Morning News 12-Oct-2021

MCB-ARIF HABIB
Savings and Investments Limited

- WB estimates external debt stocks at USD108.53bn | BR: The World Bank has estimated Pakistan's total external debt stocks at USD108.53bn by end 2020 compared to USD100.83bn by end 2019. The World Bank in its latest report, "International Debt Statistics 2022", stated that for Pakistan, the eight percent increase in external debt stocks reflected the inflow of budgetary support from official bilateral and multilateral creditors and rollover and new credit lines from commercial banks.
- KSE-100 Index witnesses' record profitability in FY21: Earnings grow by 60pc post-Covid YoY | BR: The KSE-100 Index companies' recorded record profitability in FY21, growing by 60 percent on year-on-year basis to PKR884bn mainly led by macro recovery post COVID-19 lockdowns in FY20. This profitability was significantly higher than last 5-Year and 10-Year CAGRs of 8% and 11%, respectively.
- Pakistan is test case for FATF's fairness: law minister | Tribune: Pakistan is a test case for the fairness of the Financial Action Task Force (FATF) as the country has met almost all the requirements to exit the grey list, Federal Minister for Law and Justice Farogh Naseem said. Naseem said the international watchdog needs to apply laws to all countries without any prejudice.
- NA body wants wheat support price fixed at Rs2,200 per 40kg | BR: The National Assembly Standing Committee on National Food Security and Research has recommended to the government to announce Rs2,200 per 40kg as the minimum support price for 2021-22 wheat crop.
- FBR to Freeze Taxpayers' Bank Accounts without Notice | Pro Pakistan: The Federal Board of Revenue (FBR) has allowed the field formations to freeze the bank accounts of taxpayers without any prior approval of the Chairman FBR and without 24 hours prior intimation to the CEOs/principal officers/owners of companies.
- Pakistan's rupee falls to 170.74 after back-to-back gains last week | BR: Pakistan's rupee suffered a drop against the US dollar, depreciating to 170.74 in the inter-bank market on Monday. The PKR closed at 170.74 against the USD, a depreciation of 21 paisa or 0.12%. Last week, the PKR dropped to 170.96 against the greenback, the lowest level in its history, before staging a minor recovery.
- Collective Investment Scheme: NCCPL reduces security deposit requirements | BR: National Clearing Company of Pakistan Limited (NCCPL) as part of its continuous endeavor to facilitate market participants, rationalize cost of services, implement prudent risk management measures and to promote ease of doing business, has substantially reduced the security deposit requirement prescribed for the Collective Investment Scheme (CIS) admitted as Non-Broker Clearing Members (NBCMs).
- Renewable Energy Refinancing Scheme: SBP eases conditions for solution providers | BR: To promote investment in renewable energy solutions by companies, the State Bank of Pakistan (SBP) has eased the conditions for renewable energy solution providers under its Refinance Scheme for Renewable Energy.
- Gas deficit looms large as PLL fails to procure eight LNG cargoes | The News: The unprecedented gas deficit in the forthcoming winter season has become inevitable as Pakistan LNG Limited (PLL) has failed to attract the LNG trading companies in response to its tender floated on September 11, 2021 seeking eight LNG cargoes, four each for December and January.
- Pak Arab, FFBQL: ECC approves maximum provision of gas | BR: The Economic Coordination Committee (ECC) of the Cabinet, Monday, approved maximum provision of gas to Pak Arab and Fauji Fertilizer Bin Qasim Limited (FFBQL) to ensure that estimated demand for urea fertilizer is met through domestic production to stabilize prices of urea fertilizer during Rabi season 2021-22.
- Summit Bank BoD okays raise in authorized capital | BR: The board of directors of Summit Bank Limited has approved increase in the authorized capital of the bank, i.e., from PKR28bn to PKR90bn subject to the approval of the regulatory authorities and the shareholders.
- Largest external debt stocks: Pakistan among top 10 countries | The News: Pakistan is among the top 10 countries that possess the largest external debt stocks and became eligible for the Debt Service Suspension Initiative (DSSI) in the aftermath of the Covid-19 pandemic. The combined external debt stock of the 10 largest DSSI-eligible borrowers (Angola, Bangladesh, Ethiopia, Ghana, Kenya, Mongolia, Nigeria, Pakistan, Uzbekistan, and Zambia) was $509 billion at end-2020.
- ECC fails to garner support for draft textile policy 2020-25 | Dawn: The Economic Coordination Committee (ECC) of the cabinet failed to muster support for the much-awaited draft Textile and Apparel Policy 2020-25 and constituted a sub-committee to resolve the issues before its next meeting. The ECC failed to get commitments on an uninterrupted supply of subsidized gas and electricity to the textile sector.
- Switch to EVs: Country can save USD2bn in less than 10 yrs., Senate body told | BR: Pakistan can save up to USD2bn in less than 10 years, by 2030, by switching to electric vehicles (EVs) that would drastically reduce oil imports, the Ministry of Industries and Production briefed the Senate Standing Committee on Climate Change, on Monday.
- India's Adani Ports to stop handling containers from Iran, Pakistan, Afghanistan | BR: India's largest port operator Adani Ports and Special Economic Zone said on Monday that its terminals would no longer handle export and import of container cargoes from Iran, Pakistan and Afghanistan from November 15.

| Market Indices | | | |
|---|---|---|---|
| | 11-Oct-21 | 8-Oct-21 | 30-Jun-21 |
| KSE 100 | 43,829 | 44,477 | 47,356 |
| KSE 30 | 17,230 | 17,525 | 18,962 |
| KMI 30 | 70,515 | 71,477 | 76,622 |
| KSE All Shares | 30,190 | 30,599 | 32,480 |

| Volume (mn Shares) | | |
|---|---|---|
| | 11-Oct-21 | FYTD (Average) |
| KSE 100 | 88.8 | 134.6 |
| KSE 30 | 43.9 | 45.6 |
| KMI 30 | 38.8 | 48.8 |
| KSE All Shares | 226.5 | 395.5 |

| Commodity Rates | | | |
|---|---|---|---|
| | 11-Oct-21 | Daily Change | FYTD Change |
| Crude Oil-Brent (USD/BBL) | 83.7 | 1.5% | 11.3% |
| Crude Oil-Arab Light (USD/BBL) | 80.7 | 0.5% | 12.4% |
| Coal (USD/Tonne) | 239.5 | 8.1% | 122.6% |
| Copper(USD/Lbs) | 4.3 | 1.9% | 1.1% |
| Cotton (USD/Lbs) | 107.4 | 0.0% | 31.9% |
| CRC Steel (USD/Tonne) | 920.0 | 0.0% | -22.4% |

| Currency (Interbank) | | | |
|---|---|---|---|
| | 11-Oct-21 | Daily Change | FYTD Change |
| US Dollar | 170.7 | 0.2% | 8.3% |
| UK Pound | 232.0 | 0.1% | 6.5% |
| Euro | 197.1 | 0.1% | 5.6% |
| UAE Dirham | 46.7 | 0.0% | 8.4% |
| Chinese Yuan | 26.5 | 0.1% | 8.4% |

| Fund Flows (USD mn) | | |
|---|---|---|
| | 11-Oct-21 | FYTD |
| FOREIGN INDIVIDUAL | 0.00 | 2.95 |
| FOREIGN CORPORATES | -6.08 | -113.80 |
| OVERSEAS PAKISTANI | 2.05 | 15.92 |
| **FIPI NET** | **-4.02** | **-94.93** |

| 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 | | | |
|---|---|---|---|
| | 11-Oct-21 | 8-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 | 7.77 | 7.78 | 7.28 |
| 6 Month T-Bill | 8.14 | 8.15 | 7.53 |
| 12 Month T-Bill | 8.89 | 8.94 | 7.81 |
| 3 Year Government Bond | 9.90 | 9.93 | 8.99 |
| 5 Year Government Bond | 10.25 | 10.28 | 9.49 |
| 10 Year Government Bond | 10.73 | 10.74 | 9.94 |
| 3 Month KIBOR | 7.96 | 7.96 | 7.45 |
| 6 Month KIBOR | 8.31 | 8.31 | 7.69 |

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