Morning News 22-Nov-2021

MCB-ARIF HABIB
Savings and Investments Limited

- **IMF may unveil steps for revival of package today | Dawn:** With policy rate increased by 1.5 per cent, the International Monetary Fund (IMF) is set to declare a staff-level agreement with Pakistan on revival of $6 billion Extended Fund Facility (EFF) which has been 'in recess' since April.
- **SBP raises policy rate by 150 bps to 8.75 percent | Mettis Global:** The Monetary Policy Committee (MPC) of the State Bank of Pakistan (SBP) in its meeting held on November 19, 2021, in Karachi, has decided to raise the Policy Rate by 150 basis points (bps) to 8.75 percent.
- **Monetary policy to be reviewed 8 times a year | BR:** The State Bank of Pakistan (SBP) has decided to increase the number of Monetary Policy Committee (MPC) meetings from six to eight times a year in line with international best practices. Accordingly, the next MPC meeting will be on Tuesday, 14th Dec 2021.
- **Domestic sector: Gas supply plan finalized | BR:** The Petroleum Division has finalized winter seasonal plan for uninterrupted gas supply to the domestic sector by curtailing supply to the CNG stations and the general industry (non-export) from December 1 to January 15, 2022. The gas management plan will also be developed to ensure the stable supply of gas to the domestic consumers.
- **Number of microfinance borrowers soars to record 8.2m | Dawn:** The number of active microfinance borrowers increased 20 per cent year-on-year to an all-time high of 8.2 million at the end of the July-September quarter. According to the latest data released by the Pakistan Microfinance Network (PMN) as many as 161,318 customers joined the ranks of active borrowers in the third quarter of 2021.
- **Senate panel backs corporate guarantees | Tribune:** A Senate panel has backed the government's move to allow companies to provide corporate guarantees against disputed import duties, but it strongly opposed changes introduced in income tax and sales tax laws. The Senate Standing Committee on Finance has endorsed the proposal of adding a new legal provision of corporate guarantees to be given by companies against any disputed import duty.
- **UAE firm files lawsuit against SBP | Tribune:** A United Arab Emirates-based trading and investment firm has filed a nearly Rs74 billion damages suit against the State Bank of Pakistan (SBP) and a private bank for allegedly freezing its bank accounts illegally nine years ago. Energy Global International FZE filed the damages suit against the central bank on account of "unlawful" action of freezing the bank accounts in December 2012.
- **Withdrawal of Rs330bn GST exemptions: Three critical issues yet to be decided | BR:** The issue of imposition of 17 percent sales tax on mobile phone, stationery items/writing instruments and certain packaged food items is pending before the government for withdrawal of Rs330 billion sales tax exemptions under the draft Tax Laws (Amendment) Bill 2021.
- **Govt commits cheaper RLNG to Karachi exporters in winter, says Bilwani |Dawn:** The federal government and the value-added textile sector have reached an agreement over uninterrupted supply of regasified-liquefied natural gas (RLNG) at a preferential rate to the export industry from December for the next three months.
- **IT exports rise 39pc to $830mln in July-Oct | The News:** Pakistan's IT exports surged 39.26 percent in the first four months of the current fiscal year of 2021/22, a minister said on Saturday, as stay-at-home orders amid the pandemic accelerated transition to digital economy. Information and Communications Technology (ICT) export remittances, including telecommunication, computer and information services have surged to $830 million in July-October of fiscal 2021-22.
- **Petroleum Dealers Association to go on strike on November 25 | Nation:** The Petroleum Dealers Association on Sunday announced countrywide strike on November 25. According to the spokesperson of Petroleum Dealers Association, the government is giving false consolation on 6 percent margin while the nationwide strike is being announced after their demands were not accepted.
- **Flour crisis on the cards | The News:** The failure to increase wheat production per acre and alleged corruption and mismanagement in wheat procurement and storage at the government level has raised fears of another flour crisis in the country. At present, the Food Department in most districts of Punjab, including Faisalabad, has run out of wheat stocks, while the new crop is still four to five months away.
- **Underutilised cement plants likely to pay more tax | Dawn:** The government plans to impose a higher tax rate on underutilised cement plants, according to Muzzammil Aslam, spokesperson for the Ministry of Finance. Speaking to Dawn, Mr Aslam said cement-makers are keeping the retail price at an elevated level by controlling the industry output.
- **Egypt to import meat from Pakistan | Dawn:** Egypt has approved 10 slaughter houses of Pakistani companies for import of meat. An official announcement of the commerce ministry said that Egypt's Veterinary Quarantine Department had given approval to these Pakistani slaughter houses for export of meat to Egypt.

Market Indices			
	19-Nov-21	**18-Nov-21**	**30-Jun-21**
KSE 100	46,489	46,111	47,356
KSE 30	18,038	17,895	18,962
KMI 30	75,477	74,755	76,622
KSE All Shares	31,728	31,450	32,480
Volume (mn Shares)			
	19-Nov-21	**FYTD (Average)**	
KSE 100	128.2	131.5	
KSE 30	64.5	49.1	
KMI 30	55.8	49.3	
KSE All Shares	304.2	373.3	
Commodity Rates			
	19-Nov-21	**Daily Change**	**FYTD Change**
Crude Oil-Brent (USD/BBL)	78.9	-2.9%	5.0%
Crude Oil-Arab Light (USD/BBL)	78.8	1.2%	9.8%
Coal (USD/Tonne)	136.3	0.9%	26.6%
Copper(USD/Lbs)	4.4	2.1%	2.5%
Cotton (USD/Lbs)	113.8	1.1%	39.8%
CRC Steel (USD/Tonne)	955.0	-1.0%	-19.4%
Currency (Interbank)			
	19-Nov-21	**Daily Change**	**FYTD Change**
US Dollar	174.7	0.2%	10.9%
UK Pound	235.0	-0.1%	7.9%
Euro	197.2	-0.5%	5.6%
UAE Dirham	47.8	0.0%	11.0%
Chinese Yuan	27.4	0.2%	12.1%
Fund Flows (USD mn)			
	19-Nov-21	**FYTD**	
FOREIGN INDIVIDUAL	-0.01	2.93	
FOREIGN CORPORATES	-12.10	-199.50	
OVERSEAS PAKISTANI	-0.03	40.88	
FIPI NET	**-12.14**	**-155.69**	
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			
	19-Nov-21	**18-Nov-21**	**30-Jun-21**
SBP Policy Rate	8.75	7.25	7.00
CPI Inflation	9.2%	9.2%	9.7%
3 Month T-Bill	8.61	8.56	7.28
6 Month T-Bill	9.12	9.03	7.53
12 Month T-Bill	9.76	9.71	7.81
3 Year Government Bond	10.45	10.30	8.99
5 Year Government Bond	10.55	10.47	9.49
10 Year Government Bond	11.13	11.10	9.94
3 Month KIBOR	8.80	8.77	7.45
6 Month KIBOR	9.16	9.08	7.69

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