Morning News 03-Nov-2021

MCB-ARIF HABIB
Savings and Investments Limited

- **Pakistan, Germany sign €129m financial cooperation agreement | Pakistan Today:** Pakistan and Germany on Tuesday signed a financial cooperation agreement amounting to €129mn to finance development projects. The new financing will be allocated to different projects including digital governance Pakistan, social protection, promotion of startups in Pakistan, promotion of solar energy, self-employment of women in private health sector, and development of hydropower and renewable energy.
- **Oct trade deficit widens 117.22% to USD3.89bn YoY | BR:** Pakistan's trade deficit widened by 117.22% on year-on-year basis and stood at USD3.89bn in October 2021, compared to USD1.79bn in October 2020, says the Pakistan Bureau of Statistics (PBS). The country's exports witnessed 16.52% growth on year-on-year basis in October 2021 and stood at USD2.4bn, compared to USD2.10bn in October 2020. Imports witnessed 62.83% growth on year-on-year basis in October 2021 and stood at USD6.33bn compared to USD3.89bn in October 2020.
- **THE RUPEE: PKR strengthens further | BR:** Pakistan's rupee continued to appreciate against the US dollar, strengthening for the fifth successive session to close at 170.54 in the inter-bank market on Tuesday. As per the State Bank of Pakistan (SBP), the PKR settled at 170.54 against the USD after a day-on-day appreciation of PKR0.75 or 0.44%.
- **Services Hotel sell-off: PC given green light | BR:** The Federal Cabinet has given the go-ahead signal to Privatisation Commission (PC) to sell off Services International Hotel, Lahore without reconsideration of deal at the cabinet committee on privatization (CCoP) level, well-informed sources told Business Recorder.
- **Textile exports hit life-high of USD6.04bn in July-Oct | The News:** Pakistan's textile exports surged to an all-time high of USD6.04bn in the first four months (July-October) of this fiscal year (2021-22) led by value-added sector, latest numbers showed. Country's textile exports stood at USD4.76bn in July-October period of last fiscal year, as per the figures of Pakistan Bureau of Statistics (PBS) and All Pakistan Textile Mills Association (APTMA).
- **Govt to pay PKR10bn to OMCs after POL price status quo | The News:** The government would pay around PKR10bn as price differential claim to refineries and oil marketing companies after it held a raise in the prices of petroleum products in the last fortnightly review, officials said on Tuesday. The payment of prime differential claim would be made after 13 years on the petroleum products.
- **Emergency LNG tender issued? | BR:** Pakistan LNG is seeking two liquefied natural gas (LNG) cargoes for delivery in November through an emergency tender after its term suppliers cancelled delivery of cargoes, two industry sources said on Tuesday. A sharp increase in gas prices has caused power shortages in many parts of the world, including China, amid a global energy crunch.
- **Govt 'unveils' plan to further hike power tariff | BR:** The Federal Government on Tuesday "unveiled" its plan to increase electricity tariff by PKR1.68 per unit for domestic consumers using above 200 units monthly and PKR1.39 per unit for other categories including agriculture, industrial and commercial consumers.
- **MCB to buy 55% shares in Telenor Microfinance Bank | The News:** MCB Bank Limited is looking to acquire 55% shares in Telenor Microfinance Bank (TMB), a bourse filing said on Tuesday. "Subject to the permission granted by the State Bank of Pakistan (SBP) or any other regulatory authority, the board of directors of the bank in its meeting held on October 27, 2021 has accorded its in-principle approval to conduct a due diligence for a potential transaction for the purchase of 55% shares of M/s Telenor Microfinance Bank Limited held by Telenor Pakistan BV," the bank said in a notice sent to the PSX.
- **Trellis plans to deploy USD100mn housing loans over next 5 years | BR:** Trellis Housing Finance Limited (Trellis), an SECP-licensed housing finance company based in Karachi, has set a target to deploy at least USD100mn housing loans over the next 5 years across the country to enable all Pakistanis to realize their dream of home ownership.
- **Proposed acquisition of Tri-pack Films Ltd by Packages Ltd from Mitsubishi cleared | BR:** After undertaking an in-depth phase-II review, the anti-trust watchdog has cleared the proposed acquisition of Tri-pack Films Limited (TFL) by Packages Limited (PL) from the Mitsubishi Corporation (MC). The approval means that Packages Limited can move forward with its plans to acquire the business shareholding in Tri-pack Films Limited from Mitsubishi.
- **Chinese assembler increases prices of 70-125cc motorcycles | Dawn:** An assembler on Tuesday announced an increase of prices of 70-125cc motorcycles by PKR3,000 with effect from November 8. Memon Motor Private Limited (MMPL), the assembler of two- and three-wheelers with the brand name Super Star, attributed the price hike to rising prices of aluminum sheet metal, plastic and other parts.
- **PM to announce relief package today | BR:** Prime Minister Imran Khan has decided to address the nation today (Wednesday) to take it into confidence on economy and announce a relief package against rising dearness. This was stated by the Minister for Information and Broadcasting Fawad Chaudhary while speaking at a press conference to share the decisions taken by the federal cabinet.

Market Indices			
	2-Nov-21	**1-Nov-21**	**30-Jun-21**
KSE 100	47,113	46,975	47,356
KSE 30	18,343	18,255	18,962
KMI 30	76,442	76,243	76,622
KSE All Shares	32,096	32,037	32,480
Volume (mn Shares)			
	2-Nov-21	**FYTD (Average)**	
KSE 100	139.3	134.2	
KSE 30	72.9	48.5	
KMI 30	64.0	49.8	
KSE All Shares	306.2	379.6	
Commodity Rates			
	2-Nov-21	**Daily Change**	**FYTD Change**
Crude Oil-Brent (USD/BBL)	84.7	0.0%	12.8%
Crude Oil-Arab Light (USD/BBL)	82.3	1.2%	14.6%
Coal (USD/Tonne)	120.9	-7.0%	12.3%
Copper(USD/Lbs)	4.3	-0.2%	0.8%
Cotton (USD/Lbs)	113.6	-2.6%	39.6%
CRC Steel (USD/Tonne)	975.0	0.0%	-17.7%
Currency (Interbank)			
	2-Nov-21	**Daily Change**	**FYTD Change**
US Dollar	169.9	-0.8%	7.8%
UK Pound	231.3	-1.2%	6.2%
Euro	196.7	-1.0%	5.3%
UAE Dirham	46.5	-0.9%	7.9%
Chinese Yuan	26.5	-0.8%	8.8%
Fund Flows (USD mn)			
	2-Nov-21	**FYTD**	
FOREIGN INDIVIDUAL	0.00	2.87	
FOREIGN CORPORATES	-2.77	-157.10	
OVERSEAS PAKISTANI	-1.04	35.18	
FIPI NET	**-3.80**	**-119.05**	
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			
	2-Nov-21	**1-Nov-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	8.75	8.76	7.53
12 Month T-Bill	9.11	9.05	7.81
3 Year Government Bond	9.82	9.90	8.99
5 Year Government Bond	10.03	10.10	9.49
10 Year Government Bond	10.98	11.00	9.94
3 Month KIBOR	8.32	8.27	7.45
6 Month KIBOR	8.79	8.71	7.69

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