Morning News 15-Nov-2021

MCB-ARIF HABIB
Savings and Investments Limited

- **Remittances hit USD10.6bn in July-October | Dawn:** Inflows from overseas Pakistanis declined by 7.4% in October when compared to a month earlier even though cumulative remittances reached a record USD10.6bn during the first four months (July-October) of the current financial year. "At USD2.5bn in Oct21, remittances continue their strong streak, rising by 10% from Oct20 and only moderating marginally compared to Sep21," the SBP in a tweet.
- **Good news' about IMF Programme in the offing, says Shaukat Tarin | Dawn:** Adviser to the Prime Minister on Finance and Revenue Shaukat Tarin on Sunday said that uncertainty surrounding the International Monetary Fund's (IMF) loan facility for Pakistan will be over soon, saying a "good news" was on the cards.
- **International Sukuk issuance: FBR grants tax exemptions | BR:** The Federal Board of Revenue (FBR) has granted tax exemptions in respect of International Sukuk Issuance under the Government of Pakistan Trust Certificate Issuance Program. Through an SRO 1457(1)/2021 issued here on Friday, the FBR has amended Second Schedule of the Income Tax Ordinance, 2001.
- **Trade deficit with region widens in 1QFY22 | Dawn:** Pakistan's exports to nine regional countries posted a growth of 31.56% while imports grew by nearly 43% in the first quarter of current fiscal year (1QFY22) from a year ago, latest data released by the State Bank of Pakistan showed. The country's exports to Afghanistan, China, Bangladesh, Sri Lanka, India, Iran, Nepal, Bhutan and the Maldives account for a small amount of USD946.22mn — just 13.5% of Pakistan's total global exports of USD7.00bn in 1QFY22.
- **Probe sought into botched rollout of PSX trading system | Dawn:** Stockbrokers have demanded that the chairperson of the Pakistan Stock Exchange (PSX) constitute an inquiry commission to look into the premature rollout of the new trading system by the exchange management that caused a "grave financial loss" to investors in the last week of October.
- **Pakistan: MSCI discloses constituents | BR:** Following MSCI's previous announcement of reclassification of Pakistan from the Emerging Market to the Frontier Market Index in August 2021, the global index provider has disclosed constituents alongside the November 2021 Semi-Annual Index Review (SAIR). While the reclassification coincided with the November 2021 SAIR, effective date of transition has been set at December 01, 2021.
- **France main FDI contributor, says French diplomat | Tribune:** France is one of the main contributors of foreign direct investment (FDI) in Pakistan and will continue its support in future, said French Embassy Economic Counsellor Dominique Simon. The envoy revealed that a French company - a leading global player in gas turbines - had invested around USD1bn in two power plants for energy production in Balochistan.
- **SBP enhances banks' CRR to 6% | BR:** In order to contain the monetary expansion and moderate domestic demand, the State Bank of Pakistan (SBP) Saturday announced increase in Cash Reserve Requirement (CRR) for banks from 5% to 6%. Cash Reserve Requirement is the amount of money that banks are required to keep with the State Bank of Pakistan and is applicable on demand liabilities and time liabilities with tenor of less than a year.
- **Import of urea: ministry for exemption from PPRA rules | BR:** Ministry of Industries and Production (MoI&P) has approached the Economic Coordination Committee (ECC) for seeking exemption from Public Procurement Regulatory Authority (PPRA) rules to republish tender to import 0.1mn tons of urea till fetching of a low price during the Rabi season 2021-22.
- **Gas tariff for textiles jacked up 38.46 percent | The News:** In a potential setback for export-oriented industry, federal government has decided to increase gas tariff for textile units by 38.46% to USD9 per million British thermal units (MMBtu) from present USD6.5, The News has learnt. The decision in this regard has been taken by the federal cabinet and intimated to textile industry by the gas utility.
- **Govt's Upcoming Petroleum Price Hike is Unjustified: OGRA Sources | Pro Pakistani:** The Oil and Gas Regulatory Authority (OGRA) has said that the government will have no justification to increase the prices of petroleum next week. The price of crude oil fell from USD84.5 to USD78 a barrel last week but the government increased it by up to eight rupees per liter on 6 November.
- **Gas firms win praise for lower loss | Tribune:** State-owned Sui Northern Gas Pipelines Limited (SNGPL) and Sui Southern Gas Company (SSGC) have earned praise of the government for notably controlling losses during gas transmission and distribution to end-consumers between 2018 and 2021. Fact checks suggest that the losses partly went down due to low production of gas by the domestic fields.
- **SEP losing interest in KE? | BR:** The Chinese company, M/s Shanghai Electric Power (SEP), is reportedly now slightly hesitant in showing enthusiasm in acquiring 66.40% stakes of M/s Abraaj Capital in Karachi Electric Limited (KEL) due to lackluster attitude of different Ministries/organizations of government.
- **NBP to help Chinese companies relocate industrial units to Pakistan | Pakistan Today:** Chief Representative of National Bank of Pakistan (NBP) in China, Shaikh Muhammad Shariq on Sunday announced that the bank is ready to facilitate Chinese companies to relocate businesses and industrial units to Pakistan under the China-Pakistan Economic Corridor (CPEC) framework.

Market Indices			
	12-Nov-21	11-Nov-21	30-Jun-21
KSE 100	45,749	46,348	47,356
KSE 30	17,726	17,981	18,962
KMI 30	73,823	75,000	76,622
KSE All Shares	31,226	31,549	32,480
Volume (mn Shares)			
	12-Nov-21	FYTD (Average)	
KSE 100	83.0	133.3	
KSE 30	44.9	49.1	
KMI 30	39.8	49.8	
KSE All Shares	192.4	379.2	
Commodity Rates			
	12-Nov-21	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	82.2	-0.8%	9.4%
Crude Oil-Arab Light (USD/BBL)	80.5	0.2%	12.1%
Coal (USD/Tonne)	130.0	-5.1%	20.8%
Copper(USD/Lbs)	4.4	1.3%	3.5%
Cotton (USD/Lbs)	113.8	-1.6%	39.8%
CRC Steel (USD/Tonne)	965.0	-1.0%	-18.6%
Currency (Interbank)			
	12-Nov-21	Daily Change	FYTD Change
US Dollar	175.3	1.0%	11.2%
UK Pound	235.1	1.3%	7.9%
Euro	200.7	1.0%	7.4%
UAE Dirham	47.8	1.0%	11.0%
Chinese Yuan	27.5	1.2%	12.6%
Fund Flows (USD mn)			
	12-Nov-21	FYTD	
FOREIGN INDIVIDUAL	0.00	2.91	
FOREIGN CORPORATES	0.01	-172.81	
OVERSEAS PAKISTANI	0.54	38.61	
FIPI NET	**0.56**	**-131.29**	
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			
	12-Nov-21	11-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	8.52	8.51	7.28
6 Month T-Bill	8.89	8.88	7.53
12 Month T-Bill	9.49	9.46	7.81
3 Year Government Bond	10.26	10.25	8.99
5 Year Government Bond	10.35	10.30	9.49
10 Year Government Bond	10.99	11.00	9.94
3 Month KIBOR	8.65	8.64	7.45
6 Month KIBOR	8.92	8.91	7.69

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