Morning News 18-Oct-2021

MCB-ARIF HABIB
Savings and Investments Limited

- IMF talks to 'resume' today: MoF | BR: A spokes-man of the Ministry of Finance has refuted the media reports about failure of the talks with International Monetary Fund (IMF) and clarified that the talks would resume today (Monday) uninterrupted.
- LSMI output up by 7.26% in 2 months | BR: The Large Scale Manufacturing Industries (LSMI) output increased by 7.26% in the first two months (July-August) of current fiscal year 2021-22 compared to the same period of last fiscal year i.e. 2021, as almost all of the major manufacturing sectors posted growth.
- THE RUPEE: PKR: losing streak ends | BR: Pakistan's rupee broke a four-day losing streak against the US dollar, appreciating by a marginal two paisas in the inter-bank market on Friday. As per the State Bank of Pakistan (SBP), the PKR closed at 171.18 against the USD, a day-on-day appreciation of two paisas or 0.01%.
- Private sector borrows PKR175bn in 1QFY22 | Dawn: The private sector borrowed PKR175bn from the banking sector during the first quarter of this fiscal year reflecting improved economic activities when compared with a net debt retirement in the same period last year.
- SPI up as food items become costlier | Dawn: Inflation measured through Sensitive Price Index (SPI) posted an increase of 0.20% for the week ended on Oct 14 driven by a sharp rise in the prices of essential food items.
- Oil import bill widens 97% in first quarter | Dawn: The country's oil import bill widened by over 97% to USD4.59bn in the first quarter of current fiscal year (3MFY22) from USD2.32bn over the corresponding months of last year owing to rising price in the international market and depreciation of the rupee.
- Textile group exports witness 27.41% growth in Q1 | BR: The country's textile group exports witnessed 27.41% growth during the first quarter (July-September) of current fiscal year and remained USD4.42bn compared to USD3.47bn during the same period of the last fiscal year, says the Pakistan Bureau of Statistics (PBS).
- Govt increases petrol price by PKR10.49 per litre | BR: The government increased on Saturday the price of petrol by PKR10.49 per litre, an over 8% increase that took the rate to PKR137.79 per litre. "Entire energy chain prices have witnessed a strong surge in the past couple of months due to higher demand for energy inputs and supply bottlenecks," stated the notification.
- Govt to receive two extra LNG cargoes in December: Hammad | The Nation: Federal Minister for Energy Hammad Azhar on Saturday said the government would receive two extra Liquefied Natural Gas (LNG) cargoes in December 2021 to fulfill the requirement of the gas in the country.
- Moratorium on gas schemes imposed: PKR1.39/unit raise in power base tariff announced | BR: The Federal Government on Friday announced to increase electricity base tariff by PKR1.39 per unit across the country including KE from November 1, 2021 and impose moratorium on ongoing and new gas schemes for domestic consumers till finalisation of new gas pricing mechanism.
- PD estimates reduction of net subsidy by 30% | BR: Power Division has estimated a reduction of net subsidy by 30% to PKR168bn from PKR240bn, after notification of increase of PKR1.39 per unit in base tariff of Discos and KE.
- Lucky Cement to Increase Cement Prices by PKR 30 per bag On Higher Coal Prices | Augaf: Lucky cement company has notified increase of PKR 30 per bag in selling price of cement as per notification issued by the company.
- Ghee, cooking oil, vegetables go dearer | The News: The price of cooking oil and vegetable ghee Friday surged by PKR40 per liter/kg, reaching the maximum price of PKR399 and PKR409 respectively. According to the industry officials, the price of Tier-I brands reached PKR392 to 399 of vegetable ghee of different brands and PKR400 to 409 of cooking oil.
- Default on dues, unlawful price hike: Punjab govt cracks down on five sugar mills | The News: The Punjab government has arrested the owners and senior management of five sugar mills for not making payments to the growers and unlawfully increasing the commodity price.
- Sugarcane: PKR225/maund minimum purchase price proposed | BR: The Sugarcane Control Board Punjab has reportedly pitched the Minimum Purchase Price (MPP) for the sugarcane at PKR225 per maund for the crushing season 2021-22.
- Steel policy to be announced soon: minister | Dawn: Federal Minister for Industries and Production Makhdum Khusro Bakhtyar on Friday said that a comprehensive steel policy would be announced soon with active consultation of stakeholders of the steel sector for which a two-member team had been nominated from the Pakistan Association of Large Steel Producers (PALSP).
- KP seeking USD300mn WB loan for education, health sectors | Dawn: The Khyber Pakhtunkhwa government is seeking USD300mn from the World Bank to improve access to education, health and market in 19 districts of the province and to improve intra-village connectivity as part of the rural service delivery activities and local development project.

Market Indices

	15-Oct-21	14-Oct-21	30-Jun-21
KSE 100	44,822	44,334	47,356
KSE 30	17,521	17,343	18,962
KMI 30	72,065	70,880	76,622
KSE All Shares	30,770	30,505	32,480

Volume (mn Shares)

	15-Oct-21	FYTD (Average)
KSE 100	152.0	135.8
KSE 30	72.1	47.2
KMI 30	65.0	49.5
KSE All Shares	334.3	394.4

Commodity Rates

	15-Oct-21	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	84.9	1.0%	13.0%
Crude Oil-Arab Light (USD/BBL)	82.3	1.0%	14.6%
Coal (USD/Tonne)	237.3	-2.7%	120.5%
Copper(USD/Lbs)	4.6	2.1%	8.3%
Cotton (USD/Lbs)	104.2	0.2%	27.9%
CRC Steel (USD/Tonne)	925.0	0.5%	-21.9%

Currency (Interbank)

	15-Oct-21	Daily Change	FYTD Change
US Dollar	171.0	0.0%	8.6%
UK Pound	235.1	0.6%	8.0%
Euro	198.3	0.0%	6.2%
UAE Dirham	46.7	0.0%	8.4%
Chinese Yuan	26.6	0.1%	8.9%

Fund Flows (USD mn)

	15-Oct-21	FYTD
FOREIGN INDIVIDUAL	0.00	2.90
FOREIGN CORPORATES	-5.76	-143.11
OVERSEAS PAKISTANI	0.30	35.97
FIPI NET	**-5.46**	**-104.24**

Economic Data (USD mn)

	FY22E	FY21	FY20
GDP Growth	4.8%	3.9%	-0.5%
	Sep-21	**Aug-21**	
Exports	2,380	2,247	
Imports	6,479	6,577	
Remittances	2,670	2,658	
Foreign Exchange Reserves	26,151	27,068	

Money Market Data

	15-Oct-21	14-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	7.78	7.28
6 Month T-Bill	8.25	8.24	7.53
12 Month T-Bill	8.90	8.90	7.81
3 Year Government Bond	9.92	9.90	8.99
5 Year Government Bond	10.30	10.26	9.49
10 Year Government Bond	10.75	10.75	9.94
3 Month KIBOR	7.96	7.96	7.45
6 Month KIBOR	8.35	8.33	7.69

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