



2024

SHAHID LEGAL GROUP

SLD NEWS UPDATES

Wednesday, November 27,

Address: Office # 403, 4th Executive floor, Sadiq Plaza, The Mall Road Lahore

Cell: 0321-4726801 || Cell: 0300-8198529

Email: Shahid193@ymail.com | reachus.247@hotmail.com

SLD E-LAW UPDATING SERVICE

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

IN NEWS

Business & Finance » Taxes

Advance Tax Imposed on Foreign Domestic Workers in Pakistan

Pakistan, World Bank Discuss Tax Policy Framework

FBR Struggles as Political Protests Undermine Revenue Goals

Markets » Cotton & Textile

Cotton spot rates

Volume of business improves on cotton market

Stock & Commodity

S&P 500, Nasdaq climb ahead of Fed minutes

European stocks trip on Trump tariff hurdle

China stocks edge down, HK flat

Nikkei closes lower after Trump pledges fresh tariffs

Most Gulf markets end higher; Saudi falls

Indian shares end lower, pulled down by Adani firms on implications of US indictment

Sri Lanka shares end higher as energy, industrials gain

Auto stocks lead losses in Europe on Trump's tariff risk

Most Gulf markets gain amid possible Israel-Hezbollah ceasefire

China, HK stocks gain; market had largely expected Trump tariff vows

Bloodbath at PSX: KSE-100 sees biggest single-day decline, plunges over 3,500 points

Most Asian markets drop, dollar gains as Trump fires tariff warning

Auto, battery makers drag South Korean stocks lower on US tariff worries

PSX Records Largest Single-Day Decline Amid Political Crisis

Political Unrest Sinks Pakistan Stocks by 2.5%

KSE-100 Starts With 475-Point Dip as Political Turmoil Escalates

KSE-100 Tumbles 1.74% Midday on Heightened Political Tensions

SECP Cracks Down on 142 Fraudulent Digital Applications

Gold Prices Plunge by Rs 4,100 in Pakistan Amid Global Decline

Business & Finance » Money & Banking

Yuan slides to four-month low

Trump tariff vow hits Mexican and Canadian currencies, yen firm

Asian currencies down

SLD E-LAW UPDATING SERVICE

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

Rupee Weakens to PKR 277.84 Against Dollar in Interbank

SBP Revises Guidelines on Minimum Profit Rate for Deposits

Dogecoin Price Dips, but \$1 Target Remains

PKR to USD: Rupee Gains 5 Paisas in Early Trade

Trade & Industry

PRGMEA for a collaborative approach to policymaking

2,300 Chinese companies operating in Pakistan: VP PCJCCI

PHMA urges govt to help ensure smooth gas supply

Business & Finance » Companies

Haier named official partner of Australian Open for 2025-2027

India's Andhra Pradesh state likely to suspend Adani power deal

120MW solar project: KE receives lowest bid from KAPCO

Indus Motor, Ghandhara Tyre temporarily halt production

SBP makes key revisions to Minimum Profit Rate requirements, Islamic banking guidelines

Technology

Large fire at Japan rocket test site, no injuries reported

Economic distress

Banking malpractice: penalising depositors and undermining economic growth

Jul-Oct: \$1.723bn borrowed from multiple sources

The economic cost of political unrest

Fuel & Energy

US natgas prices up

Oil prices make gains

IEA chief Birol sees 'comfortable' oil markets, unless geopolitical shock

Oil falls after Israel agrees to ceasefire deal with Lebanon

OCAC Seeks Smooth Fuel Supply Amid PTI Protests

Markets – Rates

Stocks nosedive on political unrest

Kibor interbank offered rates

Activities of Karachi Port Trust

BRIndex100 and BR Sectoral Indices

OPEN MARKET FOREX RATES

SLD E-LAW UPDATING SERVICE

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

INTER BANK RATES

Gold Rate

Business & Finance » Taxes

ADVANCE TAX IMPOSED ON FOREIGN DOMESTIC WORKERS IN PAKISTAN

November 26, 2024

KARACHI, November 26, 2024 – Pakistan has introduced an advance income tax requirement on individuals and agencies hiring foreign nationals for domestic work.

The Federal Board of Revenue (FBR) clarified that this provision already exists under Section 231C of the Income Tax Ordinance, 2001.

According to Section 231C, two key provisions govern the imposition of this tax on foreign domestic workers:

Sub-section (1) mandates that any authority responsible for issuing or renewing a domestic aide visa for a foreign national must collect an advance tax from the employing agency, sponsor, or individual. This tax amounts to two hundred thousand rupees at the time the visa is issued or renewed. This tax applies to those who hire foreign nationals for domestic work, including domestic aides such as housemaids or drivers.

Sub-section (2) clarifies that the advance tax collected under this section is adjustable. This means that it can be credited against the total tax liability of the agency, sponsor, or person who hired the foreign domestic worker. The tax is applicable for the relevant tax year and is intended to contribute to the overall income tax obligations of the employer.

This new tax policy aims to regulate the employment of foreign workers in domestic roles and generate additional revenue for the government. It also seeks to standardize the hiring process for foreign domestic workers, ensuring that proper tax procedures are followed.

Experts have pointed out that this move could lead to a formalization of the domestic labor market, making it easier to track foreign employment and prevent illegal hiring practices. However, concerns have been raised about the impact on families and individuals who rely on foreign workers for domestic services, as the tax could increase overall hiring costs.

The FBR's decision underscores Pakistan's ongoing efforts to expand its tax net and ensure compliance with tax regulations, particularly in sectors that have traditionally been less regulated.

PAKISTAN, WORLD BANK DISCUSS TAX POLICY FRAMEWORK

November 26, 2024

SLD E-LAW UPDATING SERVICE

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

Islamabad, November 26, 2024 – Pakistan and the World Bank held discussions on Tuesday to develop a robust and transparent tax policy framework aimed at boosting revenue mobilization, improving compliance, and ensuring equitable taxation.

Federal Minister for Finance and Revenue, Senator Muhammad Aurangzeb, met with Najy Benhassine, the World Bank's Country Director, and his team at the Finance Division. The meeting was also attended by the Finance Secretary and senior officials of the Finance Division.

During the discussions, the Finance Minister underscored the significance of collaborating with the World Bank to advance Pakistan's economic reforms and developmental goals. He expressed appreciation for the World Bank's financial and technical support across various sectors and reiterated the government's commitment to fiscal discipline, sustainable growth, and efficient resource management.

The dialogue emphasized the need for a transparent tax policy framework to enhance revenue collection, improve compliance, and ensure fair taxation. The World Bank team also offered technical assistance to modernize Pakistan's budget-making process, improve transparency and accountability in public financial management, and establish an effective debt management mechanism for fiscal sustainability and risk mitigation.

Key issues discussed included the Agricultural Income Tax Regime, harmonization of General Sales Tax (GST) in coordination with provinces, and strengthening the role of the National Tax Council. Both sides also agreed on the importance of leveraging technology and digitalization to enhance tax collection systems, reduce leakages in public revenue streams, and improve data-driven policy decisions to foster economic inclusivity.

Najy Benhassine commended the government's reform initiatives and assured continued support from the World Bank in addressing critical economic challenges. He reiterated the World Bank's commitment to aiding Pakistan in achieving its developmental objectives.

The Finance Minister thanked the World Bank for its unwavering support and reaffirmed the government's resolve to implement reforms aimed at fostering sustainable economic growth and ensuring long-term fiscal stability.

FBR STRUGGLES AS POLITICAL PROTESTS UNDERMINE REVENUE GOALS

November 26, 2024

Islamabad, November 26, 2024 – Political instability is posing significant challenges for the Federal Board of Revenue (FBR) in achieving its tax collection target for November 2024, according to sources within the department.

The Pakistan Tehreek-i-Insaf (PTI) has launched protests this month to push for their demands, further disrupting the economic landscape and complicating the FBR's efforts to meet revenue goals.

SLD E-LAW UPDATING SERVICE

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

The FBR is already struggling to achieve its annual tax collection target, and the ongoing political uncertainty has exacerbated the situation. For November 2024, the FBR aims to collect Rs1 trillion but has so far managed only Rs550 billion as of November 25, 2024. Meeting the target seems unlikely without implementing additional taxation measures or a mini-budget.

Despite the revenue shortfall, the government has reiterated its commitment to avoiding a mini-budget for generating additional revenue in the fiscal year's second quarter.

In response to an anticipated shortfall of Rs230 billion for the October-December 2024-25 quarter, the FBR has initiated short-term measures. These include issuing notices to 5,000 high-net-worth non-filers in the first phase, with an estimated tax liability of Rs7 billion.

In October 2024, the FBR collected Rs877 billion against a target of Rs980 billion, resulting in a shortfall of Rs103 billion. For the first four months of 2024-25, total collections stood at Rs3,440 billion, falling short of the Rs3,636 billion target by Rs196 billion.

The FBR attributes these shortfalls to shifting economic assumptions, including revised GDP growth rates, import levels, inflation, and large-scale manufacturing output. To address the deficit, the FBR has planned a mix of short- and long-term measures, including enforcement actions projected to generate Rs320 billion.

Contingency revenue measures agreed upon by the government include increasing federal excise duty (FED) on sugary drinks and raising withholding tax rates on machinery and raw material imports, as well as on contracts and services. These measures are expected to yield Rs10.8 billion per month, contributing an estimated Rs97.2 billion over the remaining three quarters of the fiscal year.

The FBR remains under pressure to meet its ambitious targets amid an evolving economic and political environment.

Markets » Cotton & Textile

COTTON SPOT RATES

Recorder Report Published 42 minutes ago

KARACHI: official KCA spot rates for local dealings in Pakistan rupees on Tuesday, (November 26, 2024)

=====

The kca official spot rate for local dealings in Pakistan rupees

For base grade 3 staple length 1-1/16"
Micronaire value between 3.8 to 4.9 ncl

=====

Rate	Ex-gin for	Upcountry price	Spot rate Ex-Karachi	Spot rate ex. Khi. as	Difference Ex-karachi
------	---------------	--------------------	-------------------------	--------------------------	--------------------------

=====

SLD E-LAW UPDATING SERVICE

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

on 25-11-2024

37.324 KG	17,400	285	17,685	17,685	NIL
Equivalent					
40 KGS	18,648	305	18,953	18,953	NIL

Copyright Business Recorder, 2024

VOLUME OF BUSINESS IMPROVES ON COTTON MARKET

LAHORE: The local cotton market remained easy and the trading volume remained satisfactory. Cotton Analyst Naseem...

Recorder Report Published 42 minutes ago

LAHORE: The local cotton market remained easy and the trading volume remained satisfactory.

Cotton Analyst Naseem Usman told Business Recorder that the rate of cotton in Sindh is in between Rs 16,000 to Rs 17,500 per maund. The rate of Phutti in Sindh is in between Rs 6,500 to Rs 8,200 per 40 kg.

The rate of cotton in Punjab is in between Rs 16,700 to Rs 17,600 per maund. The rate of Phutti in Punjab is in between Rs 7,000 to Rs 8,300 per 40 kg.

The rate of cotton in Balochistan is in between Rs 16,500 to Rs 19,000 per maund. The rate of Phutti in Balochistan is in between Rs 7,400 to Rs 9,400 per 40 kg. The rate of Balochi Cotton is in between Rs 18,500 to Rs 18,800 per maund. The rate of Primark cotton is in between Rs 19,000 to Rs 19,900 per maund.

800 bales of Saleh Pat were sold at Rs 17,500 per maund, 1600 bales of Mian Wali were sold in between Rs 16,700 to Rs 18,000 per maund, 1000 bales of Dera Ghazi Khan were sold at Rs 17,900 per maund (Balochi), 400 bales of Sadiqabad were sold at Rs 17,300 per maund, 2400 bales of Fort Abbas were sold at Rs 17,000 to Rs 17,350 per maund, 400 bales of Chishtian were sold at Rs 17,300 per maund, 1800 bales of Haroonabad were sold at Rs 16,800 to Rs 17,400 per maund, 400 bales of Dharan Wala were sold at Rs 17,300 per maund, 2600 bales of Yazman Mandi were sold in between Rs 17,200 to Rs 17,300 per maund, 200 bales of Nur Pur Nuranga, 200 bales of Ali Pur were sold at Rs 17,300 per maund, 1800 bales of Faqeer Wali were sold in between Rs 16,700 to Rs 17,000 per maund, 400 bales of Tounsa were sold at Rs 17,400 per maund, 400 bales of Rahim Yar Khan were sold at Rs 18,300 per maund, 1000 bales of Chichawatni were sold at Rs 17,400 to Rs 17,600 per maund and 200 bales of Haroonabad were sold at Rs 17,000 per maund.

The Spot Rate remained unchanged at Rs 17,400 per maund. Polyester Fiber was available at Rs 357 per kg.

SLD E-LAW UPDATING SERVICE

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

Copyright Business Recorder, 2024

Stock & Commodity

S&P 500, NASDAQ CLIMB AHEAD OF FED MINUTES

Reuters Published 43 minutes ago

NEW YORK: The benchmark S&P 500 and the Nasdaq extended recent gains on Tuesday, as technology stocks rebounded, while investors parsed Donald Trump's tariff pledges on top trade partners and awaited minutes from the Federal Reserve's latest meeting.

President-elect Trump said he would impose a 25% conditional tariff on Canadian and Mexican imports that could violate a free-trade deal he negotiated during his previous term. He also outlined "an additional 10% tariff, above any additional tariffs" on imports from China, raising the risk of trade wars.

Automakers such as Ford and General Motors -that have highly integrated supply chains across Mexico, the US and Canada - lost 2.1% and 7.2%, respectively.

"The concern is that some products are going to become more costly and that will mean revenue for those companies that are possibly manufacturing those goods overseas is going to decline," said Robert Pavlik, senior portfolio manager at Dakota Wealth.

"It's a lot of back and forth right now because investors are trying to position themselves for January and the days after and they're not really sure."

At 11:32 a.m. ET, the Dow Jones Industrial Average fell 161.03 points, or 0.36%, to 44,575.54, the S&P 500 gained 21.45 points, or 0.36%, to 6,008.82 and the Nasdaq Composite gained 102.77 points, or 0.54%, to 19,157.61.

Gains in megacaps such as Nvidia, Microsoft and Apple boosted the information technology sector and the tech-heavy Nasdaq.

The blue-chip Dow was weighed down by declines in Amgen , which slid 11% after its experimental obesity drug fell short of expectations.

Yields on Treasury bonds that slipped in the previous session following Scott Bessent's selection as incoming Treasury secretary, rose and kept a lid on equities' gains.

The S&P 500 touched a record high on Monday and logged its sixth-straight session of gains, while the Russell 2000 also scaled an all-time high after three years. On the day, the small-cap index fell 0.6%.

SLD E-LAW UPDATING SERVICE

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

Later in the day, investors will parse minutes from the central bank's meet earlier this month for any clues on its policy trajectory next year, ahead of Wednesday's personal consumption expenditure report.

Analysts say Trump's trade and fiscal policies, though seen as a positive for companies and economic growth, could stoke inflation pressures and slowdown the Fed's monetary policy easing cycle.

Minneapolis Federal Reserve President Neel Kashkari, typically seen as hawkish on monetary policy, said he is open to cutting interest rates again next month.

Traders have recently swayed in placing their bets on the central bank's move in December and currently favor a 25-basis point interest rate cut by a 56.2% chance, as per the CME Group's FedWatch Tool.

Among others, Eli Lilly rose 5.9% after US President Joe Biden was set to propose expanding Medicare and Medicaid coverage for anti-obesity drugs.

Best Buy lost 6.9% and was among top decliners on the S&P 500 after trimming its annual profit and sales forecasts.

Declining issues outnumbered advancers by a 1.95-to-1 ratio on the NYSE and by a 1.49-to-1 ratio on the Nasdaq.

The S&P 500 posted 38 new 52-week highs and three new lows, while the Nasdaq Composite recorded 78 new highs and 66 new lows.

EUROPEAN STOCKS TRIP ON TRUMP TARIFF HURDLE

Reuters Published 43 minutes ago

FRANKFURT: European stocks fell across the board, led by automakers, as Donald Trump's tariff threat on the United States' largest trading partners prompted worries about another global trade war.

US President-elect Trump, who takes office on Jan. 20, plans to impose a 25% tariff on imports from Canada and Mexico and slap "an additional 10% tariff, above any additional tariffs" on China, hurting the positive market sentiment following the nomination of Scott Bessent as US Treasury secretary. The dollar rose, while global equity markets declined.

"We've seen this movie before and it's going to be negotiating tool, however we can't dismiss it entirely because this time Trump has full support of both the houses" of the US Congress, said Chris Beauchamp, chief market analyst at IG Group.

"Investors have learned something from before and jumping like a frightened cat at every Trump headline is not going to be the way to get through this." The pan-European STOXX 600 was

SLD E-LAW UPDATING SERVICE

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

down 0.5%, snapping a three-day winning streak, with concerns over tariffs re-stoking global inflation and weighing on monetary-policy easing also dampening investors' mood.

China-exposed stocks were the most affected on the index.

The auto sector, expected to be among the worst hit under Trump tariffs, was down 1.6%, with Stellantis and Volkswagen among the top losers, shedding 4.8% and 2.4%, respectively.

Retail and miners were some of the other badly hit sectors, down 1% and 1.9% respectively, with the latter taking a hit on weak metal prices.

“European carmakers have seen clear weakness in their sales over the past few years and they have also been in the crossfire with the Chinese trade tensions... They are no longer in a position to afford additional tariffs,” said Ipek Ozkardeskaya, senior analyst at Swissquote Bank.

The European Central Bank's policymakers also are concerned about Trump tariffs.

The momentum in European stocks has stalled in the final stages of the year as investors grapple with the likely impact of trade tariffs, sagging Chinese spending and heightened geopolitical tensions, among other factors.

CHINA STOCKS EDGE DOWN, HK FLAT

Reuters Published 43 minutes ago

SHANGHAI: China stocks closed slightly lower on Tuesday, while Hong Kong shares ended almost flat, as market participants digested US President-elect Donald Trump's fresh tariff vows against China, which were largely anticipated.

China's blue-chip CSI300 Index and the Shanghai Composite Index fell 0.2% and 0.1%, respectively. Hong Kong's benchmark Hang Seng index was up by 0.04%.

Trump said he would impose a 25% tariff on all products from Mexico and Canada and an additional 10% tariff on goods from China.

Although Trump's threats triggered falls in Asian markets such as Japan, market participants in China appeared unfazed and awaited more policy stimulus to lift the domestic economy.

Yang Tingwu, vice general manager of asset manager Tongheng Investment, said that an initial 10% tariff hike against China “is milder than we expected, so the news is positive”.

During his election campaign, Trump had said he would impose tariffs of 60% or more on goods from China.

SLD E-LAW UPDATING SERVICE

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

Having experienced a trade war with the US in Trump's first term, "China already has a playbook to deal with tariffs," said Simon Yu, vice general manager at Panyao Asset Management.

Trump's protectionist policies may prod China to "accelerate the process of self-reliance and import substitution."

Gains in property and consumer staples shares were offset by losses in tech and materials stocks in the onshore market.

"Long-only funds and hedge funds have been selling Chinese equities for the past two weeks and the outflow may slow or even reverse now that there's more clarity," said Jason Chan, senior investment strategist at Bank of East Asia.

NIKKEI CLOSES LOWER AFTER TRUMP PLEDGES FRESH TARIFFS

Reuters Published 44 minutes ago

TOKYO: Japan's Nikkei share average declined on Tuesday as the market weighed US President-elect Donald Trump's pledge to impose tariffs on all imports from Canada and Mexico, along with additional tariffs on China.

The Nikkei index closed 0.9% lower at 38,442, after sliding nearly 2% during morning trade. The broader Topix finished about 1% at 2,689.55.

Trump said on Monday that on his first day in office he would impose a 25% tariff on all products from Mexico and Canada and an additional 10% tariff on goods from China, citing concerns over illegal immigration and trade of illicit drugs.

Of the Nikkei's 225 constituents, 147 declined while 75 advanced, with losses narrowing in afternoon trade as investors digested the news. Three shares were untraded.

"Ten percent across the board (for China) is not as big as the one that he was talking about, 60%. But it still came in a more concrete way, so I think the initial reaction was rather negative," Nomura's chief macro strategist Naka Matsuzawa said.

The 25% tariff plans on imports from Canada and Mexico were probably bigger than the market expected, he added.

MOST GULF MARKETS END HIGHER; SAUDI FALLS

Reuters Published November 26, 2024

Most stock markets in the Gulf ended higher on Tuesday, as investors took stock of a potential ceasefire between Israel and the Iran-backed Hezbollah.

SLD E-LAW UPDATING SERVICE

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

A ceasefire deal looked imminent on Tuesday, Israeli and Lebanese officials said, clearing the way for an end to the conflict that has killed thousands of people since it was ignited by the Gaza war 14 months ago.

Signs of a diplomatic breakthrough have been accompanied by a military escalation. Israeli airstrikes on Tuesday demolished more of Beirut's Hezbollah-controlled southern suburbs, while the armed group has kept up rocket fire into Israel.

Dubai's main share index advanced 1.3%, extending gains from the previous session, led by a 2.9% rise in blue-chip developer Emaar Properties.

In Abu Dhabi, the index added 0.7%.

Gulf bourses end mixed as oil prices slip

Oil prices - a catalyst for the Gulf's financial markets - recovered slightly from the previous session's 2.8% drop as investors mulled the implications of a potential ceasefire between Israel and Hezbollah.

Saudi Arabia's benchmark index, however, fell 0.4%, hit by a 1.2% fall in aluminium products manufacturer Al Taiseer Group.

Outside the Gulf, Egypt's blue-chip index edged 0.1% higher, with Commercial International Bank rising 0.9%.

SAUDI ARABIA	fell 0.4% to 11,736
ABU DHABI	rose 0.7% to 9,294
DUBAI	leapt 1.3% to 4,829
QATAR	was flat at 10,408
EGYPT	up 0.1% to 30,284
BAHRAIN	finished flat 2,022
OMAN	gained 0.7% to 4,553
KUWAIT	added 0.2% to 7,786

INDIAN SHARES END LOWER, PULLED DOWN BY ADANI FIRMS ON IMPLICATIONS OF US INDICTMENT

Reuters Published November 26, 2024

Indian shares inched lower on Tuesday, weighed down by Adani Group stocks' on worries about the implications of alleged bribery charges by the U.S. against their key executives.

The NSE Nifty 50 shed 0.11% to 24,194.5 points, while the BSE Sensex lost 0.13% to 80,004.06.

SLD E-LAW UPDATING SERVICE

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

Moody's Ratings cut its outlook on seven Adani entities to "negative" from "stable" on the day, citing the U.S. indictment of chairman Gautam Adani and seven others on alleged bribery and fraud.

TotalEnergies halted its investments in the group on Monday and ratings agency Fitch put some of the conglomerate's bonds on watch for a possible downgrade.

Adani Group's 10 listed companies have lost about \$34 billion in market value in four sessions, including Tuesday, since the U.S. indictment. The group has denied the allegations, terming them "baseless".

Indian shares advance as ruling party sweeps key state election

Adani Green and Adani Energy - which are at the centre of the indictment charges - fell 7.25% and 4% each. Adani Enterprises and Adani Ports declined 4.74% and 3.25%, respectively, topping the list of Nifty 50 laggards on Tuesday.

"The sharp drop in Adani stocks is a kneejerk reaction to the updates coming in from ratings agencies and TotalEnergies," said Sunny Agrawal, head of fundamental equity research at SBICAPS Securities.

"Except for companies like Adani Ports, ACC and Ambuja Cements, which have good cash flows, other stocks are unlikely to see any institutional interest in the near term given the U.S. indictment," Agrawal said.

Eight of the 13 major sectors logged losses.

However, the IT index rose 1.1% and was the top sectoral gainer.

Food delivery platform Swiggy gained 7.24% after UBS initiated coverage with a "buy" rating.

Other Asian markets fell after U.S. President-elect Donald Trump pledged a 25% tariff on all imports from Canada and Mexico and an additional 10% tariff on China.

SRI LANKA SHARES END HIGHER AS ENERGY, INDUSTRIALS GAIN

- CSE All Share index settled up 0.8% at 12,964.03

Reuters Published November 26, 2024

Sri Lankan shares closed higher on Tuesday, aided by gains in energy and industrial stocks.

The CSE All Share index settled up 0.8% at 12,964.03.

SLD E-LAW UPDATING SERVICE

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

Sri Lanka launched a long-awaited bond swap on Tuesday, a major step to completing its \$12.55 billion debt restructuring and enabling its fragile economic recovery to continue.

Nation Lanka Finance and Blue Diamonds Jewellery Worldwide were the top gainers by percentage on the CSE All Share, rising 50% and 33.3%, respectively.

Sri Lanka shares end lower as communication services, IT drag

Trading volume on the index fell to 40.8 million shares from 85.2 million shares in the previous session.

The equity market's turnover fell to 1.14 billion Sri Lankan rupees (\$3.9 million) from 2.16 billion rupees in the previous session, according to exchange data.

Foreign investors were net sellers, offloading stocks worth 186.4 million rupees, while domestic investors were net buyers, purchasing shares worth 1.09 billion rupees, the data showed.

AUTO STOCKS LEAD LOSSES IN EUROPE ON TRUMP'S TARIFF RISK

Reuters Published November 26, 2024

European shares opened lower on Tuesday, dragged by automakers, as Donald Trump's tariff threat on the United States' largest trading partners prompted worries that the bloc might share the same fate in a likely global trade war.

The pan-European STOXX 600 was down 0.5% as of 0820 GMT, set to snap a three-day winning streak.

The auto sector dropped more than 2%, with Stellantis and Volkswagen among the top losers.

President-elect Trump pledged big tariffs on Canada, Mexico and China, hurting the positive market sentiment following the nomination of Scott Bessent as US Treasury secretary.

The dollar rose, while global equities declined. Banks, retail and miners were some of the other badly-hit sectors, down more than 1% each.

European stocks off two-week highs as energy stocks weigh

Among specific stocks, Roche fell over 1% after its late-stage lung cancer study failed to meet primary endpoint of overall survival.

The Swiss company also plans to acquire US biopharma firm Poseida Therapeutics in a cash deal worth up to \$1.5 billion.

Meanwhile, Melrose Industries led gains on the STOXX 600, rising 8%, after JP Morgan upgraded its upgrading their target prices on the aerospace company's stock.

MOST GULF MARKETS GAIN AMID POSSIBLE ISRAEL-HEZBOLLAH CEASEFIRE

Reuters Published November 26, 2024

Most major stock markets in the Gulf rose in early trade on Tuesday, as investors took stock of a potential ceasefire between Israel and Hezbollah.

US President Joe Biden and French President Emmanuel Macron are expected to announce a ceasefire in Lebanon between armed group Hezbollah and Israel imminently, Reuters reported on Monday, citing four senior Lebanese sources.

A sticking point over who would monitor compliance with the ceasefire was resolved in the last 24 hours with an agreement to set up a five-country committee, including France and chaired by the United States, said Elias Bou Saab, Lebanon's deputy parliament speaker.

Dubai's main share index gained 0.4%, extending gains from the previous session. Blue-chip developer Emaar Properties rose 1.7%.

Gulf bourses end mixed as oil prices slip

In Abu Dhabi, the main share index was up 0.5%. The Qatari benchmark added 0.1%, helped by a 0.2% rise in the Gulf's biggest lender, Qatar National Bank.

Oil prices - a catalyst for the Gulf's financial markets - rebounded slightly from the previous session's slump on the potential ceasefire.

Saudi Arabia's benchmark stock index, however, eased 0.1%, with ACWA Power Co down 1.3%.

CHINA, HK STOCKS GAIN; MARKET HAD LARGELY EXPECTED TRUMP TARIFF VOWS

Reuters Published November 26, 2024

SHANGHAI: China stocks edged up on Tuesday, while Hong Kong shares bounced from two-month lows earlier in the day as US President-elect Donald Trump's fresh tariff vows against China, which were largely anticipated, may prompt stronger stimulus from Beijing.

China, HK stocks close higher after PBOC begins swap programme

- China's blue-chip CSI300 Index and the Shanghai Composite Index were both up 0.4% by the lunch break. Hong Kong's benchmark Hang Seng index added 0.5%.
- Donald Trump said he would impose a 25% tariff on all products from Mexico and Canada and an additional 10% tariff on goods from China.

SLD E-LAW UPDATING SERVICE

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

- Although Trump's threats triggered falls in Asian markets such as Japan, market participants in China appeared unfazed and awaited more policy stimulus to lift domestic economy.
- Yang Tingwu, vice general manager of asset manager Tongheng Investment, said that an initial 10% tariff hike against China "is milder than we expected, so the news is positive".
- During his election campaign, Trump had said he would impose tariffs of 60% or more on goods from China.
- Having experienced a trade war with the US in Trump's first term, "China already has a playbook to deal with tariffs," said Simon Yu, vice general manager at Panyao Asset Management.
- Trump's protectionist policies may prod China to "accelerate the process of self-reliance and import substitution."
- Property and consumer-related shares led gains in onshore market, adding 2.1% and 1.1%, respectively.
- "Long-only funds and hedge funds have been selling Chinese equities for the past two weeks and the outflow may slow or even reverse now that there's more clarity," said Jason Chan, senior investment strategist at Bank of East Asia.
- "Sectors that are proxies for domestic consumption and state-owned enterprises (SOEs) are seeing inflows today."
- An index tracking Chinese electric vehicles makers dropped 2.3%, after European Union officials said there were still stumbling blocks that prevented a deal with China to resolve trade disputes, disappointing investors.

BLOODBATH AT PSX: KSE-100 SEES BIGGEST SINGLE-DAY DECLINE, PLUMMETS OVER 3,500 POINTS

- Volatility and political tension major themes at PSX as violent protests in federal capital put investors on edge
- Index suffers heaviest fall in terms of points

BR Web Desk Published November 26, 2024

Volatility and chaos were the themes at the Pakistan Stock Exchange (PSX) as the benchmark KSE-100 Index witnessed the biggest single-day decline, plunging by over 3,500 points on Tuesday with investors viewing Islamabad's situation as worsening after the Pakistan Army was called in to stop the protest from becoming more violent.

The market commenced trading on a negative note amid rising political noise, dragging the KSE-100 Index to an intra-day low of 97,361 points. The stock market rebounded amid buying in the banking sector, and at around 11:08am, the KSE-100 Index hit its intra-day high of 99,819.59.

However, by 12:35pm, the KSE-100 was down an overall 2,281.88 points or 2.33% to hover around 95,797.90, a drastic fall of nearly 4,000 points.

A recovery was followed by even more selling pressure, putting the index in the range of 94,200 later in the session.

SLD E-LAW UPDATING SERVICE

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

At close, the benchmark index settled at 94,574, a decrease of 3,506 points or 3.57%.

“Market has declined by 3,506 points on the back of political noise resulting from a political party’s march towards capital,” said Topline Securities in a note.

Source: Topline Securities

PSX

The volatile ride comes as supporters of the Pakistan Tehreek-e-Insaf (PTI) clashed with security personnel tasked to keep the protest away from Islamabad.

The Pakistan Army was deployed on Monday night after protesters clashed with the police and killed four Rangers and two police personnel.

In pictures: PTI’s ‘final call’ to get Imran Khan released

The lives were lost after protesters rammed a vehicle into Rangers personnel on Srinagar Highway in Islamabad, as per RADIO PAKISTAN.

At least 119 others were injured, and 22 police vehicles were torched in clashes just outside Islamabad and elsewhere in Punjab, provincial police chief Usman Anwar told REUTERS.

The government has used shipping containers to block major roads and streets in Islamabad, most of them patrolled by large contingents of police and paramilitary personnel in riot gear.

Later in the day, reports emerged that some protesters had managed to find a way near a key area in Islamabad, stoking fears that it may take a while for the situation to normalise.

On Monday, the banking sector had led the gains, as a mixed trend was witnessed at the wider PSX with the benchmark KSE-100 closing above 98,000 for the first time in history, recording an increase of 281.55 points or 0.29%.

Globally, Asian markets fell and the dollar rallied Tuesday after Donald Trump warned he would impose huge new tariffs on China, Mexico and Canada on his first day in office, dealing a blow to hopes of a more moderate approach to trade policy.

The former and next president said on his Truth Social account that he would hammer the United States’ largest trading partners in response to the illegal drug trade and immigration.

The news dampened optimism that his pick to lead the Treasury, Scott Bessent, could temper the tycoon’s assertiveness, with fears now of another trade war with China and warnings that the move – along with promised tax cuts – will reignite US inflation.

Meanwhile, the Pakistani rupee recorded a marginal fall against the US dollar, depreciating 0.03% in the inter-bank market on Tuesday. At close, the currency settled at 277.84, a loss of Re0.09 against the greenback.

SLD E-LAW UPDATING SERVICE

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

Volume on the all-share index jumped to 1,116.32 million from 640.26 million on Monday.

The value of shares rose to Rs43.29 billion from Rs25.62 billion in the previous session.

K-Electric Ltd was the volume leader with 101.64 million shares, followed by B.O.Punjab with 92.02 million shares, and Hascol Petrol with 73.32 million shares.

Shares of 456 companies were traded on Tuesday, of which 53 registered an increase, 355 recorded a fall, while 48 remained unchanged.

MOST ASIAN MARKETS DROP, DOLLAR GAINS AS TRUMP FIRES TARIFF WARNING

AFP Published November 26, 2024

HONG KONG: Asian markets fell and the dollar rallied Tuesday after Donald Trump warned he would impose huge new tariffs on China, Mexico and Canada on his first day in office, dealing a blow to hopes of a more moderate approach to trade policy.

The former and next president said on his Truth Social account that he would hammer the United States' largest trading partners in response to the illegal drug trade and immigration.

The news dampened optimism that his pick to lead the Treasury, Scott Bessent, could temper the tycoon's assertiveness, with fears now of another trade war with China and warnings that the move – along with promised tax cuts – will reignite US inflation.

“On January 20th, as one of my many first Executive Orders, I will sign all necessary documents to charge Mexico and Canada a 25 percent tariff on ALL products coming into the United States, and its ridiculous Open Borders,” he wrote.

In another post, he added that he would hit China with a 10 percent tariff “above any additional Tariffs” on all of its products entering the US, citing Beijing’s failure to tackle fentanyl smuggling.

The announcement fuelled a sell-off across most Asian markets, though Hong Kong and Shanghai advanced in early exchanges.

The dollar surged more than one percent against its Canadian equivalent and Mexico’s peso as well as the Chinese yuan. However, the yen strengthened thanks to its safe haven status.

“In a striking return to hardline policies, President-elect Trump has dramatically escalated tensions with a brash promise to impose a sweeping 25 percent tariff on all imports from Canada and Mexico the moment he reassumes office,” said SPI Asset Management’s Stephen Innes.

He said the declaration “shatters any lingering hopes that... Scott Bessent might usher in an era of moderation”.

SLD E-LAW UPDATING SERVICE

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

“Initially hailed as a beacon of stability, Bessent’s influence now seems overshadowed by a resurgence of Trump’s uncompromising ‘America First’ doctrine, which starkly excludes even the closest of allies from its protective embrace.”

Asia’s struggles came after another up day on Wall Street, where the Dow ended at a second successive record, helped by the choice of Bessent, though US futures were down Tuesday. Bitcoin struggled below \$95,000 after dropping to a six-day low of around \$92,600 Monday as the Trump-fuelled rally that had seen it surge around 50 percent to within a whisker of \$100,000 ran out of steam.

Asian stocks ease as Nvidia’s forecast dampens risk appetite

Oil prices extended Monday’s losses of around three percent that came after an official said Israel’s security cabinet was to decide Tuesday on whether to accept a ceasefire in its war with Hezbollah in Lebanon. The stronger dollar was also depressing the commodity.

The United States, European Union and United Nations have all pushed in recent days for a truce in the long-running hostilities between Israel and Hezbollah, which flared into all-out war in late September.

Key figures around 0230 GMT

- **Tokyo - Nikkei 225:** DOWN 1.3 percent at 38,260.38 (break)
- **Hong Kong - Hang Seng Index:** UP 0.7 percent at 19,276.74
- **Shanghai - Composite:** UP 0.4 percent at 3,266.88
- **Euro/dollar:** DOWN at \$1.0454 from \$1.0495 on Monday
- **Pound/dollar:** DOWN at \$1.2527 from \$1.2564
- **Dollar/yen:** DOWN at 154.07 yen from 154.23 yen
- **Euro/pound:** DOWN at 83.46 pence from 83.51 pence
- **West Texas Intermediate:** DOWN 0.1 percent at \$68.85 per barrel
- **Brent North Sea Crude:** DOWN 0.1 percent at \$72.95 per barrel
- **New York - Dow:** UP 1.0 percent at 44,736.57 (close)
- **London - FTSE 100:** UP 0.4 percent at 8,291.68 (close)

AUTO, BATTERY MAKERS DRAG SOUTH KOREAN STOCKS LOWER ON US TARIFF WORRIES

- The benchmark KOSPI was down 15.32 points, or 0.60%, at 2,519.02

Reuters Published November 26, 2024

SEOUL: Round-up of South Korean financial markets:

South Korea stocks edge higher as chip makers gain after Nvidia earnings

SLD E-LAW UPDATING SERVICE

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

- South Korean shares fell on Tuesday as auto and battery makers dropped amid US tariff worries. The won weakened, while the benchmark bond yield fell.
- The benchmark KOSPI was down 15.32 points, or 0.60%, at 2,519.02 as of 0252 GMT.
- US President-elect Donald Trump on Monday pledged big tariffs on the United States' three largest trading partners - Canada, Mexico and China - detailing how he will implement campaign promises that could trigger trade wars.
- The Transport Equipment Index dropped 1.7%, with Kia, which runs a factory in Mexico, shedding 0.7%.
- Battery maker LG Energy Solution slid 2.4%, tracking its US customer Tesla's overnight loss of 4% on uncertainty over electric vehicle (EV) subsidies. Peer Samsung SDI lost 0.5%.
- Meanwhile, the Bank of Korea on Thursday is expected to keep key policy rate at 3.25% to support the won, according to a Reuters poll, with a majority of economists forecasting at least three rate cuts next year.
- Among other index heavyweights, e-commerce firms gained, biopharmaceutical manufacturers slipped, while chipmakers were little changed.
- Of the total 938 traded issues, 461 advanced and 417 declined.
- Foreigners net sold shares worth 63.9 billion won (\$45.65 million).
- The won was quoted at 1,402.7 per US dollar on the onshore settlement platform, 0.26% lower than its previous close at 1,399.0.
- In the money and debt markets, December futures on three-year treasury bonds rose 0.07 point to 106.39.
- The most liquid three-year Korean treasury bond yield fell 3.2 basis points to 2.747%, while the benchmark 10-year yield shed 5.7 basis points to 2.882%.

PSX RECORDS LARGEST SINGLE-DAY DECLINE AMID POLITICAL CRISIS

November 26, 2024

Karachi, November 26, 2024 – The Pakistan Stock Exchange (PSX) witnessed its largest single-day drop on Tuesday, with the benchmark KSE-100 index plummeting by 3,506 points, or 3.57%, due to the escalating political crisis in the country.

The KSE-100 index closed at 94,574 points, down sharply from the previous day's closing of 98,080 points, which marked a historic high. The last significant decline was recorded on December 19, 2023, when the PSX hit an intra-day low of 2,800 points.

The sharp drop in the index followed reports that the government had deployed the army to manage a violent protest in Islamabad, led by the opposition party Pakistan Tehreek-i-Insaf (PTI). The intervention of military forces to control the situation added to investor anxiety, leading to widespread sell-offs at the PSX.

News footage showing protesters breaching the D Chowk (red zone) in Islamabad further amplified the uncertainty, triggering a panic reaction among market participants. Investors scrambled to liquidate their positions, causing significant losses throughout the trading day.

SLD E-LAW UPDATING SERVICE

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

This downturn comes on the heels of a period of optimism at the PSX, with the KSE-100 index having recently reached an all-time high of 98,080 points. Many had hoped that the index would soon break through the 100,000-point mark. However, the sudden political instability has dampened investor confidence, raising concerns about the sustainability of the market's upward trend.

"The political unrest has added a layer of uncertainty to a market that was showing strong signs of growth," said a senior market analyst. "While the economic fundamentals are solid, investor sentiment is heavily influenced by the political climate. The recent crisis has created unease, leading to the sharp drop in PSX."

Despite the setback, analysts believe the PSX has shown resilience in the past and could bounce back once political tensions subside. Factors such as Pakistan's steady export performance, strong remittance inflows, and the government's commitment to market-friendly reforms could help stabilize the market.

"Once the political situation stabilizes, we expect the PSX to regain its momentum. The market fundamentals remain strong, and with positive economic indicators, we remain optimistic about a recovery," the analyst added.

In the coming days, the performance of the KSE-100 index will be closely watched as an indicator of investor sentiment and the market's ability to navigate through the ongoing political turmoil.

POLITICAL UNREST SINKS PAKISTAN STOCKS BY 2.5%

November 26, 2024

Karachi, November 26, 2024 – The Pakistan stocks plunged sharply by 2,450 points, or 2.50%, in the latest trading session on Tuesday, as political turmoil rattled investor confidence.

By 2:25 PM PST, the benchmark KSE-100 index of Pakistan Stock Exchange (PSX) was trading at 95,630 points, down from the previous day's closing of 98,080 points. The sharp drop followed reports that the government had deployed the army to control a violent protest in Islamabad organized by the opposition party Pakistan Tehreek-i-Insaf (PTI). The deployment of military forces and the escalating unrest triggered widespread concerns among investors, prompting sell-offs across the board.

The market's downturn comes after a period of optimism, with the KSE-100 index recently reaching a historic high of 98,080 points, sparking hopes that the index could soon surpass the 100,000-point mark. However, the escalating political instability has cast doubts on the market's ability to maintain its upward momentum.

"The political unrest has added a layer of uncertainty to the market, which was showing signs of strength," said a senior market analyst. "Despite solid economic fundamentals, investor sentiment is heavily influenced by the political environment. The current crisis has caused

SLD E-LAW UPDATING SERVICE

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

considerable unease among market participants, leading to the recent drop in the Pakistan stocks.”

While the decline raised concerns, analysts noted that the KSE-100’s resilience over the past years, despite political challenges, suggests the market has the potential to recover. Experts pointed to the country’s steady export performance, robust remittances, and the government’s commitment to market-friendly reforms as factors that could help stabilize the market once political tensions ease.

“Although there’s significant short-term volatility due to political factors, the underlying economic strength remains intact. If the situation stabilizes, the market can regain its upward momentum,” said another analyst.

The KSE-100 index’s performance, however, will continue to be closely linked to broader macroeconomic conditions, including inflation control, fiscal discipline, and global commodity prices. Analysts emphasized that external factors, such as geopolitical developments and shifts in global markets, will also play a critical role in determining the future direction of the Pakistan stocks.

In the coming days, the KSE-100 index will serve as a key barometer of investor sentiment and the market’s ability to navigate the ongoing political storm. The extent to which the Pakistan stocks can bounce back from this setback will depend largely on how quickly political stability is restored. If calm returns to the political scene, analysts believe the index could resume its climb, potentially reaching new milestones in the future.

KSE-100 STARTS WITH 475-POINT DIP AS POLITICAL TURMOIL ESCALATES

November 26, 2024

Karachi, November 26, 2024 – The benchmark KSE-100 index of the Pakistan Stock Exchange (PSX) dropped by 475 points at the start of trading on Tuesday due to escalating political instability.

The KSE-100 index was trading at 97,605 points around 10:00 AM PST, down from the previous day’s closing of 98,080 points. The decline came after reports emerged that the government had called in the army to control a protest led by Pakistan Tehreek-i-Insaf (PTI), which had turned violent in Islamabad. The news sent negative signals to investors, causing immediate sell-offs across the market.

The political unrest comes at a time when the KSE-100 index had reached a historic high of 98,080 points on the previous day, sparking optimism among market analysts about the possibility of crossing the 100,000-point mark. However, the rising political tensions have raised concerns that the market’s upward momentum may be derailed.

Despite the early drop, analysts believe that the KSE-100 index has shown remarkable resilience. They attribute this to investor confidence in Pakistan’s economic fundamentals, including steady

SLD E-LAW UPDATING SERVICE

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

exports, remittances, and the government's commitment to implementing market-friendly reforms. However, experts caution that ongoing volatility could continue if political instability remains unresolved.

"The KSE-100 index's performance reflects underlying confidence in the economy, but the current political crisis is creating uncertainty," said a senior market analyst. "Investors are wary of further disruptions, and until the situation stabilizes, we could see continued fluctuations in the market."

While the initial downturn has raised concerns, some analysts remain hopeful that once the political tensions ease, the market will bounce back, driven by positive economic indicators. The resilience shown by the KSE-100 index during previous periods of instability suggests that the market has the potential to recover, though it remains susceptible to external shocks and domestic political developments.

Experts also noted that the future performance of the KSE-100 index will be heavily influenced by macroeconomic stability, including inflation control, fiscal policy, and external factors such as global commodity prices and geopolitical trends. If political tensions subside, the index could resume its upward trajectory.

The performance of the KSE-100 index in the coming days will be a key indicator of investor sentiment and the market's ability to navigate the current political storm.

KSE-100 TUMBLES 1.74% MIDDAY ON HEIGHTENED POLITICAL TENSIONS

November 26, 2024

Karachi, November 26, 2024 – The benchmark KSE-100 index of the Pakistan Stock Exchange (PSX) dropped sharply by 1,706 points, or 1.74%, during midday trading on Tuesday, reflecting heightened political unrest in the country.

At 12:50 PM PST, the index was trading at 96,374 points, down from Monday's historic close of 98,080 points. The sharp decline followed reports that the government had deployed the army to manage a violent protest in Islamabad led by Pakistan Tehreek-i-Insaf (PTI). This development triggered widespread investor concern, leading to significant sell-offs across the board.

The market's drop comes after a wave of optimism as the KSE-100 index had recently reached an all-time high, with analysts anticipating the potential to surpass the 100,000-point milestone. However, the intensifying political instability has cast doubt on the market's ability to maintain its upward momentum.

Despite the setback, analysts highlighted the KSE-100 index's underlying resilience, which they attribute to robust economic indicators such as stable exports, healthy remittance inflows, and the government's focus on market-friendly reforms. Nevertheless, they warned that prolonged political instability could undermine investor confidence and prolong market volatility.

SLD E-LAW UPDATING SERVICE

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

“The index’s performance reflects confidence in economic fundamentals, but the current political turmoil has introduced significant uncertainty,” said a senior market analyst. “Until the situation stabilizes, fluctuations in the market are likely to persist.”

While the recent decline has raised concerns, some market watchers remain optimistic about the market’s recovery prospects. They believe that once political tensions subside, the index could regain its upward momentum, buoyed by Pakistan’s positive economic outlook. Past instances of resilience during periods of political instability suggest that the market has the potential to recover quickly.

Experts also noted that the KSE-100 index’s trajectory will hinge on broader macroeconomic factors, including inflation control, fiscal discipline, global commodity trends, and geopolitical developments. If political calm is restored, the index could resume its climb toward new milestones.

The KSE-100’s performance in the coming days will serve as a critical barometer of investor sentiment and the market’s capacity to navigate the current political uncertainties.

SECP CRACKS DOWN ON 142 FRAUDULENT DIGITAL APPLICATIONS

November 26, 2024

The Securities and Exchange Commission of Pakistan (SECP) has heightened its regulatory oversight of capital markets and businesses, targeting illegal financial practices while reinforcing investor confidence through technology-driven measures.

The SECP reported blocking 142 unauthorized digital lending applications and taking action against over 50 unregistered deposit-taking entities and fraudulent investment schemes. Complaints regarding these entities were referred to the Federal Investigation Agency (FIA), Pakistan Telecommunication Authority (PTA), State Bank of Pakistan (SBP), and Google for further steps.

To protect the public, the SECP signed a memorandum of understanding (MoU) with the FIA, enabling swift action against scams. Public warnings were issued, offending companies were flagged on the SECP website, and legal steps were initiated to dissolve non-compliant entities.

During a recent Commission meeting, SECP reaffirmed its commitment to transparency and investor protection. Key discussions centered on measures to combat illegal deposit-taking and financial fraud. Oversight efforts included reviews of mutual funds, insurance companies, and brokerage firms to ensure compliance and safeguard investor interests.

A joint inspection team from the Pakistan Stock Exchange, Central Depository Company, and National Clearing Company conducted risk-based inspections of 64 securities brokers, focusing on client asset segregation, margin collection, and pledged securities. Findings indicated no immediate risks, reflecting improved compliance in brokerage operations.

SLD E-LAW UPDATING SERVICE

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

In the insurance sector, regulatory interventions led to Rs162 million in additional refunds to policyholders, further boosting public trust. SECP's collaboration with public sector companies improved financial statement compliance, increasing filing ratios from 34% to 51%.

The SECP is adopting technology-driven supervisory models aligned with global standards, emphasizing early detection and intervention in high-risk scenarios to stabilize financial markets.

However, delays in legal enforcement remain a challenge, with 53 investigations and 30 criminal complaints currently under court stay orders. The SECP emphasized adherence to Standard Operating Procedures to expedite case resolutions.

A review of the mutual fund industry was concluded to mitigate risks and protect investors. Efforts included assessments of client asset segregation and profit distribution processes.

Increased scrutiny in the insurance sector targeted high-risk entities, ensuring fair treatment of policyholders and industry stability. Proactive measures, including blocking fraudulent apps, raising public awareness, and flagging non-compliant sponsors, form part of SECP's broader strategy to secure the financial landscape.

Through comprehensive enforcement and regulatory actions, the SECP underscores its dedication to investor protection, market transparency, and bolstering trust in Pakistan's financial sector.

GOLD PRICES PLUNGE BY RS 4,100 IN PAKISTAN AMID GLOBAL DECLINE

November 26, 2024

Karachi, November 26, 2024 – Gold prices in Pakistan experienced a sharp drop on Tuesday, plummeting by Rs 4,100 per tola due to a significant decrease in international market rates. This marks one of the steepest single-day declines in recent weeks.

The price of 24-karat gold per tola closed at Rs 274,300, down from the previous day's rate of Rs 278,400 in local markets. Similarly, the price of 24-karat gold per 10 grams fell by Rs 3,515, settling at Rs 235,168 compared to Monday's Rs 238,638.

Gold prices in Pakistan have seen considerable fluctuations in recent weeks. The highest price on record was Rs 287,900 per tola on October 30, 2024. However, since reaching this peak, prices have remained volatile, reflecting global trends and domestic economic pressures.

The decline in domestic gold prices is largely attributed to a significant drop in international gold rates. On Tuesday, gold prices in the global market fell by \$41, closing at \$2,631 per ounce, down from the previous day's \$2,672.

Bullion market experts have pointed to easing geopolitical tensions in the Middle East as a primary factor driving the decline. A reduction in uncertainty and risk in global markets has

decreased investor demand for gold, traditionally seen as a safe-haven asset during times of crisis.

The drop in gold prices offers some relief to local buyers, especially in the lead-up to the wedding season, when demand for gold typically surges. However, experts caution that gold prices could remain unpredictable, influenced by both global economic conditions and fluctuations in the value of the Pakistani rupee.

The sharp decrease may also impact local investors who rely on gold as a hedge against inflation. With international markets in flux, traders and buyers in Pakistan are keeping a close watch on global developments to anticipate future trends.

As the year-end approaches, analysts suggest monitoring geopolitical and economic factors closely, as they are likely to determine the direction of gold prices in both local and global markets.

Business & Finance » Money & Banking

YUAN SLIDES TO FOUR-MONTH LOW

Reuters Published 45 minutes ago

SHANGHAI: The yuan fell against the US dollar to its weakest in nearly four months after US President-elect Donald Trump said he would impose a 25% tariff on all products from Mexico and Canada, and an additional 10% tariff on goods from China.

Offshore yuan dropped roughly 0.3% on the news to 7.2730 per dollar, its lowest since July 30, while onshore yuan also fell after the market opening.

“The directional impact is clear for the yuan – weaker – but Chinese authorities will be nervous about devaluing too much and encouraging outflows,” said Ben Bennett, head of investment strategy for Asia at LGIM.

Prior to the market opening, the People’s Bank of China (PBOC) set the midpoint rate, around which the yuan is allowed to trade in a 2% band, at 7.1910 per dollar, which was 450 pips firmer than the Reuters’ estimate.

TRUMP TARIFF VOW HITS MEXICAN AND CANADIAN CURRENCIES, YEN FIRM

Reuters Published 45 minutes ago

NEW YORK: A pledge by President-elect Donald Trump to impose tariffs on products from Canada, Mexico and China sent their currencies lower against the dollar on Tuesday, renewing the specter of trade wars and fanning uncertainty in other currency pairs.

SLD E-LAW UPDATING SERVICE

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

Trump said that on his first day in office, he would impose a 25% tariff on all products from Mexico and Canada. On China, he said Beijing was not taking strong enough action to curb the export of ingredients used in illicit drugs, floating “an additional 10% tariff, above any additional tariffs, on all of their many products coming into the United States of America”. Trading was thin ahead of Thursday’s US Thanksgiving holiday, which spills into Friday, when many traders also take off.

The dollar initially jumped more than 2% against the peso and was last up 1.57% at 20.5992 pesos.

“Because we are in the week that we’re in, the statements have not, I don’t think, caused all of the damage that we are yet to see. But of course, the peso is vulnerable to falling into those multi year lows against the US dollar,” said Juan Perez, director of trading at Monex USA, in Washington, DC.

The dollar hit a 4-1/2-year high against its Canadian counterpart, rising more than 1.5%, and was last up 0.69% at C\$1.4082. The US currency also rose to its highest since July 30 against China’s yuan and was trading at 7.26 yuan.

“I think we had a perfect example last night of why volatility is more likely under Trump,” said Jane Foley, head of FX strategy at Rabobank.

“He can just put out a comment like that outside of usual US market hours that takes people by surprise. It leaves investors, everybody scrambling to work out what this really means.” Otherwise, the dollar was a bit on defence after Trump’s announcement Friday that of hedge fund manager Scott Bessent would become US Treasury Secretary, which buoyed government bonds and sent yields lower. It was last down 0.38% at 153.63 yen while the euro was up 0.05% at \$1.0499. The dollar index was at 106.89, versus 106.86 late Monday.

Perez said the tariff news helps the yen as a safe haven.

“Any type of turbulence and turmoil that may be thrown in the way of China, it’s not necessarily always going to be a benefit for Japan, but it opens room for Japan to negotiate more of a place of leadership once again in Asia.” Scheduled news is on the light side this week, with the main events being the minutes from the Federal Open Market Committee’s November meeting due at 2 p.m. EST/1900 GMT and on Wednesday the October Personal Consumption Expenditures price index.

The Australian dollar sank to a more than three-month low of \$0.6434 in early Asian trading and was last down just 0.57% at \$0.6465. The Aussie is often sold as a liquid proxy for the yuan given China is Australia’s biggest trading partner.

In cryptocurrencies, bitcoin was trading at \$93,334, well below the record high of \$99,830 it touched last week.

ASIAN CURRENCIES DOWN

Reuters Published 45 minutes ago

BENGALURU: The Mexican peso sank to a more-than-two-year low on Tuesday, while Asian currencies also retreated after the US dollar rallied following US President-elect Donald Trump's pledge to slap big tariffs on the country's biggest trading partners.

Trump, who takes office on Jan. 20, 2025, said he would impose a 25% tariff on imports from Canada and Mexico and outlined "an additional 10% tariff, above any additional tariffs" on imports from China.

The Mexican peso slumped as much as 2.3% to near its lowest since August 2022, before easing to trade down 1.7% as of 0745 GMT. The US dollar rose to a four-and-a-half-year high against the Canadian dollar.

In Asia, the greenback rose to its highest level since July 30 against China's yuan. However, the biggest losers were the Malaysian ringgit and Indonesian rupiah, falling 0.4% each.

The peso had a kneejerk reaction lower but thin liquidity outside the North American time zone may have contributed to the outsized moves in Asia, said Alex Loo, an FX and Macro strategist at TD Securities, Singapore.

The Thai baht fell up to 0.4%, with analysts flagging concerns around the export-focussed country's widening trade deficit with China.

Thailand's bilateral goods trade deficit with China has steadily increased to hit \$36.7 billion in 2023 from \$10.49 billion in 2013.

China is also a leading source of foreign direct investment and tourism receipts for Thailand and Trump's tariffs on Mexico could have implications for goods exported through the Southeast Asian country.

"The authorities will need to strike a delicate balance between protecting domestic firms and jobs and establishing mutually beneficial ties with Chinese firms," Maybank analysts said.

RUPEE WEAKENS TO PKR 277.84 AGAINST DOLLAR IN INTERBANK

November 26, 2024

Karachi, November 26, 2024 – The Pakistani rupee on Tuesday ended down to PKR 277.84 against the US dollar in interbank foreign exchange market. The rupee fell by nine paisas from previous day's closing of PKR 277.75 in the interbank foreign exchange market.

Currency analysts attributed the rupee fall to stock market crash today. They said that negative sentiments prevailed across financial markets of Pakistan due to political protest in Islamabad.

SLD E-LAW UPDATING SERVICE

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

However, despite rupee fall the analysts are optimistic about the outlook stating that easing tensions in the Middle East to support the local currency. Experts remain hopeful about the rupee's stability, citing consistent inflows from exports and remittances as key factors supporting this positive outlook. Furthermore, the rising foreign exchange reserves of the State Bank of Pakistan (SBP) have strengthened confidence in the rupee's performance.

The SBP reported a \$29 million increase in foreign exchange reserves for the week ending November 15, 2024, pushing reserves up to \$11.288 billion from \$11.259 billion the previous week. This increase reflects ongoing efforts to bolster Pakistan's external financial position amid broader macroeconomic challenges.

Export earnings have also played a significant role in stabilizing the rupee, contributing to an \$84 million rise in official reserves, which now stand at \$11.257 billion. This improvement provides some relief for the country's external financial obligations.

Market analysts noted that the rupee's strengthening has boosted investor confidence, helping the equity markets make modest recoveries. However, they stressed the need for addressing structural weaknesses within Pakistan's export sector and reducing reliance on short-term financial inflows to ensure the rupee's sustained stability.

Additionally, remittances from overseas Pakistanis continue to positively impact the country's foreign exchange reserves, further supporting the rupee's position. While these factors offer temporary relief, analysts warn that lasting economic progress hinges on implementing structural reforms, particularly in export-driven industries, to diversify the economy, enhance long-term growth prospects, and reduce vulnerability to external shocks. Strengthening the domestic industrial base and improving trade relations will be essential for maintaining the rupee's stability in the future.

SBP REVISES GUIDELINES ON MINIMUM PROFIT RATE FOR DEPOSITS

November 26, 2024

Karachi, November 26, 2024 – The State Bank of Pakistan (SBP) announced updated instructions on Tuesday regarding the minimum profit rate requirement for deposits.

Referring to Circular No. 05 of 2014 (dated May 27, 2014) and BPRD Circular No. 07 of 2013 (dated September 27, 2013), the SBP clarified that the minimum profit rate requirement outlined in these circulars will no longer apply to deposits held by financial institutions, public sector enterprises, and public limited companies. These changes will take effect on January 1, 2025.

As per BPRD Circular No. 07 of 2013, the SBP had previously specified that, effective October 1, 2013, the minimum profit rate on all Pak Rupee saving deposits would be 50 basis points below the prevailing SBP Repo Rate (Interest Rate Corridor – Floor). Adjustments to this minimum rate, following any changes to the SBP Repo Rate, were to be implemented from the first day of the following month.

SLD E-LAW UPDATING SERVICE

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

The updated guidelines also reaffirm that the minimum profit rate applies to the average monthly balances of all saving deposits, including both existing and new term deposits. Other instructions on the matter remain unchanged, and non-compliance will result in punitive measures under the Banking Companies Ordinance, 1962.

This revision reflects the SBP's ongoing efforts to streamline banking regulations and promote financial sector stability. By excluding deposits from specific entities such as financial institutions and public sector enterprises, the central bank aims to better align its profit rate policies with broader economic objectives. Experts believe this move could improve operational flexibility for banks and promote more targeted deposit strategies.

Additionally, profit payments on saving deposits for Islamic banks, including their branches or windows, will continue to be governed by IBD Circular No. 03, issued on November 19, 2012. These measures collectively ensure that the evolving dynamics of Pakistan's financial landscape are effectively addressed.

DOGECOIN PRICE DIPS, BUT \$1 TARGET REMAINS

November 26, 2024

Dogecoin (DOGE) price has recently retreated from its highest level this month, entering a technical correction. The price has slipped to \$0.4050, following a strong rally that lost momentum. However, many still believe Dogecoin has the potential to reach \$1 this year.

The current correction, defined as a drop of 10% from a local peak, coincided with a decline in Bitcoin's price, which fell from around \$100,000 to \$95,000. Cryptocurrencies often experience sharp declines when Bitcoin pulls back. Despite this, analysts remain optimistic about DOGE's future, citing several catalysts that could drive the price higher in the coming weeks. Hov, a crypto analyst who has previously made positive predictions for Dogecoin, continues to forecast a bullish trend for the coin. He expects DOGE to rise between \$2.20 and \$3.46 in the ongoing bull run. A rise to the upper end of his target would represent a 650% increase from current levels.

The weekly chart shows that Dogecoin has been in a strong bull run recently. It recently broke through a key resistance level at \$0.2308, which had been its highest point since March 12. Surpassing this level negated a double-top pattern that had been forming. Dogecoin then surged to \$0.4811, just shy of the psychological \$0.50 mark. This price point also represented an extreme overshoot of the Murrey Math Lines, indicating potential for consolidation in the near term.

Analysts suggest that Dogecoin may form a bullish pennant or flag pattern as it consolidates, before potentially surging to \$0.7480, its all-time high, which is roughly 85% above its current price. As for the question of whether Dogecoin can reach \$1 or even \$10, a move to \$1 seems possible if it surpasses its all-time high of \$0.7480. However, hitting \$5 or \$10 this year remains unlikely. Such a surge may be more feasible next year, particularly if a spot Dogecoin ETF is launched.

PKR TO USD: RUPEE GAINS 5 PAISAS IN EARLY TRADE

November 26, 2024

Karachi, November 26, 2024 – The Pakistani rupee appreciated by 5 paisas against the US dollar (USD) in early trading, reaching PKR 277.70 in the interbank foreign exchange market on Tuesday. This follows a closing rate of PKR 277.75 on November 25, 2024.

Currency analysts attributed the rupee's gain to a decline in international oil prices, driven by easing tensions in the Middle East. Experts remain hopeful about the rupee's stability, citing consistent inflows from exports and remittances as key factors supporting this positive outlook. Furthermore, the rising foreign exchange reserves of the State Bank of Pakistan (SBP) have strengthened confidence in the rupee's performance.

The SBP reported a \$29 million increase in foreign exchange reserves for the week ending November 15, 2024, pushing reserves up to \$11.288 billion from \$11.259 billion the previous week. This increase reflects ongoing efforts to bolster Pakistan's external financial position amid broader macroeconomic challenges.

Export earnings have also played a significant role in stabilizing the rupee, contributing to an \$84 million rise in official reserves, which now stand at \$11.257 billion. This improvement provides some relief for the country's external financial obligations.

Market analysts noted that the rupee's strengthening has boosted investor confidence, helping the equity markets make modest recoveries. However, they stressed the need for addressing structural weaknesses within Pakistan's export sector and reducing reliance on short-term financial inflows to ensure the rupee's sustained stability.

Additionally, remittances from overseas Pakistanis continue to positively impact the country's foreign exchange reserves, further supporting the rupee's position. While these factors offer temporary relief, analysts warn that lasting economic progress hinges on implementing structural reforms, particularly in export-driven industries, to diversify the economy, enhance long-term growth prospects, and reduce vulnerability to external shocks. Strengthening the domestic industrial base and improving trade relations will be essential for maintaining the rupee's stability in the future.

Trade & Industry

PRGMEA FOR A COLLABORATIVE APPROACH TO POLICYMAKING

Recorder Report Published 7 minutes ago

LAHORE: The Pakistan Readymade Garments Manufacturers & Exporters Association (PRGMEA) has emphasized the need for a collaborative approach in

SLD E-LAW UPDATING SERVICE

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

policymaking, uniting key stakeholders such as government ministries, academic institutions, and industrial bodies.

These views were expressed by the PRGMEA North Zone Chairman Dr. Ayyaz Uddin, in a letter addressed to the Federal Minister for Commerce Jam Kamal Khan. The letters were also sent to the Standing Committees on Climate Change and Human Rights of the Senate and as well as the National Assembly.

He said that the textile industry, which contributes \$16.5 billion annually to Pakistan's exports and serves as a cornerstone for employment generation, faces increasing global pressure to align with Environmental, Social, and Governance (ESG) principles.

Highlighting the importance of compliance with international frameworks like the Corporate Sustainability Due Diligence Directive (CSDDD) and ILO conventions, Dr. Ayyaz called these evolving global standards both a challenge and an opportunity for Pakistan's export sector. He pointed out that PRGMEA has taken a proactive step towards addressing the pressing challenges of social and environmental sustainability in Pakistan's textile sector.

In his correspondence, Dr. Ayyaz recommended to Engaging representatives from government, academia, and industry associations to develop actionable strategies for compliance and sustainability and establishing two task forces under the National Compliance Center (NCC): one dedicated to textile export challenges and the other addressing non-textile export sector issues, ensuring targeted solutions for sector-specific governance concerns.

"PRGMEA is committed to guiding the textile industry toward sustainability," stated Dr. Ayyaz. "We are actively supporting manufacturers and exporters in calculating carbon footprints, adopting eco-friendly practices, and meeting global sustainability benchmarks."

He also underscored the importance of intergenerational justice in addressing environmental challenges, ensuring that sustainable practices today safeguard resources and opportunities for future generations. Through these initiatives, PRGMEA envisions a transformative impact on labor practices, environmental compliance, and export competitiveness.

Dr. Ayyaz expressed confidence that these steps would bolster Pakistan's global standing and pave the way for a more sustainable future in the textile sector.

Copyright Business Recorder, 2024

2,300 CHINESE COMPANIES OPERATING IN PAKISTAN: VP PCJCCI

Recorder Report Published 29 minutes ago

LAHORE: Zafar Iqbal Vice President Pakistan China Joint Chamber of Commerce and Industry (PCJCCI), said during a meeting with the executive body that approximately 2300 small, medium and large scale Chinese companies are currently

working in Pakistan investing in various sectors, including the China-Pakistan Economic Corridor (CPEC).

He said that Chinese companies are interested in investing in sectors such as electronics, automotive, education exchange programmes, insurance, agriculture, textiles, shoe manufacturing, chemicals, battery recycling plant and real estate.

He said Pakistan's chemical industry, which provides inputs for many other sectors such as textiles, agriculture, food and beverages, leather, paper, pharmaceutical, plastics, printing and sugar, needs to build a global reputation of "made in Pakistan" from strength to brand. He further added that, Pakistan is the 8th largest exporter of textile products in Asia.

This sector contributes 9.5 percent to the GDP and provides employment to about 15 million people, i.e. 30 percent of the 49 million workforce of the country. He said that we should seek help from The All Pakistan Textile Mills Association and Punjab Board of Investment and Trade for such joint ventures that would help local textile millers to upgrade their outdated technology.

Vice President PCJCCI stressed Pakistan can benefit from China's growing influence in the field of biochemical industry, which has injected new vitality into the traditional chemical industry and opened up new development directions and insights.

"With the rapid development of biotechnology, the biochemical industry has become a new engine of growth for the chemical industry," he said, adding that both countries can cooperate in this field to achieve mutual benefits.

In his concluding remarks he stressed that PCJCCI aims to serve as a bridge between business communities of Pakistan and China to explore and expand the opportunities in the commercial and industrial sector. The government should support various initiatives to open up new vistas of knowledge and technology for our young entrepreneurs and businessmen.

Copyright Business Recorder, 2024

PHMA URGES GOVT TO HELP ENSURE SMOOTH GAS SUPPLY

Recorder Report Published 27 minutes ago

LAHORE: While expressing serious concerns over the threats of gas supply termination and notices of additional security payment by the SNGPL the Pakistan Hosiery Manufacturers & Exporters Association (PHMA) on Tuesday urged the government to withdraw these notices and ensure smooth gas supply to the export-oriented value-added textile industry so that the exports could not be suffered, which have just started to show a positive trend after a long time.

PHMA North Zone Chairman Abdul Hameed, in a letter to Commerce and Textile Minister Jam Kamal, has argued that at a time when the exports data have showed some growth the

SLD E-LAW UPDATING SERVICE

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

government agencies, instead of taking business-friendly measures, are creating hurdles for the exporters.

He quoted the latest exports data and said the exports of readymade garments rose 23.17pc by value in the first quarter and 16.16pc by quantity, while knitwear rose 14.13pc by value and 2.17pc by quantity while bed wear posted a growth of 13.31pc in value and a growth of 14.55pc in quantity, which is an encouraging sign.

The government should extend its full support to continue this positive trend of exports growth through uninterrupted gas supply to the captive power plants at affordable and competitive rates.

It is to be noted that the exports of textile and clothing recorded an increase of nearly 9.51 per cent in the first quarter of FY25 amid concerns that the industry was experiencing a slump.

The exports from the sector had a negative growth of 3.09pc in July, which rebounded 13pc in August and 17.92pc in September. Many experts believe that the textile sector may struggle to compete with regional rivals due to the implementation of harsh taxation measures in the current fiscal year. However, the disruption in supply from Bangladesh has also increased the demand for Pakistani garments.

The PHMA Chairman said that the textile and clothing exports have stayed the same in the last two years despite having a \$25 billion installed capacity. According to textile exporters, exports from the same sectors have been static for the past two years due to structural issues. “We would like to bring to your kind notice an important issue which would hurt industrial units and their production activities.”

He said that the notices have been issued to our members having captive power facility, demanding additional security payment based on revision of share of system gas and RLNG (e.g. 25:75). These notices are not only unwarranted but also harsh steps, given the decision to terminate the gas supply from these members from Jan 1, 2025 and simultaneously serving notices for enhanced security.

“It defies logic that on one hand, the SNGPL is terminating the gas facility, and on the other, an additional demand of security is being raised. We request immediate withdrawal of these notices and ensure gas supply to industry so that exports do not suffer.”

Furthermore, the industry was disappointed with the decision to terminate the gas facility. He said that the exporters have invested heavily in setting up captive power plants, and this move will render their infrastructure redundant and their investment will be doomed.

“In the light of the Petroleum Exploration & Production Policy 2009, which aims to accelerate exploration and development programs, we believe that terminating the gas facility is counterintuitive. We request that these decisions may please be reconsidered and industry may be engaged to explore alternative solutions that may balance the interests of all stakeholders.”

SLD E-LAW UPDATING SERVICE

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

He said that the PHMA hopes that the government will take its demands sympathetically and take immediate action through concerned ministry to address the concerns and to save the foreign exchange earning industry from collapse.

Copyright Business Recorder, 2024

Business & Finance » Companies

HAIER NAMED OFFICIAL PARTNER OF AUSTRALIAN OPEN FOR 2025-2027

Press Release Published 43 minutes ago

MELBOURNE: Haier announced that it is the official TV and appliance partner of the Australian Open and Summer of Tennis events. The two sides marked the partnership with an announcement ceremony in Melbourne, underscoring Haier's global commitment to sports and enhancing quality of life worldwide.

Over the next three years, Haier will collaborate with the Australian Open—one of the world's premier sporting events—to highlight its cutting-edge smart home innovations.

Li Huagang, Senior Vice President of Haier Group and Chairman and CEO of Haier Smart Home, commented on the alliance: "This partnership with the Australian Open marks a critical step in our globalization efforts, showcasing our commitment to sports and innovation."

Copyright Business Recorder, 2024

INDIA'S ANDHRA PRADESH STATE LIKELY TO SUSPEND ADANI POWER DEAL

Reuters Published November 26, 2024

NEW DELHI: India's Andhra Pradesh state is likely to suspend a power purchase deal linked to Adani Group due to the U.S. indictment of the group's billionaire founder Gautam Adani over an alleged bribery scheme, two state government sources said.

The southern state will ask the federal government and the Solar Energy Corporation of India (SECI), which awards power supply contracts to companies like Adani, to investigate the charges, the sources said.

The suspension, likely to be announced soon, would be the first such action by an Indian state government after U.S. prosecutors charged Gautam Adani and seven others with agreeing to pay bribes of \$265 million to unidentified Indian government officials to obtain solar power-supply contracts.

Sri Lanka probes Adani projects after US charges

SLD E-LAW UPDATING SERVICE

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

Most of the alleged bribes - \$228 million - were paid to a government official to get Andhra Pradesh's state electricity distribution companies to agree to purchase power, the U.S. indictment said. Adani has said the allegations are baseless

Andhra Pradesh is ruled by Prime Minister Narendra Modi's key ally Chandrababu Naidu, whose party has the second highest number of parliamentary seats in the coalition government formed after the main Bharatiya Janata Party failed to get a majority in national elections concluded in June.

Modi's federal government has so far not commented on the U.S. indictment of Adani.

The power supply to Andhra Pradesh under the SECI agreement was scheduled to start from next year, according to one of the sources.

"The decision will be taken very soon," the second source said about the planned suspension.

TotalEnergies pauses business with Adani, says it was not aware of US investigation

Clauses in the power supply agreements provide for Indian states to terminate contracts and also bar the companies involved from any future bidding if the bidder has committed a serious transgression.

Adani Group and the Andhra Pradesh government did not immediately reply to Reuters requests for comment.

Reuters reported earlier on Tuesday that Andhra Pradesh was exploring the possibility of cancelling a power supply contract linked to Adani Group.

Andhra Pradesh's previous ruling party - YSR Congress Party - under whose administration the alleged misconduct took place, last week denied any wrongdoing.

120MW SOLAR PROJECT: KE RECEIVES LOWEST BID FROM KAPCO

BR Web Desk Published November 26, 2024

Power utility K-Electric (KE) received the lowest tariff bid from Kot Addu Power Company Limited (KAPCO) for its 120-megawatt (MW) solar project in Karachi.

KAPCO shared the development in a notice to the Pakistan Stock Exchange (PSX) on Tuesday.

"We are pleased to inform you that the company's bid for the proposed K-Electric solar project to be set-up at Deh Halkani, District West, Karachi, for 120MW is the lowest bid at the proposed bid tariff of 9.8319 PKR/kWh (3.4061 cents/kWh at the reference exchange rate for USD/PKR 288.65)," read the notice.

SLD E-LAW UPDATING SERVICE

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

The competitive bidding for the project was carried out by K-Electric under the NEPRA (Electric Power Procurement Regulations), 2022, said KAPCO.

“The formal award for the project to the company will be subject to approval from NEPRA based on the report of auction and evaluation committee of K-Electric,” it added.

Earlier in October, KE received the “country’s lowest tariff bid” of Rs8.9189 per unit from a Canadian-based renewable energy company for KE’s 220-megawatt (MW) hybrid project.

The development came after KE received seven bids for its 220MW site-neutral hybrid project in Dhabaji, Sindh.

Back then the power utility said it was working on a competitive bidding process in the renewable energy space, following an approval from the National Electric Power Regulatory Authority (NEPRA) in the first half of 2024.

“With the launch of these projects, KE is sprinting ahead towards a sustainable and promising future, in line with an aim to enhance share of renewable energy to 30% in its mix by 2030.

“As a next step, KE will submit the bid evaluation report to NEPRA for its approval,” the utility said back then.

KE is a public listed company, and the only vertically integrated power utility in the country supplying electricity to Karachi and its adjoining areas.

The majority shares (66.4%) of the company are owned by KES Power, a consortium of investors including Al-Jomaih Power Limited of Saudi Arabia, National Industries Group (Holding), Kuwait, and the Infrastructure and Growth Capital Fund (IGCF).

Meanwhile, KAPCO is an electricity producer which owns, operate and maintain a multi-fuel-fired power station with fifteen generating units with a nameplate capacity of 1,600 MW in Kot Addu, District Muzaffargarh, Punjab.

INDUS MOTOR, GHANDHARA TYRE TEMPORARILY HALT PRODUCTION

BR Web Desk Published November 26, 2024

Amid challenges in the country’s auto sector, including material shortage and operational adjustments, two prominent companies in Pakistan – Indus Motor Company (INDU) and Ghandhara Tyre & Rubber Company Limited (GTYR) – separately announced temporary suspensions of their production activities.

In a notice released to the Pakistan Stock Exchange (PSX), INDU, the assembler of Toyota vehicles in Pakistan, informed that “the company is currently experiencing a shortage of raw materials and components, compounded by ongoing supply chain disruptions”.

Indus Motor temporarily halts operations citing inventory shortage

“As a result, the company is facing challenges in sourcing the necessary parts for vehicle production, which has impacted its ability to meet production requirements,” it informed its stakeholders.

“In light of these circumstances, the company has decided to temporarily suspend operations at its production facility from 27th November 2024 to 29th November 2024,” it added.

Automakers in Pakistan announce temporary shutdowns as economic woes bite

Similarly, GTYR, a manufacturer of tyres and tubes for automobiles and motorcycles, in a separate notice to the bourse announced a temporary shutdown of production activity from 27th November 2024, to 2nd December 2024.

“We inform you that due to planned work on our utility line in the factory, the boiler will be shut down.

“Consequently, the company has decided to temporarily suspend plant operations from Wednesday, 27th November 2024, to Monday, 2nd December 2024,” read the notice.

The company noted that it does not foresee any adverse impact on its sales, “as all regional offices will remain operational”.

“The company will promptly resume operations once the work is completed,” it added.

SBP MAKES KEY REVISIONS TO MINIMUM PROFIT RATE REQUIREMENTS, ISLAMIC BANKING GUIDELINES

BR Web Desk Published November 26, 2024

In a major development for the banking sector, the State Bank of Pakistan (SBP) on Tuesday announced that the Minimum Profit Rate (MPR) requirement will no longer apply to financial institutions, public sector enterprises and public limited companies.

Moreover, the central bank has directed Islamic Banking Institutions (IBIs) to pay at least 75% of the weighted average gross yield from their investment pools as profit on PKR savings deposits.

As per a circular issued by the SBP, the MPR requirement specified vide BPRD Circular No. 05 of 2014 dated May 27, 2014 and BPRD Circular No. 07 of 2013 dated September 27, 2013 “shall not be applicable on the deposits of financial institutions, public sector enterprises and public limited companies.”

Previously, banks were required to pay an MPR on all Pak Rupee Saving Deposits equivalent to 50 basis points below the prevailing SBP Repo Rate (Interest Rate Corridor - Floor).

Meanwhile, experts have termed the changes a positive development for the banking industry.

SBP's profit hits record Rs3.4tn in FY24, govt set for windfall

“The measure is overall positive development for the banking sector,” Sana Tawfik, Head of Research at Arif Habib Limited (AHL), told BUSINESS RECORDER. “This will help commercial banks reduce the cost of deposits,” she added.

Sunny Kumar of Topline Securities noted that the measure will benefit banks with a higher mix of corporate deposits, as they are no longer required to pay any MDR.

“Banks will now pay negotiated rates to corporates,” Kumar said in a note.

In a separate circular, Pakistan's central bank has also introduced revisions to the profit distribution framework for IBIs.

The SBP has decided that IBIs “shall pay profit on their PKR saving deposits (excluding deposits of financial institutions, public sector enterprises and public limited companies) equivalent to at least 75% of the weighted average gross yield of all pools of an IBI”.

“For the purpose of determining the gross yield of each pool, the monthly gross earnings of the pool shall be divided by the monthly average assets of the pool (excluding fixed assets).

“However, the pool(s) created by IBIs for Shariah-compliant standing ceiling facility and Shariah-compliant open market operations (OMOs) will be excluded while calculating the weighted average gross yield of pool(s),” read the central bank's circular.

Pakistani Islamic finance industry: Size estimated to have crossed \$42bn: SECP

The SBP announced revisions in the “Instructions for Profit & Loss Distribution and Pool Management for IBIs” issued vide IBD Circular No. 03 dated November 19, 2012 and IBD Circular Letter No. 01 dated January 01, 2013.

It stated that “Clause 4.2.3 shall stand deleted.

“Clause 5.2.1 shall be replaced with “IBI may forego a part of its Mudarib share as hiba to meet the market expectation in case of lower than expected/market returns earned by the pool. However, IBIs maintaining PER will reduce their Mudarib share only if the PER is insufficient to improve the profit payouts to the depositors.”

Moreover, “Clause 5.2.2 shall be replaced with “If needed, IBIs may give hiba to saving account depositors to meet the requirement of minimum profit rate.”

SBP said the instructions shall be effective from January 01, 2025.

Technology

LARGE FIRE AT JAPAN ROCKET TEST SITE, NO INJURIES REPORTED

AFP Published November 26, 2024

TOKYO: A major fire erupted Tuesday at a Japan space agency site as it tested a solid-fuel Epsilon S rocket, television footage showed.

There were no reports of any injuries in the incident in the remote Kagoshima region of southern Japan.

Towering balls of fire and white fumes rose from the Tanegashima Space Center, according to the footage from national broadcaster NHK.

“There was an abnormality during today’s combustion test. We are trying to assess what happened,” the Japan Aerospace Exploration Agency (JAXA) told AFP in a statement.

“No injuries have been reported at this point. The cause is also under investigation.”

NHK says the fire happened during a combustion test that began at around 8:30 am (2330 GMT), with media stationed around 600 metres (yards) away.

About 30 seconds later, a large explosion was heard, and what appeared to be something on fire flew toward the sea, NHK said.

The Sankei Shimbun reported that orange flames burst out from the rocket engine placed on a horizontal platform before the explosion.

Tuesday’s fire is not the first time JAXA has experienced setbacks in its rocket programmes.

In July 2023 one engine of an Epsilon S exploded during a test around 50 seconds after ignition.

That was one in a string of failures for the country’s space agency JAXA, including launch attempts for its next-generation H3 rocket.

JAXA managed a successful blast-off in February this year for the H3, its new flagship rocket that has been mooted as a rival to SpaceX’s Falcon 9.

SpaceX poised for second launch of mega Starship rocket

That followed Japan successfully landing in January an unmanned probe on the Moon – albeit at a crooked angle – making it just the fifth country to achieve a “soft landing” on the lunar surface.

In March a rocket made by a private Japanese company exploded seconds after launch.

Tokyo-based Space One's 18-metre (60-foot) Kairos rocket blasted off in the coastal Wakayama region of western Japan, carrying a small government test satellite.

But around five seconds later, the solid-fuel rocket erupted in fire, sending white smoke billowing around the remote mountainous area as orange flames raged on the ground, live footage showed.

Burning debris fell onto the surrounding slopes as sprinklers began spraying water, in dramatic scenes watched by hundreds of spectators gathered at public viewing areas including a nearby waterfront.

Space One said at the time that it had taken the decision to "abort the flight" and details were being investigated.

Economic distress

BANKING MALPRACTICE: PENALISING DEPOSITORS AND UNDERMINING ECONOMIC GROWTH

Dr Murtaza Khuhro Published about an hour ago

The recent decision by several banks in Pakistan to levy fees on high-value deposits has sparked nationwide debate on the ethics, legality, and economic implications of such measures.

This unprecedented development, set to take effect in December 2024, aims to address liquidity challenges and improve banks' advance-to-deposit ratios (ADR). However, this decision has left depositors and financial experts questioning its fairness, legality, and long-term repercussions.

Traditionally, banks have incentivized high-value deposits as a means of strengthening their liquidity base. By charging significant fees instead, banks risk damaging public trust and alienating a key segment of depositors.

Greed and malpractice in banking: A detriment to Pakistan's economy

The banking sector in Pakistan has faced criticism for its disproportionate investment in government securities, leaving the real economy underfunded and over-reliant on external borrowing.

This malpractice stems from a strategy that prioritizes risk-free returns over improving the advance-to-deposit ratio (ADR), which would involve lending to businesses and households. While these investments in government debt provide consistent returns, they stifle economic growth by limiting credit availability to productive sectors.

SLD E-LAW UPDATING SERVICE

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

Banks are constitutionally obligated to act as financial intermediaries, channeling deposits into productive investments that generate employment and growth. However, their preference for government securities reflects a troubling aversion to risk and a failure to fulfill their developmental role. According to SBP reports, the ADR of several banks remains alarmingly low, indicating that deposits are not being utilized to stimulate private-sector growth. This strategy reveals the systemic greed of financial institutions prioritizing profits over national economic development.

To mitigate the risks of liquidity concentration, banks have turned to punitive measures, such as imposing exorbitant fees on large deposits. The recent announcement of a 5% monthly fee on deposits exceeding PKR 5 billion by several banks exemplifies this malpractice. This policy unfairly targets high-value depositors to compensate for the banks' failure to diversify investments. It also discourages trust in the banking system, pushing depositors toward alternative financial solutions or cash-based economies.

The controversial move

Banks have justified high deposit fees as a way to manage excess liquidity, which has arisen from their inability to offer loans, and to avoid tax liabilities due to low Advance-to-Deposit Ratio (ADR). Critics argue that this undermines banks' traditional role as custodians of public deposits, as large deposits have historically been seen as assets that support the banks' loan-making capacity.

The fees are also seen as disproportionately penalizing depositors who entrust banks with significant capital. In global banking systems, high-value depositors are often rewarded with preferential interest rates or customized financial services, not penalized. The introduction of these charges could make Pakistan an outlier in the global financial landscape.

Legal and ethical concerns

1- Violation of contractual obligations: Banking relationships are governed by contracts formed during account opening. These agreements define the terms under which accounts are operated and maintained. Imposing fees on deposits exceeding certain thresholds constitutes a unilateral amendment to these agreements.

In many cases, customers were neither informed nor explicitly consented to these changes when opening their accounts. Such actions violate the fundamental principles of contract law and undermine the depositor's trust.

2- Discrimination and constitutional violations: Article 25 of the Constitution of Pakistan guarantees equality before the law and prohibits discrimination.

The decision to target only high-value depositors creates an unequal framework that lacks justification. It is discriminatory to exempt lower-tier accounts from fees while disproportionately penalizing depositors contributing significantly to banks' liquidity. Such policies could invite legal challenges under constitutional provisions.

3- Lack of transparency and regulatory clarity: The State Bank of Pakistan (SBP) issued the “Guiding Principles on Fairness of Service Charges” (2015), which pertain to services where banks allocate additional resources. However, SBP has not provided a regulatory framework for imposing fees on basic banking activities, such as accepting deposits.

4- Breach of fiduciary duty: Banks operate as fiduciaries, managing customer funds in a manner that prioritizes the depositor’s best interests.

By imposing fees without demonstrable service enhancement, banks risk breaching this fiduciary duty. Such actions may alienate depositors and lead to an erosion of trust in the banking system.

Economic and social implications

Weakened public trust in banking: Trust forms the foundation of the banking system. High-value depositors, often comprising businesses (and individual), rely on banks for safe custody of their funds. Penalizing this group through significant fees and that also unilaterally could lead to diminished confidence in banks’ ability to act as custodians of wealth.

Globally, banks often adopt a contrasting approach, offering incentives such as higher interest rates or exclusive privileges to attract high-value deposits. This ensures a stable liquidity base while fostering customer loyalty. Pakistan’s banking sector’s deviation from this practice could diminish its competitiveness in the international financial landscape.

The doctrine of proportionality and its relevance

The doctrine of proportionality, widely recognised in legal frameworks, requires that any action taken must be reasonable and proportional to its objectives. Applying this doctrine to the issue of deposit fees reveals significant shortcomings:

- 1- The fees are disproportionate to the services offered by banks.
- 2- They create undue hardship for high-value depositors without any demonstrated operational necessity.
- 3- Tax avoidance resulting from a low ADR should be addressed by aggressively introducing innovative, business-friendly, and people-centric products that enable businesses and individuals to engage in new and profitable economic activities, rather than penalizing large depositors, many of whom are State-Owned Enterprises (SOEs).

The imposition of fees on high-value deposits by private banks in Pakistan marks a troubling shift in banking practices, raising serious concerns about legality, fairness, and long-term implications.

These fees, introduced under the guise of addressing low advance-to-deposit ratio (ADR), risk violating contractual obligations and breaching constitutional protections. The absence of

transparency and clear regulatory guidelines from the State Bank of Pakistan (SBP) exacerbates the issue, leaving depositors vulnerable to arbitrary charges.

By penalizing high-value depositors—many of whom are significant contributors to liquidity—banks undermine public trust and discourage large-scale deposits. This could drive depositors toward alternative financial systems, further destabilizing the sector. Rather than imposing such fees, banks should focus on aligning with global best practices, including fostering depositor confidence through preferential services and sustainable policies.

The broader criticism lies in banks' preference for risk-free government securities over lending to private sectors. This approach limits credit availability for businesses and households, stifles economic growth, and deepens reliance on external borrowing. Banks are neglecting their responsibility to act as intermediaries that channel funds into productive investments essential for economic stability and innovation.

The State Bank of Pakistan appears to be grappling with uncertainty on this matter and has yet to take proactive steps to engage stakeholders or issue clear regulatory directives. This lack of action highlights a concerning inefficiency within the bank's bureaucratic framework. It is imperative for the State Bank to fulfill its responsibilities without delay, providing the necessary guidance to ensure the banking sector operates transparently and in alignment with sound regulatory practices.

Copyright Business Recorder, 2024

JUL-OCT: \$1.723BN BORROWED FROM MULTIPLE SOURCES

Tahir Amin Published about an hour ago

ISLAMABAD: The country borrowed \$1.723 billion from multiple financing sources during the first four months (July-October) of the current fiscal year 2024-25 compared to \$3.847 billion borrowed during the same period of 2023-24, revealed the Economic Affairs Division (EAD) data.

The \$1.723 billion does not include the first tranche of \$1.03 billion, received from the International Monetary Fund (IMF). If the IMF inflows added, total inflows would reach \$2.753 billion during the first four months of the current fiscal year.

The data revealed that government has budgeted time deposits of \$9 billion including \$5 billion KSA time deposit and \$4 billion SAFE China deposit for the current fiscal year, however, no money was received in the first four months (July-October) under this head. There is also no mention of assistance from the UAE.

\$1.3bn borrowed from multiple financing sources in Q1

SLD E-LAW UPDATING SERVICE

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

The government had budgeted \$19.393 billion from multiple financing sources for the fiscal year 2024-25 including \$19.216 billion loans and \$176.29 million grants. However, this does not include any amount from the IMF.

The data further showed that the government had budgeted \$3.779 billion from the foreign commercial banks for the fiscal year 2024-25. The country received \$200 million under this head in September, but there is no mention from which foreign commercial bank the country received the loans.

The country did not borrow from commercial banks in October, as per EAD data. The government has also budgeted \$1 billion from the issuance of bonds; however, as the country did not issue the bonds, hence no amount was received during the first four months of 2024-25. The country received \$414.87 million in October 2024 from different sources.

The country received \$542.15 million under the head of the “Naya Pakistan Certificate” during the first four months of current fiscal year 2024-25 including \$167.37 million in October.

The country received \$980.88 million from multilaterals and \$259.89 million from bilateral during July-October 2024. The non-project aid was \$896.96 million including \$254.81 million for budgetary support and project aid was \$826.07 million during the first four months of current fiscal year.

The Asian Development Bank (ADB) disbursed \$173.05 million during the period under review compared to the budgeted \$1.651 billion for the fiscal year 2024-25.

The IDA disbursed \$266.64 million in July-October against the budgeted \$1.525 billion for the fiscal year 2024-25 and IBRD \$97.19 million against the budgeted \$550.22 million.

The IsDB (Short-term) disbursed \$100 million during the first four months of the current fiscal year against \$500 million for the fiscal year 2024-25 and AIIB disbursed \$17.41 million, while IFAD disbursed \$15.55 million against the budgeted \$40.45 million for the fiscal year 2024-25.

China disbursed \$97.58 million during July-October. The government has budgeted \$134.18 million from China for the fiscal year 2024-25.

Saudi Arabia disbursed \$6.35 million in the first four months of fiscal year 2024-25 against the budgeted \$76.02 million for the entire fiscal year. The USA disbursed \$37.72 million in the first four months of the current fiscal year against the budgeted \$20.88 million for the fiscal year 2024-25.

Copyright Business Recorder, 2024

THE ECONOMIC COST OF POLITICAL UNREST

Published November 27, 2024 Updated 20 minutes ago

EDITORIAL: Federal Finance Minister Muhammad Aurangzeb has claimed that protests cost the country 190 billion rupees per day — a clear reference to the ongoing call by Pakistan Tehreek-e-Insaf (PTI).

The source of this report is a monitoring desk with no mention of where precisely Aurangzeb made his statement, a prerequisite for filing a report, thereby prompting many to conclude that as it contains the same data as was shared by the Finance Minister during his press conference on 8 October this year, it was republished at the behest of a government that reckons this information would strengthen its own position. His earlier statement noted that “such actions cost the country around 190 billion rupees per day, severely affecting economic growth. We face serious consequences whenever the government is compelled to shut down businesses and cities due to a law and order situation.”**

The report compiled by the Ministry of Finance formed the basis of Aurangzeb’s 8 October press conference and itemised the following daily costs to the country: daily Gross Domestic Product loss estimated at 144 billion rupees, loss of exports 24 billion rupees, loss associated with a decline in foreign direct investment estimated at 3 billion rupees, agriculture sector losing 26 billion rupees and the industrial sector 26 billion rupees.

The sum total is more than the total of 190 billion rupees announced by the Finance Minister, leading one to argue that some costs are also embedded in others. It is, however, unclear as to how much is attributable to the protesters and how much to the pre-emptive measures taken by the Interior Minister.

Be that as it may, there have been no more than a handful of federal cabinet members and two Punjab cabinet ministers who have publicly denigrated the PTI’s timing (coinciding with the visit of a very large Belorussian delegation) as well as its impact on the general public due to the pervasive lockdown through placement of containers on not only major motorways connecting cities in Punjab as well as the federal capital but also streets within cities disabling entire neighbourhoods from the ability to access a hospital during medical emergencies.

The fact that the lockdown began days before the date of the protest renders the government’s narrative a hard sell for the general public as well as PML-N stalwarts like Rana Sanaullah, a former Interior Minister as well as Home Minister for Punjab, who previously dismissed such Draconian measures as an “overkill” that without doubt would have severe negative political repercussions on the ruling elite.

While the PTI and the government are blaming each other for the ongoing loss to the economy as well as to disruption of movement within the country, yet one would hope that better sense prevails, and both sides adopt a more thoughtful approach to actions while toning down their rhetoric. Notwithstanding the fact that the two must share blame yet the onus to lead from a position of strength must fall on the government, with access to unlimited public resources.

One can only hope that negotiations between representatives of political parties are initiated and for the sake of the general public a consensus based on minimum rather than maximum positions is taken.

SLD E-LAW UPDATING SERVICE

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

Copyright Business Recorder, 2024

Fuel & Energy

US NATGAS PRICES UP

Reuters Published about an hour ago

NEW YORK: US natural gas futures edged up about 1% to a fresh one-year high on Tuesday on forecasts for colder weather and higher heating demand and on rising gas flows to US liquefied natural gas (LNG) export plants.

On its last day as the front-month, gas futures for December delivery on the New York Mercantile Exchange (NYMEX) rose 4 cents, or 1.2%, to \$3.409 per million British thermal units (mmBtu) at 8:23 a.m. EST (1323 GMT), putting the contract on track for its highest close since November 2023 for a second day in a row.

Futures for January, which will soon be the front-month, were up about 6 cents to \$3.50 per mmBtu.

Recent gains in gas prices have pushed the front-month into technically overbought territory and cut the oil-to-gas ratio to its lowest since January 2023, which could prompt energy firms to drill for more gas.

The oil-to-gas ratio, or the level at which oil trades compared with gas, fell to 20-to-1 on Tuesday.

OIL PRICES MAKE GAINS

Reuters Published about an hour ago

HOUSTON: Oil prices rose on Tuesday as investors eyed OPEC+ discussions on output and weighed the potential impact of US President-elect Donald Trump's planned trade tariffs on Mexico and Canada.

Brent crude futures were up 66 cents, or 0.9%, at \$73.67 a barrel as of 10:35 a.m. ET (1535 GMT). US West Texas Intermediate crude futures were at \$69.60 a barrel, up 66 cents, or 0.96%. Both benchmarks briefly jumped more than \$1 per barrel during the session. "We popped and dropped around the time news came out of the resumption of OPEC talks," said Phil Flynn, senior analyst at Price Futures Group. Key OPEC+ nations have begun discussions to delay an oil production restart planned for January, potentially for several months, Bloomberg News reported on Tuesday.

SLD E-LAW UPDATING SERVICE

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

Members are in doubt about a 180,000 barrel per day production increase currently scheduled for the start of next year and further rises in the following months due to signs of global oversupply, Bloomberg said, citing delegates.

OPEC+ members Iraq, Saudi Arabia and Russia agreed in a meeting on Tuesday on the importance of maintaining stable oil markets and fair prices, Iraq's Prime Minister Office said.

On Monday, US President-elect Donald Trump said he would impose a 25% tariff on all products coming into the US from Mexico and Canada. The vast majority of Canada's 4 million bpd of crude exports go to the US. Analysts had said it would be unlikely Trump would impose tariffs on Canadian oil, which cannot be easily replaced since it differs from grades that the US produces.

Monday's tariffs announcement does not seem to be having an immediate impact on Canadian oil markets, market sources said on Tuesday.

Tuesday's gains offset some of Monday's selloff, when oil prices slid more than \$2 following multiple reports that Israel and Lebanon had agreed to the terms of a ceasefire in the Israel-Hezbollah conflict. Market reaction on Monday to the ceasefire news was overdone as the broader Middle East conflict has yet to significantly disrupt supplies this year, said senior market analyst Priyanka Sachdeva at Phillip Nova.

IEA CHIEF BIROL SEES 'COMFORTABLE' OIL MARKETS, UNLESS GEOPOLITICAL SHOCK

Reuters Published November 26, 2024

OSLO: The supply of oil and gas will be plentiful, with oil markets being “comfortable” this year and next unless major geopolitical escalation happens, the head of the International Energy Agency (IEA) Fatih Birol told a conference in Norway on Tuesday.

Global oil supply will exceed demand in 2025 even if OPEC+ cuts remain in place, the IEA said on Nov. 14 as rising production from the United States and other outside producers outpace sluggish demand.

IEA sees oil surplus looming, reassures on Iran supply risk

The prospect of excess supply is a headwind for OPEC+, which comprises the Organization of the Petroleum Exporting Countries and allies such as Russia, in its plan to start raising output.

“This year and next year, we expect comfortable oil markets unless a major geopolitical escalation happens,” Birol said on Tuesday.

“There will be plenty of oil and gas.”

OIL FALLS AFTER ISRAEL AGREES TO CEASEFIRE DEAL WITH LEBANON

Reuters Published November 26, 2024 Updated about 7 hours ago

HOUSTON: Oil prices slid on Tuesday, giving back early gains in choppy trade after Israel agreed to a ceasefire deal with Lebanon, reducing oil's risk premium.

Brent crude futures were down 54 cents, or 0.74%, at \$72.47 a barrel as of 1:41 p.m. EST. U.S. West Texas Intermediate crude futures were at \$68.45 a barrel, down 49 cents, or 0.71%.

Israel's security cabinet has agreed a ceasefire deal with Lebanon, Channel 12 reported. The accord was expected to take effect on Wednesday.

Israeli Prime Minister Benjamin Netanyahu said he was ready to implement a ceasefire deal with Lebanon and would "respond forcefully to any violation" by Hezbollah.

On Monday, oil prices fell more than \$2 following multiple reports that Israel and Lebanon had agreed to the terms of a ceasefire in the Israel-Hezbollah conflict.

Oil prices fall on Israel-Lebanon ceasefire report

A ceasefire could pressure crude oil prices because the U.S. administration would likely reduce sanctions on oil from Iran, a supporter of Hezbollah, StoneX analyst, Alex Hodes said in a note on Tuesday.

OPEC+ eye output hike delay

Both benchmarks briefly jumped more than \$1 per barrel during the session.

"We popped and dropped around the time news came out of the resumption of OPEC talks," said Phil Flynn, senior analyst at Price Futures Group.

OPEC+ nations are discussing a further delay to a planned oil output hike that was due to start in January, two sources from the producer group said, ahead of Sunday's meeting to decide policy for the early months of 2025.

The group pumps about half the world's oil, and had planned to gradually roll back oil production cuts with small increases over many months in 2024 and 2025. But a slowdown in Chinese and global demand, and rising output outside the group, have put a dampener on that plan.

"There were embers in the fire this morning with OPEC+ looking to defer production increases again and the Trump tariffs, but those were not enough to move the needle to support prices anywhere above \$70 a barrel for WTI," said Again Capital's Kilduff.

Trump tariffs to include crude oil, sources

SLD E-LAW UPDATING SERVICE

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

U.S. President-elect Donald Trump said he would impose a 25% tariff on all products coming into the U.S. from Mexico and Canada.

Crude oil would not be exempt from the trade penalties, two sources familiar with the plan told Reuters on Tuesday.

Maintaining the flow of energy products across the borders of the U.S., Mexico and Canada is critical, the top U.S. oil and gas lobbying group, American Petroleum Institute, said.

The vast majority of Canada's 4 million bpd of crude exports go to the U.S. Analysts had said it would be unlikely Trump would impose tariffs on Canadian oil, which cannot be easily replaced since it differs from grades that the U.S. produces.

Monday's tariffs announcement does not seem to be having an immediate impact on Canadian oil markets, market sources said.

Meanwhile, U.S. crude oil and gasoline stockpiles were expected to have fallen last week while distillate inventories likely rose, an extended Reuters poll showed.

Investors await U.S. oil stockpile data from the American Petroleum Institute due at 4:30 p.m. EST on Tuesday.

OCAC SEEKS SMOOTH FUEL SUPPLY AMID PTI PROTESTS

November 26, 2024

The Oil Companies Advisory Council (OCAC) has urged the Punjab and Federal Capital administrations to take immediate steps to facilitate the transport of petroleum products, warning of an impending fuel crisis due to ongoing disruptions caused by Pakistan Tehreek-i-Insaf (PTI) protests.

In a letter addressed to the Inspector General of Police (IGP) and Chief Secretary of Punjab, as well as the IGP and Chief Commissioner of Islamabad, OCAC highlighted the critical challenges stemming from highway closures and restricted routes. These disruptions, particularly in the Lahore division, are severely delaying the movement of fuel tankers.

"The situation has worsened significantly in the last 48 hours, with key highways blocked, leading to delays in fuel transportation and an imminent risk of stock depletion," said OCAC Secretary General Dr. Syed Nazir Abbas Zaidi.

Lahore, being a major hub of economic and commercial activity, is among the hardest-hit regions. According to OCAC, the inability to replenish fuel supplies is disrupting essential services and daily operations, impacting millions of livelihoods in the city and its surrounding areas.

SLD E-LAW UPDATING SERVICE

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

The council warned of potential fuel dry-outs in Lahore and neighboring regions unless immediate interventions are made. “Without timely action to ensure the smooth transportation of fuel, shortages are expected as early as today,” Dr. Zaidi emphasized.

To address this looming crisis, OCAC has called on the authorities to prioritize unimpeded movement for fuel tankers across Punjab. “Swift measures are essential to maintaining continuous fuel supply, especially in the Lahore division. These steps will mitigate the risk of further disruptions,” OCAC’s letter stated.

The OCAC has also underscored the broader implications of a prolonged fuel supply disruption, which could severely impact essential services, including healthcare, transportation, and emergency response.

The PTI protests have caused widespread logistical challenges, with demonstrators blocking major transportation routes across Punjab. The protests, aimed at pressing their demands, have further strained an already fragile supply chain, complicating the transportation of vital commodities.

The OCAC’s appeal reflects growing concerns over the economic and social repercussions of prolonged unrest, with fuel shortages potentially exacerbating public hardships. The council reiterated its trust in the authorities to act swiftly and decisively to prevent further escalation of the crisis.

Authorities have yet to respond to the OCAC’s urgent request, but the matter is expected to gain prominence as fuel availability becomes increasingly precarious.

Markets – Rates

STOCKS NOSEDIVE ON POLITICAL UNREST

Ahmed Malik Published about an hour ago

KARACHI: Pakistan Stock Exchange on Tuesday nosedived and recorded worst ever single day decline due to panic selling on investor deep concerns over prevailing uncertainty on political front in the country. Although, the market witnessed some support in early hours of the session on the back of foreign buying, however nosedived in deep red zone due to panic selling and closed with heavy losses.

The benchmark KSE-100 index plunged by 3,505.62 points or 3.57 percent and closed at 94,574.16 points. During the session, the index initially hit new intra-day highest ever level of 99,819.59 points, however due to panic selling dropped in deep red to hit 94,180.60 points intra-day low level.

SLD E-LAW UPDATING SERVICE

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

Total daily volumes on ready counter increased to 1,116.324 million shares as compared to 640.258 million shares traded on Monday while total daily traded value on the ready counter increased to Rs 43.291 billion against previous session's Rs 25.623 billion.

BRIndex100 decreased by 415.15 points or 3.95 percent to close at 10,089.31 points with total daily turnover of 935.333 million shares.

BRIndex30 declined by 1,717.55 points or 5.5 percent to close at 29,508.83 points with total daily trading volumes of 512.779 million shares.

The foreign investors however remained net buyers of shares worth \$2.108 million. Total market capitalization declined by Rs 481 billion to stand at Rs 12.052 trillion. Out of total 456 active scrips, 355 closed in negative and only 53 in positive while the value of 48 stocks remained unchanged.

K-Electric was the volume leader with 101.636 million shares however lost Re 0.54 to close at Rs 4.65 followed by Bank of Punjab that gained Re 0.04 to close at Rs 6.85 with 92.023 million shares. Hascol Petroleum increased by Rs 1.24 to close at Rs 13.59 with 73.320 million shares.

Sapphire Textile Mills and Mehmood Textile Mills were the top gainers increasing by Rs 40.88 and Rs 35.02 respectively to close at Rs 1,177.99 and Rs 535.40 while Rafhan Maize Products Company and Unilever Pakistan Foods were the top losers declining by Rs 141.07 and Rs 112.79 respectively to close at Rs 7,813.48 and Rs 19,019.35.

Muhammad Sohail, leading analyst and CEO at Topline Securities said that the KSE-100 Index witnessed its largest-ever single-day decline, dropping 3,506 points (down 3.57 percent) to close at 94,574 level. This steep fall was driven by political uncertainty stemming from a party's march toward the capital, shaking investor confidence. Intraday, the index swung between a low of minus 3,899 points and a high of plus 1,739 points.

He said the State Bank of Pakistan's (SBP) removal of the Minimum Deposit Rate (MDR) on conventional banks for companies, alongside its directive for Islamic banks to pay at least 75 percent of the weighted average gross yield on PKR savings individual deposits, further unsettled the market.

Islamic banks MEBL, FABL, and BIPL hit their lower price locks (down 10 percent), while negative contributions from MEBL, FFC, OGDC, PPL, and HUBC dragged the index down by 1,385 points. On the positive side, HBL, HMB, BAHF, and BAFL added 282 points, softening the blow.

Ahsan Mehanti at Arif Habib Corporation said panic selling witnessed at PSX amid political turmoil after prolonged PTI protest in the capital. Banking sector outperformed on SBP decision to drop Minimum Profit Rate requirements on deposits of FIs, PSEs and PLCs.

He said political uncertainty, foreign outflows and selling pressure on PSX future contracts rollover played a catalyst role in record bearish activity.

SLD E-LAW UPDATING SERVICE

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

BR Automobile Assembler Index declined by 687.26 points or 3.63 percent to close at 18,255.61 points with total turnover of 6.804 million shares.

BR Cement Index plunged by 606.26 points or 6.1 percent to close at 9,336.66 points with 45.307 million shares.

BR Commercial Banks Index lost 157.0 points or 0.57 percent to close at 27,418.15 points with 218.583 million shares.

BR Power Generation and Distribution Index eroded 835.67 points or 5.08 percent to close at 15,609.21 points with 128.970 million shares.

BR Oil and Gas Index decreased by 511.35 points or 5.29 percent to close at 9,152.25 points with 163.556 million shares.

BR Tech & Comm Index fell by 204.85 points or 4.37 percent to close at 4,481.57 points with 115.716 million shares.

Mubashir Anis Naviwala at JS Global Capital said political uncertainty triggered a market correction of 3,900 points during intraday trading. After peaking at an intraday high of 99,819 points, widespread panic selling ensued across all sectors, except for conventional banks, which outperformed due to the SBP's relaxation of the minimum profit rate.

Copyright Business Recorder, 2024

KIBOR INTERBANK OFFERED RATES

KARACHI: Kibor interbank offered rates on Tuesday (November 26, 2024).

===== KIBOR...

Published about an hour ago

KARACHI: Kibor interbank offered rates on Tuesday (November 26, 2024).

=====		
KIBOR		
=====		
Tenor	BID	OFFER
=====		
1-Week	14.96	15.46
2-Week	14.91	15.41
1-Month	14.68	15.18
3-Month	13.38	13.63
6-Month	13.27	13.52
9-Month	13.11	13.61
1-Year	12.98	13.48
=====		

Data source: SBP

SLD E-LAW UPDATING SERVICE

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

Copyright Business Recorder, 2024

ACTIVITIES OF KARACHI PORT TRUST

Recorder Report Published about an hour ago

KARACHI: The Karachi Port Trust handled 199,748 tonnes of cargo comprising 137,959 tonnes of import cargo and 61,789 tonnes of export cargo during last 24 hours ending at 0700 Hours.

The total import cargo of 137,959 comprised of 53,993 tonnes of Containerized Cargo, 44,116 tonnes of Bulk Cargo & 39,850 tonnes of Liquid Cargo.

The total export Cargo of 61,789 comprised of 33,025 tonnes of Containerized Cargo, 18,17 tonnes of Barite Lumps & 10,592 tonnes of Clinkers.

Approximately, 06 ships namely, Seaspan Oceania, Seacon Bangkok, Yasmin, CmaCgm Columba & Independent Spirit Berthed at the Karachi Port Trust.

Around, 05 ships namely, Pvt Aurora, Haein Hope, Seaspan Oceania, Bulk Castor & Apl Antwerp sailed from the Karachi Port Trust.

Copyright Business Recorder, 2024

BRINDEX100 AND BR SECTORAL INDICES

KARACHI: BRIndex100 and BR Sectoral Indices on Tuesday (November 26, 2024).

===== BR...

Recorder Report Published about an hour ago

KARACHI: BRIndex100 and BR Sectoral Indices on Tuesday (November 26, 2024).

=====

BR INDICASE AT A GLANCE

=====

BRINDEX100

=====

Day Close:	94,574.16
High:	99,819.59
Low:	94,180.6
Net Change:	3505.62
Volume (000):	517,936
Value (000):	31,142,453
Makt Cap (000)	2,902,852,000

BR AUTOMOBILE ASSEMBLER

Day Close:	18,255.61
------------	-----------

SLD E-LAW UPDATING SERVICE

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

NET CH (-) 687.26

BR CEMENT

Day Close: 9,336.66

NET CH (-) 606.26

BR COMMERCIAL BANKS

Day Close: 27,418.15

NET CH (-) 157

BR POWER GENERATION AND DISTRIBUTION

Day Close: 15,609.21

NET CH (-) 835.67

BR OIL AND GAS

Day Close: 9,152.25

NET CH (-) 511.35

BR TECH & COMM

Day Close: 4,481.57

NET CH (+) 204.85

As on: 26-November-2024

=====

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

For further information please visit www.khistocks.com

Copyright Business Recorder, 2024

SLD E-LAW UPDATING SERVICE

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

OPEN MARKET FOREX RATES

Updated at: 27/11/2024 5:52 AM (PST)

Currency	Buying	Selling
Australian Dollar	180.25	182.50
Bahrain Dinar	731.85	739.85
Canadian Dollar	197.60	200.00
China Yuan	38.58	38.98
Danish Krone	39.58	39.98
Euro	289.00	291.75
Hong Kong Dollar	35.37	35.72
Indian Rupee	3.34	3.45
Japanese Yen	1.81	1.87
Kuwaiti Dinar	892.75	902.25
Malaysian Ringgit	61.55	62.15
NewZealand \$	160.03	162.03
Norwegians Krone	24.77	25.07
Omani Riyal	715.50	724.00
Qatari Riyal	75.62	76.32
Saudi Riyal	73.65	74.20
Singapore Dollar	206.25	208.25
Swedish Korona	25.82	26.12
Swiss Franc	311.45	314.25
Thai Bhat	7.91	8.06
U.A.E Dirham	75.35	76.00
UK Pound Sterling	346.15	349.65
US Dollar	277.30	278.90

SLD E-LAW UPDATING SERVICE

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

INTER BANK RATES

Updated at: 27/11/2024 5:52 AM (PST)

Currency	Bank Buying TT Clean	Bank Selling TT & OD
Australian Dollar	180.38	180.71
Canadian Dollar	197.01	197.36
China Yuan	38.25	38.32
Danish Krone	39.03	39.10
Euro	291.20	291.72
Hong Kong Dollar	35.68	35.74
Japanese Yen	1.8062	1.8095
Saudi Riyal	73.94	74.07
Singapore Dollar	206.17	206.54
Swedish Korona	25.25	25.30
Swiss Franc	313.27	313.83
Thai Bhat	8.01	8.03
UK Pound Sterling	348.64	349.27
US Dollar	277.65	278.15

SLD E-LAW UPDATING SERVICE

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

GOLD RATE

Gold Price Today

As on Wed, Nov 27 2024, 00:58 GMT

Metal	Symbol	PKR for 10 Gm	PKR for 1 Tola	PKR for 1 Ounce	
Gold	XAU	234,873	273,665	730,549	
Palladium	XPD	87,892	102,408	273,378	
Platinum	XPT	84,203	98,110	261,905	
Silver	XAG	2,692	3,136	8,372	

for local market Gold Rates in Pakistan

Gold Price in Pakistan

As on Wed, Nov 27 2024, 00:58 GMT

Gold Rate	24K Gold	22K Gold	21K Gold	18K Gold
per Tola Gold	Rs. 273700	Rs. 250890	Rs. 239488	Rs. 205275
per 10 Gram	Rs. 234600	Rs. 215048	Rs. 205275	Rs. 175950
per Gram Gold	Rs. 23460	Rs. 21505	Rs. 20528	Rs. 17595
per Ounce	Rs. 665100	Rs. 609671	Rs. 581963	Rs. 498825

Gold Rate

FOREX.pk offered latest and upto date Gold Rate in Pakistan as per International market for today gold rates in Pakistan you can visit GOLD.pk, We update international market gold rate in every fifteen minutes from authentic sources, Gold rates may be different in every city of Pakistan. Karachi is the main hub of gold market, in Pakistan, Karachi is leading for gold rate, every city follow Karachi Sarafa Bazar Association for gold price, Today gold prices for different cities including Karachi, Lahore, Islamabad, Peshawar, and Quetta are also available on Gold.pk. FOREX.pk is not liable or responsible to any transactions made on the basis of above mentioned gold rate.

SLD E-LAW UPDATING SERVICE

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

* Above Gold rate are taken from International Market so there may be some fluctuation from Local Market you can visit GOLD.pk for uptodate today gold price in Pakistan.

Gold Rates in other Major Currencies

Currency	Symbol	10 Gm	1 Tola	1 Ounce	
 China Yuan	CNY	6,126	7,138	19,054	
 Euro	EUR	808	941	2,512	
 Japanese Yen	JPY	130,571	152,137	406,129	
 Saudi Riyal	SAR	3,173	3,697	9,869	
 U.A.E Dirham	AED	3,107	3,621	9,665	
 UK Pound Sterling	GBP	674	786	2,097	
 US Dollar	USD	846	986	2,632	