Morning News 19-Sep-2022

MCB-ARIF HABIB
Savings and Investments Limited

- **SFD confirms one-year extension of USD3bn deposit | BR:** The Saudi Fund for Development (SFD) on Sunday confirmed the rollover of USD3bn deposits with Pakistan for another one year. The amount was deposited by the SFD for one year in December 2021 under an agreement between SFD and the State Bank of Pakistan (SBP) to build the depleting foreign exchange reserves of Pakistan. Under this deposit agreement, SFD placed a deposit of USD3bn with SBP for one year and it was being matured on December 5, 2022.
- **IMF to work with international community | BR:** The International Monetary Fund (IMF) has announced to work with others in the international community to support, under the current programme, the authorities' relief and reconstruction efforts, and their ongoing endeavour to assist those affected by the floods while ensuring sustainable policies and macroeconomic stability.
- **ADB's ongoing sovereign portfolio in Pakistan includes 48 loans worth USD8.42bn | BR:** The ongoing sovereign portfolio of Asian Development Bank (ADB) in Pakistan includes 48 loans and three grands worth of USD8.42bn. According to the member fact sheet released by the ADB, in 2021, ADB's loan and grant disbursements to Pakistan amounted to USD1.31bn, comprising USD0.3bn in program lending and USD1.01bn from project lending and USD3mn from grants.
- **Minister briefed about WB's RISE-II, PACE-II programmes | BR:** Federal Minister for Finance and Revenue Miftah Ismail held a meeting with Najy Benhassine, Country Director World Bank and Teuta Kacaniku, Program Leader Energy WB, on World Bank Initiatives RISE-II and PACE-II programs, at Finance Division, Sunday. Senior officers from Finance Division, Energy Division and FBR attended the meeting.
- **US senator urges Congress to step up aid for Pakistan | BR:** Describing USD53mn US aid to flood-ravaged Pakistan as a "drop in the bucket", a prominent American lawmaker has called for doing much more for the relief of an estimated 30mn displaced Pakistani people. "We need to stand together with Pakistan," Senator Bob Menendez, Chairman of the Senate Foreign Relations Committee, told members of the Pakistani-American community in Edison, New Jersey.
- **Jul 1-Sept 2 govt borrowing rises 21% to PKR58bn YoY | BR:** The borrowing for budgetary support rose by 21% during a little over first two months of this fiscal year (FY23). According to the State Bank of Pakistan (SBP), the federal and provincial governments borrowed PKR58.11bn during July 1, 2022 to Sep 2, 2022 for budgetary support from the domestic banking system compared to PKR48.18bn in the same period of last fiscal year (FY22), depicting an increase of PKR10bn.
- **Income tax returns form: FBR urged to resolve all technical issues | BR:** Pakistan Tax Bar Association (PTBA) has requested Federal Board of Revenue (FBR) to immediately resolve technical issues in filing of income tax return form for tax year 2022, submission of tax payment challans and give 90 days statutory period to taxpayers to submit returns from the day, the IRIS portal is error-free.
- **Refineries suggest import curbs on OMCs post-deregulation | The News:** Refineries on Friday proposed to the Oil & Gas Regulatory Authority (OGRA) to make it mandatory for the oil marketing companies (OMCs) to import only those petroleum products that would be in short supply following the oil sector deregulation. The OGRA officials expressed willingness to consider this proposal during a meeting with the representatives of the refineries, according to sources.
- **RLNG power plants: sell-off process hits a snag | BR:** The privatisation process of two RLNG-fired power plants is said to have hit snags due to legal issues related to proposed second extension of 90 days in validity period of bids of debt recapitalization and refinancing of PKR102bn, well informed sources in Privatisation Commission (PC) told Business Recorder.
- **Revision of tariff: Nepra rejects plea of telecom industry | BR:** The National Electric Power Regulatory Authority (NEPRA) has dismissed the telecom industry's petition for revision of tariff from commercial to industrial tariff. The Federal IT Minister & Telecom Syed Amin Ul Haque; however, has expressed his concern over Nepra's decision regarding dismissal of petition of Telecom Companies to grant Industrial Electricity Tariff.
- **Discos' consumers to get relief: CPPA-G seeks 22 paisa/unit positive adjustment in Aug FCA | BR:** The consumers of Distribution Companies (Discos) would have relief in their bills as the Central Power Purchasing Agency-Guaranteed (CPPA-G) has sought paisa 22 per unit positive adjustment in FCA for August 2022 mainly due to higher generation from hydel resources and official policy of at least two hours loadshedding across the country.
- **Lucky Cement extends buyback period | Dawn:** Lucky Cement Ltd told investors on Friday it's extending the period during which it'll buy back up to 10mn of its own shares from the stock market for the purpose of cancellation. Lucky Cement will start buying back its shares on Sept 29. It'll keep repurchasing the shares until March 27, 2023, or the date when the targeted buyback volume is achieved. Earlier on, the last date for the buyback was Dec 19 of the current calendar year.
- **Allowing IPPs to buy fuel from 'any OMC' irks PSO | BR:** Pakistan State Oil (PSO), the state-owned fuel supplier, is annoyed with Central Power Purchasing Agency- Guaranteed (CPPA-G) for allowing two Independent Power Producers (IPPs) to purchase their fuel from any Oil Marketing Company (OMC). PSO's General Manager, Consumer Business, Ghulam Murtaza Shaikh, has conveyed the company's anger in a letter to Chief Executive Officer (CEO), CPPA-G, seeking rectification of decision.
- **Decision of Mohtasib: President rejects SNGPL representation | BR:** President Dr Arif Alvi has directed the Sui Northern Gas Pipelines Ltd (SNGPL) to revise the unjust bill of PKR44,526 charged to a consumer, after his gas meter was damaged because of firing between two groups.
- **Japanese business delegation due by Sept-end: top BoI official | BR:** The Federal Secretary, Board of Investment Asad Rehman Gillani has said that a high-powered 250 member strong Japanese business delegation is due in Pakistan last week of September. He was speaking at a meeting at the Lahore Chamber of Commerce & Industry.
- **Flood losses top USD30bn in initial estimate | The News:** Minister of State for Finance Dr. Aisha Ghaus Pasha said Friday the recent floods caused total accumulated losses of over USD30bn in accordance with an initial assessment. Talking to reporters after attending the NA Standing Committee on Finance, she said the World Bank, Asian Development Bank and the UN were conducting a Damage Need Assessment (DNA) to assess the exact losses and construction costs.
- **PM Shehbaz Sharif to appoint next army chief in November | The News:** Minister for Energy Khurram Dastagir on Saturday said that Prime Minister Shehbaz Sharif will take the decision on the appointment of the Chief of the Army Staff (COAS) after consultations with party supremo Nawaz Sharif. Addressing a press conference in Gujranwala, the energy minister, without mentioning PTI Chairman Imran Khan's name, said that no matter how many times Khan meets with the army chief, the final decision will be taken by the prime minister.
- **Steep Fed rate hike seen as certainty after ugly inflation data | BR:** The Federal Reserve is poised to unleash another massive interest rate increase this week after the latest data showed a worrying US inflation picture, which confirmed the need for the central bank to continue to act aggressively. Soaring prices have pushed annual inflation to a 40-year high, inflicting pain on American consumers and businesses, despite the welcome drop in gasoline prices at the pump in recent weeks.

Market Indices			
	16-Sep-22	15-Sep-22	30-Jun-22
KSE 100	41,679	41,772	41,541
KSE 30	15,648	15,685	15,805
KMI 30	68,619	68,911	68,766
KSE All Shares	28,456	28,573	28,582
Volume (mn Shares)			
	16-Sep-22	FYTD (Average)	
KSE 100	122.9	109.4	
KSE 30	85.9	63.1	
KMI 30	35.3	62.7	
KSE All Shares	219.3	224.3	
Commodity Rates			
	16-Sep-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	91.4	0.6%	-20.4%
Crude Oil-Arab Light (USD/BBL)	90.6	-0.1%	-16.1%
Coal (USD/Tonne)	299.8	-2.2%	-12.3%
Copper (USD/Lbs)	3.6	1.1%	-4.0%
Cotton (¢/Lbs)	101.9	-4.0%	-7.6%
Gold (USD/Ounce)	1,674.9	0.7%	-7.3%
Currency (Interbank)			
	16-Sep-22	Daily Change	FYTD Change
US Dollar	238.3	1.1%	16.5%
UK Pound	271.9	0.6%	9.2%
Euro	232.9	1.2%	11.3%
UAE Dirham	238.6	1.3%	17.0%
Chinese Yuan	34.1	1.3%	11.8%
Fund Flows (USD mn)			
	16-Sep-22	FYTD	
FOREIGN INDIVIDUAL	5.21	12.12	
FOREIGN CORPORATES	-1.22	-9.61	
OVERSEAS PAKISTANI	-0.51	8.96	
FIPI NET	**3.48**	**11.46**	
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			
	16-Sep-22	15-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	13.85	13.87	13.45
5 Year Government Bond	13.20	13.23	12.93
10 Year Government Bond	12.72	12.75	12.92
3 Month KIBOR	16.08	16.07	15.16
6 Month KIBOR	16.10	16.11	15.35

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