

Moody's assigns B3 rating to Euro bond, sukuk on growth prospects

US credit rating agency Moody's Investors Service has assigned B3 rating to dollar-denominated senior unsecured notes and sukuk issued by the government to raise \$ 2.5Bn, saying continued reforms would help tap robust growth potential. Pakistan's B3 issuer rating reflects a credit profile that balances robust growth potential and a relatively large economy, against low income levels, infrastructure constraints and very low global competitiveness claimed Moody's in a statement. *The News.*

Import of cotton: government all set to withdraw ST, customs duty

The govt. is all set to withdraw sales tax and customs duty on import of cotton to encourage value addition, reduce cost of doing business and bridge the gap between production and consumption. Textile Division has submitted a summary to the ECC of the Cabinet, which is expected to be considered very soon. Import of cotton has remained duty free till the slab of 0% was abolished in FY15 and customs duty (CD) of 1% was imposed along with the 5% sales tax. Later on 1% slab was made 2% and then 3% along with the 1% additional duty to make it 4% ie cotton was subject to 4% CD and 5% sales tax till Jan. 15th, 2017. The FBR has no objection to withdrawal CD. However, under the prevailing law, changes prescribed under First Schedule to the Customs Act, 1969 can only be made through an Act of Parliament. *BR.*

Govt to revisit duties on raw materials

Special Assistant to Prime Minister on Revenue Haroon Akhtar Khan has assured cable and conductors manufacturing that the government will revisit the regulatory duties recently imposed on raw materials. Manufacturers have asked the government to extend protection to local manufacturers against cheap imports and criticized FBR for imposing duties on the imports of raw materials used in manufacturing of cable and conductors. They said the industry can meet local demand if the government extends its support to cable manufacturers. *Dawn.*

Potential filers: block their CNICs, PM tells FBR

While addressing the Chief Commissioners' Conference at FBR headquarter, Prime Minister Shahid Khaqan Abbasi has directed FBR to trace 8-10Mn potential filers out of 80Mn CNIC holders by applying criteria of exclusion and convert their CNICs into National Tax Numbers (NTNs) to document their economic/ taxable activities. The PM further said that CNICs of the non-filers identified from scrutiny could be temporarily blocked till they file return or become compliant taxpayers. *BR.*

FBR to recover estimated PKR 2Bn from CNG stations

FBR plans to recover an estimated outstanding amount of PKR 2Bn from CNG stations, which are paying lower sales tax after deregulation of prices a year ago. The government had deregulated the CNG prices on 21st Dec'16 and allowed the concerned association of CNG stations to determine the price for consumers. However, following the deregulation, the sale price of natural gas has increased to and the enhanced amount escaped from the implementation of sales tax. *The News.*

PSO suspends imports on LNG push

Pakistan State Oil (PSO) has suspended imports of fuel oil after an abrupt drop in domestic demand as the country turns to LNG to fuel its power sector. PSO's fuel oil sales have been down by 9.4% in 3QCY17 from the same period last year while its LNG sales grew by nearly 50% due to higher utilization of LNG in the power sector. It has been observed that demand for fuel oil recovering looks difficult after the development of two more LNG terminals coming up. *BR.*

Ogra determined to roll out market-based tariff regime

Ogra chairperson has claimed that the regulator is determined to introduce market-based tariff regime for gas utilities, emphasizing that the reforms would improve the sector's efficiency. She further said that the new tariff regime is formulated on the demand of stakeholders, especially SSGC and SNGPL and the authority would deliver a regime in line with the international standards. *The News.*

LNG terminal failure to take 10 days to fix

An infrastructure failure linked to Pakistan GasPort, the country's second LNG import project, is expected to take around 10 days to repair, prompting multiple shipments to be cancelled or diverted. On top of the two cargoes traders believe have already been cancelled or diverted away from the terminal, Pakistan is in talks with suppliers to potentially delay, divert or declare force majeure on deliveries until the problem is fixed. *BR.*

Sindh government hampering industrialization in province

Sindh govt. is reportedly delaying approval of Special Economic Zone (SEZ) Enterprise status to long-term industrial investors in Bin Qasim Industrial Park (BQIP) and Korangi Creek Industrial Park (KCIP) which is hampering industrialization in the province. As per the procedure defined under the SEZ Amendment Act 2016, the provincial govt., through respective SEZ Boards have been assigned the responsibility to award SEZ Enterprise status to companies setting up plants in the SEZ. These SEZ Enterprises must then apply to FBR to claim the said incentive available under the SEZ Act. *BR.*

Sindh CM under fire in SC over water contamination

Sindh CM has suffered uneasy moments when a short film about contaminated water in the province was played before a three-judge Supreme Court bench and Chief Justice of Pakistan remarked that he was saddened to see the situation. The CM was summoned by the SC bench headed by CJ P Nisar to explain his government's position on a petition pertaining to supply of potable water and better sanitation across the province at the Karachi registry. *Dawn.*

Minister seeks assistance of provinces for bills recoveries

Power Division Minister Awais Leghari has written letters to all four chief ministers of the provinces seeking cooperation and assistance in bills' recovery and against power theft for bringing more and more areas under the zero load shedding. The federal minister has also proposed establishment of joint task force by the federal and provincial governments for development of uniform measures, information sharing and improved coordination. *The Nation.*

SBP launches Asaan Remittance Account

SBP has launched Asaan Remittances Account to be opened by banks with simplified procedures to serve the underserved and unbanked. The central bank said it has launched the facility in collaboration with Pakistan Remittance Initiative (PRI) with a primary objective to encourage opening of bank accounts for receiving home remittances, instead of traditional over-the-counter cash transactions. This category of limited mandate accounts is designed for beneficiaries of home remittances and will be fed with the proceeds of home remittances only. *Dawn.*

Cement dispatches go up 14%

Dispatches by the cement industry increased by 14% or 2.261Mn tons in 5MFY18 on a YoY basis while capacity utilization remained 94.65%. Although the increase recorded in domestic consumption in Nov'17 was 10%, sector-wide growth stood at 5.16% because of a decline of 27.11% in exports. *Dawn.*

PSX proposes trading halts, enhanced circuit breakers

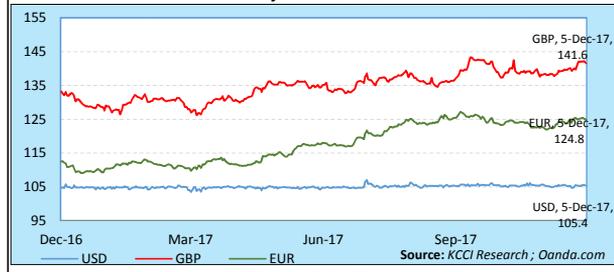
PSX has proposed to widen existing scrip-level circuit breakers (CBs) to maximum 15% and introduce trading halt if the KSE-30 index movement reaches 15%. The bourse has passed on the suggestions for public comment, explaining that the proposed measures were in line with practices prevalent in the international markets. The bourse said the introduction of index-based market halts would facilitate in managing risks. Imposing such halts on index movement would allow adequate cooling off period to the investors to assess the market, PSX maintains. *Dawn.*

Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	6-Dec	PKR	105.55	0.02%
USD-Open MKT	6-Dec	PKR	107.40	-0.09%
KSE-100 index	6-Dec	Pts.	39,907	-0.10%
FIPI	6-Dec	\$ Mn	2.01	NM**
Crude (JA'18)	6-Dec	\$/bbl	55.94	-2.88%
Gold (JA'18)	6-Dec	\$/oz	1,264.7	-0.17%
Gold (10g) Local	6-Dec	PKR	46,114	-0.09%
Silver (JA'18)	6-Dec	\$/oz	15.93	-0.82%
Cotton(KHI)-40 kg	6-Dec	PKR	7,073	0.00%
Kibor-6M	6-Dec	%	6.20%	0.00%
				WoW
Forex Reserves	17-Nov	\$ Bn	19.71	0.08%
	FY18			YoY
Remittances	Jul-Oct 17	\$ Bn	6.44	2.27%
Exports*	Jul-Oct 17	\$ Bn	7.06	10.04%
Imports*	Jul-Oct 17	\$ Bn	19.19	22.55%
Trade Balance*	Jul-Oct 17	\$ Bn	-12.13	-31.24%
Current Account	Jul-Oct 17	\$ Mn	-5,013	-121.91%
Foreign Direct Inv.	Jul-Oct 17	\$ Bn	0.94	74.44%
LSM Growth*	Jul-Sep 17	%	8.36	
Avg. CPI	Jul-Nov 17	%	3.59	
Discount Rate	Sep-17	%	5.75	

Sources: KCCI Research, PMEX, NCCPL, KSE, SBP, PBS*
** Not Meaningful on week;

Major Currencies



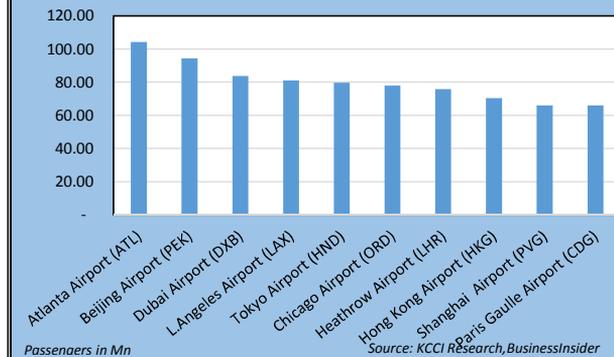
Quote of the Day

"I just miss - I miss being anonymous."

Barack Obama

Chart of the Day

Busiest Aiprt of 2016



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