



2024

SHAHID LEGAL GROUP

SLD NEWS UPDATES

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News Updates on Taxation, Business, Corporate, Technology, Fuel & Energy and Much More.

IN NEWS

Business & Finance » Taxes

FBR to Terminate Active Status of 6.1 Million Taxpayers Under New Amendments

FBR Enforces Mechanism for Tax Recovery via Third Parties

Government Moves to Abolish Non-Filers Category: Aurangzeb

Markets » Cotton & Textile

Cotton spot rates

Cotton market remains bearish

Stock & Commodity

PSX holds gong ceremony on listing of BF Biosciences

Gulf bourses end mixed on regional tensions

Wall St drops as investors cautious ahead of big earnings

STOXX 600 finishes lower ahead of key earnings reports

China stocks end higher on tech gains; HK down

Nikkei slips as caution over earnings, key election looms

Gulf bourses end mixed on regional tensions, Q3 earnings

Us stocks edge down from records to open big earnings week

Indian shares dip as dull earnings, profit-booking outweigh HDFC Bank's boost

Sri Lanka shares end lower as energy, real estate drag

Stock markets mostly fall, oil jumps as China cuts rates

KSE-100 Index gains over 800 points amid positive indicators

Asia shares wobble; bitcoin rallies on 'Trump trade'

Australia shares rise; WiseTech Global and MinRes slip on top exec reviews

KSE-100 Index Surges Over 800 Points Amid Political Certainty

Gold Prices Hit 5th Straight High, Reaching Rs 282,300 in Pakistan

Business & Finance » Money & Banking

Indian rupee slips to record closing low

Dollar climbs with US rates on economic outlook

Asian currencies fall on US election bets

Pakistan's REER index drops below 100 for first time in 2024

Pakistan records \$119mn current account surplus in September 2024

Meezan Bank posts Rs26.4bn profit in 3QCY24

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Meezan Bank Reports 34% Profit Growth in 9M CY24

Rupee Slips 8 Paisas Against Dollar Amid Rising Foreign Payments

Business & Finance » Industry

Asia Rising: Dubai's transformation to becoming tech hub draws parallel with Silicon Valley and Bengalaru

KCCI Urges Govt to Apply Face Recognition for Senior Citizens

Business & Finance » Companies

SPL achieves 5.75pc profit growth in Q1 FY2024-25

MoU signed: CCP, PBS to strengthen cooperation, improve data utilization

Lucky Cement wins top BCR award

Telenor Pak signs MoU with Crop2X

Retailer Carrefour reviewing work practices at Saudi partner after Amnesty raises concerns

Australia's Qantas told to pay \$114,000 to 3 sacked workers in landmark outsourcing case

Technology

ANOG conference commences today

AI software firm Zip valued at \$2.2 bln in latest funding round

Microsoft to let clients build AI agents for routine tasks from November

Economic distress

Experts for converting circular debt into cheap public debt

Fuel & Energy

Oil prices gain 2pc, recouping some of last week's loss

Saudi Aramco CEO says bullish on China and oil demand

Oil prices gain, recouping some of last week's 7% loss

Markets – Rates

BRIndex100 and BR Sectoral Indices

PSX posts smart rally

LME official prices

OPEN MARKET FOREX RATES

INTER BANK RATES

Gold Rate

Business & Finance » Taxes

FBR TO TERMINATE ACTIVE STATUS OF 6.1 MILLION TAXPAYERS UNDER NEW AMENDMENTS

October 21, 2024

Karachi, October 21, 2024 — The Federal Board of Revenue (FBR) is poised to terminate the active status of approximately 6.1 million taxpayers as a result of recent amendments introduced to the Income Tax Rules, 2002. These changes will impact taxpayers who fail to meet the deadline for filing income tax returns for the tax year 2024.

According to the FBR's amendments, the active taxpayer status for the tax year 2023 will expire on the last date for filing income tax returns for the 2024 tax year. This deadline, currently set for October 31, 2024, may mark a significant shift in tax compliance as the FBR moves to enforce stricter timelines.

READ: FBR to Launch New Active Taxpayers List on November 1, 2024

If the FBR adheres to the October 31 deadline, the Active Taxpayers List (ATL) for the tax year 2023 will automatically expire on the same day, and a new ATL for the tax year 2024 will be issued on November 1, 2024. This change in timing represents a departure from the FBR's previous practice of releasing the ATL annually on March 1st, based on returns filed by the end of February. The new amendment reflects the FBR's intention to introduce a more dynamic, responsive system, ensuring timely updates to the ATL.

The latest ATL, issued on Monday, October 21, 2024, shows that around 6.1 million taxpayers currently hold active status. However, those who fail to submit their returns for the 2024 tax year by the stipulated deadline risk losing this status, unless they secure prior approval from the Commissioner of Inland Revenue. Late filers will have the opportunity to be added to the ATL, but only after paying a surcharge.

Historically, the FBR has been more lenient with deadlines, offering extensions to accommodate the public. The original deadline for tax year 2024 was set for September 30, 2024, but was extended twice—first to October 14, 2024, and then to October 31, 2024. Despite the extensions, FBR insiders suggest that further leniency is unlikely. As a result, the release of the new ATL on November 1, 2024, seems highly probable.

The significance of being on the ATL cannot be overstated. Individuals and businesses whose names are included benefit from reduced withholding tax rates on various transactions and are eligible to participate in public procurement processes. The ATL serves as a certification of compliance with tax obligations, providing financial advantages to those who file on time. Non-compliance, however, results in financial disadvantages, such as higher withholding taxes on income, banking transactions, and purchases.

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A key feature of the latest amendments is the shift from weekly to daily updates of the ATL. This change is expected to ensure a more accurate and real-time reflection of compliance. Taxpayers who miss the October 31 deadline but later file their returns and pay the surcharge will be promptly added to the ATL, allowing them to restore their active status with minimal delay.

Moreover, the FBR has introduced provisions for companies and associations of persons (AOPs) established after June 30, 2024. These entities will automatically be included in the ATL, even though their tax returns are not yet due. This inclusion allows new businesses to take advantage of the active taxpayer status without waiting for the next filing cycle.

The amendments also extend to taxpayers filing returns in Azad Jammu and Kashmir (AJK) or Gilgit-Baltistan (GB). Taxpayers in these regions who have filed returns with their respective revenue boards will be included in the national ATL, provided they maintain temporary or permanent addresses in these territories.

The FBR's swift issuance of the ATL, following the deadline, underscores its commitment to improving tax compliance and modernizing Pakistan's tax infrastructure. By transitioning to a more agile and real-time system, the FBR aims to promote greater transparency and accountability in the nation's tax administration.

As the deadline approaches, businesses and individuals are urged to file their returns promptly to avoid losing active taxpayer status. While the option to pay a surcharge and restore one's name on the ATL remains, the financial and administrative benefits of timely filing far outweigh the consequences of exclusion. In this new era of tax compliance, the FBR's reforms promise to enhance fiscal responsibility and contribute to the country's economic stability.

FBR ENFORCES MECHANISM FOR TAX RECOVERY VIA THIRD PARTIES

October 21, 2024

Karachi, October 21, 2024 – The Federal Board of Revenue (FBR) has issued a new mechanism enabling the recovery of unpaid taxes through third parties. This procedure, codified under Section 140 of the Income Tax Ordinance, 2001, empowers the government to recover outstanding taxes by requiring entities or individuals holding money on behalf of the taxpayer to make direct payments to the government, according to the FBR.

The FBR said that the mechanism is designed to prevent delays in tax recovery by bypassing the taxpayer, especially in cases of default or non-compliance. Through this provision, the Commissioner of Inland Revenue can legally demand payment from third parties, such as banks or employers, who owe or hold funds for the taxpayer, thereby securing the due tax without relying solely on voluntary compliance from the taxpayer.

Broad Scope of Application According to the FBR, Section 140 is designed to capture a wide range of scenarios where third parties might owe money to a taxpayer. This includes situations where a taxpayer's bank holds deposits or an employer owes them a salary. The Commissioner is

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authorized to issue a written notice demanding that such entities divert the owed amounts directly to the tax authorities to satisfy the taxpayer's unpaid tax liability.

The FBR said that the law also covers future payments, meaning that even if a third party is scheduled to owe money to the taxpayer at a later date, they may still be required to comply. The broad definition of "person" within the law ensures that not only individuals or businesses but also courts, tribunals, and other entities are included within the scope of this recovery mechanism.

Conditions and Protections for Taxpayers Despite its wide-reaching implications, the FBR emphasized certain protections for taxpayers. A notice demanding payment from third parties cannot be issued if the taxpayer has filed an appeal against their tax assessment and has already paid 10% of the disputed tax amount. This ensures that taxpayers undergoing legitimate dispute processes are not prematurely subjected to collection actions while their appeals are pending.

Furthermore, the notice can only demand payments that are currently due or will become due. In cases where periodic payments, such as salaries, are owed to the taxpayer, the Commissioner may instruct the payer to make deductions in installments until the full amount is recovered. This incremental recovery process provides flexibility and prevents excessive financial burden on third parties.

Enforcement and Compliance Once a third party complies with the notice and makes the payment, they are legally absolved of any financial liability towards the taxpayer for the amount paid to the government. The receipt from the Commissioner serves as evidence of compliance, safeguarding third parties from future disputes. Moreover, Sections 160 to 163 of the tax law govern the withholding and deduction process in these cases, ensuring procedural integrity.

In essence, the FBR's new enforcement strategy under Section 140 is a robust tool for ensuring tax compliance while balancing protections for both taxpayers and third parties involved in the recovery process.

GOVERNMENT MOVES TO ABOLISH NON-FILERS CATEGORY: AURANGZEB

October 21, 2024

Islamabad, October 21, 2024 – In a bold move aimed at streamlining tax compliance and broadening the tax net, Finance Minister Mohammad Aurangzeb has announced that the government is drafting legislation to eliminate the category of non-filers from the Income Tax Ordinance, 2001.

This step, long demanded by fiscal reform advocates, is expected to create a more transparent and accountable taxation system in Pakistan.

During a Senate session on Sunday, Aurangzeb emphasized that non-compliant individuals will face stringent penalties as prescribed under the Income Tax Ordinance. "The concept of non-filers will no longer exist," he asserted, highlighting that the new legislation will introduce

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harsher penalties for those who fail to comply with tax regulations. The government's initiative is aimed at closing tax loopholes and enhancing revenue collection.

Reports also indicate that the Federal Board of Revenue (FBR) is drafting a comprehensive bill to abolish both non-filers and late-filers categories, addressing a long-standing gap in the country's taxation framework. The category of "late-filer," introduced through the Finance Act of 2024, is already being contested in the Lahore High Court. The new legislation is expected to create an equitable system where every individual engaged in significant financial transactions, such as purchasing properties or vehicles, will be required to declare their sources of income.

Under the proposed law, if a tax-compliant filer can justify their sources of income, their immediate family members—including spouses, parents, and dependent children—would not be required to file separate tax returns for financial transactions. However, the primary filer will be responsible for providing the necessary details to explain the family's income.

The FBR aims to simplify compliance for ordinary citizens by allowing certain transactions, such as purchasing motorcycles or cars up to 1300cc, without stringent income justification. Property transactions up to Rs. 10 million may also be exempt from detailed scrutiny. However, for larger purchases or high-value transactions, individuals will need to declare their income sources to avoid penalties.

In an effort to modernize the system, the FBR plans to launch a mobile app where taxpayers can declare their financial resources, reducing the need for time-consuming visits to tax offices. The app will serve as a digital platform for declaring income and ensuring compliance, making it easier for taxpayers to meet their obligations. The system will also link key financial activities, such as opening bank accounts and making investments, to tax filing, creating disincentives for non-compliance.

These reforms are expected to be rolled out in the coming months, marking a significant transformation in Pakistan's tax regime. The government's proactive stance reflects its commitment to fostering economic transparency and ensuring accountability among all taxpayers.

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 Monday, (October 21, 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 19-10-2024	Difference Ex-karachi
37.324 KG Equivalent	17,600	285	17,885	17,885	NIL
40 KGS	18,862	305	19,167	19,167	NIL

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COTTON MARKET REMAINS BEARISH

Recorder Report Published about an hour ago

LAHORE: The local cotton market on Monday remained bearish and the trading volume remained satisfactory.

Cotton Analyst Naseem Usman told Business Recorder that the rate of cotton in Sindh is in between Rs 17,000 to Rs 17,500 per maund. The rate of Phutti in Sindh is in between Rs 8000 to Rs 8,600 per 40 kg.

The rate of cotton in Punjab is in between Rs 17,800 to Rs 18,200 per maund, while the rate of Phutti in Punjab is in between Rs 7,500 to Rs 8,400 per 40 kg.

The rate of cotton in Balochistan is in between Rs 17,300 to Rs 17,400 per maund. The rate of Phutti in Balochistan is in between Rs 8,000 to Rs 9,000 per 40 kg. The rate of Balochi Cotton is in between Rs 18,800 to Rs 19,000 per maund.

1000 bales of Sanghar were sold in between Rs 17,200 to Rs 17,400 per maund, 600 bales of Shahdad Pur were sold in between Rs 17,200 to Rs 17,400 per maund, 200 bales of Vehari were sold at Rs 17,800 per maund, 1000 bales of Yazman Mandi were sold at Rs 17,900 per maund, 200 bales of Marrot, 200 bales of Fort Abbas, 400 bales of Mian Wali and 200 bales of Obaro were sold at Rs 18,000 per maund.

The Spot Rate remained unchanged at Rs 17,600 per maund. Polyester Fiber was available at Rs 357 per Kg.

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Stock & Commodity

PSX HOLDS GONG CEREMONY ON LISTING OF BF BIOSCIENCES

Recorder Report Published about an hour ago

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KARACHI: The Pakistan Stock Exchange (PSX) on Monday held a gong ceremony to celebrate the listing of BF Biosciences Limited (BFBIO).

BFBIO is a pharmaceutical joint venture between Ferozsons Laboratories Limited and Bago Group of Argentina. BF Biosciences has spearheaded Pakistan's emergence in biotech manufacturing. It was also involved in the export of biotech pharmaceuticals especially during the Covid-19 pandemic. BFBIO has been producing biological medicines for Cancer, Chronic Kidney Disease (CKD) and Hepatitis-C for both local and international markets.

Present at the ceremony to strike the gong were Osman Khalid Waheed (CEO of Ferozsons Laboratories Limited), Farhan Rafiq (COO of BF Biosciences Limited), Rallys Eduardo Pliauzer (Group Director, Grupo Empresarial Bago S.A.) and Shahid Ali Habib (CEO of Arif Habib Limited, the Lead Manager to the Issue).

On behalf of PSX, the guests were welcomed by Nihal Qasim (PSX's Director), Dr Fakhara Rizwan (PSX's Company Secretary and Chief Legal & Corporate Affairs Officer PSX), and senior management of Pakistan Stock Exchange. The Argentinian Ambassador to Pakistan, Sebastian Sayus also attended the event.

To expand and enhance production capabilities and to meet post-expansion working capital needs, BF Biosciences Limited planned to raise Rs 1,375,000,000 from an Issue comprising 25,000,000 ordinary shares of face value worth Rs 3 each, at a floor price of Rs 55 per share. The Issue of 25,000,000 ordinary shares were offered through 100 percent book building method. Initially, 75 percent of the Issue size i.e. 18,750,000 shares were allotted to successful bidders and 25 percent of the Issue size i.e. 6,250,000 ordinary shares, were offered to retail investors.

The book building which was held on September 25 and 26, 2024, was highly successful. The strike price of Rs 77 per share being determined. Moreover, a total participation of Rs 4,670 million against the Issue size of Rs 1,375 million was received. This translates to an oversubscription of 3.4 times.

For the public subscription portion of the Issue, applications for a total of 6,325,000 ordinary shares against the Issue size of 6,250,000 ordinary shares were received. Overall, a total of 2,743 applications for 6,325,000 shares amounting to Rs 487,025,000 were received. The PSX E-IPO service facilitated 372 applications for 418,500 shares amounting to Rs 32,224,500.

Speaking at the gong ceremony, Dr Fakhara Rizwan said the successful completion of the IPO and listing of BF Biosciences Limited is a proud moment for Pakistan Stock Exchange where the Issue was oversubscribed by 3.4 times. This will be a valuable addition to the pharmaceutical sector of the Exchange providing increased options for investors on the Stock Exchange.

On the successful listing of BF Biosciences Limited, Rallys Eduardo Pliauzer expressed his views that as the founding chairman of BF Biosciences Limited, he was happy to see the Company flourish over time. BF Biosciences is the first joint venture (JV) of the Bago Group outside Latin America and post Initial Public Offering (IPO), will also be the first Bago affiliate to be publicly listed. It is also the first JV between corporate entities of Argentina and Pakistan.

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Since the start of this joint venture, the Bagó Group's technical and logistic support has always been there for BF Biosciences.

He expressed his confidence that post expansion, with a broader range of products along with synergies from Bago and Ferozsons, BF Biosciences will quickly emerge as a leading pharma company locally and in export

markets.

Speaking on the occasion, Osman Khalid Waheed said as the first Pakistani pharmaceutical company to be listed on the Karachi Stock Exchange in 1960, Ferozsons Laboratories Limited is extremely proud of the listing of its JV subsidiary, BF Biosciences Limited on the Pakistan Stock Exchange six decades later.

Ferozsons began as a national enterprise built to serve patients in Pakistan and abroad. "The idea of a shared national ownership in our efforts through a public listing was an important part of our founder's vision and legacy. From inception, we have focused on Putting Patients First and addressing the most pressing unmet medical needs," he said.

Farhan Rafiq, commented on this significant milestone and thanked all the investors for the trust they have reposed during the IPO of BF Biosciences Limited.

Shahid Ali Habib, while sharing his views said that he is excited to see an exceptional level of participation from a diverse range of institutional investors, including mutual funds, banks, insurance companies, provident and pension funds, brokerage houses, and both foreign and local investors.

"This remarkable enthusiasm has resulted in an impressive oversubscription of 3.4 times, underscoring the strong confidence and trust in our offering."

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GULF BOURSES END MIXED ON REGIONAL TENSIONS

Reuters Published about an hour ago

DUBAI: Stock markets in the Gulf were mixed on Monday amid rising geopolitical tensions in the region, while investors await more companies to report quarterly results. Hundreds of Beirut residents fled their homes late on Sunday, as Israel prepared to attack sites linked to the financial operations of Lebanon's Hezbollah group.

Saudi Arabia's benchmark index advanced 1.1%, led by a 2.8% rise in Al Rajhi Bank and a 0.4% increase in aluminium products manufacturer Al Taiseer Group. Oil giant Saudi Aramco added 0.2%.

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Oil prices - a catalyst for the Gulf's financial markets - rose, recouping some of last week's more than 7% decline on worries about demand in China, the world's top oil importer, and easing concerns about potential supply disruptions in the Middle East.

Dubai's main share index finished 0.2% higher, with blue-chip developer Emaar Properties gaining 2.3%.

The Abu Dhabi index closed flat.

Separately, Lulu Retail Holdings, which runs one of the Middle East's biggest hypermarket chains, kicked off an initial public offering on Monday that bankers say could be the UAE's largest this year.

In Qatar, the index eased 0.1%, with Qatar Islamic Bank losing 1.9%.

Meanwhile, the Gulf state is finding it hard to agree new deals to supply liquefied natural gas (LNG) to Japan and South Korea as rising competition from the US and elsewhere with more flexible contract terms challenges Doha's decades-old dominance of the market.

Outside the Gulf, Egypt's blue-chip index jumped 3.1%, snapping three sessions of losses, as almost all the stocks on the index were in positive territory including Commercial International Bank, which was up 3.9%.

WALL ST DROPS AS INVESTORS CAUTIOUS AHEAD OF BIG EARNINGS

Reuters Published about an hour ago

NEW YORK: Wall Street lost ground on Monday, retreating after a strong rally the previous week, as investors awaited earnings from major companies to gauge whether equities would sustain their recent run to record highs.

A jump in Treasury yields added pressure, with the yield on the benchmark 10-year bond rising as high as 4.17%, a 12-week high.

Most rate-sensitive megacap technology stocks slipped, with Tesla down 1%, and Microsoft and Meta Platforms both losing 0.7%.

The Dow Jones Industrial Average fell 323.49 points, or 0.75%, to 42,952.42, the S&P 500 lost 24.97 points, or 0.43%, to 5,839.70, and the Nasdaq Composite lost 29.52 points, or 0.16%, to 18,460.03.

After a fairly upbeat start to earnings season, the focus is on the 114 S&P 500 companies that are scheduled to report results this week. These include Tesla, Coca-Cola and Texas Instruments.

“There's always a degree of caution going into the heart of earnings season... there are some underlying factors in the market that are generally positive, but I'd say that's just being

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overshadowed here by earnings,” said Tim Ghriskey, senior portfolio strategist with Ingalls & Snyder.

“We’re seeing yields across the board going up a bit here. There’s been some nervousness about some of economic data we’ve seen recently.”

Of the companies that have reported so far, 83.1% beat earnings estimates, according to data compiled by LSEG on Friday.

Some traders were likely booking profits, Ghriskey said.

The three major indexes logged a sixth consecutive week of gains on Friday, their best winning streak so far this year, while the Dow and the S&P 500 both closed at record highs.

Monday’s declines were broad, with almost all 11 major S&P 500 sectors in the red, barring a slight rise in Information Technology.

The rate-sensitive Real Estate sector dropped 1.9% as yields rose, while the technology sector was lifted by a 2.3% jump in chip heavyweight Nvidia, which briefly touched a fresh record high.

The economically sensitive small-cap Russell 2000 dropped 1.4%.

Investors also looked ahead to the upcoming US presidential election, with polls showing the chances improving for former President Donald Trump.

“As the election date approaches, even small changes in tight polls could drive seemingly erratic swings in market sentiment,” Danske Bank analysts said.

Meanwhile, Boeing jumped 3% after news that workers could vote on a new deal to end a costly five-week-long strike.

Spirit Airlines skyrocketed 66.7% after the company reached an agreement to extend a debt refinancing deadline by two months.

Humana slipped 1.5% after a report said Cigna had resumed merger talks with the health insurer. Cigna’s shares lost 4.4%.

Fed officials Neel Kashkari, Jeffrey Schmid and Mary Daly are scheduled to speak on the day.

STOXX 600 FINISHES LOWER AHEAD OF KEY EARNINGS REPORTS

Reuters Published about an hour ago

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PARIS: European shares ended Monday's choppy session in the red ahead of a series of marquee corporate earnings, although stabilising oil prices buoyed the energy sector.

The continent-wide STOXX 600 slipped 0.6%, with the real estate sector leading with a near 2% drop, while energy stocks led gains as oil prices stabilised after a 7% drop last week.

Bourses in top markets Germany, France, Italy and Spain ended down between 0.6% and 1%.

The STOXX index had ended higher last week, on the back of a rise the week before as well, after the European Central Bank cut its interest rate on Thursday.

Lithuanian central bank governor Gediminas Simkus said on Monday the ECB may need to reduce it below the "natural" level if a fall in inflation became entrenched.

Meanwhile, all eyes are on Deutsche Bank, Lloyds and Barclays who will kick off earnings reporting for the heavily weighted financials sector this week.

Russ Mould, investment director at AJ Bell, said markets would keep an eye on loan impairments which had seen a relative increase among US banks.

German software behemoth SAP, which comprises 15% of the country's benchmark DAX index will further set the tone for tech stocks when it reports third-quarter earnings later on Monday.

"Just by way of market cap, (SAP's results) will be pored over with unusual amounts of attention and after ASML's disappointment people, will be looking to another megacap for some reassurance," Mould said.

Lacklustre results from the chip equipment maker had sparked a rout in semiconductor stocks globally last week.

Investors also monitored polls that showed a rising chance of former President Donald Trump winning the Nov. 5 US election, which would be seen as bruising to the European economy. Those odds were reflected in "Trump trades" such as the US dollar and cryptocurrency bitcoin.

Insurance stocks were among the losers on Monday, bogged down by Munich Re's 3% drop after Jefferies cut its rating on the stock to "hold", expecting little upside.

Coffee and tea company JDE Peet's jumped 16.3% to the top of the STOXX 600 after it appointed a new chief executive and confirmed its 2024 outlook.

Forvia climbed 5.2% after the French car part supplier secured new deals with Chinese automakers BYD and Xiaomi.

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Sanofi dipped nearly 1%. The French drugmaker said it had entered exclusive talks to sell a 50% controlling stake in its consumer health business Opella to US private equity firm Clayton Dubilier & Rice.

Switzerland's SGS fell 2.3% after RBC cut its rating on the testing and inspection company's stock to "underperform".

CHINA STOCKS END HIGHER ON TECH GAINS; HK DOWN

Reuters Published about an hour ago

SHANGHAI: China's stocks closed slightly higher on Monday, led by tech shares after Beijing flagged new measures to support innovative tech companies and as the country cut benchmark lending rates.

The blue-chip CSI300 Index closed up 0.3%, while the Shanghai Composite Index gained 0.2%. Hong Kong benchmark Hang Seng was down 1.6%.

Leading gains in the China market were information technology shares, which rose as much as 6.5%, while the tech-focused STAR50 index surged as much as 8.7%.

China's semiconductor giant SMIC closed up 8.1%.

The Beijing Stock Exchange 50 Index jumped 16% to a record high after the bourse said on Sunday it would help small- and medium-sized tech companies with training and access to finance so they can list.

Sentiment was also helped by comments from Chinese president Xi Jinping that supported science and technology in economic development.

In policy news, China cut its one- and five-year loan prime rates (LPRs) by 25 basis points (bps) each during the monthly fixing on Monday. While this move was anticipated, the market had largely expected a 20 bps cut.

Tech and electric vehicle (EV) giants traded in Hong Kong weighed the Hang Seng index, with EV maker NIO down 6.1%.

More than 20 Chinese listed companies have announced plans to tap special central bank lending for share purchases, according to exchange filings, days after the People's Bank of China (PBOC) kicked off the \$42 billion funding scheme.

China's stocks are down roughly 11% from their Oct. 8 peak after a turbulent few weeks, as investor caution erased some of late September's massive gains made after Beijing's stimulus measures.

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“Investors in general agree that both China A-shares and Hong Kong stock markets have entered a phase of volatility... despite monetary policy easing, they are cautious ahead of the US elections, and prefer to wait until the mid-November National People’s Congress session,” UBS analysts said in a note to investors.

The investment bank upgraded China’s GDP growth forecasts for 2024 and 2025 to 4.8% and 4.5%, respectively, on Friday, after better-than-expected third-quarter GDP and recent policy announcements.

NIKKEI SLIPS AS CAUTION OVER EARNINGS, KEY ELECTION LOOMS

Reuters Published about an hour ago

TOKYO: Japan’s Nikkei share average fell in choppy trade on Monday, despite gains in technology stocks, as caution ahead of a domestic election and corporate earnings weighed on sentiment.

The Nikkei closed 0.07% lower at 38,954.60, while the broader Topix was down 0.34% at 2,679.91.

Japan’s tech shares followed their US peers higher to keep the Nikkei in the green for much of the day, after an earnings-driven jump in Netflix shares and broader gains across tech stocks on Friday.

The Dow Jones Industrial Average and S&P 500 chalked up record closing highs last week, with the Nasdaq also in positive territory due to the tech bump.

Japanese chip-testing equipment maker Advantest gained 2.7% to offer the biggest lift, followed by chip-making equipment giant Tokyo Electron added 0.9%.

However, the Nikkei struggled for momentum outside of tech, briefly slipping to its lowest since Oct. 4 at 38,775.59 as investors eyed more company earnings announcements later this week.

Japan will vote in a general election on Oct. 27 and it remains to be seen whether the ruling Liberal Democratic Party (LDP) will succeed in winning the 233 seats needed for a lower-house majority.

“It seems like investors are refraining from active trading in anticipation of these events”, creating a heavy upward resistance, said Masahiro Ichikawa, chief market strategist at Sumitomo Mitsui DS Asset Management.

GULF BOURSES END MIXED ON REGIONAL TENSIONS, Q3 EARNINGS

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Oil giant Saudi Aramco added 0.2%.

Oil prices - a catalyst for the Gulf's financial markets - rose, recouping some of last week's more than 7% decline on worries about demand in China, the world's top oil importer, and easing concerns about potential supply disruptions in the Middle East.

Dubai's main share index finished 0.2% higher, with blue-chip developer Emaar Properties gaining 2.3%.

The Abu Dhabi index closed flat.

Most Gulf markets slip on regional tensions, weak oil

Separately, Lulu Retail Holdings, which runs one of the Middle East's biggest hypermarket chains, kicked off an initial public offering on Monday that bankers say could be the UAE's largest this year.

In Qatar, the index eased 0.1%, with Qatar Islamic Bank losing 1.9%.

Meanwhile, the Gulf state is finding it hard to agree new deals to supply liquefied natural gas (LNG) to Japan and South Korea as rising competition from the U.S. and elsewhere with more flexible contract terms challenges Doha's decades-old dominance of the market.

Outside the Gulf, Egypt's blue-chip index jumped 3.1%, snapping three sessions of losses, as almost all the stocks on the index were in positive territory including Commercial International Bank, which was up 3.9%.

SAUDI ARABIA	rose 1.1% to 12,008
ABU DHABI	was flat at 9,290
DUBAI	added 0.2% to 4,478
QATAR	eased 0.1% to 10,607
EGYPT	up 3.1% to 30,445
BAHRAIN	gained 0.2% to 1,993
OMAN	fell 0.2% to 4,800
KUWAIT	dropped 0.2% to 7,531

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US STOCKS EDGE DOWN FROM RECORDS TO OPEN BIG EARNINGS WEEK

AFP Published October 21, 2024

NEW YORK: Wall Street stocks dipped early Monday as major indices edged down from records ahead of a heavy week of earnings that includes Tesla and Boeing.

China's central bank said it had cut two key interest rates to historic lows in the latest move to stimulate the economy.

Boeing shot up nearly five percent after labor negotiators agreed to present a new contract to 33,000 Seattle-area workers, potentially resolving the month-long machinist union strike.

Tech stocks boost Nasdaq, S&P 500; Netflix soars

About 10 minutes into trading, the Dow Jones Industrial Average was down 0.1 percent at 43,233.84.

The broad-based S&P 500 also slipped 0.1 percent to 5,857.87, along with the tech-rich Nasdaq Composite Index, which stood at 18,471.01.

Both the Dow and S&P 500 were at records at the end of last week.

There's a "pattern of new highs and then not really following through," said LBBW's Karl Haeling, who noted that this movement is followed by a brief period in which the market retreats.

"I think it's a healthy pattern, because it just shows that the uptrend is orderly," Haeling said.

Other earnings this week include General Motors, American Airlines and UPS.

INDIAN SHARES DIP AS DULL EARNINGS, PROFIT-BOOKING OUTWEIGH HDFC BANK'S BOOST

Reuters Published October 21, 2024

Indian shares closed lower on Monday, as lacklustre earnings and another bout of profit-booking overpowered a post-results rally in top private lender HDFC Bank.

The NSE Nifty 50 fell 0.29% to 24,781.1, while the BSE Sensex settled 0.09% lower at 81,151.27 points. They swung between gains of about 0.4% near the open to a drop of roughly 0.7% mid-session, before recovering slightly.

HDFC Bank, the heaviest-weighted stock on the Nifty, rose 2.8% after posting September-quarter earnings above expectations. It helped lift the financials sector about 0.1% higher.

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But most other sectoral indexes logged losses and 37 Nifty 50 constituents declined as the largely disappointing quarterly earnings season continued.

Kotak Mahindra Bank lost 4.4%, while RBL Bank tumbled 14.2% after a jump in bad loans hurt their second-quarter profit and margins.

Tata Consumer Products shed 7% after its core margins fell short of most analysts' estimates.

UltraTech Cement fell 1.8% after posting a bigger-than-expected drop in quarterly profit as prices fell to near five-year lows.

Indian shares rebound after 3-day slump but weekly losses continue

"If corporate earnings in the September quarter fail to match the high valuations, we may see either a price or time correction, especially in the broader markets," said Krishna Appala, senior research analyst at Capitalmind Research.

The Nifty 50 gained about 15% in the last four months, helped by policy continuity and macroeconomic stability.

However, since hitting a record high on Sept. 27, it has shed 5.7%, largely due to profit booking and the exodus of foreign funds from India to China.

"With an interplay of sustained foreign outflows and lacklustre earnings season, profit booking could continue further," said Feroze Azeez, deputy chief executive officer at Anand Rathi Wealth.

The broader, more domestically focused small- and mid-caps fell 1.5% and 1.7%, respectively.

Among the bright spots, IT major Tech Mahindra also rose about 1% after reporting higher quarterly revenue.

SRI LANKA SHARES END LOWER AS ENERGY, REAL ESTATE DRAG

- CSE All-Share index settled 0.03% down at 12,309.33

Reuters Published October 21, 2024

Sri Lankan shares closed marginally lower on Monday, dragged by energy and real estate stocks.

The CSE All-Share index settled 0.03% down at 12,309.33.

Sri Lanka's consumer price inflation eased to minus 0.2% year-on-year in September from an increase of 1.1% in August, official data showed on Monday, as the crisis-hit island nation's economic rebound continued.

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The change was largely driven by a slowing in food inflation to 0.5% in September from 2.3% in August, the Department of Census and Statistics said.

Harischandra Mills Plc and Nuwara Eliya Hotels Plc were the top losers on the index, down 1.5% and 2.5%, respectively.

Sri Lankan shares log fifth straight weekly gains

Trading volume on the index fell to 71.1 million shares from 80.3 million shares in the previous session.

The equity market's turnover fell to 1.49 billion Sri Lankan rupees (\$5.1 million) from 1.95 billion rupees in the previous session, according to exchange data.

Foreign investors were net sellers, offloading stocks worth 169.4 million rupees, while domestic investors were net buyers, purchasing shares worth 1.43 billion rupees, the data showed.

STOCK MARKETS MOSTLY FALL, OIL JUMPS AS CHINA CUTS RATES

AFP Published October 21, 2024

LONDON: Major stock markets dropped Monday and oil prices jumped as traders weighed fresh interest-rate cuts from China's central bank aimed at reigniting the world's second-biggest economy.

Another record session Friday on Wall Street failed to inspire a similar rally elsewhere, as main equity indices in Europe and Asia began the week lower. Shanghai edged up however.

Haven investment gold reached a new all-time high on geopolitical concerns and uncertainty over the outcome of the upcoming US election, analysts said.

Oil prices, which tumbled more than eight percent last week, also won support from Middle East unrest, as well as from hopes of increased demand from China – the world's top importer of crude.

European shares headed for weekly gains after ECB rate cut

“The idea is that the move (on Chinese rates) will encourage lending and spending and help mend the ailing property market,” said Susannah Streeter, head of money and markets at Hargreaves Lansdown.

“But there are still expectations that further fiscal stimulus will be needed.”

China's central bank on Monday said it had slashed two key interest rates to all-time lows as part of a drive by authorities to revive spending and achieve their five percent annual economic growth target.

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The move comes after figures last week showed China's economy expanded at its slowest quarterly pace since the start of 2023, but still better than forecast.

Beijing has since last month unveiled a raft of measures to revive the economy including rate cuts, an easing of home-buying rules and pledges to support equity markets.

The announcements inspired a blockbuster rally in mainland and Hong Kong stocks, but some of those gains have been erased after a series of disappointing news conferences that failed to provide any detail or meaningful measures.

"Officials are gradually ramping up support to kick-start the economy – but the will-they-won't-they of announcements has made the process a rollercoaster for markets," Moody's Analytics said Monday.

In foreign exchange, the euro dropped versus the dollar amid further signs of easing inflation in the eurozone.

Data on Monday showed German producer prices fell 1.4 percent year-on-year in September, boosting analysts expectations that the European Central Bank would cut interest rates again in December.

The dollar jumped also against the pound and yen.

Key figures around 1040 GMT

London - FTSE 100: DOWN 0.2 percent at 8,343.50 points

Paris - CAC 40: DOWN 0.8 percent at 7,552.87

Frankfurt - DAX: DOWN 0.7 percent at 19,514.83

Tokyo - Nikkei 225: DOWN 0.1 percent at 38,954.60 (close)

Hong Kong - Hang Seng Index: DOWN 1.6 percent at 20,478.46 (close)

Shanghai - Composite: UP 0.2 percent at 3,268.11 (close)

New York - Dow: UP 0.1 percent at 43,275.91 (close)

Euro/dollar: DOWN at \$1.0848 from \$1.0868 on Friday

Pound/dollar: DOWN at \$1.3019 from \$1.3047

Dollar/yen: UP at 149.98 yen from 149.45 yen

Euro/pound: DOWN at 83.29 pence from 83.30 pence

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West Texas Intermediate: UP 1.7 percent at \$69.82 per barrel

Brent North Sea Crude: UP 1.4 percent at \$74.05 per barrel

KSE-100 INDEX GAINS OVER 800 POINTS AMID POSITIVE INDICATORS

BR Web Desk Published October 21, 2024

Pakistan Stock Exchange (PSX) maintained a bullish trend on account of positive economic indicators and relative stability on the political front, as the benchmark KSE-100 Index gained more than 800 points on Monday.

The KSE-100 started the session with a buying spree that largely continued till end of the day.

At close, the benchmark index settled at 86,057.52, up by 807.42 points or 0.95%.

“The session exhibited positive momentum following a reduction in political uncertainty, highlighted by the Senate’s approval of the 26th Constitutional Amendment Bill 2024, which passed with a two-thirds majority on Sunday evening. Subsequently, the National Assembly also ratified this contentious legislation,” brokerage house Topline Securities said in its post-market report.

President Asif Ali Zardari gives assent to 26th Constitutional Amendment

Key contributors to the index included MTL, UBL, ATRL, HUBC, and PIOC, which collectively added 274 points, it added.

Experts attributed the buying rally to positive economic indicators including the expectation of a lower inflation reading this month.

“The market is expecting a CPI reading of below 7% in October,” said Saad Hanif, analyst at Ismail Iqbal Securities.

“However, the latest adjustment in electricity tariff may lead to an uptick in inflation,” he added.

The analyst was of the view that development on the political front is also boosting market confidence.

The National Assembly, after weeks of political negotiations, passed the 26th Amendment Bill, a judiciary-related constitutional package, in the wee hours on Monday.

During the previous week, PSX witnessed a mixed trend after moving in both directions and finally closed on a negative note. The benchmark KSE-100 index declined by 233.31 points on week-on-week basis and closed at 85,250.09 points.

On Friday, profit-takers had held sway over the market as the KSE-100 lost 335 points.

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The foreign investors also remained on the selling side and withdrew \$11.614 million from the local equity market. Total market capitalization increased by Rs21 billion to Rs11.177 trillion.

Globally, Asian shares dipped in and out of positive territory on Monday, under pressure from weakness in Chinese stocks, but bitcoin scaled a three-month peak as “Trump trades” continued to ramp up.

Gold hit another record high on conflict in the Middle East and an extremely close U.S. presidential election, with the yellow metal expected to stay in favour among much global uncertainty.

Optimism over Beijing’s slew of stimulus measures first announced late in September has turned into caution in recent days as investors look to further details of more fiscal support from policymakers.

Equities in Hong Kong were last down 0.6%, while China’s blue-chip index swung between losses and gains. It last traded 0.4% higher, while the Shanghai Composite Index gained 0.36%.

That capped gains in MSCI’s broadest index of Asia-Pacific shares outside Japan which were last up a marginal 0.11%, a step back in sentiment after U.S. stocks posted a sixth straight week of gains on Friday.

Meanwhile, the Pakistani rupee registered a marginal decline against the US dollar, depreciating 0.03% in the inter-bank market on Monday. At close, the currency settled at 277.69, a loss of Re0.08 against the greenback.

Volume on the all-share index increased to 474.95 million from 323.92 million on Friday.

The value of shares rose to Rs19.66 billion from Rs15.68 billion in the previous session.

Kohinoor Spinning was the volume leader with 59.10 million shares, followed by Pak Int.Bulk with 27.87 million shares, and Flying Cement with 18.49 million shares.

Shares of 445 companies were traded on Monday, of which 269 registered an increase, 124 recorded a fall, while 52 remained unchanged.

ASIA SHARES WOBBLE; BITCOIN RALLIES ON ‘TRUMP TRADE’

Reuters Published October 21, 2024

SINGAPORE: Asia shares dipped in and out of positive territory on Monday, under pressure from weakness in Chinese stocks, but bitcoin BTC= scaled a three-month peak as “Trump trades” continued to ramp up.

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Gold XAU= hit another record high on conflict in the Middle East and an extremely close US presidential election, with the yellow metal expected to stay in favour among much global uncertainty.

Optimism over Beijing's slew of stimulus measures first announced late in September has turned into caution in recent days as investors look to further details of more fiscal support from policymakers. Though China cut its benchmark lending rates on Monday, the move was anticipated.

Equities in Hong Kong .HSI were last down 0.6%, while China's blue-chip index. CSI300 swung between losses and gains. It last traded 0.4% higher, while the Shanghai Composite Index.

Japan's Nikkei N225 rose 0.34%. Further details on Chinese stimulus might take some time to emerge.

"We might have to wait until late October or early November for concrete plans from the Standing Committee meeting of the National People's Congress," said Chaoping Zhu, global market strategist at J.P. Morgan Asset Management in Shanghai.

US election

With just about two weeks to go before the Nov. 5. US election, bets that a Donald Trump victory are on rise in some financial instruments.

'Trump trade' lifts dollar, Asia stocks await China news

The Republican candidate's tariff, tax and immigration policies are seen as inflationary, and thus negative for bonds and positive for the dollar.

He is also seen as taking a more favourable stance towards cryptocurrencies.

"(It) seems now that Trump's ahead in the key battleground states, which suggests he's quite well placed to regain the White House and I think the markets started to factor that in last week with the stronger equities, higher yields, US dollar obviously doing very, very well and bitcoin on track for a 10% gain over the past week," said Tony Sycamore, a market analyst at IG.

Bitcoin BTC= was last 0.5% higher at \$69,100, after having touched its strongest level since July at \$69,487 earlier in the session.

The world's largest cryptocurrency gained 9.6% last week, and is up more than 8% for the month thus far.

"Things look pretty good for bitcoin right here. I think it can continue higher," said Sycamore.

The dollar hovered not too far from a high of more than two months against a basket of currencies =USD on Monday, with the dollar index last at 103.46.

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Sterling GBP=D3 dipped 0.02% to \$1.3045, while the euro EUR=EBS fell 0.01% to \$1.0865.

In the bond market, the benchmark 10-year US Treasury yield US10YT=RR ticked up one basis point to 4.0907%, while the two-year yield US2YT=RR last stood at 3.9568%.

US/ Spot gold XAU=peaked at a record of \$2,727.39 an ounce, extending its rally after having gained more than 2% last week.

“One of the clearest Trump trades so far has been gold, given his belligerent stance on trade and willingness to weaponise the dollar, keeping demand for diversification well supported among emerging central banks,” said Arun Sai, senior multi asset strategist at Pictet Asset Management.

Oil prices ticked higher on Monday, nursing a steep fall from last week.

O/R Brent crude futures LCOc1 were last 0.4% higher at \$73.36 a barrel, while US crude CLc1 ticked up 0.43% to \$69.52 per barrel.

AUSTRALIA SHARES RISE; WISETECH GLOBAL AND MINRES SLIP ON TOP EXEC REVIEWS

Reuters Published October 21, 2024

Australian shares rose on Monday tracking a strong finish on Wall Street on Friday, while stocks in tech major WiseTech Global and lithium miner Mineral Resources fell after the firms initiated investigations concerning their top executives.

The S&P/ASX 200 index rose 0.7% to 8,340.2, as of 2333 GMT.

The benchmark fell 0.9% on Friday. Shares of Australia’s biggest listed tech firm WiseTech Global tumbled more than 18% in their worst session in more than a year.

The company said it will investigate certain matters regarding its chief, after media reports alleged payments were made to CEO Richard White’s former lover, among others.

Tech stocks, the only sector trading lower, lost as much as 5.1%, touching their lowest level in nearly two months.

Mineral Resources fell nearly 14% in its worst trading day since November 2009, after it said it initiated an investigation into an alleged tax evasion scheme by its billionaire founder, Chris Ellison.

The US Dow Jones Industrial Average rose 36.86 points, or 0.09%, to 43,275.91 on Friday.

The S&P 500 gained 23.20 points, or 0.40%, while Nasdaq gained 115.94 points, or 0.63%.

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In Sydney, mining stocks rose 1% despite iron ore prices declining on persistent weakness in top trader China's economy and steel market. Iron ore giants BHP and Rio Tinto gained 1.1%, each, while Fortescue climbed 0.4%.

Financials rose 1% to hit a record high, with the "Big Four" banks gaining between 0.4% and 0.9%.

Energy stocks rose 1.1%, notwithstanding a fall in oil prices. Sector majors Woodside rose 0.8% while Santos climbed 1.3%.

Australia shares hit record high on Fed rate cut boost

Gold stocks tracked bullion prices to rise as much as 3.1% to a more than four-year high.

Top gold miners Northern Star Resources and Evolution Mining gained 1.9% and 3.8%, respectively.

The New Zealand benchmark S&P/NZX 50 index fell 0.1% to 12,816.

KSE-100 INDEX SURGES OVER 800 POINTS AMID POLITICAL CERTAINTY

October 21, 2024

Karachi, October 21, 2024 – The benchmark KSE-100 index of the Pakistan Stock Exchange (PSX) soared by over 800 points on Monday, crossing the 86,000 mark in response to heightened political clarity. The index closed at 86,057 points, a notable increase from last Friday's closing of 85,250 points, marking a gain of 807 points or 0.95%.

Analysts at Topline Securities Limited attributed the positive market momentum to the reduction in political uncertainty, following the Senate's approval of the 26th Constitutional Amendment Bill 2024. This key legislation, which passed with a two-thirds majority in the Senate on Sunday evening, was subsequently ratified by the National Assembly, signaling a significant step toward political stability in the country.

The passage of the bill has been widely viewed as a pivotal development that reassured investors and market participants, spurring renewed confidence in the stock market. The restoration of political certainty has lifted market sentiment, enabling the KSE-100 index to regain traction and post substantial gains.

Key contributors to the index's surge included prominent stocks such as Millat Tractors Limited (MTL), United Bank Limited (UBL), Attock Refinery Limited (ATRL), Hub Power Company (HUBC), and Pioneer Cement (PIOC). These stocks collectively added 274 points to the index, underscoring their significant influence on Monday's performance.

Trading activity at the PSX was robust, reflecting the renewed investor confidence. The KSE-100 index saw the exchange of 474 million shares, with a total trading value of Rs 19 billion. K-

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Electric Offshore Marine (KOSM) emerged as the most actively traded stock, with an impressive 59 million shares changing hands, highlighting its dominance in the day's trading volume.

Market analysts noted that the approval of the constitutional amendment helped alleviate concerns surrounding political uncertainty, which had previously weighed on investor sentiment. The surge in the KSE-100 index also reflects optimism that the political landscape is stabilizing, which could create a more favorable environment for economic growth and investment.

As Pakistan navigates through its political challenges, the stock market's strong response suggests that investors are cautiously optimistic about the country's prospects. The robust trading activity and significant gains in key stocks indicate that market participants are hopeful about sustained political and economic stability in the months ahead.

The continued upward momentum of the KSE-100 index will likely depend on further developments in the political sphere and the overall economic outlook. Nonetheless, the market's performance on Monday provides a positive signal for investors and the broader financial landscape.

GOLD PRICES HIT 5TH STRAIGHT HIGH, REACHING RS 282,300 IN PAKISTAN

October 21, 2024

Karachi, October 21, 2024 – The upward trajectory of gold prices in Pakistan showed no signs of slowing down on Monday, as the precious metal surged to a new all-time high of Rs 282,300 per tola. This marks the fifth consecutive record-breaking high, underscoring the persistent demand and market volatility that has gripped the nation's gold markets.

The price of 24-karat gold increased by Rs 500 from Saturday's closing rate of Rs 281,800, according to figures released by the domestic bullion markets. Additionally, the price for 24-karat gold per 10 grams witnessed a significant rise of Rs 429, settling at Rs 242,027 compared to the previous closing of Rs 241,598. These unprecedented price levels have placed further strain on consumers and investors who are increasingly turning to gold as a hedge against economic uncertainty.

Market experts attribute the relentless climb in local gold prices to the surge in international gold markets. On the global stage, gold saw an uptick of \$5 per ounce, reaching \$2,726 from the previous close of \$2,721. This global trend is largely driven by escalating geopolitical tensions in the Middle East, particularly the ongoing conflict, which has heightened demand for safe-haven assets like gold.

Pakistan's reliance on gold imports exacerbates the impact of international market fluctuations. With the rupee already under pressure due to inflation and external debt, the rising cost of imported gold is directly contributing to the record-breaking price hikes in the domestic market. The fragile economic situation, coupled with global uncertainties, has pushed gold prices to heights previously unimaginable, leaving local consumers with fewer options.

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“Gold prices are closely tied to international market conditions, and with the turmoil in the Middle East, demand for gold as a safe investment continues to rise,” said a bullion market analyst. “In Pakistan, the high dependence on imported gold means we are more vulnerable to these price hikes. Until the situation stabilizes globally, we can expect prices to remain elevated.”

The continued increase in gold prices poses a challenge to buyers, particularly for those involved in the jewelry trade and investors seeking stability amidst currency fluctuations. With no immediate signs of relief on the horizon, gold could continue to climb, further straining household budgets and investment portfolios across Pakistan.

Business & Finance » Money & Banking

INDIAN RUPEE SLIPS TO RECORD CLOSING LOW

Reuters Published about an hour ago

MUMBAI: The Indian rupee declined to its weakest closing level on record on Monday but avoided sharper losses as likely intervention by the Reserve Bank of India (RBI) blunted the pressure from weakness in regional peers and persistent dollar outflows.

The rupee closed at 84.0725 against the US dollar, a tad lower than its close at 84.0650 in the previous session.

Foreign banks were spotted bidding for dollars, likely on behalf of custodial clients, a trader at a private bank said.

But “pretty consistent” dollar offers from state-run banks helped limit weakness in the local currency, the trader said.

Foreign investors have pulled out more than \$9 billion from local stocks so far this month on a net basis, surpassing the previous peak of \$8.35 billion in March 2020.

Benchmark Indian equity indices ended the day slightly in the red and are down about 4% each over October so far.

DOLLAR CLIMBS WITH US RATES ON ECONOMIC OUTLOOK

Reuters Published about an hour ago

NEW YORK: The dollar climbed on Monday, buoyed by a rise in US bond yields, as solid US economic data suggested the Federal Reserve can afford to be patient in cutting rates while investors positioned for the Nov. 5 presidential election.

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The greenback has risen for three straight weeks as a run of positive economic data led investors to scale back expectations about the size and speed of rate cuts from the Fed.

Markets are pricing in a 91.7% chance for a cut of 25 basis points (bps) at the Fed's November meeting, with an 8.3% chance of the central bank holding rates steady, according to CME's FedWatch Tool. The market was completely pricing in a cut of at least 25 bps a month ago, with a 50.4% chance of a 50 bps cut.

"It's not so much about the Fed as the market correcting itself and once again converging with the Fed," said Marc Chandler, chief market strategist at Bannockburn Global Forex in New York.

"The economic data has been robust and we'll see that next week when we get the GDP figure." The yield on benchmark US 10-year notes rose 8.3 basis points to 4.158% after hitting a 3-month high of 4.172%.

Last week the Atlanta Fed raised its estimate for third quarter GDP growth to 3.4%.

Federal Reserve Bank of Dallas President Lorie Logan said on Monday she sees more gradual rate cuts ahead for the central bank and suggested she sees no reasons why the Fed can't also press forward with shrinking its balance sheet.

The dollar index, which measures the greenback against a basket of currencies, rose 0.32% to 103.79, with the euro down 0.28% at \$1.0835. Sterling weakened 0.41% to \$1.2995.

The European Central Bank (ECB) last week cut rates for the third time this year. On Monday, Slovak central bank chief Peter Kazimir said euro zone inflation is increasingly likely to return to target next year but a bit more evidence is needed before the European Central Bank can declare victory.

Data on Monday showed German producer prices fell more than expected in September, declining 1.4% year-on-year, mainly due to a drop in energy costs.

Investors were also positioning as the US election on Nov. 5 grew closer. Chandler said a Trump victory is likely to bring about tariffs that would affect those that are closest and most exposed to the US in trade partner terms, such as Canada, Mexico, China and Japan.

Against the Japanese yen, the dollar strengthened 0.51% to 150.27. Japan will hold a general election on Sunday, Oct. 27. While opinion polls vary on how many seats the ruling Liberal Democratic Party (LDP) will win, markets have been optimistic that the LDP along with junior coalition partner Komeito will prevail.

The Mexican peso was 0.43% weaker versus the dollar at 19.992. The Canadian dollar weakened 0.28% versus the greenback to 1.38 per dollar and the Chinese yuan weakened 0.18% to 7.131 per dollar.

ASIAN CURRENCIES FALL ON US ELECTION BETS

Reuters Published about an hour ago

BENGALURU: Asian stocks struggled for direction on Monday, while currencies continued to face downward pressure as mounting expectations of Republican candidate Donald Trump winning the US election next month pushed the dollar higher.

Election polls show rising odds of former President Trump winning the Nov. 5 election and are boosting the dollar, since his proposed tariff and tax policies are seen as likely to keep US interest rates high and undermine currencies of trading partners.

The Thai baht fell 0.7%, on track for its worst drop in two weeks and the first monthly decline in six months, while the Philippine peso inched up marginally on Monday but was heading for its first monthly fall since May.

The South Korean won fell 0.4%, and the Malaysian ringgit was largely flat. They were also on track for monthly declines, and have fallen nearly 4% so far in October.

Most Asian central banks have started their easing cycle. The Bank of Thailand last week surprisingly cut its key interest rate, while the Philippine central bank lowered rates and Bank Indonesia maintained the status quo as expected.

“Bank Negara Malaysia (BNM) is now the only Emerging Asia central bank that we do not expect to ease policy through 2025,” Barclays analysts wrote.

Meanwhile, Indonesia’s newly minted leader, President Prabowo Subianto officially swore in his cabinet on Monday, including the reappointment of the country’s highly-regarded Finance Minister Sri Mulyani Indrawati.

The impact of Prabowo’s election as Indonesia’s new president should be positive for bonds and the rupiah, as Sri Mulyani has been reappointed as the finance minister, while the impact on the stock market is to be mixed as details on policies are still awaited, said Fakhrul Fulvian, an economist at Trimegah Securities.

PAKISTAN’S REER INDEX DROPS BELOW 100 FOR FIRST TIME IN 2024

BR Web Desk Published October 21, 2024

Pakistan’s Real Effective Exchange Rate (REER), a measure of the value of a currency against a weighted average of several foreign currencies, witnessed a decrease as it clocked in at 98.65 in September 2024, down from 100.13 (revised) in August 2024, data released by the State Bank of Pakistan (SBP) on Monday showed.

This is the first time in 2024 that the REER value fallen below 100. In December 2023, the REER index was recorded at 98.82.

A REER above 100 means the country's exports are uncompetitive, while imports are cheaper. The situation reverses when REER stands below 100 on the index.

REER index values in 2024

1. **January: 101.75**
2. **February: 102.09**
3. **March: 104.09**
4. **April: 104.44**
5. **May: 100.68**
6. **June: 100.06**
7. **July: 101.50**
8. **August: 100.13**
9. **September: 98.65**

As per SBP's latest data on Monday, the REER depreciated 1.48% month-on-month (MoM) in September 2024.

When compared with September 2023, the REER value increased by 7.5%, when it stood at 91.73.

The SBP says a REER index of 100 should not be misinterpreted as denoting the equilibrium value of the currency.

"Movement of the REER away from 100 simply reflects changes relative to its average value in 2010 and is unrelated to its equilibrium value," the central bank said in an explanatory note on the topic.

Pakistan's REER index increases to 101.5 in July 2024

Meanwhile, the Nominal Effective Exchange Rate Index (NEER) decreased by 0.82% MoM in September 2024 to a provisional value of 37.84 from 38.15 (revised) in August 2024.

On a yearly basis, the NEER index rose nearly 3% from the value of 36.78 in September 2023.

What is REER?

As per the central bank, REER is an index of the price of a basket of goods in one country relative to the price of the same basket in that country's major trading partners.

"The prices of these baskets expressed in the same currency using the nominal exchange rate with each trading partner. The price of each trading partner's basket is weighted by its share in imports, exports, or total foreign trade," the SBP website says.

PAKISTAN RECORDS \$119MN CURRENT ACCOUNT SURPLUS IN SEPTEMBER 2024

- Development comes on back of massive increase in remittance inflows
- This is the second successive month in which Pakistan's current account has posted surplus

BR Web Desk Published October 21, 2024

Pakistan's current account posted a surplus of \$119 million in September 2024 compared to a deficit of \$218 million in the same month of the previous fiscal year, data released on Monday by the State Bank of Pakistan (SBP) showed.

This is second successive month of a current account surplus, and also the highest in magnitude since March, 2024.

The current account surplus was originally reported to be at \$75 million in August 2024, but the SBP revised it in the latest data to be at \$29 million.

Overall, the figure takes Pakistan's current account deficit in the first three months of the current fiscal year (3MFY25) to a mere \$98 million, an amount that is a massive 92% lower than the deficit of \$1.241 billion in the same period of the previous fiscal year.

Breakdown

In September 2024, the country's total export of goods and services amounted to \$3.302 billion, up over 10% as compared to \$2.999 billion in the same month of the previous year

Meanwhile, imports clocked in at \$5.574 billion during September 2024, a jump of nearly 15% on a yearly basis, according to SBP data.

Worker remittances clocked in at \$2.849 billion, an increase of 29% as compared to the previous year.

Low economic growth along with high inflation have helped curtail Pakistan's current account deficit with an increase in exports also helping the cause. A high interest rate and some restrictions on imports have also aided the policymakers' objective of a narrower current account deficit.

3MFY25

In 3MFY25, the country's total export of goods and services amounted to \$9.4 billion. Whereas, imports clocked in at \$16.83 billion during the period, according to SBP data.

The country's worker remittances clocked in at \$8.79 billion, an increase of nearly 39% as compared to same period last year.

The current account is a key figure for cash-strapped Pakistan which relies heavily on imports to run its economy. A widening deficit puts pressure on the exchange rate and drains official foreign exchange reserves, while the situation reverses vice versa.

MEEZAN BANK POSTS RS26.4BN PROFIT IN 3QCY24

BR Web Desk Published October 21, 2024

Meezan Bank, the country's largest Islamic bank, posted consolidated earnings of Rs26.36 billion for the third quarter that ended September 30, 2024, a little over 1% higher from the profit-after-tax Rs25.99 billion in the same period of the preceding year.

According to a notice sent to the Pakistan Stock Exchange (PSX) on Monday, earnings per share (EPS) clocked in at Rs14.61 for the period as compared to Rs14.43 in 3QCY23.

The Board of Directors also announced a cash dividend for the period ended September 30, 2024 at Rs7 per share i.e. 70%. This was in addition to the interim dividend already paid at Rs14 per share i.e. 140%.

An over 6% year-on-year spike led to the marginal increase in profit in profit/return earned on Islamic financing and related assets, investments and placements.

Meezan Bank's profit up nearly 55% in 2QCY24

The net profit/return rose from Rs64.08 billion in 3QCY23 to Rs76.85 billion in 3QCY24, an increase of nearly 20%. Meezan's profit margin in 3QCY24 stood at 59.8%, higher than the previous year.

The fee and commission income earned by the bank during the period amounted to Rs6.99 billion, an increase of over 34% against Rs5.21 billion earned in the same period last year.

However, the foreign exchange income of the firm showed a significant decline of over 98% from Rs1.58 billion in 3QCY23 to a meagre Rs29.1 million in 3QCY24.

The total income earned by Meezan Bank jumped over 17% as it increased to Rs83.25 billion in 3QCY24 from Rs70.87 billion in 3QCY23.

During 3QCY24, the firm's operating expenses amounted to Rs22.03 billion, up 18% against Rs18.68 billion in SPLY.

The firm spent Rs1.23 billion on the worker welfare fund in 3QCY24, which is over 15% higher than Rs1.1 billion spent under this head in SPLY.

During 3QCY24, the bank paid Rs32.23 billion in taxes, up over 30%, as compared to Rs24.73 billion in 3QCY23.

MEEZAN BANK REPORTS 34% PROFIT GROWTH IN 9M CY24

October 21, 2024

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Karachi, October 21, 2024 – Meezan Bank Limited has reported an impressive 34% year-on-year (YoY) growth in profit after tax for the nine-month period ending September 30, 2024.

According to consolidated financial results submitted to the Pakistan Stock Exchange (PSX), the bank recorded a profit after tax of Rs 78.79 billion, a substantial increase from Rs 58.91 billion during the corresponding period last year.

During a board meeting held on October 21, 2024, Meezan Bank's directors declared an interim cash dividend of Rs 7 per share for the third quarter (3Q2024) and the nine-month period, in addition to the Rs 14 per share already distributed. The latest dividend brings the total payout to Rs 21 per share for the first nine months of the current fiscal year.

Slightly Lower Than Expectations But Robust Growth

Topline Securities Limited provided a detailed commentary on Meezan Bank's performance, highlighting that the bank posted earnings of Rs 25.8 billion for 3Q2024, translating into an earnings per share (EPS) of Rs 14.4. This represents a modest 1% YoY increase, though it marks a 3% decline on a quarter-on-quarter (QoQ) basis. Nonetheless, the cumulative earnings for the nine-month period amounted to Rs 77.5 billion, with an EPS of Rs 43.3, showcasing a significant 34% YoY surge.

Despite this strong overall performance, the 3Q2024 results were marginally below industry expectations due to elevated provisioning and tax expenses. Meezan Bank recorded a provisioning expense of Rs 2.6 billion in 3Q2024, a stark contrast to the reversal of Rs 935 million in the previous quarter (2Q2024). This increase is primarily attributed to the implementation of IFRS-9, which impacted the bank's provisioning dynamics.

Tax and Asset Quality Concerns

The bank's effective tax rate stood at 55% for the third quarter and 53% for the nine-month period, reflecting additional taxes imposed due to its lower Advance-to-Deposit Ratio (ADR). As of September 2024, Meezan Bank's gross ADR had declined to 40%, down from 48% in June 2024, contributing to its higher tax burden.

Net Spread and Income Growth

On the positive side, Meezan Bank's net spread earned saw remarkable growth, climbing 20% YoY and 9% QoQ to Rs 77 billion in 3Q2024. This expansion was driven by higher asset yields, favorable asset repricing, and robust growth in zero-cost current account deposits. Other income streams also performed well, with a 5% YoY and 23% QoQ increase, largely fueled by higher fee and commission income.

Cost Efficiency Amid Branch Expansion

Although Meezan Bank's other expenses rose by 19% YoY and 5% QoQ, reaching Rs 23.2 billion, driven by its expanding branch network and inflationary pressures, its cost-to-income

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ratio improved slightly. The ratio stood at 28% in 3Q2024, compared to 29% in 2Q2024, demonstrating the bank's operational efficiency despite rising costs.

Meezan Bank's financial performance continues to underscore its resilient business model, strong asset management, and steady growth, even in the face of heightened regulatory provisions and macroeconomic challenges.

RUPEE SLIPS 8 PAISAS AGAINST DOLLAR AMID RISING FOREIGN PAYMENTS

October 21, 2024

Karachi, October 21, 2024 – The Pakistani rupee weakened by 8 paisas against the US dollar on Monday, closing at PKR 277.69 compared to Friday's closing of PKR 277.61 in the interbank foreign exchange market. The depreciation comes as the demand for dollars surged due to foreign payments, particularly for imports and corporate obligations, putting pressure on the local currency.

Currency analysts observed that the beginning of the week typically sees higher dollar demand as businesses settle international payments. This increased demand contributed to the slight drop in the rupee's value. Despite this depreciation, financial experts remain optimistic about the rupee's outlook in the short term, pointing to positive economic developments.

The optimism stems largely from an improvement in Pakistan's foreign exchange reserves, which have seen a modest increase. According to the latest report by the State Bank of Pakistan (SBP), the nation's net foreign reserves grew by \$64 million in the week ending October 10, 2024. Pakistan's total foreign exchange reserves now stand at \$16.111 billion, up from \$16.047 billion the previous week.

The bulk of this improvement comes from the SBP's holdings, which increased by \$215 million, rising from \$10.808 billion to \$11.023 billion. This growth in reserves is viewed as a positive sign for Pakistan's economy, providing a stronger financial buffer against external economic challenges and reducing the country's reliance on foreign borrowing.

Financial experts have welcomed the increase in reserves, noting that it offers much-needed relief to the rupee, which has faced significant pressure in recent months due to economic instability. "The rise in reserves is a crucial step toward stabilizing the rupee," said a senior financial expert. "With a stronger reserve position, Pakistan is in a better place to manage external economic shocks, which will enhance market confidence in the rupee's performance."

In addition to rising reserves, Pakistan's improving trade balance and current account deficit are also contributing factors to the rupee's stability. Both deficits have narrowed in recent months, reducing the pressure on foreign exchange reserves by minimizing the need for foreign currency to cover international payments.

Other positive indicators, such as steady inflows from workers' remittances and a rise in export growth, have further supported the rupee. These combined factors, along with the growing forex

reserves and narrowing deficits, provide a promising outlook for the rupee's stability in the near future, despite the short-term fluctuations.

Business & Finance » Industry

ASIA RISING: DUBAI'S TRANSFORMATION TO BECOMING TECH HUB DRAWS PARALLEL WITH SILICON VALLEY AND BENGALURU

Faiza Virani Published October 22, 2024 Updated about an hour ago

DUBAI: Drawing parallels with India's Bengaluru and Silicon Valley in the US, speakers highlighted Dubai's rapid transformation that is driving its position as a tech hub in the region as well as the globe.

At an engaging session titled 'Asia for Global' at the SuperBridge Summit during GITEX GLOBAL 2024 that concluded last week, business leaders also discussed at length the amalgamation of East Asia with the Gulf region, remarks that highlighted the ongoing evolving landscape of the global economy especially in the tech sector.

"Over the last 30 years, there was a lack of interest in working with each other, now the entire geopolitical and economic landscape is changing," said Dr Karim Alwadi, co-founder of China's Beltway Group, as he referred to China and the Gulf region's growing trading relations.

GITEX GLOBAL: Dubai looks to join league of 'smart cities'

"East Asia – particularly Japan and China – have a lot of valuable information to share with the Gulf. This is because they are culturally similar, political systems also share traits in that they have strong governments, where a centralised system supports entrepreneurial growth and that helps industries flourish."

CEO and co-founder of Gulf Capital, an alternative investment company, Dr Karim El Solh said he started his career by looking at the west for new technology. However, he now finds himself looking towards Asia for the latest fintech expertise.

He also spoke about the benefits of sourcing the latest technology for manufacturing and businesses within Asia such as China, which was far more advanced than its American counterparts, and cheaper as well.

At the session, Timothy Chen, General Partner at private equity firm ACHI Capital, also cited how Dubai is undergoing a similar transformation that the United States experienced with Silicon Valley, and India with its tech hub in Bengaluru.

"Silicon Valley was driven by the military, who encouraged the first few tech firms to move there to undertake military contracts," he told BUSINESS RECORDER at the sidelines of the session.

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“None of this was organic. It was forced and needed leadership to drive it.”

Indeed, extensive and consistent post-war era government funds, and especially military contracting, overhauled the American technology industry, transforming the region surrounding Mountain View, California into the bustling tech metropolis it is today.

However, Dubai, it seems, is realising this faster.

“None of this was coincidental,” said Chen. “Instead, it was a very contrived and calibrated push for advancement propelled by the government with investments in human capital and infrastructure and above all, a vision for Dubai.”

Speaking about the diverse make-up of people and professionals in Dubai, Chen said he must have come across 12 different nationalities in just a day. “That kind of diversity has to be driven and engineered. UAE has all the elements to make this happen.”

He highlighted how from its humble roots as a fishing village, it has since diversified into gold and oil and now well on its way to becoming a tech hub.

“When I see this, I see the UAE making all these moves, like on a chessboard, I think to myself I cannot imagine where it will be in 10 years.”

The speakers’ remarks resonated at GITEX, especially keeping with the AI- and tech-driven themes of the event.

The next day at GITEX, Dubai Minister of State for Artificial Intelligence Omar bin Sultan Al Olama credited Dubai’s ability to attract the best talent from the world over and the emirate’s vision and leadership as the reason for this success.

Citing how Dubai ruler Sheikh Mohammed bin Rashid Al Maktoum’s vision for Dubai was for it to become a tourism, finance and technology hub, he added how the “software of the city” is Dubai’s talent and diversity.

Meanwhile, during the session, Chen referenced the semiconductor industry and said that with Chinese companies like Huawei and Xiaomi now producing over 50% of the world’s smartphones, the Chinese ecosystem is growing.

However, looking at Dubai’s very calibrated growth, he sees another shift happening, where trade and business are linking to the Gulf region.

“It is also our responsibility (those in the semiconductor industry) to build the bridge from China to the UAE.”

Speaking on the sidelines, a CEO of another company also said he sees more and more companies moving their headquarters to Dubai.

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Ayman Itani, CEO of consultancy Think Media Labs that works extensively with the government, said the momentum is with the emirate.

“The government continues to innovate because they have been building additional infrastructure for more than 30 years, from a technology perspective,” he told BUSINESS RECORDER.

“With the momentum the emirate is building across multiple industries, it will continue to grow its population, attract a further influx of global talent, while providing a friendly business environment for global companies that want to move their offices here.

“Individuals also want to work in a growing economy, with access to safety and security, healthcare, access to education and long-term growth, and that is what the emirates is providing.”

The Dubai AI minister, in his talk, was also bullish on an inclusive future in the emirate.

“The future is going to be created by driven, passionate people, of all nationalities working alongside the government to realise this vision,” he said. “You will be able to do business here 4,000 years in the future, while being treated equally. That is my vision,” he concluded on a strong note.

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KCCI URGES GOVT TO APPLY FACE RECOGNITION FOR SENIOR CITIZENS

October 21, 2024

Karachi, October 21, 2024 – In response to the persistent struggles faced by millions of senior citizens across Pakistan, the Karachi Chamber of Commerce & Industry (KCCI) has called upon the government to urgently replace the existing biometric verification system with a more advanced face recognition technology.

President of KCCI, Muhammad Jawed Bilwani, emphasized the pressing need for this change, citing the daily hardships encountered by those over 60 years of age who frequently face biometric verification failures at various institutions.

In a letter addressed to Prime Minister Shehbaz Sharif, KCCI President Bilwani highlighted the plight of pensioners and other senior citizens who are disproportionately affected by the current biometric system. “A significant portion of the elderly population is subjected to unnecessary inconvenience because their fingerprints often fail to register on biometric devices,” KCCI President stated. He pointed out that, while younger individuals are increasingly benefitting from NADRA’s online services, senior citizens are being unfairly disadvantaged. “It is widely recognized that the fingerprints of the elderly do not easily appear on biometric machines, yet they are repeatedly asked to undergo this cumbersome process,” he added.

KCCI President Bilwani stressed that an immediate shift to face recognition technology would greatly alleviate these challenges and provide a dignified solution for the elderly. The KCCI

president suggested that the face recognition system could initially be rolled out for senior citizens and later expanded to the broader population in a phased manner. This system, he proposed, could eventually be integrated with the national databases used by law enforcement agencies, enhancing public safety initiatives such as the Safe City projects.

“The government’s swift action in replacing biometric verification with face recognition technology will be in the national interest,” Bilwani asserted, noting that such a move would bring much-needed relief to millions of senior citizens across the country. He urged Prime Minister Sharif to take immediate action and address this growing issue, which continues to cause undue hardship to a vulnerable segment of the population.

By introducing face recognition technology, not only would senior citizens be spared the repeated visits to NADRA and other institutions, but the system would also contribute to more efficient public services, streamlining identification processes nationwide. Bilwani expressed optimism that the government would act decisively to implement this much-needed change, providing an equitable solution to the long-standing issue of biometric verification failures among the elderly.

Business & Finance » Companies

SPL ACHIEVES 5.75PC PROFIT GROWTH IN Q1 FY2024-25

Press Release Published about an hour ago

KARACHI: Security Papers Limited (SPL) has announced its unaudited financial results for the first quarter, ended September 30, 2024. The company recorded a 5.75 percent growth in after-tax profit compared to the same period last year, alongside an increase in earnings per share (EPS) which stood at Rs 6.52 during this quarter.

In Q1 FY2024-25, SPL achieved net sales of Rs. 2,059 million, showcasing a significant increase from Rs 1,728 million.

The cost of sales for Q1 FY2024-25 reached Rs 1,483million, up from Rs 1,244 million in the same period last year. Moreover, the company's profit after tax stood at Rs 386 million, reflecting a 5.75 percent increase as compared to Rs 365 million same period last year.

Security Papers Limited (SPL) Chairman Muhammad Aftab Manzoor commenting on the results said “while the 5.75 percent increase is a positive step, we recognize the need for continued efforts. Our strategic initiatives have strengthened our market position, and we will remain focused on enhancing our product offerings and expanding our reach to deliver value to our shareholders and customers alike.”

SPL remains dedicated to maintaining its growth trajectory while adapting to market demands and ensuring operational efficiency.

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MOU SIGNED: CCP, PBS TO STRENGTHEN COOPERATION, IMPROVE DATA UTILIZATION

Recorder Report Published about an hour ago

ISLAMABAD: The Competition Commission of Pakistan (CCP) and the Pakistan Bureau of Statistics (PBS) have signed a Memorandum of Understanding (MoU) to strengthen cooperation and improve data utilisation.

The MoU was formalised at the inaugural National Data Fest-2024, held at the Pak China Friendship Centre.

Dr Ahsan Iqbal, Minister for Planning, Development & Special Initiatives, graced the event as the Chief Guest, accompanied by esteemed officials including Lt-Gen Munir Afsar, Chairman NADRA, Awais Manzoor Sumra, Secretary Planning, and Dr Naeemuz Zafar, Chief Statistician. Key representatives from various Federal and Provincial Ministries were also in attendance.

Addressing the event, Dr Ahsan Iqbal stated, “2024 is an important year for Pakistan, where we are defining our future direction.” He highlighted the importance of providing reliable, quality data for informed decision-making and technological advancement.

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LUCKY CEMENT WINS TOP BCR AWARD

Recorder Report Published about an hour ago

KARACHI: Lucky Cement Limited secured 1st position at the prestigious Best Corporate Report (BCR) Awards 2024, organised by the Institute of Cost and Management Accountants of Pakistan (ICMA) and the Institute of Chartered Accountants of Pakistan (ICAP).

This award recognizes Lucky Cement’s commitment to transparency, excellence in corporate reporting, and adherence to international best practices in financial reporting.

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TELENOR PAK SIGNS MOU WITH CROP2X

Recorder Report Published 36 minutes ago

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ISLAMABAD: Telenor Pakistan has signed a memorandum of understanding (MoU) with Crop2X, a leading agri-tech company, to empower farmers and agricultural companies with advanced, data-driven crop monitoring solutions.

This strategic partnership aims to double crop growth by leveraging smart farming practices, ensuring more precise agriculture through real-time monitoring and consultation.

The initiative will harness the expertise of data scientists, software developers, hardware engineers, and agronomists to enable farmers to optimize soil quality, manage fertiliser and water usage efficiently, and predict and control pest outbreaks. With these innovations, the collaboration seeks to address critical agricultural challenges and drive sustainable growth in Pakistan's agricultural sector.

Areej Khan, Chief People Officer at Telenor Pakistan, and Ayesha Alam Khurram, Chief Executive Officer, Crop2X signed the MoU at Telenor Pakistan Campus 345 in Islamabad.

The signing ceremony was attended by several key figures, including Ahsan Maykan, Senior Vice President of Consumer Marketing and Digital at Telenor Pakistan, Ammar Majeed, Head of Digital at Telenor Pakistan, Cynia Ejaz, Head of Corporate Innovation at Telenor Pakistan, Bilal Qureshi, Director, GSMA Innovation Fund, Zohaib Jawed, Innovation Fund Manager (APAC) GSMA, Humaira Rana, Project Manager, Crop2X and Abdul Sami Panhwar, Field Operations Manager at Crop2X.

Through this partnership, Crop2X's solutions will be accessible via Telenor Pakistan's 'My Telenor App' (MTA) and mAgri Platform, reaching more than 20 million customers.

Areej Khan said, "At Telenor Pakistan, we believe in the power of digital innovation to transform lives and industries. This partnership with Crop2X will empower the agricultural sector by providing farmers with the tools and insights they need to thrive in a modern, sustainable way. Our goal is to bridge the gap between technology and rural communities, ensuring that customers can access solutions that make a real difference."

"We are excited to collaborate with Telenor Pakistan in our mission to make farming smarter and more efficient. With Telenor's extensive digital platforms and outreach, we can bring our data-driven solutions to a wider farming community, improving productivity and sustainability. This partnership represents a major step towards achieving our vision of a tech-enabled agricultural future," said Ayesha Alam Khurram, Crop2X Chief Executive Officer.

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RETAILER CARREFOUR REVIEWING WORK PRACTICES AT SAUDI PARTNER AFTER
AMNESTY RAISES CONCERNS

Reuters Published October 21, 2024

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PARIS: French supermarket retailer Carrefour said on Monday it is reviewing how staff are treated at Majid Al Futtaim (MAF), its Saudi Arabia franchise partner, after Amnesty International raised concerns over employees' working conditions.

A report by Amnesty International, published on Monday, said some staff working at the Carrefour/Majid Al Futtaim stores in Saudi Arabia were underpaid and overworked, and were especially vulnerable due to their migrant status.

Amnesty said its findings were based on interviews and information provided by 17 men from Nepal, India and Pakistan.

They worked in Carrefour sites in Riyadh, Dammam and Jeddah between 2021 to 2024, and nearly all are or were employed by labour supply companies and contracted out to Majid Al Futtaim.

"Following Amnesty's alert, we immediately asked our partner MAF to conduct internal investigations among its employees and subcontractors in Saudi Arabia," Carrefour said in a statement.

"In order to prevent potential human rights non-compliance situations within our franchise partner's direct and indirect operations, we decided to extend our investigations to a wider scope of activities, covering all human rights requirements. To this end, an independent expert has been appointed," it added.

Workers told Amnesty International that they were forced to work 60-hour weeks and were at times unpaid for overtime and forced to go without rest days, in violation of Saudi labour law which limits maximum working hours to 48 per week.

The Saudi government media communications office did not immediately reply to a request for comment on Amnesty's allegations and Carrefour's response.

Reuters has previously reported on migrant workers at other companies in Saudi Arabia going for months with unpaid wages while living in unsanitary conditions in desert camps.

Hundreds of Indian workers sued a Saudi construction firm in 2020 over unpaid earnings after they were laid off due to the coronavirus pandemic.

AUSTRALIA'S QANTAS TOLD TO PAY \$114,000 TO 3 SACKED WORKERS IN LANDMARK OUTSOURCING CASE

Reuters Published October 21, 2024

SYDNEY: A court on Monday ordered Australia's Qantas Airways to pay a combined A\$170,000 (\$114,000) to three baggage handlers it unlawfully sacked in 2020, implying a big damages bill for a lawsuit involving about 1,700 former workers whose jobs were outsourced.

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Federal Court Judge Michael Lee said Qantas must pay each of the fired workers A\$30,000, A\$40,000 and A\$100,000 respectively for non-economic loss to reflect the “harm sustained” when the airline laid off them and their colleagues to prevent industrial action.

The carrier must use those payouts as “test cases” as it negotiates with a union on a total damages bill for all of the former ground workers.

Qantas had claimed the sackings were warranted as a cost-cutting measure during the COVID-19 pandemic and fought the industrial lawsuit all the way to the High Court.

Lee said he found if Qantas had not illegally outsourced its ground handling operations in 2020, it would have done so lawfully in 2021 to help save about A\$100 million a year.

Though the ruling did not give a final payout figure, it sets the tone for the last major legal battle for the airline as it tries to recover from a reputational horror stretch in relation to its actions during and immediately after pandemic restrictions from 2020 to 2022.

The airline said it May it would pay A\$120 million to settle a regulator lawsuit accusing it of selling tickets on already cancelled flights in the months after Australia’s international border reopened.

Australia’s Qantas says rolling engineer strikes not expected to disrupt flights

It was also accused of pressuring the federal government to stop rival Qatar Airways from offering more flights to Australia.

“Qantas says it’s turned over a new leaf,” said Michael Kaine, national secretary of the Transport Workers Union that brought the industrial dismissal case.

“It’s time to prove it. After relentlessly prolonging this case and denying workers justice, Qantas must do everything in its power to ensure appropriate compensation.”

Qantas CEO Vanessa Hudson, who started in the role in November 2023, said in a statement the company apologised to the workers impacted by its decision “and we know that the onus is on Qantas to learn from this”.

Lee, the judge, told Qantas and the TWU to discuss compensation for all the sacked workers and return to court on Nov. 15.

Technology

ANOG CONFERENCE COMMENCES TODAY

Press Release Published 45 minutes ago

ISLAMABAD: The 42nd South Asian Network Operators Group (SANOG) conference commenced today, gathering experts from the Asia-Pacific region to discuss data networks, cyber-security, and regional collaboration, said a press release.

The conference also serves as a platform for IT professionals, network operators, and telecom industry leaders to collaborate on solutions to emerging digital challenges.

While addressing the conference, the Minister of State for IT and Telecom, Shaza Fatima Khawaja, emphasised importance of digital connectivity and government initiatives such as new submarine cables, the distribution of 1.1 million laptops, and establishment of National and Provincial CERTs.

Chairman PTA, Major General Hafeezur Rehman (retired), lauded Pakistan's digital growth, including the rise in IPv6 traffic, DNSSEC revalidation improvements, and upcoming 5G spectrum auctions.

SANOG Chair Rupesh Shrestha highlighted to foster collaboration among South Asian network operators and enhance capacity-building initiatives.

APNIC Director General Jia Rong also stressed the importance of regional cooperation in the digital landscape.

The event will feature technical sessions and workshops on cyber-security, routing security, and network automation over next four days.

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AI SOFTWARE FIRM ZIP VALUED AT \$2.2 BLN IN LATEST FUNDING ROUND

Reuters Published October 21, 2024

AI business software company Zip said on Monday it was valued at \$2.2 billion in a funding round led by technology investment firm BOND, marking an increase from its \$1.5 billion valuation in 2023.

Zip will use the \$190 million raised in the Series D round for research and development, expanding its suite of artificial intelligence solutions, and supporting global expansion with a focus on Europe, the Middle East and Africa.

The funding underscores investors' growing interest in companies looking to broaden out their AI capabilities. Investors have continued to pour money into such startups even as venture capital dealmaking remains slow.

OpenAI closes \$6.6 billion funding haul with investment from Microsoft and Nvidia

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Growing expectations of a soft landing and the Federal Reserve's policy easing could also encourage more funding rounds, analysts have said.

This funding round saw participation from new investors DST Global, Adams Street, and Alkeon, along with existing backers Y Combinator and CRV.

Zip was co-founded in 2020 by Rujul Zaparde and Lu Cheng and offers companies an AI-powered platform to streamline their procurement, which is the process of acquiring goods and services necessary for business operations, and mitigate risk.

"Companies are wasting billions of dollars and countless hours navigating byzantine approval processes, dealing with security risks, and manually entering data," co-founder and CEO Rujul Zaparde said in a statement.

Leading enterprises like Arm, Canva, Coinbase, Lyft and Reddit use Zip's platform, the company said.

"Zip has already proven that we can fix that, saving our customers billions of dollars and thousands of hours of time — and our new round of funding will allow us to continue to revolutionize business spending," Zaparde said.

MICROSOFT TO LET CLIENTS BUILD AI AGENTS FOR ROUTINE TASKS FROM NOVEMBER

Reuters Published October 21, 2024

Microsoft will allow its customers to build autonomous artificial intelligence agents from next month, in its latest push to tap the booming technology amid growing investor scrutiny of its hefty AI investments.

The company is positioning autonomous agents - programs that need little human intervention unlike chatbots - as "apps for an AI-driven world" that can handle client queries, identify sales leads and manage inventory.

Other big technology companies such as Salesforce have also touted the potential of such agents, tools that some analysts say could provide companies with an easier path to monetizing the billions of dollars they are pouring into AI.

Microsoft said its customers can use Copilot Studio – an application that requires little knowledge of computer code – to create such agents in public preview from November. It is using several AI models developed in-house and by OpenAI for the agents.

The company is also introducing 10 ready-for-use agents that can help with routine tasks ranging from managing supply chain to expense tracking and client communications.

OpenAI closes \$6.6 billion funding haul with investment from Microsoft and Nvidia

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In a demo, McKinsey & Co, which had early access to the tools, created an agent that can manage client inquiries by checking interaction history, identifying the consultant for the task and scheduling a follow-up meeting.

“The idea is that Copilot (the company’s chatbot) is the user interface for AI,” Charles Lamanna, corporate vice president of business and industry Copilot at Microsoft, told Reuters.

“Every employee will have a Copilot, their personalized AI agent, and then they will use that Copilot to interface and interact with the sea of AI agents that will be out there.”

Tech giants are facing pressure to show returns on their big AI investments. Microsoft’s shares fell 2.8% in the September quarter, underperforming the S&P 500, but remain more than 10% higher for the year.

Some concerns have risen in recent months about the pace of Copilot adoption, with research firm Gartner saying in August its survey of 152 IT organizations showed the vast majority had not progressed their Copilot initiatives past the pilot stage.

Economic distress

EXPERTS FOR CONVERTING CIRCULAR DEBT INTO CHEAP PUBLIC DEBT

Recorder Report Published about an hour ago

LAHORE: To address the issue of circular debt, power sector experts have suggested converting circular debt into cheaper public debt by swapping Power Holding Ltd (PHL) debt with longer-term Islamic instruments, issuing sovereign bonds to settle CPPA payables and utilizing competitive auction pricing through the Pakistan Stock Exchange.

It may be noted that Pakistan’s power sector is facing a critical issue of circular debt. This debt has ballooned to over 2.26 trillion rupees, causing a significant burden on electricity consumers.

According to power sector experts, the main contributors to this debt are PHL, with 683 billion rupees, followed by Central Power Purchasing Agency (CPPA) payables, amounting to 1.06 trillion rupees and non-interest-bearing amounts, totaling 520 billion rupees.

They said the impact of this debt is substantial, with consumers paying an additional 3.23 rupees per kilowatt-hour (kWh) in financing costs, which increases to 3.81 rupees per kWh after taxes.

By converting circular debt into cheaper public debt, they said, Pakistan can reduce financing costs by up to 90 billion rupees annually, decrease electricity prices by 3.81 rupees per kWh and stimulate economic growth through increased electricity consumption.

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It is worth noting that reforming the power sector's cost-plus pricing regime and eliminating distortions in financing costs are crucial to resolving the circular debt issue and promoting sustainable economic growth. Also, the private sector is advocating for getting rid of Independent Power Producers (IPPs) and the government has already terminated agreements with five IPPs likely to benefit consumers to the tune of Rs440 billion in next five years.

Meanwhile, the government has also summoned another 18 IPPs to discuss converting their power plants from 'take or pay' to 'take and pay' mode to reduce circular debt. The government is expected to save Rs3 to Rs3.50 per unit from negotiations, Rs3.75 per unit from re-profiling, Rs0.65 per unit from electricity duty waiver and Rs0.16 per unit from PTV fee.

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Fuel & Energy

OIL PRICES GAIN 2PC, RECOUPING SOME OF LAST WEEK'S LOSS

Reuters Published about an hour ago

HOUSTON: Oil prices rose nearly 2 percent on Monday, recouping some of last week's more than 7% decline, with no let-up of fighting in the Middle East and expected Israeli retaliation on Iran worrying markets about supply from the region.

Brent crude futures were up \$1.44, or 1.97%, at \$74.48 a barrel at 1:45 p.m. ET (17:45 GMT). US West Texas Intermediate crude futures were \$1.66, or nearly 2.3%, higher at \$70.82 a barrel.

Brent settled more than 7% lower last week, while WTI lost around 8%. Those were the contracts' biggest weekly declines since Sept. 2, due to slowing economic growth in China and falling risk premiums in the Middle East. Israeli forces besieged hospitals and shelters for displaced people in the northern Gaza Strip on Monday as they stepped up operations against Palestinian militants, medics said. Israel also carried out targeted strikes on sites belonging to Hezbollah's financial arm in Lebanon. US Secretary of State Antony Blinken will make another push for a ceasefire when he heads to the Middle East on Monday, the State Department said, seeking to kick-start negotiations to end the Gaza war and also defuse the spillover conflict in Lebanon.

US envoy Amos Hochstein will hold talks with Lebanese officials in Beirut on Monday on conditions for a ceasefire between Israel and Hezbollah, two sources told Reuters.

"Crude futures getting a lift this morning as escalated fighting continues in Middle East... Israel is also preparing for more retaliatory attacks likely into Iran," said Dennis Kissler, senior vice president of trading at BOK Financial.

"The sell-off in crude over the past two weeks was mostly on long liquidation as the crude market continues to search for an equilibrium between slowing demand and continued unrest in

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the Middle East,” he added. China on Monday cut benchmark lending rates as anticipated, part of a broader package of stimulus measures to revive the economy.

Data on Friday showed China’s economy grew at the slowest pace since early 2023 in the third quarter, fuelling growing concerns about oil demand.

China’s oil-demand growth is expected to remain weak in 2025 despite recent stimulus measures from Beijing as the world’s No. 2 economy electrifies its car fleet and grows at a slower pace, the head of the International Energy Agency said on Monday.

Saudi Aramco’s CEO told an energy conference in Singapore on Monday that he was still “fairly bullish” on China’s oil demand in light of stepped-up policy support aimed at boosting growth, and on rising demand for jet fuel and liquid-to-chemicals.

The US Energy Information Administration said last week that weekly oilfield production rose by 100,000 barrels per day to a record 13.5 million bpd during the week ended Oct. 11. US crude oil stockpiles likely rose by about 100,000 barrels last week, while distillate and gasoline inventories were seen down, a preliminary Reuters poll showed on Monday.

SAUDI ARAMCO CEO SAYS BULLISH ON CHINA AND OIL DEMAND

Reuters Published October 21, 2024

SINGAPORE: The head of Saudi Aramco said on Monday that they are fairly bullish on China and oil demand, especially in light of the government’s stimulus package.

Saudi Aramco Q2 profit dips 3% as output stays low

“We see more demand for jet fuel and naphtha especially for crude-to-chemical projects,” Aramco CEO Amin Nasser said on the sidelines of the Singapore International Energy Week conference.

OIL PRICES GAIN, RECOUPING SOME OF LAST WEEK’S 7% LOSS

- Brent crude futures up 58 cents, or 0.79%, at \$73.63 a barrel

Reuters Published October 21, 2024

HOUSTON: Oil prices rose on Monday, recouping some of last week’s more than 7% decline, with no let up of fighting in the Middle East and the expectation of retaliatory Israeli attacks on Iran worrying markets about supply from the region.

Brent crude futures were up 58 cents, or 0.79%, at \$73.63 a barrel at 11:02 a.m. ET (15:02 GMT). U.S. West Texas Intermediate crude futures were 67 cents, or nearly 1%, higher at \$69.89 a barrel.

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Oil prices fall, on track for 8% weekly decline on China demand woes

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Markets – Rates

BRINDEX100 AND BR SECTORAL INDICES

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KARACHI: BRIndex100 and BR Sectoral Indices on Monday (October 21, 2024).

===== BR...

Recorder Report Published about 2 hours ago

KARACHI: BRIndex100 and BR Sectoral Indices on Monday (October 21, 2024).

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BR INDICASE AT A GLANCE

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BRINDEX100

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Day Close:	86,057.52
High:	86,172.79
Low:	85,349.33
Net Change:	807.43
Volume (000):	240,442
Value (000):	12,911,959
Makt Cap (000)	2,671,651,000

BR AUTOMOBILE ASSEMBLER

Day Close:	17,903.27
NET CH	(+) 521.86

BR CEMENT

Day Close:	8,452.18
NET CH	(+) 189.24

BR COMMERCIAL BANKS

Day Close:	24,494.34
NET CH	(+) 126.16

BR POWER GENERATION AND DISTRIBUTION

Day Close:	14,743.45
NET CH	(+) 165.02

BR OIL AND GAS

Day Close:	8,362.22
NET CH	(+) 54.13

BR TECH & COMM

Day Close:	3,993.61
NET CH	(+) 40.14

As on: 21-October-2024

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

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For further information please visit www.khistocks.com

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PSX POSTS SMART RALLY

Recorder Report Published about 2 hours ago

KARACHI: Pakistan Stock Exchange on Monday witnessed a bullish trend and closed on strong positive note with healthy gains due to reviving strong interest of investors following a reduction in political uncertainty after approval of 26th Constitutional Amendment Bill by the parliament.

The benchmark KSE-100 Index surged by 807.42 points or 0.95 percent and crossed 86,000 psychological level to close at 86,057.52 points. During the session, the index hit 86,172.79 points intra-day high, however closed at lower level due to profit taking in some stocks.

Trading activity also improved as total daily volumes on ready counter increased to 474.949 million shares as compared to 323.919 million shares traded on last Friday while total daily traded value on the ready counter increased to Rs 19.659 billion against previous session's Rs 15.679 billion.

BRIndex100 soared by 110.45 points or 1.21 percent to close at 9,207.47 points with total daily turnover of 400.325 million shares.

BRIndex30 increased by 367.64 points or 1.35 percent to close at 27,560.28 points with total daily trading volumes of 266.254 million shares.

Foreign investors however remained net sellers of shares worth \$734,907. Total market capitalization increased by Rs 113 billion to Rs 11.290 trillion. Out of total 445 active scrips, 269 closed in positive and 124 in negative while the value of 52 stocks remained unchanged.

Kohinoor Spinning was the volume leader with 59.101 million shares and gained Rs 0.94 to close at Rs 8.18 followed by Pak. Int. Bulk Terminal that inched up by Rs 0.41 to close at Rs 7.05 with 27.872 million shares. Flying Cement increased by Rs 1.79 to close at Rs 19.80 with 18.493 million shares.

Unilever Pakistan Foods and Hoechst Pakistan were the top gainers increasing by Rs 212.49 and Rs 127.77 respectively to close at Rs 17,740.64 and Rs 2,346.90 while Hallmark Company and Pakistan Tobacco Company were the top losers declining by Rs 46.43 and Rs 37.02 respectively to close at Rs 800.18 and Rs 1,159.80.

An analyst at Topline Securities said that the session exhibited positive momentum following a reduction in political uncertainty, highlighted by the Senate's approval of the 26th Constitutional Amendment Bill 2024, which passed with a two-thirds majority on Sunday evening. Subsequently, the National Assembly also ratified this contentious legislation.

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Key contributors to the index included MTL, UBL, ATRL, HUBC, and PIOC, which collectively added 274 points.

BR Automobile Assembler Index surged by 521.86 points or 3.0 percent to close at 17,903.27 points with total turnover of 6.716 million shares.

BR Cement Index increased by 189.24 points or 2.29 percent to close at 8,452.18 points with 45.535 million shares.

BR Commercial Banks Index gained 126.16 points or 0.52 percent to close at 24,494.34 points with 26.789 million shares.

BR Power Generation and Distribution Index soared by 165.02 points or 1.13 percent to close at 14,743.45 points with 35.877 million shares.

BR Oil and Gas Index inched up by 54.13 points or 0.65 percent to close at 8,362.22 points with 14.069 million shares.

BR Tech. & Comm. Index added 40.14 points or 1.02 percent to close at 3,993.61 points with 66.119 million shares.

Ahsan Mehanti at Arif Habib Corporation said stocks showed sharp recovery in the early session led by scrips across the board after NA passed constitutional amendments ending political uncertainty.

He said speculations in the earnings season and easing lending rates played a catalyst role in bullish activity at PSX.

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LME OFFICIAL PRICES

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

Recorder Report Published about 2 hours ago

LONDON: The following were Friday official prices.

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ALUMINIUM		
=====		
CONTRACT	BID	OFFER

Cash	2551 . 00	2553 . 00
3-month	2587 . 00	2588 . 00
=====		
COPPER		

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CONTRACT	BID	OFFER

Cash	9472.00	9472.50
3-month	9603.00	9604.00
=====		
ZINC		
=====		
CONTRACT	BID	OFFER

Cash	3081.00	3082.00
3-month	3083.00	3085.00
=====		
NICKEL		
=====		
CONTRACT	BID	OFFER

Cash	16775.00	16780.00
3-month	17000.00	17025.00
=====		
LEAD		
=====		
CONTRACT	BID	OFFER

Cash	2033.50	2034.50
3-month	2081.00	2082.00
=====		

Source: London Metals Exchange.

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OPEN MARKET FOREX RATES

Updated at: 22/10/2024 6:53 AM (PST)

Currency	Buying	Selling
Australian Dollar	185.35	187.60
Bahrain Dinar	730.70	738.70
Canadian Dollar	201.75	204.15
China Yuan	38.88	39.28
Danish Krone	40.29	40.69
Euro	300.85	303.60
Hong Kong Dollar	35.37	35.72
Indian Rupee	3.34	3.45
Japanese Yen	1.92	1.98
Kuwaiti Dinar	896.87	906.37
Malaysian Ringgit	64.13	64.73
NewZealand \$	170.21	178.21
Norwegians Krone	25.55	25.85
Omani Riyal	715.3	723.8
Qatari Riyal	76.29	76.99
Saudi Riyal	73.55	74.10
Singapore Dollar	210.9	212.9
Swedish Korona	26.51	26.81
Swiss Franc	318.90	321.70
Thai Bhat	8.18	8.33
U.A.E Dirham	75.3	75.95
UK Pound Sterling	360.50	364
US Dollar	277.85	279.35

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INTER BANK RATES

Updated at: 22/10/2024 7:53 AM (PST)

Currency	Bank Buying TT Clean	Bank Selling TT & OD
Australian Dollar	186.59	186.93
Canadian Dollar	201.23	201.59
China Yuan	39.44	39.51
Danish Krone	40.48	40.55
Euro	301.87	302.42
Hong Kong Dollar	35.89	35.95
Japanese Yen	1.8618	1.8652
Saudi Riyal	73.97	74.10
Singapore Dollar	212.09	212.47
Swedish Korona	26.54	26.58
Swiss Franc	321.31	321.89
Thai Bhat	8.38	8.40
UK Pound Sterling	362.56	363.21
US Dollar	277.50	278.00

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GOLD RATE

Gold Price Today

As on Tue, Oct 22 2024, 02:58 GMT

Metal	Symbol	PKR for 10 Gm	PKR for 1 Tola	PKR for 1 Ounce	
Gold	XAU	242,835	282,942	755,314	
Palladium	XPD	85,662	99,810	266,443	
Platinum	XPT	90,682	105,660	282,059	
Silver	XAG	3,008	3,505	9,357	

Gold Price in Pakistan

As on Tue, Oct 22 2024, 02:58 GMT

Gold Rate	24K Gold	22K Gold	21K Gold	18K Gold
per Tola Gold	Rs. 282900	Rs. 259323	Rs. 247538	Rs. 212175
per 10 Gram	Rs. 242600	Rs. 222382	Rs. 212275	Rs. 181950
per Gram Gold	Rs. 24260	Rs. 22238	Rs. 21228	Rs. 18195
per Ounce	Rs. 687800	Rs. 630479	Rs. 601825	Rs. 515850

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Gold Rates in other Major Currencies

Currency	Symbol	10 Gm	1 Tola	1 Ounce	
 China Yuan	CNY	6,213	7,239	19,326	
 Euro	EUR	805	938	2,505	
 Japanese Yen	JPY	130,835	152,444	406,948	
 Saudi Riyal	SAR	3,281	3,823	10,205	
 U.A.E Dirham	AED	3,213	3,744	9,994	
 UK Pound Sterling	GBP	671	781	2,086	
 US Dollar	USD	875	1,019	2,721	