



Saudi Arabia to finance three CPEC projects

The government of Saudi Arabia has signed three grant agreements with Pakistan to finance three road infrastructure and energy projects under the China Pakistan Economic Corridor (CPEC). "These agreements have been inked in line with the understanding reached during Prime Minister Imran Khan's recent visit to Saudi Arabia," Information Minister Fawad Chaudhry told a press conference on Thursday. The agreements were signed by the Saudi envoy and the officials of Pakistan's finance ministry.

ADB approves \$0.5m for EXIM Bank

The government has sought assistance from the Asian Development Bank (ADB) to operationalize EXIM Bank of Pakistan which will provide much-needed trade financing facilities to help exporters trade competitively, Dawn learnt on Saturday. Responding to a request of the Ministry of Finance, the ADB president has approved technical assistance worth \$0.5 million on a grant basis for promoting investments and economic growth through international trade. A document released by the ADB revealed that Pakistan is likely to ask ADB to capitalize Exim Bank in the future.

Measures under way to bolster industrial activities, says adviser

The government will provide protection to local industry and take necessary measures to reinvigorate all industrial sectors and ensure export-led growth, said Adviser to Prime Minister Abdul Razzak Dawood on Friday. Speaking to a select gathering of executives of business houses and top industry leaders at Employers Federation of Pakistan (EFP), the adviser said that the government is focused on an achievable export-led growth and plans are under way to reduce and in some instances remove regulatory duties (RD) on raw materials imports in order to ensure continuous flow of inputs to economy's growth.

UN body says Pakistan likely to seek fresh IMF bailout

Pakistan is likely to seek a fresh IMF programme to stabilize its economy, a report released by the UN trade body hints. The 'Trade and Development Report 2018' report released by the UN Conference on Trade and Development (UNCTAD) on Wednesday notes that there are expectations that the new government has no choice but to turn to the (IMF) for a large loan which would require adopting austerity measures that are likely to affect growth adversely.

Indo-Pak trade potential stands at \$37 billion: World Bank

India and Pakistan have merely scratched the surface of their bilateral trade potential, as a World Bank report released on Monday estimates that trade between the two countries today is a mere \$2 billion whereas without trade barriers, this could reach \$37bn. The report, "A Glass Half Full: The Promise of Regional Trade in South Asia" says the lack of normal bilateral trade relations between the two countries affects the formation or deepening of regional value-chains in various high-value trading sectors.

Banks feel the heat of Naya Pakistan

On Sept 19, Pakistan's foreign exchange reserves fell to \$9.03 billion, not enough to cover even two months of imports, from \$9.79bn at the end of the last fiscal year. The decline of \$753 million or 7.7 per cent in reserves in less than three months comes on the heels of less-than-desired growth in exports and remittances amid large import bills and a big current account deficit. In July-August, combined earnings via exports of goods and services and remittances totaled \$8.921bn, according to the balance of payments (BoP) statement. Against this, imports of goods and services consumed \$11.579bn.

India is cutting Iranian oil imports to zero

India isn't planning to buy any Iranian oil in November, raising the prospect that Tehran will lose another major customer as US sanctions hit and spurring speculation over whether China will follow suit. India is joining other Asian buyers such as South Korea and Japan that have already halted imports from the Persian Gulf state before American restrictions take effect in early November. It's unclear if China, the world's biggest oil importer as well as Iran's top customer, will persist with purchases.

China to keep 'prudent' monetary policy amid trade war

China's central bank said on Saturday it will maintain its "prudent and neutral" monetary policy while keeping an ample level of liquidity amid a trade war with the United States. The yuan's exchange rate and market expectations remain generally stable, giving the world's second largest economy a stronger ability to counter external shocks, the People's Bank of China said after its third-quarter monetary policy committee meeting, according to the official Xinhua news agency. Amid warnings about China's massive debt mountain, the bank said it will "guide reasonable growth in credit" and continue to deepen financial reform.

Sri Lanka restricts car imports as currency crashes

Sri Lanka announced a raft of restrictions Saturday in a bid to slow down imports of cars and luxury goods as the country faces a foreign exchange shortage. The finance ministry banned the import of vehicles for all state institutions for one year and said public servants will not be allowed to import cars at concessionary duty rates for six months. Banks were also ordered to restrict credit to finance the purchase of vehicles, air conditioners, perfumes, mobile phones and TV sets, among other luxury consumer goods. The local currency has lost more than 10 per cent of its value against the US dollar this year.

Trump's tariffs on \$200bn of Chinese imports kick in

President Donald Trump's tariffs on another \$200 billion of Chinese imports took effect Monday, with Beijing accusing Washington of "economic intimidation" as the standoff between the world's top two economies clouds the global outlook. The latest volley against Beijing brings the amount of goods hit by duties to more than \$250bn, roughly half of China's US exports, with American consumers set to increasingly feel the pain. Trump has hit 12 percent of total US imports this year alone.

Oil hits four-year high as OPEC+ refuses to raise production

Oil prices jumped more than 2 per cent to a four-year high on Monday after Saudi Arabia and Russia ruled out any immediate increase in production despite calls by US President Donald Trump for action to raise global supply. Benchmark Brent crude hit its highest since November 2014 at \$80.94 per barrel, up \$2.14 or 2.7pc, before easing to around \$80.75 by 1150GMT. US light crude was \$1.25 higher at \$72.03. "This is the oil market's response to the OPEC+ group's refusal to step up its oil production," said Carsten Fritsch, commodities analyst at Commerzbank in Frankfurt. OPEC leader Saudi Arabia and its biggest oil-producer ally outside the group, Russia, on Sunday effectively rebuffed a demand from Trump for moves to cool the market.

India struggles to soothe markets as liquidity concerns grow

Indian authorities sought to calm markets on Monday but investors paid little heed as fears that the non-banking financial sector is facing a credit crunch hit domestic bonds, stocks and the rupee, adding to Friday's selloff. Finance Minister Arun Jaitley tweeted that "the Government will take all measures to ensure that adequate liquidity is maintained/provided to the NBFCs," referring to the non-banking financial companies.

International News

Up-Coming Events Pakistan

Effective Business Continuity Management

Date: 16th October, 2018

Venue: Management Association of Pakistan, Karachi

4th Mobile Commerce & Digital Banking Summit & Exhibition

Date: 25th October, 2018

Venue: Marriott Hotel, Karachi

Up-Coming Events UAE

International Conference on Software Applications

Date: 12th October, 2018

Venue: Best Western Premier, Deira Hotel, Dubai

13th World Congress on Industrial Healthcare and Medical Tourism

Date: 15th October, 2018

Venue: Radisson Blu Hotel, Dubai



PAKISTAN STOCK EXCHANGE

Karachi Stock Exchange as on 28th September, 2018

| Company Name | Closing Value | Volume |
|-----------------------|---------------|---------|
| Adamjee Insurance | 44.99 | 354,500 |
| EFU General Insurance | 107.81 | 6,800 |
| IGI Insurance | 79.94 | 100 |
| Jubilee Gen Ins. | 68.00 | 100 |
| Pak Reinsurance | 31.25 | 42,500 |



CURRENCY EXCHANGE RATES

as on 01st October, 2018

| Currency | Current Week | Last Week |
|-------------------|--------------|-----------|
| U.S.Dollar | 127.01 | 125.65 |
| Euro | 148.75 | 147.00 |
| UK Pound Sterling | 167.25 | 165.00 |
| UAE Dirham | 34.09 | 34.05 |



WEATHER FORECAST

as on 01st October, 2018

| | | | |
|-----------|----------------------|-------|--|
| Karachi | 32/26 ^o C | FAIR | |
| Islamabad | 32/21 ^o C | FAIR | |
| Lahore | 33/21 ^o C | SMOKE | |