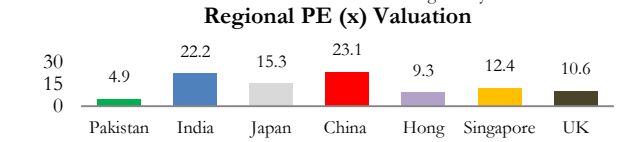
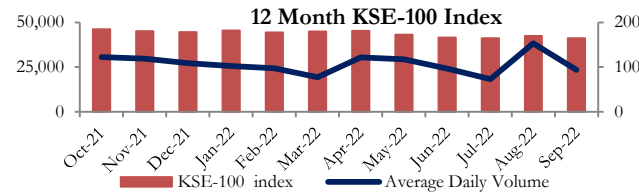


Stock Market

- The KSE-100 Index ended at 41,129 points, down by 2.9% MoM or 1,222 points in September 2022. Average daily volume of the index stood at 94 million shares, down by 38.6% MoM. E&P, Commercial Bank, and Fertilizer were the major negative contributors to the index's performance, while technology and tobacco sector were the only major sectors with a positive contribution to the index.
- Market remained on the negative for most of the month due to 4.5% devaluation of PKR against USD, concerns over rising yields on international bonds, and continuous decline in the foreign reserves. Rising infrastructure damage due to floods and government decision to revise down GDP growth estimate from 5% to 2% also remained a point of concern for the investors. The last week saw some redemption for the market as PKR recovered against USD after appointment of a new finance minister, IMF agreement to give a temporary concession in light of the flood situation, and a dip in international oil prices.
- Foreign investors were net buyers, with an aggregate buying of USD 14.6 mn. Among the local players mutual funds were major sellers, with a net selling of USD 17.5 mn. Individuals and banks remained net buyers, with buying of USD 5.1 mn, and USD 9.0 mn, respectively.
- KSE-100 Index currently trades at P/E multiple of 4.9 indicating the market is trading at a significant discount to other regional economies.



Company	Opening Price	Closing Price	Change
TRG	89.92	128.86	43.31% +ve
APL	391.14	278.89	-28.70% -ve

Currency Markets

- PKR depreciated by 4.5% MoM against USD. The rupee fell to nearly 240 per USD on expectation of higher imports due to floods. In the last week of the month PKR showed some recovery post Ishaq Dar's appointment as the finance minister. Dollar index increased by 3.2% on the back of increased yields on treasury bonds.
- GBP appreciated by 0.5% MoM against PKR and depreciated by 3.9% against USD. Decline in GBP can be attributed to increase in inflation to 10.1% in September and the British government plans to give tax cuts and boost borrowing and spending.
- EUR appreciated by 2.5% MoM against PKR and depreciated by 2.5% MoM against USD. The decline against USD can be attributed to an increase in Euro inflation to 10.0% in September against 9.0% in August.
- CNY appreciated by 1.6% MoM against PKR and depreciated by 3.2% MoM against USD. China's CPI increased to 2.8% and the manufacturing PMI stood at 50.1%, up 0.7% MoM.
- SAR and AED both depreciated by 4.6% and 4.5% MoM against PKR, with both currencies pegged to the USD.

Currency	Open Rate	Close Rate	Change
USD	218.60	228.45	4.51%
GBP	253.68	254.82	0.45%
EUR	219.12	224.53	2.47%
SAR	58.17	60.82	4.55%
AED	59.52	62.20	4.50%
CNY	31.67	32.19	1.63%

Commodity Markets

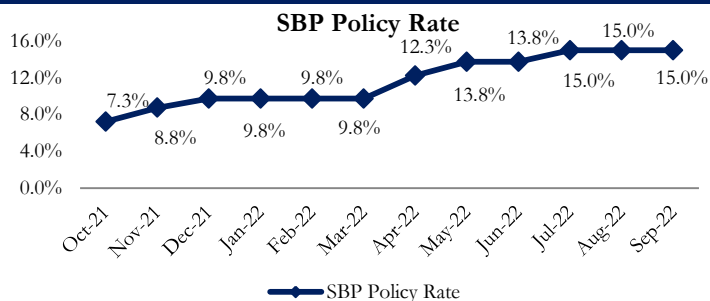
- International gold prices decreased by 3.1% MoM. Gold prices declined during the month as long-term bond yield continued to rise in USA, UK and Europe. In local market the price of gold increased by 0.5% MoM. Despite the decrease in international gold prices, domestic prices increased due to depreciation of PKR against USD.
- WTI crude oil prices decreased by 11.2% MoM. Global supplies of oil are tight, but demand has also remained weak. Energy use in China has remained weak because the government has frequently locked down big cities to prevent spread of coronavirus. Strengthening of USD against other currencies has made oil expensive in developing countries, thus resulting in a decline in oil demand.
- Cement prices have declined by 1.75% during the month. Local dispatches decreased by 5.3% YoY and increased by 30.9% MoM to 3.8 mn tonnes; exports sales followed a similar trend as it declined by 17.3% YoY and increased by 21% MoM to 0.47 mn tonnes in September 2022.
- Cotton prices decreased by 8.9% MoM. The month started with steady business in the cotton market with 2.1 million cotton bales reaching ginning factories and prices increasing to PKR 23,000 per maund. By the end of the month demand subsided from cotton ginners and trading volumes declined resulting a fall in prices.
- Urea prices increased by 5.7% as a result increase in offtake by 4% YoY, to 508,000 tonnes in September. On cumulative bases urea offtake stands at 4.8 mn tonnes in 9MCY2022.

Commodity	Description	Opening Price	Closing Price	Change
Gold	24 Karat (PKR/Tola)	143,354.72	144,004.80	0.45%
Silver	(PKR/Tola)	1,531.88	1,628.30	6.29%
Crude Oil (US)	(USD/bbl). NYMEX	89.55	79.49	-11.23%
Furnace Oil (HS)	(PKR/Ton)	179,256.87	179,256.87	0.00%
High Speed Diesel	(PKR/Ltr)	247.40	235.30	-4.90%
Motor Spirit	(PKR/Ltr)	236.00	224.80	-4.74%
Cement (Avg.)	(PKR/Bag)	1,030.00	1,012.00	-1.75%
Cotton	(PKR/Maund)	22,500.00	20,500.00	-8.89%
Urea	(PKR/Bag)	2,200.00	2,325.00	5.68%

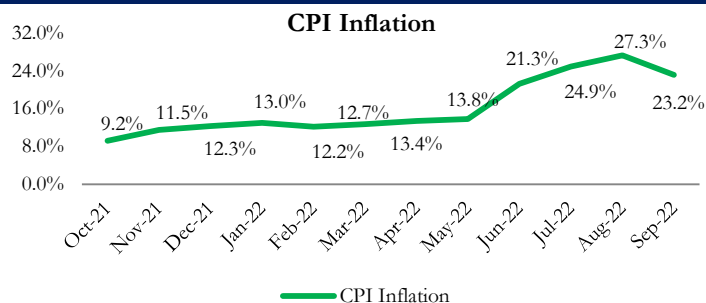
News Highlights

- Queen Elizabeth died at the age of 96 years after serving as a monarch for 70 years, the long in British history. Her funeral services took place on 19th September 2022.
- GOP revised down GDP growth estimate from 5% to 2% as floods plunged the country into a crisis; this is in contrast to the 3.5% growth forecast of ADB a day earlier.
- PM Shehbaz Sharif led Pakistan delegation to the SCO Summit 2022 and also addressed UNGA in New York highlighting the floods caused by global climate change.
- UN Secretary General on his visit to Pakistan announced launch of USD 160 mn UN Flash Appeal to support flood victims, and visited areas most affected by floods.
- LSM shrank by 1.4% YoY with main contributors to the slowdown includes garments, iron and steel, cement, fertilizer, and chemical sector.
- Dealers reject deregulation of oil prices proposal floated by OGRA and threatened of country wide strike if not consulted before implementing the change.
- Pak Suzuki forced to shut down in September due to shortage of CKD kits, while Indus Motor announced expectation of decline in sales by 40% in FY2023.
- Russia to formally annex four regions of Ukraine its troops occupy at a ceremony in Moscow, and suggested using nuclear weapons to defend the territories.

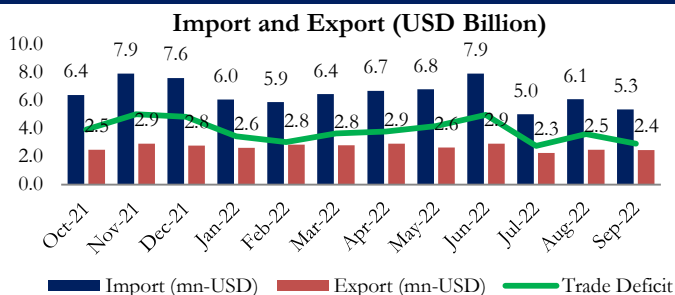
Economy of Pakistan



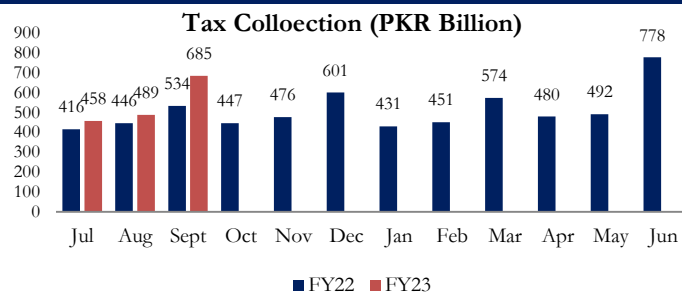
The MPC meeting was held on 22nd August 2022, where the committee decided to maintain the policy rate at 15.0%, the decision was based on recent inflation figures being in line with expectation, domestic demand being moderate and the external position showing some improvement. Cumulatively policy rate has been increased by 800 bps since last September. The next meeting is scheduled on 10th October 2022. According to MPC, inflation is expected to remain at elevated levels throughout FY2023 before declining in FY2024.



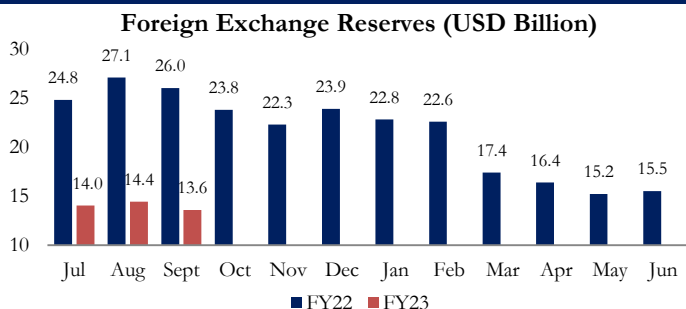
CPI for the month was recorded at 23.2% YoY and 1.2% MoM. Urban CPI inflation was recorded at 21.2% while in rural areas it stood at 26.1% YoY. Food inflation in urban and rural areas increased by 30.8% and 32.7% YoY, respectively. Non-food inflation in urban and rural areas increased by 15.2% and 20.1% YoY, respectively. The increase in inflation was mainly due to increase in perishable food items, non-perishable food items and transportation costs. MPC expects inflation to remain elevated throughout FY2023.



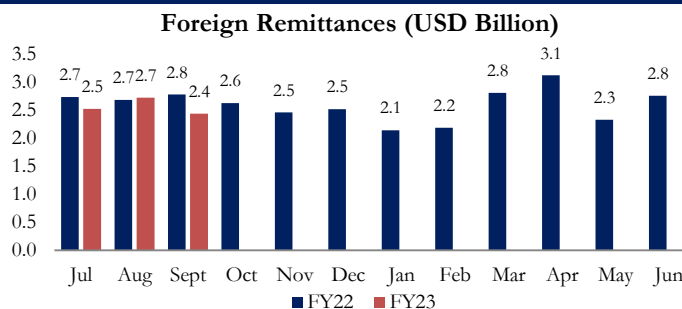
Exports were recorded at USD 2.4 billion, down 1.5% MoM and 1.5% YoY. On the other hand imports stood at USD 5.3 billion showing a decline of 11.9% MoM and 18.5% YoY. In 3MFY2023 imports have declined by 12.4% YoY, as a result of an 18.3% decline in non-energy imports. On the other hand exports in 3MFY2023 increased by 2.6% YoY, as food and textile exports increased by 5.7% and 3.7%, respectively. Trade deficit for the month of September stood at USD 2.9 billion, down by 19.2% MoM and 30.2% YoY.



Tax collection during the month stood at PKR 685 billion, up by 27% YoY, as compared to a target of PKR 684 billion. Total collection for the first quarter of current fiscal year stood at PKR 1,635 billion, an increase of 17% YoY, exceeding the target by PKR 27 billion. Increase in collection is the outcome of various policy and revenue measures introduced by the government in Finance Act 2022. Growth in direct taxes is ~41% YoY during the quarter. Disbursements stood at PKR 84 billion during the first quarter of FY2023, up by 36% YoY.



Foreign reserves declined to USD 13.6 billion in September 2022, a decrease of 5.9% MoM and a decline of 47.7% YoY. The reserves held with central bank stood at USD 7.9 billion, down 10.6% MoM, while reserves with commercial banks stood at USD 5.7 billion, up 3.2% MoM. SBP representative attributed the decline in reserves to external debt repayment including interest payment on Euro bonds. The current level of reserves held by central bank provides import cover of less than 1.5 months and needs to be improved 3 months.



Overseas remittances during the month of September 2022 amounted to USD 2.4 billion, a decline of 10.5% MoM and 12.3% YoY. During the first quarter of the current fiscal year remittances stood at USD 7.7 billion, down by 6.3% YoY. Remittances received from Saudi Arabia, UAE, UK, and US decreased by 10.9%, 10.7%, 16.7% and 8.9% on a monthly basis. These countries accounted for 68.4% of the total remittances received in September. Decline in remittances can be linked to the global economic slowdown and rising inflation.