Morning News 01-Sep-2021

MCB-ARIF HABIB
Savings and Investments Limited

- Overseas Pakistanis allowed direct investment in companies through RDA | Dawn: The State Bank of Pakistan on Tuesday allowed overseas Pakistanis to directly invest into the shares of companies in Pakistan and units of funds through the rupee-based Roshan Digital Accounts (RDA). Overseas Pakistanis have been allowed investment in Pakistani companies as well as funds operated by a private fund management company licensed by the Securities Exchange Commission of Pakistan.
- Revenue collection in August goes up by 45% | Dawn: The newly appointed chairman of the Federal Board of Revenue (FBR), Dr Ashfaq Ahmad, on Tuesday unveiled a roadmap for restructuring tax machinery and declared robust growth of 45% in revenue collection in the second month of the current fiscal. The revenue collection in August rose to PKR434bn, an increase of 45% from last year's figure of PKR300bn, according to the provisional figures released by Dr Ahmed at a press conference at the FBR headquarters. The collection rose by PKR85bn or 24% against the target set for the month, he said.
- Govt invites EOI for Pakistan Steel Mills | Mettis Global: The government has decided to privatize PSM and invited Expression of Interest (EOI) for the same. According to the sources, the government intends to sell 51% to 74% shares of PSM with management control. In this regard, Privatization Commission has appointed Pak China Investment and BOC International China as joint advisors.
- Oil, gas exploration: PPL-led consortium awarded offshore block 5 in Abu Dhabi | BR: A Pakistan Petroleum Limited-led consortium has been awarded offshore block 5 in Abu Dhabi's second competitive exploration block bid round. Offshore block 5 covers an area of 6,223 square kilometers and is located 100 kilometers northeast of Abu Dhabi. Besides PPL, who is the operator during the exploration phase, the consortium consists of three major Pakistani E&P companies: Oil and Gas Development Company Limited (OGDCL), Mari Petroleum Company Limited (MPCL) and Government Holdings (Private) Limited (GHPL).
- CCoE to review revised oil refining policy draft this week | Pakistan Today: The upcoming meeting of the Cabinet Committee on Energy (CCoE) is likely to review the revised draft of Pakistan Oil Refining Policy 2021. According to sources, the next CCoE meeting is likely to be held during this ongoing week and this meeting would decide on the revised draft Pakistan Oil Refining Policy 2021 which would be tabled by the petroleum division. "The minister for energy (petroleum division) has seen and authorized submission of the summary to the CCoE of the Cabinet," said sources.
- Govt reduces prices of petroleum products by up to PKR1.50 per litre | ET: The federal government has reduced fuel prices by up to PKR1.50 per litre for the next fortnight effective from September 1 to 15.
- Rising prices of steel bar, cement to hit housing target: ABAD | Dawn: Expressing concern over the sharp increase in steel bar prices — a jump of PKR68,000 per tonne over the past 10 months — along with rising cement rates, the Association of Builders and Developers of Pakistan (ABAD) said on Tuesday the government would not be able to achieve the target of five million houses under the Naya Pakistan Housing Scheme (NPHS) if the price hike continued.
- Oil production sees 10% drop over a week | Dawn: The country's average per day oil and gas production dropped 10% and 2%, respectively, in the week ending Aug 18-24 to 69,878 barrels and 3,337mn cubic feet from 77,730bopd and 3,406mmcfd over the preceding week Aug 11-17. The decline in oil production to annual turnaround (ATA) of Nashpa oil field from where the weekly production fell by 44% to 7,629bopd from 13,622bopd followed by production drops in other fields also.
- Air Link IPO oversubscribed by 1.6 times | BR: The Air Link Initial Public Offer (IPO) is oversubscribed by 1.6 times as the company has raised PKR6.43bn, highest-ever IPO issued by private sector in Pakistan. This was the highest ever IPO issued by the private sector in Pakistan – surpassing the Interpool which raised PKR5.0bn. The interest shows that there is ample liquidity in the market and interest in new sectors, experts said.
- Systems Limited Invests USD3mn in Retailistan | ProPakistan: Systems Limited has invested an amount of USD3mn in the emerging startup Retailistan, focusing on the digitization of the retail supply chain in Pakistan. The company has acquired 20% stakes in the company at the cost of PKR468mn, while being the minority shareholder through its dedicated and wholly owned subsidiary Systems Ventures (Private) Limited (SVL).
- TPL REIT plans to raise USD500mn through investment trust | Dawn: A real estate development company in Pakistan has announced plans to raise USD500mn through a private investment trust, calling it one of the largest such fundraisings initiative in the country's history. "TPL REIT Management Co is seeking to raise 60% of the targeted funds from foreign investors, 30pc from domestic investors and the rest from its parent TPL Properties Ltd," Mr Jameel was quoted as saying by Bloomberg.
- Wholesome food now out of 68pc Pakistanis reach: WB | The News: Wholesome food has gone out of majority of Pakistanis reach as runaway food inflation continues to challenge government's writ as well as policies, a World Bank official said. "Currently, 68% of Pakistan's population is unable to afford a healthy diet," said Namesh Nazar, an Agricultural Economist at the World Bank.

Market Indices			
	31-Aug-21	30-Aug-21	30-Jun-21
KSE 100	47,420	47,366	47,356
KSE 30	19,028	18,995	18,962
KMI 30	77,642	77,435	76,622
KSE All Shares	32,394	32,322	32,480
Volume (mn Shares)			
	31-Aug-21	FYTD (Average)	
KSE 100	128.8	132.6	
KSE 30	45.3	40.7	
KMI 30	43.6	49.0	
KSE All Shares	378.8	405.1	
Commodity Rates			
	31-Aug-21	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	73.0	-0.6%	-2.8%
Crude Oil-Arab Light (USD/BBL)	71.9	0.4%	0.1%
Coal (USD/Tonne)	146.8	2.5%	31.1%
Copper(USD/mt)	4.4	0.0%	1.7%
Cotton (USD/Lbs)	90.1	-1.9%	10.6%
CRC Steel (USD/Tonne)	1,115.0	0.0%	-5.9%
Currency (Interbank)			
	31-Aug-21	Daily Change	FYTD Change
US Dollar	166.3	0.8%	5.5%
UK Pound	228.7	0.8%	5.0%
Euro	196.3	0.9%	5.1%
UAE Dirham	45.7	0.9%	5.9%
Chinese Yuan	25.7	0.9%	5.5%
Fund Flows (USD mn)			
	31-Aug-21	FYTD	
FOREIGN INDIVIDUAL	0.00	2.81	
FOREIGN CORPORATES	-1.12	-47.59	
OVERSEAS PAKISTANI	0.26	6.32	
FIPI NET	**-0.86**	**-38.46**	
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			
	31-Aug-21	30-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	7.40	7.39	7.53
12 Month T-Bill	7.60	7.60	7.81
3 Year Government Bond	8.68	8.70	8.99
5 Year Government Bond	9.28	9.30	9.49
10 Year Government Bond	9.90	9.90	9.94
3 Month KIBOR	7.37	7.37	7.45
6 Month KIBOR	7.54	7.54	7.69

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