Morning News 29-Aug-2022

MCB-ARIF HABIB
Savings and Investments Limited

- **Crucial IMF meeting for renewal of loan plan today | Dawn:** The executive board of the International Monetary Fund (IMF) meets on Monday (today) to consider a bailout package for Pakistan as Islamabad claims tying up at least USD37bn in loans and investments.
- **FATF team to visit Pakistan next month | The News:** The Onsite Inspection Team of the Financial Action Task Force (FATF) is all set to visit Pakistan in the first week of September to assess rules, regulations, and strengthening of institutional mechanism in order to decide on removing the country from the grey list.
- **Most difficult part is behind us now: SBP official defends quick hikes in key policy rate | BR:** Chief Economist and Research Advisor SBP, Dr Ali Chaudhry has said that the most difficult part is behind us now; the cumulative growth of Pakistan was in double digits in the last two years and the economy was overheating, and to handle it.
- **All Major Economic Indicators Deteriorate In First Month of Current FY | Nation:** Almost all major economic indicators have deteriorated in the first month (July) of the current fiscal year over the corresponding period of the previous year. Apart from exports, all other economic indicators including imports, current account deficit, foreign investment, foreign exchange reserves and inflation rate have deteriorated in July 2022 as compare to same period of the previous year, according to the latest data of the Ministry of Finance.
- **FCA exemption to cause PKR21bn impact: Miftah | BR:** The government would not charge FCA from electricity consumers using less than 200 units monthly after taking into confidence the International Monetary Fund (IMF) and the World Bank (WB). Finance Minister Miftah Ismail while addressing a press conference on Friday stated this.
- **Govt aims to collect PKR91bn thru GST, PL on POL products | BR:** The federal government may impose General Sales Tax (GST) on all petroleum products with effect from October 1, 2022 to generate revenues amid decreasing oil prices in global market, sources in petroleum division said. A proposal has been moved to Prime Minister Shehbaz Sharif.
- **Steep fall in profits outflow in July | Dawn:** The profits and dividends on foreign investments in Pakistan fell sharply down to an insignificant level in the first month of the current fiscal year, suggesting the poor economic performance. The State Bank of Pakistan's latest data showed that the outflow of profits and dividends on foreign investments, mostly foreign direct investment (FDI), in July was just USD16.5mn compared to USD159.2m in the same month last year.
- **Islamic RDAs grew twice as fast as conventional: SBP | The News:** Roshan Digital Account (RDA) has received more than USD4.95bn through 452, 821 accounts of overseas Pakistanis from 175 countries in less than two years and of that total over half of the inflows were recorded in the Islamic banking version, said Dr Murtaza Syed, Deputy Governor State Bank of Pakistan (SBP) on Saturday.
- **ADB to help govt attract investment in infrastructure | Dawn:** The Asian Development Bank will provide technical assistance to Pakistan on a grant basis to support the government's efforts to create an enabling environment for infrastructure financing and public-private partnership at the federal level.
- **THE RUPEE: PKR's decline continues | BR:** The Pakistani rupee recorded a loss for the fifth successive session against the US dollar and depreciated 0.57% in the inter-bank market on Friday. As per the State Bank of Pakistan (SBP), the rupee closed at 220.66 after depreciating PKR1.25 or 0.57%.
- **Gas pipeline project: Pakistan, Iran agree to resume talks | BR:** Pakistan and Iran have agreed to resume negotiations for implementation of Iran-Pakistan (IP) Gas Pipeline Project, possibility of starting Electronic Financial Messaging System (SEPAM) and achieving barter trade target of USD4bn. The work on IP gas pipeline was stalled due to US sanctions on Iran as no Pakistani bank was ready to take the risk of financing the project.
- **Automakers fear major dent in rural sales 'due to floods' | Dawn:** After depressed sales in July, auto assemblers paint a gloomy demand scenario in the coming months due to flash floods in various rural parts of the country that have destroyed standing crops and homes of growers.
- **Demand drop builds up huge diesel dead stock | The News:** A major flood-led slump in the consumption of high speed diesel (HSD) has led to the cancellation of two cargoes by the state oil company, owing to a built-up of a huge dead stock, which also forced refineries to scale down their operations significantly, The News learnt on Friday.
- **Thar coal: 2600MW production target to be achieved by next year: Dastgir | BR:** Federal Minister for Power Engineer Khurram Dastgir Khan has said that the 2600-MW production target of Thar Coal will be achieved by the next year. During his visit to the Thar Coal projects in Thar Block I and II the other day, the minister shared his thoughts on how Thar Coal is playing a very important role in fulfilling the power needs of Pakistan.
- **PSO scraps HSFO delivery tenders | BR:** Pakistan State Oil (PSO) has scrapped tenders for delivery of High Sulphur Furnace Oil (HSFO) cargoes for September 1-15, 2022 due to low upliftment by the power plants, well-informed sources told Business Recorder.
- **Hubco asks CPPA-G to resolve payment 'disparity' issue | BR:** The bitterness between M/s Hubco Power Company (Hubco) and Central Power Purchasing Agency- Guaranteed (CPPA-G) on alleged disparity in allocation of payment to different IPPs is rising with each passing day. The power company's Chief Executive Officer (CEO) Kamran Kamal, has responded to CEO CPPA-G in his letter dated August 16, 2022, expressing disappointment at CPPA-G's response to his letter, adding that unfortunately.
- **Agri-credit target set at PKR1.8 trillion | Tribune:** The State Bank of Pakistan (SBP) has assigned the annual agricultural credit disbursement target of PKR1.8 trillion to the financial institutions for FY23 to cater to the agricultural credit demand in the country.
- **Floods to cause USD4bn loss to economy | Tribune:** The unusual heavy monsoon rains and flash floods are initially estimated to cost Pakistan's economy over USD4bn in the current fiscal year as the calamity has badly hurt agricultural activities in Sindh and Balochistan.
- **Pakistan-IMF deal: PTI warns govt against targeting Taimur Jhagra | The News:** PTI leader Asad Umar on Saturday blasted the coalition government for "trying to suppress Khyber Pakhtunkhwa Finance Minister Taimur Jhagra's voice" after he wrote a letter to the Centre hinting at withdrawing from a commitment made with the International Monetary Fund (IMF) for the revival of the USD6 billion loan programme.
- **Airspace for US drones: Pakistan rejects Afghan minister's allegations | BR:** Pakistan on Sunday categorically rejected the allegation by acting defence minister of Afghanistan regarding use of Pakistan's air space in the US counter-terrorism drone operation in Afghanistan.

Market Indices			
	26-Aug-22	25-Aug-22	30-Jun-22
KSE 100	42,592	43,033	41,541
KSE 30	16,115	16,335	15,805
KMI 30	70,399	71,456	68,766
KSE All Shares	29,322	29,486	28,582
Volume (mn Shares)			
	26-Aug-22	FYTD (Average)	
KSE 100	160.3	116.1	
KSE 30	71.2	65.1	
KMI 30	73.2	68.9	
KSE All Shares	265.6	245.0	
Commodity Rates			
	26-Aug-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	101.0	1.7%	-12.0%
Crude Oil-Arab Light (USD/BBL)	97.4	0.4%	-9.8%
Coal (USD/Tonne)	331.0	2.8%	-3.1%
Copper (USD/Lbs)	3.7	-0.1%	-0.4%
Cotton (¢/Lbs)	125.1	4.1%	13.4%
Gold (USD/Ounce)	1,736.9	-1.2%	-3.9%
Currency (Interbank)			
	26-Aug-22	Daily Change	FYTD Change
US Dollar	220.3	1.9%	7.7%
UK Pound	258.8	1.2%	3.9%
Euro	219.4	1.8%	2.4%
UAE Dirham	60.2	1.8%	7.8%
Chinese Yuan	32.1	1.6%	5.0%
Fund Flows (USD mn)			
	26-Aug-22	FYTD	
FOREIGN INDIVIDUAL	0.04	0.32	
FOREIGN CORPORATES	0.44	-6.28	
OVERSEAS PAKISTANI	0.36	7.22	
FIPI NET	**0.84**	**1.27**	
Economic Data (USD mn)			
	FY22P	FY21	FY20
GDP Growth	6.0%	5.7%	-0.9%
	Jul-22	Jun-22	
Exports	2,254	2,918	
Imports	4,993	7,880	
Remittances	2,524	2,761	
Foreign Exchange Reserves	8,385	9,816	
Money Market Data			
	26-Aug-22	25-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	15.73	14.98
6 Month T-Bill	15.80	15.80	15.15
12 Month T-Bill	15.90	15.90	15.30
3 Year Government Bond	13.60	13.60	13.45
5 Year Government Bond	12.97	12.97	12.93
10 Year Government Bond	12.60	12.60	12.92
3 Month KIBOR	15.91	15.92	15.16
6 Month KIBOR	16.00	16.00	15.35

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