Morning News 02-Nov-2021

MCB-ARIF HABIB
Savings and Investments Limited

- **Oct CPI inflation up 9.19% YoY | BR:** The Consumer Price Index (CPI) witnessed an increase of 9.2% on year-on-year basis in October 2021 as compared to an increase of nine percent in the previous month and 8.9% in October 2020, says the Pakistan Bureau of Statistics (PBS). According to the PBS data, the prices of food and non-food items including chicken, egg, cooking oil/ghee, wheat, wheat flour, vegetables, pulses, electricity charges, and petroleum products witnessed significant increase during the period under review.
- **Jul-Oct trade deficit swells 104% YoY | BR:** The country's trade deficit has swelled by 104% to USD15.53bn during the first four months (July-October) 2021-22 from USD7.62bn in the corresponding period of financial year 2020-21. According to the Commerce Ministry imports have posted growth of 64.5% touching USD25bn (USD24.99) during the first four months (July-October) of 2021-22, against 15.19bn during the same period of 2020-21showing a difference of USD9.80bn during this period.
- **Exports register record in October, rise 17.5% to USD2.47bn | Dawn:** Pakistan's exports posted a 17.5% growth in October, rising to USD2.47bn as compared to USD2.10bn in Oct 2020. "This is the highest-ever export [figure] in any October in our history," a statement issued by the Ministry of Commerce said on Monday. It added that the export target for Oct 2021 was USD2.6bn.
- **Revival of USD6bn EFF: IMF deal likely in a day or two: Tarin | BR:** Adviser to the Prime Minister on Finance, Shaukat Tarin Monday said that all things have been settled with the International Monetary Fund (IMF) for revival of USD6bn Extended Fund Facility (EFF) and a formal agreement is expected in a day or two.
- **Rupee Kicks off November with More Gains against the US Dollar | Pro Pakistani:** The Pakistan Rupee appreciated against the US Dollar (USD) on Monday and continued its run against the dollar. It gained 36 paisas against the dollar and closed at 171.29. On Friday, the local currency continued to register its largest increase in value since April 2020.
- **October sees accelerated outflows from equity, T-bills, PIBs | Dawn:** The outflow of foreign investment in equity, treasury bills and Pakistan Investment Bonds (PIBs) during October was almost three times higher than the inflow reflecting the decreasing interest of investors in most attractive opportunities. The cumulative inflow during the month was USD58.5mn while the outflow jumped to USD178.58m; the cumulative net outflow during October was USD120mn.
- **Oil sales up by 22% in four months of fiscal year | Dawn:** The country's total oil sales swelled by 22% in 4MFY22 to 7.85mn tonnes from 6.44mn tonnes as compared to the same period in the last fiscal. In October 2021, oil sales posted a growth of 17% to 1.99mn tonnes from 1.7m tonnes The highest growth in sales of 32% was recorded for furnace oil, to 1.6mn tonnes in 4MFY22 from 1.21mn tonnes in the same period last fiscal, while diesel witnessed the second highest sales increase of 26% to 2.93mn tonnes from 2.32mn tonnes. Petrol sales went up by 13% to 3.11mn tonnes from 2.74mn tonnes.
- **Expansion of Thar coal Block II approved | Dawn:** Sindh Engro Coal Mining Company (SECMC) said on Monday its board has approved the expansion of its Thar coal Block II mine to 12.2mn tonnes per annum. According to a spokesperson for Engro Energy, which is a shareholder in SECMC, this expansion will reduce the coal price from USD60 per tonne to USD27 per tonne.
- **OGRA raises LPG price by PKR13/kg | The News:** Oil and Gas Regulatory Authority (OGRA) on Monday notified new price for 11.8kg liquefied petroleum gas (LPG) cylinder at PKR2,559.35 with per tonne price at PKR216,894.16 for the fuel. This price hike by OGRA has increased the per kilogram price of LPG by PKR13, prompting LPG Distributers Association to convene a meeting in this regard on Tuesday.
- **Q1FY22: K-Electric posts net profit of PKR2.9bn | BR:** Continuing the momentum of FY21, K-Electric has demonstrated sustained improvement in key operational indicators in the first quarter of FY22 ended September 30, 2021, resulting in a net profit of PKR2.9bn. KE's Board of Directors approved these interim financial results on Thursday.
- **Air Link subsidiary, Xiaomi in deal | The News:** Select Technologies (Pvt) Limited, a subsidiary of Air Link Communication Limited, is collaborating with Chinese smartphone firm Xiaomi to manufacture handsets in Pakistan. "Xiaomi, the global consumer electronics and smart phone giant, has joined hands with Select Technologies (Pvt) Limited, a wholly owned subsidiary of Air Link Communication Limited (AIRLINK) as its manufacturing partner for Xiaomi mobile phones in Pakistan," the company said.
- **Atlas Honda increases prices on some bikes | The News:** Atlas Honda, Pakistan's top motorbike maker, has raised prices of some models to partially offset rising costs due to depreciation in rupee value, the company said. In a notification to its dealers issued on Monday, the company has increased prices in the range of PKR4,000 and PKR6,000.
- **PM Imran to announce 'big package' to deal with inflation | Dawn:** Information Minister Fawad Chaudhry said on Monday that Prime Minister Imran Khan would soon announce a "big package" to deal with rising inflation, providing relief to 10 million people directly.
- **NAB Ordinance amended again: PM gets power to remove NAB chief | The News:** Less than a month after the promulgation of the ordinance, amending the NAB laws, the Pakistan Tehreek-e-Insaf (PTI) government made further amendments to the ordinance as President Dr Arif Ali Alvi promulgated the National Accountability (Third Amendment) Ordinance, 2021 on Monday through which the powers of removing the NAB chairman have been withdrawn from the Supreme Judicial Council and vested in the President.

Market Indices

	1-Nov-21	29-Oct-21	30-Jun-21
KSE 100	46,975	46,219	47,356
KSE 30	18,255	17,941	18,962
KMI 30	76,243	74,564	76,622
KSE All Shares	32,037	31,637	32,480

Volume (mn Shares)

	1-Nov-21	FYTD (Average)
KSE 100	193.8	134.1
KSE 30	90.9	48.3
KMI 30	91.0	49.6
KSE All Shares	430.3	380.4

Commodity Rates

	1-Nov-21	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	84.7	0.4%	12.8%
Crude Oil-Arab Light (USD/BBL)	81.3	-1.6%	13.2%
Coal (USD/Tonne)	130.0	-12.2%	20.8%
Copper(USD/Lbs)	4.3	0.4%	1.0%
Cotton (USD/Lbs)	116.7	4.5%	43.3%
CRC Steel (USD/Tonne)	975.0	0.0%	-17.7%

Currency (Interbank)

	1-Nov-21	Daily Change	FYTD Change
US Dollar	171.2	0.5%	8.7%
UK Pound	234.0	0.3%	7.4%
Euro	198.7	0.9%	6.4%
UAE Dirham	46.9	0.5%	8.9%
Chinese Yuan	26.8	0.6%	9.7%

Fund Flows (USD mn)

	1-Nov-21	FYTD
FOREIGN INDIVIDUAL	-0.08	2.87
FOREIGN CORPORATES	-0.11	-154.33
OVERSEAS PAKISTANI	-0.79	36.21
FIPI NET	**-0.98**	**-115.25**

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

	1-Nov-21	29-Oct-21	30-Jun-21
SBP Policy Rate	7.25	7.25	7.00
CPI Inflation	9.2%	9.0%	9.7%
3 Month T-Bill	8.18	8.18	7.28
6 Month T-Bill	8.76	8.78	7.53
12 Month T-Bill	9.05	9.09	7.81
3 Year Government Bond	9.90	9.89	8.99
5 Year Government Bond	10.10	10.15	9.49
10 Year Government Bond	11.00	11.00	9.94
3 Month KIBOR	8.27	8.35	7.45
6 Month KIBOR	8.71	8.86	7.69

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