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MCB-ARIF HABIB
Savings and Investments Limited

- Downgrade by global index provider could be boon for Pakistani equities | Dawn: Brokerages expect an increase in foreign investment in equities should the MSCI, a global index provider, decide to downgrade Pakistan from the emerging market (EM) index to the frontier market (FM) index in its September 7 announcement.
- PKR slide: Afghanistan situation key factor | BR: The cessation of USD5 to USD7mn daily inflow from Afghanistan to Pakistan subsequent to the Taliban takeover, the USD1.5 to USD2mn outflow from Pakistan to Afghanistan as Afghanis remit money to their families back home with the Afghan banking channels suspended, Pakistan's widening trade deficit and non-intervention of State Bank of Pakistan (SBP) in the market are major factors contributing to the ongoing slide of the rupee against the dollar.
- Financing fiscal deficit: Govt intends to borrow PKR4.5trn in 3 months | BR: The federal government intends to borrow PKR4.5 trillion from domestic banking sector during the next three months (September to November) of 2021. The State Bank of Pakistan (SBP) Friday issued three calendars for the sale of Market Treasury Bills (MTBs) and Pakistan Investment Bonds (Floating and Fixed rate).
- FATF challenge: Developers, builders under focus | BR: Directorate General of Designated Non-Financial Business and Professions (DNFBPs) will continue inspections of developers and builders to ensure their compliance with the requirements of the Financial Action Task Force (FATF).
- Trade deficit widens 120% over past two months | Dawn: The country's trade deficit widened by 119.94% in the first two months of this fiscal year (FY22) to USD7.49bn against USD3.41bn last year, the Pakistan Bureau of Statistics (PBS) reported on Friday. The trade deficit is driven largely by an almost double increase in imports compared to exports from the country.
- Cement sector posts 22.77% growth YoY | BR: The cement sector posted a growth of 22.77% in August 2021 as total cement dispatches during the said month were recorded at 4.34mn tons against 3.53mn tons during the same month of last fiscal year.
- Pakistan books pricey LNG cargoes | Tribune: Pakistan is set to import two cargoes of liquefied natural gas (LNG) for October at a price, which is almost 65% more expensive compared to furnace oil available in the country, unnecessarily adding to the soaring import bill and inflation. Pakistan LNG has purchased two cargoes of LNG at an average price of slightly over USD20 per million Btu (British thermal unit) from spot market.
- Payments to IPPs: PD may submit report in upcoming meeting of CCoE | BR: The Power Division is likely to submit the report of the implementation committee headed by Minister for Finance on Independent Power Producers (IPPs) established under Power Generation Policy 2002, in the forthcoming meeting of the Cabinet Committee on Energy (CCoE). The National Accountability Bureau (NAB) has also conveyed to the Ministry of Law and Justice, in a one-liner that the anti-graft organization's case is against Nishat Chunian.
- Inflation records 10th weekly increase | Dawn: The inflation measured through Sensitive Price Index (SPI) edged up for the 10 consecutive week recording a slight increase of 0.67% for the combined group for the period ended on Sept 2 driven by an uptick in prices of essential food items, data released by the Pakistan Bureau of Statistics (PBS) showed on Friday.
- Pak Suzuki discontinues 2nd-gen Swift, halts Cultus bookings | BR: Pak Suzuki Motor Company (PSMC) will be discontinuing its second-generation Swift variant in Pakistan, almost 12 years after its launch, while bookings for the Cultus have also been temporarily suspended, multiple dealers told Business Recorder
- CCP initiates probe into 'shadowy' affairs of Hascol | BR: Competition Commission of Pakistan (CCP) is said to have initiated a probe into the shadowy affairs of M/s Hascol as the company allegedly presented tailored accounts for acquisition of M/s Vitol Dubai Limited, well-informed sources told Business Recorder.
- Housing Ministry, China State Construction sign MoU | Nation: The Ministry of Housing & Works and China State Construction Engineering Corporation Ltd on Friday signed a memorandum of understanding (MoU) regarding construction of low cost housing units as well as upgradation of slums for the low income citizens of Pakistan across the country.
- CNG price increasing due to additional taxes: APCNGA | BR: All Pakistan CNG Association (APCNGA), on Friday, said contrary to the vision of Prime Minister Imran Khan, the price of CNG has seen an unprecedented hike. Despite buying the costliest LNG, additional taxes have been slapped on the CNG sector, which will make it dearer than petrol for the first time in the history of Pakistan, it said.
- Lakson Group, Air Arabia to launch new airline | Tribune: Prime Minister Imran Khan on Friday welcomed Air Arabia Group to Pakistan and wished it success in its partnership with local investors to establish a new Pakistani airline, Fly Jinnah. The proposed joint venture will see the establishment of a low-cost passenger airline, serving domestic and international routes from Pakistan.
- Ministry settles decade-old deemed duty issue | Tribue: The Petroleum Division has settled over a decade-old controversy about deemed duty collected by refineries, saying that they have invested PKR200bn in projects. The ministry said that they had collected PKR200bn and invested the same amount in their projects. The deemed duty collection has been a controversial subject for the refineries
- Nepra orders inclusion of hydropower in renewable energy category | Dawn: Expressing concern over long delays, the National Electric Power Regulatory Authority (Nepra) has directed the power sector entities concerned to immediately include hydroelectric power in the definition and scope of renewable energy and submit a compliance report at the earliest.

Market Indices			
	3-Sep-21	2-Sep-21	30-Jun-21
KSE 100	46,957	46,903	47,356
KSE 30	18,851	18,806	18,962
KMI 30	77,116	76,898	76,622
KSE All Shares	32,203	32,200	32,480
Volume (mn Shares)			
	3-Sep-21	FYTD (Average)	
KSE 100	113.8	132.5	
KSE 30	30.8	40.7	
KMI 30	34.2	48.7	
KSE All Shares	464.9	410.7	
Commodity Rates			
	3-Sep-21	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	72.6	-0.6%	-3.4%
Crude Oil-Arab Light (USD/BBL)	71.4	2.2%	-0.5%
Coal (USD/Tonne)	153.5	0.3%	37.1%
Copper(USD/Lbs)	4.3	0.8%	0.9%
Cotton (USD/Lbs)	91.8	0.5%	12.7%
CRC Steel (USD/Tonne)	1,115.0	0.0%	-5.9%
Currency (Interbank)			
	3-Sep-21	Daily Change	FYTD Change
US Dollar	166.5	-0.3%	5.7%
UK Pound	230.9	-0.1%	6.0%
Euro	197.8	-0.2%	5.9%
UAE Dirham	45.7	0.0%	5.9%
Chinese Yuan	25.8	-0.2%	5.8%
Fund Flows (USD mn)			
	3-Sep-21	FYTD	
FOREIGN INDIVIDUAL	-0.03	2.67	
FOREIGN CORPORATES	-0.51	-51.96	
OVERSEAS PAKISTANI	0.21	6.72	
FIPI NET	**-0.32**	**-42.57**	
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			
	3-Sep-21	2-Sep-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	7.24	7.24	7.28
6 Month T-Bill	7.41	7.40	7.53
12 Month T-Bill	7.59	7.59	7.81
3 Year Government Bond	8.65	8.65	8.99
5 Year Government Bond	9.24	9.25	9.49
10 Year Government Bond	9.85	9.85	9.94
3 Month KIBOR	7.39	7.37	7.45
6 Month KIBOR	7.54	7.54	7.69

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