Morning News 06-Jan-2023

MCB-ARIF HABIB
Savings and Investments Limited

- **Foreign exchange reserves at almost 9-year low level | BR:** The foreign exchange reserves held by the State Bank of Pakistan (SBP) reached almost nine years low level due to slow foreign inflows and continued external debt servicing. Foreign exchange reserves held by the SBP declined to USD5.577 billion as on Dec 30, 2022 compared to USD5.822 billion as of Dec 23, 2022.
- **Pakistan receives USD140m RDA inflows, lowest since Dec '20 | The News:** Foreign currency inflows from overseas Pakistanis through Roshan Digital Account (RDA) clocked in at USD140 million in December, according to data from the State Bank of Pakistan on Thursday.
- **Public debt swells to PKR50.9tr in November | The News:** Pakistan's public debt increased 24.2 percent year-on-year to PKR50.9 trillion in November 2022, the central bank data showed on Thursday, courtesy of government's increasing borrowing needs to meet the budget deficit and lack of external financing in the country.
- **Govt considering 50-70pc Windfall Tax on banking sector profits | The News:** The government is contemplating its options for slapping a Windfall Tax on the profits of banking sector in the range of 50 to 70 percent just on the pattern of the Western world, which imposed the same tax on energy companies.
- **Edible Oil - SBP, MoF urged to ask banks to open LCs | BR:** The edible oil industry has asked the State Bank of Pakistan (SBP) and Ministry of Finance to direct the commercial banks to honor its request for opening of Letters of Credit (LCs) to avoid crisis and actuate shortage of ghee and cooking oil.
- **Draft readied for sharing telecom infrastructure | Dawn:** The Ministry of IT & Telecom (MoITT) has finalised the draft of the Infrastructure Sharing Framework to boost competition as well as reduce the cost of doing business for mobile and internet service providers.
- **IPPs bound to use Thar coal first | Dawn:** The National Electric Regulatory Authority (Nepra) has made it mandatory for all independent power producers (IPPs) to utilise local coal, particularly from Thar, before opting for imports that would also be contracted in Pakistani rupees.
- **Govt plans meeting with oil sector to address financial issues | The News:** Government has summoned a meeting with the oil sector of the country next week to take up its various issues, especially the problems that have been hitting the sector financially, The News learnt on Thursday. Government has invited the oil marketing companies (OMCs) and refineries on January 10 to discuss and find out ways for resolving the issues.
- **Jul-Nov rice exports decline 30pc to 210,184 metric tons | BR:** Pakistan's rice export registered collectively (basmati & non-basmati) around a 30 percent decline in quantity and almost 11 percent decline in value during the period of July-November 2022 as compared to the corresponding period of July-November 2021.
- **First phase of 1,000MW solar panels | BR:** Prime Minister Shehbaz Sharif was informed on Thursday that the bidding process for the first phase of 1,000 MW solar panels would be started next week.
- **Visa denial to rob exporters of orders worth millions of dollars | BR:** Pakistan is likely to lose export orders worth millions of dollars because a number of exporters intending to attend the well-known trade fair in Germany — the Heimtextil-2023 — have either been denied visas by the German Embassy or are facing delays.
- **Millat Tractors shuts down production citing reduced demand, cash flow constraints | Dawn:** Pakistan's biggest agricultural machinery manufacturer, Millat Tractors Limited, said on Thursday that it would remain closed from January 6 (tomorrow) till further notice, citing reduced demand and cash flow problems.
- **LHC bars ECP from removing Imran as PTI chief | Dawn:** The Lahore High Court (LHC) on Thursday barred the Election Commission of Pakistan (ECP) from removing Imran Khan as the chairman of the PTI in pursuance of the verdict issued in the Toshakhana case.
- **COAS, Saudi minister discuss defence cooperation | BR:** Chief of Army Staff (COAS) General Asim Munir on Thursday met Saudi Arabia's Defence Minister Prince Khalid bin Salman and discussed the ways of strengthening cooperation between the two countries. According to the military's media wing, COAS Gen Munir is on an official visit to Saudi Arabia and United Arab Emirates (UAE) from January 4-10.

Market Indices			
	5-Jan-23	4-Jan-23	30-Jun-22
KSE 100	40,717	40,539	41,541
KSE 30	15,053	14,952	15,805
KMI 30	69,055	68,573	68,766
KSE All Shares	27,487	27,489	28,582
Volume (mn Shares)			
	5-Jan-23	FYTD (Average)	
KSE 100	61.9	97.6	
KSE 30	22.4	59.9	
KMI 30	28.3	55.2	
KSE All Shares	111.6	217.2	
Commodity Rates			
	5-Jan-23	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	78.7	1.1%	-31.5%
Crude Oil-Arab Light (USD/BBL)	75.3	1.8%	-30.2%
Coal (USD/Tonne)	180.4	-2.9%	-47.2%
Copper (USD/Lbs)	3.8	1.8%	2.1%
Cotton (¢/Lbs)	81.5	2.7%	-26.1%
Gold (USD/Ounce)	1,833.2	-1.1%	1.5%
Currency (Interbank)			
	5-Jan-23	Daily Change	FYTD Change
US Dollar	227.3	0.4%	11.1%
UK Pound	270.6	-0.8%	8.7%
Euro	239.1	-0.3%	11.5%
UAE Dirham	62.5	0.6%	11.9%
Chinese Yuan	33.0	0.5%	8.2%
Fund Flows (USD mn)			
	5-Jan-23	FYTD	
FOREIGN INDIVIDUAL	0.00	23.59	
FOREIGN CORPORATES	0.33	-64.91	
OVERSEAS PAKISTANI	-0.03	40.60	
FIPI NET	**0.30**	**-0.72**	
Economic Data (USD mn)			
	FY22P	FY21	FY20
GDP Growth	6.0%	5.7%	-0.9%
	Nov-22	Oct-22	
Exports	2,391	2,384	
Imports	5,182	4,711	
Remittances	2,460	2,216	
Foreign Exchange Reserves	7,498	8,760	
Money Market Data			
	5-Jan-23	4-Jan-23	30-Jun-22
SBP Policy Rate	16.00	16.00	13.75
CPI Inflation	24.50	23.84	21.32
3 Month T-Bill	16.97	16.98	14.98
6 Month T-Bill	17.02	17.00	15.15
12 Month T-Bill	17.03	17.00	15.30
3 Year Government Bond	15.80	16.24	13.45
5 Year Government Bond	14.78	15.26	12.93
10 Year Government Bond	13.92	13.92	12.92
3 Month KIBOR	17.08	17.08	15.16
6 Month KIBOR	17.10	17.08	15.35

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