Morning News 20-Oct-2021

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- Talks with IMF in the right direction: Tarin | BR: Adviser to Prime Minister Shaukat Tarin has dismissed reports that the talks between Pakistan and the International Monetary Fund (IMF) for the resumption of USD6bn Extended Fund Facility (EFF) had failed, asserting that they were headed in a positive direction.
- Talks between IMF, GoP going 'very good', says IMF's Jihad Azour | Mettis Global: The talks between the International Monetary Fund (IMF) and the government of Pakistan on the Sixth Review of the USD6bn Extended Fund Facility (EFF) have progressed to a "very good step", said IMF's Middle East and Central Asia Department Director Jihad Azour while answering a question from MG News on Tuesday.
- USD51.6bn external financing required in two years | The News: Pakistan requires gross external financing of USD51.6bn within two-year period of the current fiscal year 2021-22 and next fiscal year 2022-23 in order to fulfill its needs.
- Current Account Deficit Reduced To USD 1.1bn during September 2021 |Augaf: The Current account deficit narrowed to USD1.11bn in Sep 21 from USD1.47bn in Aug 21, as per data released by State Bank of Pakistan. A strong rebound in economic activity and higher int'l commodity prices kept the CAD at an elevated level of USD3.4bn in Q1-FY22.
- FDI from US exceeds Chinese inflows in 1QFY22 | Dawn: Foreign Direct Investment (FDI) from the United States surpassed inflows from China during the first quarter of the ongoing fiscal year (1QFY22), data released by the State Bank of Pakistan (SBP) on Monday showed. FDI from the US jumped to USD100.9mn during July-Sept FY22 whereas the FDI from China declined by 50% in 1QFY22, down to USD76.9m.
- Govt to issue Panda bond by March next year | Dawn: The government is going to issue a Panda bond — a renminbi-denominated debt instrument sold by a non-Chinese issuer within China — by March 2022, according to Muhammad Umar Zahid, director general for debt at the Ministry of Finance.
- FATF to announce grey list updates on Thursday | Profit Pakistan: The Financial Action Task Force (FATF) is set to meet to discuss and announce on Thursday updates on jurisdictions currently under the increased monitoring list, often referred to as the grey list.
- Call to open RDAs: Tarin vows 'seamless' financial services | BR: Adviser to Prime Minister on Finance and Revenue Shaukat Tarin on Monday reaffirmed the government's resolve to provide seamless financial services to the Pakistan Diaspora spread throughout the globe.
- THE RUPEE: PKR falls to record low on IMF talk's uncertainty, import payments | BR: Headache for economic managers continued as Pakistan's rupee depreciated 0.93% to a record low against the US dollar in the inter-bank market, closing at 172.78 on Monday. As per the State Bank of Pakistan (SBP), the PKR closed at 172.78 against the USD, a day-on-day depreciation of PKR1.59 or 0.93.
- AGP Directs SBP to Recover PKR20.6bn from DFIs Including Banks | Pro Pakistani: The Auditor General of Pakistan has directed the State Bank of Pakistan (SBP) to recover PKR20.61bn from eight Development Finance Institutions (DFIs) including banks.
- Local POL production increases 2.35% in 2 months | Pak Observer: Overall production of petroleum commodities has witnessed an increase of 2.35% during the first two months of current financial year 2021-22 as compared to corresponding period of fiscal year 2020-21. Similarly, the production of Motor Spirits, Lubricating Oil, Solvant Naptha, Liquefied Petroleum Gas (LPG) and other petroleum products witnessing increase of 7.48%, 168.36%, 15.66%, 7.26% and 21.26% respectively.
- Revival of international orders boosts non-textile exports | Dawn: Pakistan's non-textile exports grew 23.4% year-on-year to USD2.48bn in the first quarter of current fiscal year owing to partial revival of international orders and the government's support schemes. Overall growth in the non-textile sector is mainly led by the value-added sectors.
- Govt halves GST, customs duty to reduce edible oil price | Dawn: After a gap of almost one month, the government on Monday again decided to cut general sales tax and customs duty by half and abolish two per cent additional customs duty on edible oil to reduce its price by PKR45-50 per kg and introduce a major targeted subsidy programme in a couple of days.
- OGDCL's LPG production increases by 9%, crude oil 2% | Pak Observer: The Oil and Gas Development Company's production of Liquefied Petroleum Gas (LPG) witnessed a 9% increase and crude oil 2% during the last fiscal year.
- PSO Becomes the First OMC to Transport Petrol Upcountry Through PARCO Pipeline | Augaf: Pakistan State Oil Company (PSO) becomes the first Oil Marketing Company (OMC) to import, berth and discharge Pakistan's first ever Motor Gasoline cargo in White Oil cross country pipeline system (WOP), as per statement released by the company.
- Shell Successfully Completed Storage Facility at Machike: PSX | Augaf: Shell Pakistan has successfully completed 10k storage tank at Machike Terminal. Safely built in just 14 months during unprecedented Covid times it is an engineering feat which strenghtens the country's supply chain.

Market Indices			
	18-Oct-21	15-Oct-21	30-Jun-21
KSE 100	44,629	44,822	47,356
KSE 30	17,456	17,521	18,962
KMI 30	71,854	72,065	76,622
KSE All Shares	30,674	30,770	32,480
Volume (mn Shares)			
	18-Oct-21	FYTD (Average)	
KSE 100	102.2	135.5	
KSE 30	55.6	47.3	
KMI 30	45.2	49.4	
KSE All Shares	248.3	392.8	
Commodity Rates			
	19-Oct-21	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	85.1	0.9%	13.2%
Crude Oil-Arab Light (USD/BBL)	82.6	-0.6%	15.1%
Coal (USD/Tonne)	225.6	0.1%	109.7%
Copper(USD/Lbs)	4.6	-0.4%	7.3%
Cotton (USD/Lbs)	104.7	0.8%	28.6%
CRC Steel (USD/Tonne)	925.0	0.0%	-21.9%
Currency (Interbank)			
	19-Oct-21	Daily Change	FYTD Change
US Dollar	172.3	0.1%	9.3%
UK Pound	237.6	0.6%	9.1%
Euro	200.4	0.3%	7.3%
UAE Dirham	47.2	0.0%	9.4%
Chinese Yuan	27.0	0.9%	10.6%
Fund Flows (USD mn)			
	18-Oct-21	FYTD	
FOREIGN INDIVIDUAL	0.00	2.90	
FOREIGN CORPORATES	0.08	-143.03	
OVERSEAS PAKISTANI	0.00	35.97	
FIPI NET	**0.08**	**-104.16**	
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			
	18-Oct-21	15-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	7.84	7.78	7.28
6 Month T-Bill	8.37	8.25	7.53
12 Month T-Bill	9.09	8.90	7.81
3 Year Government Bond	10.20	9.92	8.99
5 Year Government Bond	10.57	10.30	9.49
10 Year Government Bond	11.06	10.75	9.94
3 Month KIBOR	8.01	7.96	7.45
6 Month KIBOR	8.41	8.35	7.69

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