Morning News 11-Oct-2021

MCB-ARIF HABIB
Savings and Investments Limited

- Remittances hit new peak in July-September | Dawn: The remittances sent home by overseas Pakistanis soared to an all-time high of USD8.04bn year-on-year in the July-September quarter of current fiscal year, aided by efforts of the government and State Bank of Pakistan (SBP) to encourage expatriates to use formal money transfer channels. According to data released by the SBP on Friday, the inflow of remittances accelerated 12.5% in the first quarter of fiscal year 2021-22 over the same period of last year.
- Expatriates invest USD2.4bn in RDA | Dawn: Slowly but steadily the Roshan Digital Accounts (RDA) have started attracting overseas Pakistanis as they have invested USD2.4bn at the end of the last month. The State Bank of Pakistan (SBP) had introduced the RDA in September last year for non-resident Pakistanis to enable them to remotely open bank accounts in their homeland through online digital portals without physically visiting branches.
- IMF asks Pakistan to take steps to slash current account deficit | The News: The International Monetary Fund (IMF) has asked Pakistan to take a combination of measures, including allowing adjustments in the exchange rate, further tightening of monetary and fiscal policies in order to curtail the rising current account deficit.
- Technical-level talks with IMF conclude | Dawn: Pakistan and the International Monetary Fund (IMF) on Saturday concluded technical-level discussions on a 'positive note' and agreed to continue talks at a higher level in Washington from next week to put USD6bn Extended Fund Facility (EFF) back on track.
- Inflation will continue unabated till April: PM aide | Dawn: Special Assistant to the Prime Minister (SAPM) on National Food Security Jamshed Iqbal Cheema on Saturday cautioned consumers that prices of food items will continue following their upward trajectory until April next year and one must not expect any cut in the prices during this period.
- Weekly inflation surges 1.2% | Dawn: Inflation measured through Sensitive Price Index (SPI) posted a hefty increase of 1.21% for the week ended on Oct 7 driven by a sharp rise in the prices of essential food items, data released by the Pakistan Bureau of Statistics (PBS) showed on Friday. The preceding two weeks witnessed a decline after maintaining rising trend in the past 12 weeks.
- Textile exports jump 26% in September | Dawn: Textile exports grew 26% to USD1.50bn in September, according to the All Pakistan Textile Mills Association. The textile exports earlier registered year-on-year growth of 29% in the first two months (July and August) of 2021-22 as compared with the corresponding period of the preceding year.
- New vehicles import hits all-time high in FY21 | Dawn: Pakistan has witnessed record foreign exchange spending on highest-ever arrival of new automobiles in 2020-21 on strong demand followed by revival of used vehicles imports. The country imported record 10,513 units of new cars, jeeps, vans, pickups, two-wheelers and buses in FY21 compared to 1,680 units in FY20, 3,716 units in FY19 and 7,424 units in FY18.
- Spurred by latest investment, Pakistan's textile sector eyes USD21bn exports in FY22 | Dawn: Pakistan's textile sector expects to hit exports of USD21bn by the end of this fiscal year, said All Pakistan Textile Mills Association (APTMA) newly-elected Chairman Abdul Rahim Nasir, a target that is an ambitious 40% higher than last year.
- CCOE allots capacity to LNG terminals | Tribune: The Cabinet Committee on Energy (CCOE) on Friday allocated pipeline capacity up to 600mmcfd to two new LNG terminals to lock USD800mn worth investment and open market for the private sector. At present, state companies have monopoly in the gas market.
- Discos' tariff increased by PKR1.95 per unit | BR: National Electric Power Regulatory Authority (Nepra) has increased tariffs of Distribution Companies (Discos) by PKR1.95 per unit for August 2021 under monthly Fuel Component Adjustment (FCA) mechanism, amid dissenting note from Vice Chairman Nepra on purpose of power plants whose PPAs were altered without Authority's approval.
- Petrol, diesel prices may go up by PKR7-10 per litre | The News: Another possible blow to the masses is on the cards as the price of motor gasoline (petrol) is likely to be increased by PKR7 per litre and high speed diesel (HSD) by PKR10 per litre from October 16.
- Making Karachi loadshedding-free city: PD seeks Nepra's nod on proposed NTDC-KE IA deal | BR: The Power Division (PD) has sought nod of National Electric Power Regulatory Authority (Nepra) on the proposed Inter-Connection Agreement (IA) between NTDC and KE, to achieve the dream of making Karachi, the country's business hub, a load-shedding free city by 2023, sources in Nepra told.
- Rice exports to Russia restored after two-year ban | Pakistan Today: The exports of rice to Russia have been restored with officials of the Department of Plant Protection (DPP), an attached department of Ministry of Food Security & Research (MFS&R), claiming that the development was a result of the government's efforts to increase the country's exports.
- Three Chinese companies show interest to revive Pakistan Steel Mills | Nation: Three Chinese companies including the Metallurgical Corporation of China (MCC) have shown interest to revive Pakistan's largest steel manufacturing complex, Pakistan Steel Mills (PSM).
- Pandora Papers: Only 70 to 80 Pakistanis identified by FBR so far | BR: The Federal Board of Revenue (FBR) has so far identified only 70-80 Pakistanis named in the Pandora Papers having offshore companies in tax havens aboard. Sources told Business Recorder Friday that the data of the 700 Pakistanis having offshore companies has not been updated on the ICIJ website.
- Sherman hails 'longstanding ties' with Pakistan | Tribune: US Deputy Secretary of State Wendy Sherman on Friday said Washington had "longstanding relationship" with Pakistan, covering a wide range of issues in an attempt to downplay her remarks in India that she was visiting Islamabad for "specific and narrow" purpose and the US did not seek a "broad relationship" with the country.

Market Indices

	8-Oct-21	7-Oct-21	30-Jun-21
KSE 100	44,477	44,586	47,356
KSE 30	17,525	17,544	18,962
KMI 30	71,477	71,650	76,622
KSE All Shares	30,599	30,579	32,480

Volume (mn Shares)

	8-Oct-21	FYTD (Average)
KSE 100	66.2	135.1
KSE 30	33.3	45.6
KMI 30	23.7	49.0
KSE All Shares	176.0	397.5

Commodity Rates

	8-Oct-21	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	82.4	0.5%	9.7%
Crude Oil-Arab Light (USD/BBL)	80.3	1.6%	11.8%
Coal (USD/Tonne)	221.5	4.5%	105.9%
Copper(USD/Lbs)	4.2	0.8%	-0.8%
Cotton (USD/Lbs)	107.4	-0.9%	31.9%
CRC Steel (USD/Tonne)	920.0	-1.6%	-22.4%

Currency (Interbank)

	8-Oct-21	Daily Change	FYTD Change
US Dollar	170.3	0.0%	8.1%
UK Pound	231.7	0.0%	6.4%
Euro	196.9	0.1%	5.4%
UAE Dirham	46.7	0.0%	8.4%
Chinese Yuan	26.4	0.1%	8.3%

Fund Flows (USD mn)

	8-Oct-21	FYTD
FOREIGN INDIVIDUAL	0.00	2.95
FOREIGN CORPORATES	3.50	-107.72
OVERSEAS PAKISTANI	0.64	13.87
FIPI NET	**4.14**	**-90.90**

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

	8-Oct-21	7-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	7.78	7.76	7.28
6 Month T-Bill	8.15	8.16	7.53
12 Month T-Bill	8.94	8.92	7.81
3 Year Government Bond	9.93	9.90	8.99
5 Year Government Bond	10.28	10.18	9.49
10 Year Government Bond	10.74	10.87	9.94
3 Month KIBOR	7.96	7.94	7.45
6 Month KIBOR	8.31	8.33	7.69

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