Morning News 12-Sep-2022

MCB-ARIF HABIB Savings and Investments Limited

- **US extends further USD20mn assistance | BR:** The United States on Friday announced an additional USD20mn in humanitarian assistance to support the people affected by severe flooding in Pakistan, making the country as the leading contributor so far with a total of USD50.1mn pledged. The USAID Administrator, Samantha Power, made the announcement along with US Ambassador to Pakistan Donald Blome at a news conference.
- **AIIB asked to increase funding to USD1bn | Dawn:** Pakistan on Friday asked Asian Infrastructure and Investment Bank (AIIB) to enhance its overall financing for the current fiscal year to USD1bn. The Beijing-based multilateral bank is already arranged USD750mn for Pakistan for the current year including about USD500mn for budgetary support and has now promised to consider Islamabad's request for higher funding.
- **Guterres to take up 'debt swaps' with IMF, WB | Tribune:** UN Secretary General António Guterres on Saturday said his organization would strongly advocate for 'debt swaps' with the International Monetary Fund (IMF) and World Bank through which developing countries including Pakistan.
- **UN's CERF allocates USD7mn | BR:** The United Nations' Central Emergency Relief Fund (CERF) has allocated USD7mn to help boost flood support in Pakistan. According to a statement of the UN media office, the USD7mn disbursement from the UN's Central Emergency Relief Fund (CERF), announced on Friday, will bolster response to the devastating monsoon floods in Pakistan, the worst in more than a decade.
- **GHG cut targets: External support remains low | BR:** External support has so far remained below the levels needed to meet Pakistan's greenhouse gas (GHG) reduction targets, as the country has received about USD5½bn for climate projects during 2016–19, of which USD3.4bn were directed to mitigation, said the International Monetary Fund (IMF) country report about Pakistan.
- **USD1bn loan approval becomes harder | Tribune:** Pakistan's financial woes may not ease soon as the World Bank has indicated that it may club the approval of two policy loans valuing at over USD1bn, which will require simultaneous implementation of many tough conditions, including withdrawal of subsidies and reopening of energy contracts.
- **Friendly nations find trade deficit off-putting | Dawn:** Finance Minister Miftah Ismail disclosed on Saturday that "none of the friendly countries is ready to financially support Pakistan" because it "has an imbalanced economy", caused mainly by a huge difference between imports and exports.
- **Yields on bonds spike in global markets | Tribune:** Yields on Pakistan's international bonds and Sukuk have spiked in global markets, indicating the risk of default on international payments has increased in the wake of monetary policy tightening and economic slowdown across the world. The yield soared 778 basis points to a five-week high of nearly 40% on the Third Pakistan International Sukuk Co Ltd worth USD1bn.
- **Economy continues to face serious dollar crisis despite IMF programme resumption | Nation:** Despite the resumption of the IMF programme, the country is still suffering from a serious dollar shortage crisis, as the rupee has cumulatively fallen by more than 4% against the greenback during this week, aggravating macroeconomic indicators amidst catastrophic flooding in Pakistan.
- **Dollar still under pressure, not in favour of opening LCs | The News:** Federal Finance Minister Miftah Ismail has admitted that there is still much pressure on the dollar, saying he is not in favour of opening LCs for imports. He was speaking to members of the Lahore Chamber of Commerce and Industry, here Saturday.
- **July exports to nine regional states post 9% growth | Dawn:** Pakistan's exports to nine regional countries posted a paltry growth of 8.57% in the first month of 2022-23 from a year ago, the latest data released by the State Bank of Pakistan showed.
- **Govt to start clearing dues of Chinese IPPs from next week | Dawn:** The government on Friday promised to start making payments to independent power producers (IPPs) set up under the China-Pakistan Economic Corridor early next week and set a schedule for regular monthly payments for a full fiscal year to the satisfaction of Chinese investors.
- **Khaqan says govt set to deregulate prices of POL products | BR:** Former premier Shahid Khaqan Abbasi has said that the government is all set to deregulate the prices of petroleum products because when the prices increase in the international oil market then the government has to jack up the prices and the masses have to bear the burden of hike in oil prices.
- **RLNG prices reduced for SSGCL, raised for SNGPL | BR:** The Oil and Gas Regulatory Authority (Ogra), on Friday, reduced the prices of imported Re-gasified Liquefied Natural Gas by -0.01% for Sui Southern Gas Co Ltd (SSGCL) and increased by 0.19% for Sui Northern Gas Pipeline Ltd (SNGPL).
- **PSO urges Power Div to revisit furnace oil demands | BR:** Pakistan State Oil (PSO) has urged Power Division to revisit furnace oil demand for the month of October 2022, keeping in view considerable variance in demand and upliftment in September 2022, well informed sources told.
- **NEPRA renews KAPCO's generation license | Mettis Global:** National Electric Power Regulatory Authority (NEPRA) has renewed the generation license of Kot Addu Power Company Limited (PSX: KAPCO) for a period of three years from the date of expiry on September 21, 2021. Hence, the term of the generation license will expire on September 21, 2024.
- **K-Electric's tariff cut by PKR4.12 | Tribune:** National Electric Power Regulatory Authority (Nepra) on Friday approved a reduction in power tariff by PKR4.12 per unit for consumers of K-Electric (KE) on account of fuel cost adjustment for July 2022. KE had filed a petition to cut the power tariff by PKR3.48 per unit for July.

Market Indices	9-Sep-22	8-Sep-22	30-Jun-22
KSE 100	41,948	41,825	41,541
KSE 30	15,771	15,710	15,805
KMI 30	69,220	69,138	68,766
KSE All Shares	28,815	28,708	28,582

Volume (mn Shares)	9-Sep-22	FYTD (Average)
KSE 100	96.4	111.1
KSE 30	66.5	62.9
KMI 30	44.7	65.3
KSE All Shares	146.6	229.8

Commodity Rates	9-Sep-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	92.8	4.1%	-19.1%
Crude Oil-Arab Light (USD/BBL)	88.9	0.0%	-17.7%
Coal (USD/Tonne)	310.0	-6.3%	-9.3%
Copper (USD/Lbs)	3.6	1.3%	-3.5%
Cotton (¢/Lbs)	101.4	-7.1%	-8.1%
Gold (USD/Ounce)	1,716.1	0.5%	-5.0%

Currency (Interbank)	9-Sep-22	Daily Change	FYTD Change
US Dollar	229.8	3.0%	12.3%
UK Pound	266.2	3.8%	6.9%
Euro	230.6	3.5%	7.6%
UAE Dirham	62.5	2.5%	11.9%
Chinese Yuan	33.2	3.5%	8.6%

Fund Flows (USD mn)	9-Sep-22	FYTD
FOREIGN INDIVIDUAL	0.00	0.33
FOREIGN CORPORATES	-0.39	-9.62
OVERSEAS PAKISTANI	-1.21	6.99
FIPI NET	**-1.60**	**-2.30**

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	9-Sep-22	8-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	15.91	15.90	14.98
6 Month T-Bill	15.88	15.86	15.15
12 Month T-Bill	15.95	15.95	15.30
3 Year Government Bond	13.81	13.78	13.45
5 Year Government Bond	13.21	13.20	12.93
10 Year Government Bond	12.75	12.74	12.92
3 Month KIBOR	16.03	16.01	15.16
6 Month KIBOR	16.07	16.04	15.35

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