# Morning News 21-Oct-2021

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- Pakistan, IMF inch towards striking staff-level agreement | The News: Pakistan and the IMF are inching towards striking a staff-level agreement and a positive outcome is expected anytime soon. Both the IMF and Pakistani authorities confirmed on Wednesday night that Adviser to PM on Finance Shaukat Tarin was making last-ditch efforts to strike a staff-level agreement with the IMF staff by evolving a consensus on Memorandum of Economic and Financial Policies (MEFP).
- Forex requirement of Diamer-Bhasha Dam project: USD500mn raised by Wapda through Green Eurobond | BR: Federal Minister for Water Resources Moonis Elahi Wednesday informed the National Assembly that to meet the foreign currency requirement of first two years of Diamer-Bhasha Dam project, Water and Power Development Authority (Wapda) successfully raised USD500mn by issuance of first-ever Green Eurobond.
- Q1FY22: CA posts USD3.4bn deficit on higher imports | BR: The country's current account recorded a USD3.4bn deficit during the first quarter of this fiscal year (FY22), mainly due to higher imports. The State Bank of Pakistan (SBP) said that the current account deficit is increasing because of a strong rebound in economic activity and higher international commodity prices.
- Power tariff raise under FCA imminent | BR: The government is all set to further burden power consumers with over PKR4 per unit increase in tariff under the garb of Fuel Component Adjustment (FCA) and raise in base tariff as per agreement with the International Monetary Fund (IMF) and World Bank.
- New auto policy: 'Ministry is likely to take draft to govt for approval in 2 weeks' | BR: The Ministry of Industries and Production will likely to take draft of new auto policy to the federal government for approval within two weeks, secretary industries apprised a parliamentary panel Wednesday.
- Pakistan to enhance automobile production to 1m units: Ambassador Haque | Pakistan Today: Pakistan is planning to enhance its annual production of automobiles from the existing 250,000 units to about six to eight million units during the next five years, Pakistan's Ambassador to China Moin ul Haque said here on Wednesday.
- Pakistan's fertilizer industry globally compatible, can thrive in deregulated regime: CFO Engro | Mettis Global: Chief Financial Officer (CFO) of Engro Fertilizers Imran Ahmed Wednesday said Pakistan's fertilizer industry was internationally competitive and could thrice in a fully deregulated environment, even without any subsidies.
- Reduction in oil, ghee prices: Govt, PVMA finalize MoU | BR: The federal government and Pakistan Vanaspati Manufactures Association (PVMA) have finalized Memorandum of Understanding (MoU) to reduce prices of edible oil, ghee. This was disclosed at a recent meeting of Federal Cabinet, presided over by Prime Minister Imran Khan, who is regularly holding meetings on commodities prices.
- Cement export to Afghanistan reduces to zero | Pakistan Today: Pakistan's exports to Afghanistan have come to a standstill after the takeover by Taliban with all orders being cancelled due to the closure of the neighboring country's construction sector. Traders said that cement makes up to 40 per cent of Pakistan's total export to Afghanistan.
- Another setback for cement companies Punjab government implements groundwater charges | Augaf: The government of the Punjab will charge cement producers in the state up to USUSD0.93/m3 for ground water used in their cement production reported by thecement.pk news agency. Charge will depend on water availability, and be USUSD0.6/m3 in water secure areas, USUSD0.85/m3 in semi-critical areas and USUSD0.93/m3 in critical areas most affected by drought.
- Carmakers mull price increase amid rising costs | The News: Automakers are likely to raise prices for some car models to mitigate the impact of rising commodity costs and currency depreciation, industrial officials said on Wednesday. "Up to 80 percent of the cost of assembling of an average car is directly impacted by the movement in rupee value as almost 80 percent parts of some vehicles are imported."
- Telecard successfully restructures its TFC Loan | Mettis Global: Telecard's outstanding Term Finance Certificates (TFCs) have been successfully restructured after the consent of the majority of TFC holders. That restructuring would pave the way for the regulatory approvals for the planned IPO of its subsidiary, Supernet Limited.
- Govt offers subsidy on petrol, essentials for low-income people | The News: Prime Minister Imran Khan said Wednesday that a big programme of targeted subsidy would be started soon for the poor segments of the society. The targeted subsidy programme, he explained, will be launched with the joint financial support of the federal and provincial governments.
- Dollar rises by 39.91%, petrol soars 44.68% in three years | The News: During the 38-month rule of the incumbent Pakistan Tehreek-e-Insaaf (PTI), which had formally commenced on August 18, 2018 when Imran Khan was sworn in as country's 22nd Prime Minister, the parity of the Pakistani rupee versus the American dollar has worsened from PKR124 to PKR173.50 on October 20, 2021, while the petrol prices have surged from PKR95.24 to PKR137.79 per litre during the same corresponding period.

| Market Indices | | | |
|---|---|---|---|
| | **20-Oct-21** | **18-Oct-21** | **30-Jun-21** |
| KSE 100 | 45,499 | 44,629 | 47,356 |
| KSE 30 | 17,825 | 17,456 | 18,962 |
| KMI 30 | 73,438 | 71,854 | 76,622 |
| KSE All Shares | 31,104 | 30,674 | 32,480 |
| **Volume (mn Shares)** | | | |
| | **20-Oct-21** | **FYTD (Average)** | |
| KSE 100 | 132.7 | 135.4 | |
| KSE 30 | 62.2 | 47.5 | |
| KMI 30 | 55.5 | 49.5 | |
| KSE All Shares | 308.2 | 391.8 | |
| **Commodity Rates** | | | |
| | **20-Oct-21** | **Daily Change** | **FYTD Change** |
| Crude Oil-Brent (USD/BBL) | 85.8 | 0.9% | 14.2% |
| Crude Oil-Arab Light (USD/BBL) | 83.4 | 0.9% | 16.1% |
| Coal (USD/Tonne) | 217.1 | -3.8% | 101.8% |
| Copper(USD/Lbs) | 4.6 | 0.7% | 8.0% |
| Cotton (USD/Lbs) | 107.6 | 3.6% | 32.1% |
| CRC Steel (USD/Tonne) | 925.0 | 0.0% | -21.9% |
| **Currency (Interbank)** | | | |
| | **20-Oct-21** | **Daily Change** | **FYTD Change** |
| US Dollar | 173.2 | 0.6% | 9.9% |
| UK Pound | 239.4 | 0.8% | 9.9% |
| Euro | 201.8 | 0.7% | 8.0% |
| UAE Dirham | 47.4 | 0.5% | 10.0% |
| Chinese Yuan | 27.1 | 0.4% | 11.0% |
| **Fund Flows (USD mn)** | | | |
| | **20-Oct-21** | **FYTD** | |
| FOREIGN INDIVIDUAL | 0.00 | 2.89 | |
| FOREIGN CORPORATES | -1.23 | -144.25 | |
| OVERSEAS PAKISTANI | 0.52 | 36.49 | |
| **FIPI NET** | **-0.71** | **-104.87** | |
| **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** | | | |
| | **20-Oct-21** | **18-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 | 7.91 | 7.84 | 7.28 |
| 6 Month T-Bill | 8.41 | 8.37 | 7.53 |
| 12 Month T-Bill | 9.10 | 9.09 | 7.81 |
| 3 Year Government Bond | 10.20 | 10.20 | 8.99 |
| 5 Year Government Bond | 10.58 | 10.57 | 9.49 |
| 10 Year Government Bond | 11.10 | 11.06 | 9.94 |
| 3 Month KIBOR | 8.08 | 8.01 | 7.45 |
| 6 Month KIBOR | 8.45 | 8.41 | 7.69 |

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