Morning News 05-Oct-2022

MCB-ARIF HABIB
Savings and Investments Limited

- **Global community told: Pakistan is out of money to spend on flood recovery | BR:** The United Nations and the government of Pakistan on Tuesday launched the revised flash appeal of an urgent USUSD 816 million to swiftly respond to the needs of people affected by unprecedented climate-induced floods in the country.
- **EU scales up assistance to PKR6.7bn for flood-hit people | BR:** The European Union has announced to substantially scale up its financial assistance to PKR6.7bn (€30mn) to the flood-affected people in Pakistan. European Commissioner for Crisis Management, Janez Lenarcic, announced PKR6.7bn (€30mn) humanitarian aid for Pakistan during a meeting with Prime Minister Shehbaz Sharif, said a statement issued by the European Mission here on Tuesday.
- **Dar hails Qatar Investment Authority's plans to invest USD3bn in Pakistan | Nation:** Federal Minister for Finance and Revenue Ishaq Dar on Tuesday has welcomed the Qatar and United Arab Emirates (UAE) investment plans in Pakistan. The finance minister held separate meetings with the ambassadors of Qatar and UAE.
- **1Q trade deficit declines 21.42% to USD9.2bn YoY | BR:** Pakistan's trade deficit narrowed down by 21.42% to USD9.21bn during the first quarter of the current fiscal year as compared to USD11.72bn during the same period of last year, says Pakistan Bureau of Statistics (PBS).
- **1Q: Economic performance | BR:** In our last article we had expressed the hope of potential turnaround in the economy. Some early data for the month of September has been released which continue to show mixed trends. The most notable data is on consumer price index (CPI).
- **Pakistan's total public debt PKR49.2tr in FY22 | The News:** Pakistan's total public debt went up by around PKR9.33 trillion in the last fiscal year 2021-22 ending on June 30, 2022; it went up from PKR39.8 trillion in June 2021 to PKR49.2 trillion on June 30, 2022.
- **SBP policy rate seen unchanged though inflation worries persist | The News:** The central bank policymakers would likely keep interest rates unchanged next week despite an external financing shortfall as inflation eases on declining global commodity prices and flood induces an economic slowdown.
- **THE RUPEE: PKR strengthens further | BR:** Pakistan's rupee appreciated against the US dollar for the eighth successive session on Tuesday, closing over 0.7% higher in the inter-bank market. As per the State Bank of Pakistan (SBP), the rupee closed at 225.64 after appreciating PKR1.65 or 0.73%.
- **Speculation and volatility of exchange rates: Action to be taken against erring banks, ECs: SBP chief | BR:** The governor State Bank of Pakistan (SBP) has informed the National Assembly Standing Committee on Finance on Tuesday that action would be taken against banks and forex exchange companies (ECs) involved in volatility in the exchange rate upon finalisation of inquiry.
- **September oil sales dive 22% to 1.53mn tons YoY | BR:** The oil sales in Pakistan in September 2022 declined by 22% on year-on-year basis to 1.53mn tons. The recorded number is also well below the 6-month rolling average of 1.8mn tons.
- **KE seeks exemption from ECLs for 2 years | BR:** K-Electric (KE) has sought exemption from Expected Credit Losses (ECLs) on financial assets for two years effective from July 1, 2022, as the balance payable to Government of Pakistan and provincial governments and their departments/ entities under circular debt has accumulated to PKR341bn.
- **WB extends CASA-1000 closing date | BR:** The World Bank (WB) has extended closing date of USD0.6mn Grant Agreement of Central Asia- South Asia, Electricity Transmission & Trade Project (CASA-1000) retroactively, from March 31, 2022 to December 31, 2024.
- **Not increasing PL is no violation of IMF deal, NA body told | BR:** Minister of State for Finance Aisha Ghaus Pasha has informed the Finance Standing Committee of the National Assembly that the government has not violated the International Monetary Fund (IMF) agreement by not increasing petroleum levy on October 1, 2022.

Market Indices

	4-Oct-22	3-Oct-22	30-Jun-22
KSE 100	41,350	41,212	41,541
KSE 30	15,478	15,410	15,805
KMI 30	68,347	67,956	68,766
KSE All Shares	28,240	28,202	28,582

Volume (mn Shares)

	4-Oct-22	FYTD (Average)
KSE 100	115.7	108.9
KSE 30	88.9	65.7
KMI 30	68.1	61.4
KSE All Shares	593.4	222.9

Commodity Rates

	4-Oct-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	91.8	3.3%	-20.0%
Crude Oil-Arab Light (USD/BBL)	91.3	3.4%	-15.4%
Coal (USD/Tonne)	289.0	-5.6%	-15.4%
Copper (USD/Lbs)	3.4	0.0%	-8.8%
Cotton (¢/Lbs)	89.1	4.9%	-19.2%
Gold (USD/Ounce)	1,726.2	1.6%	-4.5%

Currency (Interbank)

	4-Oct-22	Daily Change	FYTD Change
US Dollar	225.6	-1.0%	10.1%
UK Pound	257.1	0.9%	3.5%
Euro	222.9	-0.5%	4.2%
UAE Dirham	61.4	-0.7%	10.2%
Chinese Yuan	31.7	-1.2%	3.6%

Fund Flows (USD mn)

	4-Oct-22	FYTD
FOREIGN INDIVIDUAL	1.95	15.22
FOREIGN CORPORATES	-0.78	-8.89
OVERSEAS PAKISTANI	-0.36	12.25
FIPI NET	**0.82**	**18.58**

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

	4-Oct-22	3-Oct-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	15.42	15.47	14.98
6 Month T-Bill	15.65	15.65	15.15
12 Month T-Bill	15.71	15.74	15.30
3 Year Government Bond	13.79	13.81	13.45
5 Year Government Bond	13.10	13.12	12.93
10 Year Government Bond	12.85	12.85	12.92
3 Month KIBOR	15.74	15.46	15.16
6 Month KIBOR	15.89	15.64	15.35

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