Morning News 14-Oct-2021

MCB-ARIF HABIB
Savings and Investments Limited

- IMF projects decline in gross debt | BR: The International Monetary Fund (IMF) has projected a decline in the government gross debt for Pakistan, ie, from 83.4% of Gross Domestic Product (GDP) in 2021 to 80.9% in 2022. According to the IMF report, "Fiscal Monitor, Strengthening the Credibility of Public Finances", the net debt for Pakistan is also projected to decline from 74.8% of the GDP in 2021 to 74.1% in 2022.
- PSX market capitalization plummets below USD50bn | Pro Pakistani: Getting down unabatedly, the market capitalization of the Pakistan Stock Exchange (PSX) stands below USD50bn these days due to various macroeconomic factors that have been affected by domestic and international indicators.
- Frontier Markets tackle inflation with higher interest rates: Fitch Ratings | Mettis Global: Central banks in Frontier Markets (FMs) have stepped up their efforts to contain rising inflation caused by ongoing supply-chain disruptions, logistical issues and soaring commodity prices, as shown in Fitch Ratings latest 'Frontier Vision' chart pack.
- Govt Plans to Privatize 9 State-Owned Entities in Current Financial Year | Pro Pakistani: The government of Pakistan has drawn up a new privatization plan and, among other state entities, two power plants including 1223 MW Balloki and 1230 MW Haveli Bahadur plants are on the top of the privatization list, learned ProPakistani from an official document.
- THE RUPEE: PKR falls for third consecutive day | BR: Pakistan's rupee fell for the third consecutive day, depreciating further to close at yet another record low against the US dollar in the inter-bank market on Wednesday. As per the State Bank of Pakistan (SBP), the PKR closed at 171.13 against the USD, a day-on-day depreciation of nine paisas or 0.05%.
- PKR330bn sales tax exemptions: Presidential Ordinance on the cards | BR: A presidential ordinance is on the cards to withdraw sales tax exemptions, zero-rating, and reduced sales tax rates to the tune of PKR330bn in the next 10-15 days.
- Bank deposits jump by 17.4% on record remittances | Dawn: As bank deposits grew by 17.4% during the last 12 months, the investments in risk-free government securities also rose with higher percentage compared to advances. The half-yearly report of the State Bank of Pakistan (SBP) issued on Wednesday showed that the total deposits of the scheduled banks soared to PKR19.83 trillion in September from PKR16.89tr in September 2020, an increase of PKR2,94bn.
- 10-year tax holiday for oil refineries abolished | Dawn: Following negotiations with the refining industry, the petroleum division has wiped out 10-year tax exemption protection, reduced government's contribution to finance upgrades of existing oil refineries and enhanced compliance requirements.
- PKR1.39/unit hike in base tariff imminent | BR: Following understanding with International Monetary Fund (IMF), Power Division has prepared a summary for the Federal Cabinet to seek final nod for further raise in base tariff by PKR 1.39 per unit from November 1, 2021, official sources told Business Recorder.
- PD yet to open head of accounts to pay agreed amount to IPPs | BR: Power Division is yet to establish Head of Accounts for payment of 40% of total agreed amount to the Independent Power Producers (IPPs) of the Power Policy 2002, well informed sources told Business Recorder. Power Division is expected to release the first instalment of PKR52.4bn by the end of current month.
- Attock, Loralai districts: PCAs, exploration licences signed for two blocks | BR: The Petroleum Division signed Petroleum Concession Agreements (PCAs) and Exploration Licenses (ELs) for two blocks, here on Wednesday. Federal Minister for Energy Muhammad Hammad Azhar witnessed the signing ceremony. Dr Arshad Mahmood, Secretary Petroleum Division, signed the ELs and the PCAs.
- Honda Just Imported the First 11th-Gen Civic in Pakistan | Pro Pakistani: It has been a few months since the launch of the all-new Honda Civic in the international market and it is safe to say that at the moment, it is one of the most sought-after vehicles around the world.
- SHC decides to freeze Hascol's assets | Pakistan Today: Following the judgments of the High Court of Justice, Business and Property Court of England, and the Wales Commercial Court (QBD), the Sindh High Court (SHC) on Wednesday decided to freeze the assets of Hascol Petroleum Limited.
- Alvi hails collaboration with Malaysia in vehicle production |Dawn: President Dr Arif Alvi has said it is a matter of pride that Pakistan is collaborating with Malaysia to produce top quality vehicles in the country. The president expressed these views at a ceremony held to inaugurate the Al-Haj Automotive Assembly Plant of Proton SAGA here on Wednesday.
- New DG ISI's appointment: PM's office receives summary | BR: The Prime Minister's Office finally received a summary on Wednesday from the Defence Ministry on the appointment of a new director-general Inter-Services Intelligence (ISI). Well-placed sources said the Chief of Army Staff (COAS), Gen Qamar Javed Bajwa, during a meeting with the prime minister on Tuesday, convinced him about the appointment of a new DG ISI.

Market Indices			
	13-Oct-21	**12-Oct-21**	**30-Jun-21**
KSE 100	43,222	43,883	47,356
KSE 30	16,881	17,217	18,962
KMI 30	69,136	70,402	76,622
KSE All Shares	29,851	30,226	32,480
Volume (mn Shares)			
	13-Oct-21	**FYTD (Average)**	
KSE 100	156.3	135.5	
KSE 30	72.2	46.5	
KMI 30	49.5	49.0	
KSE All Shares	354.9	395.1	
Commodity Rates			
	13-Oct-21	**Daily Change**	**FYTD Change**
Crude Oil-Brent (USD/BBL)	83.2	-0.3%	10.7%
Crude Oil-Arab Light (USD/BBL)	81.3	-0.7%	13.2%
Coal (USD/Tonne)	240.4	-1.3%	123.4%
Copper(USD/Lbs)	4.4	3.4%	3.5%
Cotton (USD/Lbs)	100.7	-2.4%	23.7%
CRC Steel (USD/Tonne)	920.0	0.0%	-22.4%
Currency (Interbank)			
	13-Oct-21	**Daily Change**	**FYTD Change**
US Dollar	170.8	-0.1%	8.4%
UK Pound	233.2	0.4%	7.1%
Euro	197.9	0.4%	6.0%
UAE Dirham	46.7	0.0%	8.4%
Chinese Yuan	26.6	0.2%	8.9%
Fund Flows (USD mn)			
	13-Oct-21	**FYTD**	
FOREIGN INDIVIDUAL	0.00	2.87	
FOREIGN CORPORATES	-6.19	-133.22	
OVERSEAS PAKISTANI	2.40	35.53	
FIPI NET	**-3.79**	**-94.83**	
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			
	13-Oct-21	**12-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	7.77	7.28
6 Month T-Bill	8.21	8.15	7.53
12 Month T-Bill	8.90	8.90	7.81
3 Year Government Bond	9.90	9.90	8.99
5 Year Government Bond	10.26	10.27	9.49
10 Year Government Bond	10.75	10.75	9.94
3 Month KIBOR	7.96	7.96	7.45
6 Month KIBOR	8.31	8.32	7.69

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