



2024

SHAHID LEGAL GROUP

SLD NEWS UPDATES

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Business & Finance » Taxes

PISMA SEEKS IMMEDIATE WITHDRAWAL OF NEW 2.5PC WHT

Recorder Report Published about 4 hours ago

KARACHI: The Pakistan Iron & Steel Merchants Association (PISMA) has issued an urgent appeal to the Federal Board of Revenue (FBR), calling for the immediate withdrawal of a recently implemented 2.5 percent withholding tax. This demand comes in the wake of a reported 80 percent plunge in sales volume within the iron and steel sector.

In a letter to the FBR chairman, the PISMA outlined the devastating impact of the tax measure, which was introduced in the budget 2024-25. According to the association, the new withholding tax, levied under Section 236 and targeting non-filers, has decimated their business, reducing it to a mere 20 percent.

The PISMA said that approximately 90 percent of their clientele are non-filer and the financial ramifications of this tax are significant, adding between 7,000 to 7,500 Pakistani rupees per metric ton to the cost. Therefore, the collection of this additional tax is impossible, as buyers are unwilling to shoulder the extra expense. Moreover, there are also concerns that this measure could inadvertently encourage corruption.

The PISMA also highlighted the challenging position of distributors, who typically receive a 1.5 percent commission on sales. After factoring in a 12 percent income tax deduction, their net commission amounts to just 1.32 percent, or between 3,000 to 3,500 rupees per metric ton. This slim margin leaves distributors unable to absorb the new tax burden, the letter said.

Given the steel sector's substantial contribution to national tax revenues, the PISMA is strongly urging the FBR to rescind the 2.5 percent withholding tax under section 236H for distributors.

Meanwhile, industry experts warn of potential widespread closures if the tax remains in effect, as many distributors may find it financially untenable to continue operations under these conditions.

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Prime Minister of Pakistan for their implementation.

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Markets » Cotton & Textile

COTTON SPOT RATES

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Recorder Report Published about 4 hours ago

KARACHI: official KCA spot rates for local dealings in Pakistan rupees on Thursday, (August 22, 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"
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 21-08-2024	Difference Ex-karachi
37.324 KG Equivalent	17,800	235	18,035	18,035	NIL
40 KGS	19,076	252	19,328	19,328	NIL

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SLOW BUSINESS ON COTTON MARKET

Recorder Report Published about 4 hours ago

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

Cotton Analyst Naseem Usman told BUSINESS RECORDER that the rate of cotton in Sindh is in between Rs 17,700 to Rs 17,800 per maund. The rate of Phutti in Sindh is in between Rs 6,500 to Rs 7,400 per 40 kg.

The rate of cotton in Punjab is in between Rs 18,000 to Rs 18,500 per maund. The rate of Phutti in Punjab is in between Rs 6,800 to Rs 8,200 per 40 kg.

The rate of cotton in Balochistan is in between Rs 17,500 to Rs 17,700 per maund. The rate of Phutti in Balochistan is in between Rs 6,600 to Rs 7,600 per 40 kg.

Around, 800 bales of Tando Adam were sold in between Rs 17,800 to Rs 17,950 per maund, 400 bales of Shahdad Pur were sold at Rs 17,800 per maund, 400 bales of Burewala, 200 bales of Vehari were sold at Rs 18,400 per maund and 200 bales of Chichawatni were sold at Rs 18,500 per maund.

The Spot Rate remained unchanged at Rs 17,800 per maund. The price of Polyester Fiber was decreased by Rs 2 per Kg and was available at Rs 360 per kg.

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Stock & Commodity

SRI LANKAN SHARES FALL FOR FOURTH STRAIGHT SESSION

Reuters Published about 4 hours ago

COLOMBO: Sri Lankan shares dropped for a fourth straight session on Thursday, hurt by information technology stocks.

The CSE All-Share index fell nearly 0.2% to 11,458.05. IT stocks were top sectoral losers, falling 1.7%.

Abans Finance and Renuka Foods were the biggest percentage losers on the CSE All-Share index, falling 5.5% and 4.8%, respectively.

Trading volume rose to 42.6 million shares from 24.6 million in the previous session.

The equity market's turnover rose to 797.9 million Sri Lankan rupees (\$2.7 million), compared with 547.3 million rupees in the previous session, according to exchange data.

WALL STREET SLIPS AS YIELDS PERK UP

Reuters Published about 4 hours ago

NEW YORK: Wall Street's main indexes fell in volatile trading on Thursday, as rising Treasury yields pressured stocks ahead of Federal Reserve Chair Jerome Powell's speech at Jackson Hole that could offer clues on the possibility of a rate cut next month.

The yields across government bonds perked up, with the yield on the 10-year note last at 3.8502% after falling for the last four sessions.

Most megacap and growth stocks slipped. Tesla was leading the losses with a 3.2% drop. The Philadelphia Semiconductor index also shed 2.4%.

Eight of the 11 major S&P sectors were trading lower, with consumer discretionary and information technology the biggest decliners.

Market participants are now focused on the Economic Symposium in Jackson Hole that kicked off on Thursday. Fed chair Jerome Powell is slated to speak on the second day of the event.

"Powell faces the potential to disappoint if not sufficiently dovish (i.e., further reinforcing the case for a near-term cut) which recent Fed governor testimonies have facilitated with their own dovish notes, but also pushing back against expectations of emergency rate cuts," said Naomi Fink, chief global strategist at Nikko Asset Management.

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Fed policymakers said on Thursday with inflation well below its highs, they were paying close attention to the US labor market to gauge when to begin reducing interest rates, with one saying they should move “soon.”

The benchmark S&P 500 notched its ninth session of gains out of 10 on Wednesday, after data showed US employers added far fewer jobs for the year ended March 2024 than originally estimated.

The labor market came under increased scrutiny following an unexpected rise in unemployment in July that sparked a selloff earlier this month. Risk sentiment has since improved following other reports hinting at a still resilient economy.

Money markets currently see a nearly 76% chance of an at least 25-basis-point (bps) cut in September, as per the CME FedWatch Tool, and about 100 bps of easing by December, according to LSEG data.

Meanwhile, latest data showed the number of Americans filing new applications for unemployment benefits ticked up in the latest week. A separate reading showed a slowdown in overall US business activity this month.

At 11:42 a.m. ET, the Dow Jones Industrial Average fell 120.41 points, or 0.29%, to 40,770.08, the S&P 500 lost 23.38 points, or 0.42%, to 5,597.47 and the Nasdaq Composite lost 145.63 points, or 0.81%, to 17,773.35.

Among individual stocks, data cloud analytics firm Snowflake raised its forecast for full-year product revenue. Still, Snowflake’s shares were down 13.7%, with analysts attributing the drop to the company not pairing the climb in revenue projections with a rise in margin forecast. Zoom Video Communications added 12.2% after raising its annual revenue forecast, while Advanced Auto Parts slid 16.5% after trimming its annual profit forecast.

EUROPEAN STOCKS RISE ON RATE CUT HOPES

Reuters Published about 4 hours ago

PARIS: Europe’s main stock index climbed on Thursday, with healthcare and retail stocks leading the charge, while investors cheered growing prospects of interest rate cuts by major central banks and sifted through a wave of economic data globally.

The pan-European STOXX 600 index closed 0.4% higher, rising for the second day and closing at its highest level in this month.

The retail sector rose to the top, boosted by an 11% jump in JD Sports after the British sportswear retailer reported an improvement in second-quarter underlying sales growth.

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Swiss pharmaceutical company Siegfried Holding advanced 7% after better-than-expected first-half results, while Biomerieux rose nearly 6% after UBS initiated coverage of the French biotechnology stock with a “buy”.

The healthcare sector hit a record high, also thanks to a 2.4% rise in Europe’s most valuable company by market value, Novo Nordisk.

With market participants broadly pricing in a 25-basis-point rate cut by both the Fed and the ECB in September, the occurrence of these could provide a fresh boost to risk assets globally.

The European Central Bank’s July meeting minutes showed policymakers saw no urgency in cutting rates but hinted at a fresh discussion in September due to growth concerns.

Different data sets showed euro zone business activity had surprising strength in August, potentially weakening expectations for two more rate cuts from the ECB, while last quarter’s slowing negotiated wage growth bolstered the case for a September rate cut.

“While further ECB cuts are on the way - we see cuts in September and December this year - the broader path is likely to be gradual and subject to considerable uncertainty,” said Chris Hare, senior economist at HSBC.

Investors also awaited policymakers’ commentary at Jackson Hole this week, hoping that the world’s most influential central bank, the US Federal Reserve, will kick off its rate-cutting cycle next month.

Over in the US, weekly jobless claims ticked up but were steadying near levels consistent with gradual labour market cooling that should aid a September US rate cut.

CHINA STOCKS FALL AS EV STOCKS DRAGGED LOWER BY TRADE TENSIONS

Reuters Published about 4 hours ago

SHANGHAI: China stocks fell on Thursday, flirting with five-month lows, as trade tensions hit electric vehicle stocks, nullifying the gains in banking shares.

However, Hong Kong shares rose as regional markets were buoyed by strengthened bets that the US Federal Reserve will cut interest rates next month.

The market was also powered by the tech sector as better-than-expected results propelled Xiaomi to three-month highs, lifting sentiment.

Both the Shanghai Composite index and China’s blue-chip CSI 300 index closed down 0.3%.

Hong Kong’s main Hang Seng index ended Thursday 1.4% firmer.

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Most Chinese EV makers fell as Brussels published its revised tariff plan for China-made EVs, potentially making the provisional penalties definitive. An index tracking EVs fell 1.2%.

Meanwhile, stocks linked to China's widely popular video game "Black Myth: Wukong" slumped after surging over the past week. Huayi Brothers tumbled 13%. In Hong Kong, shares of Xiaomi jumped 9% to the highest level in three months. The company on Wednesday reported higher-than-expected revenue for the second quarter, bolstered by its fledgling auto business.

The blue-chip CSI300 index was down 0.26%, with its financial sector sub-index higher by 0.03%, the consumer staples sector down 0.87%, the real estate index up 0.19% and the healthcare sub-index down 0.55%.

The smaller Shenzhen index ended down 1.07% and the start-up board ChiNext Composite index was weaker by 0.762%.

Around the region, MSCI's Asia ex-Japan stock index was firmer by 0.34%, while Japan's Nikkei index closed up 0.68%.

GULF MARKETS GAIN ON HOPES OF EARLY US FED RATE CUT

Reuters Published about 4 hours ago

DUBAI: Most stock markets in the Gulf ended higher on Thursday, after US Federal Reserve minutes signalled interest-rate cuts were set to begin in a few weeks' time. The Fed appears to be very much on track for an interest-rate cut in September after a "vast majority" of officials said such an action was likely, according to the minutes of the US central bank's July 30-31 meeting. US PMI and initial jobless claims figures are due later in the day.

Interest rate futures markets have fully priced in a 25-basis-point cut from the Fed next month, with a 1/3 chance of a 50-bp cut. They project 222 bps of US easing by the end of 2025, against 163 bps for Europe.

Monetary policy in the six-member Gulf Cooperation Council (GCC) is usually guided by the Fed's decisions, as most regional currencies are pegged to the US dollar.

NIKKEI ENDS AT 3-WEEK HIGH

Reuters Published about 4 hours ago

TOKYO: Japan's Nikkei share average closed at a three-week high on Thursday, recovering from the index's sharpest drop in 37 years hit earlier this month, but caution ahead of remarks from central bank heads in Japan and the US capped gains.

The Nikkei rose 0.68% to 38,211.01, its highest close since Aug. 1.

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“The market was cautious ahead of the remarks by the Bank of Japan Governor (Kazuo) Ueda as well as Federal Reserve Chair (Jerome) Powell later this week,” said Shuutarou Yasuda, a market analyst at Tokai Tokyo Intelligence Laboratory.

“Also, with the Nikkei recovering to this level, some players wanted to sell stocks at a rally.” The Nikkei plunged 12.4% on Aug. 5 in its biggest decline since the 1987 Black Monday crash but bounced back 10% the following day.

The index is still below its July peak above 42,000 but has risen 23% from its Aug. 5 low.

Foreign investors exited Japanese cash equities worth 47.9 billion yen (\$329.78 million) in the week ended Aug. 17, after about 521.9 billion worth of net purchases in the prior week.

US STOCKS OPEN HIGHER, EXTENDING UPTICK

AFP Published August 22, 2024

NEW YORK: Wall Street stocks rose early Thursday, extending the prior session’s trend as markets look ahead to a major address by Federal Reserve Chair Jerome Powell.

Powell will speak Friday at an annual gathering of central bankers in Jackson Hole, Wyoming.

The remarks come amid expectations that the Fed will begin to cut interest rates next month following a two-and-a-half year campaign to tighten monetary policy to address inflation.

S&P 500, Nasdaq edge up after payrolls revisions; Fed minutes in focus

About five minutes into trading, the Dow Jones Industrial Average was up 0.3 percent at 41,012.18.

The broad-based S&P 500 climbed 0.4 percent to 5,641.43, while the tech-rich Nasdaq Composite Index advanced 0.5 percent to 17,999.19.

On Wednesday, Fed minutes from the last meeting showed most policy makers expressed support for an interest rate cut if economic data plays out as expected.

Analysts have expected rate cuts in light of some weakening in the US employment market.

US data released Thursday showed initial jobless claims rose by 4,000 last week, a modest rise “that won’t alter the market’s rate cut view or the inclination to think the economy can avoid a hard landing,” said Briefing.com analyst Patrick O’Hare.

POSITIVITY CONTINUES AT PSX, KSE-100 ADDS ANOTHER 533 POINTS

BR Web Desk Published August 22, 2024

The Pakistan Stock Exchange (PSX) witnessed another positive session on Thursday as its benchmark KSE-100 Index closed higher by 533 points, with analysts attributing the bullish run to lower cut-off yields.

The KSE-100 started the session with a buying spree that kept its momentum throughout the session. The bears showed some resistance but could not maintain their grip.

At close, the benchmark index settled at 78,793.41, up by 532.56 points or 0.68%.

“This sustained positive momentum is largely credited to yesterday’s treasury bill auction, where the government significantly lowered the cut-off yields by up to 148 basis points,” brokerage house Topline Securities said in its post-market report.

Cement and steel sectors showed marked optimism as investors anticipate a rate cut in the forthcoming monetary policy, it added.

Notably, FFC, SRVI, NBP, PSO, and LUCK collectively contributed 355 points to the index. Conversely, profit-taking in HBL, ENGRO, MTL, and MEBL led to a deduction of 132 points, as per the report.

Another brokerage house Ismail Iqbal Securities also attributed to the positive close to the significant decline in cut-off yields.

“This suggests that investors are anticipating another rate cut in the upcoming MPC meeting,” it said.

On Wednesday, bullish sentiments dominated the PSX, driven by optimism surrounding the potential approval of Pakistan’s \$7-billion Extended Fund Facility (EFF) by the International Monetary Fund (IMF) and strong corporate earnings.

In a key development, Prime Minister Shehbaz on Thursday said he would announce a five-year economic programme in the coming weeks.

Speaking at the Buna-Raast connectivity project, the prime minister emphasised that the ‘home-grown economic programme’ envisions strategies to revitalise the economy by improving agriculture, information technology, and unlocking other untapped sectors.

“Recently, we have been able to finalise its broad parameters. By next week or so, we will finalise it. I will go to the people to announce this programme,” the prime minister said.

Mentioning the Buna-Raast connectivity project, the PM said the initiative was significant as it would expand the reach of Pakistan’s digital payment infrastructure.

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In its notice to the PSX, Pakistan Refinery Limited (PRL), a subsidiary of the Pakistan State Oil Company Limited (PSO), posted a remarkable turnaround as its profit-after-tax clocked in at Rs4.06 billion in the financial year ended on June 30, 2024.

Pakistan's conglomerate Engro Corporation Limited (ENGRO) posted a consolidated profit-after-tax of Rs5.07 billion for the three months that ended June 30, 2024, a massive decline of over 61% as compared to Rs13.03 billion recorded in the same period of the previous year, showed the company's financial results posted at the PSX.

Meanwhile, Millat Tractors Limited (MTL), Pakistan's largest tractor manufacturer, said it had ceased production after the government failed to issue mechanism for payment of refund claims.

Globally, European and Asian stock markets rose on Thursday on growing optimism that the US Federal Reserve will cut interest rates next month.

Stock markets in Tokyo and Hong Kong closed higher while London, Paris and Frankfurt were up in early afternoon deals after Wall Street finished in the green on Wednesday.

The dollar has been under pressure from expectations of lower rates, though it pared down some losses against the euro.

The Pakistani rupee registered a minor decline against the US dollar, depreciating 0.05% in the inter-bank market on Thursday. At close, the currency settled at 278.67, a loss of Re0.15 against the US dollar.

Volume on the all-share index jumped to 804.26 million from 552.56 million on Tuesday.

The value of shares also increased to Rs16.97 billion from Rs14.59 billion in the previous session.

WorldCall Telecom was the volume leader with 140.91 million shares, followed by Kohinoor Spinning with 91.35 million shares, and Power Cement with 51.62 million shares.

Shares of 473 companies were traded on Thursday, of which 261 registered an increase, 138 recorded a fall, while 74 remained unchanged.

GULF SHARES MIXED IN EARLY TRADE, POWELL'S SPEECH AWAITED

Reuters Published August 22, 2024

Stock markets in the Gulf were mixed in early trading on Thursday after the minutes from the most recent meeting of the U.S Federal Reserve cemented expectations for a September rate cut.

The Fed's minutes showed policymakers in the US were ready to start cutting interest rates as soon as September.

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Interest-rate futures have fully priced in a 25-basis-point US rate cut next month, with a one-in-three chance of a 50-bp cut.

The U.S central bank's Chair Jerome Powell's impending speech at the Jackson Hole economic symposium on Friday will be parsed for any hints on the likely size of a rate cut next month.

Monetary policy in the six-member Gulf Cooperation Council (GCC) is usually guided by the Fed's decisions, as most regional currencies are pegged to the US dollar.

The Abu Dhabi benchmark index edged up 0.1%, with Multiply Group rising 3.7% and ADNOC Gas advancing 1.3%, while Phoenix Group slipped 1.7%.

The cryptomining and blockchain conglomerate Phoenix said on Wednesday it had partnered with cryptocurrency firm Tether to launch a stablecoin pegged to the UAE dirham.

Saudi Arabia's benchmark stock index was up 0.3% in early trading, with most of its constituents posting gains.

Saudi National Bank, the kingdom's largest lender, rose 0.4% and Dr Sulaiman Al Habib Medical advanced 1.4%. Dubai's benchmark stock index fell 0.1%.

Most stock markets in Gulf gain ahead of US job data, Fed minutes

The tolls operator Salik dropped 1.8% and Commercial Bank of Dubai slipped 5.5%. Tecom Group, however, gained 1.8% after business park operator said it completed acquisition of new commercial and industrial assets as part of an 1.7 billion dirhams strategic plan.

The Qatari benchmark index was down 0.1%, pressured by losses in finance, real estate and materials sectors with Qatar National Bank, the region's largest lender, sliding 0.5% and Mesaieed Petrochemical dropping 0.5%.

Business & Finance » Money & Banking

PBA, NADRA HOLD SESSION ON STEPS AIMED AT BOOSTING CYBER SECURITY IN BANKING INDUSTRY

Press Release Published about 4 hours ago

KARACHI: Pakistan Banks' Association (PBA) and National Database and Registration Authority (NADRA) cohosted an insightful session focused on advancing NADRA's national digitalization efforts and to strengthen support for the banking industry.

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The session was spearheaded by Brigadier Dr Monis Akhlaq (retd), Chief Information Security Officer (CISO) – NADRA, joined by NADRA’s team of technical experts. The event saw participation from over 25 banks operating in Pakistan.

This collaborative session provided a common platform for the banking industry to engage with NADRA’s leading technical experts. The discussion centered around NADRA’s role in enhancing the banking sector’s capabilities, particularly in the verification of the existing and onboarding of the new banking customers.

The team also addressed the enhancement of cybersecurity processes and systems at NADRA. Brigadier Akhlaq (retd) highlighted NADRA’s ongoing efforts to mitigate emerging threats and ensure complete protection of citizens’ data; underscoring NADRA’s commitment to safeguarding sensitive information in the rapidly evolving digital landscape.

Commenting on the initiative, Muneer Kamal – CEO & Secretary General – PBA said, “The session underscores the importance of PBA’s ongoing collaboration with NADRA in tackling emerging challenges related to customer data protection. We look forward to future collaborations with NADRA to effectively enhance our cybersecurity efforts, and further strengthen the banking industry’s digital infrastructure.”

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DOLLAR REBOUNDS AGAINST EURO

Reuters Published about 4 hours ago

NEW YORK: The dollar rebounded from a 13-month low against the euro on Thursday before Federal Reserve Chair Jerome Powell is due to speak on Friday and as the greenback’s recent weakness was seen as being overdone relative to peers.

The US currency has fallen on concerns about a weakening economy and on expectations the Federal Reserve is close to cutting interest rates. But the extent of the weakness, and whether it will lead the US central bank to cut rates by 25 or 50 basis points at its September meeting, remains in question.

The odds of a cut of 50 basis points or more rose after July’s employment report showed fewer than expected jobs gains and an unanticipated increase in the unemployment rate, though this pricing has faded as other data points to better growth.

Traders are pricing in a 27% probability of a 50 basis point cut next month and a 73% chance of a 25 basis point reduction, according to the CME Group’s FedWatch Tool.

“The dollar has been under a lot of pressure recently but I think it’s getting to a place where it’s quite a bit oversold,” said Brad Bechtel, global head of FX at Jefferies in New York.

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“We’ve backed away a little bit from that sort of emergency place we got to after the payroll print, but the dollar seems to be pricing as if we’re still in that emergency state,” Bechtel said.

Traders will focus on Powell’s comments on Friday at the Kansas City Fed’s Jackson Hole symposium for any new clues on the size of the expected September rate cut and whether subsequent cuts are likely at each meeting thereafter.

Powell may be reluctant to offer too much detail however, with August’s jobs and inflation data due after his speech, but before the September 17-18 meeting.

Minutes from the Fed’s July 30-31 meeting released on Wednesday showed that a “vast majority” of officials said a September cut was likely.

Philadelphia Fed President Patrick Harker said on Thursday he was on board with a September rate cut as long as the data performs as he expects it to and Boston Fed President Susan Collins also signaled her likely support.

Data on Thursday showed that the number of Americans filing new applications for unemployment benefits rose in the latest week, but the level still suggested a gradual cooling of the labor market remains intact.

It comes a day after revised data for the year through March showed that US employers added far fewer jobs than originally reported.

With Europe and the United Kingdom also facing soft growth outlooks and central bank rate cuts, Bechtel said weakness in the dollar relative to their currencies may have run too far.

“There’s no real reason for any big outperformance on the euro side at this point. I would argue pretty similar in the U.K.,” he said. “At the end of the day, the Fed, the (European Central Bank) and the Bank of England are going to be in the same ballpark when it comes to their easing cycles.” The dollar index was last up 0.44% at 101.57. It reached 100.92 on Wednesday, the lowest since Dec. 28. The euro fell 0.41% to \$1.1103.

ASIAN CURRENCIES: INDONESIAN RUPIAH FALLS

Reuters Published about 4 hours ago

BENGALURU: The Philippine peso was the lone gainer among emerging Asian currencies on Thursday, while stocks in Manila climbed as foreign inflows surged on expectations of further monetary policy easing amid sustained growth prospects.

The peso rose 0.4% against a steady dollar, hitting its highest since early April, while local equities advanced 0.9% led by a 3.7% jump in retail bank BDO Unibank.

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“The Bangko Sentral Ng Pilipinas’ (BSP) cut last week has been seen as supportive for growth while foreign inflows into Philippine equities continue to keep the peso supported,” said Christopher Wong, currency strategist at OCBC.

Data from OCBC showed that foreign investors were net buyers of \$71 million worth of Philippine stocks so far this week, compared to a net inflow of \$63.6 million since the start of the month.

Wong expects the Philippine central bank to cut rates once more this year in the fourth quarter.

The BSP cut interest rates for the first time last week in almost four years and signalled more to come to preserve the ongoing momentum of economic growth in the country.

Other regional currencies were subdued as investors awaited comments from Federal Reserve Chair Jerome Powell to gauge the US rate outlook, while the rupiah was hit by rising political uncertainty.

Indonesia’s parliament postponed ratifying changes to an elections law on Thursday amid protests in multiple cities, following an outcry over legislation seen to strengthen the political influence of outgoing President Joko Widodo.

Stocks in Jakarta slumped 0.6% while the rupiah fell 0.8% against the US dollar.

Meanwhile, minutes from the Fed’s July meeting signalled that policymakers in the US were ready to start cutting interest rates as soon as September.

SBP-HELD FOREIGN EXCHANGE RESERVES INCREASE \$19MN, NOW STAND AT \$9.3BN

BR Web Desk Published August 22, 2024

Foreign exchange reserves held by the State Bank of Pakistan (SBP) increased by \$19 million on a weekly basis, clocking in at \$9.3 billion as of August 16, data released on Thursday showed.

Total liquid foreign reserves held by the country stood at \$14.67 billion. Net foreign reserves held by commercial banks stood at \$5.37 billion.

The central bank did not specify a reason for the increase in the reserves.

“During the week ended on 16-Aug-2024, SBP reserves increased by US\$ 19 million to US\$ 9,291.8 million,” it said.

Last week, SBP foreign exchange reserves increased by \$119 million.

Trade & Industry

RS33BN INCREMENTAL SUBSIDY ON ELECTRICITY: KATI PRESIDENT CONCERNED OVER DELAY IN RELEASE

Recorder Report Published about 4 hours ago

KARACHI: President of the Korangi Association of Trade and Industry (KATI), Johar Qandhari has raised concerns over the government's delay in releasing the Rs33 billion incremental subsidy on electricity.

Despite repeated demands from Karachi's industrialists, the government has yet to take action, which Qandhari describes as alarming. He emphasized that the ongoing delay is exacerbating the difficulties faced by industrialists in Karachi.

While the federal and provincial governments are actively addressing electricity issues and providing temporary relief measures, Qandhari pointed out the lack of a permanent solution.

He urged the government to promptly resolve matters with K-Electric to release the subsidy, which would offer immediate relief to the city's industrial sector.

Qandhari also warned that the high cost of electricity and the lack of competitiveness are driving industrialists to consider relocating abroad, potentially leading to widespread industrial closures, increased unemployment, and severe economic repercussions.

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3-DAY PHARMA ASIA EXHIBITION CONCLUDES

Recorder Report Published about 4 hours ago

KARACHI: The three-day 21st Pharma Asia Exhibition, the premier pharmaceutical exhibition in the region, successfully concluded Thursday at the Expo Centre, here on Thursday. The event, organized by E-Commerce Gateway, featured Deputy Mayor Karachi, Salman Abdullah Murad, as the chief guest, marking a significant milestone in the evolution of Pakistan's pharmaceutical industry.

Running from August 20 - 22, Pharma Asia 2024 showcased the latest advancements and innovations, transforming the pharmaceutical landscape of the country. The event attracted over 200 companies and more than 750 booths, offering a platform for manufacturers, suppliers, traders, distributors, policymakers, and investors to converge and explore opportunities for collaboration and business development.

With participation from 15 countries, including a prominent pavilion from China, the exhibition was a bustling hub of activity and networking. The event provided unparalleled opportunities for international collaboration, making it a key highlight in the global pharmaceutical calendar.

Speaking on the success of the event, Deputy Mayor Karachi, Salman Abdullah Murad, expressed his appreciation for the enthusiastic participation of both local and international stakeholders. “Pharma Asia 2024 has demonstrated the tremendous potential of our pharmaceutical sector, and the collaboration witnessed here is a testament to the industry’s bright future in Pakistan,” he said.

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MILLAT TRACTORS STOPS PRODUCTION, SAYS GOVT HAS FAILED TO ADDRESS ISSUES

BR Web Desk Published August 22, 2024

Millat Tractors Limited (MTL), Pakistan’s largest tractor manufacturer, said on Thursday it has ceased production after the government failed to issue mechanism for payment of refund claims.

The company announced the development in its notice to the Pakistan Stock Exchange (PSX).

“This is to inform all the stake holders that GST on tractor is 10% and the GST on all input raw materials is 18% resulting into a continuous stream of refunds.

“The government has not issued any mechanism for payment of refund claims yet, despite MTL seeking clarification. Resultantly MTL is now constrained to stop production till further notice,” read the notice.

Days ago, MTL warned that it may have to shut down operations amid lower sales and refund delays from the Federal Board of Revenue (FBR).

Back then, the tractor manufacturer said it had limited the sales and bookings to only agri-loan customers.

Industrialists have warned that the tractor manufacturing and parts industry faces a significant crisis, threatening the stability and future of a sector that plays a crucial role in the national economy.

Incorporated in Pakistan in 1964 under the Companies Act, 1913. MTL is principally engaged in assembling and manufacturing of agricultural tractors and multi-application products. The Company is also involved in the sale, implementation and support of IFS applications in Pakistan and abroad.

Last month, MTL said the imposition of a 10% sales tax on tractors, effective from the budget announcement in June 2024, has exacerbated the situation.

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The new tax policy has pushed MTL back into the refund regime, reminiscent of the challenges faced post-2012 when SRO 363 established a refund mechanism that processed refunds efficiently within three months, it said back then.

AZFAR MANZOOR APPOINTED PTCL CHAIRMAN

BR Web Desk Published August 22, 2024

Pakistan Telecommunication Company Limited (PTCL) has appointed Azfar Manzoor as the new chairman of the company.

The listed company shared the development in its notice to the Pakistan Stock Exchange (PSX) on Thursday.

“We have to inform you that Azfar Manzoor has been appointed as chairman with effect from 2024-08-22 in place of Capt. Muhammad Mahmood (retd),” read the notice.

It is pertinent to mention that Capt Mahmood (retd) was elected as PTCL chairman in April this year.

Earlier in June, PTCL secured debt financing of up to \$400 million from the International Finance Corporation (IFC), a member of the World Bank, for the acquisition of Telenor Pakistan and Orion Towers (Private) Limited (TPL).

PTCL had said that it entered into seven years with one year grace period financing agreements with the IFC-led consortium, which includes Silk Road Fund (SRF) and British International Investment (BII) on 27th June, 2024 for the purposes of financing the acquisition of Telenor Pakistan and Orion Towers (Private) Limited.

Incorporated in Pakistan on December 31, 1995, PTCL provides telecommunication services in Pakistan.

The company owns and operates telecommunication facilities and provides domestic and international telephone services and other communication facilities throughout Pakistan.

PTCL’s major assets include Ufone, a mobile operator in Pakistan with over 20 million customers. Etisalat, with a significant minority stake, runs it under an agreement with the government of Pakistan, which has the majority stake.

As per the company’s latest financial results, PTCL Group’s revenue increased by 25.8% YoY to Rs190.6 billion, mainly driven by strong performance in the consumer segment.

BUNA-RAAST CONNECTIVITY PROJECT WILL MAKE REMITTANCES MORE CONVENIENT,
SAYS PM SHEHBAZ

- This is Pakistan's first cross-border real-time payment system linkage

BR Web Desk Published August 22, 2024

Prime Minister Shehbaz on Thursday said that he would announce a five-year economic programme in the coming weeks.

Speaking at the Buna-Raast connectivity project, the Prime Minister emphasised that the 'home-grown economic programme' envisions strategies to revitalise the economy by improving agriculture, information technology, and unlocking other untapped sectors.

"Recently, we have been able to finalise its broad parameters. By next week or so, we will finalise it. I will go to the people to announce this programme," the prime minister said.

PM unveils his approach to economic austerity

Mentioning the Buna-Raast connectivity project, the PM said that the initiative is significant because it is going to expand the reach of Pakistan's digital payment infrastructure.

"Today our country enters into a new dimension of digital governance by integrating Pakistan into a broader financial ecosystem and formalizing remittance flows," he said.

The PM said the initiative would further strengthen relations with the Arab world in a modern, digital way.

Under the Buna-Raast connectivity project, the Raast payment mechanism is being linked with the Arab Monetary Fund's Buna system to facilitate millions of overseas Pakistanis in Arab countries to send remittances through a swift, affordable and effective mechanism.

The PM said the project, which is Pakistan's first cross-border real-time payment system linkage, will make remittances more affordable and accessible.

Moreover, Prime Minister Shehbaz said the project also had the potential to accelerate the connectivity into a future model of a wider payment system where transactions would take place from region to region with a potential of over \$20 billion in annual payments.

Meanwhile, addressing the ceremony, Finance Minister Muhamamad Aurangzeb said the economic policies of the current government are yielding results as more structural changes are on the card.

"Macroeconomic stability is taking roots in Pakistan's economy," said Aurangzeb, citing indicators i.e. currency stability, uptick in foreign reserves and improvement in ratings by international institutions.

"Remittance flows is certainly a lifeline for Pakistan. In the last fiscal year, the workers remittances grew by 11% YoY, and that positive trajectory continues into July."

Pakistan's remittance inflow at \$30.3bn in FY24, up 10.7%

He said that the improvement in remittance flows is a function “of a lot of things which happened not only on the macroeconomic stability side, but also in the context of administrative measures, which were taken to curb the illegal remittance channels and therefore it is now producing results”.

“We must do more to sustain this positive growth trend,” he said.

Talks with IMF moving in right direction: Aurangzeb

Aurangzeb said that despite the administrative measures the informal markets “unfortunately still capture a sizeable share of the remittance flows”.

“Addressing this challenge is a key priority for reducing economic leakages,” he said.

The finance minister said that digitisation reduces these leakages.

“The government intends to end the business of leakages, whether these are leakages in our remittance flows, tax system or in the power sector. But all of this is ultimately about corruption and it’s about people, process and technology,” said Aurangzeb.

The finance minister said the government needs to combine all of these to ensure economic growth.

He said that the Buna-Raast connectivity project, by reducing complexity and cost, provides an attractive alternative to the otherwise informal channels like Hawala and Hundi.

ENGRO CORP'S QUARTERLY PROFIT DOWN 61%, CLOCKS IN AT RS5.07BN IN APR-JUN

BR Web Desk Published August 22, 2024

Pakistan's conglomerate Engro Corporation Limited (ENGRO) posted a consolidated profit-after-tax (PAT) of Rs5.07 billion for the three months that ended June 30, 2024, a massive decline of over 61% as compared to Rs13.03 billion recorded in the same period of the previous year, showed the company's financial results posted at the Pakistan Stock Exchange (PSX) on Thursday.

The profit translates into Earnings Per Share (EPS) of Rs4.18 in 2QCY24, compared to an EPS of Rs11.40 recorded in the same period last year.

The Engro board, in its meeting on Wednesday, August 21, also announced an interim cash dividend Rs8 per share i.e. 80% for the six months ending June 30, 2024. This is in addition to the interim cash dividend already paid at Rs11 per share i.e. 110%.

Engro Corp's profit up 18%, clocks in at Rs10.4bn in 1QCY24

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On a consolidated basis, Engro Corporation's revenue decreased by over 1% to Rs74.59 billion in 2QCY24 from Rs75.09 billion in 2QCY23.

On the other hand, the cost of revenue rose to Rs61.58 billion in 2QCY24, an increase of 14% as compared to Rs53.9 billion last year.

Consequently, Engro's gross profit declined by nearly 39% to Rs13 billion compared to Rs21.2 billion.

Meanwhile, the company's other income increased to Rs3.72 billion during 2QCY24 as compared to Rs2.26 billion recorded in the same period last year.

The company's incurred a finance cost of Rs5.48 billion in 2QCY24, an increase of 46% on a yearly basis.

This translated into a profit before tax (PBT) of Rs4.49 billion in 2QCY24, a decrease of over 64% compared to Rs12.56 billion.

During the period, the company paid taxes to the tune of Rs2.27 billion in 2QCY24, in comparison to Rs11.07 billion paid in the same period last year.

The company also informed that the financial results of thermal energy assets i.e. EPQL, EPTL and SECMC have been reported as discontinued operations given that these companies meet the classification criteria of International Financial Reporting Standard 5 – "Non Current Assets Held for Sale and Discontinued Operations".

PAKISTAN'S 'ZOMBIE POWER SECTOR SUCKING THE BLOOD OUT OF HEALTHY FIRMS': ATIF MIAN

- Noted economist says govt refusing to recognise the sector is bankrupt

BR Web Desk Published August 22, 2024

Renowned economist Atif Mian likened Pakistan's entire power sector to a "zombie" that is "sucking the blood out of the rest of the economy".

In a post on X, formerly known as Twitter, the Pakistani-American economist, currently a professor of Economics, Public Policy, and Finance at Princeton University, detailed how the country's power sector fits the description of 'zombie firms'—companies that are fundamentally insolvent yet kept alive through external subsidies.

Last two years worse in Pakistan's economic history: Atif Mian

"In simpler words, the cost of running these firms far exceeds what these firms can generate as revenue from fair market – yet they are kept alive through artificial life support.

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“Zombie firms come straight from a horror movie – they stay alive by sucking the blood of healthy firms in the economy, killing more firms in the process,” elaborated the economist.

He emphasised that Pakistan’s power sector has burdened the economy with high electricity costs while still running at a loss.

Pakistan’s economic crisis is largely due to its power sector: experts propose bypassing govt

“The proof is simple: Pakistan is selling electricity at one of the highest prices in the world, about 21 cents per kWh (with taxes), and yet the sector as a whole runs in a loss,” said Atif.

Citing the example of neighbouring India, he said the true market price of electricity should not be more than 8-9 cents per kWh. “But the government is charging an exorbitant price in order to keep the zombie alive.

“In essence, Pakistan’s government refuses to recognise that its power sector is bankrupt – itself the result of a broken nervous system over the past three decades. The government is keeping this bankrupt zombie sector alive by passing on its extremely high cost to ordinary citizens.

“Since energy is a fundamental input to practically every other sector of the economy, passing on the buck through higher electricity prices ends up seriously damaging the rest of the economy as well,” he said.

RoI, capacity payments and other terms: Senate panel may initiate probe into IPP pacts

Atif Mian was of the view that in an ideal world, these zombie power companies would be declared bankrupt and forced to go through a corporate reorganisation, writing down the value of bad debt until the total value of these power companies reflects their true market value.

“Unfortunately, this cannot be done that easily because governments of the past, in their infinite wisdom, gave sovereign guarantees to these bloated private companies (that’s why I keep saying that Pakistan’s nervous system is broken),” he said.

“For now, let’s take these sins of the past as given, and ask the question: what should be done with this zombie sector that is currently unsustainable?

“The answer is the same we teach students in econ 101, do not fall for sunk cost fallacy,” he said.

“Price electricity at its fair efficient market price so you do not distort the rest of the economy. Separate the power sector into good assets that can be sustained at fair price, and bad assets that either have to be restructured through a legal process, privatized or their losses put on general government balance sheet,” he said.

The economist called for seeking more efficient ways to pay for the losses of the bad assets, rather than adding them as additional cost per kWh.

“For example, cut government expenditure, ask provinces to run a larger surplus (rather than give away free solar panels which makes the zombie problem worse), remove tax subsidies for military and civilian officers on property sales, etc.

“Even adding to petroleum levy to pay for the bad assets would be more sensible - it would hasten the renewable electrification transition that is the only viable future for Pakistan. And of course change the power sector policies that lead Pakistan to this zombie apocalypse in the first place,” he concluded.

The remarks come at a time when Pakistan’s energy sector is under intense scrutiny due to significant tariff hikes and the unresolved circular debt crisis.

Business & Finance » Companies

NESTLE NAMES LAURENT FREIXE NEW CEO

Reuters Published about 5 hours ago

ZURICH: Nestle is replacing Chief Executive Mark Schneider with long-serving executive Laurent Freixe, the company said on Thursday.

Schneider has decided to relinquish his roles as CEO and member of the Board of Directors after eight years leading the world’s largest packaged food company.

Nestle has struggled recently, last month cutting its full year sales outlook, saying it had had to slow its price hikes as cash-strapped customers become more price conscious.

Its shares have fallen 8% in 2024, underperforming rivals like Unilever which have gained 29%.

Freixe joined Nestle in 1986, and has been on the Swiss company’s executive board for 16 years.

In his most recent role he was CEO of Zone Americas.

The change is effective from Sept. 1, Nestle said.

ENGRO ANNOUNCES STRONG RESULTS FOR FIRST HALF

Press Release Published about 5 hours ago

KARACHI: Engro Corporation’s revenue from continued operations grew by 22 percent to Rs 178.8 billion versus Rs 147.2 billion in 2023.

Consolidated PAT of the first half of 2024 from continued operations stood at Rs 9.5 billion (EPS Rs 9.09) versus Rs 7.5 billion (EPS Rs 4.81) in 2023.

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Higher profitability is primarily due to responsive pricing strategies and cost optimization. The company announced an interim cash dividend of Rs 8.00 per share in second quarter, in addition to Rs 11 per share dividend already been announced first quarter, bringing the cumulative dividend to Rs 19 per share.

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Technology

CHINESE EV MAKER BYD EYES STATE INCENTIVES FOR MEXICO PLANT

Reuters Published August 22, 2024

MEXICO CITY: Chinese electric vehicle maker BYD has narrowed its list of finalists for the location of a manufacturing plant in Mexico down to three states and is reviewing a range of proposed incentives from them, the firm's country head said on Wednesday.

Jorge Vallejo, BYD's Mexico director general, told Reuters the company was reviewing the latest proposals by the candidate states, which have offered "many benefits" including fiscal, land, management and preferential pricing incentives.

"A plant is not only about having the space, but the logistics, all the development, urban infrastructure that is generated, water, gas, everything that is needed for an automotive plant," he said.

"There are many elements, even logistical, that we are analyzing together with them," he said, adding that the aim remained to identify the location by year-end.

Mexico's federal government, under pressure from the US, is keeping Chinese automakers at arm's length by refusing to offer incentives such as low-cost public land or tax cuts for investment in EV production, Reuters reported in April, citing Mexican officials.

Vallejo did not name the states offering incentives, though BYD Chief of Americas Stella Li said in May the plant will be centrally located in the country.

Mexico's northern Nuevo Leon state is an automotive hub, and the location of a proposed Tesla mega-factory.

It will also be home to a new Volvo plant, the state's governor said this week. Meanwhile, the central Puebla state has long housed production by Volkswagen, and BMW makes EVs in the nearby San Luis Potosi.

Vallejo, speaking after unveiling of BYD's Song Pro plug-in hybrid SUV in Mexico, said that the firm had not yet identified which models would be produced at the Mexico plant.

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The plant will produce 150,000 units in its first stage and a further 150,000 units in its second stage before eventually producing between 400,000 and 500,000 units in a few more years, Vallejo said.

The plant will serve the Mexican market, he reiterated.

The company has previously said it was not eyeing an entry to the US market. BYD executives were hoping to meet with the team of Mexican President-elect Claudia Sheinbaum and the economy ministry in the “coming days” to share plans for the plant, Vallejo said.

The company would “specifically present the manufacturing and marketing scheme, and also to show what BYD can develop at a national level,” Vallejo said.

New energy vehicles: BYD announces partnership with Mega Conglomerate

Separately, French-Italian automaker Stellantis started EV production at its plant in the State of Mexico on Tuesday, according to a post on X by Mexico’s economy ministry.

Economy Minister Raquel Buenrostro, who visited the plant for the event, called on global companies “to continue working together and continue strengthening supply chains,” the ministry said.

KEY IT INFRASTRUCTURE PROJECTS: SENATE BODY RAISES CONCERNS OVER DELAYS

Nuzhat Nazar Published about 5 hours ago

ISLAMABAD: The Senate Standing Committee on Information Technology on Thursday raised serious concerns over delays in key IT infrastructure projects, inadequate leadership in the Ministry of IT, and the poor state of Pakistan’s IT exports, despite a little growth.

The committee criticised the frequent changes in federal secretaries, the slow progress of the Islamabad and Karachi IT parks, and the inconsistent data provided by the Pakistan Software Export Board (PSEB).

The session also addressed widespread internet service disruptions and the ineffectiveness of social media platform restrictions.

The committee was chaired by Senator Palwasha Khan to discuss the state of Pakistan’s IT sector.

The session included a briefing by officials from the PSEB on IT-related matters.

However, Minister of State for IT Shaza Fatima Khawaja and the PTA chairman were absent from the meeting.

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The committee was informed that 26,000 IT companies are registered with the SECP in Pakistan; with the global IT market valued at \$5 trillion.

Pakistan currently holds less than a 0.04 per cent share.

This year, the IT sector saw a growth of 24.16 per cent, compared to last year's 24 per cent growth.

The country's IT export market is primarily focused on the US (54 per cent), Europe (21 per cent), Gulf countries (10 per cent), and the Asia-Pacific region (14 per cent).

The briefing further highlighted that 2,124 Pakistani companies provide web design services, while 452 companies specialise in network security. Data storage and management services are offered by 616 companies, and IT consulting services are the most widespread, with 3,463 companies involved. Additionally, 870 companies offer social media consulting, 465 are engaged in email marketing, and 664 companies provide IT help desk services. There are also 940 companies delivering cloud services and 81 involved in repair services. The committee instructed the PSEB to present a report on the quality of education provided by IT training institutions.

Details regarding internships and scholarships awarded under the PSEB were also requested. Officials mentioned that according to the prime minister's directives, 19,000 students are expected to receive certification.

Former minister Anusha Rehman expressed dissatisfaction with PSEB's data, criticising its inconsistency and incomplete presentation.

The committee demanded more comprehensive details on the IT internship programme and requested information on grants provided to STPs and PSEB centers.

The Karachi IT Park project was also discussed, with officials confirming its design completion and funding by Korea's EXIM Bank.

The project, valued at \$187 million, faced delays in Islamabad due to issues with land allocation by CDA and contractor-related problems.

The Islamabad IT Park, initially planned for 2018, is now expected to be completed by June 2025, with efforts to expedite it to February 2025.

In addition, the committee examined the ongoing issues with internet services across the country. The PTA officials briefed the committee on a recent fault in one of the seven submarine cables linking Pakistan, which led to service disruptions.

The committee expressed displeasure at the absence of the PTA chairman and discussed concerns over VPN usage and social media restrictions, particularly, on platforms like Twitter (now X), which were blocked by PTA following directives from the Ministry of Interior.

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Senator Afan Ullah's comments urging PTA to avoid blocking VPNs sparked laughter in the meeting, highlighting the challenges in enforcing such restrictions.

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Fuel & Energy

OIL PRICES STEADY AS US CRUDE DRAW LIMITS DOWNSIDE

Reuters Published August 22, 2024

Oil prices steadied on Thursday after four days of declines on investor concern over the global demand outlook, though a drop in U.S. fuel inventories provided a floor.

Brent crude futures gained 35 cents, or 0.5%, to \$76.40 a barrel by 1203 GMT. U.S. West Texas Intermediate crude futures edged up by 24 cents, or 0.3%, to \$72.17.

"Crude oil prices have stabilised but continue to face downward pressure from ongoing macroeconomic factors. Concerns about China's economic slowdown have weighed heavily on global demand," said George Khoury, global head of education and research at CFI Financial Group.

Oil falls after US revises employment data lower

Brent crude has fallen 4% this week while WTI crude has lost 5.8%.

Prices plunged on Wednesday as revisions to jobs data in the United States added to concerns about crude demand after weak economic data out of China last week.

The United States is the world's biggest oil consumer and China is the world's largest oil importer.

"The potential weakness in the U.S. economy coupled with a lacklustre recovery in China suggests oil demand growth is to be towards the lower end of expectations," said Panmure Liberum analyst Ashley Kelty.

Underpinning prices, a U.S. government report on Wednesday showed U.S. crude, gasoline and distillate inventories fell in the week ending Aug. 16 while refinery runs increased.

The larger than expected draw in U.S. stocks limited losses, Kelty added.

Investors are also expecting that the Organization of the Petroleum Exporting Countries (OPEC) and allies including Russia, a group known as OPEC+, will rein in some voluntary output cuts in October.

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Concerns over how OPEC+ production would pan out in the fourth quarter if the cuts are lifted has exacerbated price weakness, though they could be paused or reversed, if needed.

“The downward pressure on prices makes it increasingly likely that OPEC+ will have to scrap their plans for gradually increasing supply from October. Failing to do so, will likely put further pressure on prices,” ING analysts said in a note.

Another supply side factor is easing concern over the Israel-Gaza war as the United States, Israel and Hamas try to hammer out a ceasefire deal, though U.S. diplomatic efforts this week ended without a truce.

PBIF LAUDS PUNJAB GOVT FOR GIVING POWER BILL RELIEF

Recorder Report Published about 5 hours ago

KARACHI: Chairman of the FPCCI Advisory Board and National Business Group Pakistan, President Pakistan Businessmen and Intellectuals Forum, Mian Zahid Hussain said that it is a valuable decision of the Punjab government to give relief to the people in electricity bills.

He said the opposition’s agitation on the move is unjustified, and the objection to Punjab’s decision is anti-people.

Mian Zahid Hussain said it would be better if other provinces followed this decision and used surplus funds to relieve the people.

This can also be done by making a small cut in the capital funds given to the assembly members for the development budget.

Talking to the business community, the veteran business leader said that the IMF should support the Punjab government’s decision because it is using its resources for this relief. Not a single penny has been taken from the centre.

He demanded that the central government also consider giving relief to the people by cutting the development budget of the assembly members.

Mian Zahid Hussain said that instead of objecting to Punjab’s decision, other provinces should imitate it so that the people can get some relief.

Different regions have resources; they can also gain political benefits by helping the people in this difficult time.

Under the National Finance Commission, the provinces are paid trillions of rupees, much of which is wasted on politics.

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He said that apart from relieving people for two months, it is also essential to find a long-term solution for the expensive electricity for all consumers to improve the situation.

Mian Zahid Hussain further said that a relief package should be announced for the industries and the issue of IPPs should be resolved as soon as possible.

The Punjab government has started correspondence with Lahore Electric Supply Company, Faisalabad Electric Supply Company, Multan Electric Supply Company, Gujranwala Electric Supply Company, and Islamabad Electric Supply Company to give them advance payment for two months of relief.

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US NATGAS PRICES SLIDE

Reuters Published about 5 hours ago

NEW YORK: US natural gas futures slid about 3% to a two-week low on Thursday on forecasts for less hot weather over the next two weeks that should reduce the amount of gas electric power generators burn to keep air conditioners humming.

That price decline came ahead of a federal report expected to show last week's build was smaller than normal for a 13th time in the past 14 weeks, including the rare summer withdrawal during the week ended Aug. 9. That withdrawal was the first weekly decline in August since 2006.

Analysts forecast US utilities added 29 billion cubic feet (bcf) of gas into storage during the week ended Aug. 16. That compares with an increase of 23 bcf in the same week last year and a five-year (2019-2023) average rise of 41 bcf for this time of year.

If correct, that will leave gas stocks about 12% above normal for this time of year.

Front-month gas futures for September delivery on the New York Mercantile Exchange fell 6.7 cents, or 3.1%, to \$2.110 per million British thermal units (mmBtu) at 9:03 a.m. EDT (1303 GMT), putting the contract on track for its lowest close since Aug. 6.

In the spot market, pipeline constraints caused next-day gas prices at the Waha hub in the Permian Shale in West Texas to average in negative territory again for a record 28th time this year.

Waha prices first averaged below zero in 2019. It happened 17 times in 2019, six in 2020 and once in 2023.

Producers increase and decrease output in reaction to prices, but it usually takes a few months for changes in drilling activity to show up in the production data.

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Average monthly spot prices at the US Henry Hub benchmark in Louisiana hit a 12-month high of \$3.18 per mmBtu in January before dropping to a 44-month low of \$1.72 in February and a 32-year low of \$1.49 in March, according to Reuters and federal energy data.

In reaction to that price plunge, producers cut average monthly output from 106.0 billion cubic feet per day (bcfd) in February to 102.7 bcfd in March, 101.5 bcfd in April and a 17-month low of 101.3 bcfd in May, according to federal energy data.

Winter storms at the start of the year caused output to fall from a record 106.3 bcfd in December to 103.6 bcfd in January.

As monthly spot Henry Hub prices increased to \$1.60 per mmBtu in April, \$2.12 in May and \$2.54 in June, some producers, including EQT and Chesapeake Energy, started to increase drilling activities, boosting output to 101.0 bcfd in June and 103.4 bcfd in July.

But with average spot Henry Hub prices back down to \$2.08 per mmBtu in July and \$2.02 so far in August, analysts said output would likely decline as some producers reduce drilling activities again.

Financial firm LSEG said gas output in the US Lower 48 US states has slid to an average of 102.3 bcfd so far in August, down from 103.4 bcfd in July.

LSEG forecast average gas demand in the Lower 48, including exports, will rise from 103.7 bcfd this week to 103.9 bcfd next week. Those forecasts were lower than LSEG's outlook on Wednesday.

Gas flows to the seven big US LNG export plants rose to 12.9 bcfd so far in August, up from 11.9 bcfd in July. That compares with a monthly record high of 14.7 bcfd in December 2023.

Markets – Rates

ACTIVITIES OF KARACHI PORT TRUST, PORT QASIM

Recorder Report Published about 5 hours ago

KARACHI: The Karachi Port Trust handled 94,428 tonnes of cargo comprising 41,989 tonnes of import cargo and 52,439 tonnes of export cargo during last 24 hours ending at 0700 hours.

The total import cargo of 41,989 comprised of 39,180 tonnes of Containerized Cargo & 2,809 tonnes of Oil & Liquid Cargo.

The total export Cargo of 52,439 comprised of 37,615 tonnes of Containerized Cargo, 229 Tons of Bulk Cargo, 11,395 tonnes of Clinkers & 3,200 tonnes of Oil & Liquid Cargo.

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Approximately, 04 ships namely, Value, Gulf Jalmuda, Source Blessing and Eva Fukuoka berthed at Karachi Port Trust.

Around, 05 ships, namely Gluon, Wan Hai 621, Ts Keelung, Zhong Gu Bo Hai, Oceanic Dream sailed from Karachi Port Trust.

PORT QASIM

A total of twelve ships were engaged at PQA berths during the last 24 hours, out of them four ships, MSC Positano, CMA CGM Pelleas, Maersk Cairo and Horizon-1 left the port on today morning while two more ships, Navig-8 Constellation and Madison Eagle are expected to sail on Thursday afternoon.

Cargo volume of 181,400 tonnes, comprising 131,291 tonnes imports cargo and 44,353 tonnes export cargo carried in 3,446 Containers (837 TEUs Imports & 2,609 TEUs Export) was handled at the port during last 24 hours.

There are 05 ships at Outer Anchorage of Port Qasim, out of them a Liquefied Petroleum Gas carrier 'Epic Burano' & two more Container ships, Tolten and X-Press Anglesey carrying LPG and Container are expected to take berths at EVTL and QICT respectively on today 22nd August, Meanwhile two more Container ships, Beijing and Hyundai Busan are due to arrive at port on Friday 23rd August, 2024.

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LME OFFICIAL PRICES

LONDON: The following were Wednesday official prices.

===== ALUMINIUM...

Recorder Report Published about 5 hours ago

LONDON: The following were Wednesday official prices.

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ALUMINIUM		
=====		
CONTRACT	BID	OFFER

Cash	2442.50	2443.00
3-month	2477.00	2477.50
=====		
COPPER		
=====		
CONTRACT	BID	OFFER

Cash	9137.00	9138.00
3-month	9257.50	9258.50
=====		

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ZINC

CONTRACT	BID	OFFER
Cash	2796.50	2797.50
3-month	2846.00	2848.00

NICKEL

CONTRACT	BID	OFFER
Cash	16635.00	16640.00
3-month	16885.00	16900.00

LEAD

CONTRACT	BID	OFFER
Cash	2051.00	2052.00
3-month	2082.00	2084.00

Source: London Metals Exchange.

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KIBOR INTERBANK OFFERED RATES

KARACHI: Kibor interbank offered rates on Thursday (August 22, 2024).
KIBOR...

Published about 5 hours ago

KARACHI: Kibor interbank offered rates on Thursday (August 22, 2024).

KIBOR		
Tenor	BID	OFFER
1-Week	19.43	19.93
2-Week	19.44	19.94
1-Month	19.31	19.81
3-Month	17.83	18.08
6-Month	17.69	17.94
9-Month	17.21	17.71
1-Year	16.81	17.31

Data source: SBP

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BRINDEX100 AND BR SECTORAL INDICES

KARACHI: BRIndex100 and BR Sectoral Indices on Thursday (August 22, 2024).

===== BR...

Recorder Report Published about 5 hours ago

KARACHI: BRIndex100 and BR Sectoral Indices on Thursday (August 22, 2024).

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BR INDICASE AT A GLANCE

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BRINDEX100

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Day Close:	78,793.41
High:	78,996.22
Low:	78,442.25
Net Change:	532.55
Volume (000):	184,560
Value (000):	8,248,721
Makt Cap (000)	2,461,427,000

BR AUTOMOBILE ASSEMBLER

Day Close:	17,299.90
NET CH	(-) 207.19

BR CEMENT

Day Close:	7,604.13
NET CH	(+) 191.89

BR COMMERCIAL BANKS

Day Close:	22,427.81
NET CH	(+) 3.76

BR POWER GENERATION AND DISTRIBUTION

Day Close:	18,039.45
NET CH	(+) 118.22

BR OIL AND GAS

Day Close:	7,052.46
NET CH	(+) 29.84

BR TECH & COMM

Day Close:	4,064.87
NET CH	(+) 17.70

As on:	22-August-2024
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These indices are available Live on Aaj TV, www.brecorder.com and www.khistocks.com.

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OPEN MARKET FOREX RATES

Updated at: 23/8/2024 7:41 AM (PST)

Currency	Buying	Selling
Australian Dollar	181.75	185.25
Bahrain Dinar	737.2	742.29
Canadian Dollar	202.9	207.25
China Yuan	38.25	38.65
Danish Krone	40.03	40.43
Euro	310.00	312.50
Hong Kong Dollar	35.68	36.03
Indian Rupee	3.34	3.45
Japanese Yen	1.98	1.99
Kuwaiti Dinar	903.45	908.53
Malaysian Ringgit	59.25	60.25
NewZealand \$	169.34	171.34
Norwegians Krone	26.14	26.44
Omani Riyal	723.13	727.21
Qatari Riyal	76.44	77.14
Saudi Riyal	73.73	74.43
Singapore Dollar	201.75	203.75
Swedish Korona	26.15	26.45
Swiss Franc	324.52	329.48
Thai Bhat	7.57	7.72
U.A.E Dirham	75.78	76.23
UK Pound Sterling	363	367.3
US Dollar	279.10	280

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INTER BANK RATES

Updated at: 23/8/2024 7:41 AM (PST)

Currency	Bank Buying TT Clean	Bank Selling TT & OD
Australian Dollar	187.42	187.76
Canadian Dollar	204.91	205.27
China Yuan	39.44	39.51
Danish Krone	41.57	41.64
Euro	310.80	311.35
Hong Kong Dollar	35.86	35.93
Japanese Yen	1.9152	1.9186
Saudi Riyal	74.22	74.35
Singapore Dollar	213.06	213.45
Swedish Korona	27.44	27.49
Swiss Franc	326.95	327.53
Thai Bhat	8.11	8.12
UK Pound Sterling	364.29	364.94
US Dollar	278.6	278.85

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GOLD RATE

Bullion / Gold Price Today

As on Fri, Aug 23 2024, 02:58 GMT

Metal	Symbol	PKR for 10 Gm	PKR for 1 Tola	PKR for 1 Ounce	
Gold	XAU	222,379	259,107	691,687	
Palladium	XPD	83,374	97,145	259,327	
Platinum	XPT	84,842	98,855	263,894	
Silver	XAG	2,607	3,037	8,108	

Gold Price in Pakistan

As on Fri, Aug 23 2024, 02:58 GMT

Gold Rate	24K Gold	22K Gold	21K Gold	18K Gold
per Tola Gold	Rs. 259100	Rs. 237507	Rs. 226713	Rs. 194325
per 10 Gram	Rs. 222100	Rs. 203590	Rs. 194338	Rs. 166575
per Gram Gold	Rs. 22210	Rs. 20359	Rs. 19434	Rs. 16658
per Ounce	Rs. 629600	Rs. 577129	Rs. 550900	Rs. 472200

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Gold Rates in other Major Currencies

Currency	Symbol	10 Gm	1 Tola	1 Ounce	
 China Yuan	CNY	5,702	6,644	17,736	
 Euro	EUR	718	837	2,234	
 Japanese Yen	JPY	116,519	135,764	362,421	
 Saudi Riyal	SAR	2,993	3,487	9,309	
 U.A.E Dirham	AED	2,931	3,415	9,117	
 UK Pound Sterling	GBP	610	710	1,896	
 US Dollar	USD	798	930	2,482	