Morning News 16-Sep-2022

MCB-ARIF HABIB
Savings and Investments Limited

- **Floods to weigh on agri production | BR:** Fitch Solutions has stated that the severe floods in Pakistan to weigh on agricultural production and exacerbate the country's external imbalances, and revised real GDP growth forecast for the fiscal year 2022-23 down to 0.2% from 0.6% previously.
- **Most budget figures to undergo fluctuations | BR:** Most of the budget figures for the current fiscal year 2022-23, including GDP growth rate, debt-to-GDP ratio and the budget deficit would fluctuate massively on account of unabated depreciation of the local currency against the dollar followed by heavy rains and floods which devastated all sectors including agriculture and infrastructure across the county.
- **Forex reserves fall by USD156mn | BR:** The country's total liquid foreign exchange reserves dropped by USD156mn during last week due to external debt servicing. According to the weekly foreign exchange report issued by the State Bank of Pakistan (SBP) Thursday, the total liquid foreign exchange reserves held by the country stood at USD14.32bn as of Sept 9, 2022 compared to USD14.47bn on Sept 2, 2022.
- **No respite for rupee, falls 0.66% against dollar | The News:** Rupee suffered another day of losses on Thursday, shedding 0.66% or 1.56 against the dollar, pushed by import payments' pressures as well as the strengthening of the reserve currency in the global markets. In the interbank market, rupee closed at PKR235.88 against the US currency compared to Wednesday's close of PKR234.32, finishing the 10th session on a losing streak.
- **PSX e-IPO system introduced for investors, RDA holders | BR:** The Securities and Exchange Commission of Pakistan (SECP) in coordination with the Pakistan Stock Exchange (PSX) has introduced the PSX e-IPO system for Initial Public Offering (IPO) investors including individual investors, corporate investors, and Roshan Digital Account holders.
- **Again, Putin offers the carrot of cheap fuel, energy security | BR:** Russian President Vladimir Putin said on Thursday that pipeline gas supplies to Pakistan were possible and part of the infrastructure was already in place, Russian state-owned new agency RIA reported. Putin and Prime Minister Shehbaz Sharif met on Thursday on the sidelines of the Shanghai Cooperation Organisation summit in Samarkand, in Uzbekistan.
- **Oil, food imports rise to USD5bn in July-August | Dawn:** Pakistan's oil and eatables imports grew 11.4% in the first two months of the current fiscal year to USD5.08bn from USD4.56bn a year ago, the Pakistan Bureau of Statistics (PBS) said on Thursday. In contrast, textile and clothing exports could only rise by 4.2% year-on-year to USD3.05bn due to slow demand and high cost of local production because of expensive energy.
- **Jul-Aug textile group exports up 4.18% to USD3.06bn YoY | BR:** The country's textile group exports witnessed a growth of 4.18% during the first two months (July-August) of the current fiscal year 2022-23 and remained at USD3.06bn as compared to USD2.93bn during the same period of last year, the Pakistan Bureau of Statistics (PBS) said.
- **Pakistan's oil, gas production dips amid flash floods | BR:** Pakistan's oil and gas production dropped 3% and 2.1% respectively, during the week ended September 08, as production was halted amid flash floods. The decline in oil and gas production comes at a time when the country is already suffering from an energy crisis that features prolonged power outages for residential, industrial and commercial consumers.
- **Some oil products likely to be dropped from PPRA schedule | BR:** The government is likely to drop some petroleum products from Schedule-1 of PPRA but furnace oil will continue to be retained to avail shorter response time and bid validity, well informed sources told Business Recorder. The PPRA Board in its forthcoming meeting, to be held next week, will discuss this issue.
- **Recovery of CVT on foreign assets: SHC asks tax authorities to comply with relevant laws | BR:** The Sindh High Court (SHC) has asked tax authorities that before proceeding for the recovery of the Capital Value Tax (CVT) amount on foreign assets, compliance of the law and the relevant provision, prescribed by the Federal Board of Revenue (FBR) shall be taken into consideration.
- **HBL raises staff service age to 65 years | BR:** HBL, the largest and best bank in Pakistan, has announced raising the staff service age from 60 years to 65 years. This first-of-a-kind step underscores the bank's commitment to the well-being of its staff, thus ensuring they continue to thrive. In the current socio-economic environment, this first-of-a-kind step is a game-changer for the financial industry.
- **Roosevelt Hotel: team likely to be sent to US for talks with union | BR:** The government is likely to dispatch a team comprising of officials from the Aviation Division, the Finance Division and the Law Division to negotiate with the union of M/s Roosevelt Hotel, New York to protect it from land marking and other emergent related issues, well-informed sources told *Business Recorder*.
- **Punjab: property transfer fee fixed at the rate of 1% | BR:** Chief Minister Punjab Chaudhry Parvaiz Elahi has fixed property transfer fee at one percent across the province.In a statement, he said that the revenue of the Punjab government will increase a lot adding that this decision has been taken in the best public interest.
- **Terrorism case against Imran: Don't downplay gravity of charges, IHC tells govt | The News:** The Islamabad High Court (IHC) Thursday told the government not to downplay charges as serious as terrorism while questioning whether PTI Chairman Imran Khan's speech against a female judge and Islamabad Police warranted the offence.

Market Indices			
	15-Sep-22	14-Sep-22	30-Jun-22
KSE 100	41,772	42,012	41,541
KSE 30	15,685	15,758	15,805
KMI 30	68,911	69,469	68,766
KSE All Shares	28,573	28,765	28,582
Volume (mn Shares)			
	15-Sep-22	FYTD (Average)	
KSE 100	124.0	109.1	
KSE 30	107.0	62.6	
KMI 30	61.6	63.3	
KSE All Shares	259.5	224.4	
Commodity Rates			
	13-Sep-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	93.2	-0.9%	-18.8%
Crude Oil-Arab Light (USD/BBL)	92.5	-0.6%	-14.3%
Coal (USD/Tonne)	304.3	1.8%	-10.9%
Copper (USD/Lbs)	3.6	-1.2%	-3.5%
Cotton (¢/Lbs)	107.2	-3.5%	-2.8%
Gold (USD/Ounce)	1,701.6	-1.3%	-5.8%
Currency (Interbank)			
	13-Sep-22	Daily Change	FYTD Change
US Dollar	233.6	1.1%	14.2%
UK Pound	268.4	-0.5%	7.8%
Euro	232.9	-0.4%	8.6%
UAE Dirham	64.1	1.3%	14.7%
Chinese Yuan	33.7	1.2%	10.5%
Fund Flows (USD mn)			
	15-Sep-22	FYTD	
FOREIGN INDIVIDUAL	5.31	6.91	
FOREIGN CORPORATES	0.21	-8.40	
OVERSEAS PAKISTANI	0.45	9.47	
FIPI NET	**5.97**	**7.99**	
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			
	15-Sep-22	14-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	15.98	15.98	14.98
6 Month T-Bill	15.91	15.91	15.15
12 Month T-Bill	15.95	15.95	15.30
3 Year Government Bond	13.87	13.90	13.45
5 Year Government Bond	13.23	13.25	12.93
10 Year Government Bond	12.75	12.81	12.92
3 Month KIBOR	16.07	16.06	15.16
6 Month KIBOR	16.11	16.10	15.35

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