Morning News 10-Nov-2021

MCB-ARIF HABIB
Savings and Investments Limited

- **USD700mn ready for Covid-19 vaccines: Zukhov meets Ayub, says ADB plans to give USD10bn in 5 years | BR:** Eugenue Zukhov, Director General, Central & West Asia Department of the Asian Development Bank Tuesday called on Omar Ayub Khan, federal minister for economic affairs, said a press release. The Director General reiterated the ADB's commitment to support the government's reform agenda and to speed up the economic recovery process amid Covid-19 pandemic.
- **Tax-to-GDP ratio suffers blow due to pandemic | BR:** The tax-to-GDP ratio of the Federal Board of Revenue (FBR) suffered a blow due to the Covid situation and stood at 9.9% during 2020-21, according to a FBR report released on Tuesday. According to the FBR's new report, with the Covid-19 induced economic slowdown, the tax-to-GDP ratio also suffered a blow. However, the FBR has been able to stem the tide with timely measures, both short and long-term.
- **Q1 ends with budget deficit of 0.8% of GDP | BR:** The government has closed the first quarter of the ongoing fiscal year (July-September 2021) with a budget deficit of 0.8% or in absolute terms PKR438bn of the Gross Domestic Product (GDP), according to the Finance Ministry. According to Consolidated Federal and Provincial Fiscal Operation for July-September, total revenue collection stood at PKR1.8 trillion with tax revenue of PKR1.5 trillion, and non-tax revenue PKR275bn.
- **Rupee hits over 1-week low on delay in IMF deal | The News:** Rupee fell to its lowest level in more than a week on Tuesday, logging a second consecutive day of loss, as investors turned wary of delay in International Monetary Fund's programme and evaluated economic risks in case the country failed to meet the fund's conditions. Dollar demand from importers remained consistently high for settling payments in recent sessions, amidst fears that the next tranche of USD1bn might get delayed due to Islamabad's indecision on meeting the IMF's strict conditions for the completion of the sixth review.
- **New Strategic Trade Policy Framework approved | Dawn:** The cabinet on Tuesday approved the Strategic Trade Policy Framework 2020-25 after a delay of more than two years. The framework envisages measures to enhance enterprises' capacity to produce distribute and sell products more efficiently than their competitors sell. This is the fourth strategic framework announced since 2009 by the government which allocated PKR45bn for its implementation in the next five years by giving subsidies and other support to non-textile sectors.
- **Highest-ever, 5.1mn metric tons of urea sold in 10 months | BR:** Fertilizer industry has sold 5.1mn metric tons of urea in the first 10 months of 2021 as compared to 4.6mn metric ton in 10 months of 2020, fulfilling the increasing domestic demand by supplying 10% additional urea as compared to last year. Further, the fertilizer industry of Pakistan is providing urea at 83% discounted price which is equivalent to PKR8,500 per bag as compared to the international prices enabled by the Fertilizer Policy 2001.
- **Refineries reject shutdown proposal as anti-economy | The News:** Pakistan's oil sector is currently seized with an intense debate as to whether oil refineries operating in the country should be closed down after allegedly becoming obsolete and having high carbon emissions. Recently, Farooq Rahmatullah proposed to the government to shut down three refineries i.e., PRL, NRL and BYCO, arguing they have become obsolete and contribute heavily to air pollution because of high carbon emission.
- **Cabinet decides to increase gas tariff for captive power | BR:** Minister for Information and Broadcasting Fawad Chaudhary has said that the federal cabinet has decided to increase gas price for captive power to nine cents per MMBTU from 6.5 cents. This he stated, while briefing the media about the decisions taken by the federal cabinet meeting presided over by Prime Minister Imran Khan.
- **FCA for September: Nepra allows Discos PKR2.53 hike in tariffs | BR:** National Electric Power Regulatory Authority (NEPRA) on Tuesday increased tariffs of power Distribution Companies (Discos) by PKR2.53 per unit for September 2201 to recover PKR34bn under monthly Fuel Component Adjustment (FCA) mechanism. This raise will be in addition to PKR1.68 per unit increase in base tariff for domestic consumers across the country.
- **Toyota Pakistan increases prices on its entire lineup | BR:** Indus Motor Company (IMC), the maker of Toyota vehicles in Pakistan, has increased prices on its entire lineup, confirmed CEO Ali Asghar Jamali to Business Recorder on Tuesday. The increase will be applicable on bookings made on and after November 10. The new rates, however, will not apply to those who have already booked their cars and have deliveries due by December, said Jamali.
- **Toyota IMC's Market Share Witnesses Huge Growth in Q1 FY22 | Pro Pakistani:** The Indus Motors Company (IMC) Limited has, yet again, reported a remarkable growth of 59.67% on a year-over-year (YOY) basis in its market share in the first quarter of the fiscal year 2021-22 (Q1 FY22). During Q1 FY21, the company sold 11,809 vehicles, whereas, in Q1 FY22, it sold 18,855 units.
- **CPEC termed our 'last chance' for industrialization | BR:** Special Assistant to the Prime Minister on China Pakistan Economic Corridor (CPEC) affairs Khalid Mansoor said on Tuesday that several countries and World Bank have shown keen interest in development of infrastructure projects and industrial units under the umbrella CPEC, maintaining that CEPC is the last chance of industrialization in the country. Sharing his vision about CPEC with a group of journalists, he gave an overview of pre-CPEC bottlenecks, current status and prospects of phase –II.

Market Indices			
	9-Nov-21	8-Nov-21	30-Jun-21
KSE 100	46,400	47,115	47,356
KSE 30	17,983	18,258	18,962
KMI 30	74,871	76,236	76,622
KSE All Shares	31,673	32,132	32,480
Volume (mn Shares)			
	9-Nov-21	FYTD (Average)	
KSE 100	130.9	134.7	
KSE 30	61.0	49.4	
KMI 30	52.2	50.1	
KSE All Shares	434.6	38.3	
Commodity Rates			
	9-Nov-21	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	84.8	1.6%	12.8%
Crude Oil-Arab Light (USD/BBL)	81.0	0.9%	12.8%
Coal (USD/Tonne)	146.0	-2.0%	35.7%
Copper(USD/Lbs)	4.3	-0.4%	1.6%
Cotton (USD/Lbs)	115.6	2.5%	42.0%
CRC Steel (USD/Tonne)	975.0	0.0%	-17.7%
Currency (Interbank)			
	9-Nov-21	Daily Change	FYTD Change
US Dollar	170.9	0.7%	8.5%
UK Pound	231.7	0.6%	6.4%
Euro	198.1	0.7%	6.1%
UAE Dirham	46.7	0.5%	8.4%
Chinese Yuan	26.7	0.7%	9.6%
Fund Flows (USD mn)			
	9-Nov-21	FYTD	
FOREIGN INDIVIDUAL	0.03	2.97	
FOREIGN CORPORATES	-2.61	-167.61	
OVERSEAS PAKISTANI	1.87	38.11	
FIPI NET	**-0.71**	**-126.53**	
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			
	9-Nov-21	8-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	8.50	8.46	7.28
6 Month T-Bill	8.86	8.84	7.53
12 Month T-Bill	9.45	9.40	7.81
3 Year Government Bond	10.18	10.10	8.99
5 Year Government Bond	10.26	10.19	9.49
10 Year Government Bond	10.99	10.98	9.94
3 Month KIBOR	8.62	8.58	7.45
6 Month KIBOR	8.90	8.87	7.69

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