Morning News 06-Sep-2022

MCB-ARIF HABIB
Savings and Investments Limited

- **Pakistan likely to get additional loan of USD2.57bn | Tribune:** The International Monetary Fund (IMF) has said that Pakistan is likely to receive an additional USD2.57bn in external debt during the current fiscal year 2022-23. According to the IMF report, Islamabad needs financing of USD30.75bn in the current financial year — equivalent to 8.4% of GDP — and is likely to receive USD16.61bn in commercial loans.
- **More aid likely in a few days, says leader of US team | BR:** A US Congressional delegation on Monday reaffirmed the United States' commitment to continue support to Pakistan in recovering from the devastation caused by floods in the country. The delegation members of the US Congress led by Congresswoman Sheila Jackson Lee were speaking to the official media after their meeting with Foreign Minister Bilawal Bhutto Zardari at the Foreign Office.
- **Sindh secures USD92mn assistance from World Bank | Tribune:** Sindh Chief Minister Syed Murad Ali Shah presented the case of Sindh relating to the devastation caused by flood in his meeting with the World Bank Country Director Najy Behhassine. The chief minister was successful in getting approval for USD92mn in assistance, while the sum will be diverted from different projects of the bank for relief and rehabilitation of the affected people.
- **Rupee falls to 232/dollar in open market | The News:** The rupee weakened for a third straight session against the dollar on the back of soft dollar supplies, while a downward revision in the growth forecast and assessment of damages brought on by recent floods also weighed on market sentiment. The domestic currency declined by 7 rupees on Monday, closing at 232 per dollar in the open market.
- **PECO, SEL, govt properties: PC Board for halting sell-off due to 'inherent' issues | BR:** Federal Minister/Privatisation Commission Chairman Abid Hussain Bhayo chaired the first Privatisation Commission (PC) Board meeting after assuming the charge as a chairman PC. Federal Secretary Dr. Iram A Khan, Board members and senior officials of the Ministry attended the important meeting.
- **APTMA calls for bold steps to top USD35.5bn export target | The News:** All Pakistan Textile Mills Association (APTMA) on Monday called on the government to undertake bold steps to achieve the IMF's envisaged export target of USD35bn in the current fiscal under the revived Extended Fund Facility (EFF). APTMA Patron-in-Chief Dr Gohar Ejaz, in a letter written to Prime Minister Shehbaz Sharif, said that to attain the overall export target of USD35.5bn, textile exports should reach USD24bn in FY23; higher by USD4.5bn than in FY22.
- **Textile sector: MoF, FBR agree to clear PKR36bn deferred GST refunds | BR:** The Ministry of Finance and the Federal Board of Revenue (FBR) have agreed to clear PKR36bn deferred sales tax refunds of the textile sector in 32,000 cases pending since 2019. The decision to this effect was taken during a meeting of Finance Minister Miftah Ismail with a delegation of the All Pakistan Textile Exporters Association (PTEA) on Monday.
- **Govt orders paperwork for oil sector deregulation | Dawn:** Amid record prices, the government has decided in principle to go for deregulation of the oil sector and has asked the Oil & Gas Regulatory Authority (Ogra) to work out its modalities in consultation with oil refineries and marketing companies. A senior official told Dawn the government had asked Ogra to thrash out terms of reference for oil sector deregulation in order to promote competition and efficiency.
- **6% of cotton crop in Punjab hit by floods | Dawn:** Punjab Agriculture Minister Syed Hussain Jahania Gardezi has said that rains and floods in the province have affected 6% of the cotton crop. Chairing a meeting held on Monday to review the current situation of cotton, he said that the province was expecting a better white lint production this season as the crop had been cultivated on 16% more area than the last year.
- **PM forms body to review performance of Discos | BR:** Prime Minister, Shehbaz Sharif has constituted a five-member committee to review performance of power Distribution Companies (Discos) besides supply of electricity and gas in upcoming season, official sources told Business Recorder.
- **Fuel purchase: OCAC for capping MDR at 0.3% | BR:** The Oil Companies Advisory Council (OCAC) has written a letter to the State Bank of Pakistan (SBP) for a review of the merchant discount rate (MDR) of 1.5% on fuel purchases through credit or debit cards arguing that although the MDR varies across the industry. However, on an average around 1.5% is being charged by banks at petrol pumps and the cost is being borne by the OMCs and their dealers (petrol pump owners and operators).
- **National grid deprived of 1000MW | The News:** The already strained National Grid has been deprived of around 1000mw electricity due to the collapse of the recently completed power lines. No less than four towers of the transmission lines, including those commissioned last year from the 1320mw and 660mw coal power plants in the South with load centres up in the North.
- **Legal fallout of Imran's controversial remarks on COAS selection | Tribune:** The skies above former prime minister Imran Khan's Banigala residence were seeming to be a bit clear a few weeks ago. However, the legal storm clouds on Monday stretched from Rawalpindi to Islamabad to superior courts, propelling him into heavy legal and political weather. Legal experts say Imran's controversial remarks about the selection of the army chief have threatened his chances of securing relief in a slew of cases hanging in balance in the superior courts.

Market Indices

	5-Sep-22	2-Sep-22	30-Jun-22
KSE 100	41,859	42,309	41,541
KSE 30	15,748	15,933	15,805
KMI 30	69,197	70,095	68,766
KSE All Shares	28,776	29,031	28,582

Volume (mn Shares)

	5-Sep-22	FYTD (Average)
KSE 100	63.9	115.5
KSE 30	37.8	65.0
KMI 30	43.7	68.1
KSE All Shares	156.8	238.9

Commodity Rates

	5-Sep-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	95.7	2.9%	-16.6%
Crude Oil-Arab Light (USD/BBL)	91.7	0.0%	-15.1%
Coal (USD/Tonne)	362.5	4.2%	6.1%
Copper (USD/Lbs)	3.4	0.0%	-7.8%
Cotton (¢/Lbs)	109.2	0.0%	-1.0%
Gold (USD/Ounce)	1,710.2	-0.1%	-5.4%

Currency (Interbank)

	5-Sep-22	Daily Change	FYTD Change
US Dollar	219.3	0.2%	7.2%
UK Pound	252.5	0.3%	1.4%
Euro	217.7	0.0%	1.5%
UAE Dirham	59.9	0.0%	7.2%
Chinese Yuan	31.6	-0.3%	3.6%

Fund Flows (USD mn)

	5-Sep-22	FYTD
FOREIGN INDIVIDUAL	0.00	0.33
FOREIGN CORPORATES	0.10	-8.42
OVERSEAS PAKISTANI	0.02	8.73
FIPI NET	**0.12**	**0.64**

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

	5-Sep-22	2-Sep-22	30-Jun-22
SBP Policy Rate	15.00	15.00	13.75
CPI Inflation	27.30	27.30	21.32
3 Month T-Bill	15.71	15.72	14.98
6 Month T-Bill	15.80	15.81	15.15
12 Month T-Bill	15.90	15.90	15.30
3 Year Government Bond	13.66	13.65	13.45
5 Year Government Bond	13.10	12.99	12.93
10 Year Government Bond	12.60	12.60	12.92
3 Month KIBOR	15.91	15.91	15.16
6 Month KIBOR	16.00	16.00	15.35

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