Morning News 10-Sep-2021

MCB-ARIF HABIB
Savings and Investments Limited

- Trade with Afghanistan will be carried out in Pakistani currency, says finance minister | Pakistan Today: Finance Minister Shaukat Tarin Thursday announced during a session of the Senate Standing Committee that Pakistan would conduct trade with Afghanistan in PKR as Kabul is currently facing a shortage of dollars.
- Forex reserves fall to USD27.10bn | The News: Pakistan's foreign exchange reserves declined by USD125mn or 0.45% in the week that ended September 3, the State Bank of Pakistan (SBP) reported on Thursday. The total liquid foreign reserves held by the country stood at USD27.102bn in the last week, compared with USD27.23bn in the previous week.
- DISCOs: Govt mulling changing regulation mechanism | BR: In order to encourage competition, the federal government is mulling changing the pattern of the power distribution companies (DISCOs) from price regulation to incentive regulation, said sources from Pakistan Electric Power Company (PEPCO).
- IMF for more cautious approach to structural reforms | BR: The Independent Evaluation Office (IEO) of the International Monetary Fund (IMF) stated that case studies highlight the need for more cautious assumptions on feasibility and growth payouts of structural reforms in Pakistan.
- PTA receives only one bid for auction for NGMS spectrum | BR: The government is likely to face a massive blow in realization of the non-tax revenue of USD831.8mn as the Pakistan Telecommunication Authority (PTA) received only one bid for the auction of the Next Generation Mobile Services (NGMS) spectrum scheduled for September 16, 2021, it is learnt.
- Steps aimed at reducing steel prices under study, Senate panel told | BR: The government is considering removal of duties on iron scrap, reducing sales tax up to 14 percent as well as importing steel to reduce steel prices in the country, which shot from PKR90,000 per ton to PKR178,000 per ton in one year.
- Pakistan turns into large LPG importer in FY 2020-21 | News Today: The LPG import increased during the Financial year 2020-21 due to declining production of indigenous LPG in Pakistan, mainly due to shut down of JJVL Plant. The LPG production in Pakistan has declined due to flaws in LPG policies.
- Upcoming policy: There will be incentives for refineries: experts | BR: The government is planning to table a new refinery policy after a gap of almost 23 years to provide incentives – removal of 2.5% customs duty on crude oil import and 2.5-10% margin protection on high-speed diesel (HSD) and motor spirit (MS) – for local refineries to upgrade product specifications to meet Euro-V standards, experts said.
- OMCs say unending audits harm investments | Dawn: The Oil Marketing Companies (OMCs) have decried their 'unending audits' ordered by the government as anti-investment and demanded improved security and better vigilance to check the menace of oil smuggling reportedly causing over PKR250 billion per annum revenue loss.
- Pakistan facing USD3.8bn annual economic loss due to climate change | Pakistan Today: Pakistan was facing a USD3.8bn annual economic loss due to climate change whereas in view of the rising climate issue, especially in the developing countries like Pakistan, experts have urged developed countries to raise at least USD100bn every year in climate finance.
- FrieslandCampina to set up solar park on 15 acres of land | BR: FrieslandCampina, formerly known as Engro foods, is going to set up a solar park on 15 acres of land with a capacity of producing 2.5mw of electricity as a part of its efforts to put all its operations at Sahiwal plant on clean and green energy.
- KE's BQPS-III project: Khusro reviews progress | BR: Minister for Industries and Production Makhdum Khusro Bakhtyar on Thursday met with KE's Senior Management at the company's Bin Qasim Power Complex to review the progress on K-Electric's mega-project Bin Qasim Power Station 3 (BQPS-III), which will add 900MW to K-Electric's generation capacity and bolster the future of Karachi's growth.
- Toyota IMC Planning to Launch a Corolla X 1.6 Special Edition | ProPakistani: The Toyota Indus Motor Company is known for offering a wide range of trim levels for its vehicles, including a rare few 'Special Edition' (SE) trim levels as well. A reliable source from the market has informed that the company is planning to launch an SE variant of the Toyota Corolla X 1.6.
- IT, telecom fields: Pakistan, UAE agree to enhance cooperation | BR: Ambassador of United Arab Emirates (UAE) to Pakistan Hamad Obaid Ibrahim Al-Zaabi called on Federal Minister for IT and Telecommunication Syed Aminul Haque, here on Thursday, said a press release. Federal Minister for IT welcomed the UAE ambassador in his office, and during meeting matters of mutual interests, connectivity and spectrum auction were discussed.
- New hydrocarbon discovery in Sindh | BR: Pakistan Petroleum Limited (PPL) has announced hydrocarbon discovery from exploratory well, Jugan-1, in the Latif Block which is situated in the province of Sindh. The Company holds a 33.30% working interest; Eni Pakistan Limited holds 33.30% and UEPL, which is Operator of the Block, holds 33.40 percent working interest in the Block.

Market Indices			
	9-Sep-21	**8-Sep-21**	**30-Jun-21**
KSE 100	46,625	46,397	47,356
KSE 30	18,608	18,560	18,962
KMI 30	75,928	75,462	76,622
KSE All Shares	32,027	31,927	32,480
Volume (mn Shares)			
	9-Sep-21	**FYTD (Average)**	
KSE 100	90.6	131.3	
KSE 30	43.6	40.3	
KMI 30	41.2	47.9	
KSE All Shares	39.6	411.9	
Commodity Rates			
	9-Sep-21	**Daily Change**	**FYTD Change**
Crude Oil-Brent (USD/BBL)	71.5	-1.6%	-4.9%
Crude Oil-Arab Light (USD/BBL)	70.6	0.8%	-1.8%
Coal (USD/Tonne)	153.5	0.4%	37.1%
Copper(USD/Lbs)	4.3	1.2%	-0.1%
Cotton (USD/Lbs)	90.7	-0.7%	11.4%
CRC Steel (USD/Tonne)	1,115.0	0.0%	-5.9%
Currency (Interbank)			
	9-Sep-21	**Daily Change**	**FYTD Change**
US Dollar	167.5	0.3%	6.3%
UK Pound	231.7	0.8%	6.4%
Euro	198.1	0.4%	6.1%
UAE Dirham	45.9	0.0%	6.4%
Chinese Yuan	25.9	0.3%	6.3%
Fund Flows (USD mn)			
	9-Sep-21	**FYTD**	
FOREIGN INDIVIDUAL	0.04	2.76	
FOREIGN CORPORATES	-5.89	-64.97	
OVERSEAS PAKISTANI	-0.01	6.83	
FIPI NET	**-5.87**	**-55.38**	
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			
	9-Sep-21	**8-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	7.25	7.24	7.28
6 Month T-Bill	7.51	7.42	7.53
12 Month T-Bill	7.63	7.60	7.81
3 Year Government Bond	8.77	8.71	8.99
5 Year Government Bond	9.28	9.23	9.49
10 Year Government Bond	9.85	9.85	9.94
3 Month KIBOR	7.39	7.39	7.45
6 Month KIBOR	7.56	7.54	7.69

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