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SHAHID LEGAL GROUP

SLD NEWS UPDATES

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SUVS/EVS: FBR CHAIRMAN BRIEFS SENATE BODY ON CHARGEABILITY OF FED

Sohail Sarfraz Published December 12, 2024

ISLAMABAD: Chairman Federal Board of Revenue (FBR) Rashid Mahmood Langrial on Wednesday informed that Ministry of Law would clarify whether, imported SUVs, or Sports Utility Vehicles under the category of Electric vehicles (EVs) and hybrid electric vehicles (HEVs) are chargeable to 30 percent federal excise duty (FED).

The FBR chairman here on Wednesday briefed Senate Standing Committee on Finance & Revenue on the issue of chargeability of Federal Excise Duty on SUVs/EVs.

In terms of S No 55C of Table-1 of the First Schedule to the Federal Excise Act, 2005, imported double cabin (4x4) pick up vehicles are chargeable to FED @ 30% ad val. The description of goods as mentioned in the said provision of law includes all types of double cabin (4x4) pick up vehicles irrespective of their nature and capacity of engine, the FBR chairman said.

The Senate Standing Committee on Finance and Revenue pointed out during its meeting that the aforesaid S No 55C of Table-1 of First Schedule does not impose FED on import of EVs/HEVs as the said vehicles are not mentioned in the description of goods. Furthermore, PCT codes mentioned therein do not relate to double cabin EVs/HEVs.

In order to resolve the said difference of interpretation of law, the Senate Standing Committee directed the Board that the matter should be resolved through a legal interpretation sought from the Ministry of Law.

The FBR chairman informed that a total of 1642 posts for customs field formations meant for direct recruitment on the basis of provincial and regional domicile.

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WHO QUALIFIES AS A TIER-1 RETAILER UNDER THE SALES TAX ACT, 1990?

December 12, 2024

The Federal Board of Revenue (FBR) has clarified the definition of Tier-1 retailers as outlined under the Sales Tax Act, 1990. This classification is significant for taxation purposes, particularly regarding compliance and documentation requirements.

According to the FBR, Tier-1 retailers include any retailer that meets one or more of the following criteria:

1. National or International Chain Stores: Retailers that are part of a national or international chain of stores are classified as Tier-1. This includes brands and franchises operating across multiple locations.

2. Retailers in Air-Conditioned Malls or Plazas: Those operating within air-conditioned shopping malls, plazas, or centers—excluding kiosks—fall under this category.

3. High Electricity Consumption: Retailers whose cumulative electricity bill for the preceding 12 consecutive months exceeds PKR 1,200,000 are categorized as Tier-1. This criterion serves as a proxy for identifying larger-scale operations.

4. Wholesaler-Cum-Retailers: Businesses engaged in both bulk imports and wholesale supplies of consumer goods, as well as direct retail sales to consumers, qualify as Tier-1 retailers.

5. Point-of-Sale (POS) Systems: Retailers who have installed point-of-sale systems for accepting payments via debit or credit cards or through digital payment service providers authorized by the State Bank of Pakistan are also included.

6. Withholding Tax Thresholds: Retailers whose deductible withholding tax under Sections 236G or 236H of the Income Tax Ordinance, 2001, exceeds thresholds specified by the FBR are considered Tier-1.

7. Other Criteria as Specified: Any other individuals or classes of persons designated by the FBR through official notification may also be classified as Tier-1 retailers.

The classification of Tier-1 retailers is designed to enhance transparency and ensure tax compliance, particularly for businesses operating on a larger scale. Such retailers are subject to specific documentation and filing requirements, including the integration of their POS systems with the FBR's real-time sales monitoring system.

This framework allows the government to streamline revenue collection, reduce tax evasion, and promote fair taxation practices. Businesses classified under Tier-1 are advised to familiarize themselves with these obligations to avoid penalties and ensure smooth operations.

FBR REMOVES CONFUSION REGARDING TIME OF SUPPLY FOR SALES TAX

December 12, 2024

Karachi, December 12, 2024 – The Federal Board of Revenue (FBR) has clarified the concept of "time of supply" for the collection of sales tax, eliminating ambiguities that previously existed among taxpayers and businesses.

The FBR explained that the definition and rules governing the time of supply are detailed in the updated Sales Tax Act, 1990, applicable to the tax year 2025. Understanding the time of supply is crucial for businesses to determine when sales tax should be calculated and reported.

As per the FBR, the time of supply is defined as follows:

1. For Goods (Except Under Hire Purchase Agreements): The time of supply is either when the goods are delivered or made available to the recipient or when the supplier receives any payment for the goods, whichever occurs earlier.

2. For Goods under Hire Purchase Agreements: The time of supply is when the hire purchase agreement is entered into, regardless of the timing of delivery or payment.

3. For Services: The time of supply is when the services are rendered or provided to the recipient.

Additionally, the FBR provided further guidance for scenarios involving part payments:

• For Taxable Supplies: Any part payment received within a tax period must be included in the return for that tax period.

• For Exempt Supplies: If a part payment pertains to an exempt supply, it should be included in the return for the tax period in which the exemption is withdrawn.

These clarifications are intended to assist taxpayers in meeting compliance requirements and avoid errors in sales tax reporting. The provisions ensure that the timing of tax collection aligns with actual business transactions, reducing discrepancies and improving transparency.

Businesses and taxpayers are encouraged to familiarize themselves with these updated guidelines to streamline their tax submissions and maintain accurate records. The FBR reiterated its commitment to providing clear regulations to facilitate compliance and reduce administrative complexities for taxpayers across Pakistan.

For further inquiries, taxpayers are advised to consult the updated Sales Tax Act, 1990, or seek professional tax advice to ensure proper implementation of these rules.

FBR EXPLAINS FEDERAL EXCISE DUTY ON ELECTRIC VEHICLES

December 12, 2024

ISLAMABAD – Chairman Federal Board of Revenue (FBR) Rashid Mahmood Langrial clarified the issue of Federal Excise Duty (FED) on imported electric vehicles (EVs) and hybrid electric vehicles (HEVs) during a briefing to the Senate Standing Committee on Finance and Revenue. He stated that the Ministry of Law would determine whether imported SUVs, including those classified as EVs and HEVs, fall under the 30% FED category.

Speaking to the committee on Wednesday, the FBR chairman explained that, under Serial No. 55C of Table-1 in the First Schedule of the Federal Excise Act, 2005, imported double-cabin (4×4) pickup vehicles are subject to a 30% FED ad valorem. This provision applies to all types of double-cabin pickups, regardless of engine type or capacity.

However, the Senate Standing Committee noted discrepancies in the interpretation of the law. It pointed out that Serial No. 55C does not explicitly mention EVs or HEVs in the description of taxable goods. Furthermore, the PCT codes referenced in this provision do not apply to double-cabin EVs or HEVs, raising doubts about the applicability of FED on such vehicles.

To address this ambiguity, the Senate Standing Committee directed the FBR to seek a formal legal opinion from the Ministry of Law. This step aims to resolve the differing interpretations and provide clarity on the chargeability of FED for these categories of vehicles.

The issue has broader implications for Pakistan's automotive sector, as the government seeks to promote the adoption of EVs and HEVs to reduce environmental impact and fuel dependency. A clear interpretation of the law will help streamline import policies and support the industry's transition to greener alternatives.

In addition to this discussion, the FBR chairman highlighted staffing updates within customs field formations. He mentioned that 1,642 posts designated for customs recruitment are to be filled based on provincial and regional domicile, underscoring the organization's focus on enhancing operational capacity.

The resolution of this legal issue will not only provide clarity for importers and manufacturers but also ensure that Pakistan's taxation policies align with its sustainability goals. The Ministry of Law's interpretation is eagerly awaited to settle the matter definitively.

PM SHEHBAZ CONSTITUTES PROBE TEAM FOR SALES TAX FRAUDS

December 12, 2024

Islamabad, December 12, 2024 – Prime Minister Shehbaz Sharif has taken decisive action against sales tax fraud by forming a high-powered joint inquiry team to investigate and address this pressing issue.

According to a statement from the Prime Minister's Office, the team has been constituted with immediate effect and comprises the following members:

1. Musadiq A. Malik, Federal Minister – Convener

2. Bilal A. Kayani, Member of National Assembly (MNA) – Member

3. Tanvir Akhtar Malik, Member of the Federal Board of Revenue (FBR) – Member

4. Ghazi Akhtar Khan – Member

5. Dr. Fareed Zafar – Member

6. Representative of the Intelligence Bureau (IB) – Member

7. Munir Masood Marath, Director/ADG (North), Federal Investigation Agency (FIA) – Member

8. Representative of the Financial Monitoring Unit (FMU) – Member

9. Amir Abbas Khan, Director Intelligence and Investigation, Inland Revenue, FBR – Member

Terms of Reference (ToRs)

The inquiry team has been tasked with the following objectives:

1. Examine Intelligence Bureau reports on sales tax fraud cases and analyze financial and accounting transactions. This includes identifying connivance by public officials and PRAL employees with perpetrators and abettors of these frauds.

2. Assess the role of the Federal Tax Ombudsman (FTO) in influencing legal proceedings of sales tax fraud cases and evaluate the impact of their public communications on such cases.

3. Identify policy, automation, and enforcement loopholes that enable sales tax fraud, such as inadmissible input adjustments and fake invoices. Propose concrete measures to eliminate these vulnerabilities.

4. Recommend actions, including departmental and penal measures, against all parties involved to prevent future fraud and address maladministration by FBR officials.

5. Suggest improvements to FBR's Sales Tax modules to address automation gaps that have contributed to recurring scams and significant revenue losses.

The inquiry team is expected to present its comprehensive report within 30 days, detailing actionable steps to curb sales tax fraud and strengthen the regulatory framework.

This initiative underscores the government's commitment to combating corruption and safeguarding public revenue by addressing systemic inefficiencies and ensuring accountability.

Markets » Cotton & Textile

COTTON SPOT RATES

Recorder Report Published about an hour ago

KARACHI: official KCA spot rates for local dealings in Pakistan rupees on Thursday, (December 12, 2024)

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The kca official spot rate for local dealings in Pakistan rupees
---------------------------------------------------------------------------
                     For base grade 3 staple length 1-1/16"
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Micronaire value between 3.8 to 4.9 ncl

Rate	Ex-gin for	Upcountry price	Spot rate Ex-Karachi	Spot rate ex. Khi. as on 11-12-2024	Difference Ex-karachi
37.324 KG Equivalent	17,300	285	17,585	17,585	NIL
40 KGS	18,540	305	18,845	18,845	NIL

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NEEDY BUYERS TAKE INTEREST IN FRESH BUYING OF COTTON

Recorder Report Published about an hour ago

LAHORE: The local cotton market on Thursday remained steady and the trading volume improved a little bit.

Cotton Analyst Naseem Usman told Business Recorder that the rate of cotton in Sindh is in between Rs 16,000 to Rs 17,800 per maund. The rate of Phutti in Sindh is in between Rs 6,500 to Rs 7,600 per 40 kg.

The rate of cotton in Punjab is in between Rs 16,500 to Rs 17,700 per maund. The rate of Phutti in Punjab is in between Rs 7,500 to Rs 8,800 per 40 kg.

The rate of cotton in Balochistan is in between Rs 16,500 to Rs 17,300 per maund. The rate of Phutti in Balochistan is in between Rs 7,400 to Rs 9,200 per 40 kg. The rate of Balochi Cotton is in between Rs 18,500 to Rs 18,800 per maund. The rate of Primark cotton is Rs 18,800 to Rs 18,900 per maund.

Around, 200 bales of Tando Adam were sold at Rs 16,500 per maund, 400 bales of Ban Saeedadbad were sold at Rs 17,200 per maund, 400 bales of Saleh Pat were sold at Rs 17,100 per maund, 200 bales of Gayay Wal were sold at Rs 17,500 per maund, 600 bales of Mian Wali were sold in between Rs 17,300 to Rs 17,500 per maund, 400 bales of Sadiqabad were sold at Rs 17,400 per maund, 600 bales of Rahim Yar Khan were sold at Rs 17,400 to Rs 17,500 per maund, 600 bales of Haroonabad were sold in between Rs 16,800 to Rs 17,200 per maund, 400 bales of Layyah were sold at Rs 17,375 per maund, 1400 bales of Fort Abbas were sold in between Rs 17,100 to Rs 17,200 per maund, 200 bales of Yazman Mandi were sold at Rs 16,900 per maund, 1200 bales of Faqeer Wali were sold in between Rs 16,500 to Rs 17,100 per maund and 200 bales of Hasil Pur were sold at Rs 17,000 per maund.

The Spot Rate remained unchamged at Rs 17,300 per maund. Polyester Fiber was available at Rs 357 per kg.

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Stock & Commodity

WALL ST EDGES LOWER AFTER DATA, STRONG GAINS IN LAST SESSION

Reuters Published about an hour ago

NEW YORK: Wall Street's main indexes inched lower on Thursday after the S&P 500 and the Nasdaq ended the previous session on a positive note, while investors parsed through some of the last economic datasets ahead of the Federal Reserve's meeting.

The Nasdaq soared past the 20,000 mark for the first time on Wednesday as the technology rally showed no signs of a halt, while the S&P 500 closed at its highest in nearly a week after an in-line inflation reading locked in a 25 basis point cut by the Fed at its Dec. 17-18 meeting.

Meanwhile, data showed US producer prices rose more than expected in November but a moderation in the costs of services offered hope that the disinflationary trend remains in place, while the number of Americans filing new applications for unemployment benefits rose unexpectedly last week.

"I still think the expectation is for the Fed to cut rates next week and so the market is looking past the numbers that came out today," said Leslie Thompson, chief investment officer at Spectrum Wealth Management.

Thompson also added that there was some profit-taking as markets "came off of a strong day with the Nasdaq making all-time highs yesterday."

Trader bets on the cut next week stand at over 98%, according to CME's FedWatch Tool. However, they indicate expectations of a pause in January after several Fed officials last week urged caution over the pace of monetary policy easing as the economy remained resilient.

At 11:16 a.m. ET, the Dow Jones Industrial Average fell 20.41 points, or 0.04%, to 44,128.72, the S&P 500 lost 8.74 points, or 0.14%, to 6,075.45 and the Nasdaq Composite lost 35.53 points, or 0.18%, to 19,999.37.

Seven of the 11 major S&P sub-sectors were trading lower, with the energy sector at the bottom with a 0.6% decline.

Megacap and growth stocks were mixed, with Nvidia down 1.7%, while Microsoft gained 1.4%.

Adobe's 12.5% slide after the Photoshop maker forecast fiscal 2025 revenue below Wall Street expectations also added to the technology sector's losses.

Wall Street's main indexes have set new record highs multiple times this year, thanks to a rally driven by heavyweight tech stocks that have exploited the euphoria around artificial intelligence and the Fed's interest rate cuts.

EUROPEAN STOCKS PARE LOSSES AFTER ECB TRIMS INTEREST RATES

Reuters Published about an hour ago

FRANKFURT: European stocks pared losses on Thursday, after the European Central Bank cut interest rates by 25 basis points as expected, and left the door open for further easing to support a struggling economy amid heightened political risks.

The pan-European STOXX 600 index cut losses and was last flat, with rate-sensitive euro zone bank shares up 0.3%.

The euro dipped post the decision, while yields on the benchmark German bond were little changed.

The ECB lowered interest rates for the fourth time this year as inflation worries have diminished, shifting the debate to whether the cuts are fast enough to support a stagnant economy that is also at risk of a fresh trade war with the US Market participants are pricing in 125 basis points worth of interest rate cuts by the end of 2025, according to data compiled by LSEG.

“The ECB is on a direct path of consecutive quarter-point cuts until the deposit rate reaches 2%. This market expectation is now being reinforced by even lower economic forecasts,” said Jochen Stanzl, chief market analyst at CMC Markets.

Investors are now focussed on comments from ECB President Christine Lagarde for more clues on the monetary policy outlook.

“The fact remains that markets are pricing in many more rate cuts than the ECB is officially communicating, so there is a good portion of expectation built into today’s equity valuations”, added Stanzl.

Swiss stocks rose after the Swiss National Bank cut its interest rate by 50 basis points, the biggest reduction in almost 10 years, to stay ahead of expected cuts by other central banks and cap Swiss franc’s rise.

Luxury stocks led sectoral gains with a 0.6% rise, while retail stocks declined for the fourth-straight session, last down 1%.

SThree Plc tumbled 27% after the British recruiter warned on the current financial year profit, citing tough hiring market conditions amid increased political and macro-economic uncertainty, particularly in Europe.

Diageo Plc rose 2.1% after UBS upgraded the stock, citing positive signs for the spirit maker’s US business.

Swiss contract drugmaker Lonza rose 5.7% following plans to exit its capsules and health ingredients business.

CHINA, HK STOCKS END HIGHER AHEAD OF POSSIBLE POLICY MOVES

Reuters Published about an hour ago

SHANGHAI: China and Hong Kong stocks closed up on Thursday as investors awaited the outcome of a key economic policy meeting for cues into policy easing next year.

China's blue-chip CSI300 index rose 1.0% by market close and the Shanghai Composite Index gained 0.9%. Hong Kong benchmark Hang Seng added 1.2%.

The focus is on the annual Central Economic Work Conference (CEWC) this week, with potential policy announcements expected. This follows Monday's Politburo meeting, where leaders pledged to adopt an "appropriately loose" monetary policy to stimulate economic growth.

"As we go into the CEWC, we may have some disappointed offshore investors," said UBS trader Kenyon Tse, adding that for offshore investors, every announcement gets a lot more scrutiny in terms of details.

"If you read through the transcript of last year's CEWC, it was more big picture. It was more directional, not as much detail."

Analysts at BNP Paribas said if indeed there is concrete fiscal policy follow-through to "expand domestic demand in all aspects" in the CEWC or the National People's Congress, it should trigger a substantial upward revision to corporate earnings expectations in 2025 and a more sustainable tailwind to Chinese equities both onshore and offshore.

Financials and consumer staples added 1.3% and 2.1%, respectively, leading the rise in the onshore market.

China will expand its private pension scheme nationwide from Dec. 15, after trials in 36 cities, in a bid to help a rapidly ageing population, the state media said. Some market participants expect the expansion to bring more long-term capital to the market.

INDIAN SHARES SETTLE LOWER AS CAUTION AHEAD OF INFLATION DATA

Reuters Published about an hour ago

MUMBAI: Indian shares fell on Thursday, weighed by a retreat in all sectors, barring information technology, on caution ahead of inflation data.

The NSE Nifty 50 fell 0.38% to 24,548.7, while the BSE Sensex shed 0.29% to 81,289.96.

"There is not much to read into the drop today. There was typical caution and broad-based profit booking ahead of a key data print," said Aishvarya Dadheech, chief investment officer of Fident Asset Management.

India's inflation and industrial output data after the bell will be crucial for market sentiment given the worries over slowing economic growth and the effect of rising prices on consumer consumption, analysts said.

Inflation likely eased in November, according to a Reuters poll. Moderating prices may allow the Reserve Bank of India (RBI) to cut rates in February after it held rates last week.

NIKKEI LOGS 2-MONTH CLOSING HIGH

Reuters Published about an hour ago

TOKYO: Japan's Nikkei share average finished at a two-month closing high on Thursday, tracking Wall Street's strength, after an in-line US inflation report boosted expectations of a Federal Reserve interest rate cut next week.

The Nikkei climbed 1.21% in fourth straight session of gains to 39,849.14, its highest close since Oct. 15. The index crossed 40,000 for the first time since that day.

The broader Topix rose 0.86% to 2,773.03.

"The Nikkei was not able to keep the 40,000 level because investors sold stocks to book profits," said Jun Morita, general manager of the research department at Chibagin Asset Management.

"But the environment is positive for local equities because the yen seems to remain weak against the dollar even as the Fed is to cut rates and the Bank of Japan is to raise rates."

Wall Street's benchmark S&P 500 index rose on Wednesday and a rally in tech stocks lifted the Nasdaq above the 20,000-point milestone for the first time following the inflation report.

US STOCKS MOSTLY LOWER AFTER LATEST INFLATION DATA

AFP Published December 12, 2024

NEW YORK: Wall Street stocks mostly fell early Thursday as markets digested fresh US inflation data and the European Central Banks's latest interest rate cut.

US wholesale inflation came in at 0.4 percent last month, seasonally adjusted, up from 0.3 percent in October and higher than expected.

Meanwhile, the ECB reduced its key deposit rate a quarter point to three percent, a widely expected move that marked the central bank's third cut in a row.

The move reflected concerns about worsening growth outlook but an improving inflation dynamic.

US stocks rise after inflation report

About 15 minutes into trading, the Dow Jones Industrial Average was up 0.1 percent at 44,193.26.

The broad-based S&P 500 slipped 0.2 percent to 6,070.60, while the tech-rich Nasdaq Composite Index declined 0.4 percent to 19,962.43.

Stocks have been on a tear since the November 5 US presidential election, with the Nasdaq finishing above 20,000 points for the first time ever on Wednesday.

Among individual companies, Adobe tumbled 11.3 percent on disappointment over the software giant's forecast for next year.

DIAGEO SUPPORTS FTSE 100; STHREE SLIDES ON PROFIT WARNING

Reuters Published December 12, 2024

Britain's FTSE 100 index rose on Thursday, boosted by Diageo after a brokerage upgrade, while SThree weighed on the midcap index as it dropped to a more than four-year low on a profit warning.

The benchmark FTSE 100 was up 0.2% and the midcap FTSE 250 fell 0.14% at 0930 GMT.

Leading the blue-chip index's gains was Diageo which rose 3.3% after brokerage UBS upgraded the spirit maker's rating to 'buy' from 'sell', helping the beverages sector lead sectoral gains with a 2.9% rise.

SThree tumbled 23% after the recruiter warned about the current financial year profit, citing tough hiring market conditions amid increased political and macroeconomic uncertainty, particularly in Europe.

In contrast, Auction Technology gained 7% after private equity firm TA Associates agreed to sell 15.3 million shares in the online auction operator at 5.50 pounds per share.

FTSE 100 edges higher after US inflation data

Currys advanced 11.7% as the electricals retailer maintained its annual profit growth forecast and reported a return to first-half profit.

Meanwhile, the European Central Bank is all but certain to cut interest rates again on Thursday and signal further easing in 2025 as inflation across the euro zone is nearly back at target and the economy is faltering.

On the other hand, the Bank of England is expected to hold rates at its meeting next week. Its governor Andrew Bailey earlier this month pointed to gradual cuts in interest rates over the next year.

Gross domestic product estimate for October, due on Friday, will be a key economic indicator before the BoE's Dec. 19 policy verdict.

Britain's housing market strengthened further in November although uncertainty over the economic outlook could curtail activity in the months ahead, according to a survey on Thursday from the Royal Institution of Chartered Surveyors.

Across the Atlantic, an in line reading from U.S. consumer inflation data on Wednesday firmed bets for a Federal Reserve interest rate cut next week.

EUROPEAN STOCKS EDGE UP AS TRADERS AWAIT ECB

Reuters Published December 12, 2024

European stocks edged higher on Thursday, as investors braced for a rate cut from the European Central Bank and awaited hints on policy moves next year as the euro zone economy struggles with slowing growth and heightened political risks.

The pan-European STOXX 600 index rose 0.1% by 0814 GMT, up for 10 of the past 11 sessions. Economically sensitive sectors such as oil & gas, auto and mining led morning gains.

The ECB is all but certain to cut rates again, with traders pricing in a 83% chance of a 25 bps reduction as euro zone inflation is nearly back at target and the economy is faltering.

European shares close up after US inflation data

Some analysts are also debating the possibility of a large 50 bps cut, with the odds of such a move at 16%. The ECB's rate decision is due at 1315 GMT.

The Swiss National Bank (SNB) is expected to announce its rate decision at 0830 GMT, with recent market pricing pushing towards a larger 50 bps reduction, given weak Swiss inflation and the SNB's aversion to a strengthening Swiss franc.

Among stocks, SThree Plc tumbled 35% after the British recruiter warned on the current financial year profit, citing tough hiring market conditions amid increased political and macro-economic uncertainty, particularly in Europe.

Swiss contract drugmaker Lonza rose 6.3% after it confirmed its full-year outlook.

MOST GULF MARKETS TRACK GLOBAL SHARES HIGHER ON FED RATE CUT BETS

Reuters Published December 12, 2024

Most stocks markets in the Gulf were up in early trading on Thursday in tandem with a rally in global equities after a U.S. inflation report boosted expectations of a Federal Reserve interest rate cut.

A Labor Department report showed U.S. consumer prices in November increased by the most in seven months. Markets are pricing in a 97% chance the Fed will cut rates by 25 basis points next week, up from an 86% chance before the data.

The Fed's decisions impact monetary policy in the Gulf, where most currencies including the Saudi riyal, are pegged to the U.S. dollar.

Saudi Arabia's benchmark stock index inched up 0.1%, helped by gains in materials, consumer staples and utilities. Saudi Arabian Mining Company added 1% after the mining firm's shareholders approved a capital increase for acquisition of MOSAIC's stake in Ma'aden Wa'ad Al Shamal Phosphate.

The Abu Dhabi benchmark index was up 0.1%, aided by a 1% gain in conglomerate Alpha Dhabi Holding and a 1.4% rise in Burjeel Holding. Healthcare provider Burjeel has partnered with Aasandha to provide Maldivian patients access to specialized medical care.

Most Gulf markets gain ahead of US inflation report

Among other gainers, Dana Gas was up 1.2% after the energy firm said it has received a $20 million payment from the Egyptian Government.

The Qatari benchmark index rose 0.3%, supported by gains in almost all stocks. Vodafone Qatar added 1.1%, and Qatar Islamic Bank gained 0.8%.

Meanwhile, Qatar recorded a budget surplus of 100 million riyals ($27.43 million) in the third quarter of 2024, the finance ministry said on Wednesday.

Dubai's benchmark stock index was down 0.4% with most sectors in the red.

Talabat Holding, however, rose 1.3% in early trade after the food ordering business showed a timid performance since its listing on Tuesday.

Talabat raised $2 bln in UAE's largest IPO this year after parent Delivery Hero sold a 20% stake.

SOUTH KOREAN WON PARES EARLY GAINS AS PRESIDENT YOON REFUSES TO STEP DOWN

- KOSPI closed up 39.61 points, or 1.62%, at 2,482.12

Reuters Published December 12, 2024

SEOUL: Round-up of South Korean financial markets:

The South Korean won pared early gains on Thursday as political turmoil continued after President Yoon Suk Yeol refused to step down amid parliament's push to impeach him.

The won was unchanged from its previous closing price of 1,430.9, as of 0701 GMT, in the onshore market.

The benchmark KOSPI closed up 39.61 points, or 1.62%, at 2,482.12.

South Korean President Yoon Suk Yeol said he would "fight to the end" as his own political party shifted closer to voting with the opposition to impeach him over his short-lived martial law order that threw the U.S. ally into turmoil.

Among index heavyweights, chipmaker Samsung Electronics rose 3.52% and peer SK Hynix gained 2.50%, while battery maker LG Energy Solution climbed 7.01%.

Shares of Hyundai Motor ended 1.20% higher and sister automaker Kia Corp gained 0.73%, while search engine Naver and instant messenger Kakao were down 4.59% and down 2.02%, respectively.

South Korean stocks close higher for second session

Korean Air closed 0.21% lower after the carrier said it completed its protracted purchase of South Korean rival Asiana Airlines, making it one of Asia's biggest carriers. Asiana Airlines ended 0.79% lower.

Of the total 938 traded issues, 618 shares advanced, while 280 declined.

Foreigners were net sellers of shares worth 23.5 billion won on the main board on Thursday.

The won was quoted at 1,431.6 per dollar on the onshore settlement platform, 0.05% lower than its previous close at 1,430.9.

The won has lost 10.0% against the dollar so far this year.

In money and debt markets, December futures on three-year treasury bonds fell 0.05 point to 106.72.

The most liquid three-year Korean treasury bond yield rose 1.6 basis points to 2.551%, while the benchmark 10-year yield climbed 1.0 basis points to 2.700%.

RECORD-BREAKING STOCK RALLY: KSE-100 SETTLES ABOVE 114,000 AFTER 3,370-POINT GAIN

- Positive macroeconomic indicators, rate cut expectations and liquidity towards stock market driving bullish momentum

BR Web Desk Published December 12, 2024

Records continued to tumble at the Pakistan Stock Exchange (PSX) as the benchmark KSE-100 Index settled well above 114,000, marking a new all-time high after a gain of 3,370 points on Thursday.

Buying momentum persisted throughout the trading session, driving the KSE-100 to an intra-day high of 114,408.62.

At close, the benchmark index settled at 114,180.50, an increase of 3,370.29 points or 3.04%.

Courtesy: PSX

The bullish momentum, which saw the KSE-100 Index rise from levels around 40,000 in June 2023, has recently been fuelled by a slowing pace of inflation.

The KSE-100 posted its 3rd highest gain of 3,370 points on Thursday, Mohammed Sohail, CEO of Topline Securities, said.

“Remarkably, 9 of the top 10 largest gains have been recorded in 2024,” he said.

On Thursday, across-the-board buying was seen in key sectors including automobile assemblers, cement, commercial banks, oil and gas exploration companies, OMCs, power generation and refineries. Index-heavy stocks including HUBCO, SSGC, SNGP, PPL, OGDC, MARI, ENGRO, HBL, MCB and NBP traded in the green.

“Cooling off on the political landscape on the backdrop of the government and a opposition party [PTI] agreed [reportedly] on unconditional dialogues to resolve issues and further decline in the yields in yesterday’s T-bills auction were two significant catalyst of the massive showdown at the PSX,” Ali Najib from Insight Securities said in a report on Thursday.

Experts have attributed the momentum to multiple factors, including robust economic indicators, and recovery in global equities on receding geopolitical tensions.

“From 40k to 112k in just 18 months – a stellar 180% return,” Mohammed Sohail said in a note earlier in the session.

“This marks the best comeback in Pakistan stock market’s 75-year history, tripling in value and showcasing unmatched resilience,” he added.

Market participants are also monitoring the upcoming Monetary Policy Committee (MPC) meeting scheduled for December 16, with a widespread expectation of a significant interest rate cut.

In a key development, the Asian Development Bank (ADB) revised upward Pakistan's GDP growth projection for fiscal year 2025, raising it to 3% from 2.8%, while the inflation forecast was revised downward to 10% from 15% in FY24.

On Wednesday, equities posted a strong recovery supported by healthy buying activity from local investors. The KSE-100 Index increased by 1,913.57 points, or 1.76%, to close at a new peak of 110,810.22 points.

Globally, Asian stocks gained on Thursday, tracking Wall Street's tech-led rally overnight after an as-expected reading of U.S. consumer inflation cemented bets for a Federal Reserve interest-rate cut next week.

Japan's Nikkei topped 40,000 for the first time since mid-October, led by advances in chip-sector shares. The exporter-heavy index also got a boost from a weakening yen, as traders pared bets for a Bank of Japan rate hike next week.

The tech-heavy Nikkei jumped 1.5% as of 0202 GMT, while the broader Topix climbed 1.2%.

South Korea's KOSPI added 0.7%, while Taiwan's benchmark gained 1%.

Hong Kong's Hang Seng advanced by 0.4%, and mainland blue chips advanced by 0.2%.

Overnight, the tech-focused Nasdaq shot up 1.8% to close above 20,000 for the first time, while the S&P 500 climbed 0.8%.

Meanwhile, the Pakistani rupee saw a marginal decline against the US dollar, depreciating 0.02% in the inter-bank market on Thursday. At close, the currency settled at 278.23 for a loss of Re0.06 against the greenback.

Volume on the all-share index increased to 1,469.56 million from 1,080.02 million on Wednesday.

The value of shares jumped to Rs67.28 billion from Rs47.14 billion in the previous session.

WorldCall Telecom was the volume leader with 232.92 million shares, followed by Cnergyico PK with 80.19 million shares, and Pak Int.Bulk with 70.68 million shares.

Shares of 464 companies were traded on Thursday, of which 299 registered an increase, 132 recorded a fall, while 33 remained unchanged.

ASIA STOCKS RALLY ON FED CUT BETS; AUSSIE JUMPS ON JOBS DATA

Reuters Published December 12, 2024

TOKYO: Asian stocks gained on Thursday, tracking Wall Street's tech-led rally overnight after an as-expected reading of U.S. consumer inflation cemented bets for a Federal Reserve interest-rate cut next week.

Japan's Nikkei topped 40,000 for the first time since mid-October, led by advances in chip-sector shares. The exporter-heavy index also got a boost from a weakening yen, as traders pared bets for a Bank of Japan rate hike next week.

The Australian dollar surged after employment data topped estimates by a wide margin, rebounding from Wednesday's weakness following a Reuters report that Beijing is considering allowing the yuan to depreciate further next year. China is Australia's top trading partner and the Aussie is often used as a liquid proxy for the yuan.

The yuan held its ground above a one-week low after the central bank set a marginally stronger official fixing.

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South Korea's KOSPI added 0.7%, while Taiwan's benchmark gained 1%.

Hong Kong's Hang Seng advanced 0.4%, and mainland blue chips were 0.2% higher.

Asian stocks fall, currencies tepid ahead of US inflation print

Overnight, the tech-focused Nasdaq shot up 1.8% to close above 20,000 for the first time, while the S&P 500 climbed 0.8%. Futures for both indexes, however, pointed to 0.2% declines.

The U.S. consumer price index rose 0.3% last month, the largest gain since April, but exactly as forecast by economists in a Reuters poll and not hot enough to derail Fed officials from normalizing policy, analysts said.

"The U.S. CPI print lit a flame in U.S. equity," said Chris Weston, head of research at Pepperstone.

"The market has essentially seen one of the last remaining obstacles that could derail sentiment out of the way", he said, "seeing the coast somewhat clearer for the illustrious seasonal chase of returns to play out into year-end."

Traders now lay 97% odds on a quarter-point Fed cut on Dec. 18.

The U.S. dollar held firm near a two-week high, boosted by higher Treasury yields as data showing a widening U.S. budget deficit spurred caution on debt.

U.S. 10-year Treasury yields rose on Thursday to 4.2828%, the highest since Nov. 27.

Major peers the euro and franc were under pressure ahead of expected cuts of as much as half a percentage point at the European Central Bank and Swiss National Bank later in the day.

The U.S. dollar index, which measures the currency against the euro, franc, yen and three other major rivals, was little changed at 106.51 after touching 106.81 on Wednesday for the first time since Nov. 27.

The euro ticked up 0.1% to $1.05065 after dipping to a one-week trough overnight.

The dollar eased 0.1% to 0.88345 Swiss franc.

It slipped 0.2% to 152.11 yen, edging back from a two-week high hit Wednesday on the back of a Bloomberg report that BOJ officials see “little cost” in waiting to hike rates again. Market-implied odds on a quarter-point increase on Dec. 19 last stood at 27%.

The yuan added 0.2% to 7.2670 per dollar in offshore trading.

Gold rose to a more than one-month high amid the promise of lower bond yields as the Fed and other major central banks ease policy. It reached $2,725.79 for the first time since Nov. 6 before pulling back to $2,710.45.

U.S. crude hovered near a 2 1/2-week peak amid the threat of additional sanctions stifling Russian oil output.

U.S. West Texas Intermediate crude futures last traded at $70.20 per barrel, down 9 cents from Wednesday, when it rose as high as $70.53 for the first time since Nov. 25.

Brent crude futures eased 3 cents to $73.49 a barrel.

AUSTRALIA SHARES HIT 3-WEEK CLOSING LOW; MARKETS PARE FEB RATE-CUT BETS AFTER LOCAL JOBS DATA

Reuters Published December 12, 2024

Australian shares finished at a three-week closing low on Thursday after a sharp decline in unemployment pushed investors to scale back their February interest rate cut bets, pressuring risk-prone equities.

The S&P/ASX 200 index ended 0.3% lower at 8,330.3 points, the lowest close since Nov. 21. This was the benchmark’s third consecutive session of losses.

Unemployment in the country declined sharply to an eight-month low in November, signalling to the Reserve Bank of Australia (RBA) that the labour market was more resilient than expected.

Traders, who had been betting on a rate cut in February after a weak economic growth print last week and dovish comments by the central bank on Tuesday, dialled back the odds to 50% from 68% after the jobs report.

Analysts now widely expect the first cut to be in May.

Tony Sycamore, a market analyst at IG, said the benchmark's fall today came as "markets reassessed the likelihood of an RBA rate cut in February following a solid November jobs report".

Adelaide Timbrell, a senior economist at ANZ, said, "Softer economic data from the recent national accounts (GDP) release raised the risk of a February cut, but this labour market result offsets that risk somewhat."

Australian shares follow Wall Street lower ahead of US inflation data

Banks were little changed, with the Commonwealth Bank of Australia, the country's largest lender, ending flat.

Miners slipped marginally, with sector major BHP shedding 0.5%.

Technology stocks bucked the trend and tracked their Wall Street peers higher to gain 0.4%, snapping a four-day decline.

Logistics software maker WiseTech Global climbed 0.7%, while accounting software maker Xero jumped 1.4%.

Discretionary retailers and real estate stocks were pressured by a protracted rate cut trajectory.

Domino's Pizza Enterprises lost 3.9% and property manager Mirvac Group declined 2.9%.

New Zealand's benchmark S&P/NZX 50 index closed 0.5% lower at 12,692.72 points.

NIKKEI LOGS 2-MONTH CLOSING HIGH AFTER US DATA BOOSTS FED RATE CUT BETS

Reuters Published December 12, 2024

TOKYO: Japan's Nikkei share averagefinished at a two-month closing high on Thursday, tracking Wall Street's strength, after an in-line U.S. inflation report boosted expectations of a Federal Reserve interest rate cut next week.

The Nikkei climbed 1.21% in fourth straight session of gains to 39,849.14, its highest close since Oct. 15. The index crossed 40,000 for the first time since that day.

The broader Topix rose 0.86% to 2,773.03.

"The Nikkei was not able to keep the 40,000 level because investors sold stocks to book profits," said Jun Morita, general manager of the research department at Chibagin Asset Management.

"But the environment is positive for local equities because the yen seems to remain weak against the dollar even as the Fed is to cut rates and the Bank of Japan is to raise rates."

Wall Street's benchmark S&P 500 index rose on Wednesday and a rally in tech stocks lifted the Nasdaq above the 20,000-point milestone for the first time following the inflation report.

The BOJ is leaning toward keeping interest rates steady at its meeting next week as policymakers prefer to spend more time scrutinising overseas risks and clues on next year's wage outlook.

Nikkei gains on weaker yen, China's surprise policy shift

"Whether the BOJ raises rates this month or next month, the market is unlikely to make a drastic move like in August," said Yugo Tsuboi, chief strategist at Daiwa Securities.

Swap rates indicated a 25.3% chance for a 25-bps rate increase next week and a 69% chance of that move in January.

Chip-testing equipment maker Advantest jumped 5% to become the biggest boost for the Nikkei. Uniqlo owner Fast Retailing rose 0.87%.

Silicon wafer maker Shin-Etsu Chemical fell 0.77% to weigh on the Nikkei the most.

Of more than 1,600 stocks trading on the Tokyo Stock Exchange's prime market, 64% rose and 32% fell, with 3% trading flat.

INDIAN SHARES SETTLE LOWER AS CAUTION AHEAD OF INFLATION DATA DULLS IT RALLY

Reuters Published December 12, 2024

Indian shares fell on Thursday, weighed by a retreat in all sectors, barring information technology, on caution ahead of inflation data.

The NSE Nifty 50 fell 0.38% to 24,548.7, while the BSE Sensex shed 0.29% to 81,289.96.

"There is not much to read into the drop today. There was typical caution and broad-based profit booking ahead of a key data print," said Aishvarya Dadheech, chief investment officer of Fident Asset Management.

India's inflation and industrial output data after the bell will be crucial for market sentiment given the worries over slowing economic growth and the effect of rising prices on consumer consumption, analysts said.

Inflation likely eased in November, according to a Reuters poll. Moderating prices may allow the Reserve Bank of India (RBI) to cut rates in February after it held rates last week.

Indian shares end flat ahead of US, domestic inflation data

The smallcaps and midcaps snapped their 14-session winning streak and dropped 1% and 0.5%, respectively. Smallcaps hit a record high on Wednesday and exited correction territory.

“Some profit booking was due in broader markets after the sustained rise. The fact that smallcaps recouped correction losses and midcaps have almost recovered is a positive sign, but inflation data later today will guide the markets in the near term,” Dadheech said.

Eleven of the 13 major sectors logged losses.

The consumer, state-owned firms, auto and oil and gas indexes dropped about 1% each.

The lone bright spot was the 0.8% rise IT companies, which earn a significant share of their revenue from the U.S., after in-line U.S. inflation data all but guaranteed a Federal Reserve rate cut next week.

Among individual stocks, newly listed Bajaj Housing Finance dropped 6.1% after the first lock-in period for anchor investors ended on Wednesday, releasing 50% of locked-in shares.

Insurers such as SBI Life, HDFC Life and Max Financial lost 1.2%-1.6% after a media report said the industry regulator could curb their dependence on parent banks.

CHINA, HK STOCKS END HIGHER AHEAD OF POSSIBLE POLICY MOVES AT KEY BEIJING MEET

Reuters Published December 12, 2024

SHANGHAI: China and Hong Kong stocks closed up on Thursday as investors awaited the outcome of a key economic policy meeting for cues into policy easing next year.

China’s blue-chip CSI300 index rose 1.0% by market close and the Shanghai Composite Index gained 0.9%. Hong Kong benchmark Hang Seng added 1.2%.

The focus is on the annual Central Economic Work Conference (CEWC) this week, with potential policy announcements expected. This follows Monday’s Politburo meeting, where leaders pledged to adopt an “appropriately loose” monetary policy to stimulate economic growth.

“As we go into the CEWC, we may have some disappointed offshore investors,” said UBS trader Kenyon Tse, adding that for offshore investors, every announcement gets a lot more scrutiny in terms of details.

"If you read through the transcript of last year's CEWC, it was more big picture. It was more directional, not as much detail."

China stocks range-bound as investors eye economic meeting

Analysts at BNP Paribas said if indeed there is concrete fiscal policy follow-through to "expand domestic demand in all aspects" in the CEWC or the National People's Congress, it should trigger a substantial upward revision to corporate earnings expectations in 2025 and a more sustainable tailwind to Chinese equities both onshore and offshore.

Financials and consumer staples added 1.3% and 2.1%, respectively, leading the rise in the onshore market.

China will expand its private pension scheme nationwide from Dec. 15, after trials in 36 cities, in a bid to help a rapidly ageing population, the state media said. Some market participants expect the expansion to bring more long-term capital to the market.

In Hong Kong, consumer-related shares led gains, with Mengniu Diary and China Resources Beer Holdings gaining more than 5%. Tech shares rose 1.5%.

KSE-100 INDEX ACHIEVES HISTORIC HIGH, POSTS THIRD-LARGEST GAIN

December 12, 2024

Karachi, December 12, 2024 – The benchmark KSE-100 index of the Pakistan Stock Exchange (PSX) soared to an unprecedented level on Thursday, recording its third-largest single-day gain to close at a historic high of 114,180 points. The index surged by 3,370 points, equivalent to a 3.04% increase, compared to the previous day's closing of 110,810 points.

"The KSE-100 Index posts its third-highest gain ever, soaring 3,370 points to close at 114,181. Remarkably, 9 of the top 10 largest gains have been recorded in 2024," noted Mohammad Sohail, CEO of Topline Securities Limited.

This exceptional performance was driven by investor euphoria following a sharp decline in Treasury bill (T-bill) auction yields. The reduction in yields spurred aggressive buying across the board, propelling the market to record-breaking levels. The KSE-100 index opened on a robust note and reached an intraday high of +3,598 points before closing at 114,180 points, marking a net gain of 3,370 points (+3.04%) by the session's end.

The ongoing rally underscores sustained optimism in the market, which has surged an astonishing 185% over the past 18 months. Today's broad-based buying was particularly prominent in blue-chip and growth stocks across key sectors such as fertilizer, exploration and production (E&Ps), and technology. These sectors were at the forefront of the rally, reflecting robust investor confidence amid improving macroeconomic indicators.

Key contributors to the index's remarkable rise included major players such as Fauji Fertilizer Company (FFC), Mari Petroleum Company Limited (MARI), Pakistan Petroleum Limited (PPL), Pakistan State Oil (PSO), Engro Corporation (ENGRO), and Oil and Gas Development Company Limited (OGDC). Together, these companies added a significant 2,028 points to the KSE-100 index.

Trading activity was exceptionally vibrant, with a total volume of 1,464 million shares exchanged during the session, generating a turnover of Rs 67 billion. WorldCall Telecom (WTL) emerged as the most actively traded stock, leading the volume chart with 232 million shares traded.

This historic performance of the KSE-100 index highlights the growing confidence of investors in Pakistan's economic recovery. Experts believe that continued structural reforms and favorable economic policies will be crucial in sustaining this upward momentum and further strengthening the market's position.

Business & Finance » Money & Banking

ECB CUTS RATES AGAIN AS EUROZONE HIT BY ECONOMIC, POLITICAL WOES

AFP Published about an hour ago

FRANKFURT: The European Central Bank cut interest rates again Thursday, citing a worsening growth outlook and slowing inflation, with political turmoil in the eurozone adding to the troubled picture.

The central bank for the 20 countries that use the euro reduced its key deposit rate a quarter point to three percent, as widely expected. It was the ECB's third cut in a row and fourth since June, when it kicked off its current easing cycle. After hiking borrowing costs from mid-2022 to combat runaway energy and food costs, policymakers have turned their attention to lowering rates as inflation eases and the eurozone economic outlook darkens.

Worse-than-expected data, as well as the Swiss central bank making an unexpectedly large rate reduction earlier Thursday, had fuelled speculation the ECB could deliver a hefty, half-percentage-point cut for the first time in the easing cycle.

But rate-setters opted to continue cutting at the same pace, with a quarter-point reduction, as inflation remains stubborn, having rebounded back above the ECB's two-percent target in November.

The slowdown in inflation is "well on track", the ECB said in a statement announcing its decision. It cut its inflation forecasts for 2024 to 2.4 percent and to 2.1 percent in 2025 — down 0.1 percentage point in each case.

"Most measures of underlying inflation suggest that inflation will settle at around the governing council's two-percent medium-term target on a sustained basis," it said.

But the central bank added that it now expects a "slower economic recovery" than several months ago, and cut its growth forecasts slightly for 2024 and the following two years — to 0.7 percent, 1.1 percent and 1.4 percent respectively.

The statement dropped previous language on keeping rates "sufficiently restrictive for as long as necessary", saying instead that it was "determined to ensure that inflation stabilises sustainably" around the ECB target.

Investors are now set to follow ECB President Christine Lagarde's press conference for clues about the pace going forward, with analysts predicting she may offers hints of cuts in the months ahead.

The move by the Swiss National Bank earlier Thursday, which brought its main rate down to 0.5 percent, reflected "uncertainty" about the economic outlook between political upheaval in the United States and Europe.

ECB officials have likewise raised concerns about the weakening growth outlook in the single-currency area, signalling a shift away from being laser-focused on bringing down inflation.

Eurozone inflation peaked at 10.6 percent in late 2022 after surging in the wake of Russia's full-scale invasion of Ukraine and amid post-pandemic supply chain woes.

It fell back under the ECB's two-percent target in September but rebounded in subsequent months, reaching 2.3 percent in November.

Political headwinds are adding to the tricky terrain that rate-setters will have to navigate.

DOLLAR HIGHER ON FRESH INFLATION DATA

Reuters Published about an hour ago

NEW YORK: The US dollar was higher on Thursday after a hotter than expected inflation readout while the euro traded a touch lower following the European Central Bank's decision to cut interest rates for the fourth time this year.

A Labor Department report on Thursday showed producer prices rose 0.4% on a monthly basis in November, compared with estimates of a 0.2% rise as per economists polled by Reuters.

The dollar index, which measures the currency against a basket of six others, was last up 0.328% at 106.9, a day after a separate US inflation reading cemented bets for a rate cut from the Federal Reserve next week.

Markets are now almost fully pricing a 25 basis point cut at the Fed's Dec. 17-18 meeting, compared with about a 78% chance a week ago, the CME FedWatch tool showed.

"Although the Fed is seen cutting its benchmark by a quarter point, moves in the last 24 hours — from the Bank of Canada, Swiss National Bank, and European Central Bank — have ensured that cross-currency rate differentials will remain wide relative to the US, maintaining the dollar's position in relative terms," said Karl Schamotta, chief market strategist at Corpay, in an note.

The ECB on Thursday cut interest rates by 25 basis points and kept the door open to further easing ahead as inflation closes in on its goal and the economy remains weak.

The euro was last down 0.23% against the dollar at $1.0472.

The Swiss franc was up against the dollar after the Swiss National Bank opted for a 50 basis point interest rate cut. A majority of economists surveyed by Reuters had expected a smaller 25 basis point move.

The dollar was up 0.61% at 0.8898 francs.

"There will be some headwinds in the near term," said Kirstine Kundby-Nielsen, FX research analyst at Danske Bank, about the Swiss franc after the rate cut.

"But more broadly I still think euro-Swiss will go lower, the franc will strengthen, if we look at the next couple of months ahead as I don't think the picture is very rosy in the euro area." The dollar was slightly weaker at 152.220 yen, after hitting a two-week high of 152.845 yen the previous day as market players trimmed back bets for a rate hike in Japan next week.

Reuters reported on Thursday that the BOJ is leaning toward keeping rates steady, as policymakers prefer to spend more time scrutinising overseas risks and clues on next year's wage outlook.

But with markets now eyeing a rate hike just a month later in January, the shift has not really become a big driver for investors to pile into the dollar against the yen, said Akira Moroga, chief market strategist at Aozora Bank.

"There were expectations for December, so dollar/yen has been rising from around 150 yen to about the 200-day average," he said.

The Australian dollar was up 0.08% at $0.6374, pulling further away from the just over one-year low of $0.63370 touched on Wednesday.

ASIAN CURRENCIES MUTED

Reuters Published about an hour ago

BENGALURU: South Korean equities extended their rise for a third consecutive session on Thursday following a week of volatility stoked by political instability, while shares in Taiwan climbed after Chinese military presence eased in its vicinity.

South Korea's KOSPI rallied as much as 1.9% late in the session to its highest level in a week. Shares had tanked after President Yoon Suk Yeol declared martial law earlier this month, leading to a political crisis and public protests.

The index was trading at levels seen before the brief martial law declaration last week while the Korean won was largely flat during the session.

The won is the worst-performing Asian currency this year, having depreciated over 10% so far.

The MSCI's gauge of Asian emerging market equities, in which South Korea and Taiwan have over one-third weightage, rose 1% on Thursday.

Taipei shares closed 0.6% higher after a turbulent two days, in which the island contended with increased presence of Chinese military units.

The island-state's defence ministry said it has detected fewer Chinese military aircraft than previously reported.

Globally, investors have fully locked in a 25-basis-point rate cut by the US Federal Reserve next week after November inflation figures came in line with market expectations.

Markets are pricing in a nearly 99% chance of a quarter point cut, compared with 86% before the data, according CME's FedWatch tool.

Elsewhere, Philippine stocks reversed earlier losses to climb 0.3% amid concerns about political stability, while the peso was up 0.2%.

"Tensions between President Marcos Jr. and Vice President Sara Duterte in the backdrop of the midterm elections, slated on May 12, 2025, may dampen investor sentiments and in return growth, but continuity in economic policies is anticipated to be the buffer," Maybank analysts said.

Equities in China gained 0.7% while the yuan was flat.

The spot yuan depreciated 0.2% on Wednesday in the wake of a Reuters report that said China was considering allowing a weaker yuan to weather tariff risks from the incoming Donald Trump administration in the US

MSCI's emerging market currency index was largely flat, with the Thai baht up 0.2% and Indonesian rupiah down 0.1%.

The Jakarta stock index fell 0.8% after four straight sessions of gains with Bank Central Asia as the worst performer with a decline of 1.7%.

The benchmark has gained nearly 5% this month so far.

ECB CUTS RATES AGAIN, KEEPS DOOR OPEN TO FURTHER CUTS

Reuters Published December 12, 2024

FRANKFURT: The European Central Bank cut interest rates for the fourth time this year on Thursday, by quarter of a percentage point, and kept the door open to more as growth is hit by political instability at home and the threat of a fresh U.S. trade war.

The ECB has been easing policy as inflation worries largely evaporate and the debate shifts to whether it is cutting rates fast enough to support an economy that is lagging global peers.

Predicting that inflation will be back at its 2% target in early 2025, and that growth will remain sluggish, the ECB lowered its deposit rate to 3% from 3.25% as expected.

It also changed its guidance, likely to be taken as a hint of further rate cuts.

“The disinflation process is well on track,” ECB President Christine Lagarde told a press conference. “In 2025 we shall be at 2 percent.”

ECB rate cut of 25 bps possible, not more, ECB’s Holzmann tells paper

The ECB’s earlier policy statement had omitted a previous promise to keep policy “sufficiently restrictive”, signalling a return to at least a neutral setting that neither stimulates nor slows growth.

But this signal was less forceful than many economists had expected, especially as it came with a warning that domestic inflation remains high.

“The ECB must react and speed up the pace of rate cuts,” said Sylvain Broyer, chief EMEA Economist at S&P Global Ratings, adding: “A commitment to cut rates further back-to-back until the deposit rate reaches neutrality is required.”

While the “neutral rate” is hard to define, most policymakers put it between 2% and 2.5%, suggesting that several more rate cuts are coming before the ECB gets there.

Lagarde acknowledged “there were some discussions” about cutting by 50 basis points but said the consensus had been for a 25-basis-point move.

Although economists were almost unanimous in predicting Thursday’s move, many had acknowledged that a bigger cut would also be justified given the deteriorating growth outlook and rapidly retreating inflation.

These were precisely the reasons why the Swiss National Bank cut its own key rate by a bigger-than-predicted 50 basis points earlier in the day, taking the benchmark rate to just 0.5%.

The SNB said geopolitical tensions, including U.S. trade policy, could result in weaker growth while Europe was also facing political uncertainty.

While no ECB policymaker explicitly argued for a 50 basis cut in the run up to the meeting, several had pointed out that risks for lower growth and inflation were mounting.

These fears fed into the ECB's economic projections, which predicted that growth will be even lower than already muted expectations and a recovery would be both shallow and delayed.

With Germany facing an early election, France struggling to find a stable government and incoming U.S. President Donald Trump threatening punitive tariffs, downside risks prevail.

Lagarde said trade frictions could weigh on growth, while broad geopolitical developments were among the upside risks to inflation.

CHINA PLEDGES MORE DEBT, RATE CUTS AS TRUMP TARIFF THREATS LOOM

Reuters Published December 12, 2024

BEIJING: China pledged on Thursday to increase the budget deficit, issue more debt and loosen monetary policy to maintain a stable economic growth rate as it gears up for more trade tensions with the United States as Donald Trump returns to the White House.

The remarks came in a state media readout of an annual agenda-setting meeting of the country's top leaders, known as the Central Economic Work Conference (CEWC), which was held on December 11-12.

"The adverse impact brought by changes in the external environment has deepened," national broadcaster CCTV said following the closed-door CEWC.

This year's meeting comes as the world's second largest economy is stuttering due to a severe property market crisis, high local government debt and weak domestic demand. Its exports, one of the few bright spots, are facing the threat of higher U.S. tariffs.

The CEWC pledges match the tone of one of the Communist Party leaders' most dovish statements in more than a decade, which was released on Monday after a meeting of the Politburo, a top decision-making body.

"The message about raising the fiscal deficit and interest rate cuts was expected," Zhiwei Zhang, chief economist at Pinpoint Asset Management, said.

"The direction is clear, but the size of stimulus matters, which we probably will find out only after the U.S. announces the tariffs."

The Politburo signalled Beijing was ready to deploy the stimulus needed to counter the impact of any tariff hikes. Officials said they would switch to an "appropriately loose" monetary policy stance, "more proactive" fiscal levers, and step up "unconventional counter-cyclical adjustments."

US-China officials to hold economic talks before Trump return

"It is necessary to implement a more active fiscal policy, raise the fiscal deficit ratio," and increase debt issuance at a central and local government level, the CEWC summary said.

Leaders also vowed to reduce bank reserve requirements and cut interest rates "in a timely manner".

This dovish shift in messaging shows China is willing to go even deeper into debt, prioritising, at least in the near term, growth over financial risks, analysts said.

At CEWC, Beijing sets targets for economic growth, the budget deficit, debt issuance and other variables for the year ahead. The targets are agreed at the meeting, but won't be officially released until an annual parliament meeting in March.

Reuters reported last month that government advisers recommended that Beijing keep its growth target of around 5% unchanged next year.

The CEWC readout said it was "necessary to maintain steady economic growth," but did not mention a specific number.

Tariff threats

Trump's tariff threats have rattled China's industrial complex, which sells goods worth more than $400 billion annually to the United States. Many manufacturers have been shifting production abroad to escape tariffs.

China's Xi warns 'no winners' in trade war with US

Exporters say the tariffs will further shrink profits, hurting jobs, investment and growth in the process. They would also exacerbate China's industrial overcapacity and the deflationary pressures it fuels, analysts said.

A Reuters poll last month predicted China will grow 4.5% next year, but also suggested that tariffs could impact growth by up to 1 percentage point.

Beijing made a late stimulus push this year, with modest success.

China's central bank in September unveiled its most aggressive monetary easing since the pandemic, while in November Beijing announced a 10-trillion-yuan ($1.40 trillion) debt package to ease local government financing strains.

China is facing strong deflationary pressures as consumers feel less wealthy due to falling property prices and minimal social welfare. Low household demand is a key risk to growth.

Beijing has issued increasingly forceful statements on boosting consumption throughout the year, but it has offered little in terms of policies apart from a subsidy scheme for purchases of cars, appliances and a few other goods.

The CEWC summary said the scheme would be expanded and that efforts would be made to increase household incomes.

"We should vigorously boost consumption," it said.

ECB TO CUT INTEREST RATES AGAIN, SIGNAL FURTHER EASING AS GROWTH FALTERS

Reuters Published December 12, 2024

FRANKFURT: The European Central Bank is all but certain to cut interest rates again on Thursday and signal further easing in 2025 as inflation across the euro zone is nearly back at target and the economy is faltering.

The ECB has already cut rates at three of its last four meetings. Nevertheless the debate has shifted to whether it is easing policy fast enough to support an economy that is at risk of recession, facing political instability at home and the prospect of a fresh trade war with the United States.

That question is likely to dominate Thursday's meeting but policy hawks, who still command a comfortable majority on the 26-member Governing Council, are likely to back just a small, 25-basis-point cut, taking the benchmark rate to 3%, nearly all economists in a Reuters poll said.

In a possible compromise with more dovish policymakers, the cut could come with tweaks to the ECB's guidance to make clear that further policy easing is coming provided there are no new shocks to inflation, which could ease to the central bank's 2% target in the first half of 2025.

"The already restrictive policy stance, the deteriorating growth outlook, and inflation at target should all speak in favour of a 50 basis point cut," Danske Bank economist Piet Haines Christiansen said.

ECB to cut rates again amid bleak eurozone outlook

"From a communication perspective, I think it is easier to deliver a 25 basis point rate cut, keeping the optionality to deliver a jumbo cut if they see the need for it."

A cut is warranted because fresh projections will show inflation, above target for three years now, back at 2% in a few months' time. That is partly because economies are barely growing across the 20 countries that share the euro.

The outlook is so fraught with risk that some policymakers argue the ECB now risks undershooting its inflation target, as it did for nearly a decade before the pandemic, and should move more quickly to avoid falling behind the curve.

But hawks say inflation is still a risk given rapid wage growth and the fast-rising cost of services, so that a steady stream of incremental steps is appropriate.

U.S. protectionism and political instability in France and Germany are further reasons for caution.

Governing Council members simply do not know what policies will be approved by President-elect Donald Trump's new U.S. administration, how Europe will respond - or what the economic impact will be.

Political turmoil in France and Germany's upcoming election add to the uncertainty and could force the ECB to step in, reinforcing arguments that it should leave itself space to take bold action if needed, keeping its powder dry for now.

"There is a high risk that on the back of Trump, France and Germany, euro zone growth will come in much weaker than the ECB's projections will show," ING economist Carsten Brzeski said.

"The only problem for the ECB to preemptively react to the current political woes is that it could be seen as intervening in national politics on behalf of France," Brzeski added.

String of cuts

Financial markets have fully priced in a 25 basis point rate cut on Thursday, with the odds of a bigger step now close to zero - a big change from a few weeks ago when a half percentage point cut was seen as a real possibility.

Investors then see a cut at every meeting until June, followed by at least one more move in the second half of 2025, taking the deposit rate to at least 1.75% by year-end.

Any change in the ECB's guidance for the future is likely to be at the margins.

It could drop its reference to needing "restrictive" policy to tame inflation, an implicit signal that rates will come down at least to the so-called neutral level at which they are neither stimulating nor slowing economic activity.

The problem is that neutral is an undefined concept and each policymaker has a different estimate, putting the range between 1.75% and 3%, with most seeing it between 2% and 2.5%.

But the ECB is likely to keep its intentions vague after having burned itself repeatedly by making explicit commitments that proved difficult or impossible to keep.

"With inflation on track to settle at the 2% target next year, we think the ECB will soon remove the reference to its intention to keep rates 'sufficiently restrictive'," UBS economist Reinhard Cluse said.

"We think the ECB will also cut rates by 25 basis points in each of the following four meetings, bringing the deposit rate to the broadly neutral rate of 2% by June."

RUPEE EXTENDS LOSSES AGAINST DOLLAR, DROPS BY 6 PAISAS

December 12, 2024

Karachi, December 12, 2024 – The Pakistani rupee continued its downward trend on Thursday, depreciating by another 6 paisas against the US dollar in the interbank foreign exchange market. The currency closed at PKR 278.23 to the dollar, compared to the previous day's closing of PKR 278.17. This marks the rupee's third consecutive decline against the greenback.

Currency market analysts attribute this weakening in rupee value to heightened demand for the dollar, fueled by rising import payments and corporate settlements as the end of the calendar quarter on December 31, 2024, approaches. Despite this, analysts remain cautiously optimistic that robust inflows from exports and worker remittances could limit further devaluation in the near term.

Recent data from the State Bank of Pakistan (SBP) highlights the significant role of remittances in propping up the economy. During the first five months of the current fiscal year (July–November 2024-25), home remittances surged by an impressive 34% year-on-year, reaching $14.77 billion compared to $11.05 billion in the same period last year. This growth underscores the continued commitment of overseas Pakistanis to supporting the domestic economy, providing a crucial buffer against external economic pressures.

Additionally, Pakistan's foreign exchange reserves have shown notable improvements, further contributing to economic stability. As of November 29, 2024, the country's reserves increased to $16.62 billion, reflecting a weekly rise of $544 million. This uptick was largely driven by a $500 million inflow from the Asian Development Bank (ADB). The SBP's reserves alone grew by $619 million over the week, reaching $12.038 billion from $11.419 billion recorded previously.

Experts maintain cautious optimism about the rupee's short-term trajectory. The combination of rising remittances and government measures to curb non-essential imports has eased pressure on the balance of payments, lending some stability to the local currency. However, they emphasize the importance of implementing structural economic reforms to ensure sustained resilience. These include enhancing industrial productivity, diversifying export markets, and reducing reliance on short-term external borrowing. Such measures are critical for strengthening Pakistan's economic foundation and safeguarding the rupee against global economic uncertainties.

RIPPLE (XRP) FINDS LEAP FORWARD AMID HURDLES

December 12, 2024

Ripple (XRP) has managed to rebound and remain an attractive cryptocurrency for investors despite recent challenges and a notable price decline. While the broader cryptocurrency market has faced significant downturns, Ripple's resilience and potential continue to attract attention.

The cryptocurrency market was predominantly bearish at the time of writing, with several assets, including Ripple (XRP), experiencing substantial declines. Despite the market turbulence, XRP's performance has fueled discussions among investors and analysts. Although many are optimistic about the altcoin's potential to surpass $3, its recent price drop has introduced fresh obstacles. The critical question remains whether Ripple can recover and rally by the end of the year.

Over the past 24 hours, Ripple's price has dropped by more than 12%, falling from a high of $2.46 to a low of $2.06. At press time, XRP was trading at $2.21, reflecting a daily loss of 7.38%. However, it's worth highlighting that Ripple recorded an impressive 281% surge in value over the past month, underscoring its potential for volatility and growth.

Market data from CoinGlass reveals that approximately $1.76 billion worth of cryptocurrency was liquidated in the past day, with $67.31 million attributed to XRP. This liquidation primarily stemmed from long positions, which accounted for $1.58 billion of the total. Ripple's price dip has also pushed it further away from its all-time high of $3.84, with current levels sitting approximately 42% below this peak. Earlier this month, XRP reached $2.86, approaching its historical high, but the recent setback may delay further progress.

While some speculate that Ripple's XRP could drop below $2 by Christmas, optimism remains among its community. CoinCodex predicts that the cryptocurrency could trade as low as $1.76 on December 25, 2024, signaling a potentially bearish holiday season. Nevertheless, Ripple's long-term potential, bolstered by its strong community and ongoing institutional adoption, keeps it in the spotlight. Despite current hurdles, XRP continues to demonstrate resilience, maintaining its position as a key player in the cryptocurrency market.

T-BILL YIELDS FALL SHARPLY, HINTING AT RATE CUT

December 12, 2024

Yields on Market Treasury Bills (T-Bill) have fallen significantly, as traders anticipate a substantial rate cut from the State Bank of Pakistan (SBP) next week. This optimism stems from a sustained decline in inflation, fueling expectations of further monetary easing.

At the latest auction, the cut-off yield on the three-month T-Bill decreased by 100 basis points (bps) to 12%. Similarly, the six-month T-Bill yield dropped by 89bps to 12%, while the yield on the 12-month T-Bill fell by 5bps to 12.3%. These reductions reflect growing confidence in the SBP's monetary policy direction and an improved inflation outlook.

The auction saw robust participation, with bids amounting to Rs1.929 trillion against a target of Rs1.2 trillion and a maturity of Rs2 trillion. The government raised Rs1.256 trillion, highlighting strong investor demand for T-Bills, especially longer-tenor instruments, as inflation is projected to remain low.

Analysts and investors widely expect the SBP's Monetary Policy Committee (MPC) to announce further rate cuts at its upcoming meeting on December 16. In November, the SBP reduced its policy rate by 250bps to 15%, marking the fourth consecutive rate reduction since June and totaling 700bps in cumulative cuts. The market is currently pricing in a 200-250bps rate cut in the forthcoming policy review.

"Based on auction results, market participants are expecting a 200-250bps cut next week," said Mohammed Sohail, CEO of Topline Securities. November's Consumer Price Index (CPI) inflation stood at 4.9%, below the SBP's target range of 5-7%, and inflation is expected to remain in single digits for the foreseeable future.

To manage potential external or fiscal shocks, analysts predict the central bank will maintain positive real rates of 300-400bps over forward-looking inflation. This strategy aims to support economic stability and facilitate a gradual recovery.

The T-Bill yield curve, which had been inverted, is now flattening, signaling improved investor confidence and easing inflation expectations. "The normalisation of the yield curve reflects optimism about macroeconomic stability and reduced sovereign risk," noted Saad Hanif, head of research at Ismail Iqbal Securities.

Pakistan's improving economic indicators further bolster the case for monetary easing. The country recorded a $218 million current account surplus in the first four months of FY25, compared to a deficit of $1.528 billion in the same period last year. Additionally, the SBP's foreign exchange reserves stand at $12 billion, sufficient to cover more than two months of imports, providing a stable backdrop for further policy rate adjustments.

Business & Finance » Industry

2ND 'MERA BRAND PAKISTAN' FAIR ON JAN 18-19

Recorder Report Published about an hour ago

KARACHI: Second "Mera Brand Pakistan" exhibition is scheduled to take place on January 18-19, 2025, at the Karachi Expo Center to showcase Pakistan's industrial excellence and promote local businesses on a global scale.

The exhibition will be organised by the Pakistan Business Forum (PBF), in collaboration with Markazi Tanzeem Tajiran Pakistan.

The announcement was made by Kashif Chaudhry President of the Pakistan Business Forum (PBF) along with Sohail Aziz President PBF Karachi chapter, and Amir Rafi General Secretary PBF Karachi chapter at a press conference here on Thursday at Karachi Press Club.

Kashif Chaudhry said that “Mera Brand Pakistan” is not just an event, it is a campaign to highlight and support the excellence of Pakistani businesses and industries.

“This platform will strengthen our economy, create opportunities for entrepreneurs, and showcase Pakistan’s potential to thrive in the global marketplace,” he added.

He urged all stakeholders to join hands in making this event a landmark success and support the country’s economy.

On the occasion, Sohail Aziz, President PBF-Karachi, said that Karachi has always been the economic hub of Pakistan and this is a moment of pride for all Karachiites and Pakistani.

“Hosting Mera Brand Pakistan at the Expo Center highlights the city’s resilience and economic significance,” he added.

He mentioned that this exhibition will bring together Pakistani businesses, innovators, and investors to celebrate and promote Made-in-Pakistan products and services.

Amir Rafi, General Secretary PBF-Karachi, said this event provides an unparalleled platform for Pakistani brands to showcase their innovation and quality.

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‘RS146BN UNPAID’: ENERGY MINISTER WRITES LETTERS TO PROVINCES FOR OUTSTANDING POWER DUES

- Overdue electricity bills hindering ongoing reforms in energy sector, Awais Leghari says

Rehan Ayub Published December 12, 2024

Federal Minister for Power Division Sardar Awais Leghari has written letters to the chief ministers of all four provinces for payment of overdue electricity bills of their respective government departments, amounting over Rs146 billion, a ministry statement read on Thursday.

Pakistan’s energy sector has been in crisis for a number of reasons. One of the core issues is the circular debt, when power companies are unable to pay fuel suppliers and power producers due to non-payment from consumers, including government institutions.

T&D losses amassed: Nepra to sue Discos for Rs276bn circular debt

A total of over Rs146 billion is outstanding on various provincial governments' departments, according to the ministry.

"The Ministry of Energy (Power Division) has initiated a number of reforms initiatives in the power sector under the able leadership of the Prime Minister in order to bring back the power utility companies on the path of efficient service delivery coupled with making energy cheaper to the end consumers," Leghari wrote in the letters, copies of which are available with BUSINESS RECORDER.

"One key area of the reforms road map pertains to consolidation of financial health of the power distribution companies," he said.

Power sector privatisation – A pipe dream without cost allowances

The minister said one key issue faced by the sector is the outstanding amounts of provincial departments in electricity bills that run in billions, Rs59.682 billion in case of Sindh government alone, followed by Balochistan with Rs39.600 billion, Punjab with Rs38.014 billion, and Khyber Pakhtunkhwa (KP) with Rs8.880 billion, making a total outstanding amount of Rs146.176 billion as September 2024.

He sought "personal intervention" of the chief ministers, asking them to direct the provincial departments to clear the outstanding electricity dues.

As per NEPRA's State of the Industry Report, as of June 30, 2023, Pakistan's circular debt rose to Rs2.309 trillion, with an year-on-year increase of Rs57 billion.

ISLAMABAD TO BECOME 'MODEL CITY' FOR EVS: TANVEER

BR Web Desk Published December 12, 2024

As part of the government's commitment to increase electric vehicle (EV) usage in Pakistan, Federal Minister for Industries and Production Rana Tanveer Hussain expressed confidence that the capital Islamabad would become a "model city" for widespread EVs adoption.

According to a statement issued by the Ministry of Industries and Production Thursday, Tanveer made the remarks during the fourth meeting on the Electric Vehicles (EV) Policy, which he chaired.

The meeting reviewed the progress on the EV Policy.

As per the statement, the minister appreciated the efforts of the Capital Development Authority (CDA) and directed the authority to install charging stations at all petrol pumps to meet the growing demand for EVs, promoting eco-friendly transport.

EV charging tariff delay: Govt apathy hits investors and consumers

Tanveer also announced several initiatives to promote EV usage, including awarding the top 120 Federal Board students free electric bikes. Additionally, 39,000 e-bikes and 1,900 electric rickshaws would be provided on subsidized loans.

Moreover, the meeting also reviewed the progress on the construction of 40 charging stations along motorways and highways. Tanveer emphasized digitizing all processes for transparency and easy access to information.

"In line with the Prime Minister's vision, Islamabad will become a model city with widespread use of electric vehicles," he stated.

The minister concluded the meeting by announcing that the EV Policy will be launched soon, further strengthening the country's eco-friendly transport system.

National Electric Vehicle policy expected in one month

Last month, Tanveer announced that the EV Policy would be announced by the end of November.

The policy aims to promote local manufacturing and early adoption of EVs including new energy vehicles (NEVs) to ensure a sustainable transport system in the country.

KCCI PRESSES SBP FOR DRASTIC 400BPS INTEREST RATE CUT

December 12, 2024

Karachi, December 12, 2024 – The Karachi Chamber of Commerce and Industry (KCCI) on Thursday called on the State Bank of Pakistan (SBP) to implement a drastic 400 basis points (bps) cut in the upcoming monetary policy announcement. The demand follows a significant decline in inflation, which dropped to 4.86% in November 2024, marking its lowest level in recent years.

KCCI President Muhammad Jawed Bilwani emphasized that such a bold reduction in the policy rate would align real interest rates with sustainable levels and make borrowing more affordable for businesses and consumers. He stated that lowering interest rates acts as a catalyst for economic activity by fostering growth, enhancing competitiveness, and improving the overall business environment. This approach aligns with global best practices, where central banks adjust rates to stimulate growth during periods of low inflation.

KCCI President Bilwani highlighted that November's inflation data represents the fourth consecutive month of single-digit inflation, following over two years of high inflationary pressures. "While the SBP has reduced the policy rate from 20.5% to 15% since the start of the fiscal year, the current rate remains high compared to regional peers such as India (6.5%), Vietnam (4.5%), and Bangladesh (10%)," he noted. He added that elevated interest rates continue to suppress private sector credit growth, stifling economic activity and putting Pakistan at a competitive disadvantage.

The KCCI President pointed out that credit to Pakistan's private sector remains one of the lowest among emerging markets, at just 12.0% of GDP in 2023. This lags significantly behind India (50.1%), Türkiye (50.3%), and Bangladesh (37.6%). As of October 2024, private sector credit accounted for only 24.7% of total lending, down from 28.1% in January 2023, while public sector borrowing now dominates at 75.3%.

Bilwani acknowledged the government's efforts to stabilize the economy, citing the reduction in the current account deficit and the stock market's remarkable performance. The KSE-100 Index has surged by 77.5% since January 2024, surpassing the 100,000-point mark, reflecting growing investor confidence.

Despite these achievements, Bilwani expressed concern over the adverse effects of tight monetary policy. High interest rates have pushed domestic debt servicing costs to unsustainable levels, rising by 50.4% to PKR 7.2 trillion in FY24. This fiscal strain underscores the urgency for a significant rate cut to ease pressure on the economy, unlock private sector credit, and encourage investment.

APTMA RAISES FLAGS ON NEW CUSTOMS CLEARANCE

December 12, 2024

The All Pakistan Textile Mills Association (APTMA) has called on the Federal Board of Revenue (FBR) to revisit the newly proposed customs clearance system in consultation with industry stakeholders. APTMA has emphasized that the changes, if implemented without due consideration, could disrupt industrial operations, hinder exports, and negatively impact Pakistan's economic landscape.

In a letter addressed to the FBR Chairman, APTMA Secretary General Shahid Sattar referenced a prior communication dated September 6, 2024, while outlining additional concerns. Sattar warned that the inefficiencies embedded in the new system would create severe bottlenecks for industries reliant on smooth customs processes.

According to APTMA, several critical issues require immediate attention:

1. The proposed system eliminates the prioritization of goods declarations (GDs) based on urgency, mandating a strict sequential processing approach. This change removes the flexibility needed to expedite industrial GDs crucial for uninterrupted production.

2. Even after completing primary queues, GDs may face prolonged delays in secondary queues awaiting principal appraiser review, compounding inefficiencies.

3. Misallocated appraisers handling specific items risk improper processing, such as incorrect duty enhancements or SRO deletions. Additionally, the lack of visibility for appraiser accountability exacerbates these risks.

4. Long queues outside assistant collectors' offices are anticipated due to unresolved disputes, adding pressure to customs' already constrained manpower.

5. Treating industrial imports on par with commercial imports fails to recognize the urgent need for expedited processing of essential industrial inputs.

6. Clearing agents are hesitant to file GDs due to increased risks, leaving clients to navigate unfamiliar procedures, further complicating the process.

7. The agent monitoring system, assigning 50 points per agent, creates unsustainable operational pressures, potentially leading to blocking.

8. Appraising officers and principal appraisers are reluctant to amend erroneous assessments, while assistant and deputy collectors avoid overriding decisions due to accountability concerns.

9. Excessive scrutiny by monitoring teams is discouraging appraisers from efficiently handling even straightforward GDs.

10. Utilization of the green channel has plummeted from 65% to 15%, resulting in congestion at ports and customs facilities.

11. Mounting demurrage and detention charges are placing additional financial burdens on industries, further jeopardizing their competitiveness.

"The cumulative impact of these issues will lead to delays in clearing industrial inputs, disrupt production schedules, and escalate costs for exporters," Sattar stated. "In an already challenging economic climate, these procedural hurdles will undermine industrial competitiveness and export growth."

APTMA has urged the FBR Chairman to urgently address these concerns in consultation with the industrial sector. Key recommendations include restoring prioritization for industrial GDs, addressing manpower shortages, and implementing robust accountability measures within customs operations. Immediate action is essential to ensure the new system facilitates rather than obstructs industrial and export activities, APTMA concluded.

Business & Finance » Companies

ECOSYSTEM REPORT: AMID DWINDLING STARTUP FUNDING, I2I LOOKS TO OFFER INSIGHTS

Recorder Report Published about an hour ago

KARACHI: Invest2-Innovate (i2i) released on Thursday the fourth edition of its Pakistan Startup Ecosystem Report 2024 (PSER 2024), aiming to shed light on the country's landscape where record funding has been followed by dwindling inflows.

A record year for startups in 2021 was followed by another stellar year in 2022 before startup funding depleted to $74 million in 2023, which halved to a mere $37 million (up till November) during the outgoing calendar year, according to data presented in the report.

The report highlighted that in 2024, sectors such as fintech, e-commerce, and cleantech continued to attract attention, with fintech securing $30.5 million of the total startup funding of $37 million in 2024.

Issues such as gender disparity, with women comprising only 39% of the workforce and receiving just 18.75% of total startup funding since 2015, are compounded by brain drain and infrastructure gaps, the report states.

“Connectivity remains a significant hurdle, with 47% of the population lacking internet access and frequent disruptions causing an estimated $238 million in losses in 2023.

“Regulatory complexities, low R&D investment (0.16% of GDP vs. a global average of 2.62%), and limited access to capital further strain the ecosystem’s potential,” the press release added.

Despite these hurdles, the report identifies areas of opportunities, such as the digital economy’s potential. The report also calls for enhancing academia-industry linkages to address skill gaps and fostering local investment to counter the declining international funding landscape.

The report-launch brought together prominent leaders from Pakistan’s entrepreneurial ecosystem, investors, policymakers, and other key stakeholders, and also featured panel talks that discussed the startup sector.

A press release issued by i2i stated that the report comes at a pivotal time for the ecosystem, which has experienced a significant reset after the funding boom of 2021-22.

“With investments plummeting from $355 million in 2022 to just $37 million in 2024 (till November), the ecosystem has shifted focus from rapid growth to building sustainable, profitable businesses grounded in sound unit economics,” the statement added.

Kalsoom Lakhani, founder i2i, said this year’s report also delves into the reasons behind slowdown in funding.

“The absence of credible, data-driven research has been a persistent challenge for stakeholders in Pakistan’s entrepreneurial ecosystem,” said Sarah O. Munir, CEO at i2i. “This report aims to address that gap, offering actionable insights to help Pakistan realise its full potential.”

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FBL RECOGNISED AS FASTEST GROWING BANK IN PAKISTAN’S REMITTANCE SECTOR

Press Release Published December 13, 2024 Updated about an hour ago

KARACHI: Faysal Bank Limited (FBL), one of Pakistan's leading Islamic banks, has been honoured by the State Bank of Pakistan (SBP) under its Pakistan Remittance Initiative (PRI) as the Fastest Growing Bank in Pakistan's Remittance Market.

The award was presented at the 4th Pakistan Remittance Summit, held recently in Rome, Italy.

Yousaf Hussain, President & CEO, FBL, said, "We are deeply honoured by this recognition from the State Bank of Pakistan.

Remittances are a lifeline for countless families in Pakistan and a vital contributor to our economy. Today, we are privileged to be at the forefront, driving meaningful change through seamless, Shariah-compliant solutions that build trust, create opportunities, and foster lasting connections. We extend our heartfelt gratitude to our valued customers and clients for their unwavering trust and support."

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HALEON PAKISTAN PLANS TO MANUFACTURE CENTRUM MULTIVITAMINS

Reuters Published December 12, 2024

KARACHI: Haleon Pakistan plans to start manufacturing multivitamin brand Centrum in the country for domestic sales and export, its CEO said, as the company seeks to boost sales amid lower inflation.

The Pakistan unit of British consumer healthcare firm Haleon plans to expand its pain management offerings next year by adding the Panadol range for menstrual pain and migraines, CEO Farhan Muhammad Haroon told REUTERS in an interview.

"Pakistan has a Rs24-billion ($86.30 million) Vitamin Mineral Supplement market. This does not include the grey market. We already make up Rs7.5 billion ($26.97 million) of the market through our (vitamin) products CAC-1000 Plus and Qalsium-D," said Haroon.

"With the launch of Centrum, we plan to capture 7 to 8% of remaining market immediately, which is a sizeable portion of the category."

Pakistan's Citi Pharma, Martin Dow partner with Chinese firm for biotech manufacturing

Haroon said the company plans to sell Centrum in smaller bottles so customers do not have to worry about high upfront costs, as purchasing power has diminished in the country after inflation hit a multidecade high of around 40% last year. In November, Pakistan's consumer price index inflation slowed to 4.9%.

Haroon said in the first stage of the Centrum launch, expected in the first quarter of 2025, the product will be imported, and in the second stage it will be made locally with market specific variants to suit needs of Pakistanis and other export markets.

"We already export our calcium and vitamin D supplement CAC-1000 Plus and topical pain relief product Voltral Emulgel to Vietnam and Philippines, we will be ready to export to 19 countries in the next 1-1.5 years," he said.

Haleon Pakistan sees at least 10% of its sales coming from exports in the next two years, up from 5%-6% during its peak in 2022, Haroon said, adding that it had invested $10 million last year to enhance local production capabilities.

SYMMETRY GROUP TO TRANSFORM PBA'S DIGITAL CHANNELS

December 12, 2024

Karachi, December 12, 2024 – The Pakistan Banks Association (PBA) has appointed Symmetry Group Limited to spearhead the transformation of its digital channels, aiming to modernize and enhance its digital presence.

In a communication shared with the Pakistan Stock Exchange (PSX) on Thursday, Symmetry Group announced its collaboration with PBA. As the representative body for banks operating in Pakistan, PBA plays a critical role in coordinating the efforts of the country's banking industry. By partnering with Symmetry Group, PBA seeks to strengthen its digital ecosystem and better serve its stakeholders.

Symmetry Group Limited is a leading digital technology and experiences company renowned for its expertise in transforming and digitalizing core business functions. The company's services encompass digital strategy, transformation, artificial intelligence, digital commerce, data science, mobility, retail research, and interactive marketing. This partnership underscores Symmetry Group's commitment to driving innovation across various industries.

This announcement comes on the heels of another strategic collaboration. Earlier, Symmetry Group revealed that it has been chosen by ONIC (Digital Technology Managed Services Pvt. Limited) to revolutionize its digital presence in Pakistan. This partnership aims to position ONIC as a trailblazing digital telecommunications brand in the country.

ONIC is a joint venture between Circle Life, a Singapore-based technology firm, and e& (formerly Etisalat), a leading telecommunications provider in the MENAP region. Operating as the digital brand of Pak Telecom Mobile Limited, ONIC focuses on delivering innovative telco solutions tailored to the evolving needs of Pakistani consumers.

Circle Life is globally recognized for its expertise in telco transformation, assisting Mobile Network Operators (MNOs) in launching and managing digital telco brands. e&, on the other hand, provides cutting-edge connectivity solutions across the Middle East, North Africa, and Pakistan. The collaboration between these two entities underscores a shared vision for delivering advanced, consumer-centric digital services.

With its extensive portfolio and expertise, Symmetry Group is well-positioned to drive both partnerships to success. These initiatives reflect a broader commitment to leveraging digital technology for enhanced customer experiences and operational efficiency across diverse sectors.

ONEPLUS 11 RECEIVES OXYGENOS 15 UPDATE WITH ANDROID 15

December 12, 2024

The OnePlus 11, which launched last year running Android 13, is now receiving its much-anticipated OxygenOS 15 stable update based on Android 15.

This update brings a range of exciting features and improvements, enhancing the overall user experience.

Key Features of OxygenOS 15

One of the standout features of the OxygenOS 15 update is the integration of Circle to Search. This tool allows users to search directly by circling content on their screens, offering seamless functionality without leaving the current app. It's a significant addition for users looking for quicker, more intuitive search capabilities.

The update also introduces Live Alerts, a feature that delivers real-time notifications for important updates and events. Whether it's breaking news, reminders, or updates from your favorite apps, Live Alerts ensure you never miss a beat.

For photography enthusiasts, the AI Retouch feature brings notable enhancements to the camera experience. AI Retouch improves photo quality by optimizing colors, sharpness, and overall aesthetics automatically. This addition aims to make OnePlus 11 users' shots look more professional and visually appealing.

Another useful tool in the update is AI Notes, which simplifies note-taking by organizing and summarizing content using artificial intelligence. AI Notes helps users capture ideas efficiently, making it ideal for students, professionals, and anyone who relies on note-taking apps.

Smooth Rollout and User Availability

The Android 15-based OxygenOS 15 update is currently rolling out to OnePlus 11 users in phases. This ensures a stable and bug-free experience while reaching all users gradually.

If you haven't received the update yet, it should become available soon via OTA (Over-the-Air) update notifications.

The OxygenOS 15 update not only aligns the OnePlus 11 with Android 15's latest advancements but also introduces new tools that enhance productivity, creativity, and daily usability.

With features like Circle to Search, Live Alerts, AI Retouch, and AI Notes, OnePlus continues to deliver innovative updates that improve the smartphone experience for its users.

If you own a OnePlus 11, be sure to check for the update under Settings > Software Update to enjoy the latest features

Economic distress

OUTSANDINGS AGAINST PROVINCIAL DEPTS/ENTITIES: POWER MINISTER SEEKS CMS' INTERVENTION FOR RECOVERY

Mushtaq Ghumman Published about an hour ago

ISLAMABAD: Minister for Power, Sardar Awais Ahmed Khan Leghari has sought personal interventions of chief ministers for recovery of Rs over 90 billion from provincial government departments/entities.

The power minister's letters were sent to the Chief Ministers of four provinces at a time when according to Chief Executive Officer (CEO), K-Electric, power sector circular debt has reached Rs 2.8 or Rs 2.9 trillion due to less recovery and losses.

Sindh is on top of defaulting provinces as total receivables against its departments stood at Rs 59.682 billion, of which shares of Hesco was Rs 21, 514 billion and Sepco Rs 38.168 billion till September 2024.

The departments of Punjab government owe Rs 38.014 billion to Discos, of which share of Lesco stood at Rs 17.276 billion, Gepco, Rs 2.841 billion, Fesco, Rs 5.057 billion, Iesco Rs 2. 933 billion and Mepco Rs 9.907 billion.

The amount of outstanding against Government of Balochistan was Rs 39.600 billion to Quetta Electricity Supply Company (Qesco) with entire province getting electricity from Qesco.

According to Power Division, outstanding amount against Khyber Pakhtunkhwa Government stood at Rs 8.880 billion, of which Rs 6.576 billion is to be paid to Pesco and Rs 2.304 billion to Tesco.

According to the letters released to the media, Power Division claims that it has initiated a number of reform initiatives in the power sector in order to bring back the power utility companies on the path of efficient service delivery coupled with making energy cheaper for the end consumers.

One key area of reform roadmap pertains to consolidation of financial health of Discos. This depends on generating more financial resources and focusing on anti-theft efforts and recovery of the outstanding dues of consumers which have accumulated over time.

Power minister maintains that with limited financial resources available with Discos, it is very difficult to continue uninterrupted electricity supply, not to speak of the financial losses to the federal government and the ensuing circular debt which devouring Pakistan's economy.

He has sought personal intervention of Chief Ministers in the matter with the request to direct the departments of provinces to clear outstanding electricity dues.

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CAD DECLINED 79PC IN 2MFY25, NA TOLD

Naveed Butt | Zulfiqar Ahmad Published December 12, 2024

ISLAMABAD: Minister for Finance and Revenue Muhammad Aurangzeb said the Current Account Deficit (CAD) has declined significantly by 79 per cent to $217 million in the first two months of the current fiscal year compared to the same period last year.

In a written reply to a question on Wednesday, the minister told the National Assembly that in August, a surplus of $29 million was recorded.

"This sharp reduction in the CAD is primarily 'attributed to robust inflows from workers' remittances and stable export earnings, which have helped to manage the rising import bill," he said.

About the export growth, he said that exports are projected to reach around $33 billion in financial year 2025, supported by increased domestic production, exchange rate stability, economic recovery, budgetary incentives, and strong growth in major trading partner economies. He said that service exports, especially in the IT sector, are expected to rise to $8.5 billion. Specifically, IT exports are forecasted to increase from $3.2 billion in FY2024 to $4.2 billion in FY2025.

Pakistan records $349mn current account surplus in October 2024

About the remittances, the minister said that remittances are estimated to reach $33.5 billion, driven by favourable economic conditions in remittance source countries, exchange rate stability, reduced global inflation, and government measures encouraging formal remittance channels.

He said the government has allocated Rs80 billion (FY2025) to encourage remittances through official channels, providing transaction rebates and rewards to promote formal banking usage.

Answering another question, Minister for Commerce Jam Kamal Khan told the House that in 2023-24, Pakistan's rice exports reached a notable $3.8 billion, rising from $2.1 billion in 2022-23. He said that projections indicate that rice exports could achieve the $5 billion mark in 2024-25. He said that from July to October, the grand total of rice exports saw an approximate 48.81

per cent increase in value and a 43.77 per cent rise in quantity when compared to the same period in 2023-24.

He said India holds a leading position in the global rice market, commanding a 40 per cent share and setting international prices, which heavily influence the pricing strategies of other exporters. He said the concessions India grants its rice exporters can significantly impact Pakistan's export performance by intensifying competition.

He said the ban India imposed on rice exports in 2023-24 was one of the factors that contributed to Pakistan's increased rice export value, which rose to $3.8 billion from $2.1 billion in 2022-23.

He said the Ministry of Commerce has been actively working to secure protection and recognition or Basmati rice as a Geographical Indication (GI) in several foreign markets, including by opposing India's applications for Basmati GI registration in EU, USA, Sri Lanka, Australia and Indonesia.

He said Pakistan has also filed independent applications for GI registration of Basmati rice in EU, USA, Sri Lanka, Australia, Thailand, New Zealand, Turkiye, Kenya and United Kingdom.

He said India holds a 40 per cent share in the global rice export market, setting the international price and influencing the pricing strategies of other exporters. "The strong presence of Indian rice in international markets creates significant competition for Pakistan's rice exports, potentially affecting market share, pricing dynamics and the ability to maintain export volumes," he said.

Responding to a question during the question hour, Parliamentary Secretary Planning Development and Special Initiatives Wajiha Qamar told the House that Gwadar Port is currently fully operational, equipped to handle general cargo, containers and other operation.

She said the Port accommodates vessels of up to 50,000 DWT and possesses the requisite infrastructure to support bulk cargo and container handling efficiently. She said multiple shipments under the Afghanistan-Pakistan Transit Trade Agreement have been successfully processed.

Replying to a calling attention notice, Parliamentary Secretary Cabinet Division Sajid Mehdi said the government is working on various measures, including legislation, to check spread of fake news on social media platforms. He said Prime Minister Shehbaz Sharif has established a task force with the aim to curb "fake news" on social media.

"The Civil Servants (Amendment) Bill, 2024" and "The Privatization Commission (Amendment) Bill, 2024" were introduced in the House.

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Markets » Energy

US NATURAL GAS EASES

Reuters Published about an hour ago

NEW YORK: US natural gas futures eased on Thursday, hurt by rising output and forecasts for less cold weather over the coming weeks, as the market awaited the release of a federal weekly storage report.

Front-month gas futures for January delivery on the New York Mercantile Exchange fell 8.8 cents, or 2.6%, to $3.29 per million British thermal units (mmBtu) as of 8:07 a.m. EST (1307 GMT).

"Despite some additional cold being added to the forecast for the eastern US later in the month, some of the chill was taken out of the nearer term outlooks for the Midwest, giving us a slightly bearish adjustment, that is giving the bulls a reason to do some profit taking," said Gary Cunningham, director of market research at Tradition Energy.

Meteorologists projected the weather in the Lower 48 states would remain mostly warmer than normal through Dec. 26.

Financial firm LSEG estimated 374 total degree days (TDDs) over the next two weeks, higher than Wednesday's 368 TDDs.

OIL LOWER ON IEA SURPLUS FORECAST

Reuters Published about an hour ago

NEW YORK: Oil prices were down more than 1% on Thursday as a forecast for ample supply in the oil market offset optimism stemming from growing expectations of a US interest rate cut.

Brent crude futures were down 96 cents, or 1.31%, at $72.56 a barrel by 11:30 a.m. EST (1630 GMT). US West Texas Intermediate crude futures were down $1.05, or 1.49%, at $69.24. The International Energy Agency (IEA) said it expected the oil market to be comfortably supplied next year, even as it made a slight upward revision to its demand outlook for next.

OPEC cut its demand growth forecast for 2024 for the fifth straight month on Wednesday and by the largest amount yet. "They (the IEA) still call for a massively oversupplied market, but this has declined slightly with their demand revision," said UBS commodities analyst Giovanni Staunovo. "The market is waiting for more news on fiscal measures around the world; I wouldn't expect big price moves in the near term."

Also putting pressure on prices, Iran agreed to tougher monitoring by the UN nuclear watchdog at its Fordow site dug into a mountain after it greatly accelerated uranium enrichment to close to weapons grade there.

In the US, inflation rose slightly in November, in line with economists' expectations. Investors are broadly expecting another rate cut from the Federal Reserve, spurring some optimism about economic growth and energy demand.

"The inflation report creates a lot of comfort. It could have been better, but it seems to be low enough for the Fed to reduce rates at the next meeting," said Bjarne Schieldrop, chief commodities analyst at SEB.

IEA EXPECTS COMFORTABLY SUPPLIED OIL MARKET IN 2025 DESPITE DEMAND HIKE

Reuters Published December 12, 2024

LONDON: The world oil market will be comfortably supplied in 2025, the International Energy Agency (IEA) said on Thursday, even after producer group OPEC+ extended oil supply cuts and a slightly higher than expected demand forecast.

The outlook from the IEA, which advises industrialised countries, points to continued headwinds for OPEC+, which comprises the Organization of the Petroleum Exporting Countries and allies such as Russia. OPEC+ is seeking to begin reviving output in 2025 after years of cuts.

Oil demand growth has been weaker than expected this year in large part because of China. After driving rises in oil consumption for years, economic challenges and a shift towards electric vehicles are tempering oil growth prospects in the world's second-largest consumer.

Still, the IEA increased its 2025 global oil demand growth forecast to 1.1 million barrels per day (bpd) from 990,000 bpd last month, "largely in Asian countries due to the impact of China's recent stimulus measures," it said in its monthly oil market report.

China is seeking to boost the economy and will adopt an "appropriately loose" monetary policy next year, the first easing of its stance in some 14 years, the Politburo was quoted as saying on Monday.

Oil little changed as demand weakness offsets sanctions-driven supply risks

At the same time, the IEA expects non-OPEC+ nations to boost supply by about 1.5 million bpd next year, driven by the United States, Canada, Guyana, Brazil and Argentina - more than the rate of demand growth.

"The relatively subdued pace of global oil demand growth is set to continue in 2025, accelerating only modestly," the IEA said, saying also that the market was "looking comfortably supplied."

Oil prices pared an earlier gain after the report was released, with Brent crude trading below $73 a barrel.

2025 surplus

To support the market, OPEC+ last week pushed back the start of oil output rises by three months until April and extended the full unwinding of cuts by a year until the end of 2026 due to weak demand and booming production outside the group.

The IEA said, even excluding the return to higher output quotas, its current outlook points to a 950,000 bpd supply overhang next year - almost 1% of world supply. This would rise to 1.4 million bpd if OPEC goes ahead with its plan to start unwinding cuts from the end of next March, it said.

Next year's surplus, as forecast by the IEA, could make it harder for OPEC+ to bring back production. The hike was earlier due to start in October 2024, but OPEC+ has delayed it amid falling prices.

Forecasts on the strength of demand growth in 2024 vary, partly due to differences over demand from China and the pace of the world's switch to cleaner fuels.

The IEA's view is at the lower end of industry estimates and in the report, it trimmed its forecast of 2024 world demand growth to 840,000 bpd, down 80,000 bpd from last month.

OPEC, which is at the top end, on Wednesday cut its demand growth forecasts for this year and next, but still expects more rapid growth than the IEA of 1.61 million bpd and 1.45 million bpd respectively.

OIL EDGES LOWER ON IEA SURPLUS FORECAST

Reuters Published December 12, 2024

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The International Energy Agency (IEA) said it expected the oil market to be comfortably supplied next year, even as it made a slight upward revision to its demand outlook for next. OPEC cut its demand growth forecast for 2024 for the fifth straight month on Wednesday and by the largest amount yet.

"They (the IEA) still call for a massively oversupplied market, but this has declined slightly with their demand revision," said UBS commodities analyst Giovanni Staunovo.

Oil prices rise

"The market is waiting for more news on fiscal measures around the world; I wouldn't expect big price moves in the near term."

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In the world's top oil consumer, the United States, gasoline and distillate inventories rose by more than expected last week, Energy Information Administration data showed.

Weak demand, particularly in top importer China, and non-OPEC+ supply growth were two factors behind the move. However, investors expect a rise in Chinese demand after Beijing announced plans this week to adopt looser monetary policy in 2025, which could spur oil demand.

Global oil demand rose at a slower than expected rate this month but has remained resilient, JPMorgan analysts said in a note on Thursday.

Chinese crude imports also grew annually for the first time in seven months in November, up more than 14% from a year earlier.

WINTER DEMAND INITIATIVE: NOT MORE THAN RS2.5/UNIT SAVING EVEN WITH 40PC RISE IN CONSUMPTION

Hamid Waleed Published about an hour ago

LAHORE: The industrial consumers have apprehended that the maximum saving would not exceed Rs2.5 per unit even with a 30-40 percent increase in consumption under the Winter Demand Initiative (WDI) which is insufficient to cover even the financial costs of ramping up production to consume more electricity.

Therefore, they have stressed that the initiative risks would fail primary objective of stimulating electricity demand during winter months without revising the incremental rate to Rs10.94 per unit.

Talking to this scribe, they proposed that the government should actively engage with industries and commercial entities before finalizing such initiatives. They further emphasized that the government policymakers lack the commercial and industrial vision to foresee the cause-and-effect relationships of such packages.

While acknowledging the WDI as a potentially beneficial program, they have feared that it would be non-viable under the current proposed tariff of Rs26.07 per unit.

With the tariff set at Rs 26.07, they said, incremental consumption over the previous years' reference is unlikely during the three-month winter period. All existing costs in the prevalent tariff already incorporate projected consumption. Incremental use costs are mainly attributable to fuel cost and variable O&M, estimated at Rs10.94 per unit. A tariff of Rs10.94 for incremental units is proposed as the feasible rate for the WDI to achieve its goals, they stressed.

According to one energy expert, since all other cost factors in the prevalent tariff have already been incorporated, keeping in view the projected consumption; the only difference in the incremental use would be fuel cost and variable O&M. This energy cost is Rs10.94, which should be the WDI incremental tariff instead of 26.07, he stressed.

It may be noted that the government has received a lacklustre response from the industry to the recently announced 'winter package'. From large-scale industrial entities to small manufacturers, no one seems interested in purchasing incremental electricity at a tariff of Rs26.07 per KWh. Most of them are considering it too little, too late.

So much so, the recent visit of Federal Energy Minister Awais Leghari to the businessmen apex body also proved a futile exercise, as majority of the participants rejected the package outright, forcing the minister to listen to the industry concerns before finalizing it.

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Markets – Rates

PSX EXTENDS HISTORIC GAINS

Recorder Report Published about an hour ago

KARACHI: Pakistan Stock Exchange on Thursday achieved another historic milestone and hit new highest-ever levels with impressive gains and increased trading volumes on the back of strong interest of local investors coupled with institutional support due to expectation of further interest rate cut after declining inflation and improving macroeconomic indicators.

The benchmark KSE-100 Index crossed 114,000 historic level for the first time and closed at its highest-ever level of 114,180.51 points, with impressive gains of 3,370.29 points, which was third highest ever single day increase in its history.

The index hit 114,408.62 points intraday highest ever level, however closed slightly lower due to profit-taking in some stocks.

Due to investors' strong participation, trading activity also improved as total daily volumes on ready counter increased to 1,469.558 million shares as compared to 1,080.023 million shares traded on Wednesday. The daily traded value on the ready counter increased to Rs 67.278 billion against previous session's Rs 47.139 billion.

BRIndex100 increased by 392.55 points or 3.33 percent to close at 12,164.73 points with total daily turnover of 1,271.094 million shares.

BRIndex30 soared by 1,196.11 points or 3.27 percent to close at 37,780.12 points with total daily trading volumes of 841.358 million shares.

Foreign investors however remained on the selling side and withdrew $4.245 million from the local equity market. Total market capitalization increased by Rs 366 billion to Rs 14.517 trillion. Out of total 464 active scrips, 299 closed in positive and 132 in negative while the value of 33 stocks remained unchanged.

WorldCall Telecom was the volume leader with 232.925 million shares and gained Rs 0.14 to close at Rs 1.79 followed by Cnergyico PK that inched up by Rs 0.10 to close at Rs 7.21 with 80.186 million shares. Pak Int. Bulk Terminal increased by Rs 1.00 to close at Rs 9.07 with 70.681 million shares.

Nestle Pakistan and Rafhan Maize Products Company were the top gainers increasing by Rs 199.92 and Rs 149.12 respectively to close at Rs 7,355.19 and Rs 8,750.00 while Macter International and Hallmark Company were the top losers declining by Rs 30.16 and Rs 24.24 respectively to close at Rs 424.69 and Rs 800.53.

An analyst at Topline Securities said the stock market extended its historic rally as euphoria gripped investors following a significant decline in T-bill auction yields. This development fuelled aggressive buying across the board, driving the market to new heights.

The remarkable performance highlights sustained optimism, with the market now rallying an astounding 185 percent over the past 18 months. The broad-based buying saw blue-chip and growth stocks in key sectors like fertilizer, E&Ps, and technology leading the charge, reflecting robust investor confidence amid a shifting macroeconomic environment.

Top contributors to the index's rise included FFC, MARI, PPL, PSO, ENGRO, and OGDC, collectively adding 2,028 points to the benchmark index.

BR Automobile Assembler Index decreased by 98.45 points or 0.48 percent to close at 20,361.39 points with total turnover of 6.380 million shares.

BR Cement Index lost 23.59 points or 0.2 percent to close at 11,926.46 points with 76.426 million shares.

BR Commercial Banks Index gained 121.77 points or 0.42 percent to close at 29,000.32 points with 68.201 million shares.

BR Power Generation and Distribution Index increased by 320.29 points or 1.78 percent to close at 18,265.48 points with 81.643 million shares.

BR Oil and Gas Index surged by 698.93 points or 5.95 percent to close at 12,452.83 points with 144.149 million shares.

BR Tech. & Comm. Index soared by 173.56 points or 3.14 percent to close at 5,696.21 points with 351.811 million shares.

Ali Najib at Insight Securities said that the PSX had "A big bull day", as the KSE-100 Index witnessed a robust rally of 3,370 points.

The day resumed on a positive note and remained in the green zone throughout the day. Cooling off on the political landscape on the backdrop of the government and opposition party agreed on unconditional dialogues to resolve issues and further decline in the yields the T-bills auction are the two significant catalyst of the aforesaid massive showdown at PSX.

Fertilizer, E&P, Technology, OMC and Power were the key sectors which contributed positively as FFC, MARI, PPL, PSO, ENGRO, OGDC & SYS saw buying interest in them and gained 2,199 points.

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ACTIVITIES OF KARACHI PORT TRUST, PORT QASIM

Recorder Report Published about an hour ago

KARACHI: The Karachi Port Trust handled 131,647 tonnes of cargo comprising 69,840 tonnes of import cargo and 61,807 tonnes of export cargo during last 24 hours ending at 0700 hours.

The total import cargo of 69,840 comprised of 32,780 tonnes of Containerized Cargo, 9,637 tonnes of Bulk Cargo, 2,424 tonnes of Chickpeas, 2,199 tonnes of Soya Beans Seeds & 22,800 tonnes of Liquid Cargo.

The total export Cargo of 61,807 comprised of 53,936 tonnes of Containerized Cargo, 100 tonnes of Bulk Cargo, 2,700 tonnes of Brite Ore, 2,571 tonnes of Rice & 2,500 tonnes of Liquid Cargo.

Approximately, 06 ships namely Nour Elhuda, Princess Masa, Wisdom Star, Tg Crab, MT Shalamar & Xin Chang Shu berthed at the Karachi Port Trust.

Around, 07 ships namely, X-Press Anglesey, MT Sargodha, Oocl Nagoya, Kota Lestari, CmaCgm Titus & Independent Spirit sailed from the Karachi Port Trust.

PORT QASIM

A total of thirteen ships were engaged at PQA berths during the last 24 hours, out of them three ships, Maersk Cairo, CMA CGM La Scala and Gaschem Warnow left the port on Thursday morning, while four more ships, Neva, Iolaos, SM Navigator and Spar Octans are expected to sail on Thursday afternoon.

Cargo volume of 203,740 tonnes, comprising 170,759 tonnes imports cargo and 32,981 tonnes export cargo carried in 4,235 Containers (2,959 TEUs Imports& 1,276 TEUs Export)was handled at the port during last 24 hours.

There are 19 ships at Outer Anchorage of Port Qasim, out of them four ships, Split, DM Condor, Maran Gas Efessos and GFS Ruby & another ship 'Teno' carrying Soya Bean Seed, Chemicals, LNG and Container are expected to take berths at FAP, EVTL, PGPCL and QICT respectively on Thursday 12th December, while another containers ship 'MSC Positano' due to arrive at port on Friday 13th December, 2024.

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LME OFFICIAL PRICES

LONDON: The following were Wednesday official prices.
== ALUMINIUM...

Recorder Report Published about an hour ago

LONDON: The following were Wednesday official prices.

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=========================================
ALUMINIUM
=========================================
CONTRACT                 BID          OFFER
-----------------------------------------
Cash                 2555.00        2556.00
3-month              2594.00        2595.00
=========================================
COPPER
=========================================
CONTRACT                 BID          OFFER
-----------------------------------------
Cash                 9076.00        9077.00
3-month              9200.00        9201.00
=========================================
ZINC
=========================================
CONTRACT                 BID          OFFER
-----------------------------------------
```

Cash	3092.00	3092.50
3-month	3123.00	3124.00

NICKEL

CONTRACT	BID	OFFER
Cash	15575.00	15580.00
3-month	15800.00	15810.00

LEAD

CONTRACT	BID	OFFER
Cash	2035.00	2037.00
3-month	2064.00	2065.00

Source: London Metals Exchange.

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KIBOR INTERBANK OFFERED RATES

KARACHI: Kibor interbank offered rates on Thursday (December 12, 2024). ========================== KIBOR...

Published about an hour ago

KARACHI: Kibor interbank offered rates on Thursday (December 12, 2024).

KIBOR

Tenor	BID	OFFER
1-Week	14.49	14.99
2-Week	13.65	14.15
1-Month	13.25	13.75
3-Month	12.01	12.26
6-Month	11.97	12.22
9-Month	11.93	12.43
1-Year	11.91	12.41

Data source: SBP

BRINDEX100 AND BR SECTORAL INDICES

KARACHI: BRIndex100 and BR Sectoral Indices on Thursday (December 12, 2024). ==================================== ...

Recorder Report Published about an hour ago

KARACHI: BRIndex100 and BR Sectoral Indices on Thursday (December 12, 2024).

```
====================================
BR INDICASE AT A GLANCE
====================================
             BRINDEX100
====================================
Day Close:                114,180.51
High:                     114,408.62
Low:                      111,308.66
Net Change:                  3370.29
Volume (000):                636,222
Value (000):              51,299,136
Makt Cap (000)         3,504,653,000
------------------------------------
BR AUTOMOBILE ASSEMBLER
------------------------------------
Day Close:                 20,361.39
NET CH                     (-) 98.45
------------------------------------
BR CEMENT
------------------------------------
Day Close:                 11,926.46
NET CH                     (-) 23.59
------------------------------------
BR COMMERCIAL BANKS
------------------------------------
Day Close:                 29,000.32
NET CH                    (+) 121.77
------------------------------------
BR POWER GENERATION AND DISTRIBUTION
------------------------------------
Day Close:                 18,265.48
NET CH                    (+) 320.29
------------------------------------
BR OIL AND GAS
------------------------------------
Day Close:                 12,452.83
NET CH                    (+) 698.93
------------------------------------
BR TECH & COMM
------------------------------------
Day Close:                  5,696.21
NET CH                    (+) 173.56
------------------------------------
As on:              12-December-2024
====================================
```

These indices are available Live on Aaj TV, www.brecorder.com and www.khistocks.com.

For further information please visit www.khistocks.com

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OPEN MARKET FOREX RATES

Updated at: 13/12/2024 6:54 AM (PST)

Currency	Buying	Selling
Australian Dollar	179.75	182.00
Bahrain Dinar	734.14	742.14
Canadian Dollar	197.60	200.00
China Yuan	37.99	38.39
Danish Krone	39.15	39.55
Euro	289.85	292.60
Hong Kong Dollar	35.45	35.8
Indian Rupee	3.18	3.27
Japanese Yen	1.84	1.90
Kuwaiti Dinar	896.31	905.81
Malaysian Ringgit	61.75	62.35
NewZealand $	162.4	164.4
Norwegians Krone	24.93	25.23
Omani Riyal	718.54	727.04
Qatari Riyal	75.7	76.4
Saudi Riyal	73.70	74.25
Singapore Dollar	207.75	209.75
Swedish Korona	25.13	25.43
Swiss Franc	313.96	316.76
Thai Bhat	8	8.15
U.A.E Dirham	75.35	76.00
UK Pound Sterling	352.20	355.7
US Dollar	277.75	279.25

INTER BANK RATES

Updated at: 13/12/2024 6:54 AM (PST)

Currency	**Bank Buying TT Clean**	**Bank Selling TT & OD**
Australian Dollar	178.39	178.71
Canadian Dollar	196.51	196.86
China Yuan	38.64	38.71
Danish Krone	39.17	39.24
Euro	292.09	292.62
Hong Kong Dollar	35.90	35.96
Japanese Yen	1.8330	1.8363
Saudi Riyal	73.98	74.11
Singapore Dollar	206.97	207.34
Swedish Korona	25.50	25.54
Swiss Franc	314.54	315.11
Thai Bhat	8.23	8.24
UK Pound Sterling	354.96	355.60
US Dollar	278.00	278.50

GOLD RATE

Bullion / Gold Price Today

As on Fri, Dec 13 2024, 01:58 GMT

Metal	Symbol	PKR for 10 Gm	PKR for 1 Tola	PKR for 1 Ounce	
Gold	XAU	242,680	282,762	754,832	
Palladium	XPD	88,117	102,671	274,080	
Platinum	XPT	84,185	98,089	261,850	
Silver	XAG	2,872	3,346	8,932	

for local market Gold Rates in Pakistan

Gold Price in Pakistan

As on Fri, Dec 13 2024, 01:58 GMT

Gold Rate	24K Gold	22K Gold	21K Gold	18K Gold
per Tola Gold	Rs. 282800	Rs. 259231	Rs. 247450	Rs. 212100
per 10 Gram	Rs. 242400	Rs. 222198	Rs. 212100	Rs. 181800
per Gram Gold	Rs. 24240	Rs. 22220	Rs. 21210	Rs. 18180
per Ounce	Rs. 687200	Rs. 629929	Rs. 601300	Rs. 515400

Gold Rate

FOREX.pk offered latest and upto date Gold Rate in Pakistan as per International market for today gold rates in Pakistan you can visit GOLD.pk, We update international market gold rate in every fifteen minutes from authentic sources, Gold rates may be different in every city of Pakistan. Karachi is the main hub of gold market, in Pakistan, Karachi is leading for gold rate, every city follow Karachi Sarafa Bazar Association for gold price, Today gold prices for different cities including Karachi, Lahore, Islamabad, Peshawar, and Quetta are also available on Gold.pk. FOREX.pk is not liable or responsible to any transactions made on the basis of above mentioned gold rate.

* Above Gold rate are taken from International Market so there may be some fluctuation from Local Market you can visit GOLD.pk for uptodate today gold price in Pakistan.

Gold Rates in other Major Currencies

Currency	Symbol	10 Gm	1 Tola	1 Ounce	
China Yuan	CNY	6,337	7,383	19,710	
Euro	EUR	831	968	2,584	
Japanese Yen	JPY	132,997	154,963	413,674	
Saudi Riyal	SAR	3,274	3,815	10,183	
U.A.E Dirham	AED	3,206	3,736	9,972	
UK Pound Sterling	GBP	684	797	2,128	
US Dollar	USD	873	1,017	2,715	