Morning News 13-Sep-2022

MCB-ARIF HABIB
Savings and Investments Limited

- **Investors losing faith as Sukuk yield touches 39% | The News:** The yield on five-year Sukuk maturing in December 2022 has touched a whopping 39%, making it clear that investors have lost their confidence. Sukuk went down to 22% in recent weeks but it has now risen sharply and touched 39%, mainly because markets are jittery after losing the confidence of potential investors.
- **Seventh successive loss: rupee depreciates to settle at 229.82 against US dollar | BR:** Pakistan's rupee continued to sustain losses against the US dollar for the seventh successive session, settling with a depreciation of 0.71% in the inter-bank on Monday as a shortage of greenback kept the local currency under pressure.
- **Pakistan lacking 'effectiveness' on four FATF-linked goals | Dawn:** The Asia-Pacific Group (APG) on Money Laundering has rated Pakistan's level of effectiveness as 'low' on 10 out of 11 international goals on anti-money laundering and combating the financing of terror (AML/CFT), even though the country is now compliant on 38 out of 40 technical recommendations.
- **HEC transaction: PC Board concerned at delay | BR:** The Board of Privatisation Commission has expressed its concern on delay in resolution of pending issues due to which completion date of Heavy Electrical Complex (HEC) transaction is not heading towards a conclusion, well informed sources told Business Recorder.
- **Banks' deposits surge by 15% YoY PKR22.2tr in August | Mettis Global:** The total deposits held by scheduled banks have shown a growth of around 15% YoY to around PKR22.2 trillion in August 2022, against PKR19.8tr in the same month of last year on account of strong overseas inflows, data issued by State Bank showed today. Likewise, on a monthly basis, local banks' deposits inched up by 0.2% from PKR22.1tr in July 2022.
- **OMCs raise concerns on OGRA's terms of references | The News:** Oil Marketing Companies (OMCs) have concerns over terms of references (ToRs) to be developed by the Oil and Gas Regulatory Authority (OGRA) with the specified timeline regarding the deregulation of petroleum products, The News learnt on Monday.
- **Auto Sales May Drop Again Next Month Due to Production Issues | Pro Pakistani:** The inflationary pressures and import hurdles continue to pound the local auto industry. Carmakers have witnessed a decline in production, which may cause sales to plummet further in the coming months.
- **Textile millers gear up to source cotton for meeting export orders | The News:** As sizeable amount of Pakistan's domestic cotton crop was ravaged by the floods, textile millers have geared up to source the silver fiber from around the world in an effort to maintain the export momentum.
- **Chinese firm to invest in telecom | The News:** Hunan Sunwalk Group, China has planned to undertake a multi billion dollar investment in telecom infrastructure and fiber business in Pakistan, specifically in Tier-2 and Tier-3 cities, a statement said on Monday. Sunwalk investments shall scale up broadband proliferation in the country for digital revolution not only for business-to-business segment, but also to benefit government and enterprise businesses including end users, said Afshan Amin, chief business officer of the firm.
- **July FCA: Nepra hikes Discos' tariff by PKR4.34/unit | BR:** National Electric Power Regulatory Authority (Nepra) on Monday increased tariffs of power Distribution Companies (Discos) by PKR4.34 per unit for July 2022 under monthly Fuel Charges Adjustment (FCA) mechanism. The total financial impact of increase would be of PKR59bn.
- **Tractor manufacturing: Imports of auto parts will be made easier | BR:** Finance Minister Miftah Ismael has said the country's economy is heading in the right direction due to government's prudent economic policies. This he said during a meeting with Punjab Governor Muhammad Baligh ur Rehman, here on Monday.
- **System Limited Get SECP approval for issuance of 11.8mn new share | Augaf:** Securities and Exchange Commission of Pakistan (SECP) have approved the other than rights issue of 11,822,500 shares as requested by Systems Limited. This new issuance forms 4.25% of Paid-up Capital before issue and 4.07% of Paid-up Capital after issue.
- **Hyundai Nishat Witnesses a Massive Rise in Sales | Pro Pakistani:** Hyundai Nishat Motors Private Limited (HNMPL) had a successful August 2022, witnessing a massive rise in sales. A recent report from autojournal.pk suggests that the company sold over 1,900 units last month, recording an 860% Month over Month (MOM) increase in sales.
- **Financial close, RCO of Thar coal project: Shanghai Electric seeks unconditional date extension | BR:** M/s Shanghai Electric has sought extension in financial closing date and required commercial operation (RCO) date sans conditions for its 1,320 MW Thar coal project till December 31, 2022 and July 22, 2023 respectively, saying that circumstances are not in the company's control. In a letter to the Managing Director PPIB, the power company's Chief Executive Officer (CEO) Meng Donghai has explained reasons for seeking extensions.
- **Wheat price jumps by PKR10 per kg | BR:** Wheat grain prices have sharply risen by PKR1,000 per 100-kg bag during the last one week due to expected shortage of the commodity. Traders told Business Recorder that prices of wheat grain surged to PKR9,100 per 100-kg bag in the domestic market on Monday compared to PKR8,100 per 100 kg bag a week earlier.

Market Indices			
	12-Sep-22	9-Sep-22	30-Jun-22
KSE 100	41,862	41,948	41,541
KSE 30	15,663	15,771	15,805
KMI 30	69,100	69,220	68,766
KSE All Shares	28,747	28,815	28,582
Volume (mn Shares)			
	12-Sep-22	FYTD (Average)	
KSE 100	66.4	110.1	
KSE 30	38.1	62.3	
KMI 30	22.8	64.4	
KSE All Shares	116.3	227.4	
Commodity Rates			
	12-Sep-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	94.0	1.2%	-18.1%
Crude Oil-Arab Light (USD/BBL)	93.1	4.7%	-13.8%
Coal (USD/Tonne)	299.0	-3.5%	-12.5%
Copper (USD/Lbs)	3.6	1.2%	-2.3%
Cotton (¢/Lbs)	111.1	0.6%	0.7%
Gold (USD/Ounce)	1,724.1	0.5%	-4.6%
Currency (Interbank)			
	12-Sep-22	Daily Change	FYTD Change
US Dollar	231.0	0.5%	13.0%
UK Pound	269.8	1.4%	8.4%
Euro	233.7	1.3%	9.0%
UAE Dirham	63.3	1.3%	13.3%
Chinese Yuan	33.3	0.5%	9.2%
Fund Flows (USD mn)			
	12-Sep-22	FYTD	
FOREIGN INDIVIDUAL	0.00	0.33	
FOREIGN CORPORATES	0.00	-9.62	
OVERSEAS PAKISTANI	1.31	8.30	
FIPI NET	**1.31**	**-0.99**	
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			
	12-Sep-22	9-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	15.95	15.91	14.98
6 Month T-Bill	15.90	15.88	15.15
12 Month T-Bill	15.96	15.95	15.30
3 Year Government Bond	13.82	13.81	13.45
5 Year Government Bond	13.21	13.21	12.93
10 Year Government Bond	12.76	12.75	12.92
3 Month KIBOR	16.03	16.03	15.16
6 Month KIBOR	16.07	16.07	15.35

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