Morning News 01-Oct-2021

MCB-ARIF HABIB Savings and Investments Limited

- September YoY inflation may end up between 7.5%-8.4%: MoF | Mettis Global: Taking into account new price impulses in September and the low base effect, YoY inflation in September is likely to resume its declining trend observed in recent months and may end up between 7.5% to 8.4%.
- Forex reserves fall by USD252mn | BR: The country's total liquid foreign exchange reserves declined by USD252mn during last week. According to the State Bank of Pakistan (SBP) weekly report issued on Thursday, Pakistan's total liquid foreign exchange reserves stood at USD26.15bn as on September 24, down from USD26.40bn on September 17. During the week under review, the SBP's reserves decreased by USD249mn to USD19.30bn.
- Index down 5.0% in 3Q2021: PSX becomes one of worst performing markets | BR: Pakistan Stock Exchange remained one of the worst performing markets in the world as the KSE-100 Index registered a decline of 5.0% in PKR terms and 12.0% in USD terms in the third quarter of 2021, after delivering consecutive gains during the preceding five quarters. The average quarterly gains were 10% in PKR terms and 12% in USD terms.
- FBR registers historic revenue collection growth of 38.3% in 1QFY22 | Mettis Global: The Federal Board of Revenue (FBR) has released the provisional revenue collection figures for the first quarter of current FY 2021-22. According to the provisional information, FBR has collected net revenue of PKR1,395bn during the first quarter of the current Financial Year against the set target of PKR1,211bn, exceeding by PKR186bn.
- THE RUPEE: PKR: yet another all-time low | BR: The downward trajectory of Pakistan's rupee continued against the US dollar, as the PKR recorded yet another all-time low of 170.66 in the inter-bank market on Thursday. As per the State Bank of Pakistan (SBP), the rupee lost another 18 paisas or 0.11% day-on-day, falling for the seventh successive time against the dollar in the inter-bank market.
- Fitch Ratings revises PKR forecasts downwards | BR: Fitch Ratings has revised downward its forecasts for the Pakistani rupee, ie, from PKR165 to PKR180 for 2022 on account of the worsening terms of trade, tighter US monetary policy, alongside the flow of USD out of Pakistan and into Afghanistan.
- MoC expects over 27% exports growth YoY | BR: The Ministry of Commerce is expecting exports of USD7bn during the first quarter (July-September) 2021-22 as compared to USD5.47bn during the same period of 2020-21, showing over 27% growth. However, imports are expected to be USD18bn during this period as compared to USD11.31bn, posting a growth of around 60%.
- SBP imposes 100% cash margin requirement on import of additional 114 items | Mettis Global: The State Bank of Pakistan (SBP) has decided to impose 100% Cash Margin Requirements (CMR) on the import of 114 items, taking the total number of items subject to Cash Margin to 525. The measure will help discourage imports of these items and thus support the balance of payments.
- Govt increases petrol price by PKR4 per litre from Oct 1 | Dawn: The government on Thursday increased the price of petrol by PKR4 per litre and that of high speed diesel (HSD) by PKR2 per litre. Meanwhile, the prices of kerosene oil and light diesel oil (LDO) were increased by PKR7.05 and PKR8.82 per litre, respectively.
- Fuel charge adjustment: Nepra set to pass financial burden of PKR31bn to consumers | BR: National Electric Power Regulatory Authority (Nepra) is all set to pass on the financial burden of PKR31bn to consumers of distribution companies (Discos) under fuel charge adjustment (FCA) mechanism added to the generation cost due to short supply of RLNG, higher consumption of furnace oil, HSD and forced outages and technical issues.
- Circular debt exceeds PKR2.3tr: State-owned Discos' losses reach PKR1.35tr: think tank | BR: The state-owned electricity Distribution Companies' performance has depicted a gloomy picture as their accumulated losses reached PKR1.35tr and played a pivotal role in piling up of circular debt, which crossed PKR2.3tr.
- Assembly of Skoda and Volkswagen: PML appoints AKD Securities as financial advisor | BR: Premier Motors Limited (PML) will initially launch premium Volkswagen and Skoda Crossovers and SUVs in Pakistan which are expected to hit the road by mid-2023.
- HBL, DIBPL join hands to become lead advisors for luxury housing development | BR: HBL and Dubai Islamic Bank Pakistan Limited (DIBPL) joined hands as mandated Lead Advisors and Arrangers for Eighteen (Elite Estates Pvt Limited), a luxury housing development located in the twin cities of Islamabad and Rawalpindi.
- Wheat-urea import tenders approved by ECC | BR: The Economic Coordination Committee (ECC) of the Cabinet has approved award of two tenders with the first one for import of 550,000 metric tons of wheat and the other for the import of 100,000 metric tons of urea to build strategic reserves for the fiscal year 2021-22 Rabi season.
- PM inaugurates mega power line | BR: Prime Minister Imran Khan Thursday expressed optimism that state-of-the-art Matiari to Lahore transmission line with four percent line losses was the need of the country to lessen the burden of expensive electricity on the consumers, who have been paying the cost of high line losses of the power sector.

Market Indices			
	30-Sep-21	29-Sep-21	30-Jun-21
KSE 100	44,900	44,367	47,356
KSE 30	17,661	17,457	18,962
KMI 30	72,316	71,117	76,622
KSE All Shares	30,669	30,263	32,480
Volume (mn Shares)			
	30-Sep-21	FYTD (Average)	
KSE 100	212.6	137.2	
KSE 30	80.1	45.1	
KMI 30	66.5	49.4	
KSE All Shares	372.4	407.7	
Commodity Rates			
	30-Sep-21	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	78.5	-0.2%	4.5%
Crude Oil-Arab Light (USD/BBL)	76.5	-1.1%	6.6%
Coal (USD/Tonne)	139.7	3.4%	56.9%
Copper(USD/Lbs)	4.0	-2.8%	-5.3%
Cotton (USD/Lbs)	102.7	3.9%	26.1%
CRC Steel (USD/Tonne)	960.0	0.0%	-19.0%
Currency (Interbank)			
	30-Sep-21	Daily Change	FYTD Change
US Dollar	170.5	0.1%	8.2%
UK Pound	229.7	0.5%	5.5%
Euro	197.5	0.0%	5.7%
UAE Dirham	46.7	0.0%	8.4%
Chinese Yuan	26.4	0.5%	8.4%
Fund Flows (USD mn)			
	30-Sep-21	FYTD	
FOREIGN INDIVIDUAL	0.01	2.95	
FOREIGN CORPORATES	-9.22	-97.77	
OVERSEAS PAKISTANI	0.28	11.42	
FIPI NET	**-8.93**	**-83.40**	
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			
	30-Sep-21	29-Sep-21	30-Jun-21
SBP Policy Rate	7.25	7.25	7.00
CPI Inflation	8.4%	8.4%	9.7%
3 Month T-Bill	7.59	7.60	7.28
6 Month T-Bill	7.99	7.99	7.53
12 Month T-Bill	8.73	8.73	7.81
3 Year Government Bond	9.72	9.71	8.99
5 Year Government Bond	9.95	9.95	9.49
10 Year Government Bond	10.45	10.45	9.94
3 Month KIBOR	7.78	7.78	7.45
6 Month KIBOR	8.15	8.16	7.69

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