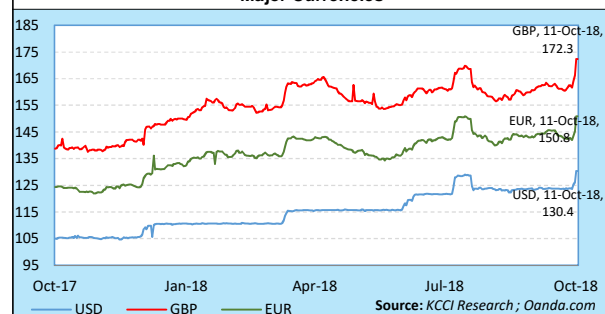


Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	11-Oct	PKR	133.81	0.03%
USD-Open MKT	11-Oct	PKR	133.75	-0.56%
KSE-100 index	11-Oct	Pts.	38,398	-1.02%
FIPI	11-Oct	\$ Mn	-9.60	NM**
Crude (NO'18)	11-Oct	\$/bbl	70.90	-2.33%
Gold (OC'18)	11-Oct	\$/oz	1,228.8	2.59%
Gold (10g) Local	11-Oct	PKR	51,098	0.00%
Silver (OC'18)	11-Oct	\$/oz	14.62	2.02%
Cotton(KHI) -40 kg	11-Oct	PKR	9,109	1.19%
Kibor-6M	11-Oct	%	9.47	0.16%
Forex Reserves	5-Oct	\$ Bn	14.85	-0.29%
	FY19			YoY
Remittances	Jul-Sep 18	\$ Bn	5.42	13.15%
Exports*	Jul-Sep 18	\$ Bn	5.39	4.54%
Imports*	Jul-Sep 18	\$ Bn	14.26	0.64%
Trade Balance*	Jul-Sep 18	\$ Bn	-8.87	1.60%
Current Account	Jul-Aug 18	\$ Bn	-2.72	-9.85%
Foreign Direct Inv.	Jul-Aug 18	\$ Bn	0.29	-39.58%
LSM Growth*	Jul-18	%	0.50	
Avg. CPI	Jul-Sep 18	%	5.60	
Discount Rate	Jul-18	%	7.50	

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

Major Currencies

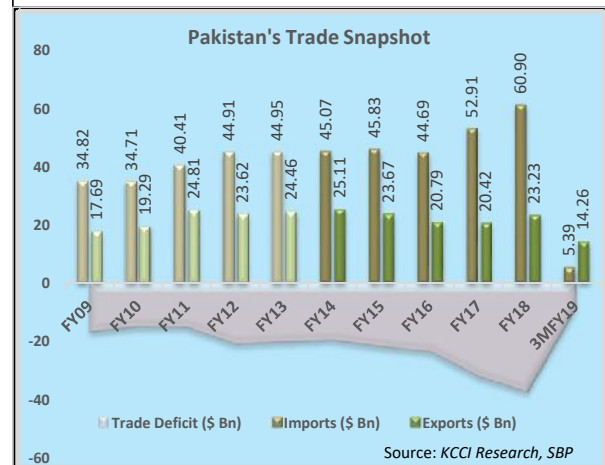


Quote of the Day

"You can only become truly accomplished at something you love. Don't make money your goal. Instead pursue the things you love doing and then do them so well that people can't take their eyes off of you."

Maya Angelou

Chart of the Day



Disclaimer

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icon represents the sole viewpoint of the KCCI R&D Cell, and is stated to enrich the readers' understanding of the news item. The

IMF mission to arrive in coming weeks for bailout talks

IMF Managing Director Christine Lagarde has announced that she will send a mission to Pakistan for bailout negotiations amid emphasis on full disclosure of the debt that Pakistan has acquired, including from China. The IMF issued a statement after Lagarde met with Finance Minister Asad Umar on the sidelines of IMF-World Bank annual meetings in Indonesia. During the meeting, financial assistance was requested from the IMF to help address Pakistan's economic challenges. Both Pakistan and the IMF have already covered significant ground during staff-level visit of an IMF team to Pakistan. However, some thorny issues remain to be addressed, including the extent of new measures and disclosure of details of CPEC projects. *Tribune.*

IMF demands details of all debts

The IMF has said that it would need to know the extent and composition of Pakistan's debt to appreciate and determine its debt sustainability. Islamabad might have to arrange \$ 1-2Bn as stopgap arrangement to avert a crisis like situation in coming weeks. China has pledged some \$ 60Bn in financing to Pakistan for ports, railways and roads, but rising debt levels have caused Islamabad to cut the size of the project by some \$ 2Bn. *The News.*

Azerbaijan offers Pakistan open oil credit facility

Azerbaijan has offered Pakistan an open credit line of \$ 100Mn for purchase of petroleum products without any sovereign guarantees, an offer, though small, will help ease some pressure on Pakistan's fast dwindling foreign currency reserves. At present, Middle Eastern countries like Saudi Arabia, the UAE and Kuwait are major suppliers of oil to Pakistan. However, any deal with energy-rich Azerbaijan will lessen Pakistan's excessive reliance on them. Azerbaijan has nominated state-run Socar and Pakistan has designated PSO for signing a commercial deal in this regard. The Petroleum Division is now required to seek approval of the cabinet for waiving Public Procurement Regulatory Authority (PPRA) rules in order to pave the way for a govt.-to-govt. deal. *Tribune.*

Pakistan risks exclusion from MSCI emerging markets index

Morgan Stanley Capital International (MSCI) may drop Pakistan from its emerging markets index next year if its blue-chips continue to derogate from the required free-float standards. None of the existing five companies, HBL, OGDC, MCB, UBL and Lucky Cement that are part of the standard MSCI EM index meet the market cap requirement as per 11th Oct'18(Wednesday's) closing. The country's status will be reviewed in the annual MSCI review in May/Jun'19. *The News.*

There's no plan to revisit CPEC projects: FO

The Foreign Office (FO) has made it clear that there is no plan to revisit projects under CPEC and both Pakistan and China are open to third party/country investments in some projects of CPEC including Special Economic Zones (SEZs). Pakistan and Saudi Arabia have held discussions about the Kingdom's investment in projects in Pakistan under CPEC; however, details have not been worked out as yet. *BR.*

Individuals, salaried class: FBR may recover amount of tax relief in nine months

The govt. is considering recovering three months (Jul-Sep '18) income tax relief provided to individuals and salaried class under the Finance Act 2018 passed by the National Assembly in May'18 in 9MFY19. The previous govt. provided relief of PKR 92Bn to individuals and salaried class in budget FY19 but the new govt. introduced Finance Supplementary (Amendment) Bill, 2018 (approved in October) to revise the tax slabs for this category of taxpayers applicable retrospectively from 1st Jul '18. Instead of recovering the entire amount of tax relief in one month, the FBR is considering allowing the relief to be staggered over the remaining nine months of the FY19. *BR.*

Number of income tax returns up 55%

FBR has registered a 55% increase in the number of income tax returns filed until 10th Oct'18 as compared to the corresponding period last year. It has received 482,275 income tax returns for TY18, which are 170,208 more than the 312,067 income tax returns received for TY17 by the same date. The govt. has recently extended deadline for filing income tax returns for two months till 30th Nov' 18. *Nation.*

Govt. borrows over PKR 2.6Tn to meet financial needs

The govt. has raised some PKR 2.6Tn through the auction for short-term govt. papers to fulfill its financial needs. Following the increase in the key policy rate, margins on Market Treasury Bills (MTBs) also rose to 1.05% in the auction. As the policy rate increased as per expectation, banks and financial institutions aggressively participated. Nonetheless the market is anticipating further increase in key policy rate in coming months. *BR.*

FBR incurs PKR 6Bn annual losses in tax collection

FBR has annually been incurring an estimated PKR 6Bn losses for the last two years due to low tax payment from CNG sector. The retail price of CNG is still fixed at PKR 67/kg for the purpose of sales tax collection from CNG stations despite that the actual price has been increased up to PKR 103/kg. Sales tax loss is estimated between PKR 400 to 500Mn in a month. If the cabinet approves changes into retail price for the purpose of tax collection, the FBR would issue notices to SSGCL and SNGPL to collect outstanding amount from CNG stations. *The News.*

Forex reserves fall \$ 100Mn

According to SBP's data, Pakistan's official foreign exchange reserves fell \$ 100Mn to \$ 8.31Bn in the week ended 5th Oct'18 compared with \$ 8.41Bn during the preceding week. The foreign exchange reserves of banks, however, increased \$ 59.6Mn to \$ 6.54Bn. The country's total foreign exchange reserves have slid \$ 41.1Mn to \$ 14.85Bn. *The News.*

PM for collecting details of loans used in 10 years

PM Imran Khan has directed the Ministry of Finance to hold a thorough probe into the loans taken by former govts. during the past 10 years and their utilization. The premier, while addressing a cabinet meeting, decided to investigate construction cost of the New Islamabad International Airport that exceeded from PKR 38Bn to more than PKR 100Bn. PIA is under debt burden of PKR 406Bn with a monthly operational loss of PKR 2Bn. The govt. also directed the Interior Ministry to review the Exit Control List (ECL) and remove the names of innocent people. *The News.*

Under WB pressure: Pakistan may reverse course on Indus water dispute with India

The govt. is likely to backtrack from its plan to take the dispute with India over the Kishanganga and Ratle hydropower projects to a World Bank-appointed Court of Arbitration. Instead, it may listen to the World Bank's advice to move for a neutral legal expert to resolve the case. Moreover, WB has failed to constitute the 7th member Court of Arbitration as sought by Pakistan. India does not want the dispute to be referred to the court and has sought the neutral expert option. Pakistan is reluctant because the neutral legal expert who heard the Baglihar Dam dispute ruled in favour of India in 2011. *The News.*

IMF warns against trade, currency wars

IMF Managing Director Christine Lagarde has warned countries against engaging in trade and currency wars which hurt global growth and imperil innocent bystanders. US and China have slapped tit-for-tat tariffs on hundreds of billions of dollars on each other's goods over the past few months, rattling financial markets as investors worry that the escalating trade conflict could knock global trade and investment. Share markets in Asia have plunged to a 19-month low after Wall Street's worst losses in eight months led to broader risk aversion. Finance ministers for developing nations in the Group of 24 whose economies have been battered by stormy markets have urged major economies to reform the global trading system, rather than discard it. *Tribune.*