# Morning News 24-Aug-2022

MCB-ARIF HABIB
Savings and Investments Limited

- **Pakistan to get IMF tranche in six days after board's approval: SBP | The News:** Pakistan will get the USD1.17bn tranche from the International Monetary Fund (IMF) in six days' time after approval from the Executive Board that is scheduled to meet on August 29, SBP Acting Governor Murtaza Syed told Bloomberg TV.
- **SBP sees FX reserves at USD16bn in this fiscal | The News:** Pakistan's foreign currency reserves are expected to touch USD16bn in the current fiscal year, from USD7.9bn in August as an IMF bailout tranche worth USD1.2bn will unlock other inflows, central bank's acting governor said on Tuesday.
- **Govt procured USD185.61mn external loans in July | BR:** The government procured USD185.61mn external loans in the first month of the current fiscal year 2022-23 compared to USD1.6bn during the same period of the last fiscal year. The government received no loans from foreign commercial banks during July 2022, shows the Economic Affairs Division data.
- **Rupee closes with 0.46% fall, settles at 217.66 | BR:** The rupee closed with a drop of 0.46% against the US dollar in the inter-bank market on Tuesday after a volatile ride that saw it register a gain in the early hours of trading. As per the State Bank of Pakistan (SBP), the rupee closed at 217.66 after depreciating Re1 or 0.46%. On Monday, Pakistan's rupee registered a drop of 0.93% or PKR2.01 to settle at 216.66 against the US dollar as political noise engulfed the market.
- **Govt imposes up to 150% regulatory duty on 700 luxury goods | The News:** The Federal Board of Revenue (FBR) on Tuesday notified imposition of time-bound regulatory duty (RD) and additional customs duty (ACD) on almost 600 to 700 luxury items in the range of 100 to 150% maximum to discourage imports. However, the government could not jack up RDs and ACDs to 400 to 600% as earlier claimed by Finance Minister Miftah Ismail.
- **Pakistan's exports to China increase nearly 12% in Jan-July | BR:** Pakistan's exports to China crossed USD2.19bn in the first seven months of 2022, up 11.14% on a year-on-year basis, APP reported on Tuesday, citing data from the General Administration of Customs of the People's Republic of China (GACC).
- **Fertiliser makers fear DAP shortage in case of regulatory move | The News:** Fertiliser manufacturers foresee a shortage of DAP following the government's decision to regulate the sector by authorising Trading Corporation of Pakistan (TCP) to facilitate its import without any financial burden on the government. Fertilizer Manufacturers of Pakistan Advisory Council (FMPAC) said that regulating a deregulated sector would adversely affect the availability of DAP in the market.
- **Imported fertilizer: PM defers decision on dealers' margins | BR:** Prime Minister Shehbaz Sharif has deferred ratification of the ECC decision with respect to increase in dealers' margin of imported urea after the Ministry of Industries and Production was grilled for giving benefit to fertilizer industry instead of farmers. On August 16, 2022, during discussion on decisions of the ECC, the Minister for Finance/ Chairman ECC requested that ratification of decisions of ECC taken in its meeting held on July 28, 2022 may be deferred.
- **17.1mn power consumers exempted from fuel charge adjustment | BR:** Prime Minister Muhammad Shehbaz Sharif on Tuesday announced a complete exemption to about 17.1mn electricity consumers out of 30mn in the country from paying their fuel adjustment charges in the electricity bills. As immediate relief measures to masses, the prime minister said the government had also notified rescinding of levy of fixed taxes on retailers and shopkeepers.
- **Discos seek PKR3.7 per unit hike, PKR94.4bn more recoveries | BR:** The power Distribution Companies (Discos) have sought an increase of PKR 3.7 per unit and to recover additional amount of PKR 94.4 billion from consumers for 4th quarter of CFY 2021-22 under Quarterly Tariff Adjustment (QTA) mechanism. K-Electric has sought an increase of PKR 14.53 per unit for third quarter under QTA mechanism against additional financial burden of over PKR 60 billion to be adjusted by the federal government.
- **Quarterly Adjustment: KE wants to collect additional PKR14.53 per unit from consumers | The News:** The K-Electric has pleaded with the National Electric Power Regulatory Authority (Nepra) to allow it a huge PKR14.533/unit additional collection from power consumers on account of quarterly fuel price variation for April-June 2022.
- **'Illegally imported': FBR allowed to release CBU consignments on 100% surcharge | BR:** The federal government has allowed the Federal Board of Revenue (FBR) to release 'illegally imported' CBU consignments comprising some 600 items of the auto sector, mobile phones, and home appliances landed at any port before August 1, 2022, on payment of 100 percent surcharge.
- **Mahana Wealth raises USD2.1mn in pre-seed round | Dawn:** Mahana Wealth, a technology-led investment management company, has secured USD2.1mn in a pre-seed round, which was led by Swedish company VEF, SparkLabs Group of South Korea and Hong Kong and local strategic partner IGI Holdings.
- **Pakistan's political turmoil echoes in US, UN corridors | Dawn:** The political turmoil in Pakistan echoed far away in the United States as well, where the UN chief urged Islamabad to keep the legal process impartial while the State Department underlined the need to follow "democratic, constitutional and legal" principles.
- **Cases against IK: UN chief for 'impartial legal process' | BR:** The United Nations (UN) chief Secretary General Antonio Guterres has said he is "aware" of the recent terrorism charges against PTI chief Imran Khan and has called for an "impartial legal process". The ex-prime minister was booked in a terrorism case on Sunday for "threatening" a female judge and senior police officers in a public rally that drew a strong reaction from the federal government.

| Market Indices | | | |
|---|---|---|---|
| | 23-Aug-22 | 22-Aug-22 | 30-Jun-22 |
| KSE 100 | 43,367 | 42,827 | 41,541 |
| KSE 30 | 16,491 | 16,232 | 15,805 |
| KMI 30 | 72,126 | 70,769 | 68,766 |
| KSE All Shares | 29,703 | 29,386 | 28,582 |
| **Volume (mn Shares)** | | | |
| | 23-Aug-22 | FYTD (Average) | |
| KSE 100 | 138.1 | 115.4 | |
| KSE 30 | 64.7 | 65.4 | |
| KMI 30 | 68.6 | 69.6 | |
| KSE All Shares | 324.3 | 245.2 | |
| **Commodity Rates** | | | |
| | 23-Aug-22 | Daily Change | FYTD Change |
| Crude Oil-Brent (USD/BBL) | 100.2 | 3.9% | -12.7% |
| Crude Oil-Arab Light (USD/BBL) | 99.6 | 3.7% | -7.7% |
| Coal (USD/Tonne) | 333.3 | -3.3% | -2.5% |
| Copper (USD/Lbs) | 3.7 | 1.2% | -0.4% |
| Cotton (¢/Lbs) | 120.6 | -1.3% | 9.4% |
| Gold (USD/Ounce) | 1,747.7 | 0.7% | -3.3% |
| **Currency (Interbank)** | | | |
| | 23-Aug-22 | Daily Change | FYTD Change |
| US Dollar | 216.8 | 0.2% | 6.0% |
| UK Pound | 256.7 | 0.9% | 3.1% |
| Euro | 216.1 | 0.5% | 0.8% |
| UAE Dirham | 59.2 | 0.0% | 5.9% |
| Chinese Yuan | 31.7 | 0.4% | 3.9% |
| **Fund Flows (USD mn)** | | | |
| | 23-Aug-22 | FYTD | |
| FOREIGN INDIVIDUAL | 0.05 | 0.27 | |
| FOREIGN CORPORATES | -0.94 | -4.75 | |
| OVERSEAS PAKISTANI | -0.07 | 6.17 | |
| **FIPI NET** | **-0.96** | **1.70** | |
| **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** | | | |
| | 23-Aug-22 | 22-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 | 15.69 | 15.73 | 14.98 |
| 6 Month T-Bill | 15.79 | 15.80 | 15.15 |
| 12 Month T-Bill | 15.88 | 15.90 | 15.30 |
| 3 Year Government Bond | 13.58 | 13.65 | 13.45 |
| 5 Year Government Bond | 12.84 | 12.91 | 12.93 |
| 10 Year Government Bond | 12.58 | 12.56 | 12.92 |
| 3 Month KIBOR | 15.90 | 15.93 | 15.16 |
| 6 Month KIBOR | 16.00 | 16.02 | 15.35 |

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