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SHAHID LEGAL GROUP

SLD NEWS UPDATES

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

IN NEWS

Business & Finance » Taxes

Sales tax returns: KTBA seeks e-filing deadline extension
KTBA Urges Filing Deadline Extension Due to SRO 350 Aftermath
FBR Suspends Customs Officer for Choice Posting Pressure
FBR to Amend SRO 1064: A Win for Traders
President upholds FTO's decision, rejects FBR representations

Markets » Cotton & Textile

Cotton market: Spot rate unchanged amid low trade

Stock & Commodity

S&P 500, Nasdaq droop as tech stocks weigh
Chip stocks slip, keeping European shares muted ahead of data-heavy week
China shares end largely flat; HK rises
Nikkei ends lower as stronger yen weighs on exporters
Dow, S&P 500 edge up as rate-cut bets firm; energy stocks rise
KSE-100 Index loses 230 points in volatile session
Most Gulf markets gain on Fed rate-cut hopes
Eurozone stocks mixed at the open
Major Gulf markets gain on dovish Fed outlook

Business & Finance » Money & Banking

HBL H1'24 PBT rises to Rs57.8bn, an increase of 12pc YoY
Bangladesh operations: BAFL receives non-binding offer from HBN
Indian rupee ends flat
China's yuan hovers near 3-week high
Safe-haven yen, US dollar gain on rising ME tension
Asian currencies: Indonesia rupiah touches near 1-yr high

Trade & Industry

Honorary CG Malawi visits KCCI
BMP, PIAF announce support to planned shutter-down strike
Iranian CG visits LCCI
Bangladesh operations: Bank Alfalah receives non-binding offer from Sri Lanka's Hattan National Bank
Hub Power Holdings enters JV for mineral exploration in Pakistan

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FPCCI Demands Immediate Cut in Policy Rate to 15%

Business & Finance » Companies

Posted Rs75bn loss in 2023: PIACL liabilities rise to Rs825bn with Rs161bn assets

SPL announces financial results for H1 24

IBM to close China R&D department, affecting over 1,000 jobs

HBL registers Rs14.01bn profit during April-June 2024

Shell Pakistan posts Rs1.1bn profit in Apr-Jun 2024, over 86% lower year-on-year

Technology

Telecom operators begin comprehensive cybersecurity audit

Phishing attacks: Google, Facebook, Amazon most frequently targeted brands: Kaspersky

Economic distress

Business community expecting higher cuts in key policy rate: FPCCI

Fuel & Energy

Oil climbs 3pc as Libya output cuts further supply concerns

LESCO Safety Directorate identifies safety violations

IESCO's Rs14 per unit relief for domestic consumers

Kuwait signs 15-year deal for Qatar gas supply

US natural gas prices slip

Pakistan's largest IPP HUBCO posts profit of Rs75.3bn in FY24

Oil up 2% on Libya shutdowns, Mideast escalation fears

Markets – Rates

LME official prices

BRIndex100 and BR Sectoral Indices

PSX drifts lower

OPEN MARKET FOREX RATES

INTER BANK RATES

Gold Rate

Business & Finance » Taxes

SALES TAX RETURNS: KTBA SEEKS E-FILING DEADLINE EXTENSION

Recorder Report Published about an hour ago

KARACHI: Karachi Tax Bar Association (KTBA) has requested the Federal Board of Revenue (FBR) to extend the date of e-filing of sales tax returns, due to challenges from SRO 350(I)/ 2024.

In a letter sent to member IR operations, the KTBA said that following a high-level meeting on August 20, 2024 between KTBA and FBR officials, the urgent calls have been made for system adjustments and filing deadline extensions.

The new regulation, introduced on March 7, 2024, has created a domino effect in the e-filing system. Registered persons are unable to submit their returns unless their suppliers have fully discharged their own tax liabilities and submitted their returns. This interdependency has led to a backlog of un-filed returns and potential loss of input tax carry-forward for many businesses.

Taxpayers report encountering error messages such as “Row 29 cannot be greater than Row 28” when attempting to file, particularly affecting those with export-related refundable claims. As a result, many returns remain in a “draft” state, leaving filers in limbo.

The consequences of these issues are severe. Numerous taxpayers have been unable to file returns for consecutive periods, leading to their status being changed to “non-active” on the IRIS portal. This has triggered additional sales tax charges of 4% under Section 3(1A) of the Sales Tax Act, 1990, further burdening affected businesses.

Therefore, the KTBA has asked for an extension of the e-filing deadline under Section 26AB of the Act along with the implementation of measures to maintain taxpayers’ “Active” status despite filing difficulties. Furthermore, KTBA also stressed upon ensuring initial return submissions are marked as final on IRIS and enabling adjustments to specific sections of the sales tax return form.

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KTBA URGES FILING DEADLINE EXTENSION DUE TO SRO 350 AFTERMATH

August 27, 2024

Karachi – The Karachi Tax Bar Association (KTBA) has called upon the Federal Board of Revenue (FBR) to extend the deadline for filing sales tax returns, citing significant challenges posed by the recent implementation of SRO 350(I)/2024.

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The request was made in a formal letter dated August 26, 2024, from KTBA President Syed Zafar Ahmed to the Member Inland Revenue – Operations at the FBR.

KTBA's plea highlights the complexities and operational hurdles faced by taxpayers in complying with the new regulations under SRO 350 of 2024. The association noted that the new rules have made it virtually impossible for registered taxpayers to file their sales tax returns unless their suppliers have fully discharged their sales tax liabilities, declared their customers in Annexure-C, and filed their returns in compliance with Section 26 of the Sales Tax Act, 1990.

Challenges in Compliance

The core issue, as outlined by the KTBA, revolves around the inability of taxpayers to submit their sales tax returns if their suppliers fail to do so. This failure not only prevents the submission of monthly sales tax returns but also impedes the adjustment of input tax. Furthermore, it creates discrepancies in the legitimacy of refundable claims related to exports, as reported in Row 29 of the sales tax return.

The letter emphasized that the current system marks submitted returns as provisional and non-editable drafts. This issue is further compounded by frequent error messages on the FBR web portal, particularly the error stating: "Row 29 cannot be greater than Row 28."

Consequences of the Current System

The KTBA has outlined several consequences resulting from the current situation:

- **Filing Hindrances:** Registered taxpayers are unable to file their sales tax returns within the stipulated time frame due to persistent error messages.
- **Non-Active Status:** The failure to file returns for two consecutive tax periods has led to taxpayers being marked as 'non-active' on the IRIS portal.
- **Additional Tax Charges:** Due to the non-active status, taxpayers are subjected to an additional sales tax of 4% under Section 3(1A) of the Sales Tax Act, 1990, which is non-adjustable.

KTBA's Recommendations

In response to these challenges, the KTBA has proposed several measures to the FBR:

1. **Extension of Filing Deadline:** The KTBA has requested an extension for the e-filing of sales tax returns under Section 26AB of the Act until the issues are resolved. This extension should be automatic for all registered persons unless explicitly rejected.
2. **Maintaining 'Active' Status:** A mechanism should be implemented to ensure that taxpayers remain in an 'Active' status on IRIS, even if they cannot file returns due to portal issues.

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3. Final Submission Recognition: To avoid the non-active status, the first submission of the return should be marked as the final submission on the IRIS portal.

4. Editable Return Fields: The KTBA has requested that Row 29 of the sales tax return be made editable to allow for necessary adjustments.

The KTBA's appeal underscores the urgent need for the FBR to address these technical and procedural challenges to prevent widespread non-compliance and undue penalties on taxpayers. The association hopes for a prompt and favorable response from the FBR to mitigate these issues.

FBR SUSPENDS CUSTOMS OFFICER FOR CHOICE POSTING PRESSURE

August 27, 2024

KARACHI, August 27, 2024: The Federal Board of Revenue (FBR) has suspended Jawad-ul-Hassan, a BS-18 officer of the Pakistan Customs Service (PCS), for 120 days due to alleged misconduct involving pressuring authorities for a preferred posting.

The decision was announced on Tuesday following an investigation into his actions.

Jawad-ul-Hassan, who was serving as Deputy Collector at the Collectorate of Customs Enforcement in Dera Ismail Khan, has been suspended with immediate effect. The suspension is a result of his violation of directives issued by the Chairman of FBR and Secretary of the Revenue Division, which explicitly prohibit the exertion of undue influence to secure "choice postings."

The FBR's notification stated that Jawad-ul-Hassan's actions breached the Civil Servants (Efficiency & Discipline) Rules, 2020. Under Rule 5(1) of these rules, any civil servant found to be engaging in practices that undermine the integrity of the administrative process, such as attempting to manipulate postings for personal gain, is subject to disciplinary action, including suspension.

The decision to suspend Jawad-ul-Hassan underscores the FBR's commitment to maintaining transparency and accountability within its ranks. An FBR spokesperson emphasized that the organization has a zero-tolerance policy for any form of misconduct, especially when it compromises the merit-based system of postings and appointments.

"The FBR is dedicated to upholding the highest standards of professional conduct among its officers," the spokesperson stated. "Any attempt to influence postings or appointments through improper means not only contravenes official directives but also undermines the principles of fairness and integrity that are fundamental to our service."

This action is part of the FBR's broader initiative to enforce discipline and ensure that all officers adhere strictly to the rules and regulations governing their conduct. By suspending Jawad-ul-

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Hassan, the FBR aims to send a clear message that such behavior will not be tolerated and that there will be consequences for those who attempt to subvert the system.

The suspension is effective immediately, and Jawad-ul-Hassan will remain off-duty for a period of 120 days while the FBR continues its investigation into the matter. Further disciplinary measures may follow based on the findings of this investigation.

The FBR has urged all officers and employees to conduct themselves with integrity and to comply fully with the guidelines and directives issued by the authority. This case serves as a reminder that the FBR is committed to fostering a culture of accountability and transparency within its organization, ensuring that all public servants act in the best interest of the country and its citizens.

FBR TO AMEND SRO 1064: A WIN FOR TRADERS

August 27, 2024

MULTAN: The Federal Board of Revenue (FBR) will revise SRO 1064 of the Tajir Dost Scheme, considering the demands and concerns of traders, according to Naeem Mir, Chief Coordinator of the scheme.

During a news conference held at the Circuit House on Monday, Mir announced the upcoming changes alongside Chief Commissioner Inland Revenue, Sajid Tasleem Azam, and Ahmad Hassan, the scheme's focal person.

Mir stated that they conducted an awareness session with trader representatives from the Multan division, where the representatives voiced their concerns and reservations about the scheme. "The session allowed traders to express their issues openly, and we were able to clarify many misunderstandings surrounding the Tajir Dost Scheme," Mir said.

One of the primary objections raised by the traders was regarding the tax valuation table of the scheme. In response to these concerns, the FBR has decided to amend SRO 1064. Mir emphasized that the government will not advocate for non-filers, as the tax burden unfairly falls on the salaried class.

To address these issues, a new procedure for revising the evaluation table is being developed. "We are forming a committee at the commissioner level, which will include local trader representatives," Mir explained. This committee will be responsible for determining the tax amounts for various areas and markets, taking into account the different income levels of traders within those regions.

Only individuals earning an income will be required to pay taxes, ensuring fairness across the board. Mir also noted that Prime Minister Muhammad Shehbaz Sharif has instructed that consultations with traders should occur at every level. "The Chairman of the FBR has invited trader representatives for further discussions tomorrow at 3 PM," he added.

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Mir emphasized that the FBR wants to include the input of trader organizations in the newly amended SRO. A simplified Urdu tax return form will also be introduced to make the process more accessible. “All objections to the scheme have been addressed, and there is no justification left for a strike against it,” Mir stated.

He acknowledged that peaceful protest is a constitutional and legal right but stressed that any demonstration should be based on legitimate reasons. “No illegal actions or mistreatment will be taken against any trader. Traders are our own people and are the driving force of the state,” he added.

Mir concluded by emphasizing the importance of respecting traders and being open to alternative suggestions if the scheme is not acceptable. “Every feasible suggestion will be welcomed, but discussions and negotiations are the only way forward. We urge trader representatives to show generosity and actively participate in the negotiation process,” he said.

This proactive approach by the FBR aims to create a more collaborative environment between the government and traders, ensuring that the tax system is fair, transparent, and inclusive.

PRESIDENT UPHOLDS FTO’S DECISION, REJECTS FBR REPRESENTATIONS

Sohail Sarfraz Published August 26, 2024

ISLAMABAD: President Asif Ali Zardari has upheld the Federal Tax Ombudsman (FTO) decision granting tax relief to thousands of art students and performers in Punjab.

In this regard, the president has rejected 141 representations of the Federal Board of Revenue (FBR).

This decision addresses longstanding complaints about excessive tax deductions from payments made to artists participating in arts and cultural events.

The president, in his order, emphasized the legal correctness of the FTO’s decision, stating, “The withholding tax is to be deducted under Section 153(1)(b) and not under Section 156 of the ordinance of 2001. In this view of the matter, the order of the Federal Tax Ombudsman is upheld. The representation is dismissed.”

The controversy began when hundreds of complaints were filed with the Federal Tax Ombudsman. These complaints, primarily from students of arts and music across various academies, addressed the withholding tax deductions from the compensation they received for participating in events organized by the Punjab Council of Arts and Culture, Lahore. The deductions, at rates of 20% for filers and 40% for non-filers, imposed a significant financial burden on the students, many of whom are from low-income backgrounds.

The Regional Tax Officer (RTO) had argued that these payments constituted prize money and were subject to taxation under Section 156 of the Income Tax Ordinance, 2001. However, the

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Punjab Council of Arts and Culture clarified that the payments were honoraria or participation fees, not prize money as suggested by the tax authorities.

Upon reviewing the relevant laws, the FTO concluded that Section 156, which pertains to prizes and winnings such as those from lotteries or raffles, did not apply to the payments in question.

Instead, these payments were for services rendered and fell under Section 153(1)(b) of the Income Tax Ordinance, 2001. The FTO found that the excessive taxation under section 156 was unjustified and a case of maladministration.

Following the FTO's findings, instructions were issued to the Federal Board of Revenue (FBR) to prevent the Punjab Council from applying Section 156 inappropriately. Instead, tax deductions, where applicable, should be made under Section 153(1)(b), with no withholding of tax for payments below thirty thousand Rupees in aggregate during a financial year.

This ruling has provided much-needed relief to the students, ensuring that tax laws are applied correctly and fairly, particularly for those in financially vulnerable positions. The president's dismissal of the Federal Board of Revenue's representations further solidifies this decision, marking a win for the arts community in Punjab.

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Markets » Cotton & Textile

COTTON MARKET: SPOT RATE UNCHANGED AMID LOW TRADE

Recorder Report Published about an hour ago

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

Cotton Analyst Naseem Usman told Business Recorder that the rate of cotton in Sindh is in between Rs 18,200 to Rs 18,500 per maund. The rate of Phutti in Sindh is in between Rs 6,800 to Rs 7,800 per 40 kg.

The rate of cotton in Punjab is in between Rs 18,400 to Rs 18,700 per maund. The rate of Phutti in Punjab is in between Rs 7,000 to Rs 8,700 per 40 kg.

The rate of cotton in Balochistan is in between Rs 17,900 to Rs 18,400 per maund. The rate of Phutti in Balochistan is in between Rs 7,000 to Rs 7,800 per 40 kg.

Around, 1000 bales of Tando Adam were sold at Rs 18,000 to Rs 18,200 per maund, 400 bales of Sanghar were sold at Rs 18,350 per maund, 400 bales of Burewala were sold at Rs 18,400 per maund, 400 bales of Chichawatni were sold at Rs 18,450 per maund, 200 bales of Noor Pur

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Noranga were sold at Rs 18,200 per maund, 200 bales of Bakhar and 200 bales of Hasil Pur were sold at Rs 18,000 per maund.

The Spot Rate remained unchanged at Rs 18,000 per maund. Polyester Fiber was available at Rs 360 per kg.

Stock & Commodity

S&P 500, NASDAQ DROOP AS TECH STOCKS WEIGH

Reuters Published about an hour ago

NEW YORK: The S&P 500 and the Nasdaq dropped in choppy trading on Monday, weighed by AI-favorite Nvidia ahead of its results later in the week, while markets awaited a key inflation report and cemented bets on an imminent interest-rate cut by the Federal Reserve.

Nvidia dropped 2.3%, leading declines among chip stocks and sending the Philadelphia SE Semiconductor index down 2.5% ahead of the chip designer's highly anticipated earnings on Wednesday. The broader Technology sector also lost over 1%.

Markets have been less forgiving this quarter of highly valued megacap stocks, which spearheaded the excitement around artificial intelligence.

Nvidia's earnings will be scrutinized to justify the stock's more than 160% year-to-date jump, which pushed its market cap value to No. 2, just below Apple's, as of Friday's close.

"Nvidia's on tap. People are taking a little money off the table, saying, well, we've earned some money," said Kim Forrest, chief investment officer at Bokeh Capital Partners. "Their forecast for the next six months or so is probably the most important data that we get this week." Other growth names such as Tesla shed 3%, while Meta fell 1.4% and Apple lost 0.8%.

At 11:47 a.m. ET, the Dow Jones Industrial Average was up 10.14 points, or 0.02%, at 41,185.22, the S&P 500 was down 22.99 points, or 0.41%, at 5,611.62, and the Nasdaq Composite was down 168.87 points, or 0.94%, at 17,708.93.

The Energy sector bucked the trend to rise 0.6%, as reports of oil supply disruptions amid the geopolitical conflict in the Middle East lifted crude prices.

Other areas in the market, including financials stocks such as American Express and consumer staples such as Proctor & Gamble, also saw gains, limiting declines on the blue-chip Dow, which hit an intraday record high earlier in the day.

The main indexes rallied more than 1% on Friday, with the benchmark S&P 500 nearing record highs after US Federal Reserve Chair Jerome Powell said "the time has come" to lower

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borrowing costs in the light of a diminishing upside risk to inflation and moderating labor demand.

Traders are now betting on either a 25-basis-point or a 50-basis-point rate cut in September. Odds of the former stand at 67.5%, while odds of a 50-bps cut are at 34.5%, according to the CME Group's FedWatch tool.

Friday's highly anticipated Personal Consumption Expenditure data for July, the central bank's preferred inflation gauge, could provide more insight into the policy easing trajectory.

Results from Dell, Salesforce, Dollar General and Gap are also expected through the week.

Among others, US-listed shares of PDD Holdings sank 29.8% after the Temu-owner missed market expectations for second-quarter revenue.

Boeing slipped 1.4% after NASA picked SpaceX over the planemaker's Starliner to return its astronauts from space next year.

CHIP STOCKS SLIP, KEEPING EUROPEAN SHARES MUTED AHEAD OF DATA-HEAVY WEEK

Reuters Published about an hour ago

PARIS: European shares were broadly flat in quiet trading on Monday, with semiconductor stocks leading the technology sector lower as investors looked ahead to several key economic data releases this week for more clues on the path of monetary policy.

Stocks of European semiconductor stocks slipped as focus turned to second-quarter results from US-listed artificial-intelligence leader Nvidia, due Wednesday.

The technology sector was the biggest drag on the European benchmark, declining 1%. ASML Holding, ASM International, and Aixtron lost between 1.6% and 2.7%.

Investors await key economic data this week for more signals on the policy path for the European Central Bank, which meets on Sept. 12. Traders have broadly priced in a 25 basis point rate cut.

The week's key release will be the flash estimate for EU inflation on Friday. Consumer price data for France, Italy and Spain, as well as Eurozone industrial and economic sentiment are also due throughout the week.

The pan-European STOXX 600 index was flat at 518.05 at 1600 GMT.

The index has notched gains in the previous three sessions, still trading around nearly a one-month high.

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The German benchmark pared some earlier losses, closing down about 0.1% after a survey showed business morale for Europe's largest economy fell in August.

"The German economy seems to be back where it was a year ago: the growth laggard of the eurozone with little signs of an imminent improvement," said Carsten Brzeski, Global Head of Macro at ING.

German gross domestic product figures, employment, and retail sales data are on deck throughout the week.

Global markets will also closely watch US personal consumption expenditure data on Friday for more signals on the scope of a broadly anticipated Federal Reserve September rate cut after Fed Chair Jerome Powell said "the time has come" to ease policy in a recent speech.

In contrast, ECB chief economist Philip Lane was more cautious, saying restrictive monetary policy is still needed as success in tackling inflation was not assured. Bank of England head Andrew Bailey also said further interest rate cuts would not be rushed.

Rate-sensitive real estate was the top sectoral performer, gaining 1.2% led by a nearly 4% jump in Vonovia shares.

The oil and gas sector gained 0.7%, as crude prices jumped.

Among individual stocks, Telecom Italia rose 2% on a report that Italian banker Claudio Costamagna is working on a plan to gather a group of investors potentially interested in buying France's Vivendi shares in the telecoms group.

Swiss solar panel maker Meyer Burger fell 45%, its worst day on record, after the company halted plans for a plant in Colorado and further delayed its financial results.

London markets were closed for a holiday.

CHINA SHARES END LARGELY FLAT; HK RISES

Reuters Published about an hour ago

SHANGHAI: Mainland China stocks ended largely flat on Monday, while Hong Kong tracked gains in most regional peers following Federal Reserve Chair Jerome Powell's dovish shift during his comments on Friday.

Powell endorsed an imminent start to interest rate cuts, saying further cooling in the job market would be unwelcome and expressing confidence that inflation is within reach of the US central bank's 2% target.

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Meanwhile, China's central bank rolled over maturing medium-term loans and kept the interest rate unchanged, underlining market expectations for further easing as the economy struggles to gain traction.

At the close, the Shanghai Composite index was up 0.04% at 2,855.52 points.

The blue-chip CSI 300 index slipped 0.09%, with the financial sub-index up 0.03% and real estate up 1.57%, while consumer staples and healthcare fell 0.64% and 0.91% respectively.

The smaller Shenzhen index ended up 0.42% and the start-up board ChiNext Composite index was weaker by 0.103%.

Trading volume jumped in big-cap ETFs such as Huatai-PB CSI 300 ETF, E Fund CSI 300 Index ETF, ChinaAMC CSI 300 ETF and Harvest CSI 300 ETF.

The Hang Seng index closed up 186.63 points or 1.06% at 17,798.73. The Hang Seng China Enterprises index rose 0.95% to 6,278.63.

The sub-index of the Hang Seng tracking energy shares rose 1.1%, while the IT sector rose 1.15%, the financial sector ended 0.78% higher and the property sector rose 3.06%.

Around the region, MSCI's Asia ex-Japan stock index was firmer by 0.78%, while Japan's Nikkei index closed down 0.66%.

NIKKEI ENDS LOWER AS STRONGER YEN WEIGHS ON EXPORTERS

Reuters Published about an hour ago

TOKYO: Japan's Nikkei share average declined on Monday after two straight sessions of gains, as exporters' stocks, including chip-related and auto firms, were pressured by a stronger yen.

The Nikkei fell 0.66% to close at 38,110.22, although recovering from a decline of 1.4% earlier in the session.

"In addition to the yen's strength, there are some factors that make investors hesitant to make positive bets. In a very short term, that's Nvidia's outlook this week," said Shuutarou Yasuda, a market analyst at Tokai Tokyo Intelligence Laboratory.

Nvidia's blistering run has powered equity markets throughout 2024, and its earnings and forecast later this week could be a key inflection point for market sentiment heading into what is historically a volatile time of the year.

The yen rose to a three-week high against the dollar, as US Federal Reserve Chair Jerome Powell's dovish shift contrasted sharply with Bank of Japan chief Kazuo Ueda's steadfastly hawkish tone.

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“Fed rate cuts are positive for stocks but those are already priced in, while the BOJ is trying to raise rates from now. The gap in their policies weighs on the stock market,” Yasuda said.

Ueda on Friday reaffirmed his resolve to raise rates if inflation stayed on course to sustainably hit the 2% target, suggesting recent market volatility would not derail the long-term rate hike plan.

DOW, S&P 500 EDGE UP AS RATE-CUT BETS FIRM; ENERGY STOCKS RISE

Reuters Published August 26, 2024

The Dow and the S&P 500 inched up in choppy trading on Monday as markets cemented bets on an imminent rate cut by the Federal Reserve and awaited Nvidia results later in the week, while energy stocks were boosted after crude oil prices jumped.

The blue-chip index led gains among peers and hit an intraday record high as markets welcomed U.S. Federal Reserve Chair Jerome Powell’s comments on Friday, when he said “the time has come” to lower borrowing costs in the light of diminishing upside risk to inflation and moderating labor demand.

The main indexes rallied more than 1% in the previous session, with the benchmark S&P 500 also nearing record highs. Rate-sensitive small caps logged their strongest day in six weeks as equities continued to pare losses from the market rout in early August.

Odds of a 25-basis-point rate cut stand at 69.5%, while those of a 50-bps cut are at 30.5%, according to the CME Group’s FedWatch tool.

“The name of the game is the Fed. They did what the markets anticipated, so that’s good news that they’re going to start the easing cycle,” said Thomas Hayes, chairman at Great Hill Capital LLC.

Attention will turn to the gross domestic product estimates for the second quarter and July’s Personal Consumption Expenditure data, the central bank’s preferred inflation gauge, due later in the week.

Wall Street Week Ahead: ‘Super Bowl’ Nvidia earnings stand to test searing AI trade

At 9:58 a.m. ET, the Dow Jones Industrial Average was up 171.49 points, or 0.42%, at 41,346.57, the S&P 500 was up 6.01 points, or 0.11%, at 5,640.62, and the Nasdaq Composite was down 36.60 points, or 0.20%, at 17,841.20.

A majority of the S&P 500 sectors advanced, led by a 1.7% rise in Energy stocks, which hit a one-week high as crude prices jumped nearly 3%. Reports of production stoppages in Libya piled on to fears of supply disruptions from the Middle East as the geopolitical conflict continued.

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As earnings season draws to a close, chip designer and AI-favorite Nvidia, whose results are scheduled on Wednesday, traded up 0.4%.

Markets have been less forgiving this quarter of highly valued megacap stocks, which spearheaded the excitement around artificial intelligence.

They will scrutinize Nvidia's earnings to justify the stock's more than 160% year-to-date jump, which pushed its market cap value to No. 2, just below that of Apple, as of Friday's close.

"The two concerns and risks are going to be their (Nvidia's) gross margins... and their guidance," Hayes said.

Results from Dell, Salesforce, Dollar General and Gap are expected through the week.

Limiting gains on the tech-heavy Nasdaq, U.S.-listed shares of PDD Holdings sank 26.8% after the Temu-owner missed market expectations for second-quarter revenue.

Boeing slipped 0.40% after NASA picked SpaceX over the planemaker's Starliner to return its astronauts from space next year.

Advancing issues outnumbered decliners by a 3.28-to-1 ratio on the NYSE, and by a 1.64-to-1 ratio on the Nasdaq.

The S&P index recorded 78 new 52-week highs and no new lows, while the Nasdaq recorded 108 new highs and 10 new lows.

KSE-100 INDEX LOSES 230 POINTS IN VOLATILE SESSION

BR Web Desk Published August 26, 2024

The Pakistan Stock Exchange (PSX) endured a volatile session on Monday as its benchmark KSE-100 Index swayed in both directions before closing the day lower by 230 points.

The KSE-100 started the session positive, hitting an intra-day high of 79,160.40.

However, the bears managed to push the index back every time it crossed 79,000 in today's session.

At close, the benchmark index settled at 78,571.06, down by 230.37 points or 0.29%.

"The equity market closed on a negative note today. The benchmark index remained volatile throughout the session," brokerage house Ismail Iqbal Securities said in its post-market report.

On Friday, the PSX saw a roller-coaster trading session and the KSE-100 closed flat after a volatile ride.

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In a key development, Hub Power Holdings Limited (HPhL) has entered into a joint venture agreement with a mining company Ark Metals (Private) Limited for exploration and development of mineral mines in Pakistan.

The development was shared by HUBCO, the parent company of HPhL, in a notice to the PSX on Monday.

Hub Power Company Limited (HUBCO), Pakistan's largest Independent Power Producer (IPP), saw its profit increase by over 21% to Rs75.29 billion in fiscal year 2023-24 that ended June 30.

On a consolidated basis, the company registered a profit of Rs62 billion in the same period of the previous year, according to a notice sent to the bourse.

Shell Pakistan Limited (SPL), a subsidiary of Shell Petroleum Company Limited, announced a profit of Rs1.13 billion in the three-month period that ended June 30, 2024.

The results of the April-June quarter released on Monday are a far cry from a profit of Rs8.3 billion it reported in the same period of the previous year, a year-on-year decline of over 86%.

Globally, Eurozone stock markets diverged in opening deals on Monday after US Federal Reserve chief Jerome Powell declared last week that the central bank was ready to cut interest rates.

The Paris CAC 40 was up 0.2 percent at 7,589.50 points while the Frankfurt DAX was down 0.3 percent at 18,578.25 points.

The London FTSE 100 index was closed for a holiday.

Mainland China stocks inched lower on Monday, dragged down by property shares, while Hong Kong tracked regional peers higher following Federal Reserve Chair Jerome Powell's dovish pivot suggesting an imminent rate cut in the world's largest economy.

Meanwhile, the Pakistani rupee registered slight improvement against the US dollar, appreciating 0.03% in the inter-bank market on Monday. At close, the currency settled at 278.42, a gain of Re0.08 against the US dollar.

Volume on the all-share index decreased to 512.34 million from 682.41 million on Friday.

The value of shares marginally increased to Rs18.89 billion from Rs18.17 billion in the previous session.

Symmetry Group Ltd was the volume leader with 59.37 million shares, followed by Kohinoor Spinning with 50.62 million shares, and WorldCall Telecom with 24.44 million shares.

Shares of 433 companies were traded on Monday, of which 150 registered an increase, 242 recorded a fall, while 41 remained unchanged.

MOST GULF MARKETS GAIN ON FED RATE-CUT HOPES

Reuters Published August 26, 2024

Most stock markets in the Gulf ended higher on Monday after Federal Reserve Chair Jerome Powell signalled the U.S. central bank will most likely cut interest rates in September.

Powell on Friday endorsed an imminent start to interest rate cuts, saying further cooling in the job market would be unwelcome and expressing confidence inflation was within reach of the Fed's 2% target.

U.S. personal consumption and core inflation data are due on Friday. Analysts are expecting the data to be benign enough to allow for rate cuts next month.

Fed fund futures are fully priced for a quarter-point cut at the Sept. 18 meeting, and imply a 38% chance of an outsized move of 50 basis points. The market also has 103 basis points of easing priced in for this year and another 122 basis points in 2025.

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

The Qatari benchmark advanced 1.2%, with the Gulf's biggest lender Qatar National Bank closing 2% higher.

Gulf markets gain on hopes of early US Fed rate cut

Qatar agreed on Monday to supply Kuwait with 3 million tons per annum (mtpa) of liquefied natural gas (LNG) for 15 years, the second such deal since 2020 as Kuwait imports the fuel to help meet rising demand for power generation.

Dubai's main share index gained 0.8%, led by a 1.6% rise in blue-chip developer Emaar Properties.

In Abu Dhabi, the index eased 0.2%.

Saudi Arabia's benchmark index finished flat.

Oil prices - a catalyst for the Gulf's financial markets - rose nearly 3% on reports of a near total production stoppage in Libya, adding to earlier gains on concerns that escalating conflict in the Middle East could disrupt regional oil supplies.

Outside the Gulf, Egypt's blue-chip index rose 0.2%, helped by a 6.4% gain in EFG Holding.

SAUDI ARABIA was flat at 12,261
ABU DHABI fell 0.2% to 9,356

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DUBAI	gained 0.8% to 4,325
QATAR	advanced 1.2% to 10,223
EGYPT	rose 0.2% to 30,134
BAHRAIN	eased 0.1% to 1,929
OMAN	added 0.2% to 4,697
KUWAIT	increased 0.5% to 7,7989

EUROZONE STOCKS MIXED AT THE OPEN

AFP Published August 26, 2024

PARIS: Eurozone stock markets diverged in opening deals on Monday after US Federal Reserve chief Jerome Powell declared last week that the central bank was ready to cut interest rates.

The Paris CAC 40 was up 0.2 percent at 7,589.50 points while the Frankfurt DAX was down 0.3 percent at 18,578.25 points.

The London FTSE 100 index was closed for a holiday.

European stocks rise at the open before Powell speech

Powell told an annual gathering of central bankers on Friday that “the time has come” for the Fed to start cutting interest rates, which had been raised to a 23-year high in efforts to combat inflation.

MAJOR GULF MARKETS GAIN ON DOVISH FED OUTLOOK

Reuters Published August 26, 2024

Major stock markets in the Gulf rose in early trade on Monday after Federal Reserve Chair Jerome Powell signalled that the US central bank will most likely cut interest rate in September.

Powell on Friday endorsed an imminent start to interest rate cuts, saying further cooling in the job market would be unwelcome and expressing confidence that inflation is within reach of the Fed’s 2% target.

US personal consumption and core inflation data are due on Friday. Analysts are expecting the data to be benign enough to allow for rate cuts next month.

Fed fund futures are fully priced for a quarter-point cut at the Sept. 18 meeting, and imply a 38% chance of an outsized move of 50 basis points.

The market also has 103 basis points of easing priced in for this year and another 122 basis points in 2025.

Gulf markets gain on hopes of early US Fed rate cut

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

Saudi Arabia's benchmark index rose 0.1%, with Saudi Telecom Company advancing 2.4%.

Dubai's main share index gained 0.3%, with blue-chip developer Emaar Properties rising 0.4%.

In Abu Dhabi, the index added 0.2%. The Qatari benchmark advanced 0.5%, led by a 1.1% rise in the Gulf's biggest lender Qatar National Bank.

Oil prices - a catalyst for the Gulf's financial markets - extended gains on fears a major spillover in fighting from the Gaza conflict into the Middle East could disrupt regional oil supplies, while approaching US interest rate cuts lifted the global economic and fuel demand outlook.

Business & Finance » Money & Banking

HBL H1'24 PBT RISES TO RS57.8BN, AN INCREASE OF 12PC YOY

Press Release Published 10 minutes ago

KARACHI: HBL on Monday declared a consolidated profit before tax of Rs 57.8 billion for the first half of 2024, 12 percent higher than in the same period last year. All businesses continued to demonstrate strong growth in drivers, leading to record profit.

Profit after tax increased by 10 percent YoY, to Rs 29.1 billion, as earnings per share improved from Rs 17.86 in H1'23 to Rs 20.18 in H1'24. Along with the results, the Bank declared an interim cash dividend of Rs 4 per share (i.e. 40%) for the second quarter. This is in addition to the interim cash dividend already paid of Rs 4 per share (i.e. 40%).

HBL's balance sheet footing increased to Rs 6.2 trillion with total deposits closing at Rs 4.8 trillion, an impressive growth of more than Rs 700 billion over December 2023.

This was largely driven by domestic deposit growth which enabled HBL to increase its market share from 12.4 percent in December 2023 to 13.3 percent in June 2024. Low-cost deposits steered 60 percent of the growth, with the CASA ratio improving to 87 percent.

Credit demand in the country has remained low. Nevertheless, domestic advances increased by 2.2 percent during the quarter, with total advances at Rs 1.8 trillion. The Bank's market-leading Consumer business continued marching on its growth trajectory, reaching Rs 133.8 billion in June 2024.

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Volumetric expansion in both the domestic and international markets helped drive a growth in net interest income, to Rs 121.6 billion. Non-fund income increased by 64 percent over the same period last year, to nearly Rs 40 billion. HBL continued to maintain leadership in fee income, which posted a stellar growth of 22 percent increasing to Rs 24.2 billion in H1'24. The flagship Cards business contributed nearly half of the fee growth, while branch fees also rebounded. Consequently, HBL's total revenue increased by 17 percent to Rs 161.1 billion.

Despite persistent high inflation, a focus on costs enabled HBL to reduce expenses over the previous quarter, with the cost / income ratio declining from 57.2 percent in Q1'24 to 56.7 percent in Q2'24. The strong results led to growth in internally generated capital, raising the Tier-1 Capital Adequacy Ratio to 12.65 percent and total CAR to 16.32 percent, and also enabling a continued higher dividend payout.

Commenting on the Bank's results, Muhammad Nassir Salim, President & CEO – HBL, said, "HBL's strong H1'24 performance reflects our commitment to innovation, expanding our digital footprint, and providing best-in-class financial solutions for all segments of our client base.

In recognition of these efforts, Euromoney, the prestigious international publication, declared HBL Pakistan's Best Bank. Looking ahead, the Bank will continue to prioritize its clients' financial well-being and play its part in Pakistan's economic development."

Business Developments

HBL's digital transformation, led by Konnect by HBL and HBL Mobile, continues at an accelerated pace. HBL's mobile and internet banking witnessed a year-on-year growth of 36 percent in financial transactions and 29% in service requests, with Rs 3.5 trillion processed in H1'24. Konnect by HBL, the Bank's branchless banking platform, processed a volume of Rs 560 billion, reflecting a year-on-year growth of 12 percent.

The credit cards business further consolidated its leadership with a growth of over 34 percent in card usage, achieving Rs 151 billion in spend and a portfolio size of Rs 37 billion, up by 36 percent over the previous year. HBL's momentum of growth carried into the POS merchant acquiring business, where HBL terminals' throughput grew by 28 percent to Rs 208 billion from the same period last year.

Agriculture and SME are the Bank's strategic imperatives. HBL's Agriculture Financing Portfolio reached nearly Rs 60 billion. HBL's resolve to grow the SME business has led to accelerated growth in advances registering a year-on-year growth of 25 percent.

At the product end, the Bank's financial inclusion efforts are being led by HBL Nisa, a platform dedicated to developing financial solutions for women. In H1'24, HBL Nisa onboarded over 50,000 new accounts, generating a deposit volume of Rs 42 billion.

HBL continues to provide innovative value-added services to its corporate and institutional clients. HBL Symphony®, the Bank's fixed-income trading platform, achieved significant

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growth with trading volumes surpassing Rs 1.2 trillion at the end of H1'24, marking a substantial 5.5 times increase compared to the total volume traded on the platform last year.

The Bank's efforts in making a difference in the communities it serves are underscored through different initiatives in H1'24. To promote diversity, equity & inclusion (DEI), HBL organized an in-person sign language learning session for the staff.

HBL achieved a first-of-its-kind accomplishment in the banking sector by completing two modular pilot branches in Karachi and Peshawar during H1'24. The technology, verified by the NED University in Karachi, is an innovative approach that has resulted in a 35 percent reduction in construction time (from 90 to 60 days), water conservation, and use of cement per branch. HBL has also discontinued single-use plastic water bottles in line with its pledge to have net zero emissions by 2030.

Moreover, the HBL Foundation allocated Rs 150 million for healthcare initiatives and Rs 45 million for educational programs.

As part of its continued efforts to engage with the youth, HBL is excited to lead Pakistan's Esports landscape with its 'Aur Khelo' tournaments. The Bank's journey began with the EAFC Gaming Tournament and continued with the Tekken 8 Women's Gaming Tournament, showcasing its dedication to fostering an inclusive and vibrant Esports ecosystem within the country.

The recent 'Valorant' tournament, the third in the 'Aur Khelo' series, further solidifies HBL's position as a pivotal player in shaping the future of Esports in Pakistan.

In recognition of the Bank's leadership performance and innovative approach, Euromoney Awards for Excellence 2024 awarded HBL the accolades of Pakistan's Best Bank, Pakistan's Best Bank for Corporates, and Pakistan's Best Bank for ESG.

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BANGLADESH OPERATIONS: BAFL RECEIVES NON-BINDING OFFER FROM HBN

Recorder Report Published about an hour ago

KARACHI: Bank Alfalah Limited has received a non-binding offer from Hatton National Bank (HNB) of Sri Lanka to acquire the

Bank Alfalah's Bangladesh operations.

This non-binding offer is in addition to the non-binding offer already received from Bank Asia Limited (Bangladesh), material information sent to Pakistan Stock Exchange on Monday said.

The board of directors of the Bank Alfalah has accorded its in-principle approval/ acceptance of the non-binding offer received from HNB of Sri Lanka to acquire the Bank Alfalah's Bangladesh

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operations/assets and liabilities, subject to compliance with all applicable laws/ regulations and obtaining of necessary/regulatory approvals.

“We will now seek approvals from the central banks of Pakistan and Bangladesh for HNB to commence due-diligence on Bank Alfalah, Bangladesh operations”, it added.

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INDIAN RUPEE ENDS FLAT

Reuters Published about an hour ago

MUMBAI: The Indian rupee closed nearly flat on Monday, as dollar demand from importers and foreign banks offset early gains driven by a rise in most Asian currencies.

The rupee closed at 83.90 against the US dollar, nearly unchanged from its close at 83.89 in the previous session. The currency hit a peak of 83.81 in early trading.

Like last week, the rupee was unable to hold onto gains pressed by dollar demand from importers and foreign banks, a trader at a private bank said.

It has struggled to benefit from the dollar's slump in August and is likely to miss out on the emerging market rally after Federal Reserve Chair Jerome Powell signalled support for imminent rate cuts on Friday.

The rupee is expected to trade between 83.75 and 84 in the near-term, Amit Pabari, managing director at FX advisory firm CR Forex said.

Strong dollar demand from importers and outflows from equities have both contributed to limiting the rupee's gains in recent sessions, Pabari said. Overseas investors have pulled out about \$2 billion from Indian stocks over August so far.

The dollar index was at 100.7, hovering close to its lowest level since December, while most Asian currencies rose between 0.1% to 0.7%.

Meanwhile, dollar-rupee forward premiums jumped after Powell's more dovish-than-expected comments raised the odds of a larger rate cut at the Fed's September meeting.

The dollar-rupee 1-year forward premium rose to a peak of 2.14%, the highest since May 2023, before edging lower.

CHINA'S YUAN HOVERS NEAR 3-WEEK HIGH

Reuters Published about an hour ago

SHANGHAI: China's yuan hovered near a three-week high against the dollar on Monday, underpinned by broad greenback weakness following Federal Reserve Chair Jerome Powell's dovish pivot suggesting an imminent rate cut in the world's largest economy.

Fed Chair Powell on Friday endorsed an imminent start to interest rate cuts, saying further cooling in the job market would be unwelcome and expressing confidence that inflation is within reach of the US central bank's 2% target.

By 0305 GMT, the onshore yuan traded at 7.1218 per dollar, after edging up to hit a three-week high of 7.1135 in early trades.

The yuan is up 1.4% against the dollar this month, recouping nearly all its losses in the first half of the year. Having spent all year trying to put a floor under the tumbling yuan, market watchers said China's central bank is suddenly faced with the opposite problem and is turning to subtle ways to stop the currency from appreciating sharply.

SAFE-HAVEN YEN, US DOLLAR GAIN ON RISING ME TENSION

Reuters Published about an hour ago

NEW YORK: The Japanese yen rose to a three-week high against the US dollar on Monday, while the greenback rallied from an eight-month low, as geopolitical tension in the Middle East intensified, prompting investors to seek shelter in these currencies.

Another safe-haven, the Swiss franc, also rallied against major peers.

Trading activity is expected to be lighter than usual, with UK markets closed for a public holiday.

Israel and Hezbollah fired missiles at each other over the weekend in one of the biggest clashes in more than 10 months of border conflict. Hezbollah launched hundreds of rockets and drones at Israel early on Sunday, as Israel's military said it struck Lebanon with around 100 jets to thwart a larger attack.

"The story today is definitely hinging on geopolitical risk, and we can see the FX market reaction both in the pause in the US dollar selloff and the yen gains this morning," said Helen Given, FX trader, at Monex USA in Washington.

She added that the yen has gained more than the other safe havens, particularly against the dollar, as it continued to benefit from an expected US interest rate cut next month, which was confirmed by Federal Reserve Chair Jerome Powell last Friday in a speech in Jackson Hole, Wyoming.

In mid-morning trading, the dollar dropped to a three-week low against the yen of 143.45 and was last down 0.2% at 144.18 yen.

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Helping the yen strengthen, Bank of Japan chief Kazuo Ueda reaffirmed on Friday his resolve to raise interest rates if inflation stayed on course to sustainably hit the 2% target.

Many market participants had expected Ueda to strike a less hawkish tone in a special session of parliament, called amid criticism the BOJ's surprise hike last month helped spark a rapid unwind of bearish yen bets and an aggressive sell-off of Japanese stocks.

The dollar did recover a bit against the yen after data showed US durable goods orders surged 9.9% in July, after falling in June. However, non-defense capital goods orders excluding aircraft, a closely-watched proxy for business spending plans, dipped 0.1% after a downwardly revised 0.5% increase in June.

The dollar index, a gauge of the dollar's value against six major currencies, inched up 0.1% to 100.72, rising from its lowest since late December of 100.53.

The euro eased 0.2% against the dollar to \$1.1175, in a sign of a safe-haven move towards the greenback. Sources told Reuters that ECB policymakers are lining up behind another rate cut on Sept. 12.

The risk off sentiment also weighed on the Australian and New Zealand dollars and the Norwegian crown, which were all lower against the dollar, but benefited the Swiss franc.

The dollar fell 0.12% against the Swiss franc to 0.8466 francs. The euro also fell 0.3% against the Swiss currency to 0.9460.

Sterling eased 0.1% against the dollar to \$1.3204 after jumping as far as \$1.3229 on Friday for the first time in 17 months. Bank of England head Andrew Bailey said on Friday it was "too early to declare victory" over inflation signalling a less aggressive stance on interest rate cuts than the Fed.

ASIAN CURRENCIES: INDONESIA RUPIAH TOUCHES NEAR 1-YR HIGH

Reuters Published about an hour ago

BENGALURU: Indonesian equities hit a record high while most emerging Asian assets rallied on Monday, aided by positive investor sentiment over growing hopes that the US Federal Reserve will start cutting rates from next month.

Indonesia stocks were up 0.5% at 0658 GMT after hitting a record high earlier in the day while the rupiah strengthened 0.5% against the greenback. It hit its highest level since early September 2023 earlier in the day.

Last week, Powell hinted that the world's most influential central bank would pivot towards a rate cut in September, sending the dollar lower.

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“Powell’s ‘time has come’ keynote speech last Friday at Jackson Hole gave markets greater conviction to put on risks while selling the USD,” said Christopher Wong, currency strategist at OCBC.

In Asia, however, domestic concerns and external factors may prompt some central banks in emerging markets (excluding China) to delay monetary easing, Barclays analysts wrote in a note.

“Country-specific factors, be it financial stability risks (South Korea) or inflation (India) or the currency (Indonesia), provide more reasons to push back on policy easing,” it said.

Back in Asia, the Indonesian and Thai central banks held interest rates steady last week while the Philippine central bank cut its key interest rate earlier this month.

Malaysia’s central bank is set to announce its overnight policy rate next week, having held rates steady since May 2023, after delivering a cumulative 125 basis points in hikes over the previous year.

“Bank Negara Malaysia likely to keep rates on hold can also be giving the ringgit support at a time when we talk about easing elsewhere about the Fed and globally,” Maybank analysts said in a note.

Trade & Industry

HONORARY CG MALAWI VISITS KCCI

Recorder Report Published about an hour ago

KARACHI: Honorary Consul General of Republic of Malawi Abdullah Zaki has advised the business community of Karachi to diversify their exports to Malawi by focusing on widely demanded non-traditional items which would help in improving the existing meager trade volume between the two countries and make trade balance favorable for Pakistan.

Exchanging views at a meeting during his visit to Karachi Chamber of Commerce & Industry (KCCI), Abdullah Zaki said that Malawian market has mostly been captured by Bangladesh and India who were providing all types of traditional and non-traditional items whereas Pakistan hardly exports fabrics, chemicals and pharmaceuticals etc., hence, there was a dire need to look into the possibility of exporting non-traditional items as well.

President KCCI Iftikhar Ahmed Sheikh, Vice President KCCI Tanveer Ahmed Barry, Chairman Diplomatic Missions & Embassies Liaison Subcommittee Farooq Afzal, Former Presidents KCCI Iftikhar Ahmed Vohra, Muffasar Atta Malik, Shamim Ahmed Firpo, Agha Shahab Ahmed Khan and Muhammad Idrees, KCCI Managing Committee Members along with a large number of prominent members of business community were also present at the meeting.

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He said that although balance of trade was currently in favor of Malawi and the overall trade volume remains limited to just US\$8.9 million but the existing trade volume could substantially be improved through collective efforts and more interaction between the business communities of the two countries.

He noted that Malawi, being an import-based economy and with a population of 25 million, offers a lot of opportunities as there was a huge demand for Pakistani products. “We must focus on exporting non-traditional items as being done by Bangladesh and India. Malawi requires all types of items which can easily be provided by the Karachi’s business community.”

Abdullah Zaki further assured that the Honorary Consulate General’s Office of Malawi in Karachi was ready to extend full support and cooperation to those businessmen and traders who were looking forward to penetrate into the Malawian market and other African countries via Malawi where the law-and-order situation was pretty much stable.

He also informed that a Malawian delegation was due to arrive in Pakistan in January next year whereas Karachi Chamber can also send its trade delegation to Malawi in the month of April next year which will be fully facilitated by the Honorary Consulate of Malawi.

President KCCI Iftikhar Ahmed Sheikh, while warmly welcoming and congratulating Abdullah Zaki on his appointment as Honorary Consul General of Malawi, stated that it was indeed a matter of pride for Karachi Chamber that one of its former President has been appointed as Honorary Consul General of Malawi in Karachi which would certainly help in improving the existing trade volume between the two countries.

“Keeping in view Abdullah Zaki excellent business experience and close liaison with business community, Pakistan-Malawi trade volume is likely to improve in the years to come.”

He noted that trade ties of Pakistan with several African countries have been gradually improving but as far as Malawi was concerned, the trade volume remains very low and it was in favor of Malawi which requires special attention and extraordinary efforts so that it could be ‘balanced’.

He advised the Malawian Envoy to identify potential products which can be exported to and imported from Malawi by the business community of Karachi which would definitely help in improving the existing bilateral trade which remains drastically low.

Huge potential exists for improving bilateral trade and investment in numerous sectors including textiles, apparel, mining, tourism, hospitality, construction and agriculture etc. “Malawi is a big producer of tea in the African region whereas coffee, sugar and cotton etc. were also being produced, hence, there is a possibility that these products can be supplied to Pakistan by Malawian business community”, he said, adding that as Pakistan’s IT sector has witnessed impressive growth during the last few years, the IT services and expertise available here can also be provided to Malawi.

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Underscoring the need to make collective efforts for improving trade and creating a strong liaison between KCCI and Malawian Honorary Consulate in Karachi, Iftikhar Sheikh was fairly optimistic that trade between Pakistan and Malawi would substantially improve in the days to come thanks to the appointment of Abdullah Zaki as honorary Consul General.

He also advised Malawian CG to arrange visit of a trade delegation comprising of exporters and importers from KCCI which would certainly help in improving trade by bringing business communities closer to each other.

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BMP, PIAF ANNOUNCE SUPPORT TO PLANNED SHUTTER-DOWN STRIKE

Recorder Report Published 44 minutes ago

LAHORE: Warning the government of a countrywide shutter-down strike, the Federation of Pakistan Chambers of Commerce & Industry's Businessmen Panel (BMP) and the Pakistan Industrial and Traders Associations Front (PIAF) have asked the FBR to stop harassing the traders and delay the implementation of the so-called Tajir Dost Scheme, as the undue and excessive tax notices of the FBR have sparked panic among the business community.

The BMP chairman and patron-in-chief of PIAF Mian Anjum Nisar observed that the traders are being issued undue notices to submit monthly tax of Rs 60,000, which is totally unaffordable and unjustifiable, as the tax department has been ignoring what it has agreed with the traders.

He urged the government to introduce special measures broadening the tax base by taking the business community on board, besides forming joint committees at district levels to address the challenges faced by local trade and investment.

He said that the BMP and PIAF will fully back the shutter-down call given by the traders' organization on August 28 (Wednesday) against unjust taxation and government anti-traders policies.

Mian Anjum Nisar strongly opposed the collection of double taxes on imports and demanded to immediately withdraw it. He presented these demands, which were unanimously approved in the meeting of the Executive Committee of the PIAF through a resolution here in PIAF office on Sunday.

The FPCCI former president said that the notices have been issued to shopkeepers across various markets, irrespective of their registration status, causing widespread concern. We strongly oppose this unjust tax demand, which is inappropriate for both registered and unregistered individuals.

He appealed the Prime Minister Shehbaz Sharif and Finance Minister Muhammad Aurangzeb to acknowledge the challenges faced by shopkeepers, whose businesses are already struggling due

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to diminished purchasing power and inflation. He urged the FBR to halt its demands for such an unrealistic tax.

He said that tax officials are intentionally undermining the tajir scheme by issuing notices to everyone, regardless of their registration status. Despite promises that small shopkeepers would only face a tax of Rs 1,000 to Rs 1,200, notices have instead demanded an unmanageable Rs 60,000, which many shopkeepers find impossible to pay. He emphasized that the Tajir Dost Scheme, which currently suffers from significant flaws, needs a thorough review in consultation with all stakeholders. This is crucial to prevent further difficulties for shopkeepers already struggling amid rising inflation.

He further noted that the severe inflation and high utility tariffs have already made it difficult for shopkeepers to sustain their livelihoods. In such circumstances, demanding an excessively high tax of Rs 60,000 per month could force shopkeepers to shut their businesses permanently, exacerbating public and economic problems, he warned.

He also demanded the immediate withdrawal of two percent tax imposed on exports by the Khyber Pakhtunkhwa government. He asked for the abolition of fixed tax Rs 1,000 on commercial and domestic consumers in the electricity bills. The BMP chief also called for immediate withdrawal of the fixed tax imposed by FBR on shopkeepers ranging from Rs 10,000 to Rs 45,000.

He termed the Tajir Dost Scheme as an anti-trader initiative and said that the budget proposals presented by the chamber should be implemented with true spirit. He, while presenting the suggestions to increase mutual trade, export and transit trade said that there is a need to deregulate the country's economy. He said that the BMP had initiated an organized struggle against the IPPs contracts in which they have gained success because these wrong agreements are damaging the national economy.

He said that for the development and stability of the country's economy, it is very important to provide facilities and incentives to the business community because the business community can play its full role in putting

the economy in the right direction.

HE paid tribute to the sacrifices made by the people, business community and security forces of the country for peace.

He said that for the improvement of business, trade and economy, it is the need of the hour to provide a peaceful and conducive environment for investors. He called for establishing good relations with neighboring countries including the promotion of Pakistan-Afghan mutual trade.

He said that the government should fully pay attention to the provision of youth and women social and economic empowerment, and provision of health, education and basic facilities.

He said the business community of the country was aware of the significance of the tax for economic development and it always remained at the forefront for ensuring full tax compliance for documenting the national economy and social prosperity.

The FPCCI former president termed the track and traces system as imperative to check those involved in tax evasion and underlined the need for large-scale reforms in the Federal Board of Revenue, besides privatisation of loss making government entities and promotion of exports to initiate a journey towards economic stability.

Demanding incentives to allure investors for strengthening the economy, he said the National Tax Number must be declared mandatory for opening of bank accounts and for the sale and purchase of properties, adding that supplies to retailers having no NTN should be stopped henceforth.

He urged for introducing a proper reward system to acknowledge outstanding business leaders and encourage them as well as to promote and develop the tax compliance culture in the country for achieving sustainable economic growth and social development.

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IRANIAN CG VISITS LCCI

Recorder Report Published 13 minutes ago

LAHORE: A high-powered Iranian delegation, led by Consul General of Iran Mehran Movahedfar, visited the Lahore Chamber of Commerce and Industry. The delegation, which included representatives from Tamim Petroleum & Petrochemical Investment Company, discussed various aspects of economy, trade and investment.

LCCI Senior Vice President Zafar Mahmood Chaudhry presented the address of welcome while Consul General of Iran Mehran Movahedfar, Director General Tamin Oil, Gas and Petrochemical Investment Company (TAPPICO) and former CEO ITPO and former CEO ITPO (an Iranian organization like Pakistan's TDAP) Dr Babak Afghahi and Iranian Commercial Attache Morad Nemati Zargaran also spoke on the occasion.

Both the sides agreed to establish a Business Think Tank comprising of both the sides to identify, study and overcome economic issues facing both the countries.

The head of the delegation, Babak Afghahi highlighted that the group engaged in diverse manufacturing sectors. Iranian businessmen have a strong desire to enhance economic cooperation with Pakistan and Punjab. He underscored the importance of better economic relations with neighboring countries stressing that both Pakistan and Iran should work together to fulfill each other's needs.

The delegates mentioned that Pakistani businessmen need to engage with Iranian companies especially in petrochemical and LPG sectors.

In his address, the Senior Vice President of LCCI Zafar Mahmood Chaudhry highlighted the importance of such interactions in strengthening long-term trade and economic ties. He called for export-based joint ventures in Pakistan to increase bilateral business.

He acknowledged the deep religious, historical, and cultural bonds between Pakistan and Iran, describing their bilateral relationship as time-tested and built on mutual respect.

He said that there is a booming petroleum consumption in Pakistan with a significant demand for oil and petrochemical products. Iranian companies could explore opportunities in Pakistan for exporting oil and petrochemical products as well as setting up oil refineries in collaboration with Pakistani partners through joint ventures.

The LCCI SVP said that the recent Economic Survey of Pakistan reported petroleum product consumption exceeding 12 million metric tons from July 2023 to March 2024 with a majority used by the transport sector. In 2022-23, consumption was over 17 million metric tons. This presents a substantial market opportunity for Iranian investors in the petroleum sector.

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BANGLADESH OPERATIONS: BANK ALFALAH RECEIVES NON-BINDING OFFER FROM SRI LANKA'S HATTAN NATIONAL BANK

BR Web Desk Published August 26, 2024

Hattan National Bank (HNB), a private-sector commercial bank in Sri Lanka, has made a non-binding offer to acquire Bank Alfalah Limited (BAFL) Bangladesh's operations along with its assets and liabilities.

BAFL shared this development in a filing to the Pakistan Stock Exchange (PSX) on Monday.

“We are pleased to inform that in connection with the proposed sale of Bank Alfalah Limited, Bangladesh operations, the Bank has received a non-binding offer from Hatton National Bank (HNB) of Sri Lanka to acquire the Bank's Bangladesh operations,” read the notice.

The latest non-binding offer is in addition to the non-binding offer already received from Bank Asia Ltd. (Bangladesh), BAFL said.

BAFL informed that its Board of Directors has accorded its in-principle approval/acceptance of the non-binding offer received from HNB of Sri Lanka to acquire the BAFL's Bangladesh operations/assets and liabilities, which is subject to compliance with all applicable laws/regulations and obtaining of necessary/ regulatory approvals.

“We will now seek approvals from the central banks of Pakistan and Bangladesh for HNB to commence due diligence on Bank Alfalah, Bangladesh Operations,” read the notice.

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Earlier in April, Bank Asia Limited of Bangladesh expressed to acquire BAFL Bangladesh's operations

Hatton National Bank is a premier private sector commercial bank operating in Sri Lanka with 251 branches spread across the island. The bank has been internationally recognised by the Asian Banker Magazine as the "Best Retail Bank in Sri Lanka" on ten occasions from 2007 to 2017.

HNB is actively involved in retail banking, corporate banking, international banking, treasury and project financing.

Meanwhile, BAFL is one of the largest banks in Pakistan, with a network of over 1,024 branches across more than 200 cities in the country, and an international presence in Afghanistan, Bangladesh, Bahrain, and the UAE.

As per the latest financial results, BAFL reported profit after tax of Rs20.6 billion, representing Earning Per Share (EPS) of Rs13.07 for the half year ended June 30, 2024.

HUB POWER HOLDINGS ENTERS JV FOR MINERAL EXPLORATION IN PAKISTAN

BR Web Desk Published August 26, 2024

Hub Power Holdings Limited (HPHL) has entered into a joint venture agreement with a mining company Ark Metals (Private) Limited for exploration and development of mineral mines in Pakistan.

The development was shared by HUBCO, the parent company of HPHL and a strong player in Pakistan's energy sector, in a notice to the Pakistan Stock Exchange (PSX) on Monday.

"We hereby convey that Hub Power Holdings Limited (HPHL), a wholly owned subsidiary of The Hub Power Company Limited, has entered into a joint venture agreement with a mining company, Ark Metals (Private) Limited and its shareholders, for exploration and development of mineral mines in Pakistan," stated the notice.

The company shared the consummation of this joint venture agreement is subject to the necessary regulatory approvals and consents.

Aurangzeb says on BYD's NEV launch occasion: Plan launched to revitalize economy

HPHL has invested in China Power Hub Generation Co. (Pvt.) Ltd. and ThalNova Power Thar (Pvt.) Ltd. The company also entered in a JV agreement to form Prime International Oil & Gas Company Ltd, a joint venture company of Hub Power Holdings and ENI's local employees.

Ark Metals is a prospecting and mining company, which intends to utilise latest technology to identify, prospect and explore mineralised zones of Pakistan specifically targeting the base mineral rich Balochistan, rare mineral rich Khyber Pakhtunkhwa (KPK) and precious mineral rich Gilgit Baltistan (GB).

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The company currently holds exploration licenses and mining leases in Balochistan and Gilgit-Baltistan while it scouts for potential partnerships in KPK.

The mining sector in Pakistan has picked up pace in recent times especially, after the formation of Special Investment Facilitation Council (SIFC).

Last month, Mari Mining Company (Pvt) Limited (MMC), a wholly-owned subsidiary of Mari Petroleum Company Limited (MARI), received licences to explore minerals in Chagai district, Balochistan.

Earlier in May, National Resources Limited (NRL) which is a subsidiary of YB Pakistan Limited, Reliance Commodities (Private) Limited and Liberty Mills Limited, received an exploration lease for minerals in Chagai district.

FPCCI DEMANDS IMMEDIATE CUT IN POLICY RATE TO 15%

August 27, 2024

Karachi – The Federation of Pakistan Chambers of Commerce and Industry (FPCCI) has called on the State Bank of Pakistan (SBP) to immediately reduce the key policy rate to 15%. This demand comes in response to what the FPCCI views as insufficient cuts in the policy rate over the last two monetary policy meetings.

FPCCI President Atif Ikram Sheikh criticized the SBP's recent policy decisions, stating that the 150 basis points (bps) cut announced on June 10 and the subsequent 100 bps reduction on July 29 were inadequate. "The business, industry, and trade community was expecting more substantial cuts in the key policy rate," he remarked, adding that the actions taken by the SBP have been "too little, too late."

Sheikh highlighted that the expectations of the business community were driven by the substantial decline in core inflation. He pointed out that core inflation, which excludes food and energy prices and is a key measure of underlying inflation trends, has remained within the range of 11.8% to 12.6% for several months. "Given this stable core inflation, there is ample room for an immediate reduction in the policy rate," he argued.

Cost of Doing Business and Export Competitiveness

Sheikh emphasized the challenges faced by Pakistani businesses in terms of the cost of doing business, ease of access to finance, and overall economic competitiveness. He argued that the current policy rate, which is significantly higher than the core inflation rate, places Pakistani exporters at a disadvantage in regional and international markets. "We cannot continue to have a monetary policy that is set at a huge premium to core inflation," he said.

The FPCCI President called for an immediate reduction in the policy rate to 15% to alleviate some of the financial burdens on Pakistani exporters. He also urged the government to fulfill its

promise of rationalizing electricity tariffs for the industry and to renegotiate power purchase agreements (PPAs) with independent power producers (IPPs).

Need for Transparent Economic Policymaking

Sheikh also questioned the government's commitment to transparency and consultation in economic policymaking. On behalf of the business community, he demanded clarity on two critical issues: the measures being taken to secure a new International Monetary Fund (IMF) program and their impact on the cost of doing business in Pakistan, and the steps that will be implemented after securing the IMF program to stabilize the economy. He stressed the importance of involving the business community in these discussions to enable better planning for the future.

Focus on Core Inflation and Price Stability

The FPCCI also proposed that the SBP should focus on targeting core inflation, specifically non-food, non-energy (NFNE) inflation, as a more relevant measure for setting policy rates. Sheikh argued that the SBP should differentiate between cost-push and demand-pull inflation and adjust monetary policy accordingly. He recommended that the SBP strip out volatile price changes to identify true inflationary trends and work with federal and provincial authorities to curb price manipulation and hoarding.

Nasir Khan, Vice President of the FPCCI, echoed Sheikh's sentiments, emphasizing that the SBP should prioritize core inflation over general inflation in its policy decisions. He highlighted that general inflation includes volatile components such as food and energy, which are less relevant for long-term monetary policy. Khan also called for stronger enforcement of price control measures to prevent hoarding and price gouging.

Khan noted that despite the significant increase in policy rates from 9.75% to 22% over six quarters in 2022 and 2023, general inflation has remained persistently high, suggesting that policy rate hikes alone are insufficient to control inflation. He stressed that the government needs to employ a broader range of policy tools to manage inflationary pressures and stabilize the economy.

The FPCCI's call for an immediate policy rate cut reflects growing frustration within Pakistan's business community over the high cost of borrowing and the perceived lack of responsiveness from the central bank and government. As Pakistan grapples with economic instability and dwindling exports, the FPCCI believes that more aggressive monetary easing and comprehensive policy measures are necessary to support economic recovery and growth.

Business & Finance » Companies

POSTED RS75BN LOSS IN 2023: PIACL LIABILITIES RISE TO RS825BN WITH RS161BN ASSETS

Recorder Report Published about an hour ago

ISLAMABAD: Pakistan International Airlines Company Limited (PIACL) made a loss of Rs75 billion approximately during the year 2023 while total liabilities increased to Rs825 billion with total assets amounting to Rs161 billion.

The privatisation is being carried out in accordance with the best practices and keeping in view the financial position and viability of PIACL to make it attractive for the potential investors.

The meeting of the Standing Committee on Privatization was held under the chairmanship of Muhammad Farooq Sattar on Monday.

The committee recommended that the rights of the employees of PIACL must be protected during the privatisation process.

The committee was informed that on the direction of Cabinet Committee on Privatization (CCoP), the Privatization Commission strictly adhered the rules for selection of financial adviser and finalised M/s Jones Lang LaSalle Americas, Inc (JLL) as Financial Adviser (FA) for the privatisation of Roosevelt Hotel. The firm has submitted the transaction structure report to the Privatization Commission.

The Committee was also briefed about the latest status of privatisation of House Building Finance Company Limited (HBFCL) and recommended that the decision of privatizing a profitable entity shall be thoroughly reviewed.

Anwar ul Haq Chaudhry, Abdul Qadir Khan, Asia Naz Tanoli, Saba Sadiq, Sehar Kamran, Sofia Saeed Shah, Maulana Abdul Ghafoor Haideri, and Mehboob Shah attended the meeting. The officers from the Ministry of Privatisation, HBFCL, and PIAC also attended the meeting.

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SPL ANNOUNCES FINANCIAL RESULTS FOR H1 24

Press Release Published about an hour ago

KARACHI: The Board of Directors of Shell Pakistan Limited (SPL) announced half year results for the company. The company posted a profit after tax of Rs 1.3 billion compared to the profit after tax of Rs 3.5 billion made in the same period last year.

In October 2023, Shell Petroleum Company Limited entered into a Share Purchase Agreement with Wafi Energy LLC (the Acquirer) for the sale of its entire shareholding in SPL, which is currently under progress. In April 2024, an Addendum to the above was posted on PSX to reflect a change in the capital ownership structure of the Acquirer, where Wafi Energy Holding Limited replaced Wafi Energy LLC as 'Acquirer'.

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On July 27, 2024, Public Announcement of Offer to further acquire up to 24,162,179 ordinary shares representing 11.29 percent was made by Arif Habib Limited on behalf of Wafi Energy Holding Limited. The completion of the transaction is subject to receipt of regulatory approvals, completion of legal requirements and satisfaction of other closing formalities.

During the period, SPL maintained its market share through relatively stable macroeconomics conditions. The inflation rate eased to 12.6 percent in June, down from a peak of 30 percent in December last year. The period also witnessed a relatively stable exchange rate.

The Mobility business grew its network with 10 new stations and 60 non-fuel retail units. The Lubricants business signed an exclusive agreement with MG Motors, securing the use of Shell Helix motor oils for MG vehicles. Furthermore, Shell Tameer engaged around 200 students in workshops focused on entrepreneurship and the business model canvas at various educational institutes and incubation centres across Lahore, Karachi, Jamshoro and Faisalabad.

SPL remains committed to operational excellence, safety performance, strengthen its financial position, and play a responsible role in society.

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IBM TO CLOSE CHINA R&D DEPARTMENT, AFFECTING OVER 1,000 JOBS

Reuters Published August 26, 2024

BEIJING: IBM will completely shut its China R&D operation, affecting more than 1,000 jobs, the US technology company said on Monday.

A spokesperson for IBM, currently the world's biggest technology services company, confirmed earlier media reports in a statement to Reuters, saying "these changes will not impact our ability to support clients across the Greater China region."

IBM shares soar to more than 10-year high on rosy AI outlook

The cuts come amid the company's struggles with falling demand for its hardware and challenges in growth markets like China.

HBL REGISTERS RS14.01BN PROFIT DURING APRIL-JUNE 2024

BR Web Desk Published August 26, 2024

HBL's profit-after-tax for the April-June period of 2024 registered a 7% increase, clocking in at Rs14.01 billion compared to Rs13.08 billion in the same period of the previous year, according to consolidated results sent to the Pakistan Stock Exchange on Monday.

Earnings per share (EPS) stood at Rs9.81 for the three-month period, compared to Rs8.86 in the same period of the previous year.

Its six-month profit-after-tax for January-June stood at Rs29.06 billion, higher than Rs26.34 billion in the same period of 2023.

HBL also announced a dividend of Rs4 per share for the second quarter, which was in addition to the same amount paid earlier in January-March.

Brokerage house Topline Securities said the dividend and earnings were in line with expectations.

SHELL PAKISTAN POSTS RS1.1BN PROFIT IN APR-JUN 2024, OVER 86% LOWER YEAR-ON-YEAR

BR Web Desk Published August 26, 2024

Shell Pakistan Limited (SPL), a subsidiary of Shell Petroleum Company Limited, announced a profit of Rs1.13 billion in the three-month period that ended June 30, 2024.

The results of the April-June quarter released on Monday are a far cry from a profit of Rs8.3 billion it reported in the same period of the previous year, a year-on-year decline of over 86%.

Resultantly, Shell Pakistan posted earnings per share (EPS) at Rs4.69, compared to an EPS of Rs38.79 in SPLY.

Turnaround: after loss-making 2022, Shell Pakistan posts Rs6.2bn profit in 2023

According to the notice to the Pakistan Stock Exchange (PSX) on Monday, Shell Pakistan's net revenue during the quarter ended June 30, 2024, rose to Rs112.45 billion compared to Rs103.46 billion in SPLY, a nearly 9% increase.

However, despite higher sales, the company's gross profit decreased by nearly 1% clocking in at Rs5.95 billion in 4QFY24, compared to Rs5.99 billion in SPLY, on account of over 10% increase in cost of products.

The OMC's operational expenses during the 4QFY24 stood at Rs6.42 billion, lowered by 12%, mainly driven by lower other expenses, which clocked in at Rs465.8 million, as compared to Rs1.81 billion, a decrease of over 74%.

However, the company's other income declined significantly by over 76%, clocking in at Rs2.79 billion in 4QFY24 as compared to Rs11.74 billion in SPLY.

Consequently, Shell Pakistan posted an operating profit of Rs2.32 billion 4QFY24, as compared to an operating profit of Rs10.4 billion in SPLY.

Following the financial results announcement, the company's share price was at Rs143.52 per share, a decline of Re0.63 or 0.44%.

Last year in July, Shell Pakistan announced that its parent company had notified its intent to sell its shareholding in SPL.

Technology

TELECOM OPERATORS BEGIN COMPREHENSIVE CYBERSECURITY AUDIT

Recorder Report Published about 2 hours ago

ISLAMABAD: Telecom operators have started a comprehensive cybersecurity audit aimed at ensuring the security of the country's digital infrastructure.

Official sources revealed that the audit was started on the directives of Pakistan Telecommunication Authority (PTA).

This audit, conducted by globally recognised firms, aims to ensure the security of the country's digital infrastructure. The final assessment of this audit will be reviewed by the PTA, according to sources.

The cybersecurity audit will thoroughly examine all technical aspects of the telecom operators' security measures.

Sources indicate that the audit will include a detailed review of how telecom companies are adhering to the PTA's cybersecurity framework. This will involve evaluating the implementation of security protocols, such as the presence and effectiveness of firewalls.

Additionally, the audit will assess the security clearance of the telecom operators' staff.

Ensuring that the employees handling sensitive data have the necessary security clearance is a crucial part of this process. The audit will also focus on the protection of customer data, specifically ensuring that there are no leaks of consumer information.

The PTA's cybersecurity framework requires that a thorough check be performed to verify the implementation of all security measures. This includes verifying whether firewalls are in place and functioning as intended.

Furthermore, the audit will scrutinise the measures taken by telecom operators to prevent any data breaches.

Upon completion of the cybersecurity audit, the PTA will issue its findings.

These findings will provide insights into the current state of cybersecurity within Pakistan's telecom sector and guide future actions to strengthen the nation's digital infrastructure.

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PHISHING ATTACKS: GOOGLE, FACEBOOK, AMAZON MOST FREQUENTLY TARGETED
BRANDS: KASPERSKY

Recorder Report Published about 2 hours ago

ISLAMABAD: Google, Facebook, and Amazon are the most frequently targeted brands when it comes to phishing attacks, according to Kaspersky's new research among 25 popular global companies.

The global cybersecurity company report revealed that the cybercriminals also heavily pursue the credentials and data of other brands, with the number of attacks increasing nearly 1.5 times year-on-year.

In the first half of 2024, people around the world tried to access fake resources impersonating these brands nearly 26 million times, which is almost 40 percent more frequently than in January-June 2023, it said.

Among the brands studied, cybercriminals primarily targeted Google services in their attempts to steal credentials, such as usernames and passwords. Kaspersky solutions blocked over 4 million attempts worldwide to access phishing websites designed to trick users into providing their Google account information. Following Google, there were around 3.7 million attempts on Facebook users, while Amazon ranked third with approximately 3 million. Microsoft and DHL rounded out the top five with 2.8 million and 2.6 million attempts, respectively. PayPal, Mastercard, Apple, Netflix, and Instagram turned out to be among the top 10 brands targeted by cybercriminals for credentials and money in 2024.

The report said some brands turned out to be increasingly targeted in phishing attack attempts compared to last year. Phishing for Google has more than tripled, demonstrating 243 percent growth in the first half of 2024 compared to last year. Mastercard has seen a 210 percent rise in attempts to steal sensitive data and money, followed by Facebook and Netflix, both of which experienced a doubling of attack attempts.

Although well-known brands are prime targets for cybercriminals, niche brands are not immune. Fraudsters often target products and services with high demand, seasonal trends, or for other reasons. To effectively manage and mitigate these risks, monitor online presence and consider outsourcing this task to a proven cybersecurity provider as Kaspersky offers a dedicated takedown tool. Educate and inform your customers and ask your customers to report all suspicious activities carried out on behalf of your brand, the report added.

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Economic distress

BUSINESS COMMUNITY EXPECTING HIGHER CUTS IN KEY POLICY RATE: FPCCI

Recorder Report Published August 27, 2024 Updated about an hour ago

KARACHI: Atif Ikram Sheikh, President FPCCI, has said that the policy rate cuts announced over the last two monetary policy meetings are too little, too late as, the business, industry and trade community was expecting higher and substantive cuts in the key policy rate; instead of the meagre 150 bps cut in June 10 monetary policy meeting and 100 bps cut in July 29 meeting.

Atif Ikram Sheikh apprised that the expectations of the business community stem from the massive decline in core inflation; and, the core inflation is the parameter which really matters vis-à-vis interest rate.

The core inflation is within 11.8 – 12.6 percent for the past many months. So, there is a huge room for immediately cutting down policy rate, he added. He reiterated his stance that cost of doing business; ease of doing business and access to finance in Pakistan is at the lowest as compared to all its competitors in the export markets. We cannot continue to have a monetary policy on a huge premium to core inflation, he added.

FPCCI President made it clear that interest rate should come down to 15 percent immediately to enable Pakistani exporters to some extent to compete in the regional and international export markets through reducing the cost of capital in a meaningful way.

This step should be accompanied by the fulfillment of government's promise to rationalize electricity tariff for the industry; and, renegotiating independent power producers (IPPs) power purchase agreements (PPAs), he added.

Atif Ikram Sheikh, as President FPCCI, the apex trade & industry body of Pakistan, has questioned the seriousness of government, on behalf of the entire business, industry and trade community of Pakistan, in bringing transparency & consultation in the economic policymaking; and, has reiterated his stance that the government should provide answers to the two sets of questions for businesses to plan their year ahead: (i) what are the measures that are being undertaken to obtain the new IMF program and how would they affect cost of doing business in Pakistan (ii) what steps will be taken after the signing of IMF program to stabilize the economy and how & when the government plans to take the business community into confidence on these measures.

FPCCI Chief proposed that to promote price stability, FPCCI emphasizes that the SBP needs to break the inflation rate into cost-pushed and demand-pulled. It is recommended that the SBP should target core inflation; non-food non-energy (NFNE); for operational guidance.

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The SBP needs to strip out volatile changes in particular prices to distinguish inflation from temporary fluctuations in inflation. Efforts need to be made to control price manipulation and hoardings in liaison with the respective federal and provincial government departments.

An active and efficient Competitive Commission of Pakistan (CCP) and effective price control mechanisms also need to play their due role.

Nasir Khan, VP FPCCI, said that SBP should focus on core inflation rather than general inflation on an immediate basis as these exclude the most volatile and irrelevant components of the basket; i.e. food and energy, vis-à-vis policy rate.

The government must ensure the effectiveness of price control measures through vigilant actions against hoarding, price gouging and malpractices. He explained that despite the progressive and major hikes in the policy rates from 9.75 percent to 22 percent over a period 6 quarters in 2022 and 2023, general inflation remained stubbornly-high and didn't respond to the policy rate.

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Fuel & Energy

OIL CLIMBS 3PC AS LIBYA OUTPUT CUTS FURTHER SUPPLY CONCERNS

Reuters Published about 2 hours ago

HOUSTON: Oil prices settled 3% higher on Monday as production cuts in Libya added to supply concerns stemming from reports of escalating conflict in the Middle East.

Brent crude futures closed \$2.41, or 3.05%, at \$81.43 a barrel, while US crude futures settled \$2.59, or 3.5%, higher at \$77.42 a barrel.

Both benchmarks had gained more than 2% on Friday.

“The near-term buying seems justified,” said Dennis Kissler, senior vice president of trading at BOK Financial, citing Middle East tensions, Libyan production outages and weak oil inventories at Cushing, Oklahoma, the key US storage hub.

Libya's eastern-based government announced the closure of all oil fields on Monday, halting production and exports.

National Oil Corp, which controls the country's oil resources, provided no confirmation. However, NOC subsidiary Waha Oil Company said it planned to gradually reduce output and warned of a complete halt to Libya's production, citing unspecified “protests and pressures”.

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Libya's Sirte Oil Company, another NOC subsidiary, said it will start a partial reduction in production. Libya's oil production was about 1.18 million barrels per day in July, according to the Organization of the Petroleum Exporting Countries, citing secondary sources.

"The biggest risk for the oil market is probably a further drop in Libyan oil production due to political tensions in the country, with a risk that production could fall from current levels of 1 million barrels per day to zero," said analyst Giovanni Staunovo of Swiss bank UBS.

A long-expected missile attack by the Iranian-backed Hezbollah movement appeared to have been largely thwarted by pre-emptive Israeli strikes in southern Lebanon.

However, the US continues to assess that the threat of attack against Israel by Iran and its proxy groups still exists, the Pentagon said on Monday.

There was no agreement on Sunday in Gaza ceasefire talks that took place in Cairo, with neither Hamas nor Israel agreeing to several compromises presented by mediators, two Egyptian security sources said

An oil tanker has been on fire in the Red Sea since Aug. 23 after an attack by Yemen's Houthis, EU Red Sea naval mission Aspides said in a post on X.

Meanwhile, crude oil inventories at Cushing, the pricing point for US crude oil futures, have fallen to six-month lows.

US crude inventories were expected to have fallen by about 3 million barrels last week, according to a Reuters poll. Investors remain cautious over the actions of OPEC and its allies, or OPEC+, which has plans to raise output later this year, said Priyanka Sachdeva, senior market analyst at Phillip Nova.

"Most oil forecasters expect 2025 oil demand growth to hover around 1 million b/d.

LESCO SAFETY DIRECTORATE IDENTIFIES SAFETY VIOLATIONS

Recorder Report Published about 2 hours ago

LAHORE: The Safety Directorate of Lahore Electric Supply Company (LESCO) has inspected 51 sites in the past month, identifying safety regulation violations at three sites.

During this period, 28 safety committee meetings were held, and 25 safety seminars were organized to educate employees on modern safety procedures.

Director Fawad Khalid said the department is working tirelessly to ensure the safety of LESCO employees, particularly line staff.

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In the past month, it may be noted, 22 badges were issued after providing safety training to 198 employees. The LESCO Safety Directorate also conducted 35 safety audits. These efforts demonstrate LESCO's commitment to prioritizing employee safety and preventing accidents.

Meanwhile, the LESCO Chief Executive Engineer Shahid Hyder has launched a tree-planting initiative under the "Green Pakistan" project, aiming to plant trees on 5-kanal land. According to details, Engineer Shahid Hyder has planned to plant trees on 5-kanal land at the Khadya Grid Station, in addition to planting 1,000 trees in the Thar region.

Addressing the functional heads meeting at LESCO headquarters, Engineer Shahid Hyder said that Pakistan is among the countries most affected by climate change, which has already started showing its devastating effects. He emphasized that tree-planting is the only solution to combat climate change. He urged all LESCO officers and employees to actively participate in the tree-planting campaign and plant as many trees as possible near their homes.

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IESCO'S RS14 PER UNIT RELIEF FOR DOMESTIC CONSUMERS

Press Release Published about 2 hours ago

ISLAMABAD: As per the decision of the Punjab Government, IESCO's domestic consumers who used between 201 and 500 electricity units in August will receive a relief of 14 rupees per unit.

According to the press release issued by IESCO, for consumers under domestic tariff batches 1 to 5 who have already paid their electricity bills, the excess amount will be adjusted in the September bills.

For consumers in batches 1 to 5 who have not yet paid their August bills, revised bills with Rs 14 per unit relief will be delivered to their homes. Bills for consumers in batches 6 to 15 are being printed according to the relief announced by the Punjab Government and will be delivered to their homes.

IESCO spokesperson further mentioned that, for the convenience of esteemed consumers, due date for bill payments has also been extended, and the updated bills will soon be uploaded to IESCO's website at www.iesco.com.pk.

For more information, consumers can contact their nearest customer service center, IESCO revenue offices, or SDO offices.

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KUWAIT SIGNS 15-YEAR DEAL FOR QATAR GAS SUPPLY

AFP Published August 26, 2024

KUWAIT CITY: Kuwait's state oil giant on Monday announced a 15-year deal for the supply of natural gas from Qatar, without disclosing the cost of the agreement.

QatarEnergy will supply three million tonnes of liquefied natural gas (LNG) a year under the deal, the Kuwait Petroleum Corporation (KPC) said in a statement.

"This second long-term agreement with QatarEnergy within a short period of time confirms our longstanding collaboration," KPC chief executive Sheikh Nawaf Saud Al-Sabah said.

Kuwait struck a similar deal with the state-owned Qatari energy firm in 2020.

Sheikh Nawaf added that the deal would "provide a cleaner source of energy", in line with Kuwait's long-term strategy for energy transition.

Since mid-June, oil-rich Kuwait has imposed power rationing in several residential and industrial areas to cope with rising electricity consumption during the summer heat.

Under the new deal, LNG deliveries to Kuwait's Al-Zour refinery are scheduled to begin in 2025, KPC said.

North Field: Kuwait in talks with Qatar for new 15-year LNG supply deal

"This is a new long-term partnership... that constitutes a central element in supporting Kuwait's sustainability goals particularly in the electricity generation sector," Qatar Energy Minister Saad al-Kaabi, who is also the chief executive of QatarEnergy, said.

Qatar is one of the world's top liquefied natural gas producers alongside the United States, Australia and Russia.

In February, Qatar announced plans to expand its output from its North Field project, saying it will boost capacity to 142 million tonnes per year before 2030.

US NATURAL GAS PRICES SLIP

Reuters Published about 2 hours ago

NEW YORK: US natural gas futures fell about 2% to a three-week low on Monday on forecasts for lower demand next week than previously expected.

Energy analysts also noted the tremendous oversupply of gas still in storage has kept a lid on gas prices all year.

There was still about 12% more gas in storage than normal for this time of year even though weekly builds, including a rare decline during one week in August, have been smaller than normal in 13 of the past 14 weeks.

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That price decline occurred despite forecasts for hotter-than-normal weather over the next two weeks that should prompt power generators to burn more gas than usual to keep air conditioners humming into mid-September.

Front-month gas futures for September delivery on the New York Mercantile Exchange were down 4.1 cents, or 2.0%, to \$1.981 per million British thermal units (mmBtu) at 8:55 a.m. EDT (1255 GMT), putting the contract on track to close at its lowest price since Aug. 5.

That also put the contract down for a fifth day in a row for the first time since late July.

Those declines boosted the premium of futures for October over September to 17 cents per mmBtu, a record high for a second day in a row.

Even though the November-March heating season is months away, the market is already showing signs of giving up on the possibility of price spikes from extreme cold this winter with the premium of futures for March over April down to a record low of 12 cents per mmBtu.

In the spot market, pipeline constraints caused next-day gas prices at the Waha hub in the Permian Shale in West Texas to average in negative territory again for a record 29th time this year.

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

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

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

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

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

But with average spot Henry Hub prices back down to \$2.08 per mmBtu in July and \$2.00 so far in August, analysts said output would likely decline as some producers reduce drilling activities again.

Financial firm LSEG said gas output in the US Lower 48 US states has slid to an average of 102.4 bcfd so far in August, down from 103.4 bcfd in July.

BR Web Desk Published August 26, 2024

Hub Power Company Limited (HUBCO), Pakistan's largest Independent Power Producer (IPP), saw its profit increase by over 21% to Rs75.29 billion in fiscal year 2023-24 that ended June 30.

On a consolidated basis, the company registered a profit of Rs62 billion in the same period of the previous year, according to a notice sent to the Pakistan Stock Exchange (PSX) on Monday.

Earnings per share (EPS) increased to Rs53.98 in the period under review compared to Rs44.37 in the same period last year (SPLY).

The company also announced a final cash dividend of Rs8.5 per share i.e. 85%. This was in addition to interim cash dividend of Rs11.5 per share i.e. 115% during the financial year.

HUBCO's earnings up 17% in 2QFY24

On a consolidated basis, the IPP's revenue from contracts with customers surged by over 14% to Rs130.5 billion in FY24, compared to Rs114.3 billion recorded in the prior year.

The company's cost of revenue inched up over 1% to Rs62.2 billion in FY24, compared to Rs61.5 billion in SPLY.

Consequently, the gross profit of HUBCO increased by over 29% to Rs68.3 billion in FY24. This translates to a profit margin of 48% in FY24, as compared to 46% in SPLY

Meanwhile, the company's other income declined marginally, hitting Rs3.3 billion in FY24, compared to Rs3.6 billion in SPLY.

The company saw its other operating expenses surge to Rs2.45 billion, up 30 times compared to a meagre Rs79 million in FY23.

HUBCO saw its cost of finance jump to Rs26.7 billion in FY24, an increase of over 38%. The increase comes as interest rates increased significantly during the year.

On the other hand, HUBCO earned Rs49.4 billion as a share of profits from associates and ventures in FY24, an increase of nearly 44% yearly.

The IPP paid Rs14.7 billion in taxes in FY24, up 74%.

HUBCO has a combined installed power generation capacity of 3,581 MW. The IPP through its subsidiaries operates in various business sectors including oil and gas, mining and industrial operations and maintenance services.

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OIL UP 2% ON LIBYA SHUTDOWNS, MIDEAST ESCALATION FEARS

Reuters Published August 26, 2024

LONDON: Oil prices rose 2% on Monday on news of fresh production outages in Libya, adding to earlier gains on concerns that an escalating Gaza conflict could disrupt regional oil supplies.

Brent crude futures climbed \$1.64, or 2.08%, to \$80.66 a barrel by 1041 GMT, while U.S. crude futures were at \$76.38 a barrel, up \$1.55, or 2.07%.

Prices jumped after Libya's eastern-based Benghazi government announced the closure of all oil fields on Monday, halting production and exports.

"The biggest risk for oil market is probably a further drop in Libyan oil production due to political tensions in the country," said analyst Giovanni Staunovo of Swiss bank UBS.

Oil prices opened the week higher after Hezbollah fired hundreds of rockets and drones into Israel on Sunday and Israel's military said it struck Lebanon with around 100 jets to thwart a larger attack, in one of the biggest clashes in more than 10 months of border warfare.

The clash raised fears of wider conflict in the region.

Oil climbs \$2/barrel

"Geopolitical risk factors will likely influence the oil market significantly," said Kelvin Wong, a senior market analyst at OANDA in Singapore.

Monday's gains follow from both oil benchmarks gaining over 2% on Friday after U.S. Federal Reserve Chair Jerome Powell endorsed the start of interest rate cuts.

"The prospect of easing monetary policy boosted sentiment across the commodity complex," ANZ analysts said in a note.

Investors remain cautious over the actions of the Organization of Petroleum Exporting Countries (OPEC) and its allies, or OPEC+, which has plans to raise output later this year, said Priyanka Sachdeva, senior market analyst at Phillip Nova.

Markets – Rates

LME OFFICIAL PRICES

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

Recorder Report Published about 2 hours ago

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LONDON: The following were Friday official prices.

=====		
ALUMINIUM		
=====		
CONTRACT	BID	OFFER

Cash	2498.50	2499.00
3-month	2508.50	2509.00
=====		
COPPER		
=====		
CONTRACT	BID	OFFER

Cash	9071.00	9072.00
3-month	9195.00	9196.00
=====		
ZINC		
=====		
CONTRACT	BID	OFFER

Cash	2841.00	2841.50
3-month	2884.00	2885.00
=====		
NICKEL		
=====		
CONTRACT	BID	OFFER

Cash	16405.00	16410.00
3-month	16650.00	16655.00
=====		
LEAD		
=====		
CONTRACT	BID	OFFER

Cash	2085.00	2086.00
3-month	2102.00	2104.00
=====		

Source: London Metals Exchange.

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BRINDEX100 AND BR SECTORAL INDICES

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

===== BR...

Recorder Report Published about 2 hours ago

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

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BR INDICASE AT A GLANCE

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BRINDEX100

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Day Close:	78,571.06
High:	79,160.4
Low:	78,553.87
Net Change:	230.37
Volume (000):	141,272
Value (000):	10,055,226
Mkt Cap (000)	2,454,291,000

BR AUTOMOBILE ASSEMBLER

Day Close:	16,890.99
NET CH	(-) 242.21

BR CEMENT

Day Close:	7,406.76
NET CH	(-) 93.28

BR COMMERCIAL BANKS

Day Close:	22,207.54
NET CH	(-) 241.46

BR POWER GENERATION AND DISTRIBUTION

Day Close:	18,771.11
NET CH	(+) 759.38

BR OIL AND GAS

Day Close:	7,052.45
NET CH	(-) 1.33

BR TECH & COMM

Day Close:	4,047.39
NET CH	(+) 1.58

As on:	26-August-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

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PSX DRIFTS LOWER

Recorder Report Published about 2 hours ago

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KARACHI: Pakistan Stock Exchange on Monday witnessed mixed trend and after moving in both directions, closed on a negative note due to selling pressure as the investors opted to offload their holdings on concerns over security situation in the country.

The benchmark KSE-100 Index hit 79,160.40 points intraday high and 78,553.87 points intraday low before closing at 78,571.06 points, down 230.37 points or 0.29 percent.

Trading activity remained low as total daily volumes on ready counter declined to 512.337 million shares as compared to 682.409 million shares traded on last Friday while total daily traded value on the ready counter stood at Rs 18.894 billion against previous session's Rs 18.168 billion.

BRIndex100 lost 14.73 points or 0.18 percent to close at 8,345.72 points with total daily turnover of 411.361 million shares.

BRIndex30 increased by 338 points or 1.29 percent to close at 26,629.90 points with total daily trading volumes of 229.118 million shares.

Foreign investors also remained net sellers of shares worth \$1.205 million. Total market capitalization declined by Rs 34 billion to Rs 10.478 trillion. Out of total 433 active scrips, 242 closed in negative and 150 in positive while the value of 41 stocks remained unchanged.

Symmetry Group was the volume leader with 59.366 million shares however lost Rs 0.04 to close at Rs 7.69 followed by Kohinoor Spinning that decreased by Rs 0.40 to close at Rs 10.52 with 50.616 million shares. WorldCall Telecom inched down by Rs 0.02 to close at Rs 1.28 with 24.441 million shares.

Hoechst Pakistan and Hallmark Company were the top gainers increasing by Rs 189.64 and Rs 51.70 respectively to close at Rs 2,086.04 and Rs 568.70 while Nestle Pakistan and Abbott Laboratories were the top losers declining by Rs 87.85 and Rs 76.28 respectively to close at Rs 6,887.15 and Rs 723.88.

An analyst at Topline Securities said Pakistan equities kicked off the week with the KSE-100 Index observing some profit taking around 79,000 psychological level and called the day at 78,571 levels (down 230 points or down 0.29 percent).

Investors opted to trim their stock positions near 79,000 level that compelled market to settle below 79,000 levels post an intraday high at 79,160, a gain of 359 points during the day. A relatively lackluster momentum has been witnessed during business hours.

During the day, Power, Pharma and Fertilizer sectors contributed positively where HUBC, GLAXO, HINOON, DAWH and SEARL added 336 points. On the contrary, HBL, UBL and ABOT cumulatively lost 203 points due to some selling interest observed in them.

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BR Automobile Assembler Index plunged by 242.21 points or 1.41 percent to close at 16,890.99 points with total turnover of 23.070 million shares.

BR Cement Index decreased by 93.28 points or 1.24 percent to close at 7,406.76 points with 21.997 million shares.

BR Commercial Banks Index declined by 241.46 points or 1.08 percent to close 22,207.54 points with 38.307 million shares.

BR Power Generation and Distribution Index surged by 759.38 points or 4.22 percent to close at 18,771.11 points with 47.469 million shares.

BR Oil and Gas Index lost 1.33 points or 0.02 percent to close at 7,052.45 points with 31.455 million shares.

BR Tech. & Comm. Index gained 1.58 points or 0.04 percent to close at 4,047.39 points with 106.136 million shares.

Ahsan Mehanti at Arif Habib Corporation said stocks closed lower amid consolidation near close of earnings season, security unrest and security concerns in Muharram processions. Energy Sector outperformed after strong financial results and payouts announcement by Hubco and surging global crude oil prices.

He said uncertainty over the IMF approval on taxes, IPPs dues restructuring, and power subsidies played a catalytic role in bearish close.

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OPEN MARKET FOREX RATES

Updated at: 27/8/2024 7:48 AM (PST)

Currency	Buying	Selling
Australian Dollar	186.93	189.18
Bahrain Dinar	732.60	740.60
Canadian Dollar	202.65	207.00
China Yuan	38.25	38.65
Danish Krone	40.03	40.43
Euro	309.40	311.89
Hong Kong Dollar	35.68	36.03
Indian Rupee	3.34	3.45
Japanese Yen	1.98	1.99
Kuwaiti Dinar	903.45	908.53
Malaysian Ringgit	59.25	60.25
NewZealand \$	169.34	171.34
Norwegians Krone	26.14	26.44
Omani Riyal	723.13	727.21
Qatari Riyal	76.44	77.14
Saudi Riyal	73.73	74.43
Singapore Dollar	201.75	203.75
Swedish Korona	26.15	26.45
Swiss Franc	324	328.94
Thai Bhat	7.57	7.72
U.A.E Dirham	75.78	76.23
UK Pound Sterling	363.41	367.71
US Dollar	278.60	280.10

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INTER BANK RATES

Updated at: 27/8/2024 7:48 AM (PST)

Currency	Bank Buying TT Clean	Bank Selling TT & OD
Australian Dollar	188.35	188.69
Canadian Dollar	205.62	205.99
China Yuan	39.40	39.47
Danish Krone	41.65	41.72
Euro	311.27	311.83
Hong Kong Dollar	35.78	35.84
Japanese Yen	1.9307	1.9342
Saudi Riyal	74.04	74.18
Singapore Dollar	213.46	213.84
Swedish Korona	27.40	27.45
Swiss Franc	327.95	328.54
Thai Bhat	8.18	8.19
UK Pound Sterling	366.85	367.51
US Dollar	278.40	278.90

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GOLD RATE

Bullion / Gold Price Today

As on Tue, Aug 27 2024, 02:58 GMT

Metal	Symbol	PKR for 10 Gm	PKR for 1 Tola	PKR for 1 Ounce	
Gold	XAU	224,894	262,038	699,509	
Palladium	XPD	85,947	100,142	267,328	
Platinum	XPT	80,332	93,600	249,866	
Silver	XAG	2,670	3,111	8,305	

Gold Price in Pakistan

As on Tue, Aug 27 2024, 02:58 GMT

Gold Rate	24K Gold	22K Gold	21K Gold	18K Gold
per Tola Gold	Rs. 262000	Rs. 240165	Rs. 229250	Rs. 196500
per 10 Gram	Rs. 224700	Rs. 205974	Rs. 196613	Rs. 168525
per Gram Gold	Rs. 22470	Rs. 20597	Rs. 19661	Rs. 16853
per Ounce	Rs. 637000	Rs. 583912	Rs. 557375	Rs. 477750

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Gold Rates in other Major Currencies

Currency	Symbol	10 Gm	1 Tola	1 Ounce	
 China Yuan	CNY	5,754	6,704	17,897	
 Euro	EUR	724	844	2,253	
 Japanese Yen	JPY	116,616	135,876	362,721	
 Saudi Riyal	SAR	3,029	3,529	9,420	
 U.A.E Dirham	AED	2,966	3,456	9,225	
 UK Pound Sterling	GBP	611	712	1,901	
 US Dollar	USD	808	941	2,512	