Morning News 16-Nov-2021

MCB-ARIF HABIB
Savings and Investments Limited

- **THE RUPEE: PKR gains after week of losses | BR:** After an entire week of losses, Pakistan's rupee finally ended with a gain against the US dollar, appreciating 0.25% at the inter-bank market on Monday. As per the State Bank of Pakistan (SBP), the PKR closed at 175.29 against the USD after a day-on-day appreciation of PKR0.44 or 0.25%. The improvement comes after the rupee depreciated to its lowest historic level of 175.73 in the inter-bank market on Friday. Still, the PKR has lost nearly 14% of its value against the US dollar in around six months.
- **MPC to Decide Fate of Policy Rate on November 26 | Augaf:** As announced in the advance calendar released in May 2021, the next meeting of the Monetary Policy Committee will take place on Friday, November 26, 2021 at SBP Karachi. At its meeting on 20th September 2021, the Monetary Policy Committee (MPC) raised the policy rate by 25 basis points to 7.25 percent.
- **HEC sell-off process enters final stages | BR:** The privatisation of government-owned Heavy Electrical Complex (HEC) has entered into its final stages. Currently, the Privatisation Commission (PC) is considering various options for determination of reserve price for the bidding of the HEC shares, before the bidding process is initiated with the approval of the Federal Cabinet. Breakthrough has been achieved in several of the pending matters related to employees and settlement of liabilities due towards the financial institutions.
- **Lack of investor interest: PD for delisting SME Bank from sell-off list | BR:** The Privatisation Division has proposed the government to delist SME Bank from the active privatisation list due to lack of interest of investors. This was disclosed during a meeting of the Senate Standing Committee on Privatisation held under the Chairman Shamim Afridi, here at the Parliament House on Monday.
- **Textile group exports witness 26.55% growth in 4 months | BR:** The country's textile group exports witnessed 26.55% growth during the first four months (July-October) of the current fiscal year and remained USD6.02bn compared to USD4.7bn during the same period of the last fiscal year, says the Pakistan Bureau of Statistics (PBS). The exports and imports data released by the PBS revealed that textile group exports on month-on-month basis witnessed 7.65% growth and remained USD1.6bn in October 2021 compared to USD1.49bn in September 2021.
- **Prices of POL products remain unchanged | BR:** Prime Minister Imran Khan, Monday, decided not to increase the prices of petroleum products till November 30th under political pressure from parliamentarians and the public at large. The prime minister rejected a summary sent by the Oil and Gas Regulatory Authority (OGRA) recommending a hike in the price of petroleum products for the remaining days of November.
- **Petroleum imports cost surges 96% in July-October | The News:** Pakistan's oil import bill soared nearly two-fold in the first four months of the current fiscal year, fueled largely by both higher global prices and increasing domestic demand. In the months (July-October FY2022) under review, fuel import bill registered almost 96% growth by going up to USD6.20bn compared to USD3.177bn in the same months in the last fiscal (FY2021).
- **ECC approves PKR134.78bn for payment to IPPs, PKR4.785bn to ECP | BR:** The Economic Coordination Committee (ECC) of the Cabinet has approved PKR134.78bn for payment to IPPs on second instatement (60%) as per payment mechanism and PKR4.78bn in favour of Election Commission of Pakistan (ECP) for conducting local government elections in all provinces and for periodical revision of electoral rolls.
- **Export sector likely to face gas supply disruptions | BR:** The Ministry of Energy (Petroleum Division) has reportedly hinted at occasional disruptions in supply of gas/RLNG to exporters during the winter, due to increase in demand by domestic, power and fertilizer sectors, well-informed sources told Business Recorder. These apprehensions were expressed at a re The Petroleum Division stated that the ECC of the Cabinet in its meeting held on September 17, 2018.
- **Jan-Oct: 5.1mn tonnes of urea sold in 10 months | BR:** Fertilizer industry remains committed to ensure adequate availability of urea to the farmers at affordable prices. During the first 10 months (January-October) of the current calendar year, 5.1mn tonnes of urea was sold as compared to 4.6mn tonnes in the same period last year. The domestic industry has ensured 10% additional supplies in the market and is currently having a much lower inventory lesser than 150,000 tonnes. On pricing front, while urea is domestically being supplied at PKR1,768 per bag, international prices have jumped more than PKR10,000 per bag.
- **FBR slaps fixed GST on steel products | The News:** The Federal Board of Revenue (FBR) on Monday notified fixed GST (general sales tax) of PKR153,000/metric ton on steel bars and other long profiles. The FBR, as per its notification, imposed PKR131,000/metric tonne on steel billets, PKR126,000/metric ton on Steel ingots/bala, PKR126,000/metric tonne on ship plates, and PKR119,000/metric tonne on other re-rollable iron, and steel scrap.

Market Indices

	15-Nov-21	12-Nov-21	30-Jun-21
KSE 100	45,736	45,749	47,356
KSE 30	17,746	17,726	18,962
KMI 30	73,769	73,823	76,622
KSE All Shares	31,181	31,226	32,480

Volume (mn Shares)

	15-Nov-21	FYTD (Average)
KSE 100	57.5	132.6
KSE 30	28.3	48.9
KMI 30	24.1	49.5
KSE All Shares	172.8	377.4

Commodity Rates

	15-Nov-21	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	82.1	-0.1%	9.2%
Crude Oil-Arab Light (USD/BBL)	79.8	-0.9%	11.1%
Coal (USD/Tonne)	129.5	-0.4%	20.4%
Copper(USD/Lbs)	4.4	-0.8%	2.7%
Cotton (USD/Lbs)	113.7	-1.6%	39.7%
CRC Steel (USD/Tonne)	965.0	0.0%	-18.6%

Currency (Interbank)

	15-Nov-21	Daily Change	FYTD Change
US Dollar	174.2	-0.6%	10.6%
UK Pound	233.7	-0.6%	7.3%
Euro	198.0	-1.3%	6.0%
UAE Dirham	47.8	0.0%	11.0%
Chinese Yuan	27.3	-0.7%	11.9%

Fund Flows (USD mn)

	15-Nov-21	FYTD
FOREIGN INDIVIDUAL	0.00	2.92
FOREIGN CORPORATES	-1.45	-174.24
OVERSEAS PAKISTANI	0.11	39.26
FIPI NET	**-1.34**	**-132.06**

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

	15-Nov-21	12-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	8.56	8.52	7.28
6 Month T-Bill	8.97	8.89	7.53
12 Month T-Bill	9.65	9.49	7.81
3 Year Government Bond	10.34	10.26	8.99
5 Year Government Bond	10.47	10.35	9.49
10 Year Government Bond	11.10	10.99	9.94
3 Month KIBOR	8.67	8.65	7.45
6 Month KIBOR	8.97	8.92	7.69

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