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SHAHID LEGAL GROUP

SLD NEWS UPDATES

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FBR TARGETS SOURCE OF INCOME IN PROPERTY TRANSACTIONS

January 28, 2025

Islamabad – The Federal Board of Revenue (FBR) is intensifying its efforts to ensure transparency in Pakistan's real estate sector by scrutinizing the source of income used in property transactions. This initiative is aimed at combating tax evasion and fostering accountability within the industry.

FBR Chairman Rashid Mahmood Langrial revealed that the authority is working to reduce transaction taxes in the real estate sector to encourage compliance. However, he emphasized that individuals investing in property must disclose the origins of their funds. This measure is intended to address the widespread issues of undervaluation and misdeclaration that have plagued the sector for years.

The extent of these challenges was highlighted by data from the fiscal year 2023-24, which indicated that over 93.7% of property transactions in Pakistan were valued below Rs 5 million. These figures underscore the pervasive practice of underreporting property values to avoid taxation.

On Monday, representatives from the real estate sector urged the National Assembly Standing Committee on Finance and Revenue to amend "The Tax Laws (Amendment) Bill, 2024." They proposed an exemption from disclosing the source of investment for property transactions valued up to Rs 50 million. However, during a meeting of the sub-committee at FBR Headquarters, Chairman Langrial clarified that the proposed legislation would impact only 2.5% of investors. He assured that 95% of households would remain unaffected by these measures, which are designed to curtail economic activities of ineligible entities and enhance tax collection.

Highlighting the significant tax gap, Langrial noted that the top 5% of property transactions account for a missing revenue potential of Rs 1.6 trillion, compared to just Rs 140 billion in the remaining 90-95%. This disparity underscores the need for stringent regulations targeting high-value transactions.

According to the FBR's data, 1.695 million property transactions were recorded in 2023-24. Of these, a staggering 93.7% were valued under Rs 5 million. In contrast, only 3,250 transactions (0.2%) exceeded Rs 50 million in taxable value. This data highlights the urgent need for reforms to address income concealment and promote a fairer tax system.

The FBR's renewed focus on accountability and tax compliance aims to establish a more equitable real estate market, ensuring that all stakeholders contribute their fair share to national revenue.

PM TASK FORCE EXAMINES HIGH PROPERTY TRANSACTION TAXES

January 27, 2025

Islamabad, January 27, 2025 – A high-level task force, established by Prime Minister Shehbaz Sharif, convened on Monday to deliberate on the pressing issue of high taxes on property transactions and its impact on the real estate sector.

The meeting, chaired by Federal Minister for Housing and Works Mian Riaz Hussain Pirzada, marked the second session of the Task Force for Housing Sector Development. Held at the Ministry of Housing and Works, it was attended by key officials, including Finance Minister Muhammad Aurangzeb, Minister of State for Finance Ali Parvez Malik, Federal Board of Revenue (FBR) Chairman Rashid Mahmood Langrial, and other members representing various government bodies and private sector stakeholders.

This task force, specifically constituted by the Prime Minister, aims to address challenges in the housing sector. It brings together representatives from relevant government institutions and private-sector experts actively engaged in real estate. Its primary goal is to develop actionable recommendations to revitalize the sector.

The task force has established four specialized working groups focusing on Taxation Issues, Access to Finance, Urban Planning and Real Estate Regulatory Authority (RERA), and a Growth Framework for Housing. These groups have been tasked with presenting well-researched and practical solutions to overcome the sector's challenges.

During the meeting, a comprehensive presentation outlined critical issues plaguing the housing sector, including a 12-million-unit housing deficit, urban sprawl, inadequate urban planning, and insufficient private sector engagement. High taxation on property transactions, complex tax procedures, and overvalued property assessments were highlighted as significant barriers, along with low mortgage penetration and high interest rates on housing loans.

The task force discussed potential solutions, including introducing fixed-term low-cost housing subsidies and advocating for single-digit policy rates to facilitate affordable financing for lower-income groups. Members proposed innovative mortgage solutions such as incremental housing microfinancing, digital financing platforms, and stronger foreclosure laws to mitigate risks.

Taxation issues were a focal point, with the task force recommending the revision of taxes like under Sections 236C and 236K of Income Tax Ordinance, 2001, Federal Excise Duty, and stamp duty to stimulate real estate activity while ensuring affordability for low- and middle-income groups.

The establishment of RERA under a proposed RERA Act and a review of city master plans by regional development authorities were also emphasized. Additionally, incentivizing vertical expansion, removing barriers to public-private partnerships, and creating high-density zones to preserve agricultural land were discussed.

The chair lauded the task force's efforts, emphasizing the housing sector's potential as an economic driver. He vowed to deliver a comprehensive report with quantifiable, short-, medium-, and long-term measures to foster growth in the sector.

FBR DECODES MECHANISM FOR ADJUSTMENT OF INPUT AND OUTPUT TAX

Tax filing services

January 27, 2025

Karachi, January 27, 2025 – The Federal Board of Revenue (FBR) has unveiled the detailed mechanism for the adjustment of input and output tax under the sales tax laws applicable for the tax year 2025. This mechanism, as outlined in Rule 22 of the Sales Tax Rules, 2006, provides clear guidelines to ensure proper compliance.

According to the FBR, the adjustment process addresses situations involving cancelled or returned supplies, changes in tax amounts, and specific conditions where credit or debit notes are issued.

Key Points of the Mechanism for Adjustment:

1. Claiming Input Tax:

Buyers cannot claim input tax for supplies that have been cancelled, returned, or where the tax amount has been reduced.

2. Adjustments via Credit or Debit Notes:

If a buyer has already claimed input tax for such supplies, they must adjust it accordingly. This means either reducing or increasing the input tax by the amount mentioned in the debit or credit note in the tax return for the relevant period.

3. Supplier's Responsibility:

Tax filing services

If a supplier has already reported output tax on a transaction and later issues a debit note, they are required to adjust the output tax in the same way. This adjustment should be reflected in the tax return for the period in which the debit note was issued.

4. Timeframe for Adjustments:

Any adjustments resulting in reduced output tax or increased input tax must be based on credit or debit notes issued within 180 days of the transaction. However, the FBR has allowed flexibility, as the Collector may extend this period by another 180 days under specific circumstances.

5. Special Cases for Perishable Items:

For manufacturers dealing with perishable food items, if goods are returned due to expiration and subsequently destroyed, credit notes must be issued within 15 days of their return to qualify for tax adjustment.

6. Resupply of Goods:

If returned or cancelled goods are resupplied, either to the original buyer or another party, the supplier must charge and account for sales tax on the new transaction in the usual way.

The FBR's clear emphasis on adjustments aims to simplify tax compliance and minimize errors in tax reporting. By introducing these guidelines, the FBR seeks to ensure transparency and proper reconciliation of taxes for both buyers and suppliers. These rules further highlight the importance of issuing debit or credit notes promptly and adhering to specified timelines to benefit from tax adjustments.

FBR INVESTIGATES DUAL NATIONALITY OF IR OFFICIALS

January 27, 2025

Islamabad, January 27, 2025 – The Federal Board of Revenue (FBR) has initiated a comprehensive process to compile a list of Inland Revenue (IR) officials who hold dual nationality, including the details of their spouses.

This directive has been issued in response to the instructions of the Senate Standing Committee on Cabinet. The FBR has asked all Director Generals and Chief Commissioners of IR to submit the requested data in a specific format within the next week.

In the formal communication, the FBR outlined the requirements for compiling the list. It emphasized that each officer and staff member with dual nationality must be identified, with comprehensive details provided.

The information should include the name, designation, date of initial entry into government service, the name of the foreign country whose nationality is held, and whether the nationality was obtained by birth or later in life. Additionally, if the dual nationality was acquired after birth, the date of acquisition must be recorded.

The FBR has made it clear that this data should be submitted even if the list is empty, underscoring the urgency of the request.

Moreover, the FBR has requested a separate list detailing the spouses of officers and staff members who hold dual nationality. This list must include the spouse's name, designation, employment status (whether in the public or private sector or a homemaker), and details about the nationality held by the spouse. Just like the officers, the nationality's origin (whether by birth or otherwise) and the date of acquisition should also be included if applicable.

The FBR has specified that this data should be countersigned by each Chief Commissioner and Director General before being forwarded. The deadline for submission is one week from the date of the directive, which aims to ensure that the FBR has a complete and up-to-date record of officials and their families holding dual nationality.

The FBR's request for this detailed data reflects its ongoing efforts to streamline the operations of Inland Revenue and ensure transparency. The move also follows concerns raised by the Senate Standing Committee regarding the potential implications of dual nationality on the governance and functioning of government bodies.

By gathering this information, the FBR intends to review and manage the eligibility and conduct of IR officials, with a focus on safeguarding the integrity of public service.

FBR REVISES TAX RATES FOR PROPERTY TRANSACTIONS IN 2025

January 27, 2025

Karachi, January 27, 2025 – The Federal Board of Revenue (FBR) has announced updated withholding tax rates for property transactions applicable during the tax year 2025.

These changes aim to streamline tax collection on real estate transactions and encourage compliance among taxpayers.

The FBR issued the revised tax rates under Sections 236C and 236K of the Income Tax Ordinance, 2001. Section 236C applies to the sale of immovable property, while Section 236K pertains to the purchase of such assets. The updated rates emphasize the distinction between active taxpayers, late filers, and those not on the Active Taxpayers List (ATL).

Updated Tax Rates for Sale of Property (Section 236C)

The FBR has categorized transactions based on the value of the property:

• For properties valued at or below Rs. 50 million, active taxpayers will pay 3%, late filers 6%, and those not on the ATL 10%.

• Properties valued between Rs. 50 million and Rs. 100 million will attract a 3.5% tax rate for active taxpayers, 7% for late filers, and 10% for non-ATL individuals.

• For properties exceeding Rs. 100 million, the rates increase to 4% for ATL individuals, 8% for late filers, and 10% for non-ATL parties.

Advance Tax on Purchase of Property (Section 236K)

Similarly, the FBR has revised the advance tax rates for property purchases based on fair market value:

• Properties valued at or below Rs. 50 million will incur 3% for ATL taxpayers, 6% for late filers, and 13% for non-ATL individuals.

• For properties worth between Rs. 50 million and Rs. 100 million, the rates are set at 3.5%, 7%, and 16% respectively.

• Transactions involving properties exceeding Rs. 100 million will be taxed at 4% for ATL taxpayers, 8% for late filers, and 20% for non-ATL parties.

The FBR's revisions reflect its commitment to enhancing revenue collection while incentivizing individuals to maintain active taxpayer status. By imposing higher rates on non-ATL individuals and late filers, the FBR aims to promote compliance and discourage tax evasion.

These adjustments are expected to have a significant impact on the real estate sector. Taxpayers are advised to review the FBR's latest withholding tax card and ensure compliance with the updated regulations for seamless property transactions in 2025.

Markets » Cotton & Textile

PUNJAB TO ENHANCE COTTON PRODUCTION THROUGH CHINESE GMO TECHNOLOGY

Zahid Baig Published about an hour ago

LAHORE: The Punjab Agriculture Department aims to harness China's expertise in genetically modified (GMO) technology and gene editing to enhance cotton production.

The province urgently requires hybrid seeds with advanced varieties capable of withstanding pests, diseases, and climate fluctuations—critical factors for boosting cotton cultivation in Punjab.

This was emphasized by Punjab's Minister for Agriculture and Livestock, Syed Ashiq Hussain Kirmani, during a meeting on Monday with a delegation from China's BGI Group, headed by Chairman Dr. Wang Jian. Also in attendance were the Secretary of Agriculture, Punjab, Iftikhar Ali Sahoo, and key officials. The meeting revolved around various agricultural topics, including organic fertilizers, cotton seeds, and premium seeds for rice and maize.

Minister Kirmani highlighted Punjab's interest in leveraging China's cutting-edge agricultural research and technology to drive agricultural development in the province. He specifically underscored the need for hybrid seeds with superior traits, capable of tolerating pests, diseases, and environmental challenges. These developments are vital to ensuring sustainable cotton farming in Punjab.

The minister also assured that the Government of Punjab would extend full support to initiatives involving organic fertilizers and the exchange of agricultural knowledge and experiences.

Furthermore, Kirmani emphasized the importance of collaboration with BGI Group to acquire premium seeds for crops such as soybean, maize, and rice, which will help increase both yield and quality. He reiterated the close and friendly relations between Pakistan and China, stressing the importance of joint efforts to establish modern agricultural research facilities and laboratories.

Dr Wang Jian, Chairman of BGI Group, expressed the company’s commitment to developing crop varieties suited to desert climates using genomics technology, which could significantly improve drought resilience. He assured that BGI Group would fully support efforts to strengthen Punjab’s agricultural sector.

The collaboration will also see the launch of a pilot project aimed at enhancing agricultural production while reducing costs through the use of organic fertilizers. Additionally, mutual cooperation will focus on training Punjab’s agricultural scientists in modern technologies and activating relevant laboratories.

The Chinese delegation included BGI Group Vice President Dr. Li Ning, Vice President for Global Development Terence Xiong, Southeast Asia Chief Representative Jeremy Cao, Assistant to Chairman Dong Yiwei, and Chief Representative for Pakistan Mao Zhixia.

COTTON SPOT RATES

Recorder Report Published about an hour ago

KARACHI: official KCA spot rates for local dealings in Pakistan rupees on Monday, (January 27, 2025)

The kca official spot rate for local dealings in Pakistan rupees

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

Rate	Ex-gin for	Upcountry price	Spot rate Ex-Karachi	Spot rate ex. Khi. as on 25-01-2025	Difference Ex-karachi
37.324 KG Equivalent	18,200	285	18,485	18,485	NIL
40 KGS	19,505	305	19,810	19,810	NIL

SLOW BUSINESS ON COTTON MARKET

LAHORE: The local cotton market on Monday remained bearish and the trading volume remained low. Cotton Analyst...

Recorder Report Published about an hour ago

LAHORE: The local cotton market on Monday remained bearish and the trading volume remained low.

Cotton Analyst Naseem Usman told Business Recorder that the rate of cotton in Sindh is in between Rs 17,600 to Rs 19,000 per maund. The rate of Phutti in Sindh is in between Rs 7,500 to Rs 9,000 per 40 kg.

The rate of cotton in Punjab is in between Rs 17,075 to Rs 19,000 per maund. The rate of Phutti in Punjab is in between Rs 7,500 to Rs 9,400 per 40 kg.

The rate of cotton in Balochistan is in between Rs 17,500 to Rs 19,400 per maund. The rate of Phutti in Balochistan is in between Rs 7,400 to Rs 9,500 per 40 kg. The rate of Balochi Cotton is in between Rs 18,800 to Rs 19,000 per maund. The rate of Primark cotton is Rs 19,300 to Rs 19,500 per maund.

Around, 400 bales of Mir Pur Mathelo were sold at Rs 18,400 per maund, 400 bales of Yazman Mandi were sold at Rs 17,800 per maund and 200 bales of Lodhran were sold at Rs 17,800 per maund.

The Spot Rate remained unchanged at Rs 18,200 per maund. The rate of Polyester Fiber was decreased by Rs 3 per kg and was available at Rs 354 per kg.

Stock & Commodity

NASDAQ, S&P TUMBLE AS CHINA’S DEEPSEEK AI MODEL RATTLES BIG TECH

Reuters Published about an hour ago

NEW YORK: The S&P 500 and the Nasdaq dropped on Monday, as the surging popularity of a low-cost Chinese artificial intelligence model knocked shares of chipmaker Nvidia and other companies benefiting from investments into the technology.

Chinese startup DeepSeek has rolled out a free assistant it says uses cheaper chips and less data, seemingly challenging a widespread bet in financial markets that AI will drive demand along a supply chain from chipmakers to data centers.

DeepSeek's AI Assistant on Monday overtook rival ChatGPT to become the top-rated free application available on Apple's App Store in the United States.

"It's clearly not good for ChatGPT to have an aggressive competitor, but we don't buy the thesis that this is going to tank the demand for high-end GPUs," said Infrastructure Capital Advisors CEO Jay Hatfield, referring to the advanced semiconductors needed to run AI applications.

AI chip leader Nvidia's shares slumped 15.1%, while a gauge of semiconductor stocks slid 8.2%, heading for its worst single-day drop since March 2020.

Microsoft and Google-parent Alphabet fell 3.8% and 2.8%, respectively, while AI server makers Dell Technologies and Super Micro Computer skid 8.6% and 11.1%.

Power companies, which are expected to see a surge in demand from energy-intensive data centers needed to develop AI technology, also came under pressure. Vistra and GE Vernova tumbled 27.9% and 19.7%, respectively.

Data center operators also tanked, with Digital Realty sliding 12.9%.

At 11:21 a.m. ET, the Dow Jones Industrial Average fell 43.01 points, or 0.10%, to 44,381.24, the S&P 500 lost 107.59 points, or 1.76%, to 5,993.65 and the Nasdaq Composite declined 589.56 points, or 2.95%, to 19,364.74.

The Cboe Volatility Index, known as Wall Street's "fear gauge", hit its highest since Dec. 20, last up 4.2 points at 19.05.

Bucking the wider trend, AT&T rose 5.3% to an over three-year high after its fourth-quarter wireless subscriber growth surpassed expectations.

Defensive sectors such as health care and consumer staples also escaped the gloom, up more than 1.5% each.

Big Tech will remain in focus, as Microsoft, Meta, Apple and Tesla - four out of the "Magnificent 7" companies that powered the bulk of last year's gains - are set to report quarterly numbers later this week.

Global markets were also on edge as the US and Colombia pulled back from the brink of a trade war on Sunday after the White House said the South American nation had agreed to accept military aircraft carrying deported migrants.

On the economic radar, the US Federal Reserve is widely expected to hold its lending rate steady in its first interest-rate decision of the year due on Wednesday, while the December reading of the personal consumption expenditures (PCE) is scheduled for Friday.

EUROPEAN TECH SHARES TUMBLE AS CHINA'S AI PUSH SPOOKS INVESTORS

Reuters Published about an hour ago

FRANKFURT: European tech shares came under pressure on Monday, after Chinese tech startup DeepSeek's low-cost artificial intelligence model sparked worries about returns in the AI business and the need for costly chips.

The pan-European STOXX 600 dropped as much as 0.8% earlier in the day, tracking a global market sell-off on concerns about AI investment and tech sector valuations, after DeepSeek rolled out a free assistant that it says uses lower-cost chips and less data.

European tech stocks slid 3.4% and were on track for their biggest daily drop since October, with chip equipment maker ASML dropping 7% to touch a two-month low and ASM International slumping more than 12%.

Siemens Energy and Schneider Electric, which provides electric hardware for AI infrastructure, sank 19.9% and 9.5% respectively and were among the weakest performers on the STOXX 600.

"DeepSeek's success… provides a wake up call and somewhat of a question mark on how much needs to be spent in order to build a model, and whether quite the level of CapEx we have been seeing is really required," said Ben Barringer, technology analyst at Guilter Cheviot.

The selloff comes after the STOXX 600 touched an intra-day record high on Friday and as investors await earnings from US tech giants Apple, Meta, Microsoft and Tesla later this week.

Uncertainty around potential US tariffs continues to worry investors, with only a few days remaining before the Feb. 1 deadline President Donald Trump has given for unveiling his trade policy on key trading partners, including the EU.

The STOXX 50 volatility index, an indicator of market anxiety, rose 1.9 points to touch a two-week high.

The week is also packed with interest rate decisions by central banks around the world, particularly the US Federal Reserve and European Central Bank.

Traders have priced in a quarter point cut by the ECB, while they expect the Fed to keep rates steady, according to data compiled by LSEG.

Fourth-quarter gross domestic product numbers for the euro zone and Germany, along with regional inflation data are due during the week.

CHINA STOCKS FALL AS MANUFACTURING ACTIVITY SLOWDOWN

Reuters Published about an hour ago

SHANGHAI: China stocks fell on Monday, the last day before the Lunar New Year holiday, as a surprise contraction in manufacturing activity and lingering concerns about US tariffs offset the optimism from government efforts to introduce long-term capital.

However, in Hong Kong, tech shares led the market higher.

China's blue-chip CSI300 Index closed down 0.4%, while the Shanghai Composite Index slipped 0.1%. Hong Kong's Hang Seng Index rose 0.7%.

China's manufacturing activity unexpectedly contracted in January, its weakest showing since August.

"Part of the slowdown may be due to weaker external demand as the new export orders index dropped to the lowest level since March last year," said Zhiwei Zhang, president of Pinpoint Asset Management.

Meanwhile, US President Donald Trump's threats to impose tariffs and sanctions on Colombia — now on hold after a deal was reached — reminded investors that Trump is serious about his tariff pledges.

(The) "Tariff risks might have been delayed, but not derailed," Morgan Stanley said in a note, estimating that weighted average tariff rate on China will rise from 10% at the end of 2024 to 26% by the end of 2025 and 36% in 2026.

These concerns dampened the excitement from signs that institutional money is starting to flow into the stock market after Beijing set specific targets last week to introduce long-term capital from insurers and mutual funds.

Three insurers, including China Pacific Insurance and Taikang Life, got regulatory approval to invest 52 billion yuan ($7.16 billion) into stocks via a newly-established fund, state media reported.

EARNINGS WOES DRAG INDIAN SHARES TO 7-MONTH LOW

Reuters Published about an hour ago

MUMBAI: Indian shares slid more than 1% on Monday, with the benchmark Nifty 50 and Sensex indexes finishing at seven-month lows, as a swathe of lacklustre earnings reports fuelled fears that a slowdown in corporate profits would continue.

The Nifty 50 fell 1.14% to end at 22,829.15, while the BSE Sensex shed 1.08% to close at 75,366.17.

Small-cap stocks sank 3.8%, while mid-caps lost 2.75%, both posting their worst session in two weeks. All 13 major sectors logged losses.

"Slowing earnings in the December quarter has been a major pain point for the domestic markets, with the weakness in capex and consumption spooking investor sentiment," said Avinash Gorakshakar, head of research at Profitmart Securities.

Among the companies reporting earnings, IDFC First Bank fell about 9% after posting a lower quarterly profit, hurt by souring microfinance loans.

NASDAQ SLUMPS ON CHINESE AI UPSTART, NVIDIA LOSES SOME $400BN IN VALUE

AFP Published January 27, 2025

NEW YORK: The tech-rich Nasdaq tumbled early Monday as traders around Wall Street and other global bourses reacted to the emergence of a low-cost Chinese generative AI venture that has apparently overtaken US companies.

DeepSeek, which was developed by a start-up based in the eastern Chinese city of Hangzhou, has shown the ability to match the capacity of AI pace-setters such as Nvidia, which sank more than 11 percent Monday, giving up some $400 billion in market value.

The tech-rich Nasdaq led major indices lower, falling 2.7 percent, with AI players Meta, Microsoft and Google parent Alphabet all firmly lower.

DeepSeek said they spent only $5.6 million developing their model – peanuts when compared with the billions US tech giants have poured into AI.

US "tech dominance is being challenged by China," said Kathleen Brooks, research director at XTB. "The focus is now on whether China can do it better, quicker and more cost effectively than the US, and if they could win the AI race."

Wall Street Week Ahead: Fed's rate-cut view set to test resurgent US stocks rally

Meta and Microsoft are among the tech giants scheduled to report earnings later this week, offering opportunity for comment on the emergence of the Chinese company, likened by venture capitalist Marc Andreessen to a "Sputnik moment," when the Soviet Union shocked Washington with its 1957 launch of a satellite into orbit.

"DeepSeek's AI assistant is now the top-rated free application on Apple's US App Store," said a note from David Morrison, senior market analyst at FCA.

"Investors have been forced to reconsider the outlook for capital expenditure and valuations given the threat of discount Chinese AI models. These appear to be as good, if not better, than US versions."

Earlier, European and Asian stock markets mostly slid as markets also digested the latest tariff back-and-forth involving US President Donald Trump and Colombia.

SoftBank sinks

Just last week following his inauguration, Trump announced a $500 billion venture to build infrastructure for AI in the United States.

Tech and chip firms were among the big losers in Tokyo on Monday as the Nikkei ended in negative territory, with Advantest down more than eight percent and Tokyo Electron off almost five percent.

SoftBank, which is a key investor in Trump's AI project, tumbled more than eight percent.

Besides tech earnings, this week also sees interest-rate decisions from the Federal Reserve and European Central Bank, ahead of American inflation data.

Equities enjoyed a healthy run-up last week on the hope that Trump's second administration would take a less hardball approach to global trade. However, his threat Sunday that he would hit Colombian goods with a 25 percent tariff – rising to 50 percent next week – and revoke the visas of government officials set off alarm bells.

The move came after President Gustavo Petro blocked deportation flights from the United States.

In response to Trump's decision, Petro initially announced retaliatory levies of 25 percent on imports from the United States.

But Bogota later backed down and agreed to accept the deported citizens, with Foreign Minister Luis Gilberto Murillo saying they had "overcome the impasse."

Key figures around 1450 GMT

New York - Dow: DOWN 0.3 percent at 44,271.66

New York - S&P 500: DOWN 1.7 percent at 6,000.18

New York - Nasdaq: DOWN 2.7 percent at 19,415.06

London - FTSE 100: DOWN 0.1 percent at 8,495.07

Paris - CAC 40: DOWN 0.4 percent at 7,899.44

Frankfurt - DAX: DOWN 0.7 percent at 21,237.11

Tokyo - Nikkei 225: DOWN 0.9 percent at 39,565.80 (close)

Hong Kong - Hang Seng Index: UP 0.7 percent at 20,197.77 (close)

Shanghai - Composite: DOWN 0.1 percent at 3,250.60 (close)

Euro/dollar: UP at $1.0510 from $1.0497 on Friday

Pound/dollar: UP at $1.2499 from $1.2484

Dollar/yen: DOWN at 154.29 yen from 156.00 yen

Euro/pound: UP at 84.09 pence from 84.08 pence

Brent North Sea Crude: DOWN 0.2 percent at $78.30 per barrel

West Texas Intermediate: DOWN 0.4 percent at $74.40 per barrel

MOST GULF MARKETS FALL AMID US TRADE CONCERNS

Reuters Published January 27, 2025

Most stock markets in the Gulf ended lower on Monday due to uncertainty surrounding U.S. trade policy, although the Qatari index bucked the trend.

U.S. President Donald Trump reaffirmed his commitment to enforcing tariffs, with a recent dispute with Colombia centered on migration-related issues that prompted Trump to threaten the country with tariffs and sanctions. The move sent a clear signal that the U.S. would not hesitate to act to protect its interests.

Investors in the region are increasingly cautious due to the unpredictable nature of U.S. trade decisions, which have the potential to significantly impact global markets. The ongoing tensions between the U.S. and its trading partners have created a climate of uncertainty, making it challenging for investors to make informed decisions.

Saudi Arabia's benchmark index gave up early gains to close 0.1% lower, hit by a 0.5% fall in Al Rajhi Bank and a 2.1% decrease in Saudi Arabian Mining Company.

However, the index's losses were limited by gains in the real estate division with Jabal Omar Development Company soaring 10%.

The kingdom's Capital Market Authority (CMA) said foreign investors will be permitted to invest in Saudi-listed real estate companies operating in Mecca and Medina from Jan. 27.

Most Gulf markets gain after Trump comments

Dubai's main share index dropped 0.7%, weighed down by a 2.3% fall in blue-chip developer Emaar Properties.

In Abu Dhabi, the index eased 0.1%.

Meanwhile, oil market momentum was kept in check as prices fluctuated in and out of negative territory, with traders on edge despite the U.S. pulling back from initial sanctions threats against Colombia, reducing immediate concern over oil supply disruptions.

The Qatari benchmark rose 0.2%, helped by a 1.5% rise in Commercial Bank.

Outside the Gulf, Egypt's blue-chip index declined 1%, as most of its constituents were in negative territory including Commercial International Bank, which was down 0.8%.

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 SAUDI ARABIA     fell 0.1% to 12,373
 Abu Dhabi        lost 0.2% to 9,553
 Dubai            down 0.7% to 5,192
 QATAR            gained 0.2% to 10,667
 EGYPT            declined 1% to 29,742
 BAHRAIN          eased 0.5% to 1,890
 OMAN             rose 0.2% to 4,561
 KUWAIT           added 0.8% to 8,361
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ENERGY STOCKS LIFT SRI LANKAN SHARES

- CSE All Share index settled up 0.75% at 17,044.67

Reuters Published January 27, 2025

Sri Lankan shares closed higher on Monday, led by gains in energy stocks.

The CSE All Share index settled up 0.75% at 17,044.67.

Nation Lanka Finance and Odel were the top percentage gainers on the CSE All Share, rising 33.33% and 18.87%, respectively.

The island nation's central bank is likely to hold rates ahead of its budget on Feb. 17, a Reuters poll showed.

Trading volume on the CSE All Share index dropped to 196.5 million shares from 257 million in the previous session.

Sri Lanka shares end lower as IT, healthcare drag

The equity market's turnover fell to 5.94 billion Sri Lankan rupees (nearly $20 million) from 7.44 billion rupees in the previous session, according to exchange data.

Foreign investors were net sellers, offloading stocks worth 630.9 million rupees, while domestic investors were net buyers, purchasing shares worth 5.80 billion rupees, the data showed.

EARNINGS WOES DRAG INDIAN SHARES TO SEVEN-MONTH LOW

Reuters Published January 27, 2025

Indian shares slid more than 1% on Monday, with the benchmark Nifty 50 and Sensex indexes finishing at seven-month lows, as a swathe of lacklustre earnings reports fuelled fears that a slowdown in corporate profits would continue.

The Nifty 50 fell 1.14% to end at 22,829.15, while the BSE Sensex shed 1.08% to close at 75,366.17.

Small-cap stocks sank 3.8%, while mid-caps lost 2.75%, both posting their worst session in two weeks. All 13 major sectors logged losses.

"Slowing earnings in the December quarter has been a major pain point for the domestic markets, with the weakness in capex and consumption spooking investor sentiment," said Avinash Gorakshakar, head of research at Profitmart Securities.

Among the companies reporting earnings, IDFC First Bank fell about 9% after posting a lower quarterly profit, hurt by souring microfinance loans.

AU Small Finance Bank also lost 5.25% after cutting its fiscal year 2025 loan growth forecast.

IT stocks lead gains in India's benchmark indexes

JSW Steel declined 2% after missing quarterly profit estimates due to lower prices and cooling demand. That, as well as lower metal prices, dragged metal stocks down about 3%.

Bucking the trend, No. 2 private lender ICICI Bank rose 1.6% after reporting a higher quarterly profit due to healthy loan growth.

But, adding to the gloom, pharma stocks lost 2.65%. Analysts said the U.S. pausing foreign aid is expected to stop funding for AIDS relief as well, which hurts AIDS drug makers.

Laurus Labs, which has the highest exposure to the programme per ICICI Securities, sank 11.3%. Cipla fell 1% while Aurobindo Pharma and Strides Pharma dropped 3% to 4%.

KSE-100 CLOSES 1,360 POINTS LOWER AS INVESTORS OPT FOR CAUTION

BR Web Desk Published January 27, 2025

The Pakistan Stock Exchange (PSX) witnessed selling pressure on Monday, with its benchmark KSE-100 Index closing lower by 1,360 points as investors remained cautious despite an expected rate cut in the key policy rate.

The KSE-100 started the session positive, hitting an intra-day high of 115,596.87.

However, selling pressure in the latter hours pushed the index to an intra-day low of 113,482.23.

At close, the benchmark index settled at 113,520.32, down by 1,360.16 points or 1.18%.

In a key development, the Monetary Policy Committee (MPC) of the State Bank of Pakistan (SBP) reduced the key policy rate by 100 basis points, taking it down to 12%. This was the sixth successive cut in the key interest rate since June 2024 when it stood at 22%.

"After the MPC, the market will shift focus on politics and the results season (anticipating large dividends from some banks and fertiliser stocks)," said Intermarket Securities in a note that had envisaged that a larger than 100bps cut could be a positive trigger for the stock market.

Another brokerage house Topline Securities said the Monday's negative trend could largely be attributed to the weaker-than-expected financial results of MARI, which dampened investor sentiment.

"The company reported an earnings per share (EPS) of Rs9.3, with no cash payout, falling below market expectations and contributing significantly to the bearish activity observed during the trading session.

"POL from the E&P sector declared its 2QFY25 result, where the company posted an EPS of Rs26.7/share, taking 1HFY25 earning to Rs35.7/share, along with a cash dividend of Rs25/share for 1HFY25 results," it said.

Key contributors to the upward trajectory included SYS, EFERT, FFC, POL, and BAHL, collectively adding 282 points. On the other hand, substantial declines in MARI, ENGROH, PSO, HUBC, and PPL weighed heavily on the market, accounting for a combined loss of 783 points, Topline said.

During the previous week, the stock market witnessed a mixed trend as the investors remained cautious and avoided taking fresh positions due to uncertainty on the implications of amendments in the tax bill regarding non-filers which adversely impacted market sentiments. The KSE-100 declined by 391.59 points on a week-on-week basis and closed at 114,880.49 points on Friday.

Internationally, US stock futures and Asian shares outside China slumped on Monday as investors weighed the implications of Chinese startup DeepSeek's launch of a free, open-source artificial intelligence model to rival OpenAI's ChatGPT.

Meanwhile, the dollar rose after US President Donald Trump slapped Colombia with retaliatory levies and sanctions for turning away military aircraft carrying deported migrants. US Nasdaq Composite futures tumbled 1.8% as of 0158 GMT and S&P 500 futures sank 0.9%.

Japan's Nikkei dropped 0.3%, reversing an initial advance. New Zealand's equity benchmark slipped 0.6% and Singapore's Straits Times index lost 0.2%.

At the same time, Hong Kong's Hang Seng rallied 0.9% and mainland blue chips added 0.2%, even after data showed a surprise contraction in manufacturing this month.

Meanwhile, the Pakistani rupee saw a marginal decline against the US dollar, depreciating 0.03% in the inter-bank market on Monday. At close, the currency settled at 278.83 for a loss of Re0.08 against the greenback.

Volume on the all-share index decreased to 494 million from 632.04 million on Friday.

The value of shares declined to Rs25.94 billion from Rs37.80 billion in the previous session.

Sui South Gas was the volume leader with 51.65 million shares, followed by Cnergyico PK with 50.68 million shares, and WorldCall Telecom with 29.07 million shares.

Shares of 442 companies were traded on Monday, of which 97 registered an increase, 298 recorded a fall, while 47 remained unchanged.

JAPAN'S NIKKEI SEES DECLINES AS TECH SHARES STUMBLE

Reuters Published January 27, 2025

TOKYO: Japan's Nikkei share average fell on Monday as a slump in technology shares following last week's rally beat market relief over an unsurprising Bank of Japan (BOJ) decision last week.

The Nikkei declined 0.6% to 39,699.76 as of the midday break, while the broader Topix was up 0.5% at 2,764.66.

The stock market received some support after the BOJ's monetary policy concluded on Friday without a fuss, with the central bank raising interest rates as widely expected. Markets are still only expecting another 25 basis points of tightening this year.

The financial sector outperformed, with banks leading Tokyo Stock Exchange's 33 industry sectors.

Japan's Nikkei rises as tech shares gain

Exporter shares including automaker giant Toyota Motor and peer Honda Motor also gained, as the yen hovered around 155.61 per dollar after briefly strengthening to the 154 range on Friday.

Of the Nikkei's 225 constituents, 180 were up.

But Japan's heavyweight technology shares saw sizeable losses, backtracking from gains made last week on news of US investment plans to fund infrastructure for artificial intelligence.

Advantest, which counts US chip darling Nvidia among its customers, declined 8.2% to become the biggest drag on the Nikkei.

Some market players are watching DeepSeek after the Chinese AI startup rolled out an open-source reasoning model called DeepSeek-R1 that it said rivalled OpenAI's o1 on several performance benchmarks.

"There's a view that DeepSeek's (open-source AI model) might become the world's best," said Nomura Securities strategist Maki Sawada. "This could also be affecting the market, but we're likely seeing a reversal from last week's rally," she added.

Wall Street's main indexes closed lower on Friday to dampen investor sentiment in Asia.

The technology sector weighed on the market as megacap stocks reversed their sharp rally earlier in the week.

Among big-names shares, AI-focused startup investor SoftBank Group was down 6.3% and chip-making equipment giant Tokyo Electron stumbled 4.5%. Uniqlo parent Fast Retailing added 0.8%.

EARNINGS WOES DRAG INDIAN SHARES DOWN 1%, WITH ICICI BANK A LONE STANDOUT

Reuters Published January 27, 2025

Indian shares slid on Monday as a swathe of lacklustre earnings reports confirmed investors' fears that a slowdown in corporate profits would continue.

The Nifty 50 tumbled 1.08% to 22,842.1 points as of 10:37 a.m. IST, while the BSE Sensex shed 1.03% to 75,404.84.

"Barring IT this earnings season, commentary from most other sectors indicates an adverse impact due to a slowdown in government capex and urban consumption, which is hurting investor sentiment across the board," said Gaurav Dua, senior vice president and head of capital market strategy at Mirae Asset Sharekhan.

"While the drop in the benchmarks could be limited from here on, the pain could be prolonged in small- and mid-cap segments, since they are vulnerable in a tough macroeconomic environment, while costlier valuations could trigger further selling."

Small-cap stock sank 4.5%, while mid-caps lost about 3%.

They have fallen 13.7% and 9.6%, respectively, so far in January, while the Nifty has dropped 3.5%.

ICICI Bank rose 1.7%, helping limit the losses on the benchmark, after reporting a higher quarterly profit, driven by healthy loan growth. But other reports, including from lenders, disappointed.

Earnings worries yank Indian shares to third week of losses

IDFC First Bank fell 6.7% to a 21-month low after its profit more than halved due to souring microfinance loans, while AU Small Finance Bank also lost 7% after cutting its fiscal year 2025 loan growth forecast.

JSW Steel declined 2%, leading metal stocks 2.5% lower, after missing quarterly profit estimates due to lower prices and cooling demand.

Godrej Consumer lost 2% after its quarterly profit missed estimates due to moderating urban demand.

Meanwhile, US President Donald Trump reminded how serious he was about tariffs after first threatening tariffs and sanctions on Colombia over a migrant-related dispute before putting them on hold as a deal was reached.

CHINA STOCKS FLAT AS MANUFACTURING ACTIVITY SLOWDOWN CURBS SENTIMENT

Reuters Published January 27, 2025

SHANGHAI: China stocks were flat on Monday, the last day before the Lunar New Year holiday, as a surprise contraction in manufacturing activity and lingering concerns about US tariffs offset the optimism from government efforts to introduce long-term capital.

China, HK stocks rise after Trump says conversation with Xi 'friendly'

- However, in Hong Kong, tech shares led the market higher.
- China's blue-chip CSI300 Index had edged up 0.1% by the lunch break, while the Shanghai Composite Index gained 0.3%. Hong Kong's Hang Seng Index rose 0.9%.
- China's manufacturing activity unexpectedly contracted in January, its weakest showing since August.
- "Part of the slowdown may be due to weaker external demand as the new export orders index dropped to the lowest level since March last year," said Zhiwei Zhang, president of Pinpoint Asset Management.
- Meanwhile, US President Donald Trump's threats to impose tariffs and sanctions on Colombia --- now on hold after a deal was reached -- reminded investors that Trump is serious about his tariff pledges.
- (The) "Tariff risks might have been delayed, but not derailed," Morgan Stanley said in a note, estimating that weighted average tariff rate on China will rise from 10% at the end of 2024 to 26% by the end of 2025 and 36% in 2026.

- These concerns dampened the excitement from signs that institutional money is starting to flow into the stock market after Beijing set specific targets last week to introduce long-term capital from insurers and mutual funds.
- Three insurers, including China Pacific Insurance and Taikang Life, got regulatory approval to invest 52 billion yuan ($7.16 billion) into stocks via a newly-established fund, state media reported.
- Due to continued fiscal and housing policy undershoot, "we advise investors to exercise caution, and continue to favor ... stocks with stable cash returns and dividend yields," Morgan Stanley said.
- Big data stocks jumped on excitement around DeepSeek, a Chinese AI lab whose cutting-edge model stunned the world.
- But other tech stocks, including robots, chipmaking and cloud computing, fell.

ASIA EQUITIES SLIDE WITH US STOCK FUTURES ON CHINA'S AI PUSH; DOLLAR FIRMS

Reuters Published January 27, 2025

TOKYO: US stock futures and Asian shares outside China slumped on Monday as investors weighed the implications of Chinese startup DeepSeek's launch of a free, open-source artificial intelligence model to rival OpenAI's ChatGPT.

Meanwhile, the dollar rose after US President Donald Trump slapped Colombia with retaliatory levies and sanctions for turning away military aircraft carrying deported migrants. US Nasdaq Composite futures tumbled 1.8% as of 0158 GMT and S&P 500 futures sank 0.9%.

Japan's Nikkei dropped 0.3%, reversing an initial advance. New Zealand's equity benchmark slipped 0.6% and Singapore's Straits Times index lost 0.2%.

At the same time, Hong Kong's Hang Seng rallied 0.9% and mainland blue chips added 0.2%, even after data showed a surprise contraction in manufacturing this month.

Asia shares buoyed by Trump’s China comments, yen awaits BOJ

DeepSeek "has raised the spectre of disruption in the tech landscape, with its emergence suggesting that China can continue to make strides in the AI race despite US restrictions," Yeap Jun Rong, a strategist at IG, wrote in a note.

It "seems to instil some concerns over US tech dominance", putting "tech companies' lofty valuation back under scrutiny", he said.

In currencies, the dollar jumped 0.3% against the Chinese yuan in offshore trading, and rallied 0.4% versus the Aussie and 0.5% versus the New Zealand dollar, with the antipodean currencies tending to act as more liquid proxies for China's currency due to close trade ties.

The Mexican peso slumped 1% and the Canadian dollar eased 0.3%.

The Colombian peso had yet to trade against the dollar, but had rallied 3.4% over the previous three sessions.

Dollar strength fleeting

China, Mexico and Canada face a nervy wait with Trump last week earmarking Feb. 1 for additional tariffs on the United States' top trading partners.

However, Nomura strategist Naka Matsuzawa expects dollar strength on tariff worries to be fleeting.

"As a trend, Trump is taking a more realistic, less aggressive stance on tariffs," Matsuzawa said.

"Bottom line: Trump doesn't want big tariffs because he's worried about inflation," he said.

"The dollar will be overall weaker." Trump last week soothed market concerns by saying he wanted to avoid tariffs on China, and said he could reach a trade deal.

The volatility across asset classes kicks off a crucial week for markets that will see the Federal Reserve and European Central Bank - among others - set monetary policy.

At the same time, many bourses have extended holidays this week for the lunar new year.

Among them, South Korea is closed Monday and Tuesday, while Taiwan is shut all week.

Mainland China is away from Tuesday until Wednesday of next week.

Australia is closed on Monday for Australia Day. Meanwhile, crude oil prices slumped after Trump on Friday reiterated his call for OPEC to cut oil prices.

Brent crude futures dropped 1.2% to $77.60 a barrel, while US West Texas Intermediate crude lost 1.2% to $73.78 a barrel.

Gold sank 0.6% to $2,755.85 per ounce. Leading cryptocurrency bitcoin slid 3.5% to $101,415.12. Reuters

NVIDIA AND U.S. TECH STOCKS TUMBLE AMID DEEPSEEK AI CONCERNS

January 28, 2025

Nvidia and several prominent U.S. technology companies faced sharp declines on Monday as a global sell-off was triggered by concerns over competition in the artificial intelligence (AI) sector. The worries were sparked by the emergence of DeepSeek, a Chinese startup that has made waves with its AI advancements, raising questions about the future of U.S. leadership in AI technology.

Nvidia, a key player in the chip design market and a significant beneficiary of the AI boom, saw its shares plummet by 17.4%, marking its worst performance since March 2020. The company's stock hit lows not seen since October, contributing to broader declines in AI-related stocks and dragging down the overall U.S. stock market. Other major chipmakers, such as Micron and Arm Holdings, also experienced significant losses, falling 10% and 9%, respectively. Broadcom and Advanced Micro Devices (AMD) lost 16% and 6%, respectively, further highlighting the broad impact of the sell-off.

Additionally, power companies tied to the AI infrastructure, like Constellation Energy and Vistra, saw their stocks dive, with losses exceeding 19% and 27%, respectively. The sell-off also spread internationally, with European chip companies like ASML and ASM International experiencing sharp declines in their stock prices. In Asia, chip-related stocks, including Advantest and Tokyo Electron in Japan, saw widespread losses.

The catalyst for this global sell-off was DeepSeek's announcement in late December of its open-source, free-to-use large language model, which was developed in just two months at a cost of under $6 million—far less than what U.S. companies typically spend on similar projects. This development raised eyebrows in the tech world, especially after DeepSeek's reasoning model was reported to outperform OpenAI's latest model in several third-party tests.

The success of DeepSeek's low-cost model has raised concerns about the hefty investments made by U.S. tech giants in AI models and infrastructure. The rapid progress of DeepSeek's models with minimal computing resources has cast doubt on the competitiveness of American companies, especially when compared to the lower costs associated with Chinese startups. Analysts have pointed out that despite DeepSeek's impressive results, the company does not yet have access to the same computational power as leading U.S. companies like Amazon and Microsoft, who dominate the AI sector due to their vast computing infrastructure.

Nvidia, which leads the market in graphics processing units (GPUs), a critical component for training large AI models, remains the primary supplier for AI-focused companies. However, the increasing competition from lower-cost models like DeepSeek's could challenge the U.S. dominance in the field, although access to superior GPUs still serves as a major barrier for rivals.

Despite skepticism over the true cost of DeepSeek's model, with some analysts questioning whether the reported $6 million figure excludes other research and development expenses, concerns over the growing competition are undeniable. While U.S. companies may still have an edge in the hardware needed to support AI development, the rise of competitors like DeepSeek has sparked a sense of urgency among major players in the tech industry to maintain their competitive advantage.

KSE-100 PLUNGES 1,360 POINTS AMID BROAD MARKET SELL-OFF

January 27, 2025

Karachi, January 27, 2025 – The benchmark KSE-100 index of the Pakistan Stock Exchange (PSX) recorded a sharp decline on Monday, shedding 1,360 points amid heavy selling pressure. The KSE-100 index closed at 113,520 points, down from last Friday's closing of 114,880 points.

Analysts attributed the significant drop in the KSE-100 index to widespread selling across key sectors, as investors awaited the monetary policy decision by the State Bank of Pakistan (SBP). The decision, announced after the market's close, revealed a 100 basis points cut in the policy rate, reducing it to 12%.

Selling pressure was evident across major sectors, including automobile assemblers, cement, chemicals, commercial banks, oil and gas exploration companies, OMCs, refineries, and power generation. Index-heavy stocks such as HUBCO, SNGP, SSGC, MARI, OGDC, PPL, MCB, MEBL, and UBL traded in the red, further dragging down the KSE-100 index.

"The key event today was the Monetary Policy Committee (MPC) meeting, with market consensus expecting a 100bps cut to bring the policy rate to 12%," noted Intermarket Securities. "Recent T-Bill auctions have seen short-term yields fall below 11.5% while the policy rate stood at 13%. A larger-than-expected cut could act as a positive trigger. Post-MPC, the market's focus will shift to political developments and the corporate results season, particularly expectations of large dividends from some banks and fertilizer stocks."

The KSE-100 index had shown a mixed trend during the previous week as investors remained cautious, avoiding new positions due to uncertainties surrounding amendments to the tax bill affecting non-filers. These changes negatively impacted market sentiment, contributing to the week's volatility.

On a week-on-week basis, the KSE-100 index declined by 391.59 points, closing last week at 114,880.49 points. The uncertainty over fiscal and political developments weighed heavily on investor confidence, leading to reduced activity in the market.

Monday's significant drop in the KSE-100 index highlights the sensitivity of market sentiment to key economic events, including monetary policy decisions. While the SBP's policy rate cut may provide long-term relief for businesses, short-term volatility remains a challenge for the KSE-100 index. Investors will now closely watch political developments and corporate earnings announcements, which could influence the KSE-100 index's trajectory in the coming weeks.

Business & Finance » Money & Banking

YUAN SLIPS FROM 2-MONTH HIGH

Reuters Published about 2 hours ago

SHANGHAI: China's yuan slipped from a near two-month high against the dollar in holiday-thinned trading on Monday, as US President Donald Trump's retaliatory plan against Colombia rekindled broader fears of US tariffs against key trading partners.

Uncertainty around US trade policy with China and signs of a slowing domestic economy, highlighted by an unexpected contraction in manufacturing activity in January, are likely to check any upside moves in the yuan, traders and analysts said.

As of 0327 GMT, the onshore yuan was 0.33% lower at 7.2621 to the dollar, compared with a high of 7.2363 hit in the previous session on Friday that was the strongest level since Nov. 29.

If the spot rate finishes the late night session at the midday level, it would have gained 0.5% to the dollar in January to record the first monthly rise since September.

That monthly momentum has been underpinned by Trump's apparent softening in threats of tariffs on Chinese exports and after his "friendly" recent conversation with Chinese President Xi Jinping.

In offshore trade, the yuan was at 7.2641, down about 0.25%.

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 7.1698 per dollar, and 597 pips firmer than a Reuters' estimate of 7.2295.

YEN AND SWISS FRANC JUMP, DOLLAR DROPS

Reuters Published about 2 hours ago

NEW YORK: The Japanese yen and the Swiss franc gained against major currencies on Monday amid a selloff in technology stocks as markets weighed the implications of a Chinese startup launching a free open-source artificial intelligence model.

China's DeepSeek rolled out a free AI assistant that it says uses lower-cost chips and less data, seemingly challenging a widespread bet in markets that AI will drive demand along a supply chain from chipmakers to data centres.

The yen and Swiss franc strengthened, while the yield on the benchmark 10-year Treasury note dropped 6 basis points to a one-month low of 4.561% as investors rushed into safe-haven assets and government bonds.

The benchmark S&P 500 was down 1.6% to 6,003.04, dragged down by technology stocks. AI chipmaker Nvidia was down nearly 14% to $123.02.

"US equity markets are selling off hard and foreigners were large record buyers of US stocks in December. That is a contrarian indicator," said Marc Chandler, chief market strategist at Bannockburn Global Forex in New York.

"Many people were concerned already that US stocks were overvalued. DeepSeek exposes these concerns. And what it did was the US 10-year yield is down. That is why the yen and the Swiss franc have done relatively well."

The Japanese yen rose 0.95% to 154.56 against the dollar after tightening up to 153.71, its strongest since mid-December. The Swiss franc rose 0.57% against the greenback to $0.90105.

The dollar index, which measures the greenback against a basket of currencies including the yen and the euro, fell 0.34% to 107.30, after dropping to its lowest since mid-December. The euro was up 0.09% at $1.0502.

The dollar recorded its biggest weekly loss in more than a year last week on expectations that tariffs enacted by US President Donald Trump will be lower than previously feared. But concerns have resurfaced as the US and Colombia pulled back from the brink of a trade war.

The Mexican peso, a barometer of tariff worries, weakened 1.6% to 20.609 per dollar. The Canadian dollar was down 0.33% versus the greenback at 1.44 per dollar. Trump said last week he may impose duties on products from Canada and Mexico from Feb. 1.

“The Mexican peso is the weakest of the emerging market currencies today. I think it suffered in sympathy with Colombia and the threat of tariffs,” Chandler said.

“While the Canadian dollar is down, it is doing a little bit better than the other dollar block currencies like the Aussie and kiwi.”

The Australian dollar dropped 0.48% versus the greenback to $0.6277. The kiwi weakened 0.53% versus the greenback to $0.5679.

Major central banks, including the Federal Reserve and the European Central Bank, will meet this week after the Bank of Japan raised its rates and Governor Kazuo Ueda said last week the BoJ would keep tightening its policy as wage and price increases broaden.

The personal consumption expenditures (PCE) price index - the Fed’s favourite inflation gauge - is due on Friday, while inflation data will be released from Germany, France and Japan on Friday as well.

“I think the market’s going to turn cautious now ahead of Wednesday when both the Federal Reserve and the Bank of Canada meet,” Chandler added.

BITCOIN DROPS TO 11-DAY LOW

Reuters Published about 2 hours ago

LONDON: Bitcoin fell below $100,000 on Monday, hitting its lowest in 11 days, in a move analysts attributed to a wave of caution after the surging popularity of a Chinese artificial intelligence model sparked a selloff in Western AI-related stocks.

The world’s biggest cryptocurrency struggled to make gains last week, as a rally that had seen it break above $100,000 after US President Donald Trump’s election ran out of steam.

At 1156 GMT, bitcoin was at $98,852.17, down around 6% on the day, having fallen sharply in early trading to hit its lowest since Jan. 16.

Technology stocks plunged, as traders worried that Chinese AI startup DeepSeek could threaten Western companies' dominance of the sector, in a move some called AI's "Sputnik moment", referring to the former Soviet Union's launch of a satellite that marked the start of the space race in the late 1950s.

ASIAN CURRENCIES WEAKEN ON TRUMP TARIFF CONCERNS

Reuters Published about 2 hours ago

BENGALURU: Thailand's baht slipped the most among weaker Asian currencies on Monday as the dollar firmed on renewed concerns about US President Donald Trump's tariff plans, while investors awaited the Federal Reserve's policy decision.

The baht fell 0.6% and the Indian rupee inched 0.3% lower.

The MSCI gauge of emerging market currencies was last down 0.3%, set for its weakest trading session in more than five weeks.

The dollar strengthened after Trump threatened Colombia with retaliatory levies and sanctions as part of his immigration crackdown.

However, later on Sunday, after the South American nation agreed to accept military aircraft carrying deported migrants, the White House said it would not carry out the threat.

While fears of tariffs, especially on Chinese goods, eased slightly last week boosting most Asian currencies, DBS analysts warned that a week without tariffs being imposed should not be seen as "a welcome marker" for what might lie ahead.

"Given that Trump has talked about his belief in the potency of tariffs, actual and threatened, for four decades, we are sceptical that this four-year term would somehow begin and end with minimal application of his favourite tool," they said in a note.

The Chinese yuan fell 0.4%. An official factory survey showed that China's manufacturing activity unexpectedly contracted in January to its weakest since August.

Regional stock markets were also weaker, with Kuala Lumpur slipping around 0.6%.

NEW CURRENCY NOTES TO ENTER CIRCULATION IN 2025, CONFIRMS SBP GOVERNOR

- Notes of all existing denominations would be issued one by one instead in one go, according to the SBP chief

Salman Siddiqui Published January 27, 2025

State Bank of Pakistan (SBP) Governor Jameel Ahmad said on Monday the central bank would issue the first new currency note in the second half of 2025, replacing all the existing notes one by one – an initiative aimed at bringing new banknotes with improved security features.

The central bank is set to secure the federal cabinet's approval for issuance of the new banknotes "maximum in the next two to three months…(and) before June 2025", Jameel Ahmad said while talking to the media after addressing a press conference on the new monetary policy.

The currency notes of all existing denominations would be issued one by one instead in one go, according to the SBP chief.

He, however, did not disclose which domination note would be in circulation first. "It has yet to be decided."

At present, there are seven currency notes in circulation in Pakistan of the dominations of Rs10, Rs20, Rs50, Rs100, Rs500, Rs1,000, and Rs5,000.

Jameel Ahmad made it clear that new-designed currency notes would not be in circulation before the start of the new fiscal year (July 2025 - June 2026).

SBP governor's announcement on the new notes is seemingly in contradiction to a recent statement from the Security Papers Limited's (SPL), the company engaged in manufacturing and sale of specialised paper for banknote and non-bank note security documents.

In a notice to the Pakistan Stock Exchange last week, the SPL announced plans to upgrade its plant, which is expected to be completed within 18 months.

SPL shared that its paper manufacturing machines were commissioned in the year 2004 and to support the new banknote series there is an immediate need to upgrade the said machine to accommodate such security features, which are already being used internationally.

"Therefore, in order to meet the requirements for our key customer and to ensure business continuity, SPL would be upgrading the plant," the SPC stated in the notice.

In September 2024, the SBP announced the winners of its competition for the designs of the new banknote series. The central bank had initiated the process for designing and issuing of new banknotes series of all existing denominations in January, 2024. It announced an art competition in March 2024 to have innovative and thematic design ideas for the series of new currency notes.

InvestPak soon, digital currency in future

Meanwhile, Ahmad said at the press conference that the central bank was all set to launch InvestPak platform to enable individual and corporate investors to directly invest in the government debt securities including T-bills and Pakistan Investment Bonds (PIBs).

"The platform is in testing phase these days and it would be launched soon," he said.

The investors could invest through the platform after downloading and installing its app. Later on, they could sell the sovereign debt securities in the secondary market.

At present, individual and corporate investors invest in T-bills and PIBs through commercial banks following a cumbersome process.

Responding to a question, Ahmad said the SBP was building its capability to launch its own central bank digital currency (CBDC) in future.

The central bank is waiting for approval of a bill lying the government to have legal basis to advance work on CBDC, according to the SBP governor.

BULK OF PAKISTAN'S FOREIGN DEBT REPAYMENT FOR FY25 ALREADY REPAID: SBP CHIEF

Governor State Bank of Pakistan (SBP) Jameel Ahmad on Monday said "bulk of" the country's foreign debt for the...

BR Web Desk Published January 27, 2025

Governor State Bank of Pakistan (SBP) Jameel Ahmad Monday said "bulk of" the country's foreign debt for the ongoing fiscal year has already been paid.

In a press conference held to announce the key interest rate, the SBP chief also said the Monetary Policy Committee (MPC) decided on a cut of 100 basis points, keeping in mind the inflation outlook and other developments.

Meanwhile, responding to a query after the briefing, the SBP governor said Pakistan's foreign debt that was due to be repaid during the current fiscal year was $26.1 billion. Out of this, an amount to the tune of $16 billion in loans will either be rolled or repaid.

"An amount of $12.3 billion is rollovers agreed with the lenders, whereas $3.7 billion are commercial loans, which will also be repaid and refinanced," he said.

Meanwhile, the remaining $10-10.1 billion is the total repayable for this fiscal year. "An amount of $6.4 billion has already been repaid. Thus, the remaining amount of $3.6-3.7 billion needs to be repaid" during the remaining fiscal, he said.

The central bank chief added that the "bulk of the debt" has already been repaid, while further inflows are expected from multilateral lenders in the coming months.

Responding to a query, Ahmad said in the last two months i.e. December-January, $2.3-2.4 billion has been repaid.

Despite the repayment, the governor expects foreign exchange reserve to clock in at around $13 billion by June end.

His briefing comes as the MPC of the central bank on Monday decided to cut its key policy rate by 100bps to 12% from 13%. The decline was in line with market projections.

The central bank slashed rates by 1,000bps from an all-time high of 22% in June 2024, in one of the most aggressive moves among central banks in emerging markets and topping the 625bps in rate cuts it did in 2020 during the COVID-19 pandemic.

NEW CURRENCY NOTES PRINTING TO BEGIN IN FY26: SBP

January 27, 2025

Karachi, January 27, 2025 – The State Bank of Pakistan (SBP) has announced its plan to initiate the printing of new currency notes featuring advanced security enhancements in the upcoming fiscal year, 2025-26.

According to Arif Habib Limited, SBP Governor has confirmed that the design process for these upgraded notes is already underway. This meticulous work is expected to conclude within the current fiscal year, FY25, paving the way for production to commence in FY26. These measures aim to bolster security and reduce counterfeiting, ensuring the resilience of Pakistan's currency.

In a broader economic context, Pakistan faces substantial external debt obligations in FY25, totaling USD 26.1 billion. This comprises USD 22.1 billion in principal repayments and USD 4 billion in interest payments. Of this, USD 12.3 billion is anticipated to be rolled over, while USD 3.7 billion is expected to be sourced through commercial loans. The remaining USD 10.1 billion, of which USD 6.4 billion has already been repaid, leaves USD 3.7 billion to be settled over the next five months. Financing for this balance is expected through a combination of commercial and multilateral loans.

The SBP projects real GDP growth between 2.5% and 3.5% for FY25, with average inflation forecasted to range between 5.5% and 7.5%. Despite falling headline inflation, core inflation remains persistent, with risks stemming from volatile global oil prices, supply chain disruptions, and domestic taxation measures. The central bank expects inflationary pressures to rise in the final quarter of FY25 due to the base effect.

On the external front, the SBP's reserves are projected to exceed USD 13 billion by the end of FY25, marking an improvement from the current level of USD 11.4 billion. The current account balance is forecasted to remain within the range of -0.5% to +0.5%, driven by better-than-expected reserve accumulation and reduced repayment obligations in the latter half of FY25.

High-frequency indicators suggest an overall economic recovery, although construction activity continues to lag. The SBP also foresees a decline in profits for FY26 compared to FY25, primarily due to expected reductions in interest rates.

These developments reflect Pakistan's focused efforts to stabilize its economy, enhance financial resilience, and implement structural reforms in challenging times.

SBP SLASHES INTEREST RATE TO 12% AMID INFLATION DECLINE

January 27, 2025

Karachi, January 27, 2025 – The State Bank of Pakistan (SBP) announced a significant reduction in its benchmark policy rate, cutting it by 100 basis points to 12%. The decision, effective from January 28, 2025, was made during the Monetary Policy Committee (MPC) meeting held on Monday.

The MPC stated that inflation has continued its downward trend, reaching 4.1% year-on-year in December 2024, driven by moderate domestic demand and supportive supply-side dynamics, aided by a favorable base effect. Inflation is expected to decline further in January before inching up in the coming months. However, core inflation remains elevated, albeit easing. High-frequency indicators also suggest a gradual improvement in economic activity. The MPC highlighted that the cumulative 1,000 basis points reduction in the policy rate since June 2024 would further support economic recovery.

Key developments influencing the MPC's decision included slightly lower-than-expected real GDP growth in Q1-FY25, a current account surplus in December 2024 despite declining foreign exchange reserves, and below-target tax revenues in H1-FY25. Additionally, global oil price volatility and uncertain global economic policies have prompted central banks worldwide to adopt cautious stances.

The MPC emphasized the need for a cautious monetary policy to maintain price stability, essential for sustainable economic growth. The real policy rate needs to remain adequately positive to stabilize inflation within the target range of 5-7%.

Real Sector

Recent high-frequency indicators showed continued economic activity, with increased automobile, petroleum, and fertilizer sales, as well as higher import volumes, electricity generation, and private-sector credit disbursement. However, provisional data for Q1-FY25 revealed modest GDP growth of 0.9%, compared to 2.3% in Q1-FY24. This slowdown was largely attributed to a sharp deceleration in agricultural growth and moderated declines in the industrial sector. Despite these challenges, key industries such as textiles, food, and automobiles showed improvements, and business confidence remained positive. The MPC expects GDP growth for FY25 to remain in the projected range of 2.5-3.5%.

External Sector

The current account surplus reached $0.6 billion in December 2024, with a cumulative surplus of $1.2 billion in H1-FY25. Strong remittances and export earnings, particularly from high-value-added textiles, contributed to this surplus. Import growth also accelerated, reflecting improved economic activity. Although financial inflows remained subdued, they are expected to improve as major debt repayments have been completed. The SBP forecasts foreign exchange reserves to surpass $13 billion by June 2025.

Fiscal Sector

FBR revenues increased by 26% in H1-FY25 but remained below target. Accelerated tax revenue growth will be necessary to meet annual targets. Despite this, fiscal balance improved in H1-FY25 due to relatively contained expenditures and lower-than-expected interest payments. However, achieving the primary balance target remains challenging.

Money and Credit

Broad money (M2) growth decelerated to 11.3% year-on-year as of January 17, 2025, driven by a slowdown in net domestic assets growth. Private-sector credit grew sharply, supported by economic recovery and easing financial conditions. Bank deposits declined, while currency in circulation increased modestly.

Inflation

Headline inflation fell to 4.1% in December 2024 from 4.9% in November, driven by lower electricity tariffs, stable exchange rates, and adequate food supplies. Core inflation also eased but remains elevated. The MPC expects inflation to average between 5.5-7.5% for FY25, with risks stemming from global commodity price volatility, energy tariff adjustments, and revenue measures.

PKR TO USD: RUPEE STARTS WEEK WITH SLIGHT DECLINE AGAINST DOLLAR

January 27, 2025

Karachi, January 27, 2025 – The Pakistani rupee experienced a slight depreciation at the start of the week, falling by 8 paisas against the US dollar in the interbank foreign exchange market. The rupee closed at PKR 278.83 to the dollar on Monday, compared to last Friday's closing rate of PKR 278.75.

Currency analysts attributed the dip to the typical first-day trading pattern, which often sees increased dollar demand for import payments and corporate settlements. This uptick in dollar demand, coupled with pressures on Pakistan's foreign exchange reserves, was a key factor driving the rupee's decline.

The country's foreign exchange reserves have been under strain, with the State Bank of Pakistan (SBP) reporting a $262 million decline in reserves during the week ending January 17, 2025. Total net reserves fell from $16.451 billion to $16.189 billion over this period. Analysts highlighted that the strain on reserves exacerbates exchange rate volatility, particularly as demand for foreign currency remains robust for import-related transactions and corporate obligations.

Despite this short-term pressure, there are signs of optimism in Pakistan's economic outlook. The country's balance of payments performance has shown marked improvement, with a current account surplus of $1.21 billion recorded during the first half of the fiscal year 2024-25 (July-December 2024). This is a significant recovery compared to the $1.40 billion deficit reported in the same period of the previous fiscal year. Analysts view this improvement as a promising indicator of progress in addressing Pakistan's structural economic challenges, which is likely to bolster investor confidence.

Additionally, remittance inflows from overseas Pakistanis have played a critical role in supporting the economy. During the first half of FY2024-25, remittances surged by an impressive 38%, reaching $17.85 billion compared to $13.44 billion in the same period last year. These inflows not only provide a much-needed boost to foreign exchange reserves but also help mitigate external pressures on the rupee, offering some relief amid global economic uncertainties.

While the rupee remains under pressure in the short term, these positive developments—improved external accounts and strong remittance growth—are expected to provide stability and support for the local currency in the medium term, ensuring a steadier economic trajectory for Pakistan.

SBP MAY SURPRISE WITH SIGNIFICANT RATE CUT IN TODAY'S MPC

January 27, 2025

Karachi, January 27, 2025 – The State Bank of Pakistan (SBP) is expected to make headlines by announcing a substantial interest rate cut during today's Monetary Policy Committee (MPC) meeting. Market experts anticipate a rate cut of at least 100 basis points (bps), which would bring the benchmark policy rate down to 12% from the current 13%.

However, speculation remains high, with some market participants predicting a more aggressive move by the SBP, potentially slashing the policy rate by 200 bps to settle at 11%. A recent poll conducted by Topline Securities reflects market expectations, where 61% of respondents foresee a 100 bps rate cut by the SBP.

Breaking down the poll further, 7% of participants anticipate a 50 bps cut, another 7% expect a 150 bps reduction, while 17% believe the SBP might go for a bold 200 bps cut. Interestingly, 2% forecast an even steeper 250 bps cut, and 6% predict no change in the policy rate.

Topline Securities analysts point to several factors supporting the expectation of a rate cut. Real interest rates, which currently stand at approximately 950 bps as of January 2025, are significantly higher than Pakistan's historical average of 200-300 bps. This comes despite the SBP's successive 900 bps rate cuts across the last five meetings since June 2024.

The primary driver behind the anticipated move by the SBP is the substantial decline in inflation. January 2025's inflation rate is projected to clock in at just 3.5%, marking the lowest level in over 103 months. This sharp decline is attributed to food price deflation and negative adjustments in electricity costs through fuel cost adjustments (FCA).

If the SBP proceeds with a 100 bps cut today, it will mark the sixth consecutive rate reduction in the current cycle, bringing the total cumulative cuts to 1,000 bps. Even with this reduction, real interest rates will remain at 850 bps—still significantly higher than the historical norm.

Analysts estimate that with average inflation projected at 6.5-7.5% for FY25 and 8.5-9.5% for FY26, a policy rate of 12% would still leave real interest rates in the range of 300-500 bps, keeping Pakistan's monetary policy stance relatively tight.

The SBP's decision today will be pivotal, signaling its approach to balancing inflation control with economic growth.

Business & Finance » Industry

LCCI LAUDS SBP'S DECISION TO REDUCE DISCOUNT RATE

Recorder Report Published about 2 hours ago

LAHORE: The Lahore Chamber of Commerce and Industry (LCCI) has appreciated the State Bank of Pakistan's decision to reduce the discount rate.

This significant move aligns with LCCI's consistent demand and is being viewed as a much-needed relief for the business community but it must be at single digit.

The decision is expected to lower the cost of borrowing, stimulate industrial growth and create a more favorable environment for trade and investment in the country.

In a statement, LCCI President Mian Abuzar Shad and Vice President Shahid Nazir Chaudhry hailed the decision as a progressive step toward addressing the economic challenges faced by the business community. They noted that high interest rates had long been a significant obstacle, making borrowing unaffordable for businesses, especially small and medium enterprises (SMEs).

The rate cut will ease this burden, enabling businesses to access credit on more favorable terms, thereby enhancing productivity and fostering economic stability.

The LCCI leadership highlighted that the timing of this decision is particularly critical, given the rising input costs and inflationary pressures that have constrained business activities.

The reduction in the discount rate is expected to improve cash flow for industries, stimulate investment and boost export competitiveness. By alleviating financial strain, the move will encourage businesses to expand operations and create new employment opportunities, contributing to economic recovery.

While welcoming the SBP's proactive approach, the LCCI urged the government and the central bank to take additional steps to further strengthen the economy. These include addressing energy costs to reduce production expenses, introducing tax reforms to ease the financial burden on businesses and providing targeted support to SMEs. The business community also emphasised the importance of continued engagement with stakeholders to resolve structural economic challenges effectively.

The LCCI leaders emphasised that the decision marks a step in the right direction for reviving investor confidence and promoting sustainable growth. They also called on commercial banks to extend the benefits of the reduced discount rate by lowering their lending rates for businesses, especially for SMEs and startups, which play a vital role in driving economic activity.

FPCCI TERMS 100BPS POLICY RATE CUT 'GROSSLY INSUFFICIENT' REDUCTION

Recorder Report Published about 2 hours ago

KARACHI: Atif Ikram Sheikh, President FPCCI, has apprised that the business, industry and trade community of Pakistan is disappointed with the monetary policy as it continues to be based on a heavy premium vis-à-vis core inflation as the State Bank of Pakistan (SBP) announced a grossly-insufficient reduction of 100 bps only on Monday.

Currently, inflation as per government's own statistics, stood at 4.1 percent in December 2024; but, the policy rate is 12.0 percent as of today, which reflects a premium of 790 basis points vis-à-vis core inflation, he added.

Atif Ikram Sheikh continued that, after deliberations across all industries and sectors, FPCCI demanded an immediate and single-stroke rate cut of 500 basis points, in the Monday's Monetary Policy Committee (MPC) meeting, to rationalize the monetary policy; and, align it to the vision of Special Investment Facilitation Council (SIFC) and the Prime Minister's vision for economic growth and exports' growth. It is pertinent to note that the core inflation is expected to be in the range of 3–4 percent for the month of January 2025, he added.

Atif Ikram Sheikh explained that the international oil prices are also expected to remain relatively stable; whereas, oil is one of the major contributing factors in creating ripple effects in inflationary pressures in Pakistan.

The authorities in Pakistan now had all the prerequisites to announce a substantive rate cut; and do not hold onto their regressive, counterproductive, contractionary and anti-business monetary policy practices, he added.

Sheikh reiterated the apex body's stance that cost of doing business; ease of doing business and access to finance in Pakistan is at the lowest as compared to all its competitors in the export markets.

Fortunately, the decisive downward trend in inflationary pressures has been continuing for the past many months; and, the only viable solution to get back on economic growth trajectory is to support industry and exports, he added.

Saquib Fayyaz Magoon, SVP FPCCI, proposed that the interest rate should come down to single digits immediately to enable Pakistani exporters to some extent to compete in the regional and international export markets through reducing the cost of capital in a meaningful way.

This step should be accompanied by the fulfilment of government's promise to rationalize electricity tariff for industry; and, the government should renegotiate all Independent Power Producers (IPPs) Power Purchase Agreements (PPAs) on take-and-pay basis; which means that the industry and consumers will be set free from paying capacity charges in their electricity bills, he added.

FPCCI, the apex trade & industry body of Pakistan, has persistently questioned the approach of government, on behalf of the entire business, industry and trade community of Pakistan, in bringing transparency & consultation in the economic policymaking; and, has reiterated its stance that the government should provide answers to the two sets of questions for businesses to plan their investments, (i) what are the measures or commitments that are being undertaken to stay on course the new IMF programme and how would they affect cost of doing business in Pakistan (ii) what steps will be taken to put Pakistan back on an expeditious growth trajectory and how & when the government plans to take the business community into confidence on these measures.

FPCCI CRITICIZES LIMITED SBP RATE CUT

January 27, 2025

Karachi, January 27, 2025 – The Federation of Pakistan Chambers of Commerce and Industry (FPCCI) has expressed its surprise and disappointment over the State Bank of Pakistan's (SBP) decision to reduce the policy rate by just 100 basis points, despite the marked improvement in key economic indicators.

FPCCI President Atif Ikram Sheikh, in a statement issued on Monday, highlighted the dissatisfaction of Pakistan's business, industrial, and trade communities with the current monetary policy. He emphasized that the policy continues to maintain an unsustainable premium in relation to core inflation. According to the government's own figures, inflation stood at 4.1 percent in December 2024, while the SBP's policy rate remains at a high 12.0 percent, reflecting a significant premium of 790 basis points over core inflation.

After engaging with representatives from various sectors and industries, FPCCI has formally called for a more substantial policy rate reduction. The chamber proposed a 500 basis point cut in the SBP's policy rate during the recent Monetary Policy Committee (MPC) meeting. The FPCCI argued that such a move would align the monetary policy with the broader vision of the Special Investment Facilitation Council (SIFC) and support the Prime Minister's economic goals, particularly focusing on accelerating economic growth and boosting exports. With core inflation projected to remain between 3 to 4 percent for January 2025, FPCCI believes that a more aggressive rate cut would be both appropriate and timely.

Atif Ikram Sheikh further explained that international oil prices are expected to remain relatively stable, which should mitigate one of the key factors driving inflation in Pakistan. Given this, he stressed that the Pakistani authorities now have the ideal conditions to implement a meaningful rate cut, urging the SBP to move away from regressive and contractionary monetary policies that negatively impact businesses.

The FPCCI president reiterated the body's longstanding position that the cost of doing business, ease of doing business, and access to finance in Pakistan are among the lowest in comparison to its competitors in global export markets. With inflationary pressures showing a consistent downward trend for several months, he underscored that the only effective strategy to revive the economy is to provide much-needed support to industries and exports, rather than continue with restrictive monetary policies.

FPCCI's call reflects the broader sentiment within Pakistan's business community that more aggressive and forward-looking monetary policy actions are necessary to drive sustainable economic growth.

KCCI CRITICIZES SBP'S CONSERVATIVE 100BPS RATE REDUCTION

January 27, 2025

Karachi, January 27, 2025 – The Karachi Chamber of Commerce and Industry (KCCI) on Monday voiced its strong discontent over the State Bank of Pakistan's (SBP) decision to implement a modest 100 basis points (bps) reduction in the benchmark policy rate, bringing it down from 13% to 12%.

KCCI President Muhammad Jawed Bilwani expressed profound disappointment, labeling the move insufficient to address Pakistan's prevailing economic challenges. He argued that the slight cut reflects a lack of urgency and a missed opportunity to foster growth and alleviate the severe financial strain faced by businesses nationwide, particularly small and medium enterprises (SMEs).

"Despite assurances from the Prime Minister to bring interest rates down substantially, the SBP has opted for a cautious reduction. This fails to meet the expectations of the business community," President Bilwani remarked.

He highlighted the daunting challenges businesses are enduring, including skyrocketing input costs, surging energy tariffs, fluctuating fuel prices, and a volatile exchange rate. These factors, combined with persistently high interest rates, have rendered affordable credit inaccessible, stifling opportunities for working capital and industrial expansion.

Bilwani noted that the recent decline in inflation presented a prime opportunity for a more aggressive rate cut. Pakistan's inflation rate, which had soared to a historic high of 40% in May 2023, plummeted to a six-year low of 4.1% in December 2024. This improvement, fueled by a stable currency, declining global commodity prices, and better supply chains, provided ample justification for a bolder monetary policy adjustment.

"A meaningful reduction in the policy rate would have signaled to domestic and international investors that Pakistan is committed to creating a business-friendly environment," Bilwani said. "Unfortunately, the marginal adjustment demonstrates a conservative approach, leaving underlying economic stagnation unaddressed."

He further emphasized that Pakistan's policy rate remains disproportionately high compared to regional economies. India's rate, for example, stands at 6.50%, enabling its industries to remain cost-competitive and attract investment. In contrast, Pakistan's restrictive monetary policy continues to hinder growth, discourage investment in productive sectors, and exacerbate unemployment.

Bilwani also criticized the SBP for its over-reliance on inflation targeting at the expense of growth and employment. He urged a more pragmatic and holistic monetary policy that aligns with the government's goals of boosting exports, creating jobs, and fostering sustainable economic development.

The KCCI called on the SBP to adopt policies that prioritize industrial growth and economic recovery, ensuring Pakistan's businesses remain competitive in regional and global markets.

APTMA OPPOSES GAS PRICE HIKE, CITES EXPORT RISKS

January 27, 2025

Karachi, January 27, 2025 – The All Pakistan Textile Mills Association (APTMA), Southern Zone, has termed the Economic Coordination Committee's (ECC) recent decision to increase the gas tariff for Captive Power Plants (CPPs) from Rs. 3,000/MMBTU to Rs. 3,500/MMBTU as disastrous for the country's textile exports. The textile industry, which accounts for 60% of Pakistan's total exports, faces significant challenges due to this decision, APTMA emphasized.

In a statement issued to the media, Naveed Ahmed, a representative of APTMA, highlighted that the 16.7% increase in gas tariffs for CPPs would severely impact the export-oriented textile sector. He described the hike as the "last nail in the coffin" for an industry already grappling with multiple challenges in both domestic and international markets. APTMA underscored that the textile sector is the backbone of Pakistan's economy, earning critical foreign exchange and providing employment to millions directly and indirectly.

APTMA pointed out that the cumulative increase of 311% in gas tariffs over the past two years has rendered Pakistan's textile exports uncompetitive in global markets. Energy costs, being a major component of production expenses, have skyrocketed, making Pakistani textiles the most expensive in the region. APTMA warned that the high cost of borrowing, heavy taxation, and now exorbitant energy prices are eroding the competitiveness of the industry. The recent tariff hike threatens the export growth targets set by the Prime Minister under the "Uraan Pakistan Program" and risks losing valuable international markets.

Naveed Ahmed elaborated that the industry had invested billions of rupees in gas-based CPPs to ensure uninterrupted electricity for their operations, particularly in Sindh and Balochistan. These regions suffer from unreliable electricity supply, with companies like KElectric and HESCO unable to meet the required demand. APTMA criticized the government's policy of encouraging the use of grid electricity over CPPs, arguing that it is impractical given the grid's poor capacity and inconsistent supply in these provinces.

APTMA further noted that the tariff increase is discriminatory, as it targets CPPs while sparing other sectors, including fertilizer, processing, and domestic users. This selective policy has been firmly rejected by APTMA, which called it unjust and harmful to the country's export sector.

APTMA has urged the federal government to reverse the gas tariff hike immediately to prevent further damage to the textile industry. The association emphasized that without competitive energy prices, Pakistan's textile exports would continue to decline, undermining the industry's pivotal role in the economy.

Business & Finance » Companies

MEEZAN BANK UNVEILS FCY DEBIT CARD FOR FREELANCERS & EXPORTERS

Recorder Report Published about 2 hours ago

KARACHI: Meezan Bank, Pakistan's leading Islamic bank, has announced the launch of its Foreign Currency (FCY) Debit Card for Pakistani exporters and freelancers who hold an Exporters' Special Foreign Currency Account (ESFCA) with the Bank.

Powered by Mastercard, the FCY Debit Card is accepted worldwide and simplifies international payments, making it easier to manage business transactions abroad as well as make payments at retail outlets worldwide. Exporters and freelancers can now access their ESFCA account to make all types of payments, without the need for prior approval from the State Bank of Pakistan (SBP).

The new FCY Debit Card also allows customers to withdraw cash from Mastercard ATMs worldwide, track their spending in real time, and easily make cross-border payments. Additionally, the card is equipped with 3D Secure technology, adding an extra layer of protection for e-commerce transactions. For added convenience, the card is also NFC-enabled, allowing contactless payments at retail outlets worldwide.

MARI ENERGIES REPORTS 42PC QOQ DECLINE IN EARNINGS TO RS9.3/SHARE

Recorder Report Published about 2 hours ago

ISLAMABAD: Mari Energies Limited reported 42 percent QoQ decline in its earnings to Rs9.3 per share primarily because of higher operating expenditures and higher royalty expense.

The result was below expectations as market was expecting earnings of Rs11-14/share.

In addition, unlike street expectations of Rs10-15/share, company did not declare any cash dividend for first half of fiscal year 2025.

Operating expenditure clocked in at Rs15 billion, up 115 percent year-on-year or 37 percent of the net sales in second quarter fiscal year 2025 compared to 18 percent of net sales in the first quarter of the current fiscal year.

While royalty expense clocked in at Rs8 billion, up 39 percent year-on-year or 19 percent of the net sales in second quarter of the fiscal year compared to 12 percent in first quarter of the current fiscal year.

Higher royalty expense in outgoing quarter is a result of imposition of additional royalty of 15 percent from November 2024 on Mari field, Topline Research states.

We await further clarity on higher operating expenditures, the Topline says.

Effective tax rate of company clocked in 25 percent in second quarter of fiscal year 2025 compared to 34 percent recorded in first quarter of current fiscal year and 40 percent in second quarter of the current fiscal year 2024.

Effective tax rate in 1HFY25 reached 31 percent.

This takes 1HFY25 earnings to Rs25.32/share, down 19 percent year-on-year led by eight percent decline in net sales, 58 percent increase in operating expense, and 106 percent increase in exploration cost. Mari is currently trading at FY26/27 PE of 7.3x/6.8x.

MAJOR COCA-COLA RECALL IN EUROPE OVER CHLORATE CONTENT

AFP Published about 2 hours ago

BRUSSELS: The European bottling unit of soda giant Coca-Cola on Monday said it has ordered a major recall of Coke, Sprite, Fanta and other beverages after checks identified high levels of chlorate.

The recall concerns cans and glass bottles distributed in Belgium, the Netherlands, Britain, Germany, France and Luxembourg since the end of November, Coca-Cola Europacific Partners Belgium told AFP.

"We do not have a precise figure, but it is clear that it is a considerable quantity," the firm said of the amount of drinks involved.

"The majority of the affected and unsold products have already been removed from store shelves and we continue to take measures to remove all remaining products from the market."

Chlorate can be found in foods as it derives from chlorine disinfectants widely used in water treatment and food processing.

In a 2015 scientific opinion the European Food Safety Authority said that long-term exposure to the substance posed a potential health concern for children, especially those with mild or moderate iodine deficiency.

Acute exposure over a single day can also be toxic, according to the agency.

Coca-Cola Europacific Partners Belgium apologised for the incident which it said was brought to light by a routine check at its production site in Ghent.

Affected products had a production code ranging from 328 GE to 338 GE, and included Fuze Tea, Minute Maid, Nalu, Royal Bliss and Tropico, the firm said.

It asked people not to drink them and return the beverages to the point of sale for a refund.

"We are in contact with the competent authorities in each of the affected markets," it added.

MARI ENERGIES PROFIT DECLINES 39% IN 2QFY25

BR Web Desk Published January 27, 2025

Mari Energies Limited, formerly known as Mari Petroleum Company Limited (MARI), posted a profit-after-tax (PAT) of Rs11.17 billion in the second quarter of fiscal year 2025 (2QFY25), a decline of over 39% year-on-year (YoY) compared to PAT of Rs18.36 billion in the same period of the previous year.

Its Board of Directors (BoD) in a meeting held on Monday reviewed the financial performance of the company for the period ended on December 31, 2024. During the meeting, the BoD announced no cash dividend.

As per the latest financials, the company's earnings per share (EPS) stood at Rs9.3 per share, against Rs15.29 per share in SPLY.

"The result was below expectations as the market was expecting earnings of Rs11-14/share," said Topline Securities.

Furthermore, unlike street expectations of Rs10-15/share, the company did not declare any cash dividend for 1HFY25, it added.

The decline in profit was attributed to lower revenue and higher expenses incurred during the period.

MARI's gross sales decreased by nearly 9% to Rs46.67 billion as compared to Rs51.11 billion recorded in the previous year.

Mari Petroleum reports profit of Rs77.3bn in FY24, announces 800% bonus shares and dividend

The E&P net sales in 2QFY25 clocked in at Rs41.35 billion, down over 9% YoY.

Cost of sales (including royalty and operating and administrative expenses) jumped to Rs23.1 billion in 2QFY25, as compared to Rs12.8 billion recorded in the previous year, an increase of over 80%.

During the period, MARI saw a massive increase of 154% in its exploration and prospecting expenditure, which clocked in at Rs3.7 billion in 2QFY25, as compared to Rs1.5 billion in SPLY.

The company's cost of finance increased nearly 19% YoY.

Meanwhile, MARI's finance income jumped from Rs1.6 billion to Rs2.3 billion in 2QFY25.

The income before tax of MARI decreased over 51%, clocking in at Rs14.9 billion as compared to Rs30.5 billion in same period of the previous year.

By operating the country's largest gas reservoir at Mari Gas Field, Daharki, Sindh, Mari Energies Limited is the second largest natural gas producer.

A public limited company incorporated in Pakistan in 1984, MARI is an integrated oil and gas exploration and production company and around 70% exploration success rate, much higher than industry averages of around 33% national and 14% international.

Mari's key customers include fertiliser manufacturers, power generation companies, gas distribution companies; and refineries.

NATIONAL REFINERY SUSTAINS LOSS OF RS4.5BN IN 2QFY25

BR Web Desk Published January 27, 2025

National Refinery Limited (NRL) registered a massive loss of Rs4.49 billion during the quarter that ended December 31, 2024.

The amount is lower than the loss posted in the same period of the previous fiscal year when it stood at Rs7.86 billion.

Resultantly, the company's loss per share (LPS) clocked in at Rs56.23 in 2QFY25 as compared to LPS of Rs98.24 in the same period last year (SPLY).

The announcement was followed by the share price plummeting at the stock exchange, hitting a low of Rs252.5. At the time of this report, NRL's share was at Rs254.3 with a fall of Rs7.5 or 2.86%.

During the period under review, the refinery's revenue from contracts declined to Rs98.93 billion compared to Rs103 billion in SPLY, a decrease of nearly 4%.

National Refinery suffers massive Rs15.8bn loss in FY24

Despite lower revenue, National Refinery paid higher taxes to the tune of Rs24.07 billion during the quarter, as compared to Rs21.28 billion in the same period last year.

Consequently, NRL's net revenue stood at Rs74.86 billion, compared to Rs81.72 billion in same period last year.

The company's cost of sales declined to Rs76.3 billion in 2QFY25, a significant decrease of over 16%, compared to Rs91.32 billion in 2QFY24.

Resultantly, the company recorded a gross loss of Rs1.45 billion in 2QFY25, compared to a gross loss of Rs9.59 billion in SPLY.

The refinery's 'other income' increased by 305% to Rs231.93 million in 2QFY25, compared to Rs57.16 million in SPLY.

Consequently, NRL posted an operating loss of Rs1.61 billion in 2QFY25, as compared to an operating loss of Rs9.55 billion in SPLY.

Adding to the losses was a net finance cost of Rs2.59 billion, which the company incurred in the quarter ending December 31, 2024.

Consequently, the company loss before tax and levies from refinery operations stood at Rs4.2 billion in 2QFY25, compared to an LBT of Rs11.53 billion in the same period last year.

Incorporated in Pakistan on August 19, 1963, as a public limited company, the company is engaged in the manufacturing and sale of a large range of petroleum products. The NRL refinery complex comprises three refineries i.e. two lube refineries, and a fuel refinery.

The company also commissioned Diesel Hydro Desulphurisation (DHDS) and Isomerisation (ISOM) units during financial years 2017 and 2018, respectively.

HUM NETWORK REJECTS CEO RESIGNATION REPORTS

BR Web Desk Published January 27, 2025

Hum Network Limited (HUMNL) has dismissed media reports suggesting that its Chief Executive Officer (CEO), Duraid Qureshi, has stepped down, clarifying that it remains in the "early stages of succession planning".

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

"It has come to our attention that certain media publications have incorrectly reported that Duraid Qureshi has stepped down as CEO of Hum Network Limited. It is hereby clarified that Duraid Qureshi continues to be the CEO of the company and is diligently performing his function in respect of the management affairs of the company," read the notice.

Hum Network Limited

The company informed its stakeholders, that it remains in the early stages of succession planning and part of such planning includes identification of a potential successor, assessment of such person and their training for the future.

"Any decision with respect to the role of CEO of the company will be disclosed promptly and transparently, if and when such decision is made by the board of the company," it added.

HUMNL further alerted to rely upon information disseminated through official channels and "not to be influenced by information from any other sources".

Hum Network Limited was incorporated in Pakistan as a public limited company in 2004. The company is engaged in the business of launching satellite channels to portray cultural heritage.

The core areas of operations include production, advertisement, media marketing, and entertainment.

EYEING EXPANSION, AIR LINK ACQUIRES INDUSTRIAL LAND IN LAHORE

BR Web Desk Published January 27, 2025

Air Link Communication Limited, a manufacturer and distributor of smartphones in Pakistan, has purchased a 3-acre industrial plot as part of its expansion strategy.

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

"We are pleased to update that Air Link has successfully completed all formalities and acquired a 3-acre industrial plot, located adjacent to the 5-acre plot owned by its wholly owned subsidiary, Select Technologies (Pvt) Limited, in the Sundar Green Special Economic Zone, Lahore (SGSEZ)," read the notice.

"These acquisitions are aligned with our strategic expansion objectives and will allow us to fully leverage the incentives available within SGSEZ," it added.

Last week, Air Link announced its plans to purchase the industrial land, stating that the acquisitions, worth Rs572 million, would facilitate its current and future expansion needs and allow the company to benefit from the Special Economic Zones Act, 2012.

Air Link Communication has emerged as a key player in Pakistan's technology sector. The company imports, exports, distributes, wholesale, and retail communication and IT-related products and services including cellular mobile/smartphones, tablets, laptops accessories and allied products.

Air Link Communication, which announced a massive 382% increase in its profit for the fiscal year 2023-24, has already partnered with Xiaomi to produce smart TVs at its manufacturing facility in Lahore.

The company is also one of the two manufacturers of Tecno phones, and an official partner of global brands including Samsung, Huawei, TCL, Alcatel, and iTel. It also partners with GNEXT Technologies, Apple's authorised distributor for Pakistan.

WHATSAPP TESTING MULTI-ACCOUNT SUPPORT FOR IPHONE USERS

January 27, 2025

In October 2023, WhatsApp introduced multi-account support for Android users, enabling them to use two WhatsApp accounts on the same device simultaneously.

This eliminated the need for app cloning or relying on tricks like the WhatsApp Business app. However, iPhone users were left out of this update, but that might change soon.

According to WABetaInfo, WhatsApp is now testing multi-account support for iPhones. This highly anticipated feature would allow iPhone users to operate two WhatsApp accounts on their devices, much like on Android.

Users can link two different phone numbers to the app, simplifying communication for those managing personal and professional accounts.

Reports indicate that the feature was discovered in version 25.2.10.70 of WhatsApp's beta app for iOS. However, it is not yet accessible to beta testers, signaling that it may still be in its early development stages. Beta users will likely have to wait for future updates to begin using multi-account functionality.

Once testing concludes and the feature is fully developed, it will be rolled out globally for iOS users. While there is no official timeline, experts speculate that it could take several months before the feature becomes widely available.

For now, iPhone users eagerly await this enhancement, as it promises to simplify account management without requiring workarounds or third-party apps.

WhatsApp's move to introduce multi-account support for iOS underlines its commitment to delivering a seamless messaging experience across platforms.

WhatsApp's ongoing efforts to introduce multi-account support for iPhone users mark a significant step toward enhancing user convenience and flexibility. While the feature is still under development, its eventual rollout will simplify account management for millions of iOS users worldwide. As testing progresses, iPhone users can look forward to enjoying the same seamless functionality already available on Android devices.

Technology

AFTER NA, SENATE PANEL ALSO PASSES DIGITAL NATION PAKISTAN BILL

BR Web Desk Published January 27, 2025

The Senate Standing Committee on Information and Technology passed Monday the Digital Nation Pakistan Bill by a majority vote, an official statement stated.

The development came a week after the National Assembly's committee passed the bill amid opposition from the Pakistan Tehreek-e-Insaf (PTI).

The bill was introduced by Shaza Fatima Khawaja, Minister of Information Technology and Telecommunication, in the Senate on January 24, 2025.

The federal government tabled the bill in the National Assembly last month.

The bill aims to establish a unified digital identity for citizens with centralised social, economic, and governance data.

As per the government, the purpose of the bill is to align Pakistan's economy, governance, and services sector with the modern digital system practiced internationally.

The government plans to establish three governance bodies; the National Digital Commission (NDC), the Strategic Oversight Committee (SOC), and the Pakistan Digital Authority (PDA).

As per the bill copy available on the National Assembly's website, the NDC, chaired by the prime minister and comprising federal and provincial leadership, will set the strategic vision and policy framework for the country's digital transformation. The PDA will implement these policies by coordinating and harmonising digital initiatives across all levels of government. The SOC will be monitoring the PDA's performance while providing an independent review to the NDC ensuring alignment with the Masterplan.

"We are hoping that with the creation of a unified digital identity for every citizen of Pakistan, we will be well on a pathway towards unlocking the true potential that this country holds," said Shaza Fatima in a statement last month.

The Monday's Senate committee meeting was attended by Senators Kamran Murtaza, Nadeem Ahmed Bhutto, Anusha Rahman Ahmed Khan, Manzoor Ahmed, Syed Kazim Ali Shah, and Saifullah Sarwar Khan Nyazee.

CHINESE AI STARTUP DEEPSEEK OVERTAKES CHATGPT ON APPLE APP STORE

Reuters Published January 27, 2025

BEIJING: Chinese startup DeepSeek's AI Assistant on Monday overtook rival ChatGPT to become the top-rated free application available on Apple's App Store in the United States.

Powered by the DeepSeek-V3 model, which its creators say "tops the leaderboard among open-source models and rivals the most advanced closed-source models globally", the artificial intelligence application has surged in popularity among US users since it was released on Jan. 10, according to app data research firm Sensor Tower.

The milestone highlights how DeepSeek has left a deep impression on Silicon Valley, upending widely held views about US primacy in AI and the effectiveness of Washington's export controls targeting China's advanced chip and AI capabilities.

AI models from ChatGPT to DeepSeek require advanced chips to power their training. The Biden administration has since 2021 widened the scope of bans designed to stop these chips from being exported to China and used to train Chinese firms' AI models.

Stargate artificial intelligence project to exclusively serve OpenAI, FT reports

However, DeepSeek researchers wrote in a paper last month that the DeepSeek-V3 used Nvidia's H800 chips for training, spending less than $6 million.

Although this detail has since been disputed, the claim that the chips used were less powerful than the most advanced Nvidia products Washington has sought to keep out of China, as well as the relatively cheap training costs, has prompted US tech executives to question the effectiveness of tech export controls.

Little is known about the company behind DeepSeek, a small Hangzhou-based startup founded in 2023, when search engine giant Baidu released the first Chinese AI large-language model.

Since then, dozens of Chinese tech companies large and small have released their own AI models, but DeepSeek is the first to be praised by the US tech industry as matching or even surpassing the performance of cutting-edge US models.

Economic distress

DIPLOMATIC MISSIONS: FINANCIAL MALFEASANCE?

Published about 2 hours ago

EDITORIAL: The culture of extravagance, disregard for fundamental principles of financial probity, and failure to adhere to basic rules and regulations related to public spending have long been widespread across government departments and ministries.

A report in this newspaper now highlights that several of our diplomatic missions have also been guilty of similar reckless behaviour, even as the country finds itself in the throes of a precarious economic situation.

A recent audit report by the Auditor General of Pakistan, which scrutinised the expenditure patterns of various diplomatic missions, has revealed alarming findings related to unauthorised payments, violations of procurement rules and financial mismanagement, pointing towards a pervasive lack of oversight, transparency and accountability within these institutions.

Among the most egregious findings were those from the Pakistani embassy in Berlin, which was found involved in a range of irregularities, including the failure to adhere to procurement protocols when acquiring various items, the absence of competitive bidding and tender notices, and the failure to maintain critical records such as receipts, distribution logs, invoices, approvals and vendor acknowledgements.

Despite repeated directions to the foreign ministry to provide the missing documents, it failed to do so. Specific concerns were raised regarding the embassy purchasing gift items valued at Rs7.28 million between fiscal years 2019 and 2022 without following prescribed procedures.

Furthermore, the Pakistan Community Welfare and Education Fund, which is intended solely to provide assistance to overseas Pakistanis, was misappropriated for the payment of Rs2.97 million in honorariums to 198 security and janitorial staff employed by private firms, that too in cash, and without the requisite receipts or acknowledgements, further compounding the misuse of the Fund.

If this infraction of protocols wasn't enough, the foreign ministry then reportedly defended the breach, claiming the payments were intended to support the well-being of low-paid workers.

The AGP's report highlights a clear pattern of our foreign missions and other institutions failing to obtain necessary approvals from relevant authorities before proceeding with significant expenditures.

This is evident from the Pakistani embassy in Bangkok paying Rs4.1 million to a translation services firm without prior approval from the foreign ministry or the Law and Justice Division.

Similarly, the Institute of Religious Studies in Islamabad was found to have violated Treasury Single Account rules by maintaining a welfare bank account holding over Rs3 million without the prior approval of the Finance Division, rendering the account's operation irregular.

To further exacerbate matters, several embassies failed to carry out as basic a function as claiming VAT refunds from host governments, leading to significant losses to government coffers amounting to over Rs64 million.

Despite repeated admonitions by the authorities urging corrective action, no substantial measures have been taken in the last few years to address these issues.

It is evident that senior personnel manning our diplomatic missions, including ambassadors, must be held accountable for failing to comply with financial regulations, neglecting to perform basic record-keeping functions, and disregarding frequent reminders to adhere to established protocols.

As things stand, Pakistani embassies haven't exactly covered themselves in glory when it comes to carrying out their primary function of effectively managing diplomatic relations with the host country and representing Pakistan across various domains, including political, economic and cultural. Nor have they always been competent caretakers of the interests of overseas Pakistanis.

The fact that this incompetence extends to basic administrative and financial functions, especially when there is an urgent need to cut down on excessive government spending, is highly concerning and counterproductive to the broader goals of maintaining efficient, responsible governance.

The relevant authorities must take immediate, decisive action to address these indiscretions as the public cannot be expected to bear the cost of such major dereliction of duty.

US NATURAL GAS PRICES DROP

Reuters Published about 2 hours ago

NEW YORK: US natural gas futures fell about 7% on Monday on forecasts for much warmer-than-normal weather over the next two weeks than previously expected that should keep heating demand low.

Front-month gas futures for February delivery on the New York Mercantile Exchange fell 26 cents, or 6.5%, to $3.767 per million British thermal units (mmBtu) at 8:45 a.m EST (1345 GMT). On Friday, the contract closed at its highest since Jan. 16.

Extreme cold and record gas demand last week, however, prompted speculators to boost their net long futures and options positions on the New York Mercantile and Intercontinental Exchange for a seventh week in a row to the highest level since September 2021, according to the US Commodity Futures Trading Commission's Commitments of Traders report.

To meet last week's record demand for heat, analysts projected energy firms pulled 317 billion cubic feet (bcf) of gas out of storage during the week ended Jan. 24. If correct, that would only be the fourth time utilities pulled over 300 bcf of gas from storage in a week, but would fall short of the record 359 bcf withdrawn during a freezing week in January 2018.

Analysts noted last week's decline should erase the small surplus of gas still in storage over the five-year average for the first time since January 2022, and could boost total withdrawals for the month to a record high.

The current record monthly storage withdrawal is 994 bcf in January 2022, according to federal energy data.

Financial firm LSEG said average gas output in the Lower 48 US states fell from 103.8 billion cubic feet per day (bcfd) in December to 102.1 bcfd so far in January, due mostly to freezing oil and gas wells and pipes, known as freeze-offs.

OIL PRICES HOLD NEAR TWO-WEEK LOW AS WEAK CHINA DATA ADDS TO DEMAND CONCERNS

Reuters Published 9 minutes ago

Oil prices hovered near a two-week low on Tuesday after weak economic data from China and warming weather forecasts elsewhere soured the demand outlook.

Brent crude oil futures rose by 12 cents, or 0.2%, to $77.20 per barrel by 0220 GMT. U.S. West Texas Intermediate crude futures were up 10 cents, or 0.1%, to $73.27.

Brent settled on Monday at its lowest since Jan. 9, while WTI hit its lowest since Jan. 2.

China, the world's largest importer of crude oil, reported an unexpected contraction in manufacturing activity in January on Monday, adding fresh concerns over global crude demand growth.

"The overnight falls came on the back of weak Chinese PMI data yesterday and risk aversion flows following heavy falls in U.S. tech stocks," said Tony Sycamore, an analyst at IG.

China's crude oil demand is also expected to be hit by the latest U.S. sanctions on Russian oil trade. FGE analysts see refineries in Shandong losing up to 1 million barrels per day of crude supply in the near-term amid a ban imposed by the Shandong Port Group on U.S.-sanctioned tankers.

"Alternative crude barrels (to Russian supply) are being sought after at the same time, but they come at much higher costs," the analysts noted.

Several independent refineries in China have halted operations, or plan to do so, for indefinite maintenance periods, sources told Reuters, as new Chinese tariff and tax policies plunge plants deeper into losses.

India, the world's third-largest crude importer, also faces disruptions to Russian oil supply, but refiners there are taking advantage of a wind down period in the sanctions to make purchases till March, FGE analysts said.

In the U.S., weather forecasts show warmer-than-normal temperatures through this week, which is weighing on demand for heating fuels after extreme cold sparked a natural gas and diesel rally in prior sessions.

Oil prices drop 3pc as stocks tank on China's DeepSeek news

"Temperatures in both regions (U.S. and Europe) are increasing, allowing for heating fuel demand to slide off some," StoneX oil analyst Alex Hodes said on Monday.

Broader financial markets were under pressure from a surge in interest for a low-cost artificial intelligence model launched by Chinese firm DeepSeek.

Shares of Australian companies tied to AI and data centers fell sharply on Tuesday, joining a global stock rout sparked by DeepSeek on Monday while Australian markets were closed.

OIL PRICES DROP 3PC AS STOCKS TANK ON CHINA'S DEEPSEEK NEWS

Reuters Published about 2 hours ago

NEW YORK: Oil prices fell about 3% to a two-week low on Monday, pressured by losses in Wall Street technology and energy stocks, as investors took cover after news of surging interest in Chinese startup DeepSeek's low-cost artificial intelligence model.

Oil was already down earlier in the session on weak economic data from China and worries that US President Donald Trump's proposed tariffs could further pressure economic growth and energy demand.

Brent futures fell $2.00, or 2.6%, to $76.50 a barrel by 12:02 p.m. EST (1702 GMT). US West Texas Intermediate (WTI) crude fell $2.06, or 2.8%, to $72.60.

Brent was on track for its lowest close since Jan. 8 and WTI for its lowest since Dec. 31.

Analysts have said oil prices have been depressed in recent days following Trump's call last week for the Organization of the Petroleum Exporting Countries (OPEC) to reduce oil prices.

"President Trump continued to put the pressure on OPEC … calling on the producer group to lower prices to help end the Russian war in Ukraine," Bob Yawger, director of energy futures at Mizuho, said in a report.

OPEC and its allies including Russia in the OPEC+ group have yet to react to Trump's call, with OPEC+ delegates pointing to an existing plan to start raising oil output from April.

President Trump's tariff threats have also mostly pressured oil prices, feeding worries that a trade war could hurt global economic growth and oil demand.

Over the weekend, the US threatened and then swiftly reversed plans to impose sanctions and tariffs on Colombia after the South American nation agreed to accept deported migrants from the US

Colombia last year sent about 41% of its seaborne crude exports to the US, data from analytics firm Kpler shows. The agreement will allow that oil to continue to flow, another factor pressuring crude prices on Monday.

"There is broad-based negative sentiment in the market. Even if the sanctions didn't take place, this still creates nervousness that Trump will bully whoever needs to be bullied to get his way," said Bjarne Schieldrop, chief commodities analyst at SEB.

EUROPEAN DEMAND TO TIGHTEN GLOBAL LNG MARKET IN 2025, TRUMP POLICIES IN SPOTLIGHT

Reuters Published January 27, 2025

SINGAPORE/LONDON: The global liquefied natural gas market could remain tight this year as rising European demand intensifies competition with Asia and offsets new North American supply at a time when U.S. President Donald Trump's energy policies and tariffs will also be keenly watched.

Europe's LNG demand is forecast to grow by more than 14 million metric tons to 101 million tons in 2025, consultancy Energy Aspects said, as the continent refills gas storage facilities and replaces supplies lost after a Russia-Ukraine gas transit deal expired at the end of last year.

"Europe's need to refill storage, after a colder winter and additional Russian supply cuts, will see it compete harder for cargoes than last year," said ICIS analyst Alex Froley.

Europe's storage facilities are some 17 billion cubic metres (bcm) lower than at the same time in 2024 while the loss of Russian gas flows via Ukraine has removed 15 bcm per year of supply, he estimated.

"There is enough flexible LNG in the market to cover this, but it comes at a price," Froley said.

Global LNG: Asian spot LNG little changed on ample stocks, mild weather

Asia growth slows

Higher spot prices could slow Asia's LNG demand growth to just above 2% this year, according to Energy Aspects and Kpler, down from 6% in 2024 when heatwaves boosted cooling needs, putting 2025 demand at around 280 million tons.

Rabobank forecasts average Asia spot LNG prices of $12.65 per million British thermal units (mmBtu) this year, up from $11.97/mmBtu in 2024.

LNG shipments to top importer China are seen reaching new highs of 79 million to 86 million tons, as long-term contracts kick in and new terminals are commissioned.

James Taverner, S&P Global Commodity Insights senior director of global gas and LNG, expects only modest demand growth in price sensitive south and southeast Asian markets as oil prices could trend lower.

Trump drives North American supply

Plaquemines LNG and Corpus Christi LNG phase 3 in the United States, LNG Canada, Mexico's Energia Costa Azul LNG and the Mauritania-Senegal Greater Tortue LNG are projects adding to global supply this year.

While nameplate capacity for the first three is large, they will only reach maximum output later this year or next, said Energy Aspects analyst Jake Horslen.

Global LNG exports are expected to rise 18 million tons to 410.6 million tons in 2025, with Europe absorbing most of the new supply and suppressing demand growth elsewhere, he said.

Trump has already ended a moratorium on new LNG export permits, and sources have suggested he could also make renewals easier.

He has also threatened tariffs on goods from top LNG importer China, with analysts saying Beijing could retaliate by targeting U.S. LNG, as it did in 2019.

"China could take more from the Middle East and Australia, while more U.S. flows could go to Europe," said ICIS' Froley.

Trump's planned tariffs could also harm U.S. LNG projects by increasing costs of raw materials like steel, machine parts, and modular liquefaction trains, said Kpler analyst Go Katayama.

RUSSIA CUT OIL EXPORTS BY 2.2% IN 2024, KOMMERSANT REPORTS

Reuters Published January 27, 2025

MOSCOW: Russian companies decreased oil exports by 2.2% year-over-year to 295.12 million metric tons in 2024, Kommersant daily reported on Monday, citing a source familiar with the oil industry data.

Shipments via the Druzhba pipeline to Slovakia and the Czech Republic, as well as from the ports of Novorossiisk and Ust-Luga, decreased, the newspaper said.

Russia's crude oil and LNG shipments to Asia slip slightly in 2024: Russell

But shipments increased via the Druzhba pipeline to Hungary and from the port of Kozmino, according to Kommersant.

PETROL AND DIESEL PRICES TODAY JANUARY 28, 2025 IN PAKISTAN

January 28, 2025

Here are the latest petrol and diesel prices in Pakistan for Tuesday, January 28, 2025. Consumers are advised to stay updated on the current petroleum prices before refueling their motor vehicles.

The updated prices of petroleum products are as follows: High-Speed Diesel (HSD) is now priced at Rs 260.95 per liter, while petrol costs Rs 256.13 per liter. It is important to note that prices may vary slightly across fuel stations due to differences in petrol pump margins.

Petroleum prices significantly impact the daily lives of the public, as they have a direct influence on the cost of essential goods and services. Petrol, being a key fuel for motorcyclists and motor vehicle owners, plays a vital role in their daily commutes. Any upward or downward revision in petrol prices directly affects household budgets, particularly for the middle and lower-income segments of society.

Similarly, high-speed diesel is widely used in transportation and commercial vehicles. An increase in diesel prices leads to higher transportation costs, which, in turn, raises the prices of other consumer goods, adding to the financial burden on the general population.

The most recent revision of petroleum prices was announced on January 15, 2025, when the government increased the rates of key fuels for the second half of the month. As part of this revision, the price of petrol was raised by Rs 3.47 per liter, making it more expensive than before. This adjustment reflects the government's regular practice of aligning domestic fuel prices with fluctuations in the international oil market.

According to an official notification from the Finance Division, the price of high-speed diesel also rose by Rs 2.61 per liter, increasing from Rs 258.34 to Rs 260.95. The Oil & Gas Regulatory Authority (OGRA) played a pivotal role in calculating these new prices, taking into account global market trends and their impact on local fuel costs.

These price adjustments highlight the importance of monitoring petroleum rates, as they play a crucial role in shaping the country's economy and influencing the cost of living for the average citizen.

Markets – Rates

BEARS TAKE CHARGE

Recorder Report Published about 2 hours ago

KARACHI: Pakistan Stock Exchange on Monday opened on a positive note, however failed to continue this trend and closed in deep red with heavy losses due to selling pressure on weaker than expected financial results of some companies and uncertainty regarding decision of Monetary Policy Committee.

The benchmark KSE-100 Index plunged by 1,360.16 points or 1.18 percent and closed at 113,520.32 points. The index hit 115,596.87 points intraday high and 113,482.23 points intraday low.

Trading activity also remained low as daily volumes on ready counter decreased to 494.003 million shares as compared to 632.039 million shares traded last Friday. The daily traded value on the ready counter declined to Rs 25.940 billion against previous session's Rs 37.800 billion.

BRIndex100 decreased by 148.76 points or 1.22 percent to close at 12,030.07 points with total daily turnover of 448.262 million shares.

BRIndex30 declined by 787.53 points or 2.15 percent to close at 35,812.02 points with total daily trading volumes of 305.499 million shares.

Foreign investors however remained net buyers of shares worth $1.382 million. The market capitalization declined by Rs 188 billion to Rs 13.928 trillion. Out of total 442 active scrips, 298 closed in negative and only 97 in positive while the value of 47 stocks remained unchanged.

SSGC was the volume leader with 51.651 million shares however declined by Rs 4.39 to close at Rs 39.53 followed by Cnergyico PK that lost Rs 0.14 to close at Rs 7.57 with 50.683 million shares. WorldCall Telecom inched down by Rs 0.06 to close at Rs 1.73 with 29.067 million shares.

Unilever Pakistan Foods and Archroma Pakistan were the top gainers increasing by Rs 395.46 and Rs 43.51 respectively to close at Rs 21,995.45 and Rs 478.56 while Mari Energies Limited and Colgate-Palmolive Pakistan were the top losers declining by Rs 48.13 and Rs 40.10 respectively to close at Rs 536.46 and Rs 1,497.88.

An analyst at Topline Securities said the market opened on a positive note, with the index making an impressive intraday high of plus 716 points. However, the momentum was short-lived as bears swiftly took charge. The index plunged to an intraday low of minus 1,398 points before closing at 113,520, marking a decline of 1,360 points or 1.18 percent.

This negative trend can largely be attributed to the weaker-than-expected financial results of some companies, which dampened investor sentiment.

Key contributors to the upward trajectory included SYS, EFERT, FFC, POL, and BAHL, collectively adding 282 points. On the other hand, substantial declines in MARI, ENGROH, PSO, HUBC, and PPL weighed heavily on the market, accounting for a combined loss of 783 points.

BR Automobile Assembler Index declined by 302.3 points or 1.4 percent to close at 21,217.35 points with total turnover of 7.282 million shares.

BR Cement Index fell by 173.26 points or 1.56 percent to close at 10,927.13 points with 34.453 million shares.

BR Commercial Banks Index decreased by 238.01 points or 0.79 percent to close at 29,916.32 points with 33.376 million shares.

BR Power Generation and Distribution Index eroded 235.38 points or 1.27 percent to close at 18,233.04 points with 21.224 million shares.

BR Oil and Gas Index plunged by 272.63 points or 2.29 percent to close at 11,649.71 points with 87.527 million shares.

BR Tech. & Comm. Index gained 38.77 points or 0.71 percent to close at 5,536.38 points with 75.995 million shares.

Muhammad Hasan Ather at JS Global Capital said the KSE-100 Index saw a significant dip as the benchmark Index fell by 1.2 percent, dropping over 1,360 points to close at 113,520 at the day-end.

The decline was mainly led by uncertainty regarding the MPC decision and a few below-expected results. The top traded stocks included SSGC, CNERGY, WTL, PAEL, and PTC.

ACTIVITIES OF KARACHI PORT TRUST, PORT QASIM

Recorder Report Published about 2 hours ago

KARACHI: The Karachi Port Trust handled 401,679 tonnes of cargo comprising 269,610 tonnes of import cargo and 132,069 tonnes of export cargo during last 48 hours ending at 0700 hours.

The total import cargo of 269,610 comprised of 142,447 tonnes of Containerized Cargo & 127,163 tonnes of Liquid Cargo.

The total export Cargo of 132,069 comprised of 88,699 tonnes of Containerized Cargo, 50 tonnes of Bulk Cargo, 21,003 tonnes of Clinkers, 157 tonnes of Rice & 22,160 tonnes of Liquid Cargo.

Around, 03 ships namely Navios Unit, X-Press Kohima & Xin Chang Shu berthed at the Karachi Port Trust.

Approximately, 03 ships namely, Cnc Rich, Jolly Giada & Cma Cgm Cleveland sailed from the Karachi Port Trust.

PORT QASIM

A total of seven ships were engaged at PQA berths during the last 24 hours, out of them a containers ship 'X-Press Kohima' left the port on Monday morning, while five more ships, Cussler, Bentley-1, Darya Rapti, Hexagon Alpha and Merbabu are expected to sail on Monday.

Cargo volume of 78,937 tonnes, comprising 52,506 tonnes imports cargo and 26,431 tonnes export cargo carried in 2,918 Containers (1,874 TEUs Imports &1,044 TEUs Export) was handled at the port during last 24 hours.

There are 26 ships at Outer Anchorage of Port Qasim, out of them five ships,Gall, Artemida, Start, Alaa and Al-Rayyan Palm oil, Gas oil, LPG and LNG are expected to take berths at MW-1, LCT, FOTCO, SSGC and EETL are respectively on Monday 27th January, while another containers ship 'Maersk Sentosa' due arrive at outer anchorage on Tuesday January 28th, 2025.

LME OFFICIAL PRICES

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

Recorder Report Published about 2 hours ago

LONDON: The following were Friday official prices.

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==========================================
ALUMINIUM
==========================================
CONTRACT                BID           OFFER
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Cash              2638.00         2640.00
3-month           2644.00         2644.50
=========================================
COPPER
=========================================
CONTRACT                BID         OFFER
-----------------------------------------
Cash              9217.00         9218.00
3-month           9332.00         9334.00
=========================================
ZINC
=========================================
CONTRACT                BID         OFFER
-----------------------------------------
Cash              2821.00         2821.50
3-month           2867.00         2868.00
=========================================
NICKEL
=========================================
CONTRACT                BID         OFFER
-----------------------------------------
Cash             15465.00        15470.00
3-month          15660.00        15665.00
=========================================
LEAD
=========================================
CONTRACT                BID         OFFER
-----------------------------------------
Cash              1925.00         1926.00
3-month           1959.00         1961.00
=========================================
```

Source: London Metals Exchange.

BRINDEX100 AND BR SECTORAL INDICES

KARACHI: BRIndex100 and BR Sectoral Indices on Monday (January 27, 2025) . ==================================== BR...

Recorder Report Published about 2 hours ago

KARACHI: BRIndex100 and BR Sectoral Indices on Monday (January 27, 2025) .

```
====================================
BR INDICASE AT A GLANCE
====================================
             BRINDEX100
====================================
Day Close:                113,520.32
High:                     115,596.87
Low:                      113,482.23
```

```
Net Change:                 1360.17
Volume (000):               231,196
Value (000):             17,241,129
Makt Cap (000)        3,501,898,000
------------------------------------
BR AUTOMOBILE ASSEMBLER
------------------------------------
Day Close:                21,217.35
NET CH                    (-) 302.3
------------------------------------
BR CEMENT
------------------------------------
Day Close:                10,927.13
NET CH                   (-) 173.26
------------------------------------
BR COMMERCIAL BANKS
------------------------------------
Day Close:                29,916.32
NET CH                   (-) 238.01
------------------------------------
BR POWER GENERATION AND DISTRIBUTION
------------------------------------
Day Close:                18,233.04
NET CH                   (-) 235.38
------------------------------------
BR OIL AND GAS
------------------------------------
Day Close:                11,649.71
NET CH                   (-) 272.63
------------------------------------
BR TECH & COMM
------------------------------------
Day Close:                 5,536.38
NET CH                    (+) 38.77
------------------------------------
As on:              27-January-2025
====================================
```

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

For further information please visit www.khistocks.com

KIBOR INTERBANK OFFERED RATES

KARACHI: Kibor interbank offered rates on Monday (January 27, 2025). ========================== KIBOR...

Published about 2 hours ago

KARACHI: Kibor interbank offered rates on Monday (January 27, 2025).

KIBOR		
Tenor	BID	OFFER
1-Week	12.32	12.82
2-Week	12.11	12.61
1-Month	11.94	12.44
3-Month	11.45	11.70
6-Month	11.39	11.64
9-Month	11.34	11.84
1-Year	11.26	11.76

Data source: SBP

OPEN MARKET FOREX RATES

Updated at: 28/1/2025 7:53 AM (PST)

Currency	Buying	Selling
Australian Dollar	176.25	178.50
Bahrain Dinar	738.10	746.10
Canadian Dollar	194.60	197.00
China Yuan	37.59	37.99
Danish Krone	38.48	38.88
Euro	291.75	294.50
Hong Kong Dollar	35.43	35.78
Indian Rupee	3.14	3.23
Japanese Yen	1.80	1.86
Kuwaiti Dinar	895.70	905.20
Malaysian Ringgit	62.14	62.74
NewZealand $	155.78	157.78
Norwegians Krone	24.41	24.71
Omani Riyal	722.40	730.90
Qatari Riyal	75.78	76.48
Saudi Riyal	74.25	74.80
Singapore Dollar	206.5	208.50
Swedish Korona	25.01	25.31
Swiss Franc	303.71	306.51
Thai Bhat	8.05	8.20
U.A.E Dirham	75.90	76.55
UK Pound Sterling	347.50	351
US Dollar	277.90	281.30

INTER BANK RATES

Updated at: 28/1/2025 7:53 AM (PST)

Currency	**Bank Buying TT Clean**	**Bank Selling TT & OD**
Australian Dollar	174.95	175.27
Canadian Dollar	193.25	193.60
China Yuan	38.39	38.46
Danish Krone	38.98	39.05
Euro	290.83	291.35
Hong Kong Dollar	35.66	35.72
Japanese Yen	1.7829	1.7861
Saudi Riyal	74.08	74.22
Singapore Dollar	206.11	206.48
Swedish Korona	25.47	25.52
Swiss Franc	306.42	306.97
Thai Bhat	8.25	8.26
UK Pound Sterling	346.08	346.70
US Dollar	278.65	279.15

GOLD RATE

Bullion / Gold Price Today

As on Tue, Jan 28 2025, 02:58 GMT

Metal	Symbol	PKR for 10 Gm	PKR for 1 Tola	PKR for 1 Ounce	
Gold	XAU	248,340	289,356	772,435	
Palladium	XPD	86,015	100,222	267,541	
Platinum	XPT	85,352	99,449	265,479	
Silver	XAG	2,745	3,198	8,538	

for local market Gold Rates in Pakistan

Gold Price in Pakistan

As on Tue, Jan 28 2025, 02:58 GMT

Gold Rate	24K Gold	22K Gold	21K Gold	18K Gold
per Tola Gold	Rs. 289400	Rs. 265281	Rs. 253225	Rs. 217050
per 10 Gram	Rs. 248100	Rs. 227423	Rs. 217088	Rs. 186075
per Gram Gold	Rs. 24810	Rs. 22742	Rs. 21709	Rs. 18608
per Ounce	Rs. 703400	Rs. 644779	Rs. 615475	Rs. 527550

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.

* 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	6,455	7,521	20,078	
Euro	EUR	849	989	2,641	
Japanese Yen	JPY	138,982	161,936	432,288	
Saudi Riyal	SAR	3,342	3,894	10,394	
U.A.E Dirham	AED	3,273	3,813	10,179	