Morning News 19-Dec-2022

MCB-ARIF HABIB Savings and Investments Limited

- **Jul-Nov CAD shrinks 57% YoY | BR:** The country's current account deficit shrank 57% during the first five months of this fiscal year (FY23), mainly due to lower goods import bill. The State Bank of Pakistan (SBP) Friday reported that the current account recorded a deficit of USD3.1bn during July-Nov of FY23 against USD7.23bn in the same period of last fiscal year (FY22), showing a decline of USD4.135bn.
- **Jul-Nov FD1 declines 51% to USD430mn YoY | BR:** Foreign Direct Investment (FDI) recorded negative growth and declined by 51% during the first five months of this fiscal year (FY23). According to State Bank of Pakistan (SBP), Pakistan fetched FDI amounting to USD430mn during July-Nov of FY23 as against USD885mn in the same period of the previous fiscal year (FY22).
- **ADB's IED validates 'flood project' | BR:** The Independent Evaluation Department (IED) of the Asian Development Bank (ADB) has rated "Pakistan: Flood Emergency Reconstruction and Resilience Project", successful, relevant, highly effective, efficient, and likely sustainable.
- **Pakistan expects USD18-20bn inflows in second half of fiscal year | The News:** Conceding before a parliamentary panel difficulties in materializing dollar inflows, State Bank of Pakistan Governor Jameel Ahmed said Pakistan was expecting USD18 to USD20bn in inflows from multilateral and bilateral creditors in the second half (Jan-June) period of the current fiscal year to overcome persistent liquidity crunch.
- **July-Nov textile group exports fall around 5% YoY | BR:** The country's textile group exports declined by around 5% during the first five months (July-November) of the current fiscal year 2022-23 and remained at USD7.36bn as compared to USD7.76bn during the same period of last year, the Pakistan Bureau of Statistics (PBS) said.
- **Petroleum imports dip 8% as demand slows | Dawn:** Imports of the petroleum group dipped nearly 8.11% year-on-year to USD7.70bn in the first five months of the current fiscal year owing to the sharp reduction in demand as a result of the slowing down of the economy. The surging prices also contributed to lower consumption of petroleum products.
- **Dar sharpens focus on energy circular debt | BR:** Finance Minister Ishaq Dar is considering a plan to reduce the stock of circular debt in both power and gas sectors by dividends or issuance of term finance certificates (TFC).
- **Discounted crude, refined products: Pakistan-Russia IGC to meet in Jan | BR:** Pakistan-Russia Inter-Governmental Commission (IGC) would arrive in January 2023 for negotiation on Russian discounted crude and discounted refined petroleum products, said Minister of State for Petroleum Musadik Malik on Friday.
- **E&P licences revival: Country to receive USD5mn foreign investment in 3 months | BR:** The Cabinet decision to revive 11 revoked licences for enhancing production activities of oil and gas in the country will help receive USD5mn foreign investment within next three months and a total USD110mn, it is learnt.
- **NTDC signs €43.76mn loan agreement with KfW Bank | The News:** The National Transmission and Despatch Company (NTDC) has inked a €43.76mn loan agreement with KfW Bank for financing construction of a 500 kilovolt (kV) Chakwal grid station, a statement said on Friday.
- **Reko Diq now more visible as SOEs sign deals | BR:** Pakistan Petroleum Limited (PPL) together with Oil and Gas Development Company Limited (OGDC) and Government Holdings (Private) Limited, collectively the State-Owned Enterprises (SOEs), has signed the Definitive Agreements with respect to the SOEs' participation in the Reconstituted Reko Diq Project.
- **Discos' tariff slashed by 32-paisa for Oct | BR:** The National Electric Power Regulatory Authority (Nepra) has slashed Discos tariff by 32 paisa per unit for October 2022 under monthly Fuel Charges Adjustment (FCA) mechanism. The Central Power Purchasing Agency-Guaranteed (CPPA-G) had sought an increase of 25 paisa per unit in FCA for October but on November 29, 2022, the Nepra after hearing the concerned authorities and having gone through data, decided to approve a negative adjustment.
- **Import of LNG: PLL likely to ink accord with SOCAR | BR:** The government is likely to allow Pakistan LNG Limited (PLL) to sign pact with Azerbaijani company M/s SOCAR/ SOCAR Trading for import of one LNG cargo monthly, sources close to Minister of State for Petroleum and Natural Resources told Business Recorder.
- **PSO may acquire govt stakes in NPP, Gepco | BR:** Pakistan State Oil(PSO) is likely to acquire government stakes in Nandipur Power Plant (NPP) and Gujranwala Electric Power Company (Gepco) against outstanding due amount of over PKR100bn, well informed sources in Petroleum Division told Business Recorder.
- **Gas cos in process of laying 10,707-km pipelines | BR:** The two state-owned companies, SNGPL and SSGC, are in process of laying almost 10,707-kilometer pipelines to reinforce gas transmission networks in their operational areas across the country during the current fiscal year.
- **Nov FCA: KE seeks negative, CPPA-G positive adjustment | BR:** K-Elec-tric (KE) has sought negative adjustment of PKR7.043/ kWh in its tariff for November 2022 to refund PKR10.06bn to its consumers, whereas Central Power Purchasing Agency-Guaranteed (CPPA-G) intends to pass on positive adjustment of Re0.19/kWh to Discos' consumers for November under monthly FCA mechanism.
- **Bilawal asks UN to resolve issue of unsustainable debt of developing countries | The News:** Minister for Foreign Affairs Bilawal Bhutto Zardari Saturday called on the United Nations to seek solutions to the issue of unsustainable debt and push for allocation of Special Drawing Rights (SDRs) to the developing countries.
- **KPK, Punjab PAs to be dissolved on 23rd: PTI chief | BR:** Pakistan Tehreek-e-Insaf (PTI) Chairman Imran Khan Saturday announced the dissolution of Punjab and Khyber Pakhtunkhwa (KP) provincial assemblies on Friday (Dec 23), while addressing party workers at Liberty Square. "We have decided to dissolve both the assemblies and start preparations for the elections," he told a charged crowd.

Market Indices

	16-Dec-22	15-Dec-22	30-Jun-22
KSE 100	41,301	41,180	41,541
KSE 30	15,242	15,215	15,805
KMI 30	69,507	69,383	68,766
KSE All Shares	27,809	27,721	28,582

Volume (mn Shares)

	16-Dec-22	FYTD (Average)
KSE 100	64.6	96.7
KSE 30	33.6	61.3
KMI 30	30.1	55.6
KSE All Shares	139.6	220.4

Commodity Rates

	16-Dec-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	79.0	-2.7%	-31.2%
Crude Oil-Arab Light (USD/BBL)	75.8	-3.8%	-29.8%
Coal (USD/Tonne)	217.4	-4.1%	-36.4%
Copper (USD/Lbs)	3.8	0.0%	0.7%
Cotton (¢/Lbs)	81.1	1.1%	-26.4%
Gold (USD/Ounce)	1,792.3	0.9%	-0.8%

Currency (Interbank)

	16-Dec-22	Daily Change	FYTD Change
US Dollar	224.5	-0.1%	9.8%
UK Pound	272.5	-0.4%	9.5%
Euro	237.6	-0.5%	10.8%
UAE Dirham	61.3	0.0%	9.8%
Chinese Yuan	32.2	-0.1%	5.4%

Fund Flows (USD mn)

	16-Dec-22	FYTD
FOREIGN INDIVIDUAL	0.00	23.40
FOREIGN CORPORATES	-2.89	-44.05
OVERSEAS PAKISTANI	0.56	39.58
FIPI NET	**-2.32**	**18.94**

Economic Data (USD mn)

	FY22P	FY21	FY20
GDP Growth	6.0%	5.7%	-0.9%
	Oct-22	**Sep-22**	
Exports	2,384	2,446	
Imports	4,711	5,347	
Remittances	2,216	2,437	
Foreign Exchange Reserves	8,913	7,879	

Money Market Data

	16-Dec-22	15-Dec-22	30-Jun-22
SBP Policy Rate	16.00	16.00	13.75
CPI Inflation	23.84	26.60	21.32
3 Month T-Bill	16.87	16.87	14.98
6 Month T-Bill	16.90	16.90	15.15
12 Month T-Bill	16.91	16.92	15.30
3 Year Government Bond	15.26	15.29	13.45
5 Year Government Bond	14.24	14.26	12.93
10 Year Government Bond	13.52	13.50	12.92
3 Month KIBOR	16.98	16.99	15.16
6 Month KIBOR	17.01	17.01	15.35

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