Morning News 24-Sep-2021

MCB-ARIF HABIB
Savings and Investments Limited

- Forex reserves fall to USD26.402bn | The News: Pakistan's foreign exchange reserves declined to USD26.40bn in the week that ended September 17 from USD27.06bn, the State Bank of Pakistan (SBP) said on Thursday. The foreign reserves held by the SBP decreased by USD479mn to USD19.54bn, mainly due to external debt repayments, it said. The reserves of the commercial banks also fell to USD6.8bn from USD7.04bn.
- Six-month KIBOR surges to 16-month high | The News: The six-month Karachi interbank offered rate (KIBOR) surged to a 16-month high after the central bank, earlier this week, increased its policy rate by a marginal 25 basis points (bps) to 7.25%. The six-month KIBOR, which is used for benchmarking short-term interest rates in Pakistan, rose 36 bps to 8.11% -- the level last seen on May 20, 2020 when the policy rate stood at 8 percent.
- SBP tightens consumer-lending rules to limit auto loans | The News: The State Bank of Pakistan (SBP) on Thursday tightened rules on consumer lending to trim rapid loan growth mainly in auto sector. "The SBP has revised prudential regulations (PRS) for consumer financing and this targeted step will help to moderate demand growth in the economy, leading to slower import growth and thus supporting the balance-of-payments," the bank said in a statement.
- ECC approves release of 40% amount to IPPs under 2002 policy | Mettis Global: The Economic Coordination Committee (ECC) of the Cabinet, has considered and approved another summary presented by the Power Division regarding 40% payment of the total amount payable to IPPs of 2002 policy. Following the approval 40% or PKR45bn is expected to be released soon.
- Nepra Okays to Drop 8mn consumers from subsidy network | News Today: National Electric Power Regulatory Authority (Nepra) on Thursday allowed the government to cut subsidies for power consumers to take 8 million consumers out of the subsidy net. In its decision, it also increased the benchmark for lifeline consumers from 50 to 100 units per month. At present, as many as 22 million electricity consumers are availing subsidies.
- Duties, taxes on import of steel scrap slashed | BR: Federal government has decided to slash duties and taxes on import of steel scrap aimed at extending support to construction industry, well informed sources told Business Recorder. The price of steel has increased to PKR180, 000 per ton due to which government's housing scheme is in jeopardy.
- IMC cranking up capacity 20% next year amid likely record 2021 output | The News: Driven by all-time high demand, Indus Motors Company (IMC) is expanding production capacity to reach 90,000 units by 2022 end, a top official said on Thursday. "To meet the increasing demand from our valued customers Indus Motor is striving to increase production capacity by further 20% by April 2022," said Ali Asghar Jamali, CEO IMC.
- WTL enters in to agreement with NetSat | Mettis Global: WorldCall Telecom Limited ('WTL") has informed through a notification to PSX that the company has entered into a business collaboration agreement with NetSat (Pvt) Limited "NetSat" starting from Worldcall service and network operations in South Region, Pakistan. The agreement is transformative in its scope and will give an immediate boost to the business operations of both organizations by increasing their respective market share and market reach through this collaboration.
- SBP puts brakes on financing for imported vehicles | Dawn: Ballooning trade and current account deficits have forced the State Bank of Pakistan (SBP) to slow down import growth with changes in prudential regulations and reduce the financing limit and period, particularly for imported vehicles. This targeted step will help moderate demand growth in the economy, leading to slower import growth and thus supporting the balance-of-payments.
- Record meat exports at 95,991 tonnes in FY21 | Dawn: Pakistan exported 95,991 tonnes (worth $333 million) meat and meat preparations in FY21 — an all-time high figures — against 83,749 tonnes ($304m) a year ago. However, the average per tonne price (APT) remained low at $3,473 as compared to $3,631 in FY20.
- Sindh reports 782 new cases, 6 deaths from Corono Virus | Dawn: Sindh has reported 782 new coronavirus cases and six more fatalities in the last 24 hours, according to a statement from the Chief Minister's Office. This has taken the province's tally of infections to 453,110 and the death toll to 7,316. Moreover, 339 people recovered while the positivity rate was recorded at 4.4 per cent.
- Qureshi meets Blinken, urges engagement with Taliban | Dawn: Foreign Minister Shah Mahmood Qureshi met US Secretary of State Antony Blinken in New York on Thursday on the sidelines of the 76th United Nations General Assembly session. This is the first meeting between the two top diplomats and as the foreign minister's statement after the meeting showed, it focused on Afghanistan.

Market Indices			
	23-Sep-21	22-Sep-21	30-Jun-21
KSE 100	45,297	45,597	47,356
KSE 30	17,811	18,029	18,962
KMI 30	72,145	72,624	76,622
KSE All Shares	30,941	31,147	32,480

Volume (mn Shares)		
	23-Sep-21	FYTD (Average)
KSE 100	131.2	133.7
KSE 30	49.5	42.6
KMI 30	48.7	48.1
KSE All Shares	443.7	409.9

Commodity Rates			
	23-Sep-21	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	77.3	1.4%	2.8%
Crude Oil-Arab Light (USD/BBL)	74.8	2.9%	4.2%
Coal (USD/Tonne)	154.9	0.0%	38.4%
Copper(USD/Lbs)	4.2	-0.5%	-1.4%
Cotton (USD/Lbs)	89.3	1.9%	9.7%
CRC Steel (USD/Tonne)	970.0	0.0%	-18.1%

Currency (Interbank)			
	23-Sep-21	Daily Change	FYTD Change
US Dollar	168.8	0.3%	7.2%
UK Pound	229.2	-0.3%	5.2%
Euro	198.1	0.8%	6.1%
UAE Dirham	46.3	0.0%	7.4%
Chinese Yuan	26.1	0.4%	7.1%

Fund Flows (USD mn)		
	23-Sep-21	FYTD
FOREIGN INDIVIDUAL	0.03	2.81
FOREIGN CORPORATES	-0.54	-76.78
OVERSEAS PAKISTANI	0.07	8.46
FIPI NET	**-0.44**	**-65.51**

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			
	23-Sep-21	22-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	7.58	7.51	7.28
6 Month T-Bill	8.01	7.87	7.53
12 Month T-Bill	8.58	8.57	7.81
3 Year Government Bond	9.57	9.46	8.99
5 Year Government Bond	9.85	9.83	9.49
10 Year Government Bond	10.15	10.16	9.94
3 Month KIBOR	7.74	7.69	7.45
6 Month KIBOR	8.11	7.97	7.69

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