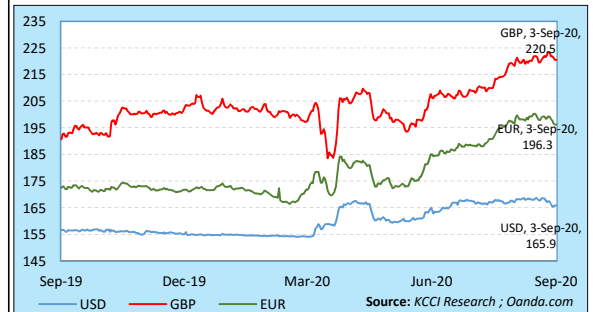


#### Economic Indicators

List of Indicators	Date / Period	Unit	Value	Change Daily
USD-Interbank	3-Sep	PKR	166.04	0.26%
USD-Open MKT	3-Sep	PKR	167.25	0.45%
KSE-100 index	3-Sep	Pts.	42,188	0.84%
FIPI	3-Sep	\$ Mn	-1.78	NM**
Crude (AP'19)	3-Sep	\$/bbl	41.32	-0.63%
Gold (MA'19)	3-Sep	\$/oz	1,936.6	-0.29%
Gold (10g) Local	3-Sep	PKR	103,500	0.39%
Silver (MA'19)	3-Sep	\$/oz	26.63	-3.65%
Cotton(KHI)-40 kg	3-Sep	PKR	9,538	1.13%
Kibor-6M	3-Sep	%	7.26	0.00%
				WoW
Forex Reserves	28-Aug	\$ Bn	19.84	0.61%
				YoY
Remittances	Jul-20	\$ Bn	2.77	36.50%
Exports*	Jul-20	\$ Bn	2.00	6.10%
Imports*	Jul-20	\$ Bn	3.69	-0.70%
Trade Balance*	Jul-20	\$ Bn	-1.69	7.72%
Current Account	Jul-20	\$ Bn	0.42	169.17%
Foreign Direct Inv.	Jul-20	\$ Bn	0.11	60.76%
LSM Growth*	Jul-Jun 20	%	-10.17	
Avg. CPI	Jul-20	%	9.26	
Discount Rate	Jul-20	%	7.00	

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

#### Major Currencies

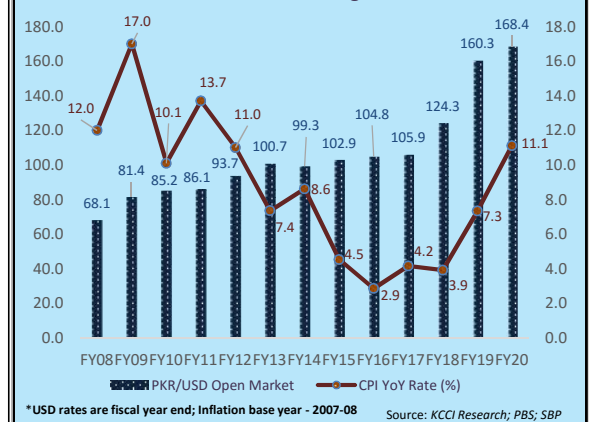


#### Quote of the Day

*"Sometimes when you innovate, you make mistakes. It is best to admit them quickly, and get on with improving your other innovations."*

**Steve Jobs**

#### Inflation Vs Exchange Rate



#### Disclaimer

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

#### Power tariff hike slammed

Businessmen and industrialists have rejected the ECC decision to increase electricity rates by PKR 1.09 to PKR 2.80, and called it a blow for Karachi-based industries that were already suffering from losses on account of lockdown and devastating rains. KCCI President Agha Shahab Ahmed Khan has said the announcement of increase in rates of electricity is yet another blow for trade and industry, which are already suffering from losses worth Billions of rupees. KCCI president rejected outright the ECC's decision and urged Advisor on Finance Hafeez Shaikh to immediately withdraw this unjust and ill-timed hike in electricity tariff. *The News*.

#### K-Electric seeks increase of PKR 1.54 per unit in base rate

In its mid-term review of the Multi Year Tariff, the K-Electric Limited has sought an increase of PKR 1.54 per unit in the base rate on account of cost of working capital, revision in the cost of debt/sent-out growth and normal cost of working capital. In its petition submitted to NERPA, it also sought an increase in the impact of exchange rate on Allowed Return on Equity (ROE) Component from 17.05% to 41.94%. Nepra will hold Public hearing on the petition on 16<sup>th</sup> Sept'20. *The Nation*.

#### Draft export import (Exim) Bank Act 2020 uploaded on MoF website

Finance Ministry has uploaded trade and competitiveness draft export import (Exim) Bank Act 2020 on its website. The govt., in continuation of its efforts to reforms, and in line with best international practices, is now seeking to establish EXIM bank, as the national export credit agency for the promotion, expansion and diversification of international trade by providing, guarantee and insurance products as well as ancillary services to exporters and importers in terms of a statutory corporation that has the backing and support of the govt. as is customary for export credit agencies to achieve their desired potential and objectives. *BR*.

#### SBP unveils designation of D-SIBs for 2020

SBP has announced the designation of Designates Domestic Systemically Important Banks (D-SIBs) for 2020 under the Framework for D-SIBs that was introduced in Apr'18. Three banks viz. HBL, NBP, and UBL have been designated as D-SIBs for the year 2020. These banks will continue to follow enhanced supervisory requirements as well as the some additional common equity tier-1 capital (CET-1) requirements. *BR*.

#### FBR launches Medium Taxpayers Office

The FBR has recently re-designated the Large Taxpayers Unit (LTU)-II Karachi as Medium Taxpayers Office (MTO), which started functioning under the new name from 1<sup>st</sup> Sept'20. The office is aimed at facilitating taxpayers engaged in small scale businesses. *The News*.

#### PTI govt agrees to raise power supply to K-Electric

The federal govt. has given the go-ahead to K-Electric and state agencies for signing a power purchase agreement for additional supply of 450MW of electricity on an interim basis for the next two years from Mar'21 in a bid to overcome power outages in Karachi. K-Electric said that its demand stood at 3,600MW and assuming demand growth of 7-8% in the coming year, there would be a shortfall of 300-400MW in the summer of 2021. Therefore, it had requested provision of an additional 350-450MW from the national grid. *Tribune*.

#### PKR 50Bn relief for power consumers on the cards

Relief of PKR 50Bn for power consumers is on the cards, as Nepra has made its mind to come up with its decision to place cut on the permissible losses by 2% to 13.50% from existing 15.49% for FY19 and FY20. Industries welcomed the move and said that Nepra should reduce the permissible losses by 2-2.5% every year as it will exert pressure on Discos to improve their efficiency. *The News*.

#### Plan for uplift of Karachi reviewed

PM Imran Khan has reviewed the Karachi Transformation Plan and directed provinces to revise master plans of major cities to overcome disastrous civic issues. The PM will now visit Karachi tomorrow (Saturday, 5<sup>th</sup> Sep'20) instead of today citing some city-related unsettled issues regarding transfer of the control of the Sindh Building Control Authority (SBCA) and waste disposal system from the provincial govt. to the administrator of Karachi to be appointed by the provincial govt. in consultation with the centre. *Dawn*.

#### FY20: circular debt soared to PKR 538Bn

The Power Division has revealed that the country's energy sector circular debt has increased by 18% during FY20 to PKR 538Bn from PKR 465Bn in FY19. The circular debt, which was PKR 1.61Tn as of 30<sup>th</sup> Jun'19 rose to PKR 2.15Tn as of 30<sup>th</sup> Jun'20. It further stated that circular debt recorded a growth of PKR 45Bn per month of which PKR 240Bn were added due to Covid-19 and Discos inefficiencies. *BR*.

#### Sindh to take the lead in issuing smart cards to laborers

Sindh is going to become Pakistan's first province that will issue computerized smart cards called Benazir Mazdoor Card for the proper registration of laborers and their respective family members in a transparent manner in order to offer those different facilities, including health coverage. In the 1<sup>st</sup> phase some 625,000 laborers across the province will be issued these smart cards on 1<sup>st</sup> Jan'21. *The News*.

#### State Bank to unveil complaint portal

SBP has said that it is launching Small and Medium Enterprises complaint portal on its website that will directly reach the governor, chief manager, deputy managers and other officials. The complainants would be able to track the progress on their complaints through unique complaint number. *The News*.

#### Gas companies to provide 549,821 new connections against backlog of 2.5Mn applications

SNGPL and SSGC, would provide around 549,821 new connections to domestic, commercial and industrial consumers during FY21 against the backlog of around 2.5Mn applications across the country. SSGC has the plan to give 144,371 connections including 143,023 domestic, 1,164 commercial and 184 industrial. During FY20, SSGC gave 123,900 domestic connections, 700 commercial and 95 industrial. *The Nation*.

#### Foreigners buy \$ 6.8Mn equities

Foreign investors emerged as net buyers in Aug'20 raking up equities worth \$ 6.84Mn after net selling of \$ 61.42Mn in Jul'20y, data released by the National Clearing Company of Pakistan Ltd showed. Meanwhile, net foreign investment in treasury bills during Aug'20 was \$ 836,000 while \$ 5.1Mn came in Pakistan Investment Bonds. Hot money inflows have cooled down ever since SBP cut interest rates in view of the demand contraction caused by Covid-19. *Dawn*.

#### FWO to build 10 underpasses, bridges on KCR route

The Sindh govt. has announced partnership with the Frontier Works Organization (FWO) to revive the Karachi Circular Railway and tasked the military engineering organization with building 10 underpasses and flyovers on the route of the local train service. *Dawn*.

#### Third phase of KCR project: Umar directs Railways to formulate PPP system

Federal Minister for Planning Asad Umar, while chairing progress review meeting of the KCR project, has directed Pakistan Railways to formulate a system of public-private partnership for the 3<sup>rd</sup> phase of the Karachi Circular Railway (KCR) project. The Ministry of Railways is also constantly in touch with the Sindh Govt. and work on underpasses at various places is expected to start soon. It was decided in the meeting that necessary steps would be taken immediately to involve private sector in the project. *BR*.