Morning News 28-Oct-2021

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- Tarin explains Saudi package, IMF talks | BR: There was no link of US USD4.2bn Saudi package for Pakistan with the ongoing negotiation with the International Monetary Fund (IMF) on 6th review for revival of the Extended Fund Facility (EFF). Advisor on Finance Shaukat Tarin, while addressing a press conference along with Minister for Energy Hammad Azhar on Wednesday stated this. The adviser on finance said that Saudi finance minister informed him on Tuesday that funds are being released for Pakistan.
- Pak-Russia USD3bn PSGP project: Talks on shareholding contract may end up inconclusively | The News: The Pak-Russia talks on shareholding agreement (SHA) on the flagship USD3bn Pakistan Stream Gas Pipeline (PSGP) are most likely to end inconclusively today (Thursday) as both the legal teams have so far failed to agree on critical elements of the contract. However, the talks on financial, legal and technical issues will continue through video links and the Russian delegation will again visit Islamabad to finalise the agreement.
- PIB auction flops | The News: The government has rejected all the bids for fixed-rate Pakistan Investment Bonds (PIBs) at an auction on Wednesday as investors asked for higher returns, analysts said. The government received bids of PKR194bn against the target of PKR100bn. However, it rejected three-year, five-year, 10-year and 15-year long-term papers.
- Rupee rebounds after Saudi Arabia pledges USD4.2bn to support economy | The News: Rupee recovered on Wednesday to gain 1.44% against dollar after Saudi Arabia approved a USD4.2bn financial support package for Pakistan to help ease pressure on country's balance of payments and economic recovery, traders and analysts said. In the interbank market, the rupee closed at 172.78 after hitting an all-time low of 175.27/dollar on Monday.
- POL products prices likely to increase up to PKR9.5 per litre | Tribune: Inflation in the country, which is already skyrocketing, is expected to soar even further crushing the buying power of a majority of the population as the prices of petroleum products are likely to increase by PKR9.5 per litre from November 1. On October 1, the federal government had dropped a petroleum bomb by jacking up the prices of petrol by PKR10.49 per litre to PKR137.79 and that of high speed diesel by PKR12.44 to PKR134.48 per litre.
- Discos get PKR2.51 hike to generate extra PKR34bn | Dawn: The National Electric Power Regulatory Authority (Nepra) on Wednesday firmed up charging an additional PKR2.51 per unit fuel cost to consumers for electricity they consumed in September so that of ex-Wapda distribution companies (Discos) could mop up additional revenue of PKR34bn in November.
- Required supply of RLNG not possible as of now | BR: Ministry of Energy (Power Division) on Wednesday expressed its inability to ensure required supply of Regasified liquefied Natural Gas (RLNG) – a cheap fuel compared to RFO to the power plants, until new LNG terminals are established. This stance was clearly communicated by Power Division's team, led by Additional Secretary, CEO, Central Power Purchasing Agency-Guarantee (CPPA-G) Waseem Mukhtar at a public hearing.
- Taliban back TAPI gas pipeline: Turkmenistan officials due in Afghanistan | BR: Officials from Turkmenistan will visit Kabul this week to discuss continuing work on the TAPI pipeline linking the energy-rich Central Asian country through Afghanistan to Pakistan and India, the Taliban government said on Wednesday. The pipeline is expected to carry 33 billion cubic meters (bcm) of natural gas each year along a route stretching 1,800 km (1,125 miles) from Galkynysh, the world's second-biggest gas field, to the Indian city of Fazilka near the Pakistan border.
- Housing, construction credit up 84% at end-September | The News: State Bank of Pakistan (SBP) on Wednesday said housing and construction finance increased PKR139bn or 84% year-on-year to PKR305bn at the end of September 2021, owing to improved borrower-friendly procedures. "Increase in credit to housing and construction sector reflects banks have realigned their internal policy dimension/ strategic focus towards development of housing and construction," the SBP said in a statement.
- Glitches cause trading suspension at PSX | Dawn: Chaos reigned in the shares market on Wednesday as "technical issues" caused by the newly adopted Chinese trading and surveillance platform forced the Pakistan Stock Exchange (PSX) to suspend trading at noon for two and a half hours. The exchange replaced the 20-year-old Karachi Automated Trading System with the Designated Time Schedule on Oct 25.
- Govt plans 'tax rationalisation' for IMF deal | Dawn: To reach an agreement with the International Monetary Fund (IMF) for revival of its programme, the government on Wednesday announced that it's going for 'rationalisation of taxes' to bridge over Rs450bn gap in revenues it had given up on petroleum products to keep their prices one of the lowest in the world.
- IMF asks for continued debt relief to poor countries | The News: With a pandemic debt suspension program in its final weeks, IMF Managing Director Kristalina Georgieva on Wednesday encouraged creditors in more advanced nations to continue offering aid to poor countries. Early in the pandemic, G20 nations agreed to the Debt Service Suspension Initiative (DSSI), which offered 73 low- and middle-income countries the ability to halt debt payments during the pandemic.

Market Indices

	27-Oct-21	26-Oct-21	30-Jun-21
KSE 100	45,851	45,256	47,356
KSE 30	17,911	17,698	18,962
KMI 30	74,088	72,930	76,622
KSE All Shares	31,356	31,001	32,480

Volume (mn Shares)

	27-Oct-21	FYTD (Average)
KSE 100	88.0	133.9
KSE 30	29.6	47.8
KMI 30	25.5	492.2
KSE All Shares	163.0	383.2

Commodity Rates

	27-Oct-21	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	84.6	-2.1%	12.6%
Crude Oil-Arab Light (USD/BBL)	84.7	0.5%	18.0%
Coal (USD/Tonne)	165.6	-7.8%	53.9%
Copper(USD/Lbs)	4.3	-2.1%	1.8%
Cotton (USD/Lbs)	107.3	1.7%	31.9%
CRC Steel (USD/Tonne)	955.0	0.0%	-19.4%

Currency (Interbank)

	27-Oct-21	Daily Change	FYTD Change
US Dollar	173.8	-0.5%	10.3%
UK Pound	238.9	-0.6%	9.7%
Euro	201.6	-0.4%	8.0%
UAE Dirham	47.4	-1.0%	10.0%
Chinese Yuan	27.2	-0.6%	11.4%

Fund Flows (USD mn)

	27-Oct-21	FYTD
FOREIGN INDIVIDUAL	0.00	2.94
FOREIGN CORPORATES	-1.68	-152.59
OVERSEAS PAKISTANI	-0.60	37.02
FIPI NET	**-2.27**	**-112.62**

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

	27-Oct-21	26-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	8.19	7.28
6 Month T-Bill	8.79	8.80	7.53
12 Month T-Bill	9.23	9.30	7.81
3 Year Government Bond	10.00	10.34	8.99
5 Year Government Bond	10.28	10.60	9.49
10 Year Government Bond	11.00	11.13	9.94
3 Month KIBOR	8.36	8.36	7.45
6 Month KIBOR	8.83	8.85	7.69

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