

## Market Today (May 26, 2017)

Opening	PSX	Gold Per 10 gm	KCA Spot Rate	Crude Oil USD /bbl.
	52,869.01	42,985.00	6,835.00	48.90

(Source: Business Recorder)

## Exchange rates issued by the Treasury Management Division of National Bank of Pakistan. May 26, 2017

Country	Currency	Selling TT & OD	Buying TT Clear
USA	USD	104.7	104.5
UK	GBP	134.94	134.68
Euro	EUR	117.26	117.03
Canada	CAD	77.6	77.45
Switzerland	CHF	107.48	107.28
Australia	AUD	77.72	77.57
Sweden	SEK	12.04	12.02
Japan	JPY	0.9382	0.9364
Norway	NOK	12.44	12.42
Singapore	SGD	75.54	75.4
Denmark	DKK	15.76	15.73
Saudi Arabia	SAR	27.92	27.86
Hong Kong	HKD	13.43	13.41
China	CNY	15.5	15.47
Kuwait	KWD	345.03	344.37
Malaysia	MYR	24.48	24.43
New Zealand	NZD	73.38	73.24
Qatar	QAR	28.75	28.7
UAE	AED	28.51	28.45

(Source: Business Recorder)

## Sectoral Share in GDP %

Sectors/Sub-Sectors	2014-15	2015-16 (p)
<b>Commodity Producing Sector (Agriculture + Industrial Sector)</b>	<b>41.4</b>	<b>40.8</b>
<b>Agriculture</b>	<b>20.80</b>	<b>19.82</b>
Crops	8.2	7.4
Livestock	11.7	11.6
Fishing	0.4	0.4
Forestry	0.4	0.4
<b>Industrial Sector</b>	<b>20.6</b>	<b>21.0</b>
Mining & Quarrying	2.9	2.9
Manufacturing	13.6	13.6
Construction	2.4	2.6
Electricity & Gas Distribution	1.7	1.9
<b>Services Sector</b>	<b>58.6</b>	<b>59.2</b>
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)

**Govt stops short of unveiling 'popular budget' despite polls next year**  
Sustainable Development Policy Institute (SDPI) Executive Director Dr Abid Qaiyum Suleri said on Monday that the PML-N government refrained from presenting a popular budget despite the fact that the election year was approaching. Speaking at a post-budget seminar held by SDPI in Islamabad, Suleri said a people's friendly budget was expected, but the government clearly avoided that. "A spending spree could have been expected on the part of the government," he said. "However, the reluctance to take popular measures is somehow a reflection of the government's confidence to get re-elected in next year's general elections." The executive director emphasised that the widening current account deficit and trade deficit should be the areas of prime concern for the government. "A thorough analysis of the Budget 2017-18 suggests a scenario where the government is depicting stability, but lacking sustainability in terms of economic viability," he said. He added allocations for the Public Sector Development Programme had been significantly increased, but it mainly depended on borrowed money or grants. Speaking on the occasion, SDPI Deputy Executive Director Dr Vaqar Ahmad said a rational budget should reduce inequalities through the use of different instruments. "The objective of reducing inequalities could be achieved by phasing out federal excise duty, simplification of general sales tax (GST) regime and reduction in GST rates as well as lowering the customs duty on inputs and finished goods used by the poor," he said. "Unfortunately, the budget has missed these critical areas." (Express Tribune)

## Several power projects to be operational soon: Khurram

Minister for Commerce Engineer Khurram Dastagir Khan on Monday said that present government was working on several power projects which would be operational soon. Talking to a private news channel, he said the Sahiwal coal plant, Port Qasim and other projects would bring improvement in the energy sector. He said that there were scheduled loadshedding across the country. He said the demand for electricity had been increasing due to hot weather and despite there was no loadshedding in the industrial sector. To another question regarding loadshedding, Khurram Dastagir said the government was making efforts to provide relief to the masses during the holy month of Ramadan. (Business Recorder)

## CM orders provision of essential items on fixed rates

Punjab Chief Minister Muhammad Shehbaz Sharif has said that provision of essential items, fruits and vegetables, to the consumers on fixed rates during the holy month of Ramadan at every cost. He said that effective steps would continue to ensure stability of prices of essential items at Sustay Ramadan bazaars and other market places. While issuing directions to the Provincial Cabinet Committee on Price Control, the chief minister said that it is a responsibility of the departments concerned and the administration to ensure prompt supply of essential items in Sustay Ramadan bazaars and other markets on fixed rates. The chief minister ordered for launching a crackdown on the profiteers. He said the interest of people was very dear to him. He said that those looting people in the name of profit did not deserve any leniency. He said that he would not allow illegal profiteers and hoarders to exploit people and added that increase in the prices of essential items, fruits and vegetables would not be allowed at any cost. He said that the Punjab government has given the Ramadan package worth Rs 9 billion to provide relief to the people. A subsidy of Rs 8.78 billion has been given for provision of subsidised flour, he added. (Business Recorder)

## SECP takes steps for seamless flow of capital

The Securities and Exchange Commission of Pakistan (SECP) approved on Monday certain measures to ensure transparency and smooth trade on the Pakistan Stock Exchange (PSX) following the country's reclassification as emerging market by MSCI, a US-based provider of investment decision support tools. MSCI offers indices, analytical tools and data to global

## Economic Indicators

### Annual (2015/16)

Foreign Debt	\$62.649bn
Per Capita Income	\$1,512
GDP Growth	4.24%
Average CPI	8.6%

### Monthly (Feb. 2017)

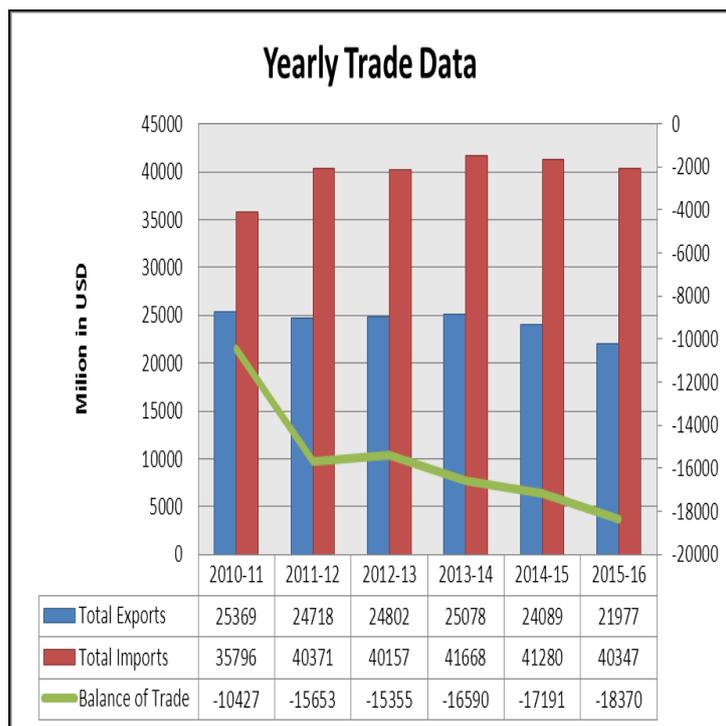
Trade Balance	\$-1,852 mln
Exports	\$1,742mln
Imports	\$3,594mln

### Weekly (March 31, 2017)

Reserves	\$21,550.5 mln
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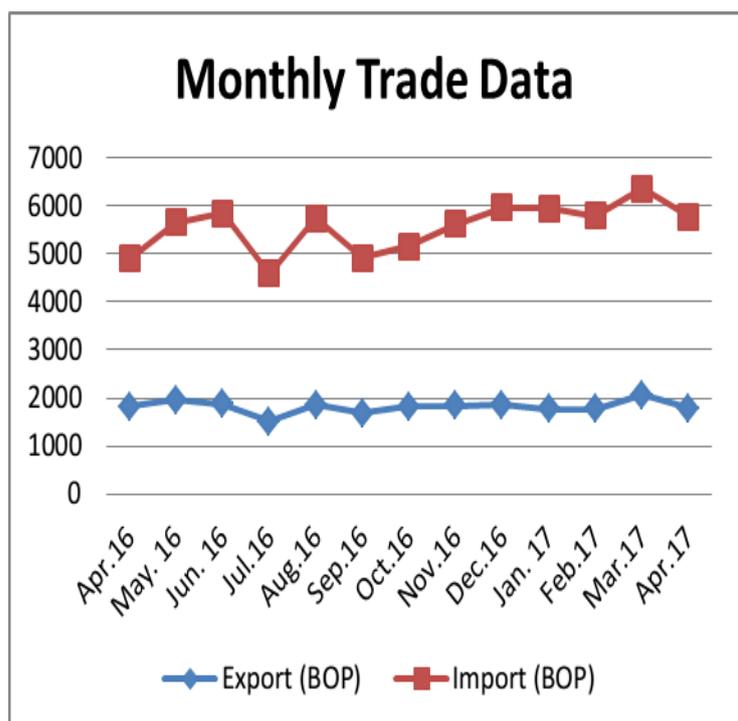
(Source: Business Recorder)

## Yearly Trade Data



(Source: SBP)

## Monthly Trade Data



(Source: SBP)

investors. It upgraded Pakistan from frontier market to emerging market on June 14, 2016. The reclassification will take effect on June 1. The rebalancing of portfolios by global funds tracking MSCI emerging and frontier market indices is expected to result in a significant inflow of capital into the stock market post-June 1. Considering the experiences of other regional markets that underwent such reclassifications in recent years, the SECP approved certain measures that were proposed by the PSX, National Clearing Company of Pakistan Ltd, international broker-dealers and local market participants for a seamless transition. The SECP said minimal changes have been made to the system while the trade cycle continues smoothly. The SECP has introduced a post-close trading session wherein trading will only be allowed at the closing price determined during the closing session of the market. This will allow investors to execute trades through market on close orders. Additionally, it is expected that certain investors might prefer placing their orders at or near the closing time during the normal trading session so that their orders are filled as close to the official closing price as possible to reduce their tracking error. In order to cater to the expected high volume during the closing session, the closing price for all shares will be determined over the last two hours of the regular market session on the basis of volume weighted average price (VWAP) as opposed to the current practice of last 30 minutes. This change will only be from May 26 to June 2. The respective indices of the PSX will accordingly be calculated on the basis of closing prices under the revised arrangement for the said duration and revert to the current practice thereafter. In order to facilitate the settlement of trades, the central bank has extended the timings for the real-time gross settlement system until 3:30pm during the first week of Ramadan. (Dawn)

### Poultry industry offers mixed review of budget

Poultry farmers have offered a mixed view of the budget for the upcoming fiscal year, saying that not all of their demands have been met. In a statement issued on Monday, the Pakistan Poultry Association (PPA) said a reduction in the import duty on grandparent and parent stock, being the basic multiplication seed for poultry, will help spur poultry farming. Grandparent birds are the progeny of pedigree stock bred largely by three global companies, Aviagen, Cobb-Vantress and Groupe Grimaud. They are the foundation of the poultry production sector. Parent birds are bred from imported chicks that produce broiler chickens. The association said that its demand for bringing the sales tax on poultry farming machinery on a par with agriculture greenhouse tunnel farming has not been fully accepted. The association said the processing and value-addition of as little as 12pc of the total 1.4 billion broilers produced would yield revenue of around Rs3.8 billion through income tax, sales tax on packing materials, advertising, electricity and sales tax on other miscellaneous inputs. (Dawn)

### FBR's field offices to work overtime

The Federal Board of Revenue (FBR) announced on Monday its field offices will remain open and observe extended working hours on the last two days of the current month for the collection of duties and taxes. An official announcement said all field offices of the FBR will remain open on May 30 and 31 until 6:00pm. Field offices of the FBR have established liaison with the State Bank of Pakistan, National Bank of Pakistan and authorised branches of NBP in their jurisdiction to ensure the transfer of tax collection from these branches before or on May 31 to the respective offices of the SBP on the same date. (Dawn)

### Market watch: New tax measures pull down KSE 100-share Index

Government decision to impose taxes on dividends and capital gains along with reintroduction of super tax hurt investor sentiments at the stock exchange on Monday as they moved to book profits. At close, the Pakistan Stock Exchange (PSX) benchmark KSE 100-share Index recorded a fall of 497.97 points or 0.95% to end at 52,138.9. According to a report of Elixir Securities, equities closed lower on the first trading day after budget announcement as losses in index names pulled the benchmark lower near 52,100 points. "The market, after a sideways open, declined steadily as participants booked profits after government increased taxes on dividends and capital gains and extended super tax imposed two years ago on corporates for one more fiscal year," said analyst Ali Raza. (Express Tribune)