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SHAHID LEGAL GROUP

SLD NEWS UPDATES

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IN NEWS

Business & Finance / Taxes

FBR says only timely filers will be included in ATL

Income tax penalties require written orders: FBR

FBR prescribes penalties on withholding agents in Tax Year 2027

FBR sets penalties for return filing failure in Tax Year 2027

FBR to continue business licence scheme in Tax Year 2027

FBR makes tax registration mandatory for Tax Year 2027

Markets / Cotton & Textile

Weekly Cotton Review: Spot prices fall by Rs300/maund amid fresh pressure

Business & Finance / Money & Banking

Philippine central bank raises key interest rate

Australian central banker says policy working, but inflation outlook worse

Markets / Stocks

London stocks mark weekly fall as oil hits five-month high

Most Gulf shares close lower as Saudi-Houthi fighting rages on

Sri Lankan shares close down

Wall Street Week Ahead: Earnings, Fed meeting pose pivotal tests for rickety AI market rally

US yields climb, but 10-year holds under 5pc as AI jitters linger

Gulf bourses slip as Houthi-Saudi clashes rattle investors

Technology

PM Shehbaz launches scheme to distribute 500,000 Chromebooks

Business & Finance / Companies

Trump announces Audi will build $4 billion US factory in Georgia

Markets / Financial

Euro zone growth slows to 4-month low

Markets / Energy

Oil slips from near six-months highs despite supply concerns

JSW Steel warns of coking coal price spike

US natgas prices fall on milder weather forecasts

FTO coordinator urges higher domestic oil and gas production

Rates

Automart: car prices in Karachi

Marginal gains: the momentum continues

Futures spread surges 1,059 bps

PSX extends losing streak

OPEN MARKET FOREX RATES

INTER BANK RATES

Business & Finance / Taxes

FBR SAYS ONLY TIMELY FILERS WILL BE INCLUDED IN ATL

Written by

Akhter Syed

in

Taxation

Taxpayers who missed the October 31, 2026, deadline for Tax Year 2026 may face surcharges to enter the Active Taxpayers List, alongside restrictions on refunds and loss adjustments.

ISLAMABAD: The Federal Board of Revenue (FBR) has clarified that taxpayers who filed their income tax returns by the prescribed deadline of October 31, 2026, will qualify for inclusion in the Active Taxpayers List (ATL) for the relevant tax year.

The original deadline for filing income tax returns for Tax Year 2026 was September 30, 2026. The FBR subsequently extended it to October 15 and then to October 31, 2026.

According to Section 182A of the Income Tax Ordinance, 2001, updated up to June 30, 2026, taxpayers who fail to submit returns under Section 114 by the applicable due date will not be included in the ATL for the year concerned.

Surcharge for Late Inclusion in ATL

The law allows late filers to enter the ATL after submitting their returns and paying the prescribed surcharge. The applicable amounts are:

• Companies: Rs100,000

• Associations of persons (AOPs): Rs50,000

• Individuals: Rs25,000

The surcharge is in addition to any other liability under the Income Tax Ordinance.

Consequences of Missing the Deadline

Section 182A also sets out other consequences for taxpayers who miss the filing deadline. These include restrictions on carrying forward losses under Part VIII of Chapter IV for the relevant tax year.

Furthermore, taxpayers will not receive refunds while they remain outside the ATL. They will also be ineligible for additional payments on delayed refunds under Section 171 for the period during which they are not included in the list. That period will be excluded when calculating additional payments.

Exemption for Certain Individuals

The ordinance provides an exception to the surcharge requirement for an individual who submits an undertaking to the Commissioner declaring that they will not purchase, acquire or otherwise obtain ownership or a beneficial interest in any property for six months from the date of the undertaking, in the prescribed form.

The provisions make timely return filing important for taxpayers seeking to maintain ATL status and avoid additional costs and restrictions associated with late filing.

INCOME TAX PENALTIES REQUIRE WRITTEN ORDERS: FBR

Written by

Akhter Syed

in

Taxation

Section 181 of the Income Tax Ordinance, 2001 requires a written order from the relevant tax authority or appellate forum and an opportunity for taxpayers to be heard before penalties are imposed.

ISLAMABAD: The Federal Board of Revenue (FBR) has clarified the requirements for imposing income tax penalties under Section 181 of the Income Tax Ordinance, 2001, for Tax Year 2027, covering July 1, 2026, to June 30, 2027.

According to the ordinance updated up to June 30, 2026, penalties specified under Section 181 must be applied consistently, and no penalty is payable unless a written order is passed by the Commissioner, Commissioner (Appeals) or Appellate Tribunal after providing the person concerned an opportunity to be heard.

Taxpayers Can Voluntarily Pay Penalties

Section 181 also allows taxpayers who admit their default to voluntarily pay the penalty due under the relevant provisions.

The law further clarifies that establishing mens rea, or a deliberate intention to commit wrongdoing, is not necessary for the imposition of a penalty under this section.

Where the Commissioner (Appeals) or Appellate Tribunal passes an order imposing a penalty, a copy must immediately be served on the Commissioner. The provisions governing the recovery of penalties then apply as though the order had been issued by the Commissioner.

Penalties to Be Adjusted After Tax Reduction

The ordinance also provides relief where a subsequent order under the law reduces the amount of tax on which a penalty was calculated.

In such cases, the penalty payable must be reduced accordingly.

These provisions establish the procedural requirements for imposing, communicating and recovering penalties under Section 181, while providing taxpayers with an opportunity to present their case before a penalty is imposed.

FBR PRESCRIBES PENALTIES ON WITHHOLDING AGENTS IN TAX YEAR 2027

Written by

Akhter Syed

in

Taxation

FBR sets a Rs50,000 penalty for certain late withholding statements, while other defaults may attract fines of Rs2,500 per day, subject to a minimum of Rs10,000.

ISLAMABAD: The Federal Board of Revenue (FBR) has prescribed monetary penalties for withholding agents who fail to submit withholding tax statements within the stipulated deadlines during Tax Year 2027.

According to the Income Tax Ordinance, 2001, updated up to June 30, 2026, the provisions apply to Tax Year 2027, covering July 1, 2026, to June 30, 2027.

Under the relevant penalty provisions, any person who fails to furnish a statement required under Sections 165, 165A, 165B or 165C by the due date may face financial penalties.

Penalties for Late Withholding Statements

The ordinance prescribes a penalty of Rs50,000 where the person has already paid the tax collected or withheld within the prescribed payment deadline and submits the outstanding statement within 90 days of its filing due date.

In all other cases, the penalty is Rs2,500 for each day of default, subject to a minimum penalty of Rs10,000.

The law also specifies that where it is established that no tax was required to be deducted or collected during the relevant period, the minimum penalty will remain Rs10,000.

Compliance Requirements

The provisions cover withholding statements required under the specified sections of the Income Tax Ordinance. These reporting requirements form part of the FBR's tax compliance framework for persons responsible for deducting or collecting tax.

Withholding agents should ensure that applicable statements are submitted by their respective deadlines and that deducted or collected taxes are deposited within the prescribed time to avoid penalties under the law.

FBR SETS PENALTIES FOR RETURN FILING FAILURE IN TAX YEAR 2027

Written by

Akhter Syed

in

Taxation

FBR rules prescribe daily fines for late income tax returns, with minimum penalties of Rs10,000 for eligible salaried individuals and Rs50,000 for other cases.

The Federal Board of Revenue (FBR) has prescribed monetary penalties for failure to file income tax returns and submit wealth statements during Tax Year 2027 under the Income Tax Ordinance, 2001.

According to the ordinance updated up to June 30, 2026, Tax Year 2027 runs from July 1, 2026, to June 30, 2027. The penalty provisions apply to individuals and other persons required to meet their income tax filing obligations.

Under the prescribed rules, a person who fails to furnish an income tax return under Section 114 by the due date may face a penalty equal to the higher of 0.1% of the tax payable for the relevant tax year or Rs1,000 for each day of default.

The minimum penalty is Rs10,000 for an individual deriving 75% or more of their income from salary, while the minimum for all other cases is Rs50,000. The maximum penalty cannot exceed 200% of the tax payable for the tax year.

Relief for Late Return Filing

The ordinance provides for a reduction in penalties where a return is filed after the due date or extended deadline. The penalty is reduced by 75% if filed within one month, 50% within two months and 25% within three months.

For calculating the penalty, tax payable means the higher of the tax assessed or treated as assessed under the specified provisions of the ordinance, or the tax payable for the immediately preceding tax year for which a return was duly filed.

Penalty for Missing Wealth Statements

The FBR has also prescribed a penalty for failure to furnish a wealth statement or wealth reconciliation statement. The penalty is 0.1% of taxable income per week or Rs100,000, whichever is higher.

These provisions set out the financial consequences of failing to meet income tax return and wealth statement filing requirements in Tax Year 2027.

FBR TO CONTINUE BUSINESS LICENCE SCHEME IN TAX YEAR 2027

Written by

Akhter Syed

in

Taxation

Section 181D of the Income Tax Ordinance, 2001 requires businesses, professionals and other persons engaged in commercial activities to obtain and display licences, with fines for non-compliance.

The Federal Board of Revenue (FBR) will continue the business licence scheme in Tax Year 2027, requiring persons engaged in business, professions and vocations to obtain and display licences under the Income Tax Ordinance, 2001.

According to the Income Tax Ordinance updated up to June 30, 2026, for Tax Year 2027, Section 181D outlines the requirements for obtaining a business licence and penalties for failing to comply.

Tax Year 2027 covers the period from July 1, 2026, to June 30, 2027.

Under Section 181D(1), every person engaged in any business, profession or vocation must obtain and display a business licence in the manner prescribed by the FBR.

Fines for Non-Compliance

The law empowers the Commissioner to impose a fine where a person fails to obtain the required business licence.

A taxpayer deriving income chargeable to tax under the ordinance may face a fine of Rs20,000. In all other cases, the prescribed fine is Rs5,000. These penalties may apply in addition to any other punishment under the ordinance or another applicable law.

Conditions for Licence Cancellation

Section 181D also authorises the Commissioner to cancel a business licence through a written order after giving the concerned person an opportunity to be heard.

Cancellation may follow if a person fails to notify changes in their particulars within 30 days or is convicted of an offence under any federal tax law.

The provisions establish licensing requirements and penalties for businesses and professionals during Tax Year 2027.

FBR MAKES TAX REGISTRATION MANDATORY FOR TAX YEAR 2027

Written by

Akhter Syed

in

Taxation

Section 181 of the Income Tax Ordinance 2001 requires taxpayers, including online sellers, to register with the FBR, while e-commerce platforms and courier services must ensure vendors are registered.

ISLAMABAD: The Federal Board of Revenue (FBR) has outlined mandatory taxpayer registration requirements for Tax Year 2027 under Section 181 of the Income Tax Ordinance 2001, updated up to June 30, 2026.

The tax year runs from July 1, 2026, to June 30, 2027.

Under Section 181, every taxpayer must apply for registration using the prescribed form and procedure. The requirement also covers individuals and businesses selling digitally ordered goods or services from within Pakistan through online marketplaces or courier services.

The provision places additional obligations on e-commerce platforms and courier companies involved in supplying or delivering digitally ordered goods and services within Pakistan.

Under subsection 181(1A), these operators must not allow vendors to use their platform services for e-commerce transactions unless the vendors are registered under the Income Tax Ordinance.

The law also authorises the commissioner having jurisdiction over a case to register a taxpayer where the circumstances warrant it, following the prescribed procedure.

Furthermore, the FBR is responsible for regulating taxpayer registration schemes through rules notified by the Board.

Section 181 also establishes the use of Computerised National Identity Cards (CNICs) as National Tax Numbers (NTNs) for individuals holding CNICs issued by the National Database and Registration Authority (NADRA), a provision applicable from Tax Year 2015 onwards.

The registration framework covers conventional taxpayers as well as online vendors, placing responsibility on e-commerce marketplaces and courier services to verify vendors' registration before permitting transactions through their services.

The requirements form part of the tax administration framework applicable during Tax Year 2027.

Markets / Cotton & Textile

WEEKLY COTTON REVIEW: SPOT PRICES FALL BY RS300/MAUND AMID FRESH PRESSURE

Published October 26, 2026 Updated about 3 hours ago

By Naseem Usman

KARACHI: Cotton prices came under fresh pressure in the local market, with the spot rate falling by Rs300 per maund. Prices also weakened in New York. Pakistan's textile industry remains in serious difficulty, and the power loom sector is in deep crisis, with industry sources saying 40 to 50 per cent of looms have shut down, leaving hundreds of thousands of workers jobless.

Sajid Mahmood said the Pakistan Central Cotton Committee (PCCC) is neither defunct nor inactive and continues to operate. The real problem, he argued, is not its performance but a severe financial crisis hampering its work.

Separately, Prem Chand Kohistani was recognised for representing the United Business Group (UBG) at the Federation of Pakistan Chambers of Commerce and Industry (FPCCI) and for his role as Vice Chairman of the Karachi Cotton Association (KCA).

Textile industry stakeholders have urged the Prime Minister to act without delay in response to the new phase of the Generalised Scheme of Preferences Plus (GSP+). They warned that mounting challenges are hurting exports, industrial output and jobs, and called on the government to introduce effective policy measures to support the sector and halt further decline.

The cotton industry also faces the threat of severe disruption. Industry representatives voiced alarm over unannounced raids by the Federal Board of Revenue (FBR) on ginning factories, warning that such action could disrupt business and deepen the sector's troubles. They called for a more supportive and predictable regulatory environment.

The alleged illegal occupation of the Cotton Exchange Building by the Federal Investigation Agency (FIA) has become another flashpoint. Stakeholders say the matter remains unresolved despite what they describe as clear orders from the Sindh High Court, and they have demanded that the court's directions be implemented and the dispute settled in accordance with the law.

Meanwhile, the Towel Manufacturers Association (TMA) said action is being taken against exporters accused of harming Pakistan's towel exports, including suspension and blacklisting. The association said the measures are necessary to protect export interests, preserve business credibility and safeguard the reputation of Pakistan's towel industry in international markets.

Cotton prices in the local market remained under pressure over the past week, driven by rising output and weak quality, while the country's textile and ginning industries continued to struggle.

According to the Pakistan Cotton Ginners Association (PCGA), cotton production reached 4.1 million bales by October 15, about 7.5 per cent higher than in the same period last year. The increase is seen as one factor weighing on prices. Ginners expect this year's total output to surpass last year's, helped by hot weather, but say the quality of the crop is comparatively poor, adding to the downward pressure.

Meanwhile, the textile sector remains in severe crisis. High interest rates and rising energy costs have pushed up production costs, forcing several mills to operate below installed capacity. The power loom sector is in particularly bad shape: reports from Faisalabad indicate that 40 to 50 per cent of the city's power looms are no longer operating. Power loom owners estimate that around 100,000 workers have lost their jobs as a result. Industry representatives also say the unchecked import of yarn and fabric, without the requirement of the Export Facilitation Scheme (EFS), has further eroded the competitiveness of local producers.

The ginning sector faces added difficulties from raids and inspections at factories by the Federal Board of Revenue (FBR), which have alarmed industry stakeholders. The PCGA chairman and other office-bearers held a press conference to protest the actions.

Experts say the cotton crop and related industries, including the All Pakistan Textile Mills Association (APTMA), ginners and the wider business community, have faced serious challenges for years. They argue that government neglect has badly hurt cotton production, while steadily rising input costs have burdened growers. As a prominent example, they point to the

establishment of sugar mills in many traditional cotton-growing areas, which they say has seriously damaged cultivation and output.

Experts also criticised the government's handling of the historic Cotton Exchange building, a symbol of Pakistan's cotton trade for 80 years. They allege it was illegally occupied and handed over to the Federal Investigation Agency (FIA). Industry representatives say such developments reflect a broader failure to protect the country's cotton heritage and are eroding cotton's historic identity.

Cotton prices in Sindh and Punjab are varying by roughly Rs2,000 depending on quality and payment terms, with cotton trading between Rs16,500 and Rs18,500 per maund. Seed cotton (phutti) is fetching between Rs7,000 and Rs9,200 per 40 kilograms. In Balochistan, cotton is trading between Rs17,600 and Rs18,200 per maund, while seed cotton is selling between Rs7,200 and Rs9,400.

The Spot Rate Committee of the Karachi Cotton Association cut the spot rate by Rs300 per maund and closed it at Rs18,000 per maund.

Naseem Usman, Chairman of the Karachi Cotton Brokers Forum, said international cotton prices followed a mixed trend overall. New York cotton is trading between 80 and 86 US cents per pound.

According to the US Department of Agriculture's weekly export sales report, 199,600 bales were sold for the 2026-27 marketing year.

Vietnam led the buyers with 94,500 bales, followed by Bangladesh with 34,200 bales, Turkey with 33,700 bales and Pakistan with 15,300 bales.

Exports for the week totalled 196,400 bales. Vietnam was the top destination with 78,900 bales, followed by Pakistan with 26,400 bales and Turkey with 18,600 bales.

The country's cotton and ginning sector faces complete operational paralysis as factory owners threaten nationwide shutdowns and strikes after the Federal Board of Revenue (FBR) conducted unannounced raids and record seizures in Sindh.

The aggressive tax enforcement actions, carried out without prior notice in key cotton-producing hubs, including Sanghar, Tando Adam, and Shahdadpur, have triggered widespread panic across industry, forcing several ginning factories to abruptly halt production amid an already severe economic slump.

Addressing a press conference at PCGA House in Multan, Pakistan Cotton Ginners Association (PCGA) Chairman Sohail Mehmood Harral, flanked by central leadership, warned that the business community would have no choice but to shut down all operating facilities if the harassment under the Regional Tax Office (RTO) Hyderabad jurisdiction is not halted immediately.

Expressing grave concerns, PCGA officials reported that tax authorities forcibly broke factory locks and confiscated financial records, bypassing legal notice procedures.

Cotton Ginners Forum Chairman Ihsanul Haq confirmed that these heavy-handed tactics have sent shockwaves across both ginning and oil mill operations nationwide, threatening to derail the ongoing harvest season.

The crackdown comes as the sector is already crippled by exorbitant electricity tariffs, rising production costs, and a crushing sales tax burden of 18 to 22 per cent.

Industrialists pointed out that over 100 ginning factories have become non-functional in 2025-26 alone, bringing the cumulative total of closed facilities to over 500 ginning units, nearly 700 oil mills, 175 textile mills, and hundreds of power looms across Pakistan.

While praising RTOs in Multan and Bahawalpur for choosing dialogue over coercive action, Mr Harral urged the government to replace raids with standard legal notices, giving mill owners a fair opportunity to comply without disrupting industrial activity.

Speaking during a private telephone conversation with Naseem Usman, President of the Cotton Brokers Association, regarding the performance of the Pakistan Central Cotton Committee (PCCC), its challenges and possible solutions, as well as the proposed establishment of a Cotton Board, cotton expert Sajid Mahmood stated that the PCCC was not defunct but remained operational and continued to perform its functions. He said its fundamental problem was not merely one of performance but a prolonged financial crisis, primarily driven by outstanding Cotton Cess arrears and related legal disputes. Despite these difficulties, the PCCC's two major research institutions, the Central Cotton Research Institute (CCRI), Multan and CCRI Sakrand, continue to contribute to cotton research and the development of new varieties despite limited resources.

Emphasising the importance of the Ministry of National Food Security and Research, Sajid Mahmood said that effective ministerial patronage and guidance could facilitate a comprehensive and sustainable strategy to resolve the PCCC's financial difficulties, stabilise its research activities and support the revival of the cotton sector. He appreciated the recent efforts of the Federal Minister for National Food Security and Research to address the longstanding problems faced by the PCCC. He also expressed the hope that the Ministry would play an effective role in bringing relevant institutions and the textile industry together under a common course of action. This would help make full use of the PCCC's research capabilities and strengthen Pakistan's cotton sector on a sustainable footing.

According to Sajid Mahmood, CCRI Multan in Punjab and CCRI Sakrand in Sindh developed 14 new cotton varieties between 2021 and 2025 and completed the requisite approval processes. During the current season, CRIS-682, developed by CCRI Sakrand, has gained considerable popularity in Sindh. Reports indicate that the variety has spread to approximately 50 to 60 per cent of the province's total cotton-growing area. Furthermore, agreements reportedly signed by around 65 private seed companies with CCRI Sakrand for the marketing and multiplication of CRIS-682 indicate its commercial acceptance and growing market demand.

Similarly, CYTO-547, developed by CCRI Multan, has attracted the attention of farmers in Punjab and has been cultivated over hundreds of thousands of acres. Its yield potential and ginning outturn are among its notable characteristics. However, there remains scope for further improvement in fibre length and other industrial quality parameters. Continuous research and selection are therefore required to develop improved lines that combine higher yields with the quality standards demanded by the textile industry. This demonstrates that cotton research must extend beyond laboratory trials and varietal approval. Its ultimate objective is to develop varieties that are profitable for farmers while supplying quality raw material to the textile industry.

Discussing the proposed establishment of a Cotton Board during his private conversation with Naseem Usman, Sajid Mahmood stated that if the textile industry proposed allocating 70 per cent of Cotton Cess revenue to cotton research and development (R&D), it would also need to present a clear and workable plan explaining how the remaining 30 per cent would cover the institution's administrative expenses, salaries of agricultural scientists and other employees, pensions and outstanding liabilities. He questioned how salaries, pensions and other obligations could be fully met from such a limited allocation. Merely specifying a budgetary distribution ratio was insufficient. A comprehensive financial strategy was essential.

He said that allocating resources to research and development was a welcome proposal, but it was equally important to explain how the institution's core operating expenses, employee salaries and pension payments would be secured. If salaries and pensions remained uncertain, how could continuity in research be maintained and its intended benefits realised? Agricultural scientists engaged in research and other employees were integral to the PCCC. Expecting research and development targets to be achieved without resolving their problems would be unrealistic.

Sajid Mahmood maintained that payment of the Cotton Cess was a legal obligation. The central question was not simply whether the textile industry was paying the cess, but also the extent to which all amounts due were being paid and the status of outstanding arrears from previous years. The final determination of the outstanding amount, estimated at approximately Rs 2.5 billion, should be made in light of the relevant financial records and legal proceedings.

He said that the discharge of legal liabilities and reform of the PCCC's administrative structure were two separate matters. The textile industry was entitled to put forward its proposals, but financial contributions or payment of the cess could not, in themselves, justify administrative dominance over the institution. According to him, the Cotton Cess rate had remained fixed at Rs 50 per bale since 2011, while inflation and operating costs had increased several times over during the same period. Any assessment of the institution's financial sustainability must therefore take into account the cess rate, collections, outstanding arrears and expenditure in their entirety.

According to Sajid Mahmood, the fundamental question was whether the textile industry sought a partnership in research and development or also wanted a role in the PCCC's administrative decisions. If a proposal was made to allocate 70 per cent of resources to research, a clear and workable plan would also be required for the use of the remaining 30 per cent, including salaries,

pensions, previous liabilities and future operating expenses. It must also be determined who would meet the institution's essential costs if Cotton Cess collections were disrupted in the future. Without answers to these questions, no proposal could qualify as a complete reform plan.

He stated that research and development should not be pitted against the institution's administrative expenditure. Research can progress effectively only when the research institution is financially stable, scientists and employees receive their salaries on time and a reliable mechanism exists for meeting essential obligations, including pensions. The benefits of research can be realised only when research activities continue uninterrupted and their outcomes translate into improved cotton productivity and higher incomes for farmers.

Sajid Mahmood said that reform of the PCCC was necessary, but the remaining financial requirements of the institution could not be ignored in the name of reform by prioritising one area over all others. If the textile industry sought a broader role, that role must be accompanied by clearly defined financial responsibilities, limits on authority and an effective accountability framework. Otherwise, its role should remain confined to partnership in research and development.

He emphasised that demanding complete control while accepting only partial responsibility was not a balanced principle of institutional reform. It was essential to maintain a balance between authority and responsibility and to give equal consideration to research and development, employees' rights, legal liabilities and the institution's financial stability when making decisions about the PCCC's future. In the interest of Pakistan's economy and cotton sector, what was needed was not a partial solution but a comprehensive strategy capable of keeping the institution functional, financially sustainable and effective in carrying out its research mandate.

The Pakistan Textile Council (PTC) has called for urgent federal and provincial action to secure Pakistan's preferential access to the European Union market beyond December 2028, warning of growing competition and stricter scrutiny of compliance with existing international commitments.

In a letter to Prime Minister Shehbaz Sharif dated October 22, PTC Chairman Fawad Anwar sought directives to all relevant ministries, divisions and provincial governments to undertake measures necessary to retain the country's GSP+ status under the EU's revised Generalised Scheme of Preferences.

The appeal comes as the EU-27 accounted for $7.103 billion, or 39.5 percent, of Pakistan's total textile and apparel exports of $18.004 billion in FY2025-26, exceeding shipments to the United States and United Kingdom combined.

Although textile exports to the bloc declined 2 percent during the fiscal year, shipments increased 3 percent to $1.954 billion in July-September 2026, supported by exports of towels, men's cotton trousers and bed covers.

Prominent business figures visited Kohistan House to congratulate Prem Chand Kohistani on his election as Vice Chairman of the Karachi Cotton Association (KCA) and on his nomination to

represent the association at the Federation of Pakistan Chambers of Commerce and Industry (FPCCI). Mr. Kohistani is also the Group Leader of the Pakistan Progressive Ginners Group (PPG) of the Pakistan Cotton Ginners Association (PCGA).

The visiting delegation included Khalid Tawab, President of the United Business Group (UBG); Bilal Khan, Vice Chairman of the FPCCI; and Mian Zahid Hussain. Seth Jethanand Kohistani, former Chairman of the Pakistan Cotton Ginners Association, welcomed the distinguished guests on arrival.

Several other notable figures from the cotton and business community attended the gathering. They included Muhammad Rizwan, Senior Vice Chairman of the Karachi Cotton Association; Khawaja Muhammad Zubair, a former chairman; and Vinod Kumar Kewlani, an Executive Member of the Pakistan Cotton Ginners Association. Former Executive Committee members of the PCGA, Dr. Asar Das and Kishan Chand, were also present, along with Harish Sukhija and other dignitaries.

During the meeting, the participants held detailed discussions on the challenges facing trade and industry, as well as on measures to revive the country's cotton sector. At the conclusion of the visit, Seth Jethanand Kohistani presented the guests with the traditional Sindhi Ajrak as a gesture of respect and hospitality.

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Business & Finance / Money & Banking

PHILIPPINE CENTRAL BANK RAISES KEY INTEREST RATE

Published October 25, 2026 Updated a day ago

By Reuters

MANILA: The Philippine central bank raised its key interest rate by 50 basis points to 5.50 percent on Thursday, its fourth consecutive increase and larger than the market expected.

All 27 economists in a Reuters poll expected the Bangko Sentral ng Pilipinas to hike its benchmark rate by a quarter of a percentage point.

The Bangko Sentral ng Pilipinas said its action would make monetary policy appropriately restrictive. It said it is ready to take further monetary policy action when necessary. All 27 economists in a Reuters poll expected the central bank to raise its benchmark rate by 25 basis points, bringing cumulative tightening since April to 100 basis points.

Annual inflation accelerated to 7.2 percent in September from August's 6.1 percent due to increases in the prices of rice, electricity, fuel and transport.

The economy grew 2.3 percent in the second quarter from a year earlier, its weakest pace since 2021, due to a slump in construction and softer domestic demand.

The Philippine peso strengthened to 63.311 per US dollar after the interest rate hike. The central bank next meets on December 17 to review policy.

AUSTRALIAN CENTRAL BANKER SAYS POLICY WORKING, BUT INFLATION OUTLOOK WORSE

Published October 25, 2026 Updated a day ago

By Reuters

SYDNEY: A top Australian central banker on Wednesday said tighter monetary policy was working to slow the economy but the inflation outlook had still worsened, leaving him unsure whether interest rates would need to rise further.

Speaking at a Citi conference, Reserve Bank of Australia Deputy Governor Andrew Hauser said the bank's economists were still finalising their forecasts but the inflation outlook did look "materially worse", in part due to high oil prices.

Hauser said monetary policy could not deal with an oil shock directly, but it did need to make sure that higher costs did not feed through to rising inflation expectations.

The central bank meets on November 3 to decide whether to raise its 4.60 percent cash rate for a fifth time this year as it struggles to bring stubborn inflation under control. Markets now imply around a 40 percent chance rates will rise to 4.85 percent next month, up from 30 percent at the start of the week. Investors are fully priced for a move by March.

Consumer price data due next week could show headline inflation climbing to 4.0 percent in the third quarter as the Gulf war stokes fuel costs. Crucially, core inflation is seen holding around 3.5 percent and uncomfortably far above the RBA's long-term target band of 2 percent to 3 percent.

Hauser said it was "pretty clear" that the inflation outcome would likely be higher than the RBA had forecast. "Yes, we will study it carefully when we get the final number," he added. "And at the moment, certainly those numbers are causing us to ask whether there's less capacity in the economy than we previously thought."

Minutes of the RBA's last meeting showed the board was still concerned inflation risks lay to the upside, even after lifting rates for a fourth time this year.

Since then, labour data have shown unemployment unexpectedly hit a five-year peak of 4.7 percent in September, while house prices have fallen faster than policymakers foresaw.

Hauser noted the labour market had eased more than expected, and there had been some softening in household demand and the housing market.

Markets / Stocks

LONDON STOCKS MARK WEEKLY FALL AS OIL HITS FIVE-MONTH HIGH

Published October 26, 2026 Updated about 3 hours ago

By Reuters

LONDON: Britain's FTSE 100 snapped a two-week winning streak on Friday, as oil prices at over five-month highs weighed on risk appetite, ahead of finance minister John Healey's first budget next week.

The blue-chip FTSE 100 index closed 0.3 percent lower at 10,690.36 points. The midcap FTSE 250 ended 0.1 percent higher, but marked its sharpest weekly fall in six weeks.

Energy shares advanced 3.9 percent as Brent crude crossed USD115 a barrel

Most sectors were lower, with aerospace and defence shares slipping 4.6 percent to an over five-month low.

Rolls-Royce slid 7.6 percent, registering its biggest one-day fall since April 2025. French rival Safran lost 10 percent after warning that a slowdown in aftermarket sales growth could extend into 2027.

Banks and healthcare stocks fell 0.8 percent and 1.1 percent respectively, further bogging down the index.

Data this week showed price pressures exceeded expectations in September, strengthening the case for a Bank of England interest rate hike in November, which is fully priced in.

Both the main indexes marked their first week of losses in three, as oil prices surged, bets on rate hikes grew and investors were jittery ahead of next week's budget.

Precious and industrial metal miners were among the worst performers this week, down 10.9 percent and 8.7 percent respectively.

Gold miners lost 3.7 percent on Friday as well, as prices of bullion fell over 1 percent.

British retail sales volumes fell more than expected in September, while consumer confidence slumped in October, posting its steepest monthly fall since the early stages of the pandemic, separate data showed.

MOST GULF SHARES CLOSE LOWER AS SAUDI-HOUTHI FIGHTING RAGES ON

Published October 26, 2026 Updated about 4 hours ago

By Reuters

DUBAI: Most Gulf bourses ended lower on Sunday and Saudi Arabia's index registered its worst session in 18 months as fighting between the kingdom and Yemen's Iran-aligned Houthis showed no sign of abating.

Saudi air defences downed drones and missiles over Riyadh and the south on Sunday, the Saudi-led coalition said.

A day earlier, the Houthis said they hit Saudi oil facilities and airports and the Saudi-led coalition said it downed two missiles.

Saudi Arabia's benchmark index pared losses to finish 2.7 percent lower after falling as much as 3.4 percent.

The index posted its worst intraday performance since April 2025, with heavyweight Saudi Aramco falling 0.9 percent.

GCC stocks stayed under pressure as tensions and shipping disruptions in key waterways kept investors wary. Fears of renewed US military action dented de-escalation hopes, with traders awaiting diplomatic progress, said George Pavel, general manager at Naga.com Middle East.

In Qatar, the index reversed early losses to inch 0.1 percent higher.

Outside the Gulf, Egypt's blue-chip index plunged 3.6 percent, its biggest single-day fall since June 2025, with most of its constituents in negative territory.

SRI LANKAN SHARES CLOSE DOWN

Published October 26, 2026 Updated about 4 hours ago

By Reuters

COLOMBO: Sri Lankan shares closed lower on Friday, extending losses for a fifth straight session, dragged down by utility stocks.

The CSE All-Share index settled 0.17 percent lower at 19,684.91 points.

The index dropped 2.52 percent over the week, its fourth straight weekly fall.

Dialog Axiata Plc and Carson Cumberbatch Plc were the biggest decliners on the index, down 9.7 percent and 9.1 percent, respectively, on the day.

Trading volume on the index fell to 31.5 million shares from 64.3 million shares in the previous session.

The equity market's turnover dipped to 825.1 million Sri Lankan rupees ($2.48 million) from 1.10 billion rupees in the previous session, according to exchange data.

WALL STREET WEEK AHEAD: EARNINGS, FED MEETING POSE PIVOTAL TESTS FOR RICKETY AI MARKET RALLY

Published October 26, 2026 Updated about 4 hours ago

By Reuters

NEW YORK: US stock investors face a pivotal week, with corporate earnings reports led by major AI players and a Federal Reserve meeting both posing critical tests for a suddenly shaky market rally.

Weakness in technology shares left investors on edge about the state of the AI trade that has driven the US equity bull market that just marked its fourth anniversary.

The AI pullback deepened on Thursday, with the Nasdaq Composite posting its biggest one-day drop since June. Investors were disappointed by quarterly reports from Meta and Lam Research. Meta is one of the hyperscalers spending massively to build out data centers, while Lam is a high-flying semiconductor company, one of a group that has been among the biggest AI stock winners.

Three other hyperscalers — Alphabet, Microsoft and Amazon — headline a packed week of quarterly results, including about one-third of S&P 500 companies. The Fed's interest rate policy meeting on Wednesday also could rattle markets.

Investors also have their focus trained on the US midterm elections on November 3, with growing bets that the Democrats will wrest control of the US Congress away from President Donald Trump's Republican party. The series of market catalysts could ratchet up volatility over the this couple of weeks and challenge optimism that has helped lift the benchmark S&P 500 index up about 12 percent in 2026.

Robust US profit growth has underpinned the stock market's gains this year in the face of headwinds including spiking Treasury yields and rising energy costs stemming from the Middle East conflict.

With more than 100 companies having posted results so far, third-quarter S&P 500 earnings are on pace to have climbed more than 32 percent from a year ago, according to LSEG IBES data.

"I think earnings will determine whether this … tech pullback is a buying opportunity, or is there a deeper correction ahead," said King Lip, chief strategist at BakerAvenue Wealth Management. "What we need is just another round of really strong earnings."

Alphabet and Microsoft report on Wednesday. Amazon's results are due Thursday. Focus will be on the guidance the companies give on capital spending plans and whether they are seeing returns on the massive outlays.

Capital spending from hyperscalers, expected to be around USD800 billion this year, is boosting the bottom lines for a wide swath of companies involved in the AI buildout. But investors are wary of the sustainability of such spending amid mounting financing costs.

"Earnings are critical to the overall confidence level of the AI trade and how much longer the spend will continue," said Kevin Mahn, president and chief investment officer at Hennion & Walsh Asset Management.

Quarterly reports this week from chip companies Intel and Sandisk also could influence the AI trade.

Elsewhere, other high-profile companies set to report this week include drugmaker Eli Lilly, oil majors Exxon and Chevron and industrial equipment giant Caterpillar.

The prospect for more interest rate hikes also comes into focus with the Fed meeting. The Fed raised rates in September for the first time since 2023, in an effort to control above-target inflation, but Fed fund futures late on Thursday suggested only a 5 percent chance the Fed will hike again when it gives its policy statement on Wednesday, according to LSEG data.

One factor: Investors are dubious that the Fed will want to increase rates just a week before the midterm elections.

However, markets are leaning toward a hike at the next meeting in December, with futures suggesting an 80 percent probability of such a move then.

Walter Todd, chief investment officer at Greenwood Capital, said he will be watching for any hints about the rate path at Fed Chair Kevin Warsh's press conference following the decision.

US YIELDS CLIMB, BUT 10-YEAR HOLDS UNDER 5PC AS AI JITTERS LINGER

Published October 26, 2026 Updated about 4 hours ago

By Reuters

NEW YORK: US Treasury yields rose on Friday, a day after the benchmark 10-year yield saw its biggest one-day drop in nearly four years, but remained under the 5 percent mark as concerns about the durability of a rally in AI-related stocks lingered.

The yield on the benchmark US 10-year Treasury note rose 3.7 basis points to 4.99 percent. The 10-year yield is down about 11 basis points on the week and on pace for a third straight week of declines, its longest run lower since June.

Investors have shifted toward safer assets such as government debt on recent concerns about the sustainability of the AI trade, a major component of the current bull market for equities. The bond market's recent rally has come even as economic data point to continued price pressures and oil prices have advanced above USD100 per barrel.

But while the S&P 500 technology sector was higher as AI fears cooled, the broader S&P 500 retreated.

The 10-year yield plunged 19.3 basis points on Thursday, its biggest drop since March 10, 2023, when SVB Financial Group was closed by regulators after the bank's failed attempt to raise capital. "We're going to see yields over 5 percent for the 10-year again. We're not that far away, but this is not like, 'oh, okay, we're off to the races here,'" said JoAnne Bianco, partner and senior investment strategist at BondBloxx Investment Management in Chicago.

"There are still all these headwinds in terms of sticky inflation, growing Treasury supply to finance the deficits, just the need in general, with all the uncertainty that we have for higher term premiums and then higher energy prices that seem to be here to stay for a while."

Yields rose further after S&P Global said its flash US Composite PMI Output Index, which tracks the manufacturing and services sectors, slipped to 57.6 this month from a five-year-high of 58.4 in September, though it remained well above the 50 threshold that signals expansion.

The yield on the 30-year bond added 2.9 basis points to 5.316 percent, but was down nearly 13 basis points on the week, also on track for a third straight week of declines.

Even as economic data points to rising price pressures, market expectations for a rate increase from the Federal Reserve at its policy meeting next week have wilted. The probability of a hike of at least 25 basis points has shrunk to 9.4 percent, according to CME FedWatch, from 15.5 percent a week ago and 70.9 percent a month earlier.

A closely watched part of the US Treasury yield curve measuring the gap between yields on 2- and 10-year Treasury notes, seen as an indicator of economic expectations, was at a positive 29.6 basis points.

The University of Michigan's Surveys of Consumers showed its Consumer Sentiment Index dropped to 48.0 this month from a final reading of 48.1 in September.

The 2-year US Treasury yield, which typically moves in step with interest rate expectations for the Fed, climbed 5.5 basis points to 4.69 percent, putting it down about 5 basis points on the week, which would be a fourth consecutive week of declines, its longest stretch of the year.

GULF BOURSES SLIP AS HOUTHI-SAUDI CLASHES RATTLE INVESTORS

- Saudi Arabia's benchmark index declined 1.1%

Published October 25, 2026 Updated about 17 hours ago

By Reuters

Most Gulf bourses fell in early trade on Sunday, with investors unsettled by intensifying clashes between Yemen's Houthis and the Saudi-led coalition.

Saudi Arabia's benchmark index declined 1.1%, weighed down by a 1.2% fall for oil behemoth Saudi Aramco.

In Qatar, the index eased 0.3%, with Qatar National Bank— the Gulf's biggest lender — losing 1.1%.

Technology

PM SHEHBAZ LAUNCHES SCHEME TO DISTRIBUTE 500,000 CHROMEBOOKS

Written by

Hamza Shahnawaz

in

IT & Telecom, Pakistan, Top stories

The two-year initiative will provide merit-based devices with MiFi internet connectivity to deserving students, with an estimated 2.5 million family members also set to benefit.

ISLAMABAD, October 25, 2026: Prime Minister Muhammad Shehbaz Sharif on Sunday launched a nationwide initiative to distribute 500,000 Chromebooks equipped with MiFi internet connectivity among deserving students and high achievers on merit.

Addressing the launching ceremony, the prime minister said providing modern education and technology to young people was a core government responsibility and essential for building a prosperous Pakistan. He announced that the devices would be distributed over two years.

Shehbaz Sharif stressed that poverty should not prevent talented students from pursuing higher education. He said the initiative would cover students from diverse educational backgrounds, including mainstream schools and religious seminaries, enabling them to access e-libraries and quality educational resources.

Recalling previous initiatives, the prime minister said the PML-N government under Nawaz Sharif had distributed 600,000 laptops across the country over a decade, with merit remaining the guiding principle.

He thanked Tokyo Technology and the Care Foundation for supporting the Chromebook initiative. The programme's internet connectivity features are expected to benefit students' families as well, potentially reaching an estimated 2.5 million people.

The prime minister also highlighted investments in educational infrastructure, including the inauguration of a Daanish School in Islamabad and the construction of 27 additional campuses nationwide. These institutions are intended to provide modern facilities and curricula.

To demonstrate the programme's merit-based approach, he highlighted the achievements of Syed Shams Raza, an orphanage resident whose father was a martyr, and Alma Mahak Sabir, a student from a madrassah. Both students expressed gratitude after receiving recognition at the ceremony.

Federal Minister for Federal Education Khalid Maqbool Siddiqui said Pakistan's 150 million young people represented a major national asset whose potential could be harnessed through education and skills development.

Tokyo Technology Care Foundation Chairman Rashid Minhas said the partnership aimed to empower students to become creators in the digital world and contribute to a national digital transformation.

Rana Mashhood Ahmad Khan, chairman of the Prime Minister's Youth Programme, described the initiative as an important step towards modernising education and helping young Pakistanis compete in global innovation and technology.

The ceremony was attended by ministers, parliamentarians, the speaker of the Punjab Assembly, educationists, vice chancellors, ambassadors and foreign guests.

Business & Finance / Companies

TRUMP ANNOUNCES AUDI WILL BUILD $4 BILLION US FACTORY IN GEORGIA

- Audi commits to a new assembly plant in Georgia, aiming to produce 200,000 SUVs annually and create thousands of jobs in the US

Published October 25, 2026 Updated about 22 hours ago
By Reuters

PERRY, GEORGIA: US President Donald Trump announced on Saturday that Audi plans to build a $4 billion assembly plant in Georgia that will produce 200,000 SUVs annually, as he seeks to convince Americans to back Republicans in the November 3 midterm elections.

Trump, who has pressured automakers to move production to the United States and has raised tariffs on autos, steel, aluminum and parts, made the announcement at a rally in Perry, near

Macon in central Georgia, where Volkswagen's premium subsidiary intends to build its first US assembly plant.

Last year, Trump's tariffs dealt Audi a €1.2-billion-euro ($1.4-billion) blow as it imports all its vehicles for the US market from Europe or Mexico.

Georgia has competitive election races for US Senate and governor. Trump is eager to make the case that his auto tariffs are helping the US economy. Critics say they have boosted vehicle prices and that the trade uncertainty has delayed some automaker investments.

"We are planning to bring our biggest and most premium SUVs, and produce them here in Macon, Georgia," Audi CEO Gernot Doellner said at the event. "This is a this is a long-term investment because we believe in the American market."

Audi, SAIC Motor set up innovation hub for China-exclusive brand

Republican says tariffs brought Audi plant to United States

Audi said the investment will create approximately 4,500 jobs. Construction is scheduled to begin next year, with production starting in the early 2030s, Audi said.

The plant is expected to assemble the Audi Q7, Q8 and Q9 SUVs, a US official told Reuters.

Audi also plans to build 25,000 vehicles a year in neighboring South Carolina, the official said. Some of the vehicles, now built in Europe, would be exported, the official added. Those vehicles will be assembled at a $2 billion plant of VW's off-road brand Scout Motors that is under construction in Blythewood, near the state capital, Columbia, the official said.

Trump has cut government incentives for electric vehicles, causing a significant reduction in US EV and battery production. US vehicle and parts employment has fallen since Trump took office last year.

A gold Audi with manufacturer license plates was parked outside Trump's rally.

US Senator Bernie Moreno, an Ohio Republican, said late on Saturday that "with this investment, Audi will build all of their SUVs exclusively in the US." He said the Audi plant "would never have happened without tariffs, without common sense regulations and without eliminating California's ability to regulate fuel economy standards."

Audi sales have fallen for two consecutive years and slid 7% in the first half of 2026 as fierce competition in China and US tariffs hit demand. Audi's US sales are down 16% this year.

Audi's Neckarsulm plant in southwest Germany is one of four German Volkswagen plants facing possible closure after 2030.

In July, Japan's Toyota said it would spend $3.6 billion to build a 2.5-million-square-foot (232,000-square-metre) truck assembly line on its San Antonio, Texas, manufacturing campus and shift some truck production to the US from Mexico. The Japanese automaker said the expansion would be completed by 2030, creating 2,000 jobs.

Honda Motor is considering building a US assembly plant but has warned it may not unless the US-Mexico-Canada Agreement on trade is extended. South Korea's Hyundai said last year that if it had certainty about USMCA, it "would immediately unlock over $20 billion in new American investments."

Markets / Financial

EURO ZONE GROWTH SLOWS TO 4-MONTH LOW

Published October 25, 2026 Updated a day ago

By Reuters

LONDON: Growth across the euro zone's private sector slowed to its weakest pace in four months in October, driven by an energy-driven rise in costs and a renewed contraction in France amid political and financial pressures, a survey showed.

The S&P Global Flash Eurozone Composite PMI Output Index fell to 51.9 in October from September's 53.1, its lowest reading since June and lower than all forecasts in a Reuters poll which had predicted a modest dip to 52.7.

A PMI reading above 50.0 indicates growth. "Key to the broader slowdown is the further escalation of inflationary pressures seen during the month," said Chris Williamson, chief business economist at S&P Global Market Intelligence. "Input costs are rising sharply again, the rate of increase surging in manufacturing on the back of higher energy prices, causing firms to push selling prices higher in order to protect margins."

Input costs accelerated for the second consecutive month linked to higher energy, fuel and transport costs in part due to the Middle East war.

Despite this, firms raised their selling prices at a slower pace than in September, suggesting some margin compression.

"Higher interest rates are also starting to take a toll, dampening demand, and the picture of sustained growth and stubbornly elevated inflation from the October flash PMI will likely add to further speculation of more aggressive policy tightening from the ECB," Williamson added.

The European Central Bank will hold its deposit rate at 2.50percent next week but raise it by 25 basis points in December as inflation runs nearly double its 2percent target, a Reuters poll found earlier this month.

Business confidence in the euro zone fell to a five-month low, the survey showed, with optimism dropping most sharply in manufacturing. France, beset by financial pressures and political turbulence, stood out for its pessimism.

Its PMI pointed to economic contraction and business confidence hit its lowest since 2012 outside the pandemic period. French government borrowing costs have jumped in recent weeks on investor concerns about the country's ability to repair its finances, while waves of street protests have raised the political temperature ahead of a presidential election in the spring.

Markets / Energy

OIL SLIPS FROM NEAR SIX-MONTHS HIGHS DESPITE SUPPLY CONCERNS

- Brent crude futures were down $1.56 or 1.34% at $115.16

Published October 26, 2026 Updated 18 minutes ago

By Reuters

BEIJING: Oil prices fell on Monday after surging to near six-month highs late last week, although ongoing attacks on Saudi Arabia kept supply concerns in focus.

US crude futures were down $1.60, or 1.55%, at $101.67 per barrel by 0018 GMT.

Brent crude futures were down $1.56 or 1.34% at $115.16.

Prices had settled nearly $3 higher on Friday after Houthi attacks in Saudi Arabia stoked energy supply concerns.

Brent finished the week up 6% and WTI ended 2.3% higher.

Attacks continued over the weekend with Houthis saying they had attacked the Saudi airport and oil facilities on Saturday.

Saudi Arabia said on Sunday it had intercepted more missiles and drones.

The top oil exporter restarted partial operations at its main airport on Sunday after damage in a previous round of Houthi attacks even as the militant group vowed to keep targeting the facility.

JSW STEEL WARNS OF COKING COAL PRICE SPIKE

Published October 25, 2026 Updated a day ago

By Reuters

BENGALURU: JSW Steel warned on Friday of a sharp spike in coking coal prices in the third quarter, even as it reported a more than threefold jump in second-quarter profit.

Coking coal prices, a key raw material for steelmakers, are expected to rise USD25 a ton in the October-December period, chief executive Jayant Acharya said on a post-earnings call. The company, India's largest steelmaker by capacity, expects to offset the cost pressures with healthy domestic steel demand, which is expected to grow at 7-8 percent in fiscal 2027, from strong construction and infrastructure activity, Acharya said. The company also expects iron ore prices to rise marginally. "Our focus is to use more domestic coking coal, which can give us a cost advantage," Acharya added. The Mumbai-based company's consolidated net profit surged to 52.79 billion rupees (USD555.86 million) for the quarter ended September 30, from 16.23 billion rupees a year ago.

Analysts at Emkay Global and Elara Securities said JSW Steel was among the better-positioned Indian steelmakers reporting this quarter due to its higher exposure to flat steel products, whose prices have proved more resilient than those of long steel products amid healthy demand from the automotive, pipe and construction sectors.

US NATGAS PRICES FALL ON MILDER WEATHER FORECASTS

Published October 25, 2026 Updated a day ago

By Reuters

NEW YORK: US natural gas futures fell about 6 percent to a two-month low on Friday on forecasts for milder weather and lower demand over the next week than previously expected.

Front-month gas futures for November delivery on the New York Mercantile Exchange fell 15.6 cents, or 6 percent, to settle at USD2.64 per million British thermal units (mmBtu), their lowest close since August 6. The USD2.64 settle on August 6 was the lowest close since late April.

That also put the front-month down about 15 percent for the week and left the contract in technically oversold territory for a third day in a row for the first time since July.

In a sign the market is not too worried about supply meeting demand in coming months, futures for calendar 2027 fell to an almost five-year low of USD3.08 per mmBtu, while the 12-month futures strip dropped to a two-year low of USD2.90.

OUTPUT REBOUNDS AS STORAGE CUSHION THINS

Financial firm LSEG said average gas output in the US Lower 48 states slid to 111.6 billion cubic feet per day (bcfd) so far in October, down from record highs of 113.3 bcfd in both August and September.

On a daily basis, output has recovered, averaging about 113.3 bcfd over the past week.

Record output and mild spring weather earlier this year has allowed energy firms to keep the amount of gas in inventory above the five-year (2021-2025) average since March, reaching a high of 7.7 percent above normal in April.

But hotter-than-normal weather over the summer forced energy firms to pull lots of gas out of storage to fuel power plants needed to keep air conditioners humming, cutting the inventory surplus. About 40 percent of US power generation comes from gas-fired plants.

The amount of gas in storage likely fell to 0.7 percent above normal during the week ended October 23, down from 1.0 percent above normal in the previous week, according to analyst estimates ahead of next Thursday's weekly federal inventory report.

Looking ahead, meteorologists predicted weather across the country would remain mostly milder than normal through November 7, which should keep heating demand low in coming weeks.

Still, with seasonally colder weather coming, LSEG said average gas demand in the Lower 48 states, including exports, would rise from 106.7 bcfd this week to 107.3 bcfd next week and 112.5 bcfd in two weeks. The forecast for next week was lower than LSEG's outlook on Thursday.

Average gas flows to the nine major US LNG export plants rose to 18.2 bcfd so far in October, up from 17.9 bcfd in September. That is still below the monthly record high of 18.8 bcfd in April.

FTO COORDINATOR URGES HIGHER DOMESTIC OIL AND GAS PRODUCTION

Written by

Faisal Shahnawaz

in

Energy

Saifur Rehman calls for modern refineries, advanced drilling techniques and greater investment to cut petroleum imports and ease pressure on Pakistan's economy.

LAHORE, October 25, 2026: Saifur Rehman, Coordinator to the Federal Tax Ombudsman (FTO), has stressed the need to increase domestic oil and gas production and modernise refineries to reduce Pakistan's reliance on energy imports.

Speaking to a delegation of petroleum dealers on Sunday, he said encouraging domestic and foreign investment in new refineries and upgrading existing facilities could help save foreign exchange, stabilise energy costs and strengthen the national economy.

Rehman said Pakistan has approximately 124 million barrels of remaining oil reserves across nine oil fields, while 28 gas fields hold an estimated 13.5 trillion cubic feet of remaining reserves.

He highlighted the potential to increase production through modern drilling technologies, horizontal wells and hydraulic fracturing.

Pakistan currently produces around 68,000 barrels of oil and 2.9 billion cubic feet of gas daily, meeting approximately 16 per cent of domestic oil demand and 71 per cent of gas demand, according to Rehman.

He said higher domestic crude oil production would enable refineries to utilise locally available resources, reduce dependence on imported crude and lower the country's petroleum import bill.

Rehman added that expanding refining capacity and boosting local energy production could also stimulate industrial activity, create employment opportunities and encourage further investment.

He emphasised that developing indigenous energy resources would help Pakistan move towards greater self-sufficiency while reducing pressure on its foreign exchange reserves and the wider economy.

Rates

AUTOMART: CAR PRICES IN KARACHI

Published October 26, 2026 Updated about 4 hours ago

By Recorder Report

KARACHI: The prices of different makes and models of cars prevailing in Karachi in the week ended Sunday (October 25 2026).

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================================================================================
                                                    Prices
Product Description                                                  Fully
                                                  Standard            A/C
Loaded
```

	Model	Model
Model		
SUZUKI		
Suzuki Alto VXR AGS Upgraded	3,166,480	-
Suzuki Alto VXL AGS Upgraded	3,326,450	-
Suzuki Alto VXR Upgraded	2,944,861	-
Suzuki Cultus VXR	4,089,490	-
Suzuki Cultus VXL	4,359,160	-
Suzuki Cultus Auto Gear Shift	4,591,460	-
Suzuki Ravi Euro ll	2,075,560	-
Suzuki Ravi Deckless	1,889,810	-
Suzuki Swift GL Manual	4,460,160	-
Suzuki Swift GL CVT	4,605,600	-
Suzuki Every VX	2,912,230	-
Suzuki Every VXR	2,965,200	-
Suzuki Fronx GL A/T	6,099,999	-
Suzuki Fronx GL M/T	5,999,999	-
Suzuki Fronx GLX A/T	6,374,999	-
Suzuki Fronx GLX A/T Mono Tone	6,299,999	-
Suzuki Swift GLX CVT	4,766,190	-
Honda		
Honda BR-V i-VTEC S	6,429,000	-
Honda City 1.2L M/T	4,696,000	-
Honda City 1.2L CVT	4,737,000	-
Honda City 1.5L CVT	5,439,000	-
Honda City 1.5L ASPIRE M/T	5,649,000	-

Honda City 1.5L ASPIRE CVT	6,069,000
-	
Honda City 1.5L ASPIRE S CVT	6,149,000
-	
Honda HR-V e:HEC	8,999,000
-	
Honda HR-V VTi	7,549,000
-	
Honda HR-V VTi-S	7,799,000
-	
Honda Civic Oriel	8,834,000
-	
Honda Civic Standard	8,499,000
-	
Honda Civic RS	10,100,000
-	

Toyota	

Toyota Yaris Sedan GLI MT 1.3	4,649,000
-	
Toyota Yaris Sedan ATIV MT 1.3	4,829,000
-	
Toyota Yaris Sedan GLI CVT 1.3	4,835,000
-	
Toyota Yaris Sedan ATIV X CVT 1.5 Black Interior	6,449,000
-	
Toyota Yaris Sedan ATIV X CVT 1.5 Beige Interior	6,389,000
-	
Toyota Yaris Sedan ATIV CVT 1.3	5,719,000
-	
Toyota Corolla Altis X Manual 1.6	6,194,000
-	
Toyota Corolla Altis 1.6 X CVT-i	6,794,000
-	
Toyota Corolla Altis X CVT-i 1.8	7,124,000
-	
Toyota Corolla Altis 1.6 X CVT-i Special Edition	7,434,000
-	
Toyota Corolla Altis Grande X CVT-i 1.8 Beige Interior	7,764,000
-	
Toyota Corolla Altis Grande X CVT-i 1.8 Black Interior	7,804,000
-	
Toyota Hilux Revo G 2.8	12,329,000
-	
Toyota Hilux Revo V Automatic 2.8	14,279,000
-	

Toyota Hilux Revo G Automatic 2.8	12,939,000
Toyota Hilux E	11,379,000
Toyota Hilux Revo Rocco	14,869,000
Toyota Hilux Revo GR-S	15,839,000
Toyota Fortuner 2.7 G	12,547,000
Toyota Fortuner 2.8 Sigma 4	18,651,000
Toyota Fortuner 2.7 V	15,047,000
Toyota Fortuner Legender	19,681,000
Toyota Fortuner GR-S	20,611,000
Toyota Corolla Cross 1.8 HEV	8,535,000
Toyota Corolla Cross 1.8	7,235,000
Toyota Corolla Cross 1.8 X	7,935,000
Toyota Corolla Cross 1.8 HEV X	8,935,000
Toyota Hiace Standard Roof	13,069,000
Toyota Hiace High Roof Commuter	14,959,000
Toyota Hiace High Roof Tourer	17,059,000
Toyota Hiace Luxury Wagon High Grade	21,029,000
Toyota Coaster 29 Seater F/L	26,789,000
Toyota Prado TX 2.7L	55,111,000
Toyota Prado VX 2.8L D	60,111,000
Toyota Land Cruiser ZX Gasoline 3.5L	95,000,000

Kia

Kia SPORTAGE L ALPHA	8,899,000
Kia SPORTAGE L FWD	10,499,000
Kia SPORTAGE L HEV	11,299,000
Kia Picanto 1.0 AT	4,090,000

Kia Shehzore K2700 Grand Cabin	7,499,000
-	
Kia Shehzore K2700 King Cabin	4,479,000
-	
Kia Shehzore K2700 Standard Cabin	4,259,000
-	
Kia Stonic EX+	5,999,000
-	
Kia Stonic EX	4,862,000
-	
Kia Sorento 3.5 FWD	13,649,000
-	
Kia Sorento 1.6T HEV FWD	15,299,000
-	
Kia Sorento 1.6T HEV AWD	16,699,000
-	
Kia EV5 AIR	18,500,000
-	
Kia EV5 EARTH	23,500,000
-	
Kia EV9 GT LINE	43,200,000
-	
Kia Carnival 3.5L V6	18,200,000
-	

Hyundai

Hyundai H-100 Deckless	4,395,000
-	
Hyundai H-100 Flat Deck	4,415,000
-	
Hyundai H-100 High Deck	4,545,000
-	
Hyundai Elantra Hybrid	10,761,000
-	
Hyundai Tucson Hybrid Signature	12,240,000
-	
Hyundai Tucson Hybrid Smart	11,220,000
-	
Hyundai Sonata 2.0	10,330,000
-	
Hyundai Sonata 2.5	11,545,000
-	
Hyundai Sonata N Line 2.5 Turbo	16,521,000
-	
Hyundai Santa Fe Signature	13,895,000
-	
Hyundai Santa Fe Smart	12,450,000
-	
Hyundai Palisade Hybrid Calligraphy	24,995,232
-	
Hyundai Palisade Hybrid Smart	23,489,808
-	
Hyundai Ioniq 5 EV	24,999,000
-	

Hyundai Ioniq 6 EV	23,000,000
-	
Isuzu	
Isuzu D-Max Hi Rider M/T	10,990,000
-	
Isuzu D-Max X Terrain	13,390,000
-	
Isuzu D-Max V-Auto Plus Double Cab High Ride	10,790,000
-	
Isuzu D-Max V-Cross G A/T	12,490,000
-	
Isuzu D-Max V-Cross G M/T	11,890,000
-	
Changan	
Changan M9 Sherpa Power 1.2L	2,349,000
-	
Changan Karvaan Plus 1.2	3,299,000
-	
Changan Karvaan Comfort	3,149,000
-	
Changan Alsvin 1.3L MT Comfort	3,789,000
-	
Changan Alsvin 1.5L DCT Lumiere	4,499,000
-	
Changan Alsvin Black Edition	4,999,000
-	
Changan Oshan X7 FutureSense 7 Seat	9,299,000
-	
Changan Oshan X7 Comfort	7,949,000
-	
Changan Oshan X7 FutureSense	8,699,000
-	
DFSK	
DFSK Glory 580 1.5 CVT	5,610,000
-	
DFSK Glory 580 1.8 CVT	5,806,000
-	
DFSK Glory 580 Pro	6,790,000
-	
Prince	

Prince K07 S	2,550,000
Prince K01 S	2,070,000
Haval	
Haval H6 1.5T	8,923,986
Haval H6 2.0T AWD	10,158,617
Haval H6 HEV	11,523,015
Haval H6 PHEV	12,895,000
Haval Jolion 1.5 T	7,796,106
Haval Jolion 1.5 HEV	9,116,216
MG	
MG Cyberster GT (Dual)	29,990,000
MG Cyberster GT (Single)	26,990,000
MG 4 Essence	10,990,000
MG 4 Excite	9,799,000
MG 5 EV SE Long Range	13,490,000
MG HS 2.0T AWD	9,299,000
MG HS PHEV	9,899,000
MG HS Trophy	8,399,000
MG ZS EV MCE Essence	10,990,000
MG ZS EV MCE Long Range	14,999,000
Audi	
Audi e-tron GT Standard	58,000,000
Audi e-tron GT RS	57,000,000
Audi A6 e-tron Executive Edition	

Sportback	38,350,000
Audi A6 e-tron Signature Sportback	28,850,000
Audi Q6 e-tron Performance	42,000,000
Audi Q6 e-tron Signature	27,800,000
Audi Q6 e-tron Special	29,500,000
Audi Q6 S Line 55 TFSI quattro	76,000,000
Audi Q3 1.5 L Sportsback S Line TFSI	23,700,000
Audi Q3 1.5 TFSI S tronic	22,850,000
Audi Q2 1.0 TFS Exclusive Line	7,250,000
Audi Q2 1.0 TFS Standard Line	7,050,000
Audi Q3 35 TFSI Advanced	21,900,000
Audi Q8 55 TFSI quattro	101,600,000
Audi Q8 E-Tron 50 quattro (Electric)	38,500,000
Audi Q8 E-Tron 55 quattro (Electric)	38,950,000
Audi Q8 E-Tron Sportback 50 quattro (Electric)	42,950,000
Audi Q8 E-Tron Sportback 55 quattro (Electtric)	47,500,000

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MARGINAL GAINS: THE MOMENTUM CONTINUES

Published October 26, 2026 Updated 44 minutes ago

By Recorder Review

KARACHI: The Pakistani rupee extended its marginal gain against the US dollar for another week, appreciating 0.03 percent in the inter-bank market.

The local unit closed at 276.82 against the greenback, a gain of Re0.09 from 276.91 it had closed at a week earlier, according to State Bank of Pakistan (SBP) data. The International Monetary Fund (IMF) in its latest report warned of rising inflationary pressures in Pakistan amid the Middle East conflict, saying the country might need tighter monetary policy if the regional crisis persisted and price risks intensified.

Meanwhile, Federal Minister for Finance and Revenue Muhammad Aurangzeb said structural reforms were under way to stabilise Pakistan's economy, with the government focusing on export-led sustainable growth, improving the tax system, reducing energy costs, and encouraging the private sector.

Addressing a ceremony at a private university in Lahore, the finance minister said Pakistan needed to move away from its historical boom-and-bust economic cycle towards a growth trajectory that could generate employment opportunities and ensure that the benefits of economic progress reach the people.

Pakistan posted a gross domestic product (GDP) growth of 3.65 percent during FY2026, estimates released by the Pakistan Bureau of Statistics (PBS) showed. The growth was lower than the 3.70 percent estimated by the National Accounts Committee (NAC) during the previous meeting, indicating a slower pace of economic expansion than earlier expected. Foreign exchange reserves held by the SBP rose by USD19 million on a weekly basis to USD21.49 billion as of October 16, 2026. The country's total liquid foreign reserves stood at USD26.83 billion, including USD5.34 billion held by commercial banks.

Open-market rates

In the open market, the PKR lost 10 paise for buying and 7 paise for selling against USD, closing at 277.57 and 278.71, respectively.

Against Euro, the PKR gained 79 paise for buying and 62 paise for selling, closing at 310.55 and 313.55, respectively.

Against UAE Dirham, the PKR lost 3 paise for buying and 4 paise for selling, closing at 75.60 and 76.20, respectively.

Against Saudi Riyal, the PKR lost 6 paise for buying and 11 paise for selling, closing at 73.93 and 74.51, respectively.

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THE RUPEE

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Weekly inter-bank market rates for dollar

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Bid Close Rs. 276.82

Offer Close Rs. 277.02

Bid Open Rs. 276.91

Offer Open Rs. 277.11

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Weekly open-market rates for dollar

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Bid Close Rs. 276.82

Offer Close Rs. 277.02

Bid Open Rs. 277.47

Offer Open Rs. 278.64

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FUTURES SPREAD SURGES 1,059 BPS

Published October 26, 2026 Updated about 4 hours ago

By Recorder Review

KARACHI: The futures spread at the Pakistan Stock Exchange (PSX) rose by 1,059 basis points to positive 6.51 percent during the week ended October 23, 2026, reversing from negative 4.09 percent in the preceding week.

The sharp rebound came as average daily futures turnover declined 16.1 percent to 103.34 million shares from 123.24 million shares.

Average daily trading value in the futures market also fell 15.5 percent to Rs. 7.52 billion, compared with Rs. 8.91 billion, in the previous week. The decline amounted to Rs 1.39 billion in value, while average daily share turnover dropped by 19.90 million shares.

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PSX EXTENDS LOSING STREAK

Published October 26, 2026 Updated about 4 hours ago

By Recorder Review

KARACHI: The Pakistan Stock Exchange (PSX) extended its losing streak to a fifth consecutive week, with the benchmark KSE-100 Index shedding 4,044.84 points, or 2.4 percent week-on-week, to close at 162,374.84 points as Brent crude surged make Pakistan's trade deficit widened and persistent geopolitical tensions compounded domestic economic uncertainty.

Broad-based selling across major sectors, particularly refineries, technology, engineering and power, dragged the benchmark lower, while trading activity weakened in share-volume terms across both ready and futures markets.

The latest decline followed four consecutive weekly losses, extending the market's downward trajectory amid concerns over external account pressures and the potential economic implications of persistently high international energy prices. Brent crude closed the week above USD114 per barrel, compared with the previous week's average of USD106 per barrel.

The increase of more than USD8 per barrel intensified concerns over the cost of energy imports and the implications for Pakistan's external account, while domestic economic indicators presented a mixed picture of expanding remittances and tax revenue in the broader economic backdrop but slowing industrial momentum and a widening trade deficit.

The oil-price increase coincided with official data showing that Pakistan's merchandise trade deficit widened by 21.1 percent during the first quarter of fiscal year 2027 (1QFY27) to USD9.33 billion. The deterioration was attributed to import growth running nearly twice as fast as export expansion.

Industrial production data also pointed to a moderation in momentum. Large-Scale Manufacturing (LSM) recorded a modest growth of 0.67 percent in August 2026.

The Pakistan Bureau of Statistics (PBS) also revised Pakistan's gross domestic product growth for fiscal year 2026 slightly downward to 3.65 percent. The total size of the economy was reported at USD450.40 billion, while per capita income stood at approximately USD1,896.

On the policy front, Prime Minister Shehbaz Sharif approved a 1 percent sales tax on electric vehicles (EVs) alongside major import tax cuts under a new five-year auto policy. The measures remained subject to formal approval by the federal cabinet and the International Monetary Fund (IMF). The policy was expected to lower vehicle prices over the longer term.

In another domestic financial development, profit rates on National Savings schemes were revised upward by an average of 24 to 40 basis points across major savings instruments. The increase represented a change in the returns offered by the affected savings schemes.

Foreign exchange reserves held directly by the State Bank of Pakistan (SBP) remained stable week-on-week at approximately USD21.50 billion. The unchanged reserve position provided a stable reading for the country's central-bank foreign exchange holdings during the week, even as the trade deficit widened and international crude prices moved higher.

Trading activity across listed sectors was led by the Refinery sector, which accounted for 19 percent of total market turnover during the week. Technology and Communication followed with a 16 percent volume share, while Investment Banks represented 12 percent. Power generation and distribution accounted for 7 percent, Cement contributed 4 percent, and all other sectors combined made up the remaining 42 percent.

Sectoral performance reflected severe and widespread selling pressure. The Refinery sector led the losses, plunging 10.1 percent week-on-week. Technology and Communication fell 7.7 percent, while Engineering declined 5.5 percent. Power Generation and Distribution dropped 5.0 percent, and oil marketing companies lost 4.6 percent.

Automobiles contracted 3.5 percent, textile composite slipped 2.7 percent and pharmaceuticals declined 2.6 percent. Chemicals fell 2.5 percent, while cement dropped 2.4 percent. Commercial banks lost 2.3 percent, fertilizer eased 2.0 percent and Oil and Gas Exploration Companies declined 1.2 percent. Food and personal care recorded the smallest sectoral fall, edging down 0.4 percent.

Individual stock performance was similarly weak, although a small group of companies recorded gains. Unilever Pakistan Foods Limited (UPFL) led the reported KSE-100 gainers, advancing 3.2 percent week-on-week to close at Rs. 26,376.79 per share. Pakistan Services Limited (PSEL) rose 2.4 percent to Rs. 1,013.96, while TPLRF1 gained 1.3 percent to Rs. 8.90.

On the losing side, Pakistan Telecommunication Company Limited (PTC) recorded the largest decline among the listed stocks, plunging 15.5 percent week-on-week to close at Rs. 45.29 per share. HUM Network Limited (HUMNL) fell 13.3 percent to Rs. 8.05, while Pak-Gulf Leasing Company Limited (PGLC) dropped 12.7 percent to Rs. 13.09.

Total PSX market capitalization contracted by 2.5 percent in rupee terms during the week to Rs. 18.014 trillion, or Rs. 18,014.20 billion, equivalent to USD65.08 billion. In the preceding week, market capitalization stood at Rs. 18.480 trillion, or USD66.74 billion.

Trading activity showed contrasting movements in share volume and transaction value in the readyboard market. Average daily turnover declined by 12.6 percent week-on-week to 392.75 million shares from 449.42 million shares in the preceding week. The reduction amounted to 56.67 million shares in average daily turnover, indicating lower share-volume participation in the ready market.

Despite the decline in share turnover, average daily readyboard trade value increased by 7.3 percent to Rs. 19.29 billion, equivalent to USD69.69 million, from Rs. 17.99 billion, or USD64.95 million, previously. The local-currency value rose by Rs. 1.30 billion, while the US-dollar value increased by USD4.74 million.

Overall, the fifth consecutive weekly decline reflected widespread weakness across the reported sectors amid elevated global oil prices, external account concerns and persistent uncertainty. Although stable reserves, remittance inflows and tax collections provided some support to the

economic backdrop, they were accompanied by a widening trade deficit, modest manufacturing growth and a downward revision to the FY26 GDP growth estimate.

Analysts say the competing developments are likely to remain central to investor assessments as the market responds to changes in international oil prices, geopolitical conditions and domestic economic indicators.

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OPEN MARKET FOREX RATES

Updated at: 26/10/2026 7:11 AM (PST)

Currency	Buying	Selling
Australian Dollar	193.23	200.41
Bahrain Dinar	734.95	746.98
Canadian Dollar	196.68	204.59
China Yuan	38.45	38.90
Danish Krone	42.90	43.50
Euro	311.44	315.95
Hong Kong Dollar	34.64	35.63
Indian Rupee	2.68	3.13
Japanese Yen	1.7362	1.8359
Kuwaiti Dinar	881.35	892.50
Malaysian Ringgit	68.25	69.20
NewZealand $	156.02	160.45
Norwegians Krone	28.69	28.99
Omani Riyal	719.85	731.83
Qatari Riyal	74.74	76.74
Saudi Riyal	73.8	74.4
Singapore Dollar	215.39	219.65
Swedish Korona	28.55	28.90
Swiss Franc	333.60	338.90
Thai Bhat	8.30	8.90
U.A.E Dirham	75.45	76.30
UK Pound Sterling	370.9	375.08
US Dollar	277.50	280

INTER BANK RATES

Updated at: 26/10/2026 8:12 AM (PST)

Currency	Bank Buying TT Clean	Bank Selling TT & OD
Australian Dollar	194.15	194.5
Canadian Dollar	197.59	197.95
China Yuan	41.47	41.54
Danish Krone	41.62	41.70
Euro	311.13	311.69
Hong Kong Dollar	35.27	35.34
Japanese Yen	1.7503	1.7535
Saudi Riyal	73.78	73.92
Singapore Dollar	216.70	217.10
Swedish Korona	27.98	28.03
Swiss Franc	336.35	336.96
Thai Bhat	8.22	8.23
UK Pound Sterling	370.73	371.4
US Dollar	276.75	277.25