Morning News 22-Oct-2021

MCB-ARIF HABIB
Savings and Investments Limited

- Pakistan not yet off the FATF hook | Tribune: The Financial Action Task Force (FATF) on Thursday unanimously decided to keep Pakistan on its grey list, but ruled out the possibility of blacklisting the country as it had implemented the majority of the conditions. The FATF -- the global body working to combat financing of terrorism and money laundering -- said Islamabad still did not meet the "strategically important" condition about nominating entities and individuals, who should be put on the UN list of terror outfits and persons.
- Foreign exchange: SBP reserves fall USD1.65bn to USD17.5bb | Tribune: The foreign exchange reserves held by the central bank fell 8.6% on a weekly basis, according to data released by the State Bank of Pakistan (SBP) on Thursday. On October 15, the foreign currency reserves held by the SBP were recorded at USD17,492.2mn, down USD1.65bn compared with USD19,138.4mn on October 8.
- Cut-off yield of three-month T-bills hiked by 40bps | Dawn: The government raised PKR173bn through the auction of treasury bills (T-bills) against the target of PKR600bn while it rejected the bids for six and 12 months' papers. The government received total bids of PKR750bn, including PKR326bn for the three-months T-bills.
- Economist reports Pakistan inflation fourth highest out of 42-country index | The News: In its latest edition, the Economist magazine tracked inflation in 42 countries plus the Euro region, found that Argentina was on the top with inflation, standing at 51.4%, Turkey on the second with 19.6%, Brazil at third position with 10.2%, and then on the fourth position was Pakistan with inflation standing at 9%.
- Rupee hits new bottom; free fall feared to persist | The News: Rupee hit yet another record low versus dollar on Thursday amid fears of further depreciation as Pakistani and International Monetary Fund (IMF) officials were yet to give any timeline for the resumption of USD6bn loan facility despite claims the talks were moving forward positively. The rupee dropped to a new life-low of 174.10 in intra-day trading against the dollar before closing at 173.96.
- ADB agrees USD600mn loan to Pakistan for Ehsaas Programme | The News: The Asian Development Bank (ADB) on Thursday agreed to loan Pakistan USD600mn to support the government's social protection and poverty reduction initiative through the Ehsaas programme.
- Govt weighing green bonds to swap debt for eco projects | The News: Hammad Azhar, Minister for Energy, on Thursday said the government was exploring options to swap debt for environmental protection related projects after issuing Green Bonds. He was speaking at the virtual "World Leaders' Investment Summit", one of the top level events of 7th World Investment Forum (WIF).
- Govt may increase gas tariff by 10-22% on November 1 | The News: The government is set to increase the local gas tariff by 10-22% by November 1, 2021 as per the undertaking extended to the IMF. The Fund wants the government to reduce the circular debt in local gas sector, which has risen to PKR554bn. In case the amount of PKR104bn is added, which has not been recovered from domestic consumers against the use of costly RLNG in the last three years, then the total circular debt stands at PKR658bn as of today.
- Ghee makers refuse to ink MoU on cut in prices | BR: Pakistan Vanaspati Manufactures Association (PVMA) has refused to sign any pact with the Ministry of Industries and Production (MoI&P) on reduction in prices of edible oil/ Ghee, saying that costing and pricing is against stipulations of Competition Commission of Pakistan (CCP).
- OGDCL makes gas discovery at Jandran West X-1 | Mettis Global: Oil and Gas Development Limited, being the operator of Jandran West Exploration License with 100% Working Interest, has made a Gas discovery over Mughalkot Formation from its exploratory efforts at Jandran West X-1 well which is located in Kohlu District, Balochistan Province, Pakistan.
- Searle Set for Pakistan's Largest IPO in History | Pro Pakistan: Pakistan's pharmaceutical giant, Searle Pakistan Limited, is all set for the country's large initial public offering in its history. According to sources, Searle Pakistan Limited has officially filed for listing at the Pakistan Stock Exchange. The parent company, Searle, intends to issue approximately 350mn shares of its wholly owned subsidiary.
- KE seeks PKR3.45/unit increase under FCA | BR: Karachi Electric (KE) has sought an increase of PKR3.45 per unit in its tariff under monthly Fuel Cost Component (FCA) for September 21, 2021. KE, in its request to National Electric Power Regulatory Authority (Nepra) has stated that it spent additional PKR6.64bn on fuel in September, which would be recovered from the consumers whereas some portion of it would be picked by the Government.
- AKBL to explore possibility of merger, amalgamation of ASL with and into FSL | Mettis Global: The Askari Bank Limited (AKBL) has informed the exchange that the Board of Directors of the bank consented to the Expression of Interest (EOI) received by Askari Securities Limited (ASL) from Foundation Securities (Pvt) Limited (FSL) to explore the possibility of merger and amalgamation of ASL with and into FSL.
- PDM releases anti-govt protest schedule | BR: The opposition parties' alliance, the Pakistan Democratic Movement (PDM), on Thursday, issued protest schedule against the Pakistan Tehreek-e-Insaf (PTI)-led government over ever increasing inflation and unemployment.

Market Indices			
	21-Oct-21	**20-Oct-21**	**30-Jun-21**
KSE 100	45,821	45,499	47,356
KSE 30	18,006	17,825	18,962
KMI 30	74,126	73,438	76,622
KSE All Shares	31,279	31,104	32,480
Volume (mn Shares)			
	21-Oct-21	**FYTD (Average)**	
KSE 100	181.1	135.9	
KSE 30	100.8	48.1	
KMI 30	78.4	49.8	
KSE All Shares	338.2	391.2	
Commodity Rates			
	21-Oct-21	**Daily Change**	**FYTD Change**
Crude Oil-Brent (USD/BBL)	84.6	-1.4%	12.6%
Crude Oil-Arab Light (USD/BBL)	84.1	0.9%	17.1%
Coal (USD/Tonne)	186.0	-14.3%	72.9%
Copper(USD/Lbs)	4.4	-3.7%	4.1%
Cotton (USD/Lbs)	103.0	-4.3%	26.5%
CRC Steel (USD/Tonne)	925.0	0.0%	-21.9%
Currency (Interbank)			
	21-Oct-21	**Daily Change**	**FYTD Change**
US Dollar	173.2	0.0%	9.9%
UK Pound	238.9	-0.2%	9.7%
Euro	201.3	-0.2%	7.8%
UAE Dirham	47.4	0.0%	10.0%
Chinese Yuan	27.1	0.0%	11.0%
Fund Flows (USD mn)			
	21-Oct-21	**FYTD**	
FOREIGN INDIVIDUAL	0.05	2.94	
FOREIGN CORPORATES	-5.51	-149.76	
OVERSEAS PAKISTANI	0.37	36.86	
FIPI NET	**-5.09**	**-109.96**	
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			
	21-Oct-21	**20-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	8.18	7.91	7.28
6 Month T-Bill	8.74	8.41	7.53
12 Month T-Bill	9.24	9.10	7.81
3 Year Government Bond	10.35	10.20	8.99
5 Year Government Bond	10.60	10.58	9.49
10 Year Government Bond	11.13	11.10	9.94
3 Month KIBOR	8.33	8.08	7.45
6 Month KIBOR	8.69	8.45	7.69

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