Morning News 28-Sep-2022

MCB-ARIF HABIB Savings and Investments Limited

- **ADB to approve USD1.5bn next month | Dawn:** The Asian Development Bank (ADB) will approve a USD1.5bn countercyclical loan for Pakistan next month as it announced plans to provide USD14bn to the Asia and the Pacific nations to ease a worsening food crisis posed by the impacts of climate change.
- **Locust emergency, food security: WB may further downgrade USD200mn project | BR:** The World Bank is likely to further downgrade the USD200mn locust emergency and food security project for Pakistan, besides already cancelling a partial commitment of USD104mn bringing it down to USD96mn, after facing inordinate delay in implementation, it is learnt.
- **Foreign investors: Jul-Aug repatriation of profit, dividend plunges 93% YoY | BR:** Repatriation of profit and dividend by foreign investors fell sharply, ie, 93% during the first two months of this fiscal year (FY23) due to economic slowdown. The State Bank of Pakistan (SBP) Tuesday reported that foreign investors repatriated USD28.2mn during July-August 2022 as compared to USD396.4mn during the same period last year, depicting a decline of USD368.2mn.
- **Rupee extends gains, scales near 2-week highs | The News:** Rupee extended gains on Tuesday, scaling near two-week highs on expectations that Pakistan's incoming finance minister Ishaq Dar would help the nation out of its economic rut and strengthen the local currency Gaining 1.33%, the rupee closed at 233.91 per dollar, its highest since September 14, and above its 237.02 close on Monday.
- **Five sectors to get power for 9 Cents/kWh for Sept only | BR**: Power Division has directed Distribution Companies (Discos) and K-Electric (KE) to provide electricity @ Cents 9/kWh all-inclusive to the five sectors (erstwhile zero rated) for only September 2022. In a letter to Chief Executive Officers (CEOs) of all the Discos and K-Electric, Power Division has cited the reference of ECC decisions that consumers of export-oriented sectors were granted concessional tariff @ Cents 9/ kWh.
- **PD seeks PKR93.43bn to settle GPPs' payables | BR:** Power Division has sought PKR93.44bn from Finance Ministry to settle payables to the Government-owned Power Plants (GPPs) at par with IPPs, official sources told Business Recorder Sharing the details, sources said.
- **Cost of thermal power generation exceeds base tariff | The News:** The cost of electricity generated by imported thermal fuels including coal, RFO (residual furnace oil), and RLNG (regasified liquefied natural gas) is still higher than the adjusted base rate of PKR18/KwH. On an average, thermal generation through imported fuels costs around PKR4-20/KwH more than the base rate.
- **Delay in legal team hiring: Only PKR7bn GIDC recovered so far, PAC told | BR:** The federal government has recovered only PKR7bn Gas Infrastructure Development Cess (GIDC) out of the total PKR459bn recoverable due to the delay in hiring a legal team for the pursuance of cases in various courts, the Public Accounts Committee (PAC) was apprised Tuesday.
- **Indus Motors fears 40% sales drop | Dawn:** Despite having orders for the next four months, Indus Motor Company (IMC) is operating at 40-45% production capacity. Listing factors for lower capacity utilisation at a corporate briefing session held on Tuesday to discuss its financial results for FY22, the assembler of Toyota vehicles feared at least 40% decline in volumetric sales in FY23 due to higher car prices, hike in interest rates, strict auto financing rules, recent floods and restrictions on CKD imports.
- **US pushes for 'constructive' Indo-Pak ties | BR:** US Secretary of State Antony Blinken said late on Monday he had discussed with his Pakistani counterpart what he called managing a responsible relationship with neighbouring India. Blinken's comments came after India's defence and foreign ministers opposed a US decision to provide a support package of about USD450mn for Pakistan's fleet of US-made F-16 fighter jets.
- **Blinken urges Pakistan to seek China debt relief after floods | BR:** US Secretary of State Antony Blinken called Monday on Pakistan to seek debt relief from its close partner China as floods devastate the South Asian country. Blinken promised strong US support for Pakistan as it dries out from the floods, which have submerged one-third of the country, an area the size of the United Kingdom.

Market Indices	27-Sep-22	26-Sep-22	30-Jun-22
KSE 100	41,518	41,152	41,541
KSE 30	15,562	15,420	15,805
KMI 30	67,965	67,329	68,766
KSE All Shares	28,390	28,129	28,582

Volume (mn Shares)	27-Sep-22	FYTD (Average)
KSE 100	124.7	108.6
KSE 30	104.5	63.5
KMI 30	73.6	61.2
KSE All Shares	230.6	219.0

Commodity Rates	27-Sep-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	86.3	2.7%	-24.9%
Crude Oil-Arab Light (USD/BBL)	83.8	2.3%	-22.3%
Coal (USD/Tonne)	305.0	3.6%	-10.7%
Copper (USD/Lbs)	3.3	0.3%	-10.4%
Cotton (¢/Lbs)	88.8	-0.3%	-19.4%
Gold (USD/Ounce)	1,628.0	0.4%	-10.1%

Currency (Interbank)	27-Sep-22	Daily Change	FYTD Change
US Dollar	236.4	-1.1%	15.6%
UK Pound	253.7	-0.7%	1.9%
Euro	226.8	-1.2%	5.8%
UAE Dirham	64.5	-1.4%	14.3%
Chinese Yuan	32.9	-1.8%	7.9%

Fund Flows (USD mn)	27-Sep-22	FYTD
FOREIGN INDIVIDUAL	0.06	19.10
FOREIGN CORPORATES	-0.11	-10.99
OVERSEAS PAKISTANI	0.29	11.29
FIPI NET	**0.24**	**19.40**

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	27-Sep-22	26-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	15.61	15.67	14.98
6 Month T-Bill	15.72	15.82	15.15
12 Month T-Bill	15.71	15.86	15.30
3 Year Government Bond	13.80	13.79	13.45
5 Year Government Bond	13.13	13.18	12.93
10 Year Government Bond	12.86	12.86	12.92
3 Month KIBOR	15.91	15.98	15.16
6 Month KIBOR	16.01	16.05	15.35

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