Morning News 19-Nov-2021

MCB-ARIF HABIB
Savings and Investments Limited

- **Revised draft of SBP Amendment Bill 2021 shared with IMF | The News:** The government has revised the draft of State Bank of Pakistan (SBP) Amendment Bill 2021 and shared it with the IMF under which complete immunity for governor SBP and other officials of the central bank are proposed to be withdrawn.
- **Q1 LSMI output up 5.15pc YoY | BR:** The Large Scale Manufacturing Industries (LSMI) output increased by 5.15 percent in the first quarter (July-September) of the current fiscal year 2021-22 compared to the same period of last fiscal year, ie, 2021, as almost all major manufacturing sectors posted growth, the data released by the Pakistan Bureau of Statistics (PBS) showed on Thursday.
- **Forex reserves drop to $23.55bln | The News:** Pakistan's foreign exchange reserves fell by $475 million or 1.97 per cent in the week ended on Nov 12, State Bank of Pakistan reported on Thursday. The total liquid foreign reserves held by the country stood at $23.550 billion, compared with $24.025 billion in the previous week. The reserves held by the center bank decreased by $381 million to $16.945 billion. The reserves of commercial banks also declined to $6.605 billion from $6.699 billion.
- **10-year GSP+ scheme: EU includes 5 new global conventions as eligibility criteria | BR:** The European Union (EU) has included five new international conventions as eligibility criteria for the new 10-year (2024-34) General System of Preference (GSP) Plus scheme. This was revealed by Ministry of Commerce (MoC) before Senate Standing Committee on Commerce, headed by Senator Zeeshan Khanzada.
- **Gas supply to CNG sector will be curtailed | Dawn:** With shortage of natural gas estimated at 600 million cubic feet per day next month and 800mmcd in January, the Cabinet Committee on Energy (CCoE) could not finalise gas load management plan for the winter season on Thursday, but announced that supplies would be curtailed to transport sector.
- **Banks warned against exchange rate speculations | BR:** The State Bank of Pakistan (SBP) has taken strict notice of the volatile exchange rate and warned banks to refrain from speculations and undue practices in the currency market or face stern action. Sources told BR that SBP conducted a high-level meeting of heads of commercial banks on Thursday at SBP head office to review the ongoing developments in the currency market.
- **PM explains how dependence on IMF can be ended | BR:** Prime Minister Imran Khan said on Thursday that the country would not need the International Monetary Fund (IMF) programme in future, if it is able to tap the full potential of the overseas Pakistanis whom he termed the "biggest asset" of the country. The premier said that beneficiaries of the current system have been resisting the reforms and automation.
- **Double-digit inflation likely to persist till 1HFY23 | The News:** Inflation may hover around 10-10.5 percent for FY2022 and 11-11.5 percent for the first half of FY2023 and this uptrend calls for a prompt adjustment in policy rate by at least 75 basis points (bps). It said year-on-year (YoY), inflation was expected to remain in the range of 11.5 to 12.0 percent for end-June 2022 and 8.5 to 9.0 percent for December 2022.
- **Auto financing jumps 44pc to Rs346bn | Dawn:** Auto financing reached Rs346 billion as of October 2021, showing a jump of 44 per cent year-on-year and 2.2pc on month-on-month, figures released by the State Bank of Pakistan on Thursday revealed. Car financing went up from Rs240bn in October 2020 to Rs338bn in September 2021, the SBP figures showed. The SBP had reduced the period of auto-financing from seven to five years along with decreasing the debt burden ratio from 50pc to 40pc.
- **OMCs urge banks to review their lending policies | BR:** The oil marketing companies (OMCs) may default as a result of new lending policies of the banks. These concerns were expressed by the OMCs in a letter written by them to the president of a leading bank. According to the letter, the industry is playing a pivotal role in the economic development of the country by providing this very basic commodity.
- **Deemed duty audit: Petroleum Division gives refineries a clean chit | BR:** Petroleum Division has cleared refineries from any wrongdoing in deemed duty, saying that they have spent Rs199 billion against collection on up-gradation during 2002-2020, well informed sources told Business Recorder.
- **TRG Pakistan's share price plummets amid allegations on CEO | BR:** Such is the magnitude of the allegations made in the US against Zia Chishti, CEO of TRG Pakistan, that its aftershocks have been felt halfway across the world. The share price of the company, listed on the Pakistan Stock Exchange (PSX) and in which he holds 15.3% voting interest, has plunged 14.4% in two days since. This is the maximum the price could have gone down in two days.

Market Indices

	18-Nov-21	17-Nov-21	30-Jun-21
KSE 100	46,111	46,194	47,356
KSE 30	17,895	17,952	18,962
KMI 30	74,755	74,654	76,622
KSE All Shares	31,450	31,444	32,480

Volume (mn Shares)

	18-Nov-21	FYTD (Average)
KSE 100	86.4	131.5
KSE 30	34.5	49.0
KMI 30	40.8	49.2
KSE All Shares	263.5	373.9

Commodity Rates

	18-Nov-21	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	81.2	1.2%	8.1%
Crude Oil-Arab Light (USD/BBL)	77.9	-2.7%	8.5%
Coal (USD/Tonne)	135.0	2.7%	25.5%
Copper(USD/Lbs)	4.3	0.6%	0.4%
Cotton (USD/Lbs)	112.5	-1.3%	38.2%
CRC Steel (USD/Tonne)	965.0	0.0%	-18.6%

Currency (Interbank)

	18-Nov-21	Daily Change	FYTD Change
US Dollar	174.4	0.1%	10.7%
UK Pound	235.3	0.2%	8.0%
Euro	198.3	0.5%	6.2%
UAE Dirham	47.8	0.0%	11.0%
Chinese Yuan	27.3	-0.1%	11.9%

Fund Flows (USD mn)

	18-Nov-21	FYTD
FOREIGN INDIVIDUAL	-0.01	2.94
FOREIGN CORPORATES	-3.28	-187.40
OVERSEAS PAKISTANI	0.69	40.91
FIPI NET	**-2.60**	**-143.55**

Economic Data (USD mn)

	FY22E	FY21	FY20
GDP Growth	4.8%	3.9%	-0.5%
	Oct-21	**Sep-21**	
Exports	2,466	2,409	
Imports	6,386	6,563	
Remittances	2,518	2,670	
Foreign Exchange Reserves	23,926	25,983	

Money Market Data

	18-Nov-21	17-Nov-21	30-Jun-21
SBP Policy Rate	7.25	7.25	7.00
CPI Inflation	9.2%	9.2%	9.7%
3 Month T-Bill	8.56	8.59	7.28
6 Month T-Bill	9.03	8.98	7.53
12 Month T-Bill	9.71	9.72	7.81
3 Year Government Bond	10.30	10.31	8.99
5 Year Government Bond	10.47	10.43	9.49
10 Year Government Bond	11.10	11.09	9.94
3 Month KIBOR	8.77	8.75	7.45
6 Month KIBOR	9.08	9.05	7.69

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