# Morning News 03-Aug-2023

MCB-ARIF HABIB
Savings and Investments Limited

- **Govt raises PKR71bn through PIB auction | The News:** The government raised PKR71bn through the auction of fixed-rate Pakistan Investment Bonds (PIBs) on Wednesday, while the yield on short-duration paper stayed flat. The amount that was raised was less than the pre-auction target of PKR160bn. The cut-off yield on a three-year PIB ended unchanged at 19.35%. The yield on 5-year paper stood at 15.95%. The bids for 10-year paper were rejected by the government, while no bids were received for 15-, 20-, and 30-year papers, according to the SBP's auction result.
- **Govt borrows PKR500bn from banks in 21 days | Dawn:** In the first 21 days of the current financial year, the government borrowed half a trillion rupees from banks, reflecting the rising burden of domestic debt servicing which requires PKR7.3 trillion in FY24. The latest data issued by the State Bank of Pakistan (SBP) on Wednesday shows that the government's borrowing reached PKR499.9bn by July 21. This is in contrast to a net retirement of PKR120.4bn in the same period of the previous fiscal year, FY23. The previous fiscal year witnessed a very high increase in debt, adding PKR3.8tr to the total stock of PKR18.4tr.
- **Rupee weakens for third day on import demand | The News:** The rupee fell for a third consecutive day on Wednesday, losing 0.64 percent against the dollar as importers sought more greenbacks to pay for their purchases. The rupee closed at 289.38 per dollar in the interbank market, down from 287.54 on Tuesday, dealers said. In the open market, where the currency trades more freely, the rupee dropped to 292.50 per dollar from 291.00.
- **US invites Pak-China trade | The News:** The United States is Pakistan's largest export market and a leading investor, and a joint trade delegation from Pakistan and China should visit America to further explore business opportunities, a US official said on Wednesday. Shahid Ahmed Khan, advisor to the US president, told a meeting of the Pakistan China Joint Chamber of Commerce and Industry (PCJCCI) that U.S. imports of Pakistani goods exceeded $5bn in 2021, more than any other country.
- **Services export target missed | Dawn:** Pakistan's export of services grew 2.78% to USD7.30bn in FY23 compared to USD7.10bn in the preceding year, showed data released by the Pakistan Bureau of Statistics on Wednesday. The increase was unprecedented because the commodities exports dipped sharply as they witnessed a consistent decline since the start of FY23.
- **Execution of schemes: ECC approves PKR1.016bn TSG for Petroleum Division | BR:** A meeting of the Economic Coordination Committee (ECC) of the Cabinet has approved PKR1.016 billion Technical Supplementary Grant (TSG) in favour of the Petroleum Division for the execution of development schemes.
- **CCE to greenlight plan to upgrade ageing oil refineries on August 7 | The News:** The Cabinet Committee on Energy (CCE) is expected to greenlight a plan to upgrade the country's aging oil refineries on August 7, a senior official at the Energy Ministry told The News on Wednesday. The Oil Refining Policy 2023, which has been delayed for months, aims to boost the efficiency and output of the local refineries, which mostly process low-quality crude oil.
- **July textile exports down 15% to USD1.31bn YoY | BR:** The country's textile exports registered a decline of 15% and remained USD1.31 billion during July 2023 compared to USD1.54bn recorded in the same period last year. The All Pakistan Textile Mills Association (APTMA) data revealed that the country's textile exports during the first seven months (Jan-July) of the calendar year 2023 stood at USD9.09bn, down 21% compared to exports of USD11.48bn reported in January-July 2022. On a month-on-month basis, textile exports slid 10.9% from USD1.47bn reported in June 2023.
- **Pakistan-Russia oil trade in doubt as refineries lose appetite | The News:** Pakistan might not import another cargo of Russian crude oil as neither country has made any moves for the purpose nor have the local refineries shown any interest, The News learnt on Wednesday. With the current government's tenure expiring in less than a week, the government has not given any indication that it would be placing another order with the Russian government for URAL.
- **AKFED informs HBL of intention to get more shares | BR:** M/s. Aga Khan Fund for Economic Development (AKFED) has informed Habib Bank Limited (HBL) of its intention to acquire additional shares of HBL from the open market, by utilizing the accumulated dividends that have not been repatriated, amounting to Rs3,472,172,945.
- **Senate passes crucial bill to pave the way | BR:** The Senate on Wednesday passed a law allowing the establishment of state-owned Pakistan Sovereign Wealth Fund to stabilise the country's economy through diversification and to generate wealth for future generations.
- **US urges direct India, Pakistan talks | Dawn:** The US urged Pakistan and India on Wednesday to hold direct talks on issues of mutual concern. US State Department Spokesman Matthew Miller made this suggestion while commenting on Prime Minister Shehbaz Sharif's latest offer of talks between the two nuclear armed neighbors. "As we have long said, we support direct dialogue between India and Pakistan on issues of concern," Mr. Miller said.

| Market Indices | | | |
|---|---|---|---|
| | 2-Aug-23 | 1-Aug-23 | 27-Jun-23 |
| KSE 100 | 48,765 | 48,231 | 41,453 |
| KSE 30 | 17,480 | 17,260 | 14,637 |
| KMI 30 | 81,758 | 80,664 | 70,748 |
| KSE All Shares | 32,502 | 32,149 | 28,111 |
| **Volume (mn Shares)** | | | |
| | 2-Aug-23 | FYTD (Average) | |
| KSE 100 | 365.6 | 198.5 | |
| KSE 30 | 195.9 | 118.9 | |
| KMI 30 | 169.9 | 114.7 | |
| KSE All Shares | 555.5 | 398.2 | |
| : | | | |
| | 2-Aug-23 | Daily Change | FYTD Change |
| Crude Oil-Brent (USD/BBL) | 83.2 | -2.0% | 11.1% |
| Crude Oil-Arab Light (USD/BBL) | 89.3 | -2.3% | 11.3% |
| Coal (USD/Tonne) | 102.1 | 0.2% | 2.5% |
| Copper (USD/Lbs) | 3.9 | -1.3% | 3.3% |
| Cotton (¢/Lbs) | 79.8 | -2.2% | 4.8% |
| Gold (USD/Ounce) | 1,933.6 | -0.5% | 0.7% |
| **Currency (Interbank)** | | | |
| | 2-Aug-23 | Daily Change | FYTD Change |
| US Dollar | 288.5 | 0.6% | 0.9% |
| Euro | 315.5 | 0.2% | 1.1% |
| Chinese Yuan | 40.1 | 0.4% | 1.7% |
| **Fund Flows (USD mn)** | | | |
| | 2-Aug-23 | FYTD | |
| FOREIGN INDIVIDUAL | 0.00 | 0.06 | |
| FOREIGN CORPORATES | 0.72 | 23.70 | |
| OVERSEAS PAKISTANI | -0.18 | -3.71 | |
| **FIPI NET** | **0.54** | **20.05** | |
| **Economic Data (USD mn)** | | | |
| | FY23P | FY22 | FY21 |
| GDP Growth | 0.3% | 6.0% | 5.7% |
| | Jun-23 | May-23 | |
| Exports | 2,366 | 2,200 | |
| Imports | 4,180 | 4,328 | |
| Remittances | 2,184 | 2,103 | |
| Foreign Exchange Reserves | 4,463 | 3,679 | |
| **Money Market Data** | | | |
| | 2-Aug-23 | 1-Aug-23 | 27-Jun-23 |
| SBP Policy Rate | 22.00 | 21.00 | 22.00 |
| CPI Inflation | 28.30 | 29.40 | 29.40 |
| 3 Month T-Bill | 22.39 | 22.39 | 22.65 |
| 6 Month T-Bill | 22.81 | 22.82 | 22.87 |
| 12 Month T-Bill | 22.89 | 22.91 | 22.93 |
| 3 Year Government Bond | 19.24 | 19.27 | 19.47 |
| 5 Year Government Bond | 16.75 | 16.78 | 16.08 |
| 10 Year Government Bond | 15.91 | 15.90 | 15.32 |
| 3 Month KIBOR | 22.82 | 22.81 | 22.91 |
| 6 Month KIBOR | 23.01 | 23.00 | 22.97 |

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