# Morning News 05-Oct-2021

MCB-ARIF HABIB
Savings and Investments Limited

- PM unveils targeted subsidy as inflation relief | Dawn: Prime Minister Imran Khan on Monday announced a 40% targeted subsidy for the poor on purchase of essential food items, saying the special step would provide relief to low-income groups against inflation. Addressing the launching ceremony of an ambitious PKR1.4 trillion Kamyab Pakistan Programme (KKP), he said the underprivileged segment would get targeted subsidies on wheat, flour, sugar and ghee (cooking oil).
- Trade deficit widens over 100% to USD11.66bn in Jun-Sept | The News: Pakistan's trade performance remains in doldrums as imports continued to outpace exports by a wide margin, mounting pressure on balance of payment (BOP) position as well as rupee, official data showed on Monday. According to the latest statistics, trade deficit for the first quarter (July-September) of fiscal year 2021-22 widened 100.62% to an alarming USD11.66bn from USD5.81bn in the same period of last fiscal year.
- Second phase of CPEC: Chinese companies showing some reluctance | BR: Chinese companies are reportedly reluctant to engage in the second phase of China Pakistan Economic Corridor (CPEC) due to failure to meet the terms and conditions agreed with existing companies especially in power sector and has bandied charges of enticement.
- Cement despatches drop by 12.17% in September | BR: Cement despatches declined by 12.17% in September 2021 as the total despatches were recorded at 4.59mn tons against 5.23mn tons during the same month of last financial year. According to the data released by All Pakistan Cement Manufacturers Association (APCMA), local cement despatches by the industry during the month of September 2021 were 4.02mn tons compared to 4.10mn tons in September 2020, showing a reduction of 1.88%.
- Govt implements 10% incentives for Refineries (October 2021) | News Today: Government has implemented a 10% upfront tariff for existing oil refineries effective from July 2021. Petroleum division had informed cabinet committee on energy (CCoE) that government had already approved 10% upfront tariff for the existing tariff in budget 2021-22.
- Nepra allows Discos to collect additional PKR1.65 per unit | The News: The National Electric Power Regulatory Authority (NEPRA) on Monday revised the quarterly adjustments of the power cost for consumers by PKR0.03/unit to PKR1.65 for 2021/22 against PKR1.62 of last year. The last year's PKR1.62/unit upward adjustment has already expired at end-September 2021.
- Pak Suzuki Increases Prices of Motorcycles for 3rd Time in 2021 | Pro Pakistani: Following in the footsteps of Atlas Honda and Yamaha, Pak Suzuki Motor Company (PSMC) has also announced a significant increase in the prices of its motorcycles which will take effect on October 5, 2021. The prices have been increased by up to PKR12,000.
- Meezan Bank signs MGPay to Launch Fast Track Digital Payments in Merchant Acquiring Business | Mettis Global: Meezan Bank, the Best Bank in Pakistan and MYGLU Pvt. Ltd., a wholly-owned subsidiary of the US-based MYGLU LLC offering next-generation business solutions via integrated information technology products and services, have entered into a strategic collaboration to enable Point Of Sale (POS) payment services, branded as MGPay.
- Summit Bank to sell 51% shares to UAE investor | Dawn: The board of directors of Summit Bank has agreed to sell at least 51% controlling interest to a UAE-based investor at PKR2.51 per share, a regulatory filing said on Monday. The smallest listed bank in terms of total assets will let Nasser Abdulla Hussain Lootah, who currently owns 0.51% shares in the bank, subscribe to new ordinary shares by way of fresh equity injection.
- Oil settles above $81 | BR: Oil jumped to a three-year peak on Monday after OPEC+ confirmed it would stick to its current output policy as demand for petroleum products rebounds, despite pressure from some countries for a bigger boost to production. The producer club's decision to keep increasing oil output gradually sent prices sharply higher, adding to inflationary pressures that consuming nations fear will derail an economic recovery from the pandemic.
- MoC shifts blame for rising imports to other quarters | BR: Commerce Ministry is reportedly holding other ministries responsible for unprecedented growth in imports due to which the country's Current Account Deficit (CAD) is increasing each month.
- Pakistani startups raised a record $305mn during Jul-Sep 2021 | Mettis Global: CY2021 has so far proved to be exceptional for Pakistani startups as they raised a record USD 305 million of investment globally during July-Sep 2021. The sectors include E-commerce, Fintech, Health and Freight.
- High-powered cell formed to investigate offshore firm owners | Dawn: Prime Minister Imran Khan on Monday formed a high-powered cell to investigate if any irregularity had been committed by the 700 Pakistanis named in the Pandora Papers including federal cabinet members, politicians, retired generals, owners of media houses and others in establishing offshore companies.

| **Market Indices** | | | |
|---|---|---|---|
| | **4-Oct-21** | **1-Oct-21** | **30-Jun-21** |
| KSE 100 | 45,045 | 44,872 | 47,356 |
| KSE 30 | 17,684 | 17,608 | 18,962 |
| KMI 30 | 72,472 | 72,203 | 76,622 |
| KSE All Shares | 30,844 | 30,694 | 32,480 |
| **Volume (mn Shares)** | | | |
| | **4-Oct-21** | **FYTD (Average)** | |
| KSE 100 | 94.4 | 136.4 | |
| KSE 30 | 48.2 | 45.0 | |
| KMI 30 | 37.3 | 49.1 | |
| KSE All Shares | 266.7 | 404.1 | |
| **Commodity Rates** | | | |
| | **4-Oct-21** | **Daily Change** | **FYTD Change** |
| Crude Oil-Brent (USD/BBL) | 81.3 | 2.5% | 8.2% |
| Crude Oil-Arab Light (USD/BBL) | 79.0 | 3.2% | 10.0% |
| Coal (USD/Tonne) | 150.4 | 4.9% | 68.9% |
| Copper(USD/Lbs) | 4.2 | 1.3% | -1.9% |
| Cotton (USD/Lbs) | 101.7 | 0.4% | 25.0% |
| CRC Steel (USD/Tonne) | 935.0 | 0.0% | -21.1% |
| **Currency (Interbank)** | | | |
| | **4-Oct-21** | **Daily Change** | **FYTD Change** |
| US Dollar | 170.4 | 0.4% | 8.2% |
| UK Pound | 231.9 | 0.9% | 6.5% |
| Euro | 198.0 | 0.6% | 6.0% |
| UAE Dirham | 46.5 | -0.5% | 7.9% |
| Chinese Yuan | 26.4 | 0.4% | 8.3% |
| **Fund Flows (USD mn)** | | | |
| | **4-Oct-21** | **FYTD** | |
| FOREIGN INDIVIDUAL | 0.00 | 2.96 | |
| FOREIGN CORPORATES | -4.44 | -105.90 | |
| OVERSEAS PAKISTANI | 0.84 | 12.15 | |
| **FIPI NET** | **-3.59** | **-90.79** | |
| **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** | | | |
| | **4-Oct-21** | **1-Oct-21** | **30-Jun-21** |
| SBP Policy Rate | 7.25 | 7.25 | 7.00 |
| CPI Inflation | 9.0% | 8.4% | 9.7% |
| 3 Month T-Bill | 7.58 | 7.59 | 7.28 |
| 6 Month T-Bill | 8.00 | 8.00 | 7.53 |
| 12 Month T-Bill | 8.77 | 8.74 | 7.81 |
| 3 Year Government Bond | 9.72 | 9.70 | 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 | 7.77 | 7.78 | 7.45 |
| 6 Month KIBOR | 8.15 | 8.15 | 7.69 |

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