Morning News 26-Dec-2022

MCB-ARIF HABIB Savings and Investments Limited

- **US allocates USD200mn for gender equality, democracy in Pakistan | The News:** The United States senators approved a sweeping annual spending package, allocating USD200mn for gender equality and strengthening democracy in Pakistan, Geo News reported Saturday. The USD1.7 trillion omnibus bill includes the allocation of USD45bn Ukraine aid and reforms to election law aimed at avoiding a repeat of last year's assault on the Capitol.
- **Stalled programme revival: IMF asks Pakistan to meet all demands in three weeks | The News:** The IMF has shared lists of prerequisite actions and told Pakistani authorities in plain words that Islamabad will have to move towards implementing all demands in the next 15 to 20 days for reviving the stalled Fund programme.
- **FY23 Q1 budget deficit rises 43% to PKR809bn YoY | BR:** Pakistan's budget deficit in the first quarter of this fiscal year increased by 43% to PKR809bn due to rising ongoing expenditure, interest payments on local debt, and increased defence spending. The budget deficit was PKR438bn in the same period of last financial year.
- **USD5bn rise in current target: PM seeks new export enhancement plan | BR:** Prime Minister Shehbaz Sharif has directed the Ministry of Commerce, the State Bank of Pakistan (SBP), the Federal Board of Revenue (FBR) and the Board of Investment (BoI) to bring exports enhancement plan with an addition of USD5bn in exports target, sources close to the commerce minister told Business Recorder.
- **Pakistan received USD5.1bn in July-November | Dawn:** Amid external account challenges, Pakistan borrowed about USD5.12bn in foreign loans in the first five months (July-November) of the current fiscal year, almost 14% higher than the foreign loans it received in the comparable period last year.
- **ADB for higher investments in hydropower | BR:** Pakistan's energy investment needs until 2030 vary significantly. Considering three scenarios –business-as-usual (BAU), government commitments and green growth - the estimates for energy investment range from USD62bn to USD155bn, highlighting significant requirements for transitioning to more sustainable sources of energy generation and implementing extensive energy efficiency measure, says the Asian Development Bank (ADB).
- **Stockbrokers can submit feedback by 27th | BR:** The Securities and Exchange Commission of Pakistan (SECP) has decided to move towards a single rating regime for the stock market brokers to further rationalize the rating requirements for such brokers.
- **Imported networking equipment subject to 16% duty: FBR | BR:** The customs classification committee of the Federal Board of Revenue (FBR) has ruled that the imported networking equipment (Smart Signal Booster) are subject to a higher rate of 16% customs duty and not 11% as claimed by an importer.
- **Market capital plummets 35% in dollar terms | BR:** The outgoing 2022 was another bad year for Pakistan stocks where the market capitalization of listed companies at Pakistan Stock Exchange (PSX) fell by 17% reaching PKR6.4trillion. In USD terms it plummeted 35% reaching USD28bn. Real Estate Investment Trust (REIT), Synthetic & Rayon, and Sugar were the top performing sectors in 2022 as their market cap increased by 12%, 6.0% and 5.0%, respectively in spite of bad market conditions.
- **Rupee likely to stay range-bound | The News:** The rupee is expected to move in a range-bound manner in coming days and the currency market to determine its direction with inflows as the foreign reserves of the country have declined to a crucial level, analysts said on Saturday. During the outgoing week, the local currency fell by 49 paisas in the interbank market. On Monday, it had ended at 224.94 per dollar while Friday's rupee closing rate was 225.43.
- **APTMA says textile exports may fall below USD1bn/month from Jan 2023 | The News:** The All-Pakistan Textile Mills Association (APTMA) on Friday said the country's textile exports could fall below USD1bn a month from 2023 onwards, seeking government intervention to save the sector from destruction.
- **Thar coal to be linked with PQ thru rail system | BR:** The government has decided to link Thar coal and Port Qasim (PQ) with Pakistan Railways network through PKR58.24bn project in order to provide bulk transportation facilities as per requirement of the economy.
- **T4HP: Govt seeks another extension in closing date of WB loan | BR:** The government has requested the World Bank for extending the closing date of credit for Tarbela Fourth Hydropower project for fifth time, aimed at enabling Water and Power Development Authority (Wapda), to finance remaining payments on ongoing contracts, complete activities to support sustainable operation of project and address remedial measures for fixing issue identified at the intake of the power tunnels constructed under the project.
- **Import of petroleum products drops 26% in Jul-Nov | The News:** The import of petroleum products in the country plunged by 26% in the first five months of the current financial year on the back of depressed demand of petroleum products due to slowdown in economic activities and high prices.
- **Hubco, Chinese firm resolve dispute | Dawn:** The Hub Power Company Ltd (Hubco) said on Friday its joint venture (JV) partner in a coal-based 1,320-megawatt power plant has withdrawn the encashment notice it served on Hubco's bank last month.
- **SPI inflation down 0.11% as prices of petrol, perishables decline | The News:** Fall in prices of petrol and perishables pushed weekly inflation lower by 0.11%, while it remained high on year-on-year basis at 28.76% during the seven-day period ended December 22.
- **Pakistan 'ill-prepared' to combat new Covid variants | Dawn:** As new variants of coronavirus spread at a rapid pace in parts of the globe, including India, China, and the United States, health authorities in Pakistan seem to be ill-prepared to stop the arrival of the virus in the country.

Market Indices	23-Dec-22	22-Dec-22	30-Jun-22
KSE 100	39,669	39,838	41,541
KSE 30	14,601	14,683	15,805
KMI 30	66,825	67,004	68,766
KSE All Shares	26,796	26,952	28,582

Volume (mn Shares)	23-Dec-22	FYTD (Average)
KSE 100	76.1	96.3
KSE 30	52.3	60.9
KMI 30	51.6	55.4
KSE All Shares	132.4	218.7

Commodity Rates	23-Dec-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	83.9	3.6%	-26.9%
Crude Oil-Arab Light (USD/BBL)	81.5	1.8%	-24.5%
Coal (USD/Tonne)	208.9	1.6%	-38.9%
Copper (USD/Lbs)	3.8	1.3%	1.6%
Cotton (¢/Lbs)	84.3	1.1%	-23.6%
Gold (USD/Ounce)	1,797.9	0.3%	-0.5%

Currency (Interbank)	23-Dec-22	Daily Change	FYTD Change
US Dollar	225.8	0.1%	10.4%
UK Pound	272.2	0.2%	9.3%
Euro	239.6	0.3%	11.8%
UAE Dirham	61.7	0.0%	10.5%
Chinese Yuan	32.3	0.0%	5.8%

Fund Flows (USD mn)	23-Dec-22	FYTD
FOREIGN INDIVIDUAL	0.02	23.43
FOREIGN CORPORATES	0.02	-48.85
OVERSEAS PAKISTANI	0.51	41.09
FIPI NET	**0.54**	**15.66**

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	23-Dec-22	22-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	16.88	16.94	14.98
6 Month T-Bill	16.97	16.96	15.15
12 Month T-Bill	16.97	16.95	15.30
3 Year Government Bond	15.49	15.37	13.45
5 Year Government Bond	14.52	14.39	12.93
10 Year Government Bond	13.63	13.61	12.92
3 Month KIBOR	17.06	17.05	15.16
6 Month KIBOR	17.07	17.03	15.35

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