Morning News 06-Dec-2021

MCB-ARIF HABIB
Savings and Investments Limited

- **Govt says expecting 5pc growth | BR:** Minister for Energy Hammad Azhar on Saturday said the government is expecting five percent economic growth this year due to its prudent policies. In a video statement, he said the government made the national economy stable and a record increase in foreign remittance is being witnessed. Commenting on inflation in the country, the minister said the nation was facing this problem due to rising prices of all items in the international market.
- **Govt plans budget squeeze to win IMF funding approval | BR:** Pakistan will end most exemptions on sales tax so that all sectors pay a uniform 17% as part of a package of belt tightening measures aimed at securing approval for a $1 billion tranche of IMF funding, officials said on Friday. As well as withdrawing sales tax exemptions worth around 300 billion rupees ($1.70 billion) a year, officials said a supplementary budget next week would also cut development spending.
- **Govt changing formula to measure inflation | Tribune:** The federal government has decided in principle to change the formula for determining the rate of inflation in the country and in this, the Pakistan Bureau of Statistics (PBS) had started the preliminary work, sources said on Saturday. According to the sources, the authorities would alter the ratio and weightage of the items included in the basket for determining the Consumer Price Index (CPI) and Sensitive Price Index (SPI).
- **Bond yields, KIBOR at two-year high | The News:** Pakistan Investment Bonds (PIBs) yields humped to their highest in over two years on Friday, as possibility of another aggressive interest rate hike by the central bank to fight off stubborn inflation and ease pressure on rupee came into tighter focus, analysts said.
- **Hilal-1 and Iqbal-1 discoveries | BR:** Mari Petroleum Company Limited (MPCL) is pleased to announce commencement of 10 MMSCFD natural gas production, with effect from 1st December, 2021, from Hilal-1 and Iqbal-1 discoveries in Mari gas field to Pakarab Fertilizers Limited (PFL). Both of the discoveries were made in May-2020 and August-2020 respectively.
- **OGRA cuts payment to gas producers | Tribune:** The Oil and Gas Regulatory Authority (Ogra) has directed gas utilities to cut provisional payments to gas producers by 25%, leaving exploration and production (E&P) companies high and dry. In a letter to managing directors of the country's two gas utilities, Ogra advised them that payments to producers of natural gas should be made strictly on the basis of price notifications.
- **Shaukat Tarin confirms SBP's receipt of $3bn deposit from Saudi Arabia | Dawn:** dviser to the Prime Minister on Finance and Revenue Shaukat Tarin announced on Saturday that the State Bank of Pakistan (SBP) had received Saudi Arabia's $3 billion deposit and thanked the kingdom and its crown prince for the "kind gesture".
- **FBR ready to revise downward values of immovable properties | BR:** The Federal Board of Revenue (FBR) is ready to revise downward the values of immovable properties in cases where the FBR has recently enhanced the values beyond the actual market price. According to the tweet of the FBR's spokesperson here on Saturday, "the recently notified property valuation by the FBR was finalized through a consultative process by the field formations.
- **Hascol proposes settlement of Rs54.5bln debt | The News:** For the first time since running into financial crisis, Hascol Petroleum Limited (HPL) and its major stakeholder Vitol, a Dutch trading giant, have offered settlement of Rs54.5 billion worth of debt, owed to different banks, The News has learnt. Vitol, the world's largest independent oil trading company, has the single largest shareholding in the oil company.
- **LNG importer to use SNGPL pipelines | Tribune:** Pakistan has finally started the journey towards deregulating the energy sector following stateowned Sui Northern Gas Pipelines Limited's (SNGPL) permission to a private firm to use its infrastructure for transporting the imported liquefied natural gas (LNG) to end-consumers.
- **SSGC seeks increase in gas tariff | The News:** Sui Southern Gas Company (SSGC), the state-owned gas utility has submitted the petition to Oil and Gas Regulatory Authority (OGRA), seeking increase in gas tariff by Rs58.42 per mmbtu for the fiscal year 2022. The SSGC is seeking an increase in the gas price to curb its revenue shortfall.
- **Winter: power plants to get extra RLNG |** The Federal Government has decided to give five per cent extra RLNG to power plants this winter as compared to previous year's actual consumption whereas in case of gas fluctuations in natural gas based power plants, furnace oil will be used. This is included in the winter-gas load management plan 2021-22, shared by the Petroleum Division with the Cabinet Committee on Energy (CCoE).
- **Cotton arrivals up 54pc | The News:** Cotton arrivals in the country soared by 54 percent by November 30, 2021, traders said. According to fortnightly cotton arrival report of the Pakistan Cotton Ginner's Association (PCGA), cotton arrivals recorded at 7.16 million bales, higher by 2.52 million bales against the last year's arrivals of 4.64 million bales by the same time.

Market Indices			
	3-Dec-21	2-Dec-21	30-Jun-21
KSE 100	43,233	43,234	47,356
KSE 30	16,718	16,698	18,962
KMI 30	69,238	69,550	76,622
KSE All Shares	29,611	29,629	32,480
Volume (mn Shares)			
	3-Dec-21	FYTD (Average)	
KSE 100	139.3	132.2	
KSE 30	76.0	51.9	
KMI 30	59.8	49.8	
KSE All Shares	287.6	366.6	
Commodity Rates			
	3-Dec-21	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	69.9	0.3%	-7.0%
Crude Oil-Arab Light (USD/BBL)	69.4	1.2%	-3.4%
Coal (USD/Tonne)	124.3	-3.0%	20.3%
Copper(USD/Lbs)	4.2	-0.7%	-0.5%
Cotton (USD/Lbs)	101.6	-6.9%	24.9%
CRC Steel (USD/Tonne)	925.0	-1.1%	-21.9%
Currency (Interbank)			
	3-Dec-21	Daily Change	FYTD Change
US Dollar	176.4	-0.1%	11.9%
UK Pound	233.3	-0.7%	7.1%
Euro	199.5	0.0%	6.8%
UAE Dirham	48.3	0.0%	12.1%
Chinese Yuan	27.7	-0.1%	13.4%
Fund Flows (USD mn)			
	3-Dec-21	FYTD	
FOREIGN INDIVIDUAL	0.06	4.10	
FOREIGN CORPORATES	-1.97	-310.15	
OVERSEAS PAKISTANI	0.64	48.37	
FIPI NET	**-1.27**	**-257.68**	
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			
	3-Dec-21	2-Dec-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	10.55	10.54	7.28
6 Month T-Bill	11.30	11.34	7.53
12 Month T-Bill	11.52	11.51	7.81
3 Year Government Bond	11.89	11.89	8.99
5 Year Government Bond	11.91	12.00	9.49
10 Year Government Bond	12.00	12.27	9.94
3 Month KIBOR	10.76	10.74	7.45
6 Month KIBOR	11.50	11.46	7.69

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