Morning News 07-Sep-2022

- **RDA inflows reach USD5bn in 24 months | The News:** Pakistan received USD5.0bn in inflows through the Roshan Digital Account (RDA) in two years, supporting the nation's depleting foreign exchange reserves, data from the central bank showed on Tuesday. Non-resident Pakistanis (NRPs) have opened 456,732 accounts from 175 different countries. At the end of July, there were 441,344 of these accounts, State Bank of Pakistan (SBP) data showed.
- **Govt to slash PSDP by PKR150bn for flood relief | The News:** The government is all set to slash the Public Sector Development Program (PSDP) by PKR150bn and divert the resources to rehabilitation and reconstruction in the flood-affected areas. At a time when the government had managed to revive the stalled IMF program, it will be hard for the incumbent regime to find out fiscal space for diverting huge funds towards the flood-affected areas.
- **Floods and earthquakes: Pakistan hardest-hit country in CAREC region | BR:** The Asian Development Bank (ADB) has stated that Pakistan is on top in terms of an absolute amount of loss of any country in the CAREC region with an annual average loss associated with floods of around USD1.5bn and due to earthquakes of around USD614mn. The ADB in its report on "Narrowing the Disaster Risk Protection Gap in Central Asia" noted that both floods and earthquake risks are significant in Pakistan.
- **Damage from Pakistan Floods Is 'Far Greater' than USD10bn | Bloomberg:** The damage from the floods in Pakistan will be "far greater" than USD10bn, according to the planning minister, after millions lost their homes and livelihoods while key roads and bridges have been washed away. As officials are still tallying the cost of heavy flooding that has claimed more than 1,300 lives, the latest assessment shows the damage will be worse than the initial forecast.
- **Japan to provide USD7mn emergency grant | The News:** The government of Japan's emergency relief goods, tents and plastic sheets were handed over to National Disaster Management Authority (NDMA) at the Jinnah International Airport Karachi, said a statement issued on Tuesday. The relief aid was delivered by Chief Representative of Japan International Cooperation Agency (JICA) Pakistan Kinoshita Yasumitsu in the presence of Odagiri Toshio Consul-General of Japan in view of a request made from the government of Pakistan to the government of Japan.
- **Public debt balloons to over PKR50 trillion in July | The News:** The public debt swelled 27 percent year-on-year to PKR50.5 trillion in July FY2023, latest data showed on Tuesday, mostly because of no let-up in the government's borrowing binge to plug the budgetary hole amid lack of external assistance and rupee rout. The debt stood at PKR39.87 trillion as of July 31, 2021. It rose by 6 percent month-on-month.
- **Rupee's fall continues despite IMF tranche | Dawn:** The rupee failed to resist the mounting pressure of the US dollar and witnessed a further loss of PKR1.56 in the interbank market on Tuesday. It may be surprising for many who were waiting to see a dollar depreciation after an inflow of over USD1bn from the International Monetary Fund (IMF), but currency experts said the shortage of greenbacks is the reason behind a weak rupee.
- **PSX launches 'Dividend 20 Index' | BR:** In a major step towards facilitating investors, stakeholders and market participants, Pakistan Stock Exchange (PSX) has launched its first fundamental index - PSX Dividend 20 Index. The index is designed to track the performance of the top 20 dividend paying companies at PSX whereby the companies are ranked and weighted based on their trailing 12-month dividend yield.
- **Shares buyback: SECP revises eligibility requirements for listed cos | BR:** The Securities & Exchange Commission of Pakistan (SECP) has revised the eligibility requirements for the listed companies that buy back their own shares. The SECP has issued an SRO on Tuesday to amend the Listed Companies (Buy-Back of Shares) Regulations, 2019.
- **AIIB keen to fund Wapda hydro projects | Dawn:** After the interest shown by the Beijing-based Asian Infrastructure Investment Bank (AIIB) in hydropower projects in Pakistan, the Water & Power Development Authority (Wapda) has asked the bank to finance the 1,500MW Thakot-3 and 2,400MW Pattan projects—the mega hydel power schemes of the Indus Cascades. The authority has also offered the bank to finance the power generation portion of the 4,500MW Diamer-Bhasha Dam, *Dawn* has learnt.
- **Approval of new refining policy linked to deregulation | The News:** Approval of the much-delayed refining policy has now been linked with deregulation, with a top government official seeking input from local refineries for deregulation, which could also mean uneven POL prices across Pakistan. A top government official said that it was high time to deregulate the whole oil and gas sector, including refineries.
- **RLNG plants' sell-off: FA Credit Suisse to be reengaged | BR:** The government has decided to reengage Financial Advisor M/s Credit Suisse, Singapore for privatisation of two RLNG-fired power plants of National Power Parks Management Company Limited (NPPMCL), official sources told Business Recorder.
- **Power tariff hiked by PKR3.39/unit | The News:** The National Electric Power Regulatory Authority (NEPRA) Tuesday approved a hike in the electricity tariff by PKR3.39 per unit. The power regulator has hiked the power tariff under the quarterly fuel adjustment mechanism. Already burdened with inflation and rising prices of petroleum products, people will have bear an additional burden of PKR95bon in this regard.
- **Pak Suzuki extends plant shutdown | Dawn:** Continued shortage of completely knocked down (CKD) kits has forced Pak Suzuki Motor Company Ltd (PSMCL) to extend the plant shutdown from Sept 12-16. Further in lieu of periodic maintenance, the plant would also be closed from Sept 19-23, PSMCL said in a regulatory filing on Tuesday. On Sept 2, the company had planned non-production days (NPDs) during Sept 8-9.
- **FCA relief package: 1.8mn 'eligible' KE consumers to be benefited | BR:** K-Electric (KE) has said that following the Prime Minister Shehbaz Sharif's announcement of Fuel Charges Adjustment (FCA) relief package for the month of June, as many as 1.8 million eligible electricity consumers across KE serviced territory in Karachi and adjoining regions are receiving benefit and being delivered adjusted bills for August at their doorsteps with extended due dates.

MCB-ARIF HABIB
Savings and Investments Limited

Market Indices

	6-Sep-22	5-Sep-22	30-Jun-22
KSE 100	41,860	41,859	41,541
KSE 30	15,751	15,748	15,805
KMI 30	69,196	69,197	68,766
KSE All Shares	28,732	28,776	28,582

Volume (mn Shares)

	6-Sep-22	FYTD (Average)
KSE 100	52.5	114.0
KSE 30	32.4	64.2
KMI 30	34.1	67.3
KSE All Shares	187.2	237.7

Commodity Rates

	6-Sep-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	92.8	-3.0%	-19.1%
Crude Oil-Arab Light (USD/BBL)	91.8	0.2%	-14.9%
Coal (USD/Tonne)	353.0	-2.6%	3.3%
Copper (USD/Lbs)	3.5	1.4%	-6.5%
Cotton (¢/Lbs)	109.1	-0.1%	-1.1%
Gold (USD/Ounce)	1,701.2	-0.5%	-5.9%

Currency (Interbank)

	6-Sep-22	Daily Change	FYTD Change
US Dollar	222.0	1.2%	8.6%
UK Pound	255.6	1.3%	2.7%
Euro	219.8	1.0%	2.6%
UAE Dirham	60.6	1.2%	8.5%
Chinese Yuan	31.9	0.9%	4.6%

Fund Flows (USD mn)

	6-Sep-22	FYTD
FOREIGN INDIVIDUAL	0.00	0.33
FOREIGN CORPORATES	-0.65	-9.07
OVERSEAS PAKISTANI	-0.59	8.14
FIPI NET	**-1.24**	**-0.60**

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

	6-Sep-22	5-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	15.72	15.71	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	13.70	13.66	13.45
5 Year Government Bond	13.12	13.10	12.93
10 Year Government Bond	12.62	12.60	12.92
3 Month KIBOR	15.91	15.91	15.16
6 Month KIBOR	15.99	16.00	15.35

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