Monday, July 24, 2017 | 28 Shawal 1438 Hijri

Market Today (July 21, 2017)				
Opening	PSX	Gold Per 10 gm	KCA Spot Rate	Crude Oil USD /bbl.
	45,382.00	43,028.00	6,835.00	46.14

(Source: Express Tribune)

Exchange rates issued by the Treasury Management Division of National Bank of Pakistan. July 21, 2017			
Country	**Currency**	**Selling TT & OD**	**Buying TT Clear**
USA	USD	105.5	105.3
UK	GBP	136.81	136.55
Euro	EUR	122.68	122.45
Canada	CAD	83.72	83.56
Switzerland	CHF	110.88	110.67
Australia	AUD	83.17	83.01
Sweden	SEK	12.96	12.93
Japan	JPY	0.9417	0.9399
Norway	NOK	13.11	13.08
Singapore	SGD	77.26	77.11
Denmark	DKK	16.5	16.47
Saudi Arabia	SAR	28.13	28.08
Hong Kong	HKD	13.65	13.63
China	CNY	15.95	15.92
Kuwait	KWD	348.54	347.87
Malaysia	MYR	24.6	24.56
New Zealand	NZD	78.28	78.13
Qatar	QAR	28.72	28.66
UAE	AED	28.72	28.67

(Source: Business Recorder)

Sectoral Share in GDP %		
Sectors/Sub-Sectors	**2014-15**	**2015-16 (p)**
Commodity Producing Sector (Agriculture + Industrial Sector)	**41.4**	**40.8**
Agriculture	**20.80**	**19.82**
Crops	8.2	7.4
Livestock	11.7	11.6
Fishing	0.4	0.4
Forestry	0.4	0.4
Industrial Sector	**20.6**	**21.0**
Mining & Quarrying	2.9	2.9
Manufacturing	13.6	13.6
Construction	2.4	2.6
Electricity & Gas Distribution	1.7	1.9
Services Sector	**58.6**	**59.2**
Transport, Storage & communication	13.4	13.3
Wholesale & Retail Trade	18.3	18.3
Finance & Insurance	3.2	3.3
Ownership of Dwellings	6.7	6.7
General Government Services	7.1	7.6
Other Services	9.9	10.1

(Source: Economic Survey of Pakistan 2015-16)

SBP maintains interest rate at 5.75pc

The State Bank of Pakistan (SBP) has decided to maintain the interest rate at 5.75 per cent, according to an announcement made by the Monetary Policy Committee of the SBP. A statement from the SBP said that average headline inflation, though higher than FY17, is expected to be lower than earlier outlook and stay below the target of 6pc, mainly on the back of favourable supply conditions. Domestic demand is set to gain further traction as evidenced in the current growth in the real sector, thanks to private sector and imports, it said. According to SBP, the under-performance of both exports and workers' remittances "greatly impinged upon the current account deficit which reached $12.1 billion in FY17". The overall balance of payments is expected to stay at a "manageable" level in FY18, the statement said, adding that the headline inflation (in year-on-year terms) has softened at 3.9pc in June 2017, while core inflation has stayed at 5.5pc since April 2017. The latter indicates rising demand, according to SBP. ***(Dawn)***

FBR puts realty prices revaluation on hold

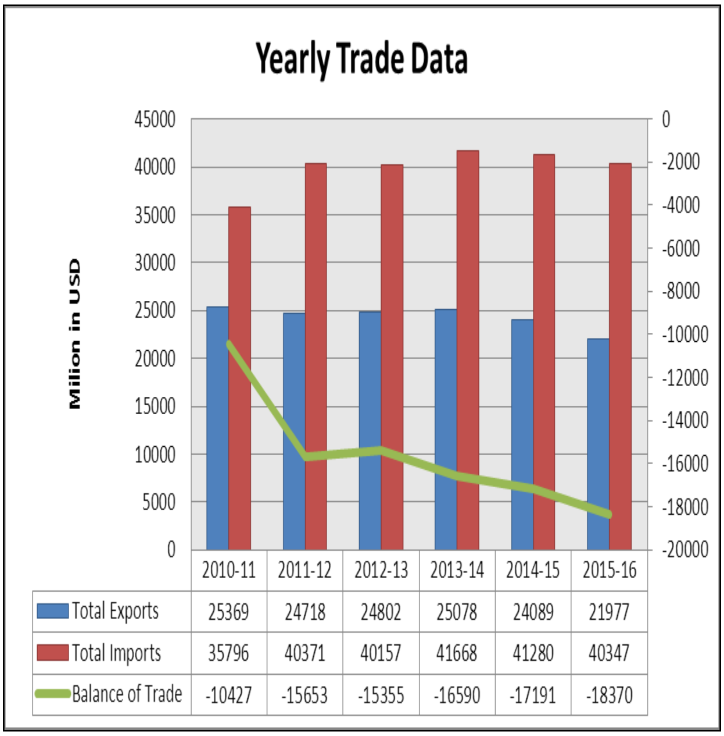
The Federal Board of Revenue is reluctant to revise the valuation tables for taxation of property in 18 major cities of the country. The new property tables, which came into effect on July 31, 2016, were scheduled to be revised upward from July 1, 2017, a senior tax official. The revised tables are used for the calculation of federal taxes — capital gains tax (CGT), withholding tax and section 111 of the Income Tax Ordinance 2001. "We completed our homework on the revised tables in June 2017 as part of the budget exercise," the official said, adding that the finance ministry had informally directed the FBR to put the matter on the back-burner for the time being. However, the official said that the FBR could revise the tables at any time in the fiscal year, since there was no bar or specific time frame mentioned in the agreement under which the tables were revised. But another source in FBR told Dawn that Finance Minister Ishaq Dar had asked tax officials not to revise the table upward, owing to the bureau's current preoccupation with the Panama Papers investigation. Tax officials have lately been busy with Joint Investigation Team (JIT) and Supreme Court proceedings and have not had a chance to determine fair market prices for properties, as it was tasked to do. ***(Dawn)***

Despite increase, FDI not enough to help bridge deficit

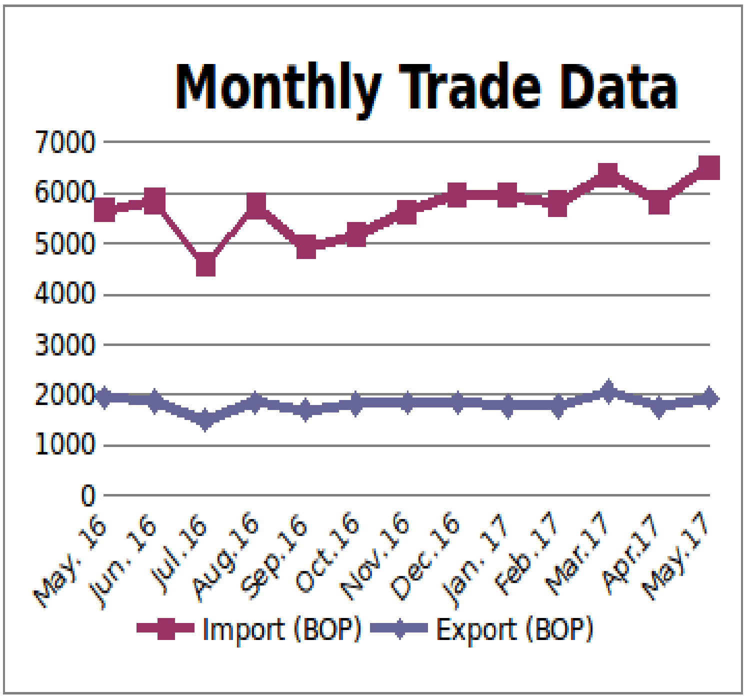
An increase in foreign direct investment (FDI) in financial year 2016-17 (FY17) reflects improvement in the overall security situation, suggesting that investors have started coming back to Pakistan, says a business forum. Pakistan attracted $2.4 billion worth of FDI in FY17, up 4.6%, according to data released by the State Bank of Pakistan (SBP). After a very long time, the FDI has shown an upward trend. In FY16, Pakistan had got $2.305 billion in FDI, which rose $105.6 million in FY17. In a statement, All Pakistan Business Forum President Ibrahim Qureshi said Pakistan's liberal policies offered one of the most attractive investment regimes in the region. Pakistan's trade with the European Union had also grown substantially after the grant of GSP Plus status by the 28-nation European bloc, he said. He praised the government's resolve to tackle the challenges in European markets head-on, suggesting that it should devise strategies to promote Pakistani products. He asked trade officers to take advantage of the opportunities offered by the China-Pakistan Economic Corridor and growth in Pakistan's economy made possible by the strengthening of democratic institutions and improvement in security situation. Quoting figures of the central bank, Qureshi said China topped FDI contributors as its investment accounted for about 50% of the total. Major inflows were also received from the Netherlands, Turkey, France and the UK. China's total investment in Pakistan stood at $1.23 billion in FY17 including $1.186 billion in FDI and $48.4 million in foreign portfolio investment. Qureshi, however, pointed out that despite some

Economic Indicators	
Annual (2015/16)	
Foreign Debt	$62.649bn
Per Capita Income	$1,512
GDP Growth	4.24%
Average CPI	8.6%
Monthly (May, 2017)	
Trade Balance	$-2,682 mln
Exports	$1,944mln
Imports	$4,572mln
Weekly (June 23, 2017)	
Reserves	$21.36 mln

(Source: Business Recorder)



(Source: SBP)



(Source: SBP)

increase in foreign investment, the inflows were not sufficient to help offset the widening current account gap. As a result, the country's foreign currency reserves dropped over $1.7 billion in FY17. According to the SBP, portfolio investment during the year was also unsatisfactory as it fell 66%. "Only political will and drastic steps can revive the economy, which should have grown significantly and constantly for having a visible impact," he said and advocated the need for enhancing the country's tax base so that the tax-to-gross domestic product ratio could improve significantly from the existing 9% level. Apart from these, tackling governance challenges, adverse security perception, political instability and promoting the role of foreign trade offices were vital for continued enhancement in foreign investment. ***(Express Tribune)***

Pakistan to highlight CPEC benefits at SAARC meeting

A high-level delegation comprising private sector representatives left for Thimpu (Bhutan) on Saturday to represent Pakistan in the forthcoming 70th executive committee meeting of the Saarc Chamber of Commerce and Industry. Talking to media prior to departure, leader of the delegation and Saarc Chamber Vice President Iftikhar Ali Malik said distinctive features of the China-Pakistan Economic Corridor (CPEC) would be highlighted during the deliberations apart from other issues confronting the region. He said CPEC would act as a trading hub between South Asia, Middle East and Europe, thereby enhancing trade potential of the entire region. "CPEC is a geo-economic project which will benefit the entire region both directly and indirectly," he said, adding the economic corridor would promote regional cooperation in South Asia, driven by trade and energy, through the building of ports, pipelines, road and rail infrastructure. Answering a question, Malik said goods from landlocked Bhutan and Nepal could not access Pakistan markets via land route through India. "These countries cannot send their goods through Pakistan to Central Asia and China. Similarly, Bangladesh cannot access the shorter land route through India to Pakistan and onward to China or West Asia, North Africa and Gulf states," he said, adding in contrast goods from island nations – the Maldives and Sri Lanka – could reach China through Gwadar. Bhutan and Nepal can directly connect with China while Bangladesh lies on the southwestern route of the Silk Road linking it with Kinmin in Yunan province of China. Shaharyar Ali Malik, deputy leader of the delegation, said global trade statistics revealed that while the volume of trade between Saarc states and the rest of the world was increasing, intra-regional trade remained far below its true potential. ***(Express Tribune)***

KSE-100 index recovers, posts gain of 937 points

Although volatility continued at Pakistan bourse, the KSE 100-share Index recovered from the selling spree of previous weeks and posted a gain of 937 points (2.2%) week-on-week to settle at 45,294.39 points. In the outgoing week, market players witnessed a slightly upward correction as value buyers jumped in to take positions ahead of the start of corporate results season, though most investors still remained on the side-lines in the face of political uncertainty. As the Supreme Court resumed its proceedings in the Panama Papers case after a week's adjournment, Monday recorded the lowest trading activity in three years as investors adopted a wait-and-see policy regarding the outcome of the case. The market, however, remained positive at the end of the trading session. On Tuesday, the stocks bounced back with a bang, pushing the KSE-100 index over 1,100 points and it crossed the 45,000 barrier. The market remained under pressure and closed the next two sessions in the red, falling over 500 points. As the court reserved its judgment in the case, domestic investors were relieved that no hasty action was being taken and took brave steps to accumulate stocks with attractive valuations. This led to an increase of 234 points in the KSE-100 index on Friday as it got vital support in second half of the trading session. Volatility still prevailed in the market during the week over wild speculations about the outcome of the Panama case. While the week was marked with choppy trading, investor participation slowed to a crawl as average volumes shrank 23% week-on-week to 134 million shares while average trading value fell 22% to Rs7.5 billion. ***(Express Tribune)***