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SHAHID LEGAL GROUP

SLD NEWS UPDATES

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PM SHEHBAZ URGES FBR TO USE TECHNOLOGY TO IMPROVE REVENUE COLLECTION

- Premier seeks roadmap for reconstruction of Pakistan Revenue Automation Limited

BR Web Desk Published October 24, 2024

Pakistan Prime Minister Shehbaz Sharif on Thursday said the use of modern technology was essential to bring improvement in the country's tax and revenue system.

He remarks came as he chaired a meeting on the progress of reforms in the Federal Board of Revenue (FBR) on Thursday, according to a statement from the Prime Minister's Office (PMO).

During the meeting, PM Shehbaz directed the FBR to make full use of technology to improve revenue collection.

PM Shehbaz emphasised the need to make the system for preventing smuggling in the country more effective.

He also sought a roadmap for the reconstruction of the Pakistan Revenue Automation Limited (PRAL), the PMO said.

Last month, the Cabinet Committee on State-Owned Enterprises (CCoSOEs) approved the reconstitution of the Board of Directors (BoD) of the PRAL.

"The meeting considered the recommendation of five majority independent directors and four ex-officio members by the Board Nominations Committee as per Section (1) of Section 10 of the Enterprises (Governance and Operations) Act, 2023," read the statement from Finance Division then.

It is pertinent to mention that PRAL, established in 1994, is responsible for providing technology-driven solutions to the FBR, playing a vital role in automating the country's tax collection system.

In the meeting on Thursday, the prime minister said a taxpayer-friendly environment should be provided within FBR, as he directed the relevant officials to ensure timely completion of reforms in the board.

FBR faces shortfall in first quarter of FY25

Despite taxation measures of Rs1,800 billion in the budget (2024-25), the FBR suffered a massive shortfall of over and above Rs87 billion during the first quarter (July-September) 2024-25.

The FBR collected Rs2,452 billion against the assigned target of Rs2,539 billion set for the first quarter of current fiscal year.

However, the board achieved the monthly target of Rs985 billion set for September, 2024 by collecting net revenue of Rs996 billion during the month.

According to the list of retailers compiled by the FBR till October 17, 2024, the FBR has integrated 160 big retailers with the Point of Sales (POS) system during October, taking the total number of registered Tier-I retailers to 9,290.

The board also extended the deadline for filing the income tax returns further till October 31, 2024.

FBR ANNOUNCES DAILY UPDATES TO ACTIVE TAXPAYERS LIST

October 24, 2024

Islamabad, October 24, 2024 – In a significant policy shift, the Federal Board of Revenue (FBR) has announced that it will now update the Active Taxpayers List (ATL) on a daily basis, departing from its previous practice of weekly updates.

This adjustment comes in the wake of sweeping reforms introduced through SRO 1638(I)/2024, dated October 18, 2024, aimed at enhancing transparency and ensuring real-time accuracy in taxpayer records.

The FBR, in its official statement released on Thursday, underscored that these changes were introduced under section 237 of the Income Tax Ordinance, 2001. “These amendments are aimed at improving the efficiency and responsiveness of the Active Taxpayers List system, allowing for more immediate recognition of compliance by taxpayers,” the statement read.

Previously, the ATL—a list critical for determining whether individuals and businesses are eligible for various tax benefits—was updated on a weekly basis, with the shift to an annual cycle occurring each March. However, under the new framework, any taxpayer who files their Income Tax Returns (ITR) for the current tax year, 2024, by the stipulated deadline or within any granted extension, will be included in the ATL immediately. This move is expected to streamline tax compliance processes and eliminate the delays previously experienced in acknowledging a taxpayer’s active status.

Additionally, taxpayers who fail to file their returns within the due or extended date will still have an opportunity to be included in the ATL, provided they pay the surcharge stipulated under section 182A of the Income Tax Ordinance. This provision serves as a safety net for taxpayers who may have missed the initial deadlines, allowing them to regain their status as active taxpayers in a timely manner.

This overhaul marks a pivotal transformation in FBR’s operational strategies. By shifting to daily updates, the FBR aims to bolster taxpayer confidence by ensuring that their compliance is recognized immediately, thus facilitating smoother and more transparent interactions with the tax authority. The new system will also reduce the administrative burden on both taxpayers and the FBR, as updates are processed in real-time.

These reforms represent a concerted effort by the FBR to modernize its tax administration and foster greater efficiency. By enhancing the agility of its ATL system, the FBR reaffirms its commitment to fostering a taxpayer-friendly environment, ultimately promoting higher levels of compliance across the board.

PM SHEHBAZ DIRECTS FBR TO CREATE TAXPAYER-FRIENDLY ENVIRONMENT

October 24, 2024

Islamabad, October 24, 2024 – Prime Minister Shehbaz Sharif on Thursday instructed the Federal Board of Revenue (FBR) to foster a more taxpayer-friendly atmosphere in a bid to build trust and enhance tax compliance. The prime minister made these remarks while chairing a review meeting focused on FBR reforms, according to a press release from the PM Office.

During the meeting, Prime Minister Shehbaz stressed the importance of making the tax system more approachable and transparent. He emphasized the need for improving the experience of taxpayers, stating that a supportive environment could help bridge the trust gap between the tax-collecting authorities and the public.

In addition to promoting a more taxpayer-friendly atmosphere, the prime minister directed FBR officials to focus on capacity building. He highlighted the importance of equipping FBR officers with the skills and tools necessary to enhance their efficiency. “The capacity building of officers and their effective use in the field are crucial to strengthening the tax collection system,” he said.

Prime Minister Shehbaz also urged the FBR to embrace modern technology to improve tax collection and streamline revenue processes. He instructed the board to develop a robust strategy for restructuring Pakistan Revenue Automation Limited (PRAL), the technology arm of the FBR, which handles the automation of tax processes. “Modern technology can significantly improve tax collection mechanisms and reduce inefficiencies, creating a system that works better for both taxpayers and the government,” he noted.

Additionally, the prime minister directed the FBR to strengthen its systems to combat smuggling, which continues to be a major drain on Pakistan’s economy. He called for enhanced effectiveness in preventing illegal trade and urged FBR officers to carry out reforms aimed at curbing this issue.

The meeting also included discussions on ongoing FBR reform initiatives, with the prime minister urging the timely completion of these measures. He underscored that the reform process must be accomplished swiftly to ensure better tax collection and improve the overall efficiency of the revenue authority.

Prime Minister Shehbaz's directives come amid ongoing efforts to increase tax revenues in Pakistan, where tax compliance remains low, and the informal economy is substantial. The focus on creating a more taxpayer-friendly atmosphere is expected to encourage more citizens to participate in the formal economy, thereby contributing to the country's financial stability.

The FBR is expected to implement the prime minister's instructions in the coming months, with a particular emphasis on technological innovation, capacity building, and curbing illegal trade through smuggling.

FBR PROJECTS RS 250 BILLION FROM NEW ANTI-SMUGGLING MEASURES

October 24, 2024

Islamabad, October 24, 2024 – The Federal Board of Revenue (FBR) has announced ambitious plans to generate up to Rs 250 billion through a series of robust anti-smuggling initiatives, signaling a major crackdown on illicit trade.

Rashid Mahmood, Chairman of the FBR, revealed a day earlier that the board has forwarded seven key summaries to the Prime Minister for approval. These proposals, part of the FBR's comprehensive transformation plan, include two major initiatives specifically designed to combat the sale of smuggled goods and illicit cigarettes. The FBR is confident that these measures will yield between Rs 200 billion to Rs 250 billion in revenue.

During his briefing to the Senate Standing Committee on Finance, Mahmood highlighted that full implementation of these enforcement actions is expected by January 2025. Of the seven summaries, two directly focus on curbing smuggling activities, a critical component of the broader effort to reinforce economic oversight.

One significant move involves empowering provincial authorities to take swift action against the sale of contraband items, particularly cigarettes and other high-demand smuggled goods. This expansion of enforcement responsibilities will be facilitated through amendments to the FBR's rules, extending greater autonomy to provincial bodies.

Mahmood acknowledged that the FBR's limited workforce of just 100 officers makes coordinated efforts with provincial departments essential to combat the widespread nature of smuggling. Provincial enforcement of illicit sales will be key to success, particularly in targeting illegal cigarette trade, a major area of concern.

On the progress of the track-and-trace system, Mahmood proudly stated that the system has been fully deployed in the tobacco sector. This sophisticated system, designed to monitor production and prevent tax evasion, is being extended to other industries. By the upcoming sugarcane crushing season, the system will be operational in all sugar mills, ensuring comprehensive oversight of sugar production. However, Mahmood noted that while some cement units have been integrated into the system, work remains to achieve full implementation. Ongoing discussions between the FBR and cement manufacturers are expected to resolve these issues in the coming weeks.

In a further overhaul of existing frameworks, Mahmood announced that the FBR is reviewing its digital invoicing regime. The current licensing system for digital invoicing will be abolished and replaced with a more accessible certification regime. This shift aims to facilitate small and medium-sized enterprises (SMEs), allowing them to adopt digital invoicing systems without the burden of expensive registrations.

By combining stringent enforcement with technological innovation, the FBR is poised to bolster revenue streams and crack down on smuggling, a persistent drain on the national economy.

MINISTER RULES OUT ADR-BASED TAX EXEMPTION FOR BANKS

October 24, 2024

Minister of State for Finance, Ali Pervez Malik, a day earlier, made it clear that there are no ongoing discussions or plans for tax exemptions based on the Advance-to-Deposit Ratio (ADR) for banks. Speaking at the Senate Standing Committee on Finance, Malik emphasized that no proposal concerning an ADR-based tax exemption is currently under consideration.

During the committee meeting, the Chairman of the Federal Board of Revenue (FBR), Rashid Mahammad, reinforced the minister's statement, adding that any changes to the tax policy related to ADR would not occur until next year. He specified that no modifications to the current tax framework would be implemented before December 2024, as the tax authorities are unable to accurately forecast the expected ADR for banks by the year's end.

The banking sector follows the calendar year as its tax year, meaning the current tax year 2025 will end on December 31, 2024. FBR Chairman Mahammad provided details from the half-yearly financial reports of four major banks, covering the period from January to June 2024. The reported ADR for these banks ranged from 21 percent to 46 percent, highlighting significant variation across the sector.

Mahammad explained that the ADR, which reflects the ratio of loans extended to deposits held, increases when banks lend more to the private sector rather than investing in government securities. However, because of fluctuating lending patterns, the FBR is unable to predict the ADR as of December 31, 2024, with any certainty.

Despite speculation regarding possible tax breaks, Mahammad clarified that no ADR-based tax exemptions currently exist. The tax rates for banking companies are structured around their annual ADR performance. Banks with an ADR of more than 50 percent are subject to a 39 percent tax on their taxable income. However, if the ADR falls between 40 percent and 50 percent, the tax rate rises to 49 percent. Banks with an ADR below 40 percent face a significantly higher tax rate of 55 percent.

This tiered tax system aims to encourage banks to lend more to the private sector, although it remains to be seen whether this strategy will lead to an increase in ADR levels. For now, banks can expect no relief from the existing tax framework.

Markets » Cotton & Textile

COTTON SPOT RATES

Recorder Report Published 39 minutes ago

KARACHI: official KCA spot rates for local dealings in Pakistan rupees on Thursday, (October 24, 2024)

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 23-10-2024	Difference Ex-karachi
37.324 KG	17,800	285	18,085	18,085	NIL
Equivalent 40 KGS	19,076	305	19,381	19,381	NIL

SELECTIVE BUYING ON COTTON MARKET

Recorder Report Published 39 minutes ago

LAHORE: The local cotton market on Thursday remained steady and the trading volume remained satisfactory.

Cotton Analyst Naseem Usman told Business Recorder that the rate of cotton in Sindh is in between Rs 17,500 to Rs 18,100 per maund. The rate of Phutti in Sindh is in between Rs 7,000 to Rs 8,300 per 40 kg.

The rate of cotton in Punjab is in between Rs 17,500 to Rs 18,100 per maund. The rate of Phutti in Punjab is in between Rs 7,800 to Rs 8,400 per 40 kg.

The rate of cotton in Balochistan is in between Rs 17,200 to Rs 17,500 per maund. The rate of Phutti in Balochistan is in between Rs 7,700 to Rs 8,700 per 40 kg. The rate of Balochi Cotton is in between Rs 18,800 to Rs 19,000 per maund.

Around, 1400 bales of Ghotki were sold in between Rs 17,800 to Rs 18,000 per maund, 1200 bales of Saleh Pat were sold in between Rs 17,300 to Rs 17,800 per maund, 800 bales of Sanghar were sold in between Rs 16,500 to Rs 17,300 per maund, 1200 bales of Tando Adam were sold in between Rs 16,500 to Rs 17,300 per maund, 600 bales of Kotri were sold at Rs 16,500 per maund, 200 bales of Mian Wali were sold at Rs 18,000 to Rs 18,100 per maund, 2800 bales of Yazman Mandi were sold in between Rs 17,500 to Rs 18,100 per maund, 1000 bales of Fort Abbas were sold at Rs 18,000 per maund, 1000 bales of Shahdad Pur were sold in between Rs 17,600 to Rs 17,900 per maund, 400 bales of Dharanwala were sold at Rs 17,800 per maund, 400 bales of Vehari were sold at Rs 17,600 to Rs 17,800 per maund, 2600 bales of Faqeer Wali were sold at Rs 17,600 per maund, 2600 bales of Haroonabad were sold at Rs 17,500 to Rs 18,100 per maund and 200 bales of Tounsa Shareef were sold at Rs 17,500 per maund.

The Spot Rate remained unchanged at Rs 17,800 per maund. Polyester Fiber was available at Rs 357 per kg.

DESPITE HIGHER SALES, TEXTILE GIANT INTERLOOP'S PROFIT DOWN 94% IN 1QFY25

BR Web Desk Published October 24, 2024

Despite higher sales, Interloop Limited (ILP), one of Pakistan's largest textile exporters, saw its profit reduce massively by over 94% to Rs334.48 million during the quarter ended September 30, 2024.

The company registered a consolidated profit of Rs6.04 billion in the same period last year (SPLY), according to a notice sent to the Pakistan Stock Exchange (PSX) on Thursday.

Earnings per share (EPS) decreased to Re0.24 in the period under review compared to Rs4.31 in SPLY.

The decline in profit comes on the back of high cost of sales and operating expenses incurred during the quarter.

Despite higher sales, textile giant Interloop's profit down 18% in FY24

During the period, the textile giant's net sales surged by over 11% to Rs42.75 billion during 1QFY25, compared to Rs38.5 billion recorded in the prior year.

Despite higher sales, Interloop saw its gross profit decline to Rs8.14 billion in 1QFY25, down over 36%. Resultantly, the company's profit margin decreased to 19%, as compared to 33.1% in SPLY owing to higher costs.

On the other hand, the company's operating expenses rose nearly 8% year-on-year, to Rs4.3 billion in 1QFY25.

The textile exporter's profit from operations lowered to Rs3.84 billion, as compared to Rs8.76 billion in SPPLY, registering a decline of over 56%.

Its cost of finance ballooned to Rs2.86 billion in 1QFY25, an increase of nearly 30%.

Consequently, profit before tax clocked in at Rs982.15 million in 1QFY25, as compared to Rs6.55 billion in SPLY, a decrease of 85%.

Established in 1992, Interloop was listed on the country's stock exchange in 2019.

The company is a vertically-integrated, multi-category company that manufactures hosiery, denim, knitted apparel and activewear. In addition, it produces yarn for textile customers. It is also one of the largest exporting firms in Pakistan and among the largest listed companies on PSX.

All of its plants are located in the province of Punjab.

Stock & Commodity

TESLA SURGE LIFTS NASDAQ; DOW, S&P 500 FALTER ON EARNINGS

Reuters Published 40 minutes ago

NEW YORK: The Nasdaq jumped on Thursday, driven by Tesla's positive earnings forecast, which buoyed market sentiment despite declines from other corporate results and pressure from rising Treasury yields.

Shares of the company soared 19%, with the EV-maker set to add more than $100 billion to its market capitalization, after it reported robust third-quarter profits and surprised investors with a prediction of 20% to 30% sales growth next year.

This helped take the Consumer Discretionary sector 2.7% higher.

"Musk said a lot of things investors wanted to hear - growth rates at double what the Street had, Robotaxi timelines that were a bit ahead of expectations. It puts confidence back in the stock," said Dennis Dick, trader at Triple D Trading, who holds Tesla shares.

However, sentiment was shaky elsewhere. The S&P 500 pared gains, with nine of its sectors in the red, as other earnings reports and continued pressure from rising Treasury yields weighed.

The yield on the benchmark 10-year Treasury note eased slightly on the day, but was still trading around its highest since late July. It went as high as 4.26% in Wednesday's session, which saw all three major equity indexes lose ground.

Other megacap growth stocks reversed early gains, with Nvidia down 0.2% and Apple losing 0.5%.

IBM lost 6.5% after missing third-quarter revenue estimates, while Honeywell's 4.3% decline after it forecast annual sales below estimates also weighed on the blue-chip Dow.

The Dow Jones Industrial Average fell 234.37 points, or 0.55%, to 42,280.58, the S&P 500 lost 0.33 points, or 0.01%, to 5,797.09 and the Nasdaq Composite gained 67.23 points, or 0.37%, to 18,343.89.

Materials dropped 1.4%, dragged down by Newmont as higher costs and weaker Nevada output saw it miss profit estimates.

Boeing also lost 2% after factory workers voted on Wednesday to reject a contract offer and continue a more than five-week-long strike.

Stocks have eased from record levels over the past few sessions due to a reassessment of bets on the Federal Reserve's rate cuts, rising Treasury yields, corporate earnings and uncertainty surrounding the upcoming US election.

The pullback, however, was to be expected, Dick said. "The story is still in tech and (artificial intelligence), and that story is not going away, I would still say dips in tech need to be bought."

Southwest Airlines lost 3.6% after earnings and after the company reached an agreement with activist investor Elliott Investment Management. On a brighter note, UPS added 5.2% after the parcel service provider reported a rise in third-quarter profit, on rebounding volumes and cost cuts.

Of the 159 companies in the S&P 500 that have reported results this earnings season, 78.6% have beaten analyst expectations, according to data compiled by LSEG.

MOST GULF MARKETS EASE ON REGIONAL TENSIONS

Reuters Published 41 minutes ago

DUBAI: Most stock markets in the Gulf were lower on Thursday as simmering geopolitical tensions in the Middle East kept investors on the sidelines.

Israeli strikes pounded Beirut's southern suburbs on Wednesday and Hezbollah said it fired precision guided missiles for the first time at Israeli targets, as US Secretary of State Antony Blinken toured the region, pushing for a halt to fighting in both Gaza and Lebanon.

Israeli strikes were also reported to have hit the Syrian capital Damascus early on Thursday.

Saudi Arabia's benchmark index eased 0.1%, with the country's biggest lender Saudi National Bank losing 0.6% and Alinma Bank was down 1.2%.

The Saudi index posted a weekly loss of 0.2%.

Separately, the kingdom attracted foreign direct investment inflows of 96 billion riyals ($25.6 billion) in 2023, beating official targets, according to government data based on a new calculation methodology.

EUROPEAN SHARES END FLAT AS ECONOMIC WOES OVERSHADOW UPBEAT EARNINGS

Reuters Published 41 minutes ago

FRANKFURT: European shares gave up early gains to close little changed on Thursday as investors assessed signs of stalling business activity and a raft of earnings from the likes of online gaming group Evolution, carmaker Renault and consumer major Unilever.

The pan-European STOXX 600 index ended flat following three straight sessions in the red.

Travel and leisure led sectoral gains with a 3.2% jump to a near seven-month high, as Sweden's Evolution soared 15% after reporting third-quarter earnings in line with forecasts despite ongoing issues with its Georgian workforce.

Luxury stocks were next in line, with Hermes up 1% after the Birkin bag maker reported a hefty rise in third-quarter sales. That likely aided Kering's 2% gain in the face of the Gucci owner's 2024 operating income warning.

The automobiles sector, which has underperformed through much of the year, got a lift from French carmaker Renault's 4.7% rise following an unexpected increase in its quarterly revenue.

Unilever and Danone added 2.9% and 2.8% respectively after the consumer goods groups beat third-quarter sales estimates as they slowed price hikes and invested in winning back shoppers who had turned to cheaper brands during a surge in inflation.

The personal and household goods index rose nearly 1.1%. However, a survey showing euro zone business activity stalled again this month and remained in contractionary territory kept the optimism in check.

The STOXX had a strong start to the year on expectations of upcoming interest rate cuts by the European Central Bank, but the index has recently stalled as investors mull a stagnating economy, weak Chinese demand and the impact of US elections on the currency union. Manufacturing powerhouse Germany would be the big loser if a Donald Trump presidency sparked a tit-for-tat trade war between the US and Europe.

"On the plus side, the ECB can be a bit more aggressive with cutting rates, but what it also means is that the economy is not as strong, and ultimately it is the economy that really drives the company's ability to make money," Steve Sosnick, chief market analyst at Interactive Brokers.

CHINA STOCKS SNAP FOUR-DAY WINNING STREAK

Reuters Published 41 minutes ago

SHANGHAI: China and Hong Kong stocks ended lower on Thursday, with key mainland gauges snapping their four-day winning streak, as investors grew cautious and weighed the potential impact from the upcoming US presidential election.

The growing bets of a possible second Donald Trump presidency and higher trade tariff threats have dampened market sentiment, investors and analysts said.

"In the betting markets, Trump-over-Harris spread has widened sharply in favour of Trump," said Christopher Wong, FX strategist at OCBC Bank.

"And that brings back worries of tariffs, inflation and fiscal concerns... A Trump outcome may see a play-up of US-China trade tensions and should inject some uncertainty into markets." At the close, the Shanghai Composite index was down 0.68% at 3,280.26 points, while the blue-chip CSI300 index was down 1.12%. Both indexes snapped their four-day winning streak.

The financials sub-index fell 0.47%, the consumer staples sector lost 1.51%, the real estate index dropped 1.95% and the healthcare sub-index shed 1.37%.

In Hong Kong, Chinese H-shares, the Hang Seng China Enterprises Index fell 1.59% to 7,359.14 points, while the Hang Seng Index was down 1.3% at 20,489.62.

Tech stocks were among the biggest losers in Hong Kong, with the Hang Seng Tech index plunging 2.64%.

The US-China tech war is all but certain to heat up no matter whether Republican Donald Trump or Democratic Vice President Kamala Harris wins the Nov. 5 election, with the Democrat likely to come out with targeted new rules and Trump a blunter approach.

"With the US election less than two weeks away, portfolio managers need to be wary of potential market volatility driven by the binary outcome of either a Harris victory (status quo) or Trump victory (near-term dollar strength)," said Eugene Hsiao, head of China equity strategy at Macquarie Capital.

NIKKEI ENDS MARGINALLY HIGHER

Reuters Published 42 minutes ago

TOKYO: Japan's Nikkei share average ended marginally higher on Thursday, just about ending a three-session losing run as investors fret about the country's political stability. The Nikkei ended up 0.1% at 38,143.29. However, that was after it opened down 0.79% and then swung to gains of as much as 0.6% in the session.

The volatility index ended flat at 27.8.

Local media have reported that the ruling Liberal Democratic Party (LDP) and its coalition partner Komeito may lose their majority in the Oct. 27 election, set up after Prime Minister Shigeru Ishiba dissolved the lower house of parliament on Oct. 9. The Mainichi newspaper reported the ruling coalition may not reach the 200 seats required for an outright majority in the 465-seat chamber.

The market is worried about the stability of the government, said Takamasa Ikeda, senior portfolio manager at GCI Asset Management. "The LDP would have a hard time passing bills if the coalition loses the majority. The government may become a lame duck," Ikeda said.

Shuji Hosoi, senior strategist at Daiwa Securities, said, "The market has priced in the risks of a defeat for the ruling coalition and opposition parties may not boost as many seats as expected because the voting rate may be low."

TESLA SURGE LIFTS NASDAQ; DOW, S&P 500 FALTER ON EARNINGS, RISING YIELDS

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However, sentiment was shaky elsewhere. The S&P 500 pared gains, with nine of its sectors in the red, as other earnings reports and continued pressure from rising Treasury yields weighed.

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Wall Street pressured by higher yields, earnings

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Of the 159 companies in the S&P 500 that have reported results this earnings season, 78.6% have beaten analyst expectations, according to data compiled by LSEG.

On the economic front, S&P Global's flash PMI data showed U.S. business activity increased in October, amid strong demand. Weekly jobless claims also fell unexpectedly for the week ended Oct. 19.

Declining issues outnumbered advancers by a 1.04-to-1 ratio on the NYSE, and by a 1.19-to-1 ratio on the Nasdaq.

The S&P 500 posted 39 new 52-week highs and three new lows, while the Nasdaq Composite recorded 57 new highs and 64 new lows.

INDIAN SHARES SLIP FOR FOURTH SESSION AS HINDUSTAN UNILEVER, FOREIGN SELLING WEIGH

Reuters Published October 24, 2024

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Indian shares declined for a fourth straight session on Thursday, as Hindustan Unilever missed profit estimates on a slowdown in urban demand, dragging consumer stocks, while persistent foreign outflows hit market sentiment.

The NSE Nifty 50 fell 0.15% to 24,399.4 points, while the BSE Sensex shed 0.02% to 80,065.16.

The Nifty 50 has lost about 2% this week and is down 7.15% since hitting a record high on Sept. 27.

Hindustan Unilever fell 5.8%, its worst session in nine months, after the Dove soap maker posted a smaller-than-expected quarterly profit, hurt by higher costs and a slowdown in urban markets. Analysts expect further pain for the consumer major.

The fast moving consumer goods index fell 2.8% and was the top sectoral loser by percentage.

“October has not been good for Indian equities. First the China stimulus led to the ‘buy China, sell India’ trade, which led to broad-based selling,” said Jaykrishna Gandhi, head of business development of institutional equities at Emkay Global Financial Services.

Indian blue-chips succumb to selling pressure for third straight day

"Rich valuations and lacklustre earnings have also contributed to the correction."

Foreign institutional investors have net sold Indian shares for eighteen sessions through Wednesday, redirecting funds to China on Beijing's stimulus measures and because of relatively cheaper stocks.

Other Asian markets also fell on the day, tracking a drop in Wall Street overnight as investors hesitated to place major bets ahead of the U.S. presidential election.

In India, five of the 13 major sectors fell. The broader, more domestically focused small- and mid-caps shed 0.2% and 0.33%, respectively.

Aluminium producer Hindalco Industries dropped 3.7% and was the top loser in the metal index after France's Constellium issued a downbeat forecast.

Constellium is seen as the nearest proxy of Hindalco's U.S. unit, Novelis.

Paytm rose 2.6% after Citi upgraded the fintech firm's stock, citing easing regulatory risks.

SRI LANKA SHARES END HIGHER AS INDUSTRIAL, HEALTHCARE GAIN

- CSE All-Share index settled 0.94% higher at 12,473.50

Reuters Published October 24, 2024

Sri Lankan shares closed higher on Thursday, aided by industrial and healthcare stocks.

The CSE All-Share index settled 0.94% higher at 12,473.50.

Nuwara Eliya Hotels Co Plc and Ceylinco Holdings Plc were the top gainers on the index, up 3% and 2%, respectively.

Trading volume on the index rose to 124.7 million shares from 67.4 million shares in the previous session.

Sri Lanka shares end higher as industrials, financials gain

The equity market's turnover rose to 4.79 billion Sri Lankan rupees ($16.31 million) from 2.32 billion rupees in the previous session, according to exchange data.

Foreign investors were net sellers, offloading stocks worth 199.4 million rupees, while domestic investors were net buyers, purchasing shares worth 4.63 billion rupees, the data showed.

EUROPE'S STOXX 600 RISES IN BROAD-BASED ADVANCE ON EARNINGS IMPETUS

Reuters Published October 24, 2024

European shares rose on Thursday, as a raft of upbeat earnings from the likes of consumer goods major Unilever and online gaming group Evolution improved mood, while investors assessed stalling manufacturing data for the ECB's rate-cut outlook.

The pan-European STOXX 600 index was up 0.6% as of 0850 GMT, in a largely broad-based market advance following a three-day losing streak.

Travel and leisure led sectoral gains with a 3% jump to a near seven-month high, as Sweden's Evolution soared 13% after reporting third-quarter earnings in line with forecast despite ongoing issues with its Georgian workforce.

The automobiles index also climbed 2%, boosted by a 7.2% jump in French carmaker Renault following an unexpected rise in its quarterly revenue.

Unilever rose 4% after slightly better-than-expected underlying quarterly sales and its biggest gain in sales volumes in three-and a-half-years.

The personal and household goods index rose nearly 2%. Anglo American gained 4% after the miner maintained its full-year copper production forecast despite a weak third-quarter.

Meanwhile, a survey showed euro zone business activity stalled again this month, remaining in contractionary territory as demand from both home and abroad fell.

"While the composite PMI signals a contraction, it isn't really one, so it kind of overstates the weakness in the economy," said Stefan Koopman, senior market economist at Rabobank.

European shares sag, SAP boosts tech stocks

"Perhaps (the economy is) not doing that bad as the PMI suggests, but it is setting the market up for a 50-basis-point cut from the ECB in December."

European Central Bank President Christine Lagarde on Wednesday had urged some caution when deciding on further rate cuts, but sources previously told Reuters that policymakers were already beginning to debate whether rates have to go below neutral to stimulate the economy.

Further on the earnings front, Mycronic was the top STOXX 600 gainer, after the Swedish solutions maker for electronics manufacturing jumped 13% following better-than-expected quarterly earnings. Sodexo rose 5.4% after the French service provider's "reassuring" results.

Birkin bag maker Hermes rose 2% after reporting a hefty rise in third-quarter sales, which also likely aided Kering's 2% gain in the face of the Gucci-owner's 2024 operating income warning.

On the other hand, the French vouchers group Edenred slumped 14% to the bottom of STOXX 600 after missing revenue expectations.

Hemnet fell 9% after the Swedish property platform operator reported third-quarter earnings below estimates.

PSX INKS NEW RECORD, KSE-100 SETTLES NEAR 89,000 MARK

BR Web Desk Published October 24, 2024

The Pakistan Stock Exchange (PSX) continued its record-breaking run, with the benchmark KSE-100 closing at a new all-time high, approaching the 89,000 mark on Thursday.

At close, the benchmark index was at 88,945.98, an increase of 1,751.45 points or 2.01%. It hit a high of 89,126.15, which is now its record intra-day level.

"Investor optimism is fuelled by expectations ahead of the upcoming monetary policy meeting scheduled for November 4, 2024. Market sentiment suggests that two significant interest rate cuts may be on the horizon, prompting a wave of buying activity that propelled the index to its historic peak. Additionally, investors are shifting their fixed income portfolios into equities, further boosting market momentum," brokerage house Topline Securities said in its post-market report.

Majority expect up to 200bps reduction in key policy rate in upcoming MPC meeting, AHL survey finds

Key contributors to the index's rise included FFC, UBL, OGDC, EFERT, and MCB, which collectively added 935 points. In terms of value traded, UBL led the pack with Rs3.1 billion, followed by ATRL at Rs2.5 billion, and OGDC with Rs1.9 billion, Topline said.

The cement sector garnered significant investor interest ahead of the monetary policy meeting, with notable performances from GWLC, ACPL, PIOC, KOHC, and CHCC, all closing higher than their previous day's close, it added.

Market experts attributed the buying spree to various factors.

"Expectations of a policy rate cut and lower yields on government securities are driving investment in equities," Samiullah Tariq, Head of Research and Development at Pakistan Kuwait Investment Company (Private) Limited, told BUSINESS RECORDER.

Moreover, "better corporate results" are also fuelling this momentum.

Similar sentiments were expressed by others.

"Pakistan market saw another high led by aggressive institutional buying amid hope of big rate cuts in November and December monetary policy meetings," said Mohammed Sohail, CEO Topline Securities, in a note.

He informed that a record volume of Rs53 billion ($190 million) was traded at PSX on Thursday in the cash and futures market “signalling improved confidence of investors”.

Meanwhile, Arif Habib Limited (AHL) stated that “this remarkable performance reflects a 41.0% gain CYTD in 2024 (4th high-performing equity market in the world) and 8.5% MoM increase”.

On Wednesday, the buying spree continued at the PSX as the benchmark index crossed the 87,000 level for the first time to settle at 87,194.53.

Globally, Asian markets were mixed on Thursday following steep losses on Wall Street as a spike in US Treasury yields led investors to scale back their expectations on interest rate cuts.

With the US presidential election still seen as a coin toss less than two weeks out, there was plenty of uncertainty on trading floors, though observers said dealers were eyeing a win for Donald Trump and policies that could stoke inflation again.

That, along with a strong run of economic data and remarks from Federal Reserve officials backing a cautious approach to easing monetary policy, has seen expectations for rate cuts whittled back.

Traders had last month been confident the central bank would follow up last month’s bumper 50-basis-point cut with another at its November meeting and a smaller one in December.

Meanwhile, the Pakistani rupee registered a marginal decline against the US dollar, depreciating 0.04% in the inter-bank market on Thursday. At close, the currency settled at 277.84, a loss of Re0.11 against the greenback.

Volume on the all-share index increased to 757.65 million from 699.29 million on Wednesday.

The value of shares rose to Rs36.05 billion from Rs26.82 billion in the previous session.

K-Electric Ltd was the volume leader with 113.2 million shares, followed by PTCL with 41.1 million shares, and Fauji CementXD with 23.3 million shares.

Shares of 238 companies were traded on Thursday, of which 238 registered an increase, 167 recorded a fall, while 49 remained unchanged.

AUSTRALIAN SHARES FALL AS MINERS OFFSET REAL ESTATE AND HEALTHCARE GAINS

Reuters Published October 24, 2024

Australian shares slipped on Thursday, as Fortescue dragged miners lower after it reported quarterly production numbers amid falling iron ore prices, which offset the gains in real estate and healthcare stocks.

The S&P/ASX 200 index fell 0.3% to 8,190.3, as of 2242 GMT. The benchmark closed up 0.1% on Wednesday.

Mining stocks were the biggest drag on the benchmark, falling 1.1% as iron ore prices declined on a weaker global steel market outlook and softer forecasts for China's economic recovery.

Fortescue declined as much as 3.4%, on track for its worst session in more than two weeks, despite reporting higher first-quarter iron ore shipments.

Its rival mining heavyweights Rio Tinto and BHP Group, however, were down 0.4% and 0.9%, respectively.

Local gold stocks were the biggest decliners on the ASX 200 index, dipping 2.6% as gold prices declined due to a stronger US dollar countering support for the safe-haven asset.

Northern Star Resources dropped 1.1%, even as the gold miner maintained its fiscal 2025 guidance.

Meanwhile, technology stocks declined 1.3%, with sector giants Xero and WiseTech Global falling 0.7% and 1.8%, respectively.

Energy stocks also fell 0.5% on lower oil prices, after data showed US crude inventories rose by more than expected.

Australia shares end lower as China's property woes drag miners

Energy major Woodside Energy and its smaller rival Santos fell around 0.4%, each. Financials also retreated by 0.2%, with the "Big Four" banks falling between 0.2% and 0.4%.

Bucking the trend, healthcare stocks rose 0.6%, aided by a stronger dollar, while real-estate stocks rose 0.7%.

Across the Tasman Sea, New Zealand's benchmark S&P/NZX 50 index edged 0.1% higher to 12,802.04.

JAPAN'S NIKKEI TRADES HIGHER AFTER THREE SESSIONS OF FALLS

Reuters Published October 24, 2024

TOKYO: Japan's Nikkei share average inched higher on Thursday after three straight sessions of falls, with market participants focussing on the upcoming lower house election.

The Nikkei had risen 0.19% to 38,177.51 by 0130 GMT, after earlier falling to its lowest since Oct. 2 at 37,712.19.

Local media have reported that the ruling Liberal Democratic Party (LDP) and its coalition partner Komeito may lose their majority in the Oct. 27 election.

Prime Minister Shigeru Ishiba dissolved the lower house of parliament on Oct. 9, setting up the snap election.

“The market has priced in the risks of a defeat for the ruling coalition and opposition parties may not boost as many seats as expected because the voting rate may be low,” said Shuji Hosoi, senior strategist at Daiwa Securities.

“The Nikkei may turn negative later because the overall market has not gained momentum and volatility is still high.”

The Nikkei 225 Volatility Index rose 16% to 32.5.

Tech shares lead Japan’s Nikkei higher in choppy session

The Mainichi newspaper reported the ruling coalition may not reach 200 seats for an outright majority in the 465-seat chamber.

The market is worried about the stability of the government, said Takamasa Ikeda, senior portfolio manager at GCI Asset Management.

“The LDP would have a hard time passing bills if the coalition loses the majority. The government may become a lame duck,” Ikeda said.

The broader Topix was flat at 2,637.11.

Chip-testing equipment maker Advantest rose 1.63% to provide the biggest boost to the Nikkei.

Chip-making equipment maker Tokyo Electron gained 1.43%.

Technology investor SoftBank Group fell 1.94% to weigh on the Nikkei the most.

Robot maker Fanuc slipped 1%.

KSE-100 INDEX HITS NEW ALL-TIME HIGH, CLOSES NEAR 89,000 POINTS

October 24, 2024

Karachi, October 24, 2024 – The Pakistan Stock Exchange (PSX) witnessed a historic milestone on Thursday as the KSE-100 index surged to an unprecedented high, closing just shy of the 89,000 mark.

The benchmark KSE-100 index soared by 1,752 points, ending the day at 88,946 points, up from the previous day’s close of 87,194 points.

This remarkable ascent reflects a bullish sentiment in the market, driven by aggressive institutional buying and growing investor optimism ahead of the upcoming monetary policy meetings. The prospect of significant interest rate cuts in November and December has fueled market activity, with investors eagerly positioning themselves in anticipation of more favorable financial conditions.

Mohammad Sohail, CEO of Topline Securities Limited, highlighted the significance of this achievement. “Another record high with substantial volumes underscores the renewed confidence in the market. Institutional buying is at the forefront, buoyed by expectations of major rate cuts in the near future,” he stated.

The trading volume set a new record, with a staggering Rs 53 billion (USD 190 million) worth of transactions across the cash and futures markets. This surge in activity is a clear indicator of increasing investor confidence, signaling a shift in sentiment as market participants move their investments from fixed-income instruments to equities.

Maaz Mulla, Vice President and Senior Trader at Topline Securities Limited, noted that the KSE-100 index briefly touched an all-time high of 89,126 points, gaining 1,931 points or 2.22%, before closing at 88,946 points, reflecting a 2.01% increase for the day. “Bulls dominated the market, propelling the KSE-100 index to new heights on the back of rate cut expectations and strong corporate performances,” he said.

Several key stocks played pivotal roles in the KSE-100 index’s rise, with FFC, UBL, OGDC, EFERT, and MCB collectively contributing 935 points. In terms of value traded, UBL led the pack with Rs 3.1 billion, followed by ATRL at Rs 2.5 billion, and OGDC with Rs 1.9 billion.

The cement sector also captured significant attention, driven by anticipation of monetary easing. Stocks like GWLC (10%), ACPL (10%), PIOC (4.5%), KOHC (4.37%), and CHCC (4.01%) all posted robust gains.

In total, trading activity was exceptionally strong, with 757 million shares traded, amounting to Rs 36 billion in value. K-Electric Limited (KEL) emerged as the most actively traded stock, with an impressive 133 million shares changing hands.

With the market momentum showing no signs of slowing, all eyes are now on the upcoming monetary policy meeting as investors remain hopeful for further economic stimulus.

Business & Finance » Money & Banking

EURO, YEN CLIMB AS DOLLAR RALLY PAUSES

Reuters Published about an hour ago

NEW YORK: The euro and Japanese yen rose on Thursday as the US dollar stalled after rallying to a nearly three-month high, but the greenback moved off earlier lows as data supported views for slower rate cuts by the Federal Reserve.

Weekly initial jobless claims fell to 227,000, below the 242,000 estimate of economists polled by Reuters, while continuing claims rose to a three-year high. The Fed is likely to discount the climb this month due to distortions from Hurricane Helene.

A separate report from S&P Global said its flash US Composite PMI Output Index, which tracks the manufacturing and services sectors, rose to 54.3 this month from a final reading of 54.0 in September. A reading above 50 signals expansion.

The greenback has climbed in 16 of the past 18 sessions, on pace for its fourth straight week of gains, as a run of positive economic data has quieted expectations about the size and speed of the Fed's rate cuts, which has also lifted US Treasury yields.

"We're looking at some profit-taking here," said Joseph Trevisani, senior analyst at FXStreet in New York.

"But underneath that, of course, has been the shift in rates and the shift in perception about what the Fed is going to do. And that hasn't changed so for the moment, we're kind of holding."

The dollar index, which measures the greenback against a basket of currencies, fell 0.22% to 104.21, with the euro up 0.17% at $1.0799 after hitting a nearly four-month low of $1.076 on Wednesday.

A survey showed euro zone business activity stalled again last month, but the contraction in Germany, Europe's largest economy, was less steep than the previous month.

Recent comments from Fed officials have indicated the central bank will take a gradual approach to cutting rates.

Markets are pricing in a 96.5% chance for a cut of 25 basis points at the Fed's November meeting, with a 3.5% chance of the US 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 58.2% chance of a 50 bps cut.

In contrast, expectations for faster and potentially bigger rate cuts from the European Central Bank (ECB) have increased to weigh on the euro, after a host of policymakers warned about the risk of undershooting the central bank's 2% inflation target.

ECB policymaker Robert Holzmann said the central bank could cut rates by 25 basis points at its December meeting if circumstances including inflation allow it. Latvian central bank Governor Martins Kazaks said inflation could fall quicker than expected but the ECB should stick to its practice of cutting rates step by step given the exceptional uncertainty.

The dollar has also benefited from a rise in market expectations for a victory next month by Republican candidate and former US President Donald Trump, which would likely bring about inflationary policies such as tariffs. Sterling strengthened 0.29% to $1.2958. British finance minister Rachel Reeves said she would change the measure of public debt that the government targets in next week's budget to allow more borrowing for investment.

ASIAN FX WEAKEN ON SLOWER FED CUT HOPES

Reuters Published about an hour ago

BENGALURU: The Thai baht sank to a six-week low on Thursday, while most Asian currencies seesawed in a narrow range and regional equities edged lower as traders tempered bets of aggressive US rate cuts and considered the possibility of a second Trump presidency.

The baht dropped as much as 1% to 33.83 per US dollar, its lowest since Sept. 10, seemingly looking to catch up with the decline in its peers in the previous session as the currency resumed trading after a holiday.

The Singapore dollar and Philippine peso were last up 0.2% each, while the South Korean won ticked 0.1% higher.

The dollar index, which measures the currency against six rivals, held close to a three-month high, getting a boost as investors no longer expect an outsized 50-basis-point rate cut from the Federal Reserve, a view that is reflected in rising Treasury yields.

The greenback is also getting a boost from the anticipation that Donald Trump will win a second term as US president, as his tax and tariff policies are considered inflationary, which would keep US rates high and hit trading partner currencies.

In Indonesia, the rupiah, which has slid more than 3% from its September peak, despite central bank intervention, is at the forefront of policymakers' thinking.

The newly sworn-in cabinet, which includes the highly regarded Finance Minister Sri Mulyani Indrawati, indicates a continuation of existing policies, helping boost investor confidence and supporting the currency, said Christopher Wong, a currency strategist with OCBC said.

The rupiah rose 0.2%, while equities in Jakarta slipped 0.4%.

In Malaysia, annual inflation came in at 1.8% in September, slightly below expectations.

MOST ASIAN CENTRAL BANKS HAVE ROOM TO CUT INTEREST RATES, IMF SAYS

Reuters Published October 24, 2024

WASHINGTON: Most Asian central banks have room to cut interest rates, as the start of the US monetary easing cycle reduces fears of an unwelcome weakening of their currencies, a senior International Monetary Fund official said on Thursday.

Krishna Srinivasan, the director of the IMF's Asia and Pacific Department, also said risks to Asia's economic outlook were tilted to the downside on tentative signs that global demand could weaken.

IMF lifts US growth forecast but marks down China; sees lackluster global economy

"No one wins from trade fragmentation. We all pay for slow global growth," particularly in Asia where many countries are integrated in global supply chains, he told a press briefing during the IMF and World Bank annual meetings in Washington.

SBP-HELD FOREIGN EXCHANGE RESERVES INCREASE $18MN, NOW STAND AT $11.04BN

BR Web Desk Published October 24, 2024

Foreign exchange reserves held by the State Bank of Pakistan (SBP) increased by $18 million on a weekly basis, clocking in at $11.04 billion as of October 18, data released on Thursday showed.

Total liquid foreign reserves held by the country stood at $16.02 billion. Net foreign reserves held by commercial banks stood at $4.98 billion.

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

"During the week ended on 18-Oct-2024, SBP reserves increased by US$ 18 million to US$ 11,040.7 million," it said.

Last week, SBP foreign exchange reserves increased by $215 million to reach $11.02 billion, a 2.5-year high.

The recent increase in the SBP reserves has come on the back of an inflow from the International Monetary Fund (IMF).

Last month, the central bank received the first tranche of Special Drawing Rights (SDR) 760 million, equivalent to $1.03 billion, from the IMF after its Executive Board approved the 37-month, $7-billion Extended Fund Facility (EFF) for Pakistan.

The Pakistani authorities and the IMF team reached a staff-level agreement on the EFF in the amount equivalent to SDR 5,320 million (or about USD 7 billion) on July 12.

RUPEE DIPS BY 11 PAISAS TO DOLLAR AMID RISING FOREIGN PAYMENTS

October 24, 2024

Karachi, October 24, 2024 – The Pakistani rupee weakened by 11 paisas against the U.S. dollar on Thursday, closing at PKR 277.84 in the interbank foreign exchange market, down from the previous day's PKR 277.73. The depreciation was driven by increased demand for dollars to meet external payments.

Currency experts attributed the rupee's decline to mounting foreign payment obligations, particularly for imports and corporate transactions. However, despite the dip, experts remain optimistic about the rupee's outlook due to improved foreign exchange reserves and narrowing foreign payment deficits.

The State Bank of Pakistan (SBP) reported an increase in the country's foreign reserves, which grew by $64 million in the week ending October 10, 2024. This brings the total reserves to $16.111 billion, up from $16.047 billion the previous week. Notably, the SBP's own holdings saw a significant rise of $215 million, climbing from $10.808 billion to $11.023 billion.

Financial analysts have welcomed this boost in reserves, viewing it as a critical factor in stabilizing the rupee. "The increase in reserves provides a cushion against external economic pressures, reducing reliance on foreign borrowing and enhancing confidence in the rupee's future," said a senior financial analyst.

The bolstered reserve position is a sign of economic resilience, making Pakistan better equipped to manage external economic challenges. Analysts believe that the stronger reserves will help alleviate downward pressure on the rupee, stabilizing its value in the medium term.

Alongside the improved reserve situation, other positive factors are contributing to the rupee's stability. The country's trade balance and current account deficit have been narrowing, leading to reduced demand for foreign currency to cover international payments.

Moreover, steady inflows of remittances from overseas Pakistanis and rising export growth have further supported the rupee. These factors are contributing to a more favorable economic environment, bolstering market confidence in the local currency.

While short-term fluctuations in the rupee's value are expected due to external payment pressures, experts believe that the combination of stronger reserves, improved trade balance, and remittance inflows will sustain the rupee's resilience against the dollar.

Overall, the outlook for the rupee remains positive, with the economic developments in recent weeks fostering confidence among investors and stakeholders in Pakistan's financial stability.

BANK DEPOSITS IN PAKISTAN SOAR TO RECORD HIGH OF RS 31.34 TRILLION

October 24, 2024

By the end of September 2024, bank deposits in Pakistan surged to a historic Rs 31.342 trillion, reflecting a remarkable year-on-year increase of 19.1%, according to data released by the State Bank of Pakistan (SBP). This milestone marks a significant step in the nation's banking landscape, showcasing robust growth despite the challenges posed by fluctuating interest rates.

Previously, the bank deposits were reached to the record high at Rs 31.12 trillion by end of June 2024.

The latest figures also reveal a modest monthly increase of 1.82%, rising from Rs 30.78 trillion in August. This growth can be attributed to elevated interest rates, which have rendered bank deposits an attractive option for savers seeking lucrative returns. However, the recent reduction in interest rates has contributed to a slowdown in monthly deposit inflows. The SBP cut the policy rate by a total of 350 basis points in July and September 2024, culminating in a cumulative reduction of 450 basis points since June 2024, driven by a sustained decline in inflation.

In its Annual Report for the fiscal year 2023–2024, the SBP noted a decrease in the currency-in-circulation to deposit ratio, a trend attributed to the influx of bank deposits. The report highlighted that the government has increasingly relied on domestic banks to finance its budget deficit amidst a shortfall in external funding. Consequently, banks have channeled these deposits into government securities, reflecting a low demand for private sector credit during FY24.

As of September 2024, the advances made by the banking sector reached Rs 12.305 trillion, representing a 3.8% increase compared to the previous year. Month-on-month, advances rose by 4.2%. Concurrently, banks' investments surged to Rs 30.699 trillion, showcasing a staggering 35.7% year-on-year growth, although there was a slight month-on-month decline of 1.1%.

Private-sector credit demand began to show signs of recovery during the last fiscal year, concluding on June 30, 2024, after experiencing low growth throughout FY23. The increase in credit to the private sector was fueled by a gradual uptick in economic activity and ongoing cost pressures in various industries, necessitating working capital loans for businesses. Notably, private-sector credit expanded by 4.0% in FY24, compared to 2.3% in FY23.

Despite this rebound, commercial banks have shown a strong preference for risk-free investments in government securities, spurred by the government's heightened borrowing demand amid rising interest rates. The advance-to-deposit ratio (ADR) fell to 39.3% in September, down from 45.1% a year earlier.

With the government's borrowing needs decreasing due to a surplus of funds from improved dividend income and foreign financial inflows, banks now grapple with excessive liquidity. As a result, banks that fail to achieve the 50% ADR threshold by December 2024 will incur additional taxes, emphasizing the need for effective liquidity management. The investment-to-deposit ratio stood at an impressive 97.9% in September, up from 86% the previous year, highlighting the ongoing transformation within Pakistan's banking sector.

Trade & Industry

STEPS AFOOT TO PROVIDE CHEAP ENERGY TO INDUSTRY, SAYS JAM KAMAL

Recorder Report Published October 24, 2024

KARACHI: Jam Kamal, Federal Minister for Commerce, has said that the government is taking steps to provide energy to industries at cheaper rates to reduce the cost of doing business, enabling the domestic industry to compete in the world market.

He was addressing the inaugural ceremony of the 5th edition of TEXPO Pakistan 2024, a flagship event of the Trade Development Authority of Pakistan (TDAP) and Ministry of Commerce & Textile held on Tuesday at Karachi Expo Centre.

Texpo was inaugurated by Jam Kamal at Expo Centre here along with Faisal Karim Kundi, Governor of KPK, Syed Murad Ali Shah, Chief Minister Sindh. Muhammad Zubair Motiwala, Chief Executive TDAP, Sheryar Taj Secretary TDAP, Atif Ikram Sheikh President FPCCI, Jawed Bilwani President KCCI and other leading businessmen also attended the Ribbon Cutting ceremony.

Minister Commerce said that Pakistani textile products are world class and compete with any international brand. Textile and leather products account for 60 percent of Pakistan's exports and latest products are being showcased in Texpo 2024.

He urged the industry to focus on skill development and said that skilled labour can play an important role in the development of textile and leather industries.

"Pakistani exporters are meeting global standards of environmental friendliness and transparency and Pakistan's textile exports are gradually increasing",

he added.

Jam Kamal said that Pakistan's small and medium scale industries are also progressing well and adapting themselves to global standards. In addition, establishment of the National Compliance Centre will also help the domestic industry in meeting global standards, he added.

"The future of Pakistan's textile and leather industries is bright and sustainable as the government is working to bring more innovation and diversification to the textile and leather industries", he added.

CM Sindh Murad Ali Shah said that Texpo is a truly premier global platform for industry leaders, innovators and experts across the textiles, apparel, footwear, leather, and carpets sectors.

He said that Pakistan has a vital role in the global textiles, apparel and leather industries but also a commitment to advancing these sectors towards a brighter and sustainable future. "The contributions and ideas exchanged over the next few days will undoubtedly shape the future of our industries, improving the lives of millions around the world", he added.

Texpo is a flagship sector specific trade event of the government of Pakistan where buyers from around the world are invited to visit Pakistan and meet their counterparts in the country while witnessing the entire range of textile sector being offered by Pakistan to meet their procurement needs.

This year around 573 foreign buyers or importers are visiting from almost 60 countries to participate in the event whereas 210 exhibitors exhibited their products in TEXPO 2024.

Country delegations including Argentina, Netherlands, Malaysia, United Kingdom, Italy, Colombia and Brazil etc. held extensive meetings with Muhammad Zubair Motiwala, Chief Executive TDAP, Sheryar Taj, Secretary TDAP and other industry leaders.

TDAP has been instrumental in promoting Pakistani Textile and leather products since its inception and has provided great avenues to production houses / design houses in order to expand their businesses and exposure before the international buyers.

A fashion show featuring a spectrum of top Pakistani designers including Shamaeel Ansari, GOGI BY Hassan Riaz, Sahar Atif, IDEAS by Gul Ahmed, PLGMEA, Huma Adnan, Sanam Chaudhry, Yuna Hattori (Japan) Sania Maskatiya and Diners was also arranged for foreign delegates.

Zubair Motiwala said that TDAP has also arranged sector specific B2B meetings of foreign buyers with local exhibitors. MOUs have been signed amongst the foreign delegates with their local counterparts.

The event will contribute immensely in enhancing the country's image coupled with generating economic activity in the country in general, and within the textile export community in particular. The show will go till 25 October-2025 and the last day will also be open for the general public.

KCCI APPEALS GOVT TO NOTIFY SIX-DAY WORKWEEK TO BOOST ECONOMY

October 24, 2024

Karachi, October 24, 2024 – The Karachi Chamber of Commerce and Industry (KCCI) has urged the federal government to reintroduce a six-day working week for both federal and provincial government institutions to bolster the economy and facilitate the business sector.

In an official statement, KCCI President Muhammad Jawed Bilwani appealed for the reinstatement of a six-day workweek across all relevant authorities, institutions, and departments.

He emphasized that this change is crucial to revitalizing the economy and easing challenges faced by businesses and industries.

In a letter addressed to Prime Minister Shehbaz Sharif, Bilwani expressed concerns about the hardships caused by the additional holiday on Saturdays, which has been observed since 2011. “The business and industrial community has struggled with the Saturday holiday, particularly when it affects key sectors like government ministries, the State Bank of Pakistan, the Federal Board of Revenue, Pakistan Stock Exchange, and financial institutions,” Bilwani stated.

Bilwani pointed out that shipping companies also observe Saturdays as holidays, causing delays in handling export and import consignments. “This leads to heavy demurrage and detention charges, creating a financial burden on businesses. Additionally, the lack of banking services on Saturdays adversely affects commercial activities, especially when dealing with countries in the Gulf Cooperation Council (GCC),” he said. GCC countries observe Fridays as their weekly holiday, further restricting financial transactions to only four days a week.

The KCCI President highlighted another issue – cash deposits. Commercial centers and wholesale networks face difficulties due to the unavailability of banking services on Saturdays. This situation, Bilwani said, increases security risks as businesses are forced to hold onto cash over the weekend, and incidents of cash snatching have reportedly risen on Saturdays.

Bilwani recalled that the five-day workweek was introduced in October 2011 as a measure to conserve electricity during a period of severe energy shortages. However, he argued that in 2024, the country faces no such crisis. “The Ministry of Energy has confirmed that Pakistan now has a surplus of electricity, and capacity payments are being made to Independent Power Producers (IPPs) that remain idle. The current situation demands full utilization of our energy resources,” he added.

The KCCI also noted the disparity between the public and private sectors, where private sector employees typically work six days a week, while government employees work only five, or in some cases, 4.5 days. Bilwani stressed that increasing the number of working days for government institutions would help align the public sector with the private sector, boosting productivity across the board.

Business & Finance » Companies

NAYAPAY NAMED TO 2024 CB INSIGHTS’ LIST OF 100 MOST INNOVATIVE FINTECH STARTUPS

BR Web Desk Published October 24, 2024 Updated about 7 hours ago

NayaPay, a fintech platform and the first Electronic Money Institution in Pakistan, has been named to the 2024 CB Insights Fintech 100, showcasing the 100 most promising private fintech companies in the world, BUSINESS RECORDER learnt on Thursday.

CB Insights is a private company with a business analytics platform and global database that provides market intelligence on private companies and investor activities, according to the information available on Wikipedia.

The list primarily includes early- and mid-stage startups driving innovation across fintech.

“Our research team picked winning companies based on CB Insights datasets, including deal activity, industry partnerships, team strength, investor strength, employee headcount, and proprietary Commercial Maturity and Mosaic scores,” CB Insights said.

NayaPay is the only Pakistani fintech listed in the CB Insights’s list that includes around 50 companies from the United States. From neighbouring India, 3 companies made through the list.

In August 2024, NayaPay was also listed in the Forbes list of Asia 100 To Watch 2024.

NayaPay offers a digital wallet service that allows users to make everyday payments, send and receive money, split bills, and shop worldwide with a Visa debit card.

It also provides financial management tools and universal payment acceptance for small and medium-sized businesses.

NayaPay earned commercial approval to operate as the first Electronic Money Institution in Pakistan in September 2021. It raised $13 million in early-stage funding in February 2022.

Key highlights of 2024 CB Insights Fintech 100

- The 100 winners include 13 wealth management companies, 11 in embedded finance, and 10 in insurance.
- $7.2 billion in equity funding raised over time, including more than $2 billion in 2024 so far (as of 10/23/2024).
- Nearly 50% are early-stage companies (primarily seed/angel or Series A).
- 52 companies from outside the United States, across 23 countries on 6 continents. This includes 17 companies from 11 emerging and developing economies.

Just 5 companies on this year’s list have reached unicorn status (a $1 billion+ valuation). Amid the broader venture slowdown, just one winner has hit unicorn status in 2024 so far: Pennylane, a France-based financial management and accounting platform for businesses.

RENAULT POSTS FORECAST-BEATING 1.8% RISE IN Q3 SALES

Reuters Published October 24, 2024

PARIS: French carmaker Renault reported an unexpected rise in quarterly revenues on Thursday, as strong demand for its pricier new models helped it offset lower total volumes.

Revenues came in at 10.7 billion euros ($11.55 billion), up 1.8% from a year earlier and beating an analysts' consensus forecast of 10.35 billion euros provided by the company.

At constant exchange rates, group revenues were up 5%. Renault, one of the few European car manufacturers that has not revised its forecasts downwards in recent weeks amid a severe market slump, also confirmed it is aiming for a margin of at least 7.5% for 2024.

That compares to 7.9% in 2023.

Hyundai Motor's Q3 operating profit falls 7%; misses analysts' estimates

European car makers are struggling with rising costs and weak demand, as well as strong competition from Chinese electric vehicle rivals, which can produce cars more cheaply than Western companies.

Car sales in Europe slumped 18% in August and declined again in September, in the first consecutive monthly decline in two years, data from the European Automobile Manufacturers Association (ACEA) showed on Tuesday.

Renault said its global sales volumes fell 5.6% in the third quarter to 482,468 million vehicles, while European sales were down 5.3% to 328,111 vehicles.

But demand for its new cars helped it offset overall weaker volumes.

"Our Q3 revenue is starting to benefit from our unprecedented product offensive, with 10 new launches this year, representing 18% of our invoices over the quarter," Renault said in a statement.

That compares with about 5% for new launches in the first half, CFO Thierry Pieton told journalists on a call.

Revenue in the quarter at its core automotive division came to 9.35 billion euros, above a consensus forecast of 9.06 billion euros.

It also reported a 21.6% rise in its financing unit revenues to 1.34 billion euros, helped by higher interest rates and an increase in average performing assets.

PSO EARNS RS15.9BN PROFIT AFTER TAX IN FY23-24

Press Release Published about an hour ago

KARACHI: Pakistan State Oil (PSO), the nation's leading energy company, successfully convened its 48th Annual General Meeting (AGM) in Karachi, chaired by Chairman, Board of Management, PSO – Asif Baigmohamed. Managing Director and CEO, PSO - Syed Taha, other board members, and senior management were also present.

PSO reinforced its market leadership, achieving impressive financial results for FY24. The company posted gross revenue of Rs 3.8 trillion, with a profit after tax of Rs 15.9 billion, translating to earnings per share of Rs 33.79. A dividend of Rs 10 per share, equivalent to 100 percent for FY23-24, was declared.

The management briefed shareholders on vertical expansion initiatives through CERISMA (Private) Limited and PSO Renewable Energy. CERISMA, PSO's fintech arm, drives nationwide financial inclusion through accessible digital services, expanding its reach to e-commerce and international payments.

Meanwhile, PSO Renewable Energy focuses on solar capacity expansion, bolstering profitability, creating new revenue streams, and contributing to Pakistan's renewable energy growth.

Shareholders praised PSO's consistent performance, strategic focus on innovation through vertical expansion, financial empowerment, and reinforced leadership in Pakistan's energy landscape.

FAYSAL BANK REPORTS RS19.8BN PAT

Press Release Published about an hour ago

KARACHI: Faysal Bank Limited (FBL), the leading Islamic bank in Pakistan, continued with its growth stride and has announced sound financial results for the nine months ended September 30, 2024. The bank reported a profit after tax (PAT) of PKR 19.8 billion, marking a 64% increase as compared to the same period last year. Reflecting this strong performance, the bank also declared an interim cash dividend of 15%.

Mian Muhammad Younis, Chairman of Faysal Bank, stated, "Masha'Allah, the 9M'24 results highlight the strong foundation we have established as the best Islamic bank, driven by the dedication of our Board, Management, and Employees. The financial performance reflects the Bank's solid business fundamentals, complemented by our innovative Islamic products."

Yousaf Hussain, President & CEO of Faysal Bank, stated, "Alhamdulillah, our success in the first nine months of 2024 reflects the trust of our customers, the commitment of our staff, and the strength of our Shariah-compliant offerings."

OGDCL BEGINS OIL & GAS PRODUCTION FROM SINDH

BR Web Desk Published October 24, 2024

Oil & Gas Development Company Limited (OGDCL), Pakistan's largest exploration and production (E&P) company, has commenced production of oil and gas from its exploratory well Baloch-2 located in district of Sanghar, Sindh.

The E&P shared the development in a notice to the Pakistan Stock Exchange (PSX) on Thursday.

"We are pleased to announce that the well has now been brought into production in Sinjhoro block," OGDCL said in its notice.

OGDCL finds new gas reserves in Sindh

It said that the company's in-house expertise was key in delineating, drilling, and testing the structure.

"Drilled to a depth of 3,920 meters, the well is currently producing 350 barrels per day (bpd) of oil and 5 million standard cubic feet per day (mmscfd) of gas," it said.

OGDCL informed the production is connected to the Sinjhoro Processing Plant, with gas being injected into the Sui Southern Gas Company Limited (SSGCL) network.

This venture is a collaboration between OGDCL (76% working interest), Orient Petroleum Inc. (19%), and GHPL (5%).

"OGDCL is focused on fast-tracking exploration, drilling, and production to enhance national energy security and contribute to Pakistan's sustainable development," the company said.

Back in August, OGDCL announced the discovery of gas condensate reserves at Baloch-2 well.

The discovery marked the first milestone in Sinjhoro block from Sembar Formation, said the listed company back then.

As per the company's latest financial results, OGDCL reported a profit-after-tax (PAT) of Rs208.98 billion for fiscal year ended June 30, 2024.

PPL begins oil & gas production from Punjab

Earnings registered a decline of nearly 7% as compared to Rs224.62 billion in the same period of the previous year (SPLY).

The company also announced a final cash dividend of Rs4 per share i.e. 40%.

BOEING WORKERS REJECT CONTRACT, EXTEND STRIKE: UNION

AFP Published October 24, 2024

NEW YORK: Boeing workers in the Seattle region decisively rejected the US aerospace giant's latest contract offer on Wednesday, extending their nearly six-week strike.

Almost two-thirds – 64 percent – of the members of the International Association of Machinists and Aerospace Workers District 751 rejected the contract, the union said on X.

The latest Boeing offer had included a 35 percent wage hike, but did not reinstate a pension plan sought by many employees.

Some 33,000 hourly workers with the IAM have been on the picket line since September 13, when workers overwhelmingly rejected a Boeing proposal for a new four-year contract to replace the expiring pact.

The strike has halted activity at two Seattle-area factories that assemble the 737 MAX and 777.

Workers had sought a 40 percent wage increase to make up for years of tepid salary growth that have not kept pace with inflation and that employees complain leave them unable to afford living in one of the most costly regions of the United States.

Boeing reaches labour deal with 25pc pay hike

"After 10 years of sacrifices, we still have ground to make up, and we're hopeful to do so by resuming negotiations promptly," Jon Holden, president of the Seattle union, said in a statement.

"This is workplace democracy – and also clear evidence that there are consequences when a company mistreats its workers year after year," Holden said.

"Ten years of holding workers back unfortunately cannot be undone quickly or easily, but we will continue to negotiate in good faith until we have made gains that workers feel adequately make up for what the company took from them in the past," he added.

A Boeing spokeswoman said Wednesday night the company had no comment on the vote.

The extension of the strike adds to the troubles facing Boeing and its new CEO Kelly Ortberg, who earlier Wednesday expressed measured optimism the latest contract would be ratified.

"We have been feverishly working to find a solution that works for the company and meets our employees' needs," Ortberg said in a message to employees accompanying third-quarter results.

Boeing reported a whopping $6.2 billion loss due in part to added costs connected to the strike and to problems with its troubled defense and space business.

The embattled aviation giant has also been under regulatory scrutiny following safety problems.

To strengthen liquidity, Boeing has announced plans to raise up to $15 billion in securities. But Boeing executives Wednesday declined to elaborate on the timing of the offering, or the particular investment vehicles that would be employed.

Even before the strike, Boeing had slowed production in its commercial plane division to ensure greater attention to safety protocols after a 737 MAX flown by Alaska Airlines was forced to make an emergency landing in January when a fuselage panel blew out mid-flight.

The near-catastrophe – coming after two fatal 737 MAX crashes in 2018 and 2019 that claimed 346 lives – put Boeing under intense regulatory oversight once again.

COLABS ANNOUNCES RAISING $2MN IN PRE-SERIES A FUNDING

Bilal Memon Published October 24, 2024

Pakistan's workplace platform COLABS announced on Thursday that it has raised $2 million in a pre-Series A round led by UAE-based alternative investment company Shorooq Partners with participation from Saudi Arabia's Waad Investment that focuses on growth-stage startups in the region.

The funding will go towards setting up a campus in Saudi Arabia and prepare the company for Series A planned for next year, COLABS CEO and co-founder Omar Shah told BUSINESS RECORDER.

In its statement to the media, the company said the latest investment brings COLABS' total funding to over $5 million, positioning it for "strategic expansion into Saudi Arabia and the broader MENA region". Its previous round in March 2022 was led by Indus Valley Capital, Zayn Capital and Fatima Gobi Ventures.

Founded in 2019, COLABS said it now has 5,000 seats across 10 locations and a team of over 300 employees. Its revenue has grown five times and the company has been profitable since last year.

Shah said the company sees 40-50% site-level margins in existing developed locations.

"With KSA vision 2030, the market in Saudi Arabia is ripe for companies like ours to open and taken advantage," Shah told BUSINESS RECORDER as he explained the wider expansion to the Gulf and Saudi Arabia's interest in venture capital (VC) funding.

In an emailed brief, the company said it is the only coworking space in Pakistan to raise VC funding post-WeWork crash from top investors including Indus Valley Capital, Shorooq Partners, and Fatima Gobi Ventures.

The company's members include Digital Ocean, Glow insurance, Gelato, Bbox, Overjet, Burq, Vartana, Edufi, K Trade and Sadapay.

The company said it works with freelancers, has a strategic partnership with Google Cloud, as well as the Pakistan Air Force in building the National Aerospace Science and Technology Park operating a 1,000+ seating facility to support tech companies in Pakistan's growing aerospace sector.

Pakistan's startups have seen a dry run, attracting a measly $3 million in the first half of 2024. The amount was a massive 92% drop year-on-year, showed data released by Magnitt, a data analytics platform, in its report in July.

The decline in Pakistan startup funding was the biggest drop in emerging markets that are covered by Magnitt, showed the report 'H1 2024 Emerging Venture Markets Venture Investment'.

However, some momentum seemed to have picked again as PostEx, a prominent player in Pakistan's financial technology sector, announced the completion of a $7.3 million pre-Series A funding round in August, while Zyp Technologies, which operates in the energy and electric motorcycle assembly space, said it raised $1.5 million in Series Pre-A funding in July.

DealCart, a Pakistani social e-commerce startup, also announced in July it has successfully raised $3 million in seed funding. Just last week, Pakistan's fintech Abhi also secured $15 million in credit financing.

MOBILE PHONE USERS REACH 193.35 MILLION BY SEPTEMBER 2024

October 24, 2024

The number of mobile phone users in Pakistan has surged to an impressive 193.35 million by the end of September 2024, up from 193.10 million at the close of August, according to data released by the Pakistan Telecommunication Authority (PTA).

This growth reflects the country's expanding telecommunication landscape and the increasing reliance on mobile connectivity.

The PTA's report also highlighted a notable rise in the number of 3G and 4G subscribers, which climbed from 137.92 million at the end of August to 138.73 million by the end of September 2024. This translates to a marginal increase in Next Generation Mobile Service (NGMS) penetration, which rose from 56.72 percent to 56.96 percent. Meanwhile, cellular teledensity—the measure of mobile connections per hundred individuals—remained stable at 79 percent during the same period.

Despite the overall growth, individual performance among cellular service providers exhibited variability. Jazz reported a decrease in its 3G subscriber base, dropping from 2.718 million at the end of August to 2.443 million by September. Conversely, Jazz's 4G subscribers rose from 48.843 million to 49.418 million during the same timeframe.

Zong experienced a similar trend, with its 3G users declining from 1.932 million to 1.912 million. However, the number of Zong's 4G users increased from 37.627 million to 37.869 million. Telenor also saw a drop in its 3G subscribers, which fell from 1.519 million to 1.481 million, while its 4G user base expanded from 25.189 million to 25.399 million.

Ufone's performance mirrored these trends, with its 3G subscribers decreasing from 2.167 million to 2.143 million. However, its 4G user count grew from 16.243 million to 16.368 million.

In September 2024, the PTA registered 17,324 complaints from telecom consumers regarding various service operators. Remarkably, 99 percent of these complaints—amounting to 17,151—were resolved. Most grievances originated from cellular mobile operators (CMOs), which accounted for the bulk of complaints within the telecom sector. A total of 16,726 complaints were logged against CMOs, with 16,571 (99.1 percent) addressed.

Breaking down the complaints by provider, Jazz faced 6,506 complaints, resolving 6,487 (99.7 percent). Telenor had 3,778 complaints, with 3,705 (98.1 percent) resolved. Zong received 4,365 complaints, of which 4,331 (99.2 percent) were addressed. Ufone had 2,051 complaints, resolving 2,024 (98.7 percent). Additionally, the PTA received 154 complaints related to basic telephony, resolving 145, achieving a resolution rate of 94.2 percent, and 433 complaints against internet service providers (ISPs), with 424 (97.9 percent) addressed.

Overall, the steady increase in mobile phone users and the proactive approach of the PTA in resolving consumer complaints reflect a dynamic telecommunications environment in Pakistan.

Fuel & Energy

GLOBAL WIND POWER SET TO GRAB RECORD SHARE OF ELECTRICITY MARKET: MAGUIRE

Reuters Published October 24, 2024

LITTLETON: Global wind-powered electricity generation could set a new record in 2024, as winter sets in throughout the northern hemisphere and wind speeds pick up across a majority of the world's wind farms.

This, in turn, could help wind power grab a record-high share of the worldwide electricity generation market.

Global wind electricity generation in the first nine months of 2024 has only climbed around 7% versus the same period in 2023, according to energy think tank Ember.

But historical trends suggest this figure could spike in the final months of the year, pushing annual generation to a new record.

A late-year pick-up in wind output is likely because the annual peak in wind generation tends to occur during the northern hemisphere winter, as over 90% of operating wind farms are located in Asia, Europe and North America.

If wind production rises in line with these expectations, it would likely account for more than 10% of monthly global electricity output in November and December.

This would be the first time it has ever eclipsed this level.

Regional span

Wind power's generation potential in the final months of 2024 will depend largely on wind speeds in China, the United States and Germany, which collectively are home to 64% of current global wind generation capacity, according to Global Energy Monitor (GEM).

China alone has a 43% share of global capacity (around 400,000 megawatts (MW)), making it by far the most important wind generation market.

Going green: Lucky Cement completes 28.8MW wind power project

Over the first nine months of 2024, China's wind-powered electricity generation was 712 terawatt hours (TWh), according to Ember.

That total was 11% higher than the same period in 2023, meaning China's full-year output is on track to rise by over 10% once generation during the final months of the year is complete.

The United States is the second-largest wind market, with around 145,000 MW of capacity.

From January through September, wind-powered electricity output was 333 TWh, up 6.2% from the same months last year.

Germany, Europe's largest wind producer, has around 47,000 MW of current wind capacity, which has generated around 94 TWh of electricity so far in 2024.

That's an increase of 7% versus the first nine months of 2023.

Winds of change?

There are several reasons to believe wind power will gain further ground in the electricity generation market in the coming years. Global wind generation capacity has been one of the fastest-growing forms of electricity production so far this century.

It expanded around 20% per year from 2001 through 2021, according to Ember.

True, global capacity growth has dropped to around half that rate since 2022 due to a mix of factors, including shortages of key components and steep inflation for parts and labour.

The slowdown has been particularly acute in North America and Europe, where utility-scale wind capacity expanded by only 5% and 7%, respectively, last year, according to Ember.

This negative trend has persisted through the first half of 2024.

From January through August of this year, wind capacity in the United States expanded by just 2.4% year-on-year, according to data portal Cleanview.

And wind capacity expansions in Germany were also down slightly during the first half of 2024 compared to the first six months of 2023, according to WindEurope. But experts believe this trend may soon reverse.

Installations in Germany are projected to rebound later this year, thanks in part to the repair of the A27 motorway that is a key conduit for wind turbine parts.

It was partially shut in the first half of the year after a water tunnel collapse.

And in the United States, the pace of wind installations is set to accelerate as project developers there rush to finish jobs ahead of a potential change in presidential administrations next year following the Nov. 5 elections.

The capacity expansion story is also quite robust in Asia.

Wind capacity there grew by over 19% last year.

This was the fastest annual growth in the continent since 2020.

China has been the main driver of this trend, and this looks set to continue, as the country has already installed 39,000 MW of new wind capacity so far this year, according to the Centre for Research and Clean Air (CREA), which is up 17% from 2023.

While optimism surrounding wind power's potential dimmed in recent years, the expected jump in output in the coming months and projected capacity expansions in 2025 may mean that, in this corner of the energy market, the winds are changing.

US NATGAS PRICES CLIMB ON COOLER WEATHER

Reuters Published about an hour ago

NEW YORK: US natural gas futures climbed about 3% to a one-week high on Thursday on forecasts for cooler weather and more heating demand over the next two weeks than previously expected and on rising prices for gas in global markets that should boost the value of US liquefied natural gas (LNG) exports.

That price increase came despite a bearish bigger-than-expected weekly storage build that was also bigger than the five-year average for the first time in 15 weeks.

Front-month gas futures for November delivery on the New York Mercantile Exchange rose 7 cents, 3.0%, to $2.412 per million British thermal units (mmBtu) at 10:41 a.m. EDT (1441 GMT), putting the contract on track for its highest close since Oct. 15.

The US Energy Information Administration (EIA) said utilities added 80 billion cubic feet (bcf) of gas into storage during the week ended Oct. 18.

OIL PRICES FALL ON UNCERTAINTY

Reuters Published about an hour ago

NEW YORK: Oil prices fell by about 1% in volatile trade on Thursday on worries that slow economic growth in Europe could reduce energy demand, as uncertainty around conflict in the Middle East kept traders on edge ahead of the US presidential election.

Brent futures fell 54 cents, or 0.7%, to $74.42 a barrel by 11:48 a.m. EDT (1548 GMT), while US West Texas Intermediate (WTI) crude slipped 59 cents, or 0.8%, to $70.18.

Earlier in the session, both crude benchmarks were trading up over $1 a barrel. “(The) energy complex continues to zig and zag as Middle East risk premium expands and contracts almost daily,” analysts at energy advisory firm Ritterbusch and Associates said in a note. Since Iran fired missiles at Israel on Oct. 1, Brent crude surged 8% during the week ended Oct. 4 on worries Israel would attack Iran’s oil infrastructure. It fell 8% during the week ended Oct. 18 on reports Israel would not hit energy infrastructure, easing fears of supply disruptions.

In Europe, Euro zone business activity stalled again this month, remaining in contractionary territory as demand from both home and abroad fell despite firms barely increasing their prices, a survey showed on Thursday.

In the UK, optimism among British firms has sunk, according to two surveys published on Thursday, six days before finance minister Rachel Reeves tries to chart a way between raising taxes and boosting growth in the new government’s first budget.

In the US, new applications for US unemployment aid unexpectedly fell last week, but the number of people collecting benefits in mid-October was the highest in nearly three years, indicating it was becoming harder for those losing jobs to land new positions.

OIL PRICES BROADLY STABLE WITH UNCERTAINTY AROUND MIDDLE EAST AND US ELECTION

Reuters Published October 24, 2024

LONDON: Oil prices were broadly stable on Thursday as uncertainty around conflict in the Middle East and reports of North Korean troops ready to help Russia in Ukraine kept traders on edge ahead of the U.S. presidential election.

Brent crude futures were up 46 cents, or 0.6%, at $75.42 a barrel by 1318 GMT. U.S. West Texas Intermediate crude futures rose 39 cents, or 0.6%, to $71.16.

Oil prices have gained about 3% this week after shedding more than 7% last week on a perceived calming of Middle East tensions and concerns of oversupply and weak demand.

“The opposing forces of economic anxiety, loose oil balance and potential war-related supply disruptions will ensure that no clear oil price direction emerges in the immediate future whilst the risk remains skewed to the downside in the medium term,” said Tamas Varga of oil broker PVM.

On Wednesday the U.S. said for the first time that it had seen evidence North Korea has sent 3,000 troops to Russia for possible deployment in Ukraine, a move that could mark significant escalation in Russia’s war against its neighbour.

Oil rises as Middle East war rages

In the Middle East, an exchange of heavy fire between Israel and Hezbollah heightened supply concerns. Israeli strikes were also reported to have hit the Syrian capital Damascus early on Thursday.

Washington, meanwhile, continues to push for peace between Israel and Iran-backed groups Hezbollah and Hamas before the U.S. presidential election on Nov. 5, which could alter U.S. Middle East and oil policy.

“Trump is leading over (Kamala) Harris based on current data from betting markets and Trump has proposed making the U.S. a major oil supplier,” said OANDA senior market analyst Kelvin Wong, adding that such a move could depress prices.

While betting markets put Trump ahead, other polls show the result is too close to call.

Markets – Rates

BULLS RULE THE ROOST

Recorder Report Published about an hour ago

KARACHI: Bulls dominate the Pakistan Stock Exchange on Thursday as the market hit historic highest-ever levels on the back of aggressive buying, mainly by local investors coupled with institutional support on expectations of further cut in interest rate in the upcoming monetary policy meeting scheduled for November 4, 2024.

The benchmark KSE-100 Index surged by 1,751.45 points or 2.01 percent and closed at all-time highest level of 88,945.99 points. The index crossed 89,000 psychological level for the first time in its history to hit 89,126.16 intra-day highest ever level, however closed at slightly lower level due to profit taking in some stocks.

Trading activity also improved as daily volumes increased to 757.648 million shares as compared to 699.294 million shares traded on Wednesday. The daily traded value on the ready counter increased to Rs 36.047 billion against previous session's Rs 26.824 billion.

BRIndex100 soared by 239.1 points or 2.56 percent to close at 9,586.07 points with daily turnover of 666.971 million shares.

BRIndex30 increased by 678.57 points or 2.41 percent to close at 28,791.24 points with daily trading volumes of 464.752 million shares.

Foreign investors however remained on the selling side and withdrew $9.654 million from the local equity market. Total market capitalization increased by Rs 174 billion to Rs 11.592 trillion. Out of total 454 active scrips, 238 closed in positive and 167 in negative while the value of 49 stocks remained unchanged.

K-Electric was the volume leader with 113.202 million shares and inched up by Rs 0.15 to close at Rs 4.82 followed by PTCL that gained Rs 0.98 to close at Rs 16.76 with 41.105 million shares. Fauji Cement increased by Rs 1.13 to close at Rs 31.46 with 23.272 million shares.

Unilever Pakistan Foods and Pakistan Tobacco Company were the top gainers increasing by Rs 191.89 and Rs 109.40 respectively to close at Rs 18,455.56 and Rs 1,203.37 while Rafhan Maize Products Company and Nestle Pakistan were the top losers declining by Rs 271.44 and Rs 156.94 respectively to close at Rs 7,028.56 and Rs 6,624.96.

"Bulls dominate the Pakistan Stock Exchange (PSX) as the KSE-100 index surged to an all-time high of 89,126 points, gaining 1,931 points or 2.22 percent, before closing at 88,945 points, up by 2.01 percent", Muhammad Sohail, leading analyst and CEO of Topline Securities said.

Investor optimism is fuelled by expectations ahead of the upcoming monetary policy meeting scheduled for November 4, 2024, he added.

He said that the market sentiment suggests that two significant interest rate cuts may be on the horizon, prompting a wave of buying activity that propelled the index to its historic peak. Additionally, investors are shifting their fixed income portfolios into equities, further boosting market momentum.

Key contributors to the index's rise included FFC, UBL, OGDC, EFERT, and MCB, which collectively added 935 points. In terms of value traded, UBL led the pack with Rs 3.1 billion, followed by ATRL at Rs 2.5 billion, and OGDC with Rs 1.9 billion.

The cement sector garnered significant investor interest ahead of the monetary policy meeting, with notable performances from GWLC (10%), ACPL (10%), PIOC (4.5%), KOHC (4.37%), and CHCC (4.01%), all closing higher than their previous day's close.

BR Automobile Assembler Index gained 63.54 points or 0.35 percent to close at 18,076.48 points with 11.626 million shares.

BR Cement Index surged by 276.1 points or 3.12 percent to close at 9,133.79 points with 91.170 million shares.

BR Commercial Banks Index increased by 476.63 points or 1.95 percent to close at 24,978.59 points with 58.880 million shares.

BR Power Generation and Distribution Index soared by 214.16 points or 1.41 percent to close at 15,453.58 points with 130.701 million shares.

BR Oil and Gas Index added 156.28 points or 1.87 percent to close at 8,515.77 points with 48.738 million shares.

BR Tech. & Comm. Index closed at 4,269.33 points, up 37.59 points or 0.89 percent with 127.820 million shares.

Senior analyst Khurram Schehzad said that Pakistan stock market, as gauged by the KSE-100 index, has gone up by about 9.0 percent in October 2024 to date, closing at a high of 88,946 points, with a change or about 1,751, or 2.0 percent.

He said slowdown in inflation with persistence, leading to expectations of significant decline in policy rate, softening global oil prices and improving/stabilizing macros and clarity on political fronts, led to investor confidence and rally in the stock market, which has remained grossly undervalued, still trading below 6x its earnings.

ACTIVITIES OF KARACHI PORT TRUST, PORT QASIM

Recorder Report Published about an hour ago

KARACHI: The Karachi Port Trust handled 180,436 tonnes of cargo comprising 100,152 tonnes of import cargo and 80,436 tonnes of export cargo during last 24 hours ending at 0700 hours.

The total import cargo of 100,152 comprised of 56,984 tonnes of Containerized Cargo, 17,843 tonnes of Bulk Cargo, 10,430 tonnes of Rock Phosphate & 14,895 tonnes of Liquid Cargo.

The total export Cargo of 80,436 comprised of 45,522 tonnes of Containerized Cargo, 181 tonnes of Bulk Cargo, 3,130 tonnes of Cement, 21,152 tonnes of Clinkers, 5,651 tonnes of Rice & 4,800 tonnes of Liquid Cargo.

Approximately, 06 ships, namely Xin Hang Zhou, Kiran Adriatic, Sg Pegasus, Atlantic Ibis, Agios Nikolas & Haiphong Express berthed at the Karachi Port Trust.

Around, 04 ships namely, Pacific Horizon I, T Vega, Addison & Hyundai Pluto sailed from the Karachi Port Trust.

PORT QASIM

A total of ten ships were engaged at PQA berths during the last 24 hours, out of them a containers ship 'Maersk Cape Town' left the port on today morning while five more ships, MSC Positano, Valentina, Alea, Bam Bam and Dravin are expected to sail on Thursday afternoon.

Cargo volume of 183,468 tonnes, comprising 130,126 tonnes imports cargo and 53,342 tonnes export cargo carried in 4,026 Containers (2,059 TEUs Imports & 1,967 TEUs Export) was handled at the port during last 24 hours.

There are 11 ships at Outer Anchorage of Port Qasim, out of them four ships, Torrente, African Harrier, Scarlet Rosella and Umm Bab scheduled to load/offload Container, Rice, Canola Seed and LNG are expected to take berths at QICT, Mw-1, FAP and EETL respectively on today 24th October, while another containers ship 'CMA CGM Don Pascuale' is due to arrive at port on Friday 25th October, 2024.

LME OFFICIAL PRICES

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

Recorder Report Published about an hour ago

LONDON: The following were Wednesday official prices.

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ALUMINIUM
=========================================
CONTRACT                BID          OFFER
-----------------------------------------
Cash                2624.00        2625.00
3-month             2646.00        2647.00
=========================================
COPPER
=========================================
CONTRACT                BID          OFFER
-----------------------------------------
Cash                9363.00        9364.00
3-month             9509.00        9509.50
=========================================
ZINC
=========================================
CONTRACT                BID          OFFER
-----------------------------------------
Cash                3165.00        3165.50
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3-month            3129.50          3130.50
=========================================
NICKEL
=========================================
CONTRACT                BID           OFFER
-----------------------------------------
Cash              15855.00         15860.00
3-month           16125.00         16150.00
=========================================
LEAD
=========================================
CONTRACT                BID           OFFER
-----------------------------------------
Cash               2017.00          2019.00
3-month            2055.00          2056.00
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Source: London Metals Exchange.

BRINDEX100 AND BR SECTORAL INDICES

KARACHI: BRIndex100 and BR Sectoral Indices on Thursday (October 24, 2024). ==================================== BR...

Recorder Report Published about an hour ago

KARACHI: BRIndex100 and BR Sectoral Indices on Thursday (October 24, 2024).

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BR INDICASE AT A GLANCE
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             BRINDEX100
====================================
Day Close:                 88,945.99
High:                      89,126.16
Low:                       87,382.05
Net Change:                  1751.45
Volume (000):                458,054
Value (000):              27,431,611
Makt Cap (000)         2,758,935,000
------------------------------------
BR AUTOMOBILE ASSEMBLER
------------------------------------
Day Close:                 18,076.48
NET CH                     (+) 63.54
------------------------------------
BR CEMENT
------------------------------------
Day Close:                  9,133.79
NET CH                    (+) 276.10
------------------------------------
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BR COMMERCIAL BANKS
------------------------------------
Day Close:                 24,978.59
NET CH                    (+) 476.63
------------------------------------
BR POWER GENERATION AND DISTRIBUTION
------------------------------------
Day Close:                 15,453.58
NET CH                    (+) 214.16
------------------------------------
BR OIL AND GAS
------------------------------------
Day Close:                  8,515.77
NET CH                    (+) 156.28
------------------------------------
BR TECH & COMM
------------------------------------
Day Close:                  4,269.33
NET CH                     (+) 37.59
------------------------------------
As on:               24-October-2024
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These indices are available Live on Aaj TV, www.brecorder.com and www.khistocks.com.

For further information please visit www.khistocks.com

OPEN MARKET FOREX RATES

Updated at: 25/10/2024 6:52 AM (PST)

Currency	Buying	Selling
Australian Dollar	185.25	187.63
Bahrain Dinar	732.22	740.22
Canadian Dollar	200.67	203.07
China Yuan	38.88	39.28
Danish Krone	40.29	40.69
Euro	297.55	300.30
Hong Kong Dollar	35.3	35.65
Indian Rupee	3.34	3.45
Japanese Yen	1.92	1.98
Kuwaiti Dinar	898.63	908.13
Malaysian Ringgit	64.13	64.73
NewZealand $	165.23	167.23
Norwegians Krone	24.96	25.26
Omani Riyal	716.62	725.12
Qatari Riyal	75.45	76.15
Saudi Riyal	73.55	74.10
Singapore Dollar	208.64	210.64
Swedish Korona	26.46	26.76
Swiss Franc	319.20	322.00
Thai Bhat	8.15	8.3
U.A.E Dirham	75.25	75.90
UK Pound Sterling	357.75	361.25
US Dollar	277.30	278.80

INTER BANK RATES

Updated at: 25/10/2024 6:52 AM (PST)

Currency	**Bank Buying TT Clean**	**Bank Selling TT & OD**
Australian Dollar	185.59	185.92
Canadian Dollar	201.03	201.39
China Yuan	39.31	39.38
Danish Krone	40.24	40.31
Euro	300.09	300.63
Hong Kong Dollar	35.88	35.94
Japanese Yen	1.8306	1.8339
Saudi Riyal	73.98	74.11
Singapore Dollar	210.90	211.28
Swedish Korona	26.48	26.53
Swiss Franc	320.55	321.13
Thai Bhat	8.28	8.29
UK Pound Sterling	360.74	361.39
US Dollar	277.65	278.15

GOLD RATE

Gold Price Today

As on Fri, Oct 25 2024, 01:58 GMT

Metal	Symbol	PKR for 10 Gm	PKR for 1 Tola	PKR for 1 Ounce	
Gold	XAU	243,029	283,168	755,918	
Palladium	XPD	94,866	110,535	295,072	
Platinum	XPT	91,080	106,123	283,296	
Silver	XAG	3,018	3,517	9,388	

Gold Price in Pakistan

As on Fri, Oct 25 2024, 01:58 GMT

Gold Rate	24K Gold	22K Gold	21K Gold	18K Gold
per Tola Gold	Rs. 283200	Rs. 259598	Rs. 247800	Rs. 212400
per 10 Gram	Rs. 242800	Rs. 222565	Rs. 212450	Rs. 182100
per Gram Gold	Rs. 24280	Rs. 22257	Rs. 21245	Rs. 18210
per Ounce	Rs. 688300	Rs. 630937	Rs. 602263	Rs. 516225

Gold Rates in other Major Currencies

Currency	Symbol	10 Gm	1 Tola	1 Ounce	
China Yuan	CNY	6,236	7,266	19,397	
Euro	EUR	812	946	2,525	
Japanese Yen	JPY	133,747	155,837	416,008	
Saudi Riyal	SAR	3,282	3,824	10,208	
U.A.E Dirham	AED	3,214	3,745	9,997	
UK Pound Sterling	GBP	676	788	2,103	
US Dollar	USD	875	1,020	2,722	