Morning News 26-Aug-2022

MCB-ARIF HABIB
Savings and Investments Limited

- **The kingdom too will invest in Pakistan: USD1bn | BR:** Saudi Arabia plans to invest USD1bn in Pakistan, Saudi state TV reported on Thursday. Saudi King Salman bin Abdulaziz had given the directive for the kingdom to support the Pakistani economy, state TV added.—Reuters INP adds: Following the Qatari leadership's announcement to invest USD3bn, Saudi Arabia has also assured Pakistani leadership of investment of USD1bn.
- **ADB approves USD0.7mn TA | BR:** The Asian Development Bank (ADB) has approved technical assistance (TA) worth USD0.7mn for Pakistan. Official documents noted that the project "Pakistan: Preparing the Promoting Sustainable Public-Private Partnerships Program" strategic agenda includes inclusive economic growth and will be implemented across the country.
- **Contingency revenue steps agreed with IMF | BR:** The government under the contingency revenue measures agreed with the International Monetary Fund (IMF) would impose 10.5% GST on petroleum products initially and would take it to 17% if monthly revenue collection data showed signs of underperforming against the first quarter of fiscal year 2023 and subsequent targets.
- **Economic outlook marred by uncertainties: MoF | BR:** The Finance Ministry has said that Pakistan's economic outlook is surrounded by global and domestic uncertainties with unabated geopolitical tensions, globally regretted that the FDI in Pakistan was even less compared to Myanmar. The minister said that an incremental increase in the exports growth would not serve the purpose at this point in time and in the future because the country is in need of USD10bn jump.
- **SBP reserves fall to USD7.81bn | The News:** The central bank's foreign exchange reserves dropped by USD87mn to USD7.81bn in the week ended August 19, it reported on Thursday, highlighting the pressure that the lack of external financing has put on the economy. Pakistan's total liquid foreign reserves fell by USD92mn to USD13.52bn, whereas the reserves of commercial banks slightly decreased by USD4mn to USD5.71bn.
- **THE RUPEE: PKR registers loss for 4th consecutive session | BR:** The Pakistani rupee registered a loss for the fourth successive session against the US dollar and depreciated 0.47% in the inter-bank market on Thursday. As per the State Bank of Pakistan (SBP), the rupee closed at 219.41 after depreciating PKR1.03 or 0.47%. On Wednesday, the rupee had registered a loss for the third successive session against the US dollar and closed at 218.38 after depreciating Re0.72 or 0.33%.
- **June oil reserves decline 7% to 233mn bbl YoY | BR:** The oil reserves have reduced by 7.0% on year-on-year basis, arriving at 233mn bbl during June 2022 as compared to 249mn bbl in the same month in 2021. The decline comes on the back of the reduction in oil reserves of major fields such as Mardenkhel, Adhi, Shahdadpur, Pasakhi/ Paskhi North East, Nashpa and Mela by 13%, 14%, 15%, 22%, 38% and 74% on YoY, respectively. The oil reserves of Makori East, Chanda, Tolanj West and Togh reported a healthy growth of 18%, 185%, 4x, and 5x on YoY. Respectively.
- **Import of spare parts, machinery: IPPs demand withdrawal of curbs | BR:** Independent Power Producers (IPPs) have urged the government to lift restrictions on import of spare parts and machinery necessary for maintenance of their plants, imposed by the State Bank of Pakistan (SBP) due to foreign exchange issues, to ensure availability of plants for the System Operator, sources close to Managing Director PPIB told Business Recorder.
- **Pakistan Oilfields finds hydrocarbons in KP | Dawn:** Pakistan Oilfields Ltd (POL) told its shareholders on Thursday that MOL Pakistan, which operates the Tal Block in Kohat district of Khyber Pakhtunkhwa, has encountered hydrocarbons following Drill Stem Tests (DSTs) conducted in the Tolanj West-2 well to measure the potential of Samanasuk, Shinawari and Lockhart formations.
- **'Fairness' of payments: CPPA-G, Hubco lock horns | BR:** Central Power Purchasing Agency- Guaranteed (CPPA-G) and M/s Hub Power Company (Hubco) have reportedly locked horns on "fairness" of payment of overdue receivables and total amount claimed by the power company. On August 12, 2022, Chief Executive Hubco Kamran Kamal, in a letter to Secretary Power, Rashid Mahmood Langrial, accused CPPA-G of not treating Hubco fairly with respect to payment.
- **PRL hires firms for refinery upgrade | The News:** Pakistan Refinery Limited (PRL) has awarded the mandate for financial advisory and arrangement services to United Bank Limited (UBL) and JS Global Capital Limited (JSGCL) to assist it in its USD1.2bn refinery upgrade and expansion project. PRL has hired services of both the financial institutions for local debt and equity.
- **200 or less units: KE to facilitate consumers thru revised bills from today | BR:** Following the notification released by the Ministry of Energy, Government of Pakistan (GoP) about the modification of the June Fuel Charges Adjustment (FCA), K-Electric will facilitate those Non Time-of-Use (Non-ToU) residential consumers, with revised electricity bills for the month of August who have electricity consumption of equal to or less than 200 units.
- **Trash in seawater: K-2 unit operating at 60pc capacity | BR:** Karachi Nuclear Power Plant unit-2 (K-2) is reportedly on partial forced outage due to intrusion of trash in plant through seawater and is now operating at 60 percent capacity, well informed sources told Business Recorder.
- **US says backs 'democratic' order in Pakistan | BR:** The United States said Thursday that it backed democratic principles in Pakistan after former Prime Minister Imran Khan, an outspoken critic of Washington, was slapped with charges. "We support the peaceful upholding of democratic, constitutional and legal principles," State Department spokesman Vedant Patel told reporters.
- **ATC grants Imran interim pre-arrest bail | BR:** Pakistan Tehreek-e-Insaf (PTI) Chairman and former Prime Minister Imran Khan on Thursday said that due to the rising popularity of his party, "they are frightened and because of this fear they are trying to technically knockout him to save themselves".

Market Indices

	25-Aug-22	24-Aug-22	30-Jun-22
KSE 100	43,033	43,338	41,541
KSE 30	16,335	16,527	15,805
KMI 30	71,456	72,195	68,766
KSE All Shares	29,486	29,653	28,582

Volume (mn Shares)

	25-Aug-22	FYTD (Average)
KSE 100	92.6	114.8
KSE 30	54.1	64.9
KMI 30	56.2	68.8
KSE All Shares	207.7	244.5

Commodity Rates

	25-Aug-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	99.3	-1.9%	-13.5%
Crude Oil-Arab Light (USD/BBL)	97.0	-1.2%	-10.2%
Coal (USD/Tonne)	322.0	-1.8%	-5.8%
Copper (USD/Lbs)	3.7	1.5%	-0.3%
Cotton (¢/Lbs)	120.1	-1.5%	8.9%
Gold (USD/Ounce)	1,758.4	0.4%	-2.7%

Currency (Interbank)

	25-Aug-22	Daily Change	FYTD Change
US Dollar	216.1	-1.3%	5.7%
UK Pound	255.6	-1.1%	2.7%
Euro	215.5	-1.2%	0.5%
UAE Dirham	59.2	-1.2%	5.9%
Chinese Yuan	31.5	-1.2%	3.4%

Fund Flows (USD mn)

	25-Aug-22	FYTD
FOREIGN INDIVIDUAL	0.00	0.28
FOREIGN CORPORATES	-0.21	-6.72
OVERSEAS PAKISTANI	0.70	6.86
FIPI NET	**0.50**	**0.42**

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

	25-Aug-22	24-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	15.73	15.68	14.98
6 Month T-Bill	15.80	15.77	15.15
12 Month T-Bill	15.90	15.86	15.30
3 Year Government Bond	13.60	13.58	13.45
5 Year Government Bond	12.97	12.90	12.93
10 Year Government Bond	12.60	12.58	12.92
3 Month KIBOR	15.92	15.91	15.16
6 Month KIBOR	16.00	16.01	15.35

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