Morning News 07-Oct-2021

MCB-ARIF HABIB
Savings and Investments Limited

- Overseas Pakistanis: NRLP incentives may be partially withdrawn | BR: The government is likely to partially withdraw incentives offered to Overseas Pakistanis under National Remittance Loyalty Program (NRLP) after the State Bank of Pakistan's opposition, sources close to Finance Minister told Business Recorder.
- Govt increases T-bills rates by 21bps | Dawn: The government has increased the cutoff yield on treasury bills (T-bills) for three and six months by 21 basis points in the auction held on Wednesday. The government raised PKR691.3bn through the auction of T-bills against its target of PKR900bn. The amount raised for the three-months T-bills was PKR503.1bn while PKR81.3bn was raised for the six-months.
- THE RUPEE: PKR hits fresh low | BR: Pakistan's rupee reached a fresh low against the US dollar, closing near the 171 level in the inter-bank market on Wednesday. As per the State Bank of Pakistan (SBP), the PKR closed at 170.96 against the USD, a day-on-day decline of 16 paisas or 0.09%.
- Pakistan shared all CPEC loans details with IMF: Umar | The News: Pakistan had shared all the details of loans under China-Pakistan Economic Corridor (CPEC) with the International Monetary Fund (IMF) before entering its USD6bn Extended Fund Facility (EFF), a minister said on Wednesday. "There are no secret or expensive loans obtained through CPEC as Chinese debts are cheaper than other countries," said Asad Umar.
- Power tariff main reason behind stalled IMF talks | BR: The parleys between International Monetary Fund (IMF) and Power Division on new Circular Debt Management Plan (CDMP) are reportedly not heading towards any conclusion due to impasse on increase in electricity tariff, well informed sources told Business Recorder.
- Multiple power buyer system likely from next fiscal year | Dawn: Bulk consumers of electricity will have the option to buy electricity on a competitive basis from any power producer of their choice from July 2022 onwards, said Tabish Gauhar, who recently stepped down as Special Assistant to the Prime Minister (SAPM) on Power and Petroleum.
- EU mission due this month to review GSP plus facility | The News: European Union is preparing a highly anticipated fourth biennial review of Pakistan under the EU's special incentive arrangement for good governance and sustainable development' (GSP- Plus) with a visit to policymakers and industry leaders later this month.
- Record cotton rate sends buyers into frenzy | Dawn: An all-time high rate of white lint in the Karachi cotton market traumatised the buyers, particularly textile spinners, on Wednesday when prices of the commodity crossed the PKR15,000 per maund mark. The price hike was forced by reports that cotton futures were traded at US 113.92 cents per pound in the New York market, which was perhaps the highest rate since 2011-12 when the lint had been sold at USD2.26 per pound, brokers said.
- Govt curtails powers of NAB, gives FBR real teeth | BR: The federal government has withdrawn powers and jurisdiction of the National Accountability Bureau (NAB) to investigate persons/transactions causing revenue loss on account of taxation matters. Through the National Accountability (Second Amendment) Ordinance 2021, the powers of the NAB to investigate the taxation matters has been taken away, as the same would be investigated by the competent departments i.e., the FBR.
- SBP acts to curb 'undesirable' forex outflows | BR: The State Bank of Pakistan (SBP) Wednesday has taken a numbers of measures to curb undesirable foreign currency outflows and as per fresh directives, persons travelling to Afghanistan will be allowed to carry only USD1,000 per person per visit with a maximum annual limit of USD6,000.
- KE in talks for new PPA | BR: Federal Government and Karachi Electric (KE) will sign a new Power Purchase Agreement (PPA) by next month for which negotiations between the concerned entities are in progress. This was disclosed by Additional Secretary Power Division/ CEO CPPA-G Waseem Mukhtar at a meeting of Senate Standing Committee on Power.
- Senate panel on power seeks report on closure of power plants | Pakistan Today: The Senate Standing Committee on Power has sought a detailed report over the losses of power generation companies (GENCOs) and also advised to submit details of all the members of GENCOs board from the year 2000 till now.
- Tarin asks Balochistan, Sindh to bring down flour prices | Dawn: Finance Minister Shaukat Tarin on Wednesday took strict notice of high prices of wheat flour prevailing in Sindh and Balochistan and urged the chief secretaries to start daily release of wheat for stabilising its prices. The federal government is constantly criticising the provincial governments, especially Sindh, for not matching the price fixed by Punjab, which is releasing wheat to flour mills at PKR1,950 per 40 kg.
- Major reshuffle in Army | The News: In a major reshuffle in the army, Karachi Corps Commander Lt Gen Nadeem Ahmed Anjum has been appointed as the new Director General of the Inter Services Intelligence (ISI), replacing Lt Gen Faiz Hameed who has been posted as Corps Commander Peshawar, the Inter Services Public Relations (ISPR) stated Wednesday.

Market Indices			
	6-Oct-21	5-Oct-21	30-Jun-21
KSE 100	44,373	44,667	47,356
KSE 30	17,463	17,543	18,962
KMI 30	71,425	71,864	76,622
KSE All Shares	30,461	30,657	32,480
Volume (mn Shares)			
	6-Oct-21	FYTD (Average)	
KSE 100	123.0	136.3	
KSE 30	71.4	45.6	
KMI 30	59.4	49.3	
KSE All Shares	252.7	401.4	
Commodity Rates			
	6-Oct-21	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	81.1	-1.8%	7.9%
Crude Oil-Arab Light (USD/BBL)	80.9	0.2%	12.6%
Coal (USD/Tonne)	221.0	-13.9%	105.4%
Copper(USD/Lbs)	4.1	-0.8%	-3.8%
Cotton (USD/Lbs)	107.9	2.0%	32.5%
CRC Steel (USD/Tonne)	935.0	0.0%	-21.1%
Currency (Interbank)			
	6-Oct-21	Daily Change	FYTD Change
US Dollar	170.8	0.1%	8.4%
UK Pound	231.9	-0.2%	6.5%
Euro	197.3	-0.2%	5.7%
UAE Dirham	46.7	0.0%	8.4%
Chinese Yuan	26.5	0.1%	8.6%
Fund Flows (USD mn)			
	6-Oct-21	FYTD	
FOREIGN INDIVIDUAL	0.00	2.96	
FOREIGN CORPORATES	-3.40	-107.20	
OVERSEAS PAKISTANI	-0.24	12.59	
FIPI NET	**-3.64**	**-91.65**	
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			
	6-Oct-21	5-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	7.57	7.55	7.28
6 Month T-Bill	8.00	7.99	7.53
12 Month T-Bill	8.80	8.77	7.81
3 Year Government Bond	9.74	9.73	8.99
5 Year Government Bond	10.00	9.98	9.49
10 Year Government Bond	10.65	10.60	9.94
3 Month KIBOR	7.81	7.79	7.45
6 Month KIBOR	8.16	8.15	7.69

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