Morning News 31-Aug-2021

MCB-ARIF HABIB
Savings and Investments Limited

- IMF, govt remain engaged | BR: International Monetary Fund (IMF) and Pakistan remain engaged to conduct technical and data discussions for the sixth review under the Extended Fund Facility (EFF) programme.
- S&P affirms Pakistan's 'B-/B' ratings with stable outlook | Mettisglobal: S&P Global Ratings has affirmed its 'B-' long-term and 'B' short-term sovereign credit ratings on Pakistan. The outlook for the long-term rating is stable. The stable outlook reflects the agency's expectations that continued recovery will help stabilize the fiscal and debt metrics, donor and partner financing will ensure that Pakistan can meet its external obligations over the next 12 months and that the country will continue to roll over its commercial credit lines.
- Govt to reward remitters | Pakistan today: The government has decided to launch National Remittance Loyalty Programme (NRLP) on 1 Oct to allow redemption in cash of reward points earned by overseas Pakistanis for sending remittances back home through official channels. This decision was finalised by the cabinet in a meeting of the federal cabinet presided over by Prime Minister (PM) Imran Khan.
- SBP enhances investment opportunities for NRPs | Mettisglobal: In order to provide further investment and financing opportunities to non-resident Pakistanis (NRPs), SBP has allowed direct investment through the rupee-based Roshan Digital Accounts (RDA), into the shares of companies in Pakistan and units of funds established and operated by private fund management company licensed by SECP.
- External debt, liabilities hit historic high of USD122bn | BR: Pakistan's external debt and liabilities continued to grow and reached historic level of USD122bn by the end of last fiscal year (FY21), mainly due to fresh borrowing from multilateral and bilateral sources on account of public debt.
- Public debt reaches PKR38.70 trillion in FY2021 | TN: Pakistan's public debt increased by 10.22% to PKR38.70 trillion in the last fiscal year from PKR35.11 trillion a year ago, the central bank data showed on Monday. The rise in the public debt is attributed to higher domestic borrowing to finance budget deficit as well as an increase in government deposits with the banking system.
- NSS outflows exceed inflows first time in 16 years | Dawn: Investors pulled out PKR317.2bn on a net basis from the National Savings Schemes (NSS) in 2020-21, according to data released by the State Bank of Pakistan (SBP) on Monday.
- Islamic Banking Industry has experienced healthy progress: Tarin | Pakistan today: Federal Minister for Finance and Revenue, Shaukat Tarin, said that the Islamic Banking Industry has experienced healthy progress over the years and the time has come to contemplate upon the ways and means on how to traverse the future path of taking this industry to its next phase of development.
- POL products: Ogra works out 'substantial' decrease in prices | BR: The Oil and Gas Regulatory Authority (Ogra) Monday worked out a substantial decrease in the prices of petroleum products with effect from September 1, owing to a declining trend in oil prices globally. Sources said that the oil and gas regulator recommended a decrease of PKR3.50 per litre in the price of petrol. The price of High Speed Diesel (HSD) has also been recommended to reduce by PKR5 per litre.
- Compliance with FATF conditions: Real estate agents to share credentials of buyers, sellers with FBR | TN: In an important development with regard to compliance with the FATF conditions, real estate agents and builders will be required to check credentials of proposed buyers and sellers of properties before brokering a deal in a bid to prevent proscribed terrorists from making property deals.
- GTYR clarifies agreements with Continental AG, Suppliers are intact | Mettisglobal: General Tyre and Rubber Company of Pakistan Limited (GTYR) has clarified that the company's agreements and arrangements with Continental AG, Suppliers, Creditors, and other business affiliates are intact and would remain in full force and effect. Earlier, last week, the company had made an announcement that the company had modified its name to Ghandhara Tyre and Rubber Company Limited, reflecting that the Company is a group company of which Ghandhara Industries Ltd. and Ghandhara Nissan Ltd. are also affiliates.
- Country's biggest IPO launched: JS Global becomes Airlink consultant | TN: JS Global, as a consultant and book runner, has succeeded in bringing the largest-ever IPO to Pakistan worth PKR6bn, reported Geo News. Airlink Communications Limited, the largest distributor of smartphones in Pakistan, is the largest IPO in Pakistan on PSX. Airlink, under the new manufacturing mobile policy, is developing smartphones for Trans Group China.
- Active coronavirus cases on the rise | BR: The number of active coronavirus cases is continually witnessing an upward trend since the start of the fourth Covid-19 wave as on Monday, active Covid-19 cases count has reached 93,690, which two months ago were hovering around 30,000. According to coronavirus-related data of the National Command and Operation Centre (NCOC), the pandemic is not coming under control in the country, despite imposition of various restrictions.

Market Indices			
	30-Aug-21	**27-Aug-21**	**30-Jun-21**
KSE 100	47,366	47,137	47,356
KSE 30	18,995	18,914	18,962
KMI 30	77,435	76,769	76,622
KSE All Shares	32,322	32,229	32,480
Volume (mn Shares)			
	30-Aug-21	**FYTD (Average)**	
KSE 100	147.2	132.6	
KSE 30	37.3	40.7	
KMI 30	41.6	49.1	
KSE All Shares	382.6	405.6	
Commodity Rates			
	30-Aug-21	**Daily Change**	**FYTD Change**
Crude Oil-Brent (USD/BBL)	73.4	1.0%	-2.3%
Crude Oil-Arab Light (USD/BBL)	71.6	0.7%	-0.3%
Coal (USD/Tonne)	143.2	0.2%	27.9%
Copper(USD/mt)	4.4	1.0%	1.7%
Cotton (USD/Lbs)	91.8	-0.7%	12.7%
CRC Steel (USD/Tonne)	1,115.0	0.0%	-5.9%
Currency (Interbank)			
	30-Aug-21	**Daily Change**	**FYTD Change**
US Dollar	164.9	-0.5%	4.7%
UK Pound	226.9	-0.5%	4.2%
Euro	194.5	-0.4%	4.2%
UAE Dirham	45.2	-0.9%	5.0%
Chinese Yuan	25.5	-0.4%	4.5%
Fund Flows (USD mn)			
	30-Aug-21	**FYTD**	
FOREIGN INDIVIDUAL	0.05	2.82	
FOREIGN CORPORATES	-0.90	-46.47	
OVERSEAS PAKISTANI	-0.03	6.06	
FIPI NET	**-0.88**	**-37.60**	
Economic Data (USD mn)			
	FY22E	**FY21**	**FY20**
GDP Growth	4.8%	3.9%	-0.5%
	Jul-21	**Jun-21**	
Exports	2,330	2,728	
Imports	5,434	6,352	
Remittances	2,707	2,688	
Foreign Exchange Reserves	24,853	24,397	
Money Market Data			
	30-Aug-21	**27-Aug-21**	**30-Jun-21**
SBP Policy Rate	7.00	7.00	7.00
CPI Inflation	8.4%	8.4%	9.7%
3 Month T-Bill	7.22	7.22	7.28
6 Month T-Bill	7.39	7.39	7.53
12 Month T-Bill	7.60	7.60	7.81
3 Year Government Bond	8.70	8.72	8.99
5 Year Government Bond	9.30	9.30	9.49
10 Year Government Bond	9.90	9.90	9.94
3 Month KIBOR	7.37	7.38	7.45
6 Month KIBOR	7.54	7.54	7.69

Data Sources : Reuters, PSX, NCCPL, PBS, SBP

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