Morning News 09-Sep-2021

MCB-ARIF HABIB
Savings and Investments Limited

- Pakistan expects USD1bn from World Bank this month | The Nation: Pakistan is expecting to receive USD1bn from the World Bank in next few weeks, which would help in building the country's foreign exchange reserves. An official of the Ministry of Economic Affairs told The Nation that Pakistan is likely to receive USD1bn from the World Bank within current month.
- Auction Result: SBP Sells T-Bills worth PKR.366.61bn | Mettis Global: The State Bank of Pakistan (SBP) conducted an auction on Wednesday in which it sold Market Treasury Bills (MTBs) worth PKR.366.61bn for 3, 6 and 12 months. Auction target was PKR550.00bn against a maturing amount of PKR604.00bn. Cut off yield for 3, 6 and 12 months were 7.2%, 7.49% and 7.6%. Total amount offered was PKR604.93bn out of which the SBP accepted PKR318.42bn.
- Kamyab Pakistan Programme: IMF flashlight likely to cast a bright beam | BR: The Kamyab Pakistan Programme (KPP), a flagship Programme of the present government, would be part of the discussions, among other things, with the Pakistani authorities during the upcoming review on USD6bn Extended Fund Facility (EFF) Programme with International Monetary Fund (IMF).
- Pakistan addressed 35 FATF's recommendations | Pakistan Today: Pakistan complies with 35 out of 40 FATF recommendations that provide the level of effectiveness of the AML/CFT system. These were mentioned in the Mutual Evaluation Report (MER) that recommended how the system could be strengthened. This upgrade took place after Pakistan requested MER to re-rate the Recommendations 10, 18, 26 and 34.
- Banks' deposits reach PKR19.2tn in Aug, up by 18% YoY | Mettis Global: The total Deposits held by Commercial Banks have shown a growth of 18% YoY to reach PKR19.2 trillion in Aug'21, compared to PKR16.32tn in the same month of last year on account of strong overseas inflows. Similarly, on a monthly basis, local banks' deposits showed a slight growth of 2% from PKR18.8tn in the previous month, data issued by the State Bank of Pakistan (SBP) showed.
- MPMG scheme: Banks approve over PKR59bn financing till Aug 31st | BR: As a result of numerous measures of the State Bank of Pakistan and full support of the government, bank lending for the government's flagship markup subsidy scheme, commonly known as Mera Pakistan Mera Ghar (MPMG), has picked up momentum. Since the launch of the scheme, applications of PKR154bn under MPMG have been received by banks and banks have approved housing finance of over PKR59bn up till August 31, 2021.
- Subsidies, inefficiencies blamed for power sector circular debt | BR: Chairman, National Electric Power Regulatory Authority (NEPRA), Tauseef H. Farooqi said on Wednesday that exorbitant subsidies and inefficiencies of power sector are key factors the circular debt. The government has claimed that stock of circular debt was PKR2.28 trillion as of June 30, 2021 but Chairman Nepra maintains that the stock is PKR2.4 trillion - a substantial difference in the figures.
- Govt begins audit of oil refineries, companies | Dawn: The government has started the audit of all oil refineries and oil marketing companies (OMCs) to rule out the possibility of irregularities in taxes, product sourcing and transportation costs. A senior government official told Dawn the Petroleum Division had asked 25 OMCs and refineries to ensure availability of relevant personal and entire record for examination by the audit teams.
- LPG: Restoration of tax concessions on the cards | BR: Prime Minister, Imran Khan has directed the Minister for Finance and Revenue, Shaukat Tarin and Minister for Energy, Hammad Azhar to restore tax concessions on Liquefied Petroleum Gas (LPG), aimed at minimizing suffering of people.
- Tobacco board asked to purchase stock from farmers | Dawn: The National Assembly Special Committee on Agricultural Products has instructed Pakistan Tobacco Board to ensure that no stock of tobacco is left unsold with farmers.
- Cap on tariff proposed for electric vehicles charging stations | News Today: National Electric Power Regulatory Authority (Nepra) is likely to cap tariff at PKR 45 per unit for electric vehicle charging stations. The regulator proposed to cap tariff for Electric Vehicles Charging Stations (EVCS) while putting another two other options for the prospective and current investors in the power stations business. The stakeholders further suggested allowing market forces to determine the prices to create competition.
- Toyota says will invest over USD100mn in HEV production | BR: M/s Toyota has announced to invest over USD100mn for the local production of Hybrid Electric Vehicle (HEV) in Pakistan, which will go towards localization of components, plant expansion and production preparation for the first Hybrid Electric Vehicle to be manufactured at Indus Motor Company Limited (IMC) plant located at Port Qasim, Karachi
- Sindh govt likely to extend business hours | BR: Following the strike of Karachi's Tajir Action Committee, the Sindh government on Wednesday extended business hours for the traders in Karachi and Hyderabad. Sindh Local Bodies minister Syed Nasir Hussain Shah telephoned Convener Karachi Tajir Action Committee Rizwan Irfan and informed him about the extension in the business hours.

Market Indices

	8-Sep-21	7-Sep-21	30-Jun-21
KSE 100	46,397	46,730	47,356
KSE 30	18,560	18,747	18,962
KMI 30	75,462	76,470	76,622
KSE All Shares	31,927	32,119	32,480

Volume (mn Shares)

	8-Sep-21	FYTD (Average)
KSE 100	143.6	132.0
KSE 30	33.3	40.2
KMI 30	38.8	48.0
KSE All Shares	477.7	412.1

Commodity Rates

	8-Sep-21	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	72.6	1.3%	-3.4%
Crude Oil-Arab Light (USD/BBL)	70.0	-0.4%	-2.5%
Coal (USD/Tonne)	152.9	0.6%	36.6%
Copper(USD/Lbs)	4.2	-1.1%	-1.3%
Cotton (USD/Lbs)	91.3	-0.2%	12.2%
CRC Steel (USD/Tonne)	1,115.0	0.0%	-5.9%

Currency (Interbank)

	8-Sep-21	Daily Change	FYTD Change
US Dollar	167.0	-0.3%	6.0%
UK Pound	229.9	-0.4%	5.6%
Euro	197.3	-0.5%	5.6%
UAE Dirham	45.9	0.0%	6.4%
Chinese Yuan	25.8	-0.2%	5.9%

Fund Flows (USD mn)

	8-Sep-21	FYTD
FOREIGN INDIVIDUAL	0.02	2.72
FOREIGN CORPORATES	-1.85	-59.08
OVERSEAS PAKISTANI	0.21	6.84
FIPI NET	**-1.63**	**-49.52**

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

	8-Sep-21	7-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	7.42	7.53
12 Month T-Bill	7.60	7.61	7.81
3 Year Government Bond	8.71	8.70	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	7.38	7.45
6 Month KIBOR	7.54	7.54	7.69

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