Morning News 07-Dec-2021

MCB-ARIF HABIB
Savings and Investments Limited

- **$1bn 'economic plan' wins ADB's approval | BR:** The Independent Evaluation Department (IED) of the Asian Development Bank (ADB) has rated the "Economic Stabilization Programme" of worth $1 billion for Pakistan as successful. The IED in its validation report stated that the special policy-based loan (SPBL) of one billion dollars was aimed to address Pakistan's severe macroeconomic crisis faced in 2019.
- **Samsung TV plant begins production in Karachi | Dawn:** South Korean technology giant Samsung Electronics has operationalized its first TV line-up plant in collaboration with a local firm in Karachi, Commerce Adviser Razak Dawood announced on Monday. Mr. Dawood said the collaboration was in line with Make-in-Pakistan policy of the Ministry of Commerce.
- **Govt alarmed at depleting gas reserves | BR:** The Federal Cabinet has directed Petroleum Division to prepare short, medium and long-term plans to face the looming challenge of depleting gas reserves and re-check to ascertain gas reserves depletion rate so as to determine how much of it was due to theft, collusion and distribution losses, well informed sources told Business Recorder.
- **Against USD: Pakistan's rupee recovers marginally after $3bn Saudi fund deposit | BR:** Pakistan's rupee finally ended its three-day depreciation run as it recorded marginal improvement against the US dollar, appreciating 0.16% in the inter-bank market on Monday, following the $3 billion fund deposit from Saudi Arabia. As per the State Bank of Pakistan (SBP), the PKR closed at 176.48 against the USD after a day-on-day appreciation of 29 paisa or 0.16%.
- **Senate committee orders FBR to withdraw new property valuations | Dawn:** A parliamentary panel on Monday ordered withdrawal of 100-700 per cent increase in valuation of immovable properties in the country's 40 urban centers for the purpose of tax collection notified by the Federal Board of Revenue (FBR) on Dec 1.
- **PALSP spells out factors impeding growth of local steel industry | BR:** An unprecedented increase in the cost of steel scrap, record freight charges, devaluation of Pakistani rupee, increased cost of gas/electricity, and fuel are going to further hike the prices of steel products in the domestic market. In terms of real production, the steel industry has shockingly consolidated and contracted by a record 30 percent.
- **Nov cement despatches increase 10.21pc YoY | BR:** Cement despatches registered an increase of 6.91 percent in November 2021 as total cement despatches during the month were 4.82 million tons against 4.5 million tons despatched during the same month of last fiscal year. Local cement despatches by the industry during the month of November 2021 were 4.124 million tons compared to 3.742 million tons in November 2020, showing an increase of 10.21 percent.
- **Govt to increase 50pc tariffs on import of cars | The News:** In a new development, the government has abandoned the proposal to ban the import of CBU (complete built-up unit) vehicles, rather it has proposed to impose for a limited time the regulatory duty by up to 50 percent on the imports of Electric Vehicles, Hybrid Vehicles and normal gasoline vehicles with a view to containing and slicing down the increasing import bill.
- **Textile exporters consider legal challenge to gas price increase | The News:** Textile industry, disappointed at massive jump in gas prices, is considering making a legal challenge to a government upward revision in gas tariff, it is learnt on Monday. All Pakistan Textile Mills Association (APTMA) has decided to contest the 38.46 percent increase in gas tariff before the Lahore High Court "what it called to avoid any negative implications for the textile industry".
- **Supply to CNG stations in Punjab, KP halted as winter bites | Dawn:** Sui Northern Gas Pipelines Limited (SNGPL) suspended the gas supply to compressed natural gas (CNG) stations across Punjab and Khyber Pakhtunkhwa on Monday for an indefinite period in a bid to meet the increasing demand of over six million domestic consumers. The CNG sector has taken exception to the SNGPL's decision, describing the suspension of gas as an illegal act.
- **Rising shipping cost impacting export of kinnows | BR:** Vice President of Pakistan Businesses Forum (PBF), Chaudhry Ahmad Jawad has said the global trade is feeling the pressure from rising costs of shipping which is also affecting the ongoing kinnow exports. The rising shipping cost will impact the export of Pakistan's kinnows to Canada, Russia, Ukraine, Indonesia and the Philippines.
- **NSS outflows reduce Govt's borrowing options | Dawn:** The outflows from the National Savings Schemes (NSS) continued during the first four months of 2021-22 mainly due to a ban on institutions to invest in these schemes. As a result, the government's options to get higher amount of liquidity have reduced, particularly when it cannot borrow money from the State Bank of Pakistan (SBP) under an IMF agreement.

Market Indices

	6-Dec-21	3-Dec-21	30-Jun-21
KSE 100	43,281	43,233	47,356
KSE 30	16,777	16,718	18,962
KMI 30	69,610	69,238	76,622
KSE All Shares	29,621	29,611	32,480

Volume (mn Shares)

	6-Dec-21	FYTD (Average)
KSE 100	74.1	131.8
KSE 30	44.1	51.8
KMI 30	31.3	49.7
KSE All Shares	176.8	365.1

Commodity Rates

	6-Dec-21	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	73.1	4.6%	-2.7%
Crude Oil-Arab Light (USD/BBL)	71.4	2.9%	-0.6%
Coal (USD/Tonne)	125.0	0.6%	21.0%
Copper(USD/Lbs)	4.3	1.3%	0.8%
Cotton (USD/Lbs)	104.4	2.8%	28.3%
CRC Steel (USD/Tonne)	925.0	0.0%	-21.9%

Currency (Interbank)

	6-Dec-21	Daily Change	FYTD Change
US Dollar	176.5	0.1%	12.0%
UK Pound	234.1	0.3%	7.5%
Euro	199.2	-0.2%	6.7%
UAE Dirham	48.3	0.0%	12.1%
Chinese Yuan	27.7	0.1%	13.5%

Fund Flows (USD mn)

	6-Dec-21	FYTD
FOREIGN INDIVIDUAL	0.00	4.10
FOREIGN CORPORATES	0.56	-309.58
OVERSEAS PAKISTANI	-0.08	48.29
FIPI NET	**0.49**	**-257.19**

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

	6-Dec-21	3-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	10.60	10.55	7.28
6 Month T-Bill	11.30	11.30	7.53
12 Month T-Bill	11.51	11.52	7.81
3 Year Government Bond	11.86	11.89	8.99
5 Year Government Bond	11.86	11.91	9.49
10 Year Government Bond	11.96	12.00	9.94
3 Month KIBOR	10.75	10.76	7.45
6 Month KIBOR	11.50	11.50	7.69

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