

### State Bank delivers 200bps surprise rate cut to counter COVID-19 impact

SBP has unexpectedly cut interest rates by a further 200bps to 9% for the 3rd time in less than four weeks to counter economic fallout from the coronavirus pandemic and also endorsed IMF's projection of 1.5% negative growth for FY20. The action was taken to cushion the impact of the coronavirus shock on growth and employment, including by easing borrowing costs and the debt service burden of households and firms, while also maintaining financial stability. *The News.*

### IMF approves \$1.39bn in COVID-19 aid for Pakistan

IMF has said that its executive board has approved \$ 1.38Bn in emergency financing to Pakistan to meet balance of payments needed stemming from the novel coronavirus pandemic. The funds, to come from the IMF's Rapid Financing Instrument, will help Pakistan deal with a decline in international reserves and allow it to fund targeted and temporary spending increases aimed at containing the pandemic and mitigating its economic impact. *BR.*

### Good news for Pak economy: One-year breather for paying back loans

PM Imran Khan has appreciated the debt relief measures by G20 countries, IMF and the World Bank for developing countries, including Pakistan providing a one-year breather for paying back loans. Pakistan annually spends \$ 10-12Bn annually alone on debt servicing. *The News.*

### Small traders request opening of markets thrice a week

Small traders of Karachi have requested the Sindh govt. to allow them to open markets for a limited number of hours thrice a week in accordance with the social distancing and hygiene guidelines, because they said that keeping their businesses closed during the COVID-19 lockdown was no more feasible for them. *The News.*

### Sindh govt to review proposals for market reopening

Provincial Minister Saeed Ghani has said that proposals regarding reopening of shops will be reviewed by the CM Sindh's Task Force. Earlier this week, traders deferred their plan to reopen markets from 15<sup>th</sup> Apr'20 onwards. However, Ghani's announcement shows the decision could be delayed further as the Sindh govt. is yet to finalize Standard Operating Procedures for opening of retail markets and other business centers. *Dawn.*

### Tax department collects PKR 970Bn in nine months

Large Taxpayers Unit (LTU) Karachi collected PKR 970Bn during 9MFY20, up 12% from PKR 862Bn in 9MFY19 despite economic slowdown as tough tax measures appeared to yield positive outcomes. It attributed the double-digit growth in revenue to the budgetary measures taken in the budget FY20. The measures included elimination of sales tax zero-rated regime, imposition of 100% WHT on taxpayers not appearing on active taxpayers list and uniform rates of sales tax on petroleum products. *The News.*

### Govt constitutes committee to finalise relief for retail sector

The govt. has formed a 5 member committee to broach upon taxation and other incentives for the retail sector expected to show negative growth during FY20 after it reeled from almost one month of coronavirus-induced lockdown. Dr. A. Hafeez Shaikh took the decision during a video conference with the representatives of retailers to discuss the problems faced by the sector and their possible solutions. *The News.*

### Refund claims: FBR directs completion of processing before 20<sup>th</sup>

FBR has directed all the chief commissioners, Inland Revenue, to complete processing of the refunds claims before 20<sup>th</sup> Apr'20 in view of the sensitivity of COVID19 relief package implementation. No processing officer shall be allowed any leave until this process is completed, even if extended working hours are required including observance of Saturday & Sunday as working days. FBR said that regional offices were required to release PKR 100Bn refunds by 11<sup>th</sup> Apr'20 but they have missed the deadline. *BR.*

### PKR 50Bn income tax refunds to be released next week

After a delay of more than six years, the govt. has finally decided to release income tax refunds worth PKR 50Bn to 100,000 taxpayers within next week. Meanwhile, FBR has withdrawn the brand specification condition on import of goods for prevention and treatment of Covid-19. The exemption will now be available until 30<sup>th</sup> Jun'20. Through another notification, WHT is exempted on cash transfers under Ehsaas Emergency Program. *Dawn.*

### PIB yields decline sharply

Pakistan investment bonds' yields fell sharply as investors expected a further rate cut in interest rates by SBP to limit the impact of the pandemic on the economy. The govt. raised PKR 106.52Bn through an auction of PIBs. The cut-off yield for 3 year, 5 year and 10 years fell 303bps to 8.56%, 216bps to 8.83% and 185bps to 9% respectively. *The News.*

### All expired passports extended for one year

The govt. has extended the validity of all expired passports for a further period of one year as part of its measures to tackle the spread of COVID-19. *The Nation.*

### Investment policy for pension funds revised: Maturity period for government Ijarah Sukuk fixed at five years

SECP has revised investment policy for pension funds, according to which the time of maturity of any government Ijarah Sukuk shall not exceed five years in case of Shariah-compliant money market sub-fund. All other terms and conditions shall remain unchanged, the SECP added. *BR.*

### SRB extends deadline for ST payment

SRB has permitted the registered persons including withholding agents covered by the provisions of the Sindh Sales Tax Special Procedure (Withholding) Rules 2014 to e-deposit the amount of Sindh Sales Tax for the tax period of Mar'20 on or before 27<sup>th</sup> Apr'20. Similarly, the e-filing of tax returns for the same period has also been extended to 30<sup>th</sup> Apr'20. *BR.*

### Ordinance to curb hoarding of 32 items promulgated

The govt., on the directives of PM Imran Khan, has prepared an ordinance for taking stern action against hoarders and artificial price hike of 32 consumer items including sugar, milk, pulses, face masks and pesticides. Hoarders will face a maximum 3 year imprisonment and fine equivalent to 50% of the value of seized items against the present 3 months prison sentence with a maximum fine of PKR 99,000. *Dawn.*

### Export of textile masks, sanitisers allowed

Adviser on Commerce Razak Dawood has said that the govt. has decided to allow export of textile masks and sanitizers, whereas, the ban on export of N95 and other surgical masks will remain intact. Currently, washable cloth masks used as anti-dust pollution masks are not banned, however, customs authorities are not allowing its exports. He added that a clarification will be issued in this regard. *Dawn.*

### UNSG backs PM Imran's call of global initiative for debt relief

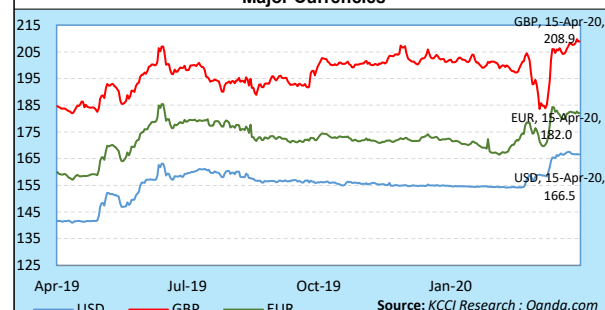
UN's Secretary-General Antonio Guterres has supported PM Imran Khan's call for a global initiative for debt relief for developing countries amid Covid-19 pandemic. He said that the UN chief believes that debt relief must be an important part of the response to COVID-19, including immediate waiver on interest payments for the current year. *Tribune.*

### Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	16-Apr	PKR	166.88	-0.06%
USD-Open MKT	16-Apr	PKR	167.25	0.15%
KSE-100 index	16-Apr	Pts.	31,329	0.28%
FIPI	16-Apr	\$ Mn	-2.25	NM**
Crude (AP'19)	16-Apr	\$/bbl	20.19	-2.93%
Gold (MA'19)	16-Apr	\$/oz	1,732.6	-0.73%
Gold (10g) Local	16-Apr	PKR	91,600	-0.45%
Silver (MA'19)	16-Apr	\$/oz	15.64	-2.54%
Cotton(KHI)-40 kg	16-Apr	PKR	9,431	0.00%
Kibor-6M	16-Apr	%	10.03	-0.11%
Forex Reserves	10-Apr	\$ Bn	17.30	1.81%
<b>FY20</b>				
Remittances	Jul-Mar 20	\$ Bn	16.99	5.37%
Exports*	Jul-Mar 20	\$ Bn	17.45	3.65%
Imports*	Jul-Mar 20	\$ Bn	34.81	-14.06%
Trade Balance*	Jul-Mar 20	\$ Bn	-17.36	26.72%
Current Account	Jul-Feb 20	\$ Bn	-2.84	71.04%
Foreign Direct Inv.	Jul-Feb 20	\$ Bn	1.85	184.81%
LSM Growth*	Jul-Jan 20	%	-3.37	
Avg. CPI	Jul-Mar 20	%	11.53	
Discount Rate	Apr-19	%	9.00	

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

### Major Currencies

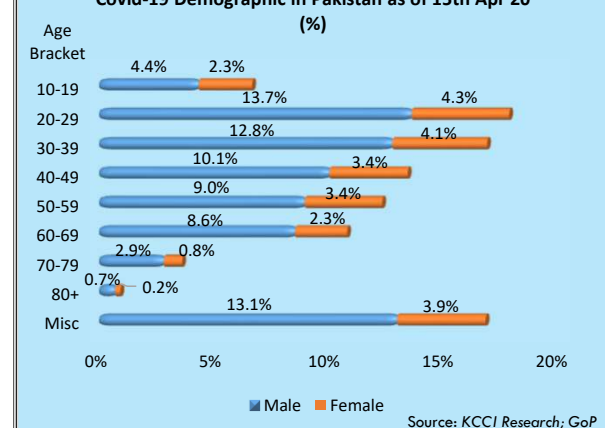


### Quote of the Day

"Believe you can and you're halfway there."

Theodore Roosevelt

### Covid-19 Demographic in Pakistan as of 15th Apr'20



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