Morning News 07-Sep-2021

MCB-ARIF HABIB
Savings and Investments Limited

- Stringent steps planned to avert looming BoP crisis | The News: The government plans to adopt more vigorous fiscal and monetary measures and also higher trade barriers on luxury imports to help tackle a looming balance of payment (BoP) crisis after the trade gap in the first two months of FY2021-22 touched a record high, officials said on Monday.
- Economic forecasting: Tarin asks MoC to take great care | BR: Finance Minister Shaukat Tarin Monday asked the Commerce Ministry to conduct sensitivity analysis and build scenarios for effective forecasting of both imports as well as exports for each month following significant increase in imports during the first two month of the current fiscal year - July- August 2021.
- Domestic debt soars to PKR39.87tn in July’21 | Mettis Global: The total debt of the Central Government during the first month of FY22 surged by PKR4.3trillion or around 12% YoY to stand at PKR39.87tr when compared to PKR35.5tr recorded in Jul FY21. By the end of FY21, federal government debt stood at PKR38.7tr, showing that on monthly basis, the debt increased by PKR1.2tr or 3% MoM during July’21, which is the highest monthly increase since Jun’19. The data released by the State Bank of Pakistan (SBP) shows that the larger portion of the debt was domestic, whereas the remaining was external. The Central Government Domestic Debt amounted to PKR26.82tr during Jul FY22, signifying a growth of around 15% YoY, comprising of PKR19.056tr long term debt and PKR7.74tr short term debt.
- Importers: FBR relaxes conditions for acquiring 'UUIs' | BR: The Federal Board of Revenue (FBR) Monday relaxed conditions for the importers for obtaining 'unique user identifiers (UUIs)' under the Customs Computerized System. The FBR has issued SRO1112(I)/2021 to amend Customs Rules, 2001.
- Think tank slams protectionism, outlines vision for auto policy | The News: The independent Economic Advisory Group (EAG) has said that the automotive development policy and initiatives proposed in Finance Bill 2021-22 did not present a path for transformation for the sector to either meet domestic consumer needs or become globally competitive.
- Expensive purchase of RLNG; PD suggests recovery of losses from consumers | BR: Petroleum Division is said to have recommended recovery of financial losses of billions of rupees from power consumers due to purchase of expensive RLNG or its non-availability for the power plants.
- CCI finally approves IGCEP | BR: Minister for Energy Hammad Azhar said on Monday that the Council of Common Interests (CCI) has approved Indicative Generation Capacity Expansion Plan (IGCEP) pending since 2005.
- Sugar millers yet to deposit Rs44bn penalty | BR: The Pakistan Sugar Mills Association (PSMA) and its 81-member sugar mills have not yet deposited the cumulative penalty of Rs44 billion imposed on them by the Competition Commission of Pakistan (CCP) on August 31, 2021.
- Doubts cast on Sindh cotton, paddy outlook | The News: Sindh Abadgar Board on Monday hailed the formation of a cotton price review committee, but in the same breath warned the crop was still under threat mainly because of water shortage and possible pest attacks.
- Financial crisis of OMCs worsens | Pakistan Today: Faced with a serious financial crisis, the Oil Marketing Companies (OMCs) have requested the government to take measures to help address the issues of OMCs which operate under-regulated margins of less than three per cent of the sales price.
- Pakistan eyes launch of 5G in 2023 | Dawn: As the telecom industry’s market size has grown to USD16.9bn after attracting USD1.2bn in foreign direct investments in the last three years, the Ministry of Information Technology & Telecom is aiming to roll out 5G in 2023. The ministry has said that the target has also been welcomed by foreign investors too
- SNGPL, SSGC plan 524,000 new gas connections in FY22 | Mettis Global: Sui Northern Gas Pipelines Limited (SNGPL) and Sui Southern Gas Company (SSGC) have planned to give 524,000 new connections during the current fiscal year in their respective operational areas across the country
- Fauji Foods to offer further 780mn ordinary shares as Right issue | Mettis Global: The Board of Directors of Fauji Foods Limited (FFL), in its meeting, held virtually on September 4, 2021, has decided to increase the paid-up share capital of the Company by the issue of a further 780,794,596 ordinary shares, having face value of PKR 10 each, as Right Shares, aggregating to PKR 7,807,945,960.
- Saudi Arabia slashes crude prices to Asia | The News: Saudi Arabia, the world's top oil exporter, slashed prices of all crude grades to Asian customers in October versus September, but left prices to northwestern Europe and the United States steady, Reuters reported on Monday.

Market Indices			
	6-Sep-21	**3-Sep-21**	**30-Jun-21**
KSE 100	46,919	46,957	47,356
KSE 30	18,848	18,851	18,962
KMI 30	77,039	77,116	76,622
KSE All Shares	32,221	32,203	32,480
Volume (mn Shares)			
	6-Sep-21	**FYTD (Average)**	
KSE 100	94.9	131.9	
KSE 30	30.8	40.6	
KMI 30	30.8	48.4	
KSE All Shares	417.8	410.8	
Commodity Rates			
	6-Sep-21	**Daily Change**	**FYTD Change**
Crude Oil-Brent (USD/BBL)	72.2	-0.5%	-3.9%
Crude Oil-Arab Light (USD/BBL)	70.4	-1.4%	-1.9%
Coal (USD/Tonne)	152.3	-0.8%	36.0%
Copper(USD/Lbs)	4.3	0.0%	0.9%
Cotton (USD/Lbs)	91.8	0.0%	12.7%
CRC Steel (USD/Tonne)	1,115.0	0.0%	-5.9%
Currency (Interbank)			
	6-Sep-21	**Daily Change**	**FYTD Change**
US Dollar	166.7	0.1%	5.8%
UK Pound	230.6	-0.1%	5.9%
Euro	197.8	0.0%	5.9%
UAE Dirham	45.7	0.0%	5.9%
Chinese Yuan	25.8	0.0%	5.7%
Fund Flows (USD mn)			
	6-Sep-21	**FYTD**	
FOREIGN INDIVIDUAL	0.00	2.67	
FOREIGN CORPORATES	-3.44	-55.41	
OVERSEAS PAKISTANI	0.03	6.75	
FIPI NET	**-3.41**	**-45.98**	
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			
	6-Sep-21	**3-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	7.42	7.41	7.53
12 Month T-Bill	7.59	7.59	7.81
3 Year Government Bond	8.68	8.65	8.99
5 Year Government Bond	9.23	9.24	9.49
10 Year Government Bond	9.85	9.85	9.94
3 Month KIBOR	7.39	7.39	7.45
6 Month KIBOR	7.53	7.54	7.69

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