Morning News 31-Aug-2022

MCB-ARIF HABIB Savings and Investments Limited

- **US announces USD30mn in support for Pakistan flood response | BR:** The United States will provide USD30mn in support for Pakistan following severe rains and flooding, the US embassy in Islamabad announced on Tuesday. "The United States, through the US Agency for International Development (USAID), today announced an additional USD30mn in life-saving humanitarian assistance to support people and communities affected by severe flooding in Pakistan," the statement said. Earlier on Tuesday, United Nations Secretary-General Antonio Guterres announced a flash appeal for USD160mn to support the Pakistan government's flood relief efforts.
- **Flood emergency: UN announces flash appeal for USD160mn to assist Pakistan | BR:** United Nations Secretary-General Antonio Guterres on Tuesday announced a flash appeal for USD160mn to support the Pakistan government's flood relief efforts. Speaking at an event hosted by Pakistan's Ministry of Foreign Affairs (MOFA), he said "these funds will provide 5.2mn people with food, water, sanitation, emergency education, protection, and health support." He also said the world must take collective action against climate change and assist Pakistan in responding to the "colossal crisis". The announcement comes after Planning Minister Ahsan Iqbal said Pakistan needs more than USD10bn to repair the damage caused by monsoon rains.
- **Dollar bonds' yields rebound on IMF deal | The News:** Yields on Pakistan's dollar-denominated sovereign bonds rallied on Tuesday as the country managed to dodge a default on its foreign debt repayments following the resumption of the International Monetary Fund bailout package. The yield on the five-year third Pakistan International Sukuk Company Limited, maturing on December 5, 2022, increased 92 basis points (bps) to 23.91% on August 30. However, the yield on a 10-year Eurobond, maturing on April 15, 2024, fell 53bps to 30.29%, on a 10-year Eurobond, maturing in 2025, it fell 48bps to 22.28
- **Rupee registers 0.82% gain following IMF programme revival | BR:** Pakistan's rupee gained in value against the US dollar following revival of the much-awaited International Monetary Fund (IMF) programme, appreciating 0.82% in the inter-bank on Tuesday. As per the State Bank of Pakistan (SBP), the rupee closed at 220.12 after appreciating PKR1.8 or 0.82% against the greenback. On Monday, the rupee had recorded a loss for the sixth successive session against the US dollar and depreciated PKR1.26 or 0.57% to settle at 221.92. The reversal, however, comes on the back of IMF Executive Board's approval. In a late-night development on Monday, the IMF finally revived its Extended Fund Facility (EFF) programme for Pakistan, as its board approved the disbursement of USD1.1bn for the seventh and eighth tranches.
- **Ex-UK judge to head tribunal to settle IPPs issue | Tribune:** David Edmond Neuberger, a former Supreme Court judge of the UK, has been appointed as the chairman of the tribunal for the settlement of a dispute involving PKR52bon with 12 independent power producers (IPPs) set up under the 2002 policy. Neuberger had served as the president of the Supreme Court of the UK from 2012 to 2017. He was a Lord of Appeal in Ordinary until the House of Lords' judicial functions were transferred to the new Supreme Court in 2009, at which point he became Master of the Rolls, the second most senior judge in England and Wales.
- **LHC strikes off fuel adjustment charges from electricity bills | The News:** The Lahore High Court (LHC) Rawalpindi Circuit bench on Tuesday quashed fuel adjustment charges from electricity bills. The LHC Rawalpindi Circuit bench while hearing a plea moved against the collection of fuel adjustment charges from consumers in the electricity bills struck down the charges. Justice Jawadul Hassan directed the WAPDA and the NEPRA not to charge tax in the electricity bills of consumers. The LHC judge also summoned the Islamabad Electric Supply Company (IESCO) chief on September 15.
- **Thar coal power plants to hit 2,000MW target in 2023 | The News:** Shanghai Electric's Thar Coal Power Plant is set to start injecting electricity into the system, the country's top energy executive said on Tuesday, while coal-fired projects' generation is seen hitting 2,000MW this year. "Thar Engro Coal Power Project has already become operational, and Shanghai Electric's plant will also come online very soon," said Federal Minister for Energy Khurram Dastagir Khan addressing the inaugural ceremony of the 11th IEEEP Fair 2022 at Expo Centre Karachi. The energy minister also revealed that Thar coal power projects were poised to achieve their production target of 2,000MW within 2023.
- **Opening of L/Cs: PPIB urges SBP to facilitate IPPs | BR:** Private Power & Infrastructure Board (PPIB) has urged the State Bank of Pakistan (SBP) to facilitate Independent Power Producers (IPPs) in opening Letters of Credit (L/Cs) to timely carry out periodic and breakdown maintenance of generation plants and machinery and to fulfil its contractual obligations, official sources told Business Recorder.
- **Toyota, Millat shut plants | Dawn:** The auto sector crisis deepened as Indus Motor Company (IMC) and Millat Tractor Ltd (MTL) on Tuesday announced production shutdowns due to parts shortages and delivery disruptions due to flood devastation across the country. The assembler of Toyota vehicles informed the Pakistan Stock Exchange that its plant will remain shut from Sept 1-16 due to parts shortages caused by import restrictions. IMC also kept production suspended from Aug 1-13 attributing it to the State Bank of Pakistan's mechanism for the auto sector to obtain prior approval for importing completely knocked down (CKD) kits and components of passenger cars.
- **Faysal Bank to be Sharia-compliant by end of 2022 | Dawn:** Faysal Bank Ltd will become a full-fledged Islamic lender by the end of 2022 after ring-fencing its residual conventional loan portfolio, said Chief Financial Officer Syed Majid Ali on Tuesday. Speaking at a press briefing at the bank's head office, Mr Ali said the commercial lender will surrender its conventional banking mandate once the regulator grants it the licence for Islamic banking. Faysal Bank will formally apply for an Islamic banking licence in September, he added. Five Islamic banks and 17 conventional banks with Islamic banking branches currently operate in Pakistan.
- **Govt to allow onion, tomato imports from Iran, Afghanistan | Dawn:** The food ministry would issue permits within 24 hours to facilitate onion and tomato imports from Iran and Afghanistan, the government decided on Tuesday as it tries to stabilise food prices. The decision was made in a meeting held in Islamabad on Tuesday. The food ministry has asked the Federal Board of Revenue to waive taxes and levies on onion and tomato imports for the next three months and expects that this will be made effective immediately. The measures aimed to ensure the supply of essential commodities in the market and stabilise prices, the Ministry of National Food Security and Research said in a statement.

Market Indices	30-Aug-22	29-Aug-22	30-Jun-22
KSE 100	42,195	42,504	41,541
KSE 30	15,927	16,090	15,805
KMI 30	69,846	70,290	68,766
KSE All Shares	28,985	29,191	28,582

Volume (mn Shares)	30-Aug-22	FYTD (Average)
KSE 100	140.2	116.6
KSE 30	68.6	65.2
KMI 30	66.0	68.7
KSE All Shares	237.6	244.4

Commodity Rates	30-Aug-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	99.3	-5.5%	-13.5%
Crude Oil-Arab Light (USD/BBL)	95.7	-5.3%	-11.4%
Coal (USD/Tonne)	346.6	-0.5%	1.4%
Copper (USD/Lbs)	3.5	-1.9%	-4.4%
Cotton (¢/Lbs)	118.7	-5.0%	7.6%
Gold (USD/Ounce)	1,723.6	-0.8%	-4.6%

Currency (Interbank)	30-Aug-22	Daily Change	FYTD Change
US Dollar	219.7	-1.3%	7.4%
UK Pound	256.1	-1.7%	2.8%
Euro	220.0	-1.1%	2.6%
UAE Dirham	60.2	-0.6%	7.8%
Chinese Yuan	31.8	-1.3%	4.1%

Fund Flows (USD mn)	30-Aug-22	FYTD
FOREIGN INDIVIDUAL	0.00	0.32
FOREIGN CORPORATES	-0.03	-5.88
OVERSEAS PAKISTANI	0.16	8.12
FIPI NET	**0.12**	**2.56**

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	30-Aug-22	29-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	15.75	15.75	14.98
6 Month T-Bill	15.81	15.80	15.15
12 Month T-Bill	15.90	15.90	15.30
3 Year Government Bond	13.64	13.63	13.45
5 Year Government Bond	13.01	13.03	12.93
10 Year Government Bond	12.60	12.60	12.92
3 Month KIBOR	15.92	15.92	15.16
6 Month KIBOR	16.00	16.00	15.35

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

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