Morning News 23-Sep-2021

- ADB sees Pakistan on 'path of recovery' | BR: Pakistan's economic growth rebounded to 3.9% in fiscal year 2021 (ending 30 June 2021) and is expected to reach four percent in fiscal year 2022 as business activity gradually resumes in the second year of the coronavirus disease (Covid-19) pandemic, says the Asian Development Bank (ADB).
- Tarin unveils steps to curb imports ahead of IMF talks | BR: Conceding concerns over heating up of Pakistan economy, Finance Minister Shaukat Tarin on Wednesday announced steps — regulatory duties and cash margins — to curb imports ahead of negotiations with the International Monetary Fund (IMF) on the proposed increase in electricity rates to revive the USD6bn Extended Fund Facility (EFF) suspended since last fiscal year.
- July-August 2021-22: Pakistan incurs foreign debt of USD2.38bn from multiple financing sources | BR: Pakistan incurred foreign debt of USD2.38bn from multiple financing sources in the first two months (July-August) of 2021-22 including USD363.26mn from foreign commercial banks (15%) against the total budgeted external loans of USD14.09bn for the entire fiscal year.
- Cut-off yield hiked by up to 49bps in first T-bills auction after interest rate rise | Dawn: Cut-off yields on treasury bills were increased by up to 49 basis points in the auction held on Wednesday — the first such big increase during the last 15 months — while most of the bids were received for short-term three-month papers. The auction target was PKR800bn but the government raised PKR731bn against the total bids of PKR1,171bn.
- Power sector to take centre stage in IMF talks | BR: Finance Minister Shaukat Tarin said on Wednesday that power sector would be the centre of discussion with the International Monetary Fund (IMF) in the forthcoming 6th review as performance on revenue collection has been well over target.
- PD links CDMP to PKR1.39p/u rise in base tariff | BR: Power Division has reportedly expressed its inability to finalise Circular Debt Management Plan (CDMP) without approval on increasing of base tariff by PKR1.39 per unit, well informed sources told. The country's circular debt reached PKR2.23tr as of July 21 - from PKR2.21bn of July 20.
- EU extends GSP plus status with six new Conventions | BR: The European Union (EU) on Wednesday extended General System of Preferences (GSP) plus status for Pakistan, with six new Conventions. The EU has expressed its concerns about situation of human rights, press freedom, death penalty and child labour related issues.
- SBP mandates banks to share five-day schedule of import payments | BR: The State Bank of Pakistan (SBP) has mandated commercial banks to share a five-day schedule of upcoming import payments, revising it upwards from the earlier two-day directive, amid official attempts to arrest the rupee decline that saw the PKR shoot to its lowest value against the US dollar last week.
- Japanese companies keen to invest in auto sector: Japanese Ambassador | Pakistan Today: This was stated by the Japanese Ambassador to Pakistan, Kuninori Matsudam, during the meeting with the Federal Minister for Economic Affairs, Omar Ayub Khan, on Wednesday mentioned that the Japanese companies were keen to invest in the auto sector of Pakistan.
- Govt delays new car financing plan amid rising demand | Pakistan Today: Unlike the Ministry of Industries' intention and proposals made regarding the introduction of a new car financing scheme, the government has postponed the plan keeping in view the rising demand in the auto sector. According to an official at the Ministry of Industries and Production, the plan was on the cards while directions to draft a plan with the reduction of interest rate had also been given to the State Bank of Pakistan (SBP).
- Refineries' furnace oil sale to rise due to higher LNG prices | News Today: The sale of furnace oil is likely to gain momentum following a record increase in prices of LNG across the world. Pakistan has two LNG terminals and imports LNG from Qatar and some other suppliers including spot purchases. During the last several months, Pakistan had also received LNG cargoes at record higher prices due to the rising demand for LNG in the world.
- NA informed PKR656.16bn subsidies given to power consumers | BR: The National Assembly was informed Wednesday that the government has given PKR656.16bn as subsidies for electricity consumers during fiscal years, 2018-19 and 2019-20.
- Expansion: MISI purchases shares of Aisha Steel Mills | News Today: Aisha Steel Mills Limited (Pakistan) and Marubeni-Itochu Steel Inc. (MISI) (Japan) have entered into a strategic alliance and have signed a Trade Development Agreement (TDA) in order to expand steel business in Pakistan.
- Kia Stops Bookings for the Automatic Picanto Variant | Pro Pakistani: Pakistan's automotive industry is beginning to bear the brunt of the shortage of the semiconductor chip as several popular vehicles have had their bookings suspended because of it. Kia Lucky Motors has also decided to suspend the bookings of the Picanto Automatic variant, as reported by Samaa TV.
- Samsung to set up TV plant in Karachi | Dawn: Samsung Electronics is in the process of establishing its TV lineup plant in collaboration with a local partner R&R Industries Pvt Ltd with the goal of producing 50,000 television units per annum. "I have been informed that Samsung will soon start production of televisions," Commerce Adviser Razak Dawood said on Wednesday.

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Market Indices			
	22-Sep-21	**21-Sep-21**	**30-Jun-21**
KSE 100	45,597	46,009	47,356
KSE 30	18,029	18,179	18,962
KMI 30	72,624	73,252	76,622
KSE All Shares	31,147	31,491	32,480
Volume (mn Shares)			
	22-Sep-21	**FYTD (Average)**	
KSE 100	227.5	133.7	
KSE 30	70.6	42.5	
KMI 30	78.3	48.1	
KSE All Shares	583.4	409.4	
Commodity Rates			
	22-Sep-21	**Daily Change**	**FYTD Change**
Crude Oil-Brent (USD/BBL)	76.2	2.5%	1.4%
Crude Oil-Arab Light (USD/BBL)	72.7	0.1%	1.2%
Coal (USD/Tonne)	154.9	0.4%	38.4%
Copper(USD/Lbs)	4.3	3.0%	-0.9%
Cotton (USD/Lbs)	87.6	1.0%	7.6%
CRC Steel (USD/Tonne)	970.0	0.0%	-18.1%
Currency (Interbank)			
	22-Sep-21	**Daily Change**	**FYTD Change**
US Dollar	168.3	0.0%	6.8%
UK Pound	229.2	-0.3%	5.2%
Euro	196.6	-0.3%	5.3%
UAE Dirham	46.3	0.0%	7.4%
Chinese Yuan	26.0	0.0%	6.7%
Fund Flows (USD mn)			
	22-Sep-21	**FYTD**	
FOREIGN INDIVIDUAL	0.00	2.78	
FOREIGN CORPORATES	5.20	-76.24	
OVERSEAS PAKISTANI	1.65	8.38	
FIPI NET	**6.85**	**-65.08**	
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			
	22-Sep-21	**21-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	7.51	7.49	7.28
6 Month T-Bill	7.87	7.80	7.53
12 Month T-Bill	8.57	8.34	7.81
3 Year Government Bond	9.46	9.34	8.99
5 Year Government Bond	9.83	9.70	9.49
10 Year Government Bond	10.16	10.10	9.94
3 Month KIBOR	7.69	7.69	7.45
6 Month KIBOR	7.97	7.91	7.69

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