Morning News 08-Oct-2021

MCB-ARIF HABIB Savings and Investments Limited

- WB lowers GDP forecast, projects higher inflation | BR: The World Bank has lowered the GDP growth projection for Pakistan by 0.1%, i.e., from estimated 3.5% in fiscal year 2021 (against Pakistan's claim of 3.94%) to 3.4% for fiscal year 2022, while inflation is projected to edge up with expected domestic energy tariff hikes and higher oil and commodity prices.
- Extended Fund facility review: IMF demands raise in Income tax, sales tax, RD | The News: The International Monetary Fund (IMF) has asked Pakistan to take additional taxation measures in the shape of Income Tax, Sales Tax, and Regulatory Duty (RD) for jacking up the annual tax collection target from PKR5.8 trillion to PKR6.3 trillion.
- Pakistan's Forex Reserves decrease by USD150.9mn | Mettis Global: The total liquid foreign reserves held by the country stood at USUSD 25,999.9mn on 01-October-2021. On Sep 24, 2021, it was at USUSD 26,150.8mn, which means that Pakistan's FX reserves decreased by USUSD150.9mn or 1% WoW.
- ECC restricts cash redemption on remittances | Dawn: The Economic Coordination Committee (ECC) of the cabinet on Thursday empowered a committee led by Finance Minister Shaukat Tarin to ban or allow export of onions and tomatoes based on actual data and decided to restrict cash redemption of reward points on remittances to only those overseas Pakistanis who return to the motherland permanently.
- Electricity generation witnesses 9,363.44 GWh increase in FY21 | Mettis Global: The total electricity generation in the country including the power plants connected with National Transmission and Despatch Company (NTDC) and Karachi-Electric KE Systems was recorded as 143,090.64 GWh in fiscal year 2020-21 as compared to 133,727.20 GWh in FY 2019-20 showing increase of 9,363.44 GWh.
- Investment in textile sector | Dawn: Adviser to the Prime Minister on Commerce and Investment Abdul Razak Dawood on Thursday appreciated new investment of USD5 billion in the textile sector. "We have been informed that an investment of approximately USD 5bn is in the pipeline under which 100 new textile units are expected to be established," he said on his official Twitter account.
- Govt raises cotton output forecast by 1mn bales to 9.37mn | The News: The government on Thursday raised its forecast for cotton output by one million bales to 9.37mn bales during the current crop season on near-perfect growing conditions and price support to farmers and also looks set for bumper harvest of 28.9mn tons from wheat crop.
- Plan to import power from Central-Asia hits snag | The News: The work on crucial and one of the longest stretches of Central Asia South Asia 1000 (CASA-1000) power transmission line has been suspended following change of guard in Afghanistan after withdrawal of US forces, sources said on Thursday.
- Work on Dasu Hydropower Project to Resume Soon | Pro Pakistani: The Ministry of Water Resources has held out assurance to the National Assembly Standing Committee on Water Resources that the talks, underway with the Chinese authorities on the safety and security of Chinese workers engaged in Dasu Hydropower Project, will yield results and the work halted in July 2021 in the wake of a terrorist attack will resume soon.
- NCCPL deposits PKR8.8bn CGT in national exchequer | BR: National Clearing Company of Pakistan Limited (NCCPL) has collected and deposited PKR8.8bn capital gain tax (CGT) in national exchequer and issued annual CGT certificates to around 219,000 investors during the financial year 2020-21. The amount of CGT collected in the current financial year is significantly higher in comparison with PKR1.7bn of the financial year 2019-20.
- Toyota Yaris shines in Pakistan after failing to gain traction in India | Dawn: While Toyota India has recently announced the move to discontinue Toyota Yaris, the same car in Pakistan has been shining since its launch in May 2020. In India, Yaris was launched in 2018 to compete with Honda City, Maruti Suzuki Ciaz and Hyundai Verna.
- Wendy Sherman arrives | BR: A seven-member delegation led by US Deputy Secretary of State Wendy Sherman arrived in Islamabad late Thursday to hold talks with civil and military leadership, private TV channel reported. The US diplomat and her delegation arrived at the Islamabad International Airport by a chartered flight.
- TI-P wants probe against Pakistanis named in 'leaks' | BR: Transparency International-Pakistan (TI-P) has urged Prime Minister Imran Khan to direct FBR to initiate proceeding against all Pakistani citizens named in Panama Papers and Pandora Papers. In a letter to Secretary to Prime Minister, Azam Khan, TI-P, said that it has noted that over 700 citizens of Pakistan are named in Pandora Papers in 2021 in addition to 450 persons/citizens earlier named in Panama papers in 2016.
- PM for provision of targeted subsidy on essential items | BR: Prime Minister Imran Khan, on Thursday, directed government officials to expedite preparations for the provision of targeted subsidy on essential food items to the deserving population under Ehsaas Targeted Commodity Subsidy Programme. He issued these directives, while presiding over a high-level meeting held to review progress on the said programme.

Market Indices

	7-Oct-21	6-Oct-21	30-Jun-21
KSE 100	44,586	44,373	47,356
KSE 30	17,544	17,463	18,962
KMI 30	71,650	71,425	76,622
KSE All Shares	30,579	30,461	32,480

Volume (mn Shares)

	7-Oct-21	FYTD (Average)
KSE 100	111.9	136.0
KSE 30	59.8	45.8
KMI 30	46.8	49.3
KSE All Shares	296.0	400.2

Commodity Rates

	7-Oct-21	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	82.0	1.1%	9.1%
Crude Oil-Arab Light (USD/BBL)	79.0	-2.3%	10.0%
Coal (USD/Tonne)	211.9	-4.1%	96.9%
Copper(USD/Lbs)	4.2	2.3%	-1.5%
Cotton (USD/Lbs)	108.4	2.5%	33.2%
CRC Steel (USD/Tonne)	935.0	0.0%	-21.1%

Currency (Interbank)

	7-Oct-21	Daily Change	FYTD Change
US Dollar	170.3	-0.3%	8.1%
UK Pound	231.8	0.0%	6.4%
Euro	196.6	-0.3%	5.3%
UAE Dirham	46.7	0.0%	8.4%
Chinese Yuan	26.4	-0.3%	8.2%

Fund Flows (USD mn)

	7-Oct-21	FYTD
FOREIGN INDIVIDUAL	-0.01	2.95
FOREIGN CORPORATES	-4.03	-111.22
OVERSEAS PAKISTANI	0.64	13.23
FIPI NET	**-3.40**	**-95.05**

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

	7-Oct-21	6-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	7.76	7.57	7.28
6 Month T-Bill	8.16	8.00	7.53
12 Month T-Bill	8.92	8.80	7.81
3 Year Government Bond	9.90	9.74	8.99
5 Year Government Bond	10.18	10.00	9.49
10 Year Government Bond	10.87	10.65	9.94
3 Month KIBOR	7.94	7.81	7.45
6 Month KIBOR	8.33	8.16	7.69

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