Morning News 08-Sep-2022

MCB-ARIF HABIB Savings and Investments Limited

- **Germany pledges PKR2.91bn for flood victims | The News:** The German Federal Minister for Economic Cooperation and Development, Svenja Schulze, Wednesday phoned Federal Climate Change Minister Senator Sherry Rehman and pledged Germany's support of €13 million (PKR2.91bn) for Pakistan in this challenging time. Senator Sherry Rehman briefed the German minister on the devastation wreaked by the floods throughout the country and the assistance required to carry out first response relief in the flood-hit areas effectively.
- **Govt raises PKR817bn via T-bills | The News:** The government has raised PKR817bn through an auction of the Market Treasury Bills (T-bills), with yields on 6 and 12 months' papers increasing slightly, a statement said on Wednesday. The raised amount was lesser than the pre-auction target of PKR1.0 trillion, the State Bank of Pakistan reported. The cut-off yield on the three-year T-bill inched up by 21 basis points (bps) to 16%.
- **Forex disclosure by inbound travellers brings rupee under stress | Dawn:** Amid the declining rupee value, the Ministry of Finance and the Federal Board of Revenue (FBR) expressed their ignorance about the declaration of foreign currency by international passengers on arrival in Pakistan on the orders of the Civil Aviation Authority (CAA) that further brought local currency under stress.
- **Dollar gains another PKR2 | Dawn:** The US dollar kept its domination in both interbank and open markets showing its growing strength against the rupee on Wednesday. The closing price of the dollar appreciated by PKR2 to PKR223.42 in the interbank market raising concerns for the stakeholders. Neither the State Bank of Pakistan nor the Ministry of Finance could trace the fault within the exchange rate.
- **Emerging OMCs seek CCP role in deregulation of fuels | The News:** Emerging oil marketing companies (OMCs) have recommended the top regulator to bring Competition Commission of Pakistan (CCP) on board for the deregulation of the oil sector to ensure a level-playing field for all the players in the market. According to an official release, the emerging OMCs, which have relatively smaller market shares compared to the giants like PSO, Shell etc, floated this proposal in a meeting with OGRA to discuss deregulation of petroleum products.
- **Release of sales tax refunds: Value-added textile exporters irked by delay | BR:** Delay in release of sales tax refunds have left the value-added textile exporters "annoyed", which they said, has also caused them financial hardships and liquidity crunch. The recent economic uncertainty and political unrest has negatively affected almost all segments of the economy mainly the exports, Javed Bilwani, Chairman, Pakistan Apparel Forum, said on Wednesday.
- **Private sector in management of Discos | BR:** The Privatisation Commission (PC) has sought some actions from the government to streamline participation of private sector in management of Discos and also to hand over some companies to provinces, well-informed sources told Business Recorder. Sources said the Ministry of Privatisation in May 2021 had submitted a summary before the Cabinet Committee on Privatisation (CCoP) for affirmation of the scope of "private sector participation in management of DISCOs," as per the recommendations of the Working Group.
- **KE consumers: PD suggests PKR1.52 per unit surcharge | BR:** The Power Division has proposed imposition of surcharge at PKR1.52 per unit on consumers of K-Electric (KE) to recover an amount of PKR204bn as pending Quarterly Tariff Adjustments (QTAs) in 12 months, well-informed sources told Business Recorder. According to available details background of the case was discussed by the ECC in its meeting March 26, 2020 and September 21, 2021.
- **Govt assures IMF of placing 2 banks in 'resolution' by March 2023 | The News:** The government has promised the International Monetary Fund (IMF) that two banks would be placed into "resolution" by May 2023 if they did not finish the first phase of their recapitalization plan by March of that year. If this occurs, these banks might be next to undergo a forced restructuring or perhaps be completely sold off, similar to what happened to KASB Bank in 2015.
- **US OKs possible sale of F-16 equipment to Pakistan | BR:** The US State Department has approved the potential sale of F-16 aircraft sustainment and related equipment to Pakistan in a deal valued at up to USD450mn, the Pentagon said on Wednesday. The principal contractor will be Lockheed Martin Corp, the Pentagon said.
- **All past military appointments on merit, save one or two | Tribune:** Defence Minister Khawaja Asif said that "barring one or two exceptions", all prior appointments in the armed forces were made on merit. Speaking at a joint news conference with Finance Minister Miftah Ismail, he said Prime Minister Shehbaz Sharif would take the decision about the appointment of next army chief "within the ambit of the General Headquarters (GHQ)" around 29th of November.

Market Indices			
	7-Sep-22	6-Sep-22	30-Jun-22
KSE 100	41,766	41,860	41,541
KSE 30	15,709	15,751	15,805
KMI 30	68,994	69,196	68,766
KSE All Shares	28,682	28,732	28,582
Volume (mn Shares)			
	7-Sep-22	FYTD (Average)	
KSE 100	46.0	112.5	
KSE 30	27.9	63.4	
KMI 30	26.3	66.4	
KSE All Shares	92.9	234.4	
Commodity Rates			
	7-Sep-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	88.0	-5.2%	-23.4%
Crude Oil-Arab Light (USD/BBL)	87.0	-5.2%	-19.4%
Coal (USD/Tonne)	342.0	-3.1%	0.1%
Copper (USD/Lbs)	3.4	-0.9%	-7.3%
Cotton (¢/Lbs)	106.9	-2.0%	-3.1%
Gold (USD/Ounce)	1,717.7	1.0%	-4.9%
Currency (Interbank)			
	7-Sep-22	Daily Change	FYTD Change
US Dollar	224.3	1.0%	9.7%
UK Pound	258.5	1.1%	3.8%
Euro	224.3	2.0%	4.6%
UAE Dirham	61.3	1.2%	9.8%
Chinese Yuan	32.2	0.8%	5.5%
Fund Flows (USD mn)			
	7-Sep-22	FYTD	
FOREIGN INDIVIDUAL	0.00	0.33	
FOREIGN CORPORATES	0.01	-9.06	
OVERSEAS PAKISTANI	0.12	8.26	
FIPI NET	**0.13**	**-0.47**	
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			
	7-Sep-22	6-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	15.73	15.72	14.98
6 Month T-Bill	15.82	15.81	15.15
12 Month T-Bill	15.90	15.90	15.30
3 Year Government Bond	13.75	13.70	13.45
5 Year Government Bond	13.12	13.12	12.93
10 Year Government Bond	12.62	12.62	12.92
3 Month KIBOR	15.92	15.91	15.16
6 Month KIBOR	16.00	15.99	15.35

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