Morning News 03-Oct-2022

MCB-ARIF HABIB
Savings and Investments Limited

- **September CPI soars 23% YoY, declines 1.2% MoM | BR:** The Consumer Price Index (CPI) increased to 23.2% on year-on-year basis in September 2022 as compared to an increase of 27.3% in the previous month and nine percent in September 2021, says the Pakistan Bureau of Statistics (PBS).
- **At first, Dar cuts fuel prices: says 1QFY23, Sept tax collection targets achieved; IT return deadline extended to Oct 31 | BR:** Federal Minister for Finance Ishaq Dar Friday announced significant reduction of up to PKR12.63 per litre in petroleum products prices to pass on the benefit of decreasing crude rates in the international market.
- **March 2023: USD2bn SAFE China deposits rollover sought | BR:** Pakistan has sought rollover of SAFE China deposits of USD2bn in March 2023. Nong Rong, ambassador of the People's Republic of China called on Federal Minister for Finance and Revenue Senator Ishaq Dar, here at the Finance Division.
- **US defers repayment of USD132mn debt | BR:** The United States on Friday approved providing USD132mn in US debt relief to Pakistan under G20 Debt Service Suspension Initiative (DSSI). The US Ambassador to Pakistan, Donald Blome, signed the second US-Pakistan bilateral agreement on Friday in this regard.
- **WB may allow 22-month extension of NTMP-1 closing date | BR:** World Bank (WB) is likely to allow 22 months extension in closing date of USD425mn National Transmission Modernization I project (NTMP-1) to regulate delays on different accounts.
- **China pledges over USD90mn for flood-hit Pakistan | BR:** Chinese Ambassador to Pakistan Nong Rong has asserted that China has so far pledged over USD90mn in assistance to Pakistan after the devastating floods triggered by heavy monsoon rains.
- **PKR gains nearly 5% during the week | BR:** The rupee gained nearly 5% during the previous week, appreciating in value across all the five sessions against the US dollar as the return of Ishaq Dar at helm of Pakistan's economic affairs gave impetus to a bullish sentiment in the money market.
- **FY22 domestic consumption of POL products | BR:** The Federal Board of Revenue (FBR) has collected PKR107bn sales tax from domestic consumption of petroleum products during 2021-22 against PKR234.9bn in 2020-21, reflecting a decrease of 54.4%.
- **SBP import curbs hit arrival of auto kits | Dawn:** The arrival of completely knocked down (CKD) kits fell to USD119mn in July-August from USD236mn in the same period a year ago. Quoting the State Bank of Pakistan's data, an assembler attributed this decline to restrictions imposed by the central bank on May 19 to curb imports of auto parts.
- **Textiles look to Dar to drive exports | The News:** The textile industry on Friday pleaded with the new Finance Minister Ishaq Dar to ensure the regionally competitive energy tariff (RCET) remains intact to facilitate sector's imports of spare parts and raw materials that are critical for export growth.
- **DTP of imported urea at PKR2,150/bag approved by ECC | BR:** The Economic Coordination Committee (ECC) of the Cabinet on Friday approved Dealer Transfer Price (DTP) of 50-kg imported urea bag at PKR2,150/bag and incidental charges at PKR620.47/bag with sharing subsidy on imported urea at 50:50 basis with the provinces.
- **Govt shelves plan to regulate DAP imports | Dawn:** Apparently, under pressure from the fertiliser industry, the federal government has reversed its decision of regulating the import of di-ammonium phosphate (DAP) by linking it with the approval of the Trading Corporation of Pakistan (TCP).
- **Inefficient power plants: Nepra accuses MoE of passing on PKR30bn burden to consumers | BR:** National Electric Power Regulatory Authority (Nepra) has reportedly accused Ministry of Energy of passing "unjustified" financial burden of PKR30bn to consumers by not supplying required RLNG or operating of inefficient/ expensive power plants during the last two years, well informed sources in Nepra told Business Recorder.
- **Full compensation sought for all companies | BR:** The oil industry has suffered a loss of PKR50bn on account of foreign exchange losses between July 1, 2018 and February 28, 2020.
- **Housing for flood-hit people: Sindh, WB agree on PKR110bn project | BR:** Sindh government with the assistance of the World Bank has decided to launch a PKR110bn housing project for the flood-affected people for which a special unit would be established under the chief secretary.
- **Dar-led ECC increases KE tariff by 51 paise | Dawn:** The first meeting of the Economic Coordination Committee (ECC) of the Cabinet presided over by Finance Minister Ishaq Dar on Friday approved 51 paise per unit increase in tariff for K-Electric consumers and allowed a clearance of import consignments during the banned period against payment of a surcharge.
- **CPHGC seeks revision in Nepra's coal price notification | BR:** China Power Hub Generation Company (CPHGC) has sought revision in coal price notification of National Electric Power Regulatory Authority (NEPRA) to reimburse part of local procurement as international coal prices are now less than local coal.
- **Exim Bank starts formal operations | Dawn:** The Exim Bank of Pakistan on Saturday formally started its operations after the Senate approved and ratified the bill seeking its establishment for the promotion of international trade.

Market Indices

	30-Sep-22	29-Sep-22	30-Jun-22
KSE 100	41,129	41,014	41,541
KSE 30	15,337	15,312	15,805
KMI 30	67,463	67,292	68,766
KSE All Shares	28,225	28,135	28,582

Volume (mn Shares)

	30-Sep-22	FYTD (Average)
KSE 100	128.3	108.6
KSE 30	85.8	63.5
KMI 30	48.0	61.2
KSE All Shares	204.9	219.0

Commodity Rates

	30-Sep-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	88.0	-0.6%	-22.9%
Crude Oil-Arab Light (USD/BBL)	84.0	-2.7%	-22.2%
Coal (USD/Tonne)	295.0	-0.3%	-13.7%
Copper (USD/Lbs)	3.4	0.0%	-8.8%
Cotton (¢/Lbs)	86.1	0.2%	-21.9%
Gold (USD/Ounce)	1,659.7	0.0%	-8.1%

Currency (Interbank)

	30-Sep-22	Daily Change	FYTD Change
US Dollar	227.7	-0.6%	11.3%
UK Pound	254.1	-0.2%	2.0%
Euro	223.1	-0.7%	4.1%
UAE Dirham	62.2	-0.7%	10.5%
Chinese Yuan	32.0	-0.4%	4.8%

Fund Flows (USD mn)

	30-Sep-22	FYTD
FOREIGN INDIVIDUAL	0.00	12.53
FOREIGN CORPORATES	5.98	-7.68
OVERSEAS PAKISTANI	0.63	12.21
FIPI NET	**6.60**	**17.06**

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

	30-Sep-22	29-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	15.50	15.47	14.98
6 Month T-Bill	15.65	15.64	15.15
12 Month T-Bill	15.74	15.71	15.30
3 Year Government Bond	13.83	13.80	13.45
5 Year Government Bond	13.12	13.12	12.93
10 Year Government Bond	12.85	12.84	12.92
3 Month KIBOR	15.77	15.81	15.16
6 Month KIBOR	15.91	15.93	15.35

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