dollar bonds | The News:** Pakistan's dollar-denominated sovereign bonds continued to post recovery due to easing worries about the prospects of the country's default and the signs of economic stabilisation. "Finally, Pakistan US dollar bonds prices are recovering. In the last 20 days yields are down 3-29%". The yield on the five-year third Pakistan International Sukuk Company Limited, maturing on December 5, 2022, dropped to 21.79% on August 9 from its peak of 50.32% on July 19.
- **Presidential Ordinance almost ready: New tax rates under FTS to be notified on Oct 1 | BR:** The upcoming Presidential Ordinance will notify new tax rates for trades under the fixed tax scheme (FTS) from October 1, 2022, and old tax rates (prior to budget 2022-23) will continue during July-September 2022. Sources told Business Recorder that the Federal Board of Revenue (FBR) has almost finalized the Ordinance in line with the four major decisions were taken during the last meeting to finalize sales tax collection through electricity bills held at the ministry of finance to finalize collection of sales tax through electricity bills.
- **Govt plans 14,000MW solar power through incentives | Tribune:** The government plans to launch solar power projects of around 14,000 megawatts this year, as an alternative energy source to the costly electricity being generated using imported fuel, under an initiative, that includes reduced prices for solar systems along with tax incentives. Chairing a meeting to review measures for the promotion of solar energy in the country on Wednesday, Prime Minister Shehbaz Sharif directed for prioritising Balochistan in the provision of solar systems, stressing that solarisation would help reduce the fuel import bill.
- **Move aims at keeping uniform rate across country: Nepra approves Re0.57 per unit hike in KE tariff | BR:** The National Electric Power Regulatory Authority (Nepra) has approved an increase of Re0.57 per unit in K-Electric (KE) tariff aimed at maintaining a uniform tariff across the country. The decision was announced in the light of federal government's motion, which came under consideration at Nepra hearing on July 25, 2022. According to the determination, the Authority has considered the submissions made by the federal government in the motion and during the hearing. The Authority noted that the federal government to make the tariff uniform across the country keeping in view the National Electricity Policy 2021 has filed the motion.
- **New PPA: PD not willing to commit over 1,000MW to KE | BR:** The Power Division is reportedly unwilling to commit more than 1,000 MW of electricity to K-Electric (KE) from the National Grid in the new Power Purchase Agreement (PPA), saying any additional supply over and above committed quantity would be based on pro-rata basis and quota of power Distribution Companies (Discos), well-informed sources told Business Recorder. A high-level task force headed by former Prime Minister Shahid Khaqan Abbasi held at least two back-to-back meetings to find solutions to prevailing KE issues. The meeting was also attended by KE's Shan A Ashray.
- **ICI Pak to sell 26.5% stake of NMPL | The News:** The Board of Directors of ICI Pakistan Limited has authorised partial divestment of approximately 26.5% of the issued and paid up share capital of its subsidiary, NutriCo Morinaga (Private) Limited (NMPL) to Morinaga Milk Industry Co. Ltd. at an aggregate sale price of USD45.08mn, which will be USD2.07 per share. The company would continue to hold around 24.5% of its stake in the subsidiary upon completion of the transaction, it said in a notice sent to the Pakistan Stock Exchange (PSX) on Wednesday. The transaction is subject to the approval of the shareholders and the relevant regulatory authorities.
- **PSX launches property category | The News:** Pakistan Stock Exchange (PSX) on Wednesday formally launched 'property' sector for non-REIT real estate related listed companies. The addition of property sector has increased the number of sectors on PSX to 36. "The addition takes PSX closer to a better and improved reflection of the economy in the composition of listed companies," the bourse said in a statement. "This is an attempt to distinctly represent the important element of real estate and construction in PSX."
- **National Assembly informed: Govt plans to get eight A330 aircraft on lease | BR:** Federal Minister for Railways and Aviation Khawaja Saad Rafique said that the government has planned to get as many as eight A330 aircraft on lease and is making efforts for the restoration of various international routes of the Pakistan International Airlines (PIA). Responding to a question during the question hour in the National Assembly on Wednesday, the minister expressed the hope that the government will manage to get revived the PIA's routes for the United States and the United Kingdom this year. He said once these routes are restored then there will be no justification for the European Union to bar the PIA from operating in the EU countries.

Market Indices			
	10-Aug-22	**5-Aug-22**	**30-Jun-22**
KSE 100	42,495	42,096	41,541
KSE 30	16,080	15,883	15,805
KMI 30	69,404	68,649	68,766
KSE All Shares	29,194	29,000	28,582
Volume (mn Shares)			
	10-Aug-22	**FYTD (Average)**	
KSE 100	196.2	87.7	
KSE 30	121.2	53.8	
KMI 30	130.5	56.6	
KSE All Shares	373.1	180.3	
Commodity Rates			
	10-Aug-22	**Daily Change**	**FYTD Change**
Crude Oil-Brent (USD/BBL)	97.4	1.1%	-15.2%
Crude Oil-Arab Light (USD/BBL)	98.3	0.7%	-9.0%
Coal (USD/Tonne)	310.8	4.9%	-9.0%
Copper (USD/Lbs)	3.6	1.8%	-1.6%
Cotton (¢/Lbs)	111.1	2.0%	0.8%
Gold (USD/Ounce)	1,792.1	-0.1%	-0.8%
Currency (Interbank)			
	10-Aug-22	**Daily Change**	**FYTD Change**
US Dollar	224.2	0.0%	9.6%
UK Pound	274.0	1.2%	10.1%
Euro	230.8	0.8%	7.7%
UAE Dirham	61.3	0.0%	9.8%
Chinese Yuan	33.3	0.4%	9.2%
Fund Flows (USD mn)			
	10-Aug-22	**FYTD**	
FOREIGN INDIVIDUAL	0.00	0.13	
FOREIGN CORPORATES	-1.72	1.95	
OVERSEAS PAKISTANI	0.10	3.09	
FIPI NET	**-1.62**	**5.18**	
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			
	10-Aug-22	**5-Aug-22**	**30-Jun-22**
SBP Policy Rate	15.00	15.00	13.75
CPI Inflation	24.93	24.93	21.32
3 Month T-Bill	15.65	15.65	14.98
6 Month T-Bill	15.74	15.74	15.15
12 Month T-Bill	15.83	15.81	15.30
3 Year Government Bond	13.70	13.77	13.45
5 Year Government Bond	12.97	13.07	12.93
10 Year Government Bond	12.84	12.88	12.92
3 Month KIBOR	15.83	15.79	15.16
6 Month KIBOR	15.92	15.89	15.35

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