Morning News 27-Sep-2021

- Paris Club extends debt payment deadline | BR: The Paris Club of creditor countries said on Friday it was giving Pakistan another extension to service its debt so that it can dedicate its resources to combating the Covid pandemic. The country has until December to make the payment, the club said in a statement, without releasing a figure.
- CPEC panel okays ambitious Karachi coastline plan | Dawn: Calling it a “game-changer”, the federal government on Saturday unveiled an ambitious plan to rebuild Karachi’s coastline under the China-Pakistan Economic Corridor (CPEC) with USD3.5bn “direct Chinese investment” that aims to overhaul city’s seaboard with new berths for the port, a new fishery port and a ‘majestic harbour bridge’ connecting it with Manora islands and Sandspit beach.
- Dollar's ascend continues against descending rupee: Heavy regulatory duty on luxury items on cards | The News: The government is contemplating different options to jack up regulatory duty (RD) on import of dozens of luxury items such as import of automobiles, cosmetics, master baths, varnishes, stationary, different products of textiles, sweeteners, non-essential food items, and others.
- SBP orders banks to report FX requirements of USD500,000 and above for overseas purchases | The News: The State Bank of Pakistan (SBP) issued new regulations, requiring banks to report USD500,000 and above future foreign currency requirements for overseas buying, apparently in a move to step up monitoring of money flows and to make rupee less volatile.
- Govt to intervene in market to reduce food prices: Tarin | Dawn: At a time when inflation is hitting all segments of society, Finance Minister Shaukat Tarin says the government has decided to intervene in the market to partially reduce prices of essential food items, including sugar, flour and pulses.
- Power projects: Banks are put off financing by rising circular debt | BR: The country’s commercial banks have reportedly refused to finance power projects due to historic energy sector circular debt, which has reached PKR2.327 trillion as of August 31, 2021.
- Up to 35% hike in gas prices proposed | The News: The Petroleum Division on Saturday proposed an increase in gas prices by 35% for domestic consumers. Sources told Geo News the proposal is for four months — from November to February.
- Proposal floated to shut three refineries | Tribune: The partial approval of refinery policy is followed by another controversy in the sector as the chairman of Expert Group on Petroleum has suggested to the government to shut down three refineries, namely Pakistan Refinery, National Refinery and Byco Petroleum.
- NPPMCL privatisation: Debt structure to be aligned through Debt financing from banks: minister | BR: Federal Minister for Privatisation Mohammed Mian Soomro said that federal government was in the process of privatising National Power Parks Management Company Limited (NPPMCL) which owned two power plants of Haveli Bahdur Shah Power Plant (1230 MW) in District Jhang and Balloki Power Plant (1223 MW) in District Kasur.
- Cost of power generation up 60% | Tribune: The cost of power generation in the country has increased by 60% -- the rate of a unit going up by PKR6.42 in the last one year. According to documents, the cost of generating electricity using diesel, furnace oil, coal, LNG and gas has significantly jacked up.
- Rising CAD a big concern: Regulatory duty will be imposed on EVs, raised on other imported cars | BR: Worried with the sudden increase in Current Account Deficit (CAD), the government has decided to impose regulatory duty on electric vehicles and increase on other imported vehicles, well-informed sources told *Business Recorder*.
- APTMA rejects RD on export of cotton yarn | BR: All Pakistan Textile Mills Association (APTMA) has strongly opposed the move of imposing Regulatory Duty on the export of cotton yarn. According to the Association, it would not only distort the momentum gained in exports after decades but will disturb the continuity of governmental policies for export-led growth.
- Guarantee amount for bank depositors doubled | The News: Deposit Protection Corporation (DPC) has increased the guarantee amount for all eligible depositors of banks from PKR250,000 to PKR500,000, to safeguard their interests and bolster trust in banking system, central bank said on Friday.
- Pak-Afghan bilateral trade now in PKR | BR: The Federal Board of Revenue (FBR) has clarified on Friday that bilateral trade between Pakistan and Afghanistan is now being conducted in Pak Rupees. The FBR has categorically rejected news that there was huge flight of dollars from Pakistan.
- Govt to give PKR1.3bn for K-Electric consumers | Tribune: The government will give additional supplementary grant of PKR1.3bn for additional subsidy to K-Electric consumers to implement winter incentive package for electricity consumers on incremental consumption.
- LNG terminal to suspend gas supply | Tribune: Pakistan’s industrial, commercial and household customers were set to face partial suspension of gas supplies from Saturday in the wake of emergency shutdown of Pakistan GasPort LNG import terminal for repair and maintenance.

MCB-ARIF HABIB
Savings and Investments Limited

Market Indices			
	24-Sep-21	**23-Sep-21**	**30-Jun-21**
KSE 100	45,074	45,297	47,356
KSE 30	17,742	17,811	18,962
KMI 30	71,904	72,145	76,622
KSE All Shares	30,778	30,941	32,480
Volume (mn Shares)			
	24-Sep-21	**FYTD (Average)**	
KSE 100	186.7	134.4	
KSE 30	79.4	43.1	
KMI 30	78.6	48.5	
KSE All Shares	369.5	409.4	
Commodity Rates			
	24-Sep-21	**Daily Change**	**FYTD Change**
Crude Oil-Brent (USD/BBL)	78.1	1.1%	3.9%
Crude Oil-Arab Light (USD/BBL)	75.9	1.4%	5.6%
Coal (USD/Tonne)	154.8	-0.1%	38.2%
Copper(USD/Lbs)	4.3	1.3%	0.0%
Cotton (USD/Lbs)	92.9	4.0%	14.1%
CRC Steel (USD/Tonne)	960.0	-1.0%	-19.0%
Currency (Interbank)			
	24-Sep-21	**Daily Change**	**FYTD Change**
US Dollar	168.9	0.1%	7.2%
UK Pound	230.9	-0.3%	6.0%
Euro	197.8	-0.1%	5.9%
UAE Dirham	46.3	0.0%	7.4%
Chinese Yuan	26.1	-0.1%	7.1%
Fund Flows (USD mn)			
	24-Sep-21	**FYTD**	
FOREIGN INDIVIDUAL	0.08	2.88	
FOREIGN CORPORATES	-0.54	-77.32	
OVERSEAS PAKISTANI	0.63	9.09	
FIPI NET	**0.17**	**-65.35**	
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			
	24-Sep-21	**23-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	7.60	7.58	7.28
6 Month T-Bill	8.00	8.01	7.53
12 Month T-Bill	8.60	8.58	7.81
3 Year Government Bond	9.61	9.57	8.99
5 Year Government Bond	9.85	9.85	9.49
10 Year Government Bond	10.15	10.15	9.94
3 Month KIBOR	7.76	7.74	7.45
6 Month KIBOR	8.13	8.11	7.69

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