Morning News 06-Oct-2021

MCB-ARIF HABIB
Savings and Investments Limited

- Govt debt goes up by 11.5% to PKR39.7tr | Dawn: The central government's total debt increased by 11.5% in August this year from August 2020 while the external debt (in terms of rupees) increased by 8% in the first two months of 2021-22. The State Bank of Pakistan's latest report on government's total debts showed the external debts also increased significantly by PKR1.3 trillion in a year's time mainly on account of appreciation of US dollar against local currency.
- Govt to raise PKR5.88trn in 3 months | The News: The government is set to raise PKR5.88 trillion from the sale of treasury bills and bonds up to the end of December 2021, which is higher compared with the maturities of PKR5.10 trillion. The State Bank of Pakistan (SBP) on Tuesday said that it would continue to hold fortnightly auctions for three, six and 12 months Market Treasury Bills between October and December.
- GDP to surpass 5% growth due to higher cotton output | Metis Global: The All Pakistan Textile Manufacturing Association (APTMA) Tuesday said due to higher cotton output, the country's Gross Domestic Product (GDP) growth rate was set to surpass the 5% mark during fiscal year 2021-22.
- Oil sales up 24% in 1QFY22 | Dawn: The country's oil sales in the first quarter of the ongoing fiscal year (1QFY22) posted a 24% growth to 5.86mn tonnes from 4.74mn tonnes on the back of rising trend in sales of furnace oil (FO), high speed diesel (HSD), petrol, HOBC and light diesel oil.
- Prices of POL products likely to increase | BR: The prices of petroleum products for the second half of October are expected to further increase as the Brent oil price reached USD81 per barrel on Tuesday, market sources said. Pakistan imports oil from the Middle East where crude prices fluctuate. The imports of crude oil and petroleum products are mostly based on long-term contracts with Kuwait, Saudi Arabia, and the United Arab Emirates.
- Nepra censures Discos | BR: National Electric Power Regulatory Authority (Nepra) said on Tuesday that performance of power Distribution Companies (Discos) is pathetic and cannot be improved without structural reforms. Vice Chairman Nepra Rafique Ahmad Shaikh shared these observations at a meeting of National Assembly panel, constituted to discuss and recommend resolutions of issues faced by legislators with respect to Karachi Electric (KE) and Discos and Gencos of Sindh.
- SC irked by lack of adequate investment in power transmission lines | BR: The Supreme Court noted that no substantial investment has been made for the improvement of transmission lines and alternative power generation plants. A three-judge bench, headed by Justice Umar Ata Bandial, on Tuesday, heard a review petition of the All Pakistan Textile Mills Association (APTMA). Justice Bandial said there was a need to support the economic activities and that export-oriented units should receive power at subsidised rates, so they could compete in the international market.
- PSMCL suspends bookings for Alto AGS, Cultus VXL and Cultus AGS | BR: Pak Suzuki Motors Company Limited (PSMCL) has reportedly suspended the booking of Alto AGS, Cultus VXL, and Cultus AGS temporarily. According to the market sources, the decision was made in light of the shortage of semi-conductors at the international level, forcing the company to restrain the production of Alto AGS, Cultus VXL, and Cultus AGS temporarily.
- Faysal Bank says its ultimate beneficial ownership will not change | BR: Faysal Bank has said that its ultimate beneficial ownership will not change even if its parent entity proceeds with a potential sale of assets and Ithmaar Holding will remain its ultimate beneficial owner. Ithmaar Holding B.S.C., the parent of Ithmaar Bank, has entered into memorandum of understanding with Al-Salam Bank-Bahrain for exploring potential acquisition by Al-Salam of a group of assets from Ithmaar Holding.
- Cabinet confirms concessional winter power tariff | The News: The government on Tuesday approved the seasonal concessional electricity package for domestic and commercial consumers for the off-peak November-February period, granting a concession of up to Rs7/unit. This concession will be available to these power consumers on the additional units of power consumed in given month over same month of the last year, according to an official handout.
- CDC cuts tariff to facilitate capital market | BR: In line with its vision to facilitate capital market participants and as per the guidelines of Securities and Exchange Commission of Pakistan (SECP) to reduce cost of doing business, Central Depository Company of Pakistan (CDC) has again taken a step forward by further reduction in the base tariff for its major depository services.
- Motorcycle, auto rickshaw prices soar | Tribune: Manufacturers of auto-rickshaws and motorcycles have increased prices in line with the trend witnessed in the passenger car segment. APMA) Chairman Sabir Shaikh revealed that all companies issued a letter last month, announcing an increase of Rs5,000 in prices of rickshaws and loaders. Manufacturers of brands such as United, Road Prince, New Asia, Unique, Elite, Hi-Speed, Sazgaar, Raftaar and Super Star have raised prices by around Rs25,000 in recent months.
- EV stations in Pakistan by next year | The News: Charging stations for commercial electric vehicles will be set up in major cities and motorways in Pakistan by the end of next year. Director-General Board of Investment Pakistan Jamil Ahmed Qureshi said that an Italian company had come up with proposals to build "electric vehicle stations" by generating electricity through solar panels on major highways in Pakistan and the government was considering the proposal.
- SNGP records bumper profits during 9MFY21 | Mettis Global: Sui Northern Gas Pipelines Ltd (SNGP), a utility gas company, has shown a 55% surge in profits that clocked in at Rs8.94 billion (EPS: Rs14.09) during 9MFY21 against a net profit of Rs5.78bn (EPS: Rs9.11) reported in the corresponding period last fiscal year.
- Pandora Papers: Senate body on finance expresses its concern over revelations | BR: The Senate Standing Committee on Finance, on Tuesday, took notice of names of over 700 Pakistanis in Pandora Papers for owning offshore companies, and observed that capital flight is a matter of great concern when the Financial Action Task Force (FATF) would review the country's position in the current month and where money laundering and money trail is being questioned.

Market Indices			
	5-Oct-21	4-Oct-21	30-Jun-21
KSE 100	44,667	45,045	47,356
KSE 30	17,543	17,684	18,962
KMI 30	71,864	72,472	76,622
KSE All Shares	30,657	30,844	32,480
Volume (mn Shares)			
	5-Oct-21	FYTD (Average)	
KSE 100	141.6	136.4	
KSE 30	66.1	45.3	
KMI 30	57.3	49.2	
KSE All Shares	334.2	403.3	
Commodity Rates			
	5-Oct-21	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	82.6	1.6%	9.9%
Crude Oil-Arab Light (USD/BBL)	80.7	2.2%	12.3%
Coal (USD/Tonne)	256.6	8.2%	138.5%
Copper(USD/Lbs)	4.1	-1.1%	-3.0%
Cotton (USD/Lbs)	105.7	3.9%	29.9%
CRC Steel (USD/Tonne)	935.0	0.0%	-21.1%
Currency (Interbank)			
	5-Oct-21	Daily Change	FYTD Change
US Dollar	170.5	0.1%	8.2%
UK Pound	232.4	0.2%	6.7%
Euro	197.7	-0.1%	5.9%
UAE Dirham	46.7	0.5%	8.4%
Chinese Yuan	26.4	0.1%	8.4%
Fund Flows (USD mn)			
	5-Oct-21	FYTD	
FOREIGN INDIVIDUAL	0.00	2.96	
FOREIGN CORPORATES	2.10	-103.80	
OVERSEAS PAKISTANI	0.68	12.83	
FIPI NET	**2.78**	**-88.01**	
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			
	5-Oct-21	4-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	7.55	7.58	7.28
6 Month T-Bill	7.99	8.00	7.53
12 Month T-Bill	8.77	8.77	7.81
3 Year Government Bond	9.73	9.72	8.99
5 Year Government Bond	9.98	9.95	9.49
10 Year Government Bond	10.60	10.45	9.94
3 Month KIBOR	7.79	7.77	7.45
6 Month KIBOR	8.15	8.15	7.69

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