Morning News 14-Sep-2021

MCB-ARIF HABIB
Savings and Investments Limited

- Govt working to repay USD3bn Chinese investment: Khalid | BR: The government has started discussion with China to resolve repayment of USUSD3bn China Pakistan Economic Corridor (CPEC) investment, becoming due, in a win-win situation for both the countries. This was stated by the SAPM on China Pakistan Economic Corridor (CPEC), Khalid Mansoor, on Monday, in response to a question.
- Chinese businessmen meet PM | BR: A delegation of heads of Chinese companies Monday called on Prime Minister Imran Khan and expressed interest in investing in Pakistan. The delegation acknowledged the investor-friendly policies of the government of Pakistan and expressed keen interest in investing in Pakistan. The premier said that there are vast opportunities for the development of medium and small industries in Pakistan, in which, Chinese companies can play a role.
- 'Survey' says businessmen want cut in policy rate | BR: A monetary policy survey conducted recently by Policy Research Unit (PRU), Policy Advisory Board Federation of Pakistan Chambers of Commerce and Industry (FPCCI) has recommended a reduction in policy rate by 50-100 bps. This survey was conducted prior to Monetary Policy Committee (MPC) meeting of State Bank of Pakistan (SBP) scheduled later in this month.
- Roadshow for privatisation of PSM starts in Islamabad | The Nation: Roadshow for the privatisation of Pakistan Steel Mills (PSM) started in Islamabad on Monday. The government has organized roadshow for the revival of Pakistan Steel Mills (PSM) for international investors. Federal Minister for Privatisation, Mohammedmian Soomro initiated the activity of roadshows for revival of Pakistan Steel Mills, here in Islamabad.
- ITFC to provide USD600mn to finance POL products' imports | BR: The International Islamic Trade Finance Corporation (ITFC), on Monday, informed Pakistan that the ongoing syndication is about to complete and USD600mn will be available to the country during this month to finance petroleum products imports.
- Cheaper winter tariff approved for electricity consumers | Dawn: The Cabinet Committee on Energy (CCoE) on Monday approved cheaper winter tariff for electricity consumers on incremental consumption and cleared a controversial payment of about PKR131bn to 11 independent power producers (IPPs) of the 2002-power policy — barring Nishat Chunian. The meeting, presided over by Planning Minister Asad Umar, also cleared the Pakistan Oil Refining Policy, 2021, with certain conditions to reduce incentives for existing refineries owing to strong observations by the planning and finance ministers.
- Telecom Revenues Reached Highest Ever Level During 2020-21 | Pro Pakistani: The revenues of the telecom industry of Pakistan reached a staggering PKR630.4bn during 2020-21, up by almost 20% from the PKR537bn revenue that was reported during 2019-20, as revealed by the Director General of the Commercial Affairs Division at the Pakistan Telecommunication Authority, Arif Sargana, during a press briefing.
- Incentives for refineries not approved by CCoE | BR: The Cabinet Committee on Energy (CCoE) is said to have not approved incentives for the refineries due to Byco refinery whose technology is 20 years old, well-informed sources told. "There is no issue of other four refineries but Byco's plant is 20-year old. Finance Minister Shaukat Tarin opposed it on the basis of information given to him," the sources said, adding that Commerce Advisor Abdul Razak Dawood argued that the government should have shares in M/s Byco in lieu of incentives proposed by the Petroleum Division. "The main beneficiary of the proposed incentives was M/s Byco compared to other four refineries, ie, Pakistan Refinery, National Refinery, Parco and Attock Refinery," the sources continued.
- Suzuki to Relaunch Bolan's Air Conditioned Variant | Pro Pakistani: It had been confirmed a few weeks back that the Suzuki is discontinuing Bolan passenger van and Ravi small pickup in the Pakistani market after over four decades. In recent reports shared by AutoJounal.pk, however, it has been revealed that Pak Suzuki Motor Company (PSMC) is planning to relaunch an air-conditioned variant of Bolan.
- SSGC announces four-day gas suspension for CNG outlets | Dawn: The Sui Southern Gas Company Ltd (SSGCL) on Monday announced that it will suspend gas supplies to all the CNG stations across Sindh and Balochistan from midnight Sept 14 for four days. The company said supplies to CNG stations will be restored from 8am (Sept 18).
- CCP says 2 tractor makers 'involved in cartelization' | BR: The Competition Commission of Pakistan (CCP) Monday completed an enquiry against the tractor industry, revealing two leading tractor manufacturers are abusing their dominant position and involved in cartelization. Details available in the enquiry report revealed that the CCP has concluded an enquiry under Section 37(1) of the Competition Act, 2010 (the 'Act') in the tractor industry. The Commission's enquiry report has found that two leading tractor manufacturers, Millat Tractors Ltd (MTL) and Al-Ghazi Tractors Ltd (AGTL), are prima facie abusing their dominant position in violation of Section 3 of the Act and have entered into prohibited agreement (Cartelization) in violation of Section 4 of the Act.
- Oil rises to six-week high as another storm heads for U.S. Gulf | Bloomberg: Oil closed above $70 a barrel for the first time in nearly six weeks as another heavy storm heads to the U.S. Gulf of Mexico, while producers are still reeling from Hurricane Ida.
- Asia Stocks set for steady start as CPI awaited: Markets Wrap | Bloomberg: Asian stocks look set for a steady open Tuesday after the U.S. snapped a five-day drop ahead of inflation data that could impact expectations of the likely timeline for a reduction in Federal Reserve stimulus.
- TPLP to sell its developmental assets to REIT Fund | Mettis Global: The Board of Directors of TPL Properties (TPLP) has given in-principle approval for selling its developmental assets either directly or through SPVs to the REIT Fund to be managed by TPL REIT Management Company Limited. TPL REIT Management Company Limited is a wholly-owned subsidiary of TPLP and acts as a Strategic Investor in the Fund. The transaction shall be subject to the approval of the shareholders, all the regulatory consents.

Market Indices

	13-Sep-21	10-Sep-21	30-Jun-21
KSE 100	47,270	47,198	47,356
KSE 30	18,797	18,785	18,962
KMI 30	76,896	76,996	76,622
KSE All Shares	32,503	32,388	32,480

Volume (mn Shares)

	13-Sep-21	FYTD (Average)
KSE 100	130.0	132.0
KSE 30	44.2	40.8
KMI 30	36.5	48.1
KSE All Shares	395.8	411.8

Commodity Rates

	13-Sep-21	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	73.5	0.8%	-2.2%
Crude Oil-Arab Light (USD/BBL)	71.8	3.0%	0.0%
Coal (USD/Tonne)	154.6	0.4%	38.1%
Copper(USD/Lbs)	4.4	-1.9%	1.7%
Cotton (USD/Lbs)	90.6	-0.9%	11.3%
CRC Steel (USD/Tonne)	982.5	0.0%	-17.1%

Currency (Interbank)

	13-Sep-21	Daily Change	FYTD Change
US Dollar	167.9	0.0%	6.6%
UK Pound	232.3	0.0%	6.7%
Euro	198.3	0.0%	6.2%
UAE Dirham	45.9	0.0%	6.4%
Chinese Yuan	26.0	-0.1%	6.7%

Fund Flows (USD mn)

	13-Sep-21	FYTD
FOREIGN INDIVIDUAL	-0.02	2.76
FOREIGN CORPORATES	-6.43	-77.06
OVERSEAS PAKISTANI	-1.61	5.06
FIPI NET	**-8.05**	**-69.24**

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

	13-Sep-21	10-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	7.30	7.26	7.28
6 Month T-Bill	7.61	7.52	7.53
12 Month T-Bill	7.74	7.64	7.81
3 Year Government Bond	8.84	8.77	8.99
5 Year Government Bond	9.33	9.28	9.49
10 Year Government Bond	9.86	9.85	9.94
3 Month KIBOR	7.42	7.40	7.45
6 Month KIBOR	7.65	7.61	7.69

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