Morning News 21-Sep-2022

MCB-ARIF HABIB
Savings and Investments Limited

- **Infrastructure, livelihood: ADB says will provide new aid package soon | BR:** The Asian Development Bank (ADB) will soon provide Pakistan with a significant relief and rehabilitation package, to repair the infrastructure and help livelihood. The bank announced through Twitter that it will provide more details of its new assistance package when it is finalised. "We will work closely with the government and other international agencies to help rebuild the lives and livelihoods of the more than 33 million people affected by the disaster.

- **Flood response: WB's USD230mn 'CLICK' project rated 'moderately' unsatisfactory | BR:** The World Bank project "Competitive and Livable City of Karachi (CLICK)" of worth USD230mn is rated as moderately unsatisfactory and restructured with the inclusion of a Contingent Emergency Response Component (CERC) to repurpose USD27mn of the CLICK loan to meet the immediate needs of the flood emergency response.

- **Rupee loses 26% value against dollar this year | Dawn:** The downward journey of the rupee against the US dollar looks never-ending, with the Pakistani currency losing about 26% value during the current calendar year (CY22). The State Bank of Pakistan (SBP) said the closing price of the dollar was PKR238.91 on Tuesday after it gained Re1 compared to PKR237.91 a day earlier. Meanwhile, currency dealers reported the dollar price at PKR240, which is more than the previous record of PKR239.50 in the interbank market on July 28.

- **Petrol price moved up by PKR1.45 per litre | The News:** In a surprise move, the federal government early Wednesday again jacked up the petrol price by PKR1.45, taking it to PKR237.43 per litre for the remaining month of September, said a statement issue by the Finance Ministry. "In the wake of fluctuating global oil prices and exchange rate variation, the government has decided to revise the prices of petroleum products," it added. After the revised petroleum prices, there is a decrease of PKR4.26 per litre in the price of Light Speed Diesel (LSD), after which the LSD will now be available for PKR197.28 per litre.

- **Auto financing falls in August | BR:** Outstanding consumer financing for transport, which includes purchase of cars etc, stood at PKR353bn as of August 2022, a decline of PKR8bn or 2.6% month-on-month (MoM), figures released by the State Bank of Pakistan (SBP) revealed on Tuesday. This is the lowest level since January 2022. "Moreover, the cumulative decline in auto financing since June 2022 to August 2022 has been around PKR15bn."

- **PM forms body on Chinese IPPs, other matters | BR:** Prime Minister Shehbaz Sharif has constituted a Standing Committee on payments to Chinese Independent Power Producers (IPPs), as well as other issues related to different ministries, well informed sources told Business Recorder. The receivables stock of Chinese IPPs is over PKR300bn due to which they are unable to import coal and meet other payment obligations.

- **Aug 2022 FCA: KE to refund PKR7.2bn to consumers | BR:** K-Electric (KE) is to refund PKR7.22bn @ PKR4.211 per unit to its consumers for the month of August 2022 under monthly fuel charges component adjustment (FCA) mechanism. National Electric Power Regulatory Authority (NEPRA) is scheduled to hold a public hearing on September 29, 2022 to consider the request of KE. Insiders claim that there will be no relief to the consumers in August billing as over PKR3 per unit FCA is already pending to be passed on to the consumers.

- **Jamshoro coal power plant (Genco-1): KE interested in purchasing power | BR:** K-Electric (KE) has shown an interest in signing agreement with the Government of Pakistan to purchase power from the 2nd unit of Jamshoro coal power plan (Genco-1). According to a letter of KE Chief Executive Officer (CEO) Syed Moonis Abdullah Alvi to Secretary Power Rashid Langrial, KE is currently in the process of finalizing its long-term business plan to cater for the ever-increasing demand in the KE system for which it requires additional power beyond its upcoming BOPS 3 plant and expected supply of 2050 MW from National Grid.

- **FFL to issue 1.17bn shares to Fauji group subsidiaries | Mettis Global:** Fauji Foods Limited (FFL) is issuing shares to Fauji group subsidiaries; the total volume of shares is 1.17bn at par PKR10 per share, the company's stock filings on the stock exchange showed. This issue of shares is against cash, except FF with total shares worth PKR2,350,000,000 from which PKR350,000,000 is against cash and PKR2,000,000,000 shares are against the conversion of subordinated loan to equity, and Shares to FFBL will issue against the conversion of accrued markup on a subordinated loan amounting to PKR708,749,800 to equity.

- **Incoming international passengers: Declaration of USD10,000 or above forex made mandatory | BR:** The Federal Board of Revenue (FBR) has imposed a new restriction on the incoming international passengers to declare foreign currency of US USD10,000 or above at the time of arrival at the airports. In this connection, the FBR has issued a draft of the new Customs Declaration form for the incoming international passengers for declaration of the foreign currency of US USD 10,000 or above.

- **WB, Sindh discuss uplift projects | The News:** Officials from Sindh government and the World Bank (WB) met on Tuesday to discuss development projects in public private partnership (PPP) mode and opportunities of investment in collaboration with the WB, a statement said on Tuesday. Special assistant to CM Sindh for Investment and PPP projects Syed Qasim Naveed Qamar presided over the meeting with representatives of the WB at his office, where hub leader for PPP of World Bank Moazzam Mekan and investment officer Mirza Khurram Baig were present. DG PPP Projects unit Asad Zamin also attended the meeting.

Market Indices

	20-Sep-22	19-Sep-22	30-Jun-22
KSE 100	41,221	41,521	41,541
KSE 30	15,447	15,603	15,805
KMI 30	67,765	68,299	68,766
KSE All Shares	28,171	28,381	28,582

Volume (mn Shares)

	20-Sep-22	FYTD (Average)
KSE 100	86.2	108.8
KSE 30	66.1	63.1
KMI 30	44.8	62.1
KSE All Shares	156.6	222.8

Commodity Rates

	20-Sep-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	90.6	-1.5%	-21.1%
Crude Oil-Arab Light (USD/BBL)	89.2	-1.9%	-17.3%
Coal (USD/Tonne)	294.5	-2.1%	-13.8%
Copper (USD/Lbs)	3.5	-0.3%	-4.4%
Cotton (¢/Lbs)	94.0	-2.8%	-14.8%
Gold (USD/Ounce)	1,663.1	-0.8%	-8.0%

Currency (Interbank)

	20-Sep-22	Daily Change	FYTD Change
US Dollar	238.5	-0.4%	16.6%
UK Pound	271.4	-0.9%	9.0%
Euro	237.8	-0.9%	10.9%
UAE Dirham	65.4	0.0%	17.0%
Chinese Yuan	34.0	-0.6%	11.3%

Fund Flows (USD mn)

	20-Sep-22	FYTD
FOREIGN INDIVIDUAL	0.83	18.00
FOREIGN CORPORATES	-0.41	-11.07
OVERSEAS PAKISTANI	-0.07	9.26
FIPI NET	**0.36**	**16.19**

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

	20-Sep-22	19-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	15.97	14.98
6 Month T-Bill	15.90	15.90	15.15
12 Month T-Bill	15.95	15.95	15.30
3 Year Government Bond	13.84	13.80	13.45
5 Year Government Bond	13.21	13.18	12.93
10 Year Government Bond	12.74	12.74	12.92
3 Month KIBOR	16.08	16.08	15.16
6 Month KIBOR	16.11	16.10	15.35

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