Morning News 13-Sep-2021

MCB-ARIF HABIB
Savings and Investments Limited

- Talks with IMF for sixth tranche to start by month-end |Dawn: Pakistan will start staff-level discussions with the International Monetary Fund by end of the current month for the release of sixth tranche under the USD6 billion Extended Fund Facility (EFF), a top official confirmed Dawn on Saturday.
- Country receives USD2.7bn in remittances |Tribune: The strong uptrend in remittances received by Pakistan persisted in August 2021 as well as inflows grew at the fastest pace in a decade at 26.8% year-on-year and reached USD2.66bn. The receipts had been calculated at USD2.1bn in the same month of last year, according to a statement issued by the State Bank of Pakistan (SBP) on Friday.
- Monetary policy on 20th |Dawn: The State Bank will announce the monetary policy on Sept 20, said a statement issued by the central bank on Friday. The monetary policy is critical for the stakeholders, particularly the business sector since the interest rate has unchanged for more than a year while inflation is higher than the interest rate. The real interest rate is therefore negative.
- Rupee weakens against dollar |Tribune: The rupee weakened against the US dollar at PKR168.02 in the inter-bank market on Friday compared with Thursday's close of PKR167.66, according to the State Bank of Pakistan (SBP).
- Auto sector robust despite August dip in car sales |Dawn: The first two months of the fiscal year 2021-22 (2MFY22) proved highly satisfying for the entire auto sector, with car sales posting growth of 93%, followed by an increase of 199% in jeeps. A sharp increase of 150% was witnessed in truck sales, followed by 119% in light commercial vehicles (LCVs), 18.4% in tractors, 2% in buses and 1.3% in two- and three-wheelers.
- Relaxation in filing of declarations under amnesty scheme allowed |Dawn: In what appears to be a major relief, the Federal Board of Revenue (FBR) has allowed those people to file their declarations who have paid their tax on whitening of assets under the 2019 tax amnesty scheme for the construction industry.
- Construction package: Total declared investment comes to PKR493bn |BR: Total declared investment made in 2,125 registered projects by 1,321 persons under the prime minister's relief package for the construction industry comes to PKR493 billion.
- Winter months: All set for incremental consumption power tariff |BR: The Federal Government is all set to introduce electricity tariff of PKR12.66/kWh country-wide on incremental consumption for four months of winter season starting from November 1, 2021, to be available to Time of Use (ToU) and non-ToU domestic and commercial consumers.
- Chemicals, Pharma products exports witnessed record increase of 61.37% |Pak Observer: The exports of Chemicals and Pharma products during the first month of FY 2021-22 grew by 61.37% as compared to the exports of the corresponding period of last year.
- Pak-Afghan trade in PKR not in sight? |BR: State Bank of Pakistan (SBP) is reportedly not in favour of trade with Afghanistan in Pak Rupees, due to the sword of Financial Action Task Force (FATF) notably money laundering and Know Your Customer (KYC) hanging over Pakistan's financial sector, well informed sources told Business Recorder.
- Islamic banking achieves highest growth since 2015 |Dawn: The Islamic banking industry (IBI) has achieved the highest year-on-year growth in assets and deposits since 2015 increasing the market share in the overall banking industry to 17pc and 18.7pc, respectively.
- Octopus IPO makes history |Tribune: Octopus Digital has received historical responses from investors during its two-day book building process (auction) to sell 20% shareholding to raise financing for expansion of its business.
- Government collections in Balochistan BOP signs agency agreement with SBP |BR: A signing ceremony was held at the State Bank of Pakistan head office to appoint the Bank of Punjab (BOP) as agent bank for the collection of Government receipts in Balochistan.
- Ufone telecom gets unused Pakistan's spectrum, govt earns USD279mn |BR: Cellular company Ufone on Friday won a bid for Pakistan's unused spectrum with USD 279mn, said the country's telecom authority. Pakistan Telecom Authority (PTA) started the process to sell the unused spectrum late last year.
- Bulk terminal willing to increase capacity by 40% |Dawn: The country's only dirty cargo terminal is willing to increase its coal-handling capacity by more than 40% at a "marginal cost" of up to USD70mn over a period of two to three years.
- PM to inaugurate KCR next week: Bakhtiar |Pak Observer: Federal Minister for Industries and Production Makhdoom Khusro Bakhtiar has said that Prime Minister Imran Khan is scheduled to inaugurate the Karachi Circular Railways (KCR) project next week. He said that the prime minister is taking personal interest in development projects in Karachi including KCR and K-4 water supply scheme.

Market Indices			
	10-Sep-21	9-Sep-21	30-Jun-21
KSE 100	47,198	46,625	47,356
KSE 30	18,785	18,608	18,962
KMI 30	76,996	75,928	76,622
KSE All Shares	32,388	32,027	32,480
Volume (mn Shares)			
	10-Sep-21	FYTD (Average)	
KSE 100	174.7	132.0	
KSE 30	73.2	40.8	
KMI 30	70.5	48.2	
KSE All Shares	427.4	412.1	
Commodity Rates			
	10-Sep-21	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	72.9	2.1%	-2.9%
Crude Oil-Arab Light (USD/BBL)	69.8	-1.1%	-2.9%
Coal (USD/Tonne)	154.0	0.4%	37.6%
Copper(USD/Lbs)	4.4	3.8%	3.7%
Cotton (USD/Lbs)	91.4	0.8%	12.3%
CRC Steel (USD/Tonne)	982.5	-11.9%	-17.1%
Currency (Interbank)			
	10-Sep-21	Daily Change	FYTD Change
US Dollar	167.9	0.2%	6.6%
UK Pound	232.4	0.3%	6.7%
Euro	198.3	0.1%	6.2%
UAE Dirham	45.9	0.0%	6.4%
Chinese Yuan	26.1	0.5%	6.8%
Fund Flows (USD mn)			
	10-Sep-21	FYTD	
FOREIGN INDIVIDUAL	0.02	2.78	
FOREIGN CORPORATES	-5.66	-70.63	
OVERSEAS PAKISTANI	-0.17	6.66	
FIPI NET	**-5.81**	**-61.19**	
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			
	10-Sep-21	9-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	7.26	7.25	7.28
6 Month T-Bill	7.52	7.51	7.53
12 Month T-Bill	7.64	7.63	7.81
3 Year Government Bond	8.77	8.77	8.99
5 Year Government Bond	9.28	9.28	9.49
10 Year Government Bond	9.85	9.85	9.94
3 Month KIBOR	7.40	7.39	7.45
6 Month KIBOR	7.61	7.56	7.69

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