Morning News 02-Dec-2021

MCB-ARIF HABIB
Savings and Investments Limited

- **Ministry agrees to in-camera briefing on $4.2bn Saudi package | Dawn:** The Standing Committee of the National Assembly on Finance and Revenue on Wednesday called for not treating tax evasion under the provisions of Anti-Money Laundering (AML) law under the premise of Financial Action Task Force (FATF) and sought a briefing on the terms of $4.2 billion Saudi balance-of-payment support package.
- **ECC okays hike in profit margins of oil firms, dealers | Dawn:** Amid double-digit inflation recorded at 11.5 per cent in November, the Economic Coordination Committee (ECC) of the Cabinet on Wednesday did not approve an additional subsidy on five essential kitchen items for two months and green-lighted an increase of 23-25pc in dealers' and oil companies' commission on petrol and diesel effective from Dec 16.
- **Trade deficit hits all-time high in November | Dawn:** The month of November of the current fiscal year (FY22) saw a steep rise of 162.4 per cent in trade deficit which was driven largely by more than triple increase in imports compared to exports from the country. The current year started with a rising import bill which poses a serious threat putting pressure on the external side.
- **No change in petrol prices as tax rates raised | Dawn:** Despite decline in international prices, the government on Tuesday decided to keep the prices of all major petroleum products unchanged for the next 15 days by increasing tax rates — both petroleum levy and general sales tax. The decision to increase the rates of petroleum levy and GST was taken in line with commitments given to the International Monetary Fund.
- **Tarin asks provinces to ensure availability of flour in market | BR:** The Adviser to the Prime Minister on Finance and Revenue, Shaukat Tarin, has asked the provincial governments to ensure that all released wheat is being converted into flour and made available in market at government price. The adviser chaired the NPMC meeting, which reviewed the prices of daily-use commodities and essential food items in the country and the Secretary Finance briefed the meeting about the weekly SPI data of last week.
- **Banks' lending rates jump | Tribune:** The lending rate of commercial banks for offering budgetary support to the government soared on Wednesday after inflation shot up to a 21-month high in November. The sharp increase in commercial banks' lending rates for three, six and 12-month treasury bills indicates that they expect the central bank to make another aggressive hike in the benchmark interest rate on December 14.
- **PSO seeks govt help to avoid oil crunch | Tribune:** As power producers are reluctant to procure furnace oil, state-run oil marketing firm Pakistan State Oil (PSO) has again sought government's intervention, cautioning that the current situation may cause fuel shortage in the country. Earlier, the Power Division conveyed to PSO firm demand for furnace oil. In response, PSO imported two cargoes but later power producers refused to procure the oil.
- **Immovable properties: FBR revises values upward | BR:** To fix fair market value of immoveable properties, the Federal Board of Revenue (FBR), Wednesday, revised upward the values of residential and commercial immovable properties located in 40 major cities across the country. In this connection, the FBR has issued 40 notifications, here on Wednesday to raise values of properties from December 1, 2021.
- **OECD cuts world growth forecast | BR:** The OECD warned Wednesday that the Omicron coronavirus variant threatens the global economic recovery as it lowered the growth outlook for 2021 and appealed for a swifter rollout of Covid vaccines. The global economy is now expected to expand by 5.6 percent this year, down from an earlier forecast of 5.7 percent.
- **Housing finance: SBP raises exposure limit to 25pc of mandatory targets | BR:** The State Bank of Pakistan (SBP) has announced increase in the exposure limit on eligible investments/financing up to 25 percent of the mandatory targets for housing and construction finance. With a view to promoting housing and construction of buildings (Residential and Non-Residential) in Pakistan, State Bank had advised mandatory targets to banks.
- **Digital mode of payments: FBR extends deadline to year-end |BR:** The Federal Board of Revenue (FBR) has granted another extension for the corporate sector to switch over to the digital mode of payments, up to December 31, 2021. In this regard, the FBR has issued an income tax circular 10 of 2021, here on Wednesday, on the extension in deadline stipulated under section 21(Ia) of the Income Tax Ordinance, 2001.
- **ECC approves Rs48b cash aid for poor | Tribune:** The government on Wednesday approved the grant of one-time cash assistance of Rs48 billion to 4 million poorest people but rejected the demand for a Rs10 billion bailout package for paying pensions to Pakistan Railways employees due to fiscal constraints.

Market Indices			
	1-Dec-21	**30-Nov-21**	**30-Jun-21**
KSE 100	45,369	45,072	47,356
KSE 30	17,576	17,430	18,962
KMI 30	73,745	73,211	76,622
KSE All Shares	30,954	30,832	32,480
Volume (mn Shares)			
	1-Dec-21	**FYTD (Average)**	
KSE 100	85.0	131.5	
KSE 30	53.3	51.3	
KMI 30	42.6	49.4	
KSE All Shares	241.0	367.1	
Commodity Rates			
	1-Dec-21	**Daily Change**	**FYTD Change**
Crude Oil-Brent (USD/BBL)	68.9	-2.4%	-8.3%
Crude Oil-Arab Light (USD/BBL)	71.2	3.4%	-0.8%
Coal (USD/Tonne)	127.1	9.6%	23.0%
Copper(USD/Lbs)	4.2	-0.7%	-0.9%
Cotton (USD/Lbs)	101.6	-7.0%	24.8%
CRC Steel (USD/Tonne)	935.0	0.0%	-21.1%
Currency (Interbank)			
	1-Dec-21	**Daily Change**	**FYTD Change**
US Dollar	175.0	-0.4%	11.1%
UK Pound	232.3	-0.6%	6.7%
Euro	198.1	-0.6%	6.1%
UAE Dirham	47.8	-0.5%	11.0%
Chinese Yuan	27.5	-0.5%	12.6%
Fund Flows (USD mn)			
	1-Dec-21	**FYTD**	
FOREIGN INDIVIDUAL	0.00	4.22	
FOREIGN CORPORATES	-2.11	-308.60	
OVERSEAS PAKISTANI	0.57	47.24	
FIPI NET	**-1.53**	**-257.14**	
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			
	1-Dec-21	**30-Nov-21**	**30-Jun-21**
SBP Policy Rate	8.75	8.75	7.00
CPI Inflation	11.5%	9.2%	9.7%
3 Month T-Bill	9.77	9.74	7.28
6 Month T-Bill	10.20	10.17	7.53
12 Month T-Bill	10.72	10.72	7.81
3 Year Government Bond	11.55	11.37	8.99
5 Year Government Bond	11.59	11.48	9.49
10 Year Government Bond	11.94	11.94	9.94
3 Month KIBOR	9.98	9.95	7.45
6 Month KIBOR	10.30	10.29	7.69

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