Morning News 29-Nov-2021

MCB-ARIF HABIB Savings and Investments Limited

- **Govt to announce mini-budget in line with IMF conditions | The News:** The Government of Pakistan on Sunday decided to announce a mini-budget in accordance with the terms and conditions agreed upon with the International Monetary Fund (IMF). According to a report, the government has turned the Fourth Tax Laws Amendment Ordinance into a bill. The Schedule 6 will be scrapped from the amended finance bill to end the tax exemption of Rs350 billion.
- **PM orders half-yearly price projections for fuel, power | BR:** Prime Minister Imran Khan has directed the Ministry of Energy to carry out six months' price projections for petroleum, Liquefied Petroleum Gas (LPG), Regasified-Liquefied Natural Gas (RLNG) and power and propose specific measures to absorb increase in their prices, well informed sources told Business Recorder.
- **FBR seizes sugar bags over 'violations' | BR:** The Federal Board of Revenue (FBR) has started seizing the sugar bags from warehouses and premises of dealers, which were cleared without affixation of tax stamps/unique identification marking (UIMs) under the track and trace system (TTS). The FBR Sunday launched an operation against the non-compliant sugar mills involved in clearing sugar bags without affixation of tax stamps.
- **ECO region: President emphasises need for improving trade, investment | BR:** President Dr Arif Alvi Sunday said despite having all elements for economic growth, the Economic Cooperation Organization (ECO) region was among the least integrated regions in terms of trade and investment which necessitated unlocking of potential for an impetus to growth and development.
- **Benefits from reduction in oil prices will be transferred to people | The News:** Advisor to the Prime Minister on Finance Shaukat Tarin Friday said the government has abolished all taxes on petrol and that the benefits derived from reduction in oil prices will be transferred to the people. Tarin said if we do not refinance, something else will have to be done.
- **Cabinet approves summaries to revive Saudi support package, oil facility for Pakistan | Dawn:** The deal to revive Saudi Arabia's $3 billion support package for Pakistan in safe deposits and $1.2bn worth of oil supplies on deferred payments cleared its final hurdle on Saturday as the prime minister and his cabinet approved a pair of summaries in this regard.
- **Profits outflow down 16pc in July-October | Dawn:** The outflow of profits and dividends on foreign investment in Pakistan witnessed a decline of 16.5 per cent during the first four months of the current fiscal year (4MFY22). The State Bank of Pakistan (SBP) reported that outflow of profits fell to $566.6 million compared to $678.6m during the same period in FY21.
- **Exports, imports see record rise in 1QFY22 | Dawn:** Exports and imports both reached the highest-ever level in the first quarter of fiscal year 2021-22 (1QFY22) which convinced the government to achieve 5.5 per cent economic growth, said a report issued by the Ministry of Planning and Development on Friday. The government has set 4.8pc growth target in the budget for FY22.
- **Out of total revenue last fiscal year, Pakistan spent Rs85 out of 100 in debt servicing | The News:** Pakistan's net revenue receipts will only meet debt servicing requirements during the current fiscal year 2021-22 so the country's defense, development, subsidies, running of civil government including salaries and pensions of the federal government will be paid out through "borrowed" money. Out of total net revenue receipts of Rs100, the federal government utilised around Rs85 for payment of debt servicing.
- **Weekly inflation declines 0.67pc | Dawn:** After seven weeks, the Sensitive Price Indicator (SPI) for the week ending on November 25 witnessed a decline of 0.67 per cent week-on-week, while it swelled by 18.6pc year-on-year (YoY). Analysts said the SPI had plunged after seven weeks but it may not prove relief as the Consumer Price Index (CPI) for November may enter into double digits.
- **11 projects signed with China | BR:** Ministry of Foreign Affairs (MoFA) has sought text of drafts of 11 projects from Ministry of Energy signed between Pakistan and China, well informed sources told Business Recorder. The texts of 11 pacts with China have been sought at a time when Chinese companies are facing undue delay in payment of their overdue amounts and at the same time both countries are mulling over the second phase of China Pakistan Economic Corridor (CEPC).
- **Dhabeji Industrial Zone project hits snags | Dawn:** The recently awarded contract for the Dhabeji Industrial Zone (DIZ) project that falls under the China-Pakistan Economic Corridor (CPEC) is in the doldrums after being challenged before a court of law. The Sindh High Court will take up on Monday (today) a petition submitted to it challenging that the rules of Special Economic Zones (SEZ) had not been followed in the award of the contract.
- **CAA notifies fresh travel ban | BR:** The Civil Aviation Authority (CAA) on Sunday notified a new travel advisory for Category-C countries after the emergence of a new COVID variant, Omicron. The CAA has enlisted 17 countries in the fresh travel advisory, South Africa, Hong Kong, Iraq, Namibia and Ukrain among them.

Market Indices

	26-Nov-21	25-Nov-21	30-Jun-21
KSE 100	44,114	43,936	47,356
KSE 30	17,034	16,939	18,962
KMI 30	71,029	70,668	76,622
KSE All Shares	30,302	30,249	32,480

Volume (mn Shares)

	26-Nov-21	FYTD (Average)
KSE 100	117.0	130.9
KSE 30	59.8	49.8
KMI 30	42.4	48.9
KSE All Shares	289.7	368.7

Commodity Rates

	26-Nov-21	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	72.7	-11.6%	-3.2%
Crude Oil-Arab Light (USD/BBL)	79.8	0.1%	11.2%
Coal (USD/Tonne)	139.5	-0.4%	29.6%
Copper(USD/Lbs)	4.3	-4.0%	0.1%
Cotton (USD/Lbs)	109.1	-3.5%	34.1%
CRC Steel (USD/Tonne)	935.0	-2.1%	-21.1%

Currency (Interbank)

	26-Nov-21	Daily Change	FYTD Change
US Dollar	175.3	0.1%	11.3%
UK Pound	233.8	0.2%	7.3%
Euro	198.4	1.1%	6.2%
UAE Dirham	48.3	1.0%	12.1%
Chinese Yuan	27.4	0.0%	12.4%

Fund Flows (USD mn)

	26-Nov-21	FYTD
FOREIGN INDIVIDUAL	0.66	3.58
FOREIGN CORPORATES	-4.86	-242.14
OVERSEAS PAKISTANI	0.68	43.72
FIPI NET	**-3.51**	**-194.84**

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

	26-Nov-21	25-Nov-21	30-Jun-21
SBP Policy Rate	8.75	8.75	7.00
CPI Inflation	9.2%	9.2%	9.7%
3 Month T-Bill	9.75	9.75	7.28
6 Month T-Bill	10.20	10.18	7.53
12 Month T-Bill	10.94	10.99	7.81
3 Year Government Bond	11.53	11.73	8.99
5 Year Government Bond	11.61	11.80	9.49
10 Year Government Bond	12.07	12.10	9.94
3 Month KIBOR	9.95	9.95	7.45
6 Month KIBOR	10.31	10.29	7.69

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