Morning News 22-Sep-2021

MCB-ARIF HABIB Savings and Investments Limited

- Pakistan's outstanding debt soars to PKR25.19tn in August | Mettis Global: Pakistan's outstanding debts as of August 31, 2021 stand at a whopping sum of PKR.25.19 trillion whereas total debt at the end of the prior month was PKR.24.99 trillion, meaning that around PKR201.6bn was added during this month alone. As compared to the same period last year when outstanding credit was PKR22.67 trillion, the current debt position is PKR.2.52 trillion higher this time around, marking a year-on-year expansion of 11 percent.
- Six-month KIBOR increases to 7.91% | Mettis Global: Following the rise in the policy rate, the Six-month KIBOR has been increased by 15 bps on Tuesday to stand at 7.91%. On Monday, SBP raised the policy rate by 25 bps to 7.25% after 15 months. KIBOR on the same day was at 7.75%. Cumulatively, since January 2021 to date, KIBOR has moved up by 56 bps. On December 31, 2020, KIBOR stood at 7.35.
- Cabinet refers privatization of Services Hotel to CCOP | The News: The federal cabinet has not granted its final approval for privatization of Services International Hotel Lahore and decided to refer back this issue to the Cabinet Committee on Privatization (CCOP) for further scrutiny of documents.
- SECP Introduces SPACs for Capital Formation Through PSX | Pro Pakistani: The Securities and Exchange Commission of Pakistan has amended the Public Offering Regulations, 2017, to introduce a regulatory framework for Special Purpose Acquisition Companies. Its introduction in the Pakistani market is expected to boost activities in the primary market, encourage new listings, and help companies to tap capital for large-scale merger/acquisition transactions.
- Land acquisition begins for 300MW Balakot power project | Dawn: The district administration has begun acquiring over 8,000 kanals of land for the 300 megawatts Balakot hydropower project. "Land acquisition is being made for the energy project executed by the Pakhtunkhwa Energy Development Organization on the Kunhar River in Kaghan valley.
- Amount stuck in litigations: Petroleum ministry directed to prepare plan | BR: A parliamentary panel, on Tuesday, directed the Petroleum Ministry to prepare a plan in coordination with the Attorney General of Pakistan to retrieve billions of rupees stuck in litigations.
- Auto financing reaches a record high of PKR326bn in August | Mettis Global: Low-interest rates and robust demand from consumers have taken the auto-financing to a record high of PKR326billion by the end of Aug 2021, an increase of PKR103.93bn or 47% YoY, as it was PKR221.9bn in Aug 2020, Central bank data showed. Compared to the previous month, Car financing volume was up by 4% from PKR313.8bn in July 2021 as consumers' appetite for owning a car has increased due to the availability of cheap bank financing.
- Custom duty on commercial vehicles reduced to 2% | News Today: Islamabad: Government has reduced the additional customs duty (ACD) for Vendors and on Heavy Commercial Vehicles in Pakistan. The Commerce Division briefed the Cabinet that the National Tariff Policy 2019-24 (NTP) stipulated that government would examine all proposals for levy, amendment, or removal of tariffs, at the Tariff Policy Centre.
- Urea sale likely to increase 5% in Rabi Season | News Today: The sale of urea fertilizer is likely to increase 5 percent over the average of the last three years during Rabi Season 2021-22. The government had projected a shortage of 142000 metric tons of urea fertilizer in the Rabi season following a sale increase. Now, the Sui Northern Gas Pipeline Limited (SNGPL) has resumed supply of gas to AGL and Fatima Fertilizer Plants. Therefore, there will be surplus stock of 33000 metric tons following the resumption of these power plants.
- LPG price may witness PKR19/kg cut | Pakistan Today: The Petroleum Division is making efforts to ensure a cut of approximately PKR19 per kilogram in the price of liquefied petroleum gas (LPG) through giving relief in taxes imposed on LPG price whereas the upcoming economic coordination committee (ECC) of the Cabinet will take a decision in this regard.
- Pak Suzuki Stops Bookings for Cultus and Alto | Pro Pakistani: Pak Suzuki Motor Company (PSMC) has indefinitely suspended the bookings of its most popular vehicles, the VXL and AGS variants of the Cultus, and the VXL variant of the Alto. The suspension of booking has been due to the shortage of essential car parts at the assembly plant.
- 'Pending' claims: KE urges Govt to release PKR180bn | BR: Karachi Electric (KE) has urged the Power Division to release its pending claims of PKR170bn as the company is facing financial hardships. In a letter to concerned Ministers, the power utility said that on July 26, 2023, KE requested the Power Division to process the release of pending claims, notification of Schedule of Tariffs (SoTs) determined by NEPRA and verification of Tariff Differential Claims (TDC) filed by KE.
- Pak Re-Insurance Co Ltd: Pricing mechanism for divestment of GoP shares approved | BR: The Privatization Board (PC Board) approved pricing mechanism for divestment of GoP shares in Pak Re-Insurance Co Ltd. The 9th Privatization Commission, Board meeting of the current year was held on Tuesday under the chairmanship of the Federal Minister and Chairman Privatization Mohammed Mian Soomro. Federal Secretary, Board members, senior officers of the ministry and financial advisors attended the meeting.
- NCOC eases restrictions in Punjab, KPK | BR: The National Command and Operation Centre (NCOC) has decided to ease coronavirus restrictions in six districts of Khyber Pakhtunkhwa and Punjab as the coronavirus situation improved in the areas, Aaj News reported on Tuesday. Strict Covid-19 restrictions in Lahore, Multan, Faisalabad, Sargodha, Gujrat, and Bannu will be eased from September 22.
- Tabish Gauhar resigns as SAPM on power, petroleum | Dawn: Special Assistant to the Prime Minister (SAPM) on Power and Petroleum Tabish Gauhar announced on Tuesday that he had resigned from the post, almost a year after his appointment.

Market Indices			
	21-Sep-21	20-Sep-21	30-Jun-21
KSE 100	46,009	46,528	47,356
KSE 30	18,179	18,422	18,962
KMI 30	73,252	74,427	76,622
KSE All Shares	31,491	31,860	32,480
Volume (mn Shares)			
	21-Sep-21	FYTD (Average)	
KSE 100	132.4	132.4	
KSE 30	49.6	42.1	
KMI 30	42.2	47.7	
KSE All Shares	325.8	407.0	
Commodity Rates			
	21-Sep-21	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	74.4	0.6%	-1.0%
Crude Oil-Arab Light (USD/BBL)	72.6	-1.4%	1.1%
Coal (USD/Tonne)	154.3	0.0%	37.8%
Copper(USD/Lbs)	4.1	0.3%	-3.8%
Cotton (USD/Lbs)	86.8	1.2%	6.6%
CRC Steel (USD/Tonne)	970.0	0.0%	-18.1%
Currency (Interbank)			
	21-Sep-21	Daily Change	FYTD Change
US Dollar	168.3	-0.1%	6.8%
UK Pound	229.9	-0.1%	5.5%
Euro	197.3	-0.1%	5.6%
UAE Dirham	46.3	0.0%	7.4%
Chinese Yuan	26.0	-0.1%	6.7%
Fund Flows (USD mn)			
	21-Sep-21	FYTD	
FOREIGN INDIVIDUAL	-0.02	2.78	
FOREIGN CORPORATES	-2.19	-81.44	
OVERSEAS PAKISTANI	1.45	6.73	
FIPI NET	**-0.75**	**-71.92**	
Economic Data (USD mn)			
	FY22E	FY21	FY20
GDP Growth	4.8%	3.9%	-0.5%
	Aug-21	Jul-21	
Exports	2,234	2,340	
Imports	6,463	5,601	
Remittances	2,658	2,707	
Foreign Exchange Reserves	27,228	24,777	
Money Market Data			
	21-Sep-21	20-Sep-21	30-Jun-21
SBP Policy Rate	7.25	7.00	7.00
CPI Inflation	8.4%	8.4%	9.7%
3 Month T-Bill	7.49	7.39	7.28
6 Month T-Bill	7.80	7.62	7.53
12 Month T-Bill	8.34	8.11	7.81
3 Year Government Bond	9.34	9.00	8.99
5 Year Government Bond	9.70	9.51	9.49
10 Year Government Bond	10.10	9.90	9.94
3 Month KIBOR	7.69	7.57	7.45
6 Month KIBOR	7.91	7.75	7.69

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