



Weekly Business Newsletter

16th to 22nd January, 2017

Business News

Plan to lease out Pakistan Steel Mills for 45 years

As Pakistan Steel Mills (PSM) continues to pile up liabilities, the government is considering leasing the country's largest industrial complex to a private concern for 45 years under a revenue sharing arrangement, and laying off almost 5,000 employees. On Monday, a transaction committee discussed various options in this regard, based on which the Privatization Commission's board will meet on Tuesday (today) to decide the duration of the lease.

Pakistan is ideal for investment, PM tells entrepreneurs

Pakistan is on the track of sustainable growth and is "ready to do business with the world", Prime Minister Nawaz Sharif said on late Wednesday. In his address to leading businessmen at a dinner hosted by Abraaj Group on the sidelines of the 47th World Economic Forum (WEF), he said, "Offering attractive investment policies, Pakistan is a destination that no global player can miss. I invite you to take benefit from the economic revival of Pakistan and enjoy the first mover's advantage."

WAPDA cancels Rs5.4bn contracts for DASU project

Even before the formal launch of \$4.5 billion DASU hydropower project, the Water and Power Development Authority (WAPDA) has terminated two of its key contracts with a Chinese firm, citing 'fundamental breaches' of the agreement. Moving swiftly, WAPDA has not only en-cashed the performance guarantees of the two contracts awarded to China Railway First Group (CRFG) in November 2015 worth Rs5.4bn but also ordered the contractor to vacate the project area immediately, while calling for fresh tenders to make up for lost time. The World Bank is the major financier of the 4,320MW DASU project.

\$720m accords signed for Tarbela extension, Baluchistan

The World Bank and the Asian Infrastructure Investment Bank (AIIB) signed on Wednesday loan and grant agreements worth \$720 million with the government for the fifth extension project of the Tarbela dam and governance policy programme for Baluchistan.

Coal shipment for Sahiwal power plant arrives

The first consignment of 43,999 tons of coal imported from South Africa for the trial operations of Sahiwal Coal Power Plant was unloaded at Port Qasim on Wednesday. Sources said that the early arrival of the shipment for the 1,320 megawatts coal-based power plant in Punjab indicates that the government seems to be in a hurry to make the plant operational in June much ahead of its scheduled date. FU Ming carrying the fuel was given berth on Jan 12 at Port Qasim and after completing the unloading sailed out on Wednesday.

Chinese consortium to sign pact with PSX

A consortium of Chinese bourses and local financial institutions that won 40 per cent stake in Pakistan Stock Exchange (PSX) in the bidding in Dec 2016 by putting \$85 million on the table at Rs28 per share would sign the sale and purchase agreement at a ceremony on Friday. Finance Minister Ishaq Dar would be present to overlook the proceedings.



International News

Russia cuts oil output by 100,000 bpd

Russia has cut its oil production by some 100,000 barrels a day, Energy Minister Alexander Novak said Saturday ahead of a key meeting in Vienna. Under a landmark deal in November last year, the OPEC oil cartel agreed to reduce production in order to boost prices. Non-OPEC countries - notably Russia, but not the United States, followed suit and agreed in December to make cuts. Both deals boosted oil prices by around 20 per cent to above \$50 per barrel, but gains have been capped by unease about implementation and rising US shale production thanks to the higher prices.

China's 2016 growth is slowest in 26 years

China's economy grew 6.7 per cent last year, its slowest since 1990, and is expected to slide further this year but at a stable clip to 6.5pc. Its performance last year, helped along by larger government spending and a buoyant property market, came with costs as debt went up and the risk of asset bubbles heightened. The economy grew 6.8pc in the last quarter of 2016, the first quarterly pickup since 2004, showing that the growth momentum is "quite solid", said Mr Ding Shuang, head of Greater China Economic Research at Standard Chartered Bank.

Under Trump, the era of Big Oil dominance begins

The Donald Trump era has begun and with this, after staying in the background for more than six decades now, Big Oil is finally out of shadows, ready to play a more overt role in Washington. With the selection of Rex Tillerson, the former Exxon CEO, as Secretary of State, the political influence of the energy sector over Washington has reached a high point, particularly because 'it strikes the president-elect and other observers as a sensible, mainstream selection,' Brian Black writes in 'The Conversation.'

Xi defends trade as China seeks bolder global role

Chinese President Xi Jinping on Tuesday trumpeted the need for free trade and urged the world to "say no to protectionism," delivering a strong rebuke to isolationist tendencies that helped fuel Donald Trump's presidential election victory. Focusing on the "double-edged" impact of economic globalization in a speech that alluded variously to Charles Dickens, Greek mythology and Chinese proverbs, the leader of the world's No. 2 economy stressed the need for stability, new vision and perspective that has left many citizens disenfranchised and worried about the future.

Sukuk issuance in core Islamic markets set to pick up pace in 2017

The share of sukuk issuance in core markets such as the Gulf Cooperation Council (GCC) region, Malaysia, Indonesia, Turkey and Pakistan are expected to keep up their market share in 2017 in the total debt capital market issuance despite a significant increase in conventional bond issuances last year by Saudi Arabia, Abu Dhabi and Qatar, according to analysts. Sukuk issuance in core markets rose by 26 per cent in 2016 and broadly maintained its share of capital markets funding despite large conventional bond issues.

Tobacco giant to emerge from \$49bn deal

British American Tobacco will take over Reynolds American Inc to create the world's largest publicly traded tobacco company that would seek to capitalize on growing demand for electronic cigarettes in the US and traditional ones in developing countries. BAT, which has a greater global footprint and already sells Dunhill, Rothmans and Lucky Strike cigarettes, is interested in Reynolds' greater market share in the US, where use of e-cigarettes is growing fastest.

Up-Coming Events Pakistan

Wibcon 2017

Date: 25th January, 2017

Venue: Pakistan Society for Training and Development, Karachi

Social Media Summit 2017

Date: 31st January, 2017

Venue: Arts Auditorium, University of Karachi, Karachi

Up-Coming Events UAE

Intersec Exhibition 2017

Date: 24th January, 2017

Venue: Dubai World Trade Centre, Dubai

Arab Health Exhibition @ Congress 2017

Date: 30th January, 2017

Venue: Dubai World Trade Centre, Dubai



PAKISTAN STOCK EXCHANGE

Karachi Stock Exchange as on 20th January, 2017

Company Name	Closing Value	Volume
Adamjee Insurance	74.01	11,664,500
EFU GeneralInsurance	152.00	6,400
IGI Insurance	315.25	103,200
Jubilee Gen Insurance	112.50	500
Pak Reinsurance	58.86	814,500



CURRENCY EXCHANGE RATES

as on 23rd January, 2017

Currency	Current Week	Last Week
U.S.Dollar	108.00	108.60
Euro	115.60	116.50
UK Pound Sterling	133.20	133.50
UAE Dirham	29.65	29.70



WEATHER FORECAST

as on 23rd January, 2017

Karachi	27/14 ^o C	Haze	
Islamabad	17/09 ^o C	Haze	
Lahore	21/10 ^o C	Haze	