Morning News 10-Dec-2021

MCB-ARIF HABIB Savings and Investments Limited

- **Forex reserves jump to USD25.15bn | The News:** Pakistan's foreign exchange reserves rose to USD25.15bn in the week ended December 3 from USD22.50bn, the central bank reported on Thursday. The State Bank of Pakistan (SBP) received a deposit of USD3bn from Saudi Fund for Development. "After accounting for external debt and other official payments, State Bank of Pakistan reserves increased by USD2.65bn to USD18.66bn," it said in a statement.
- **Roshan Digital Account inflows reach USD2.92bn by November 2021 | The News:** Foreign exchange inflows through Roshan Digital Account (RDA) reached USD2.92bn by November 2021, as an increased number of overseas Pakistanis remitted their funds using incentive-laden scheme, the central bank data showed on Thursday. The expatriates opened 299,676 accounts from 175 countries. RDA inflows fell to USD239mn in November from USD266mn a month ago.
- **Govt raises PKR68bn via fixed rate Ijara Sukuk auction | The News:** The government on Thursday raised PKR68bn through the auction of five-year fixed rate government of Pakistan Ijara Sukuk in a bid to finance budget deficit. The auction target for the Ijara Sukuk was PKR25bn. The cut off rental rate came jumped to 11% compared with 9.7% cut off rate in the auction held on September 30.
- **Profit rates on NSS raise by up to 2.4% | Mettis Global:** Following the hike in the policy rate, the government on Thursday, increased profits rates on all national savings schemes by up to 2.4%, which would be effective from December 12, 2021. As per the details, the profit rate on pension and behbood accounts has been increased by 1.92% to 12.96%.
- **Refinery policy discussed | The News:** Oil Companies Advisory Council (OCAC) is working closely with Energy ministry to develop refinery policy 2021 to reduce national dependence on imports and to save foreign exchange of the country, a statement said on Thursday. "We appreciate the support of Minister of Energy Hammad Azhar, Secretary Petroleum Arshad Mahmood, members CCOE (Cabinet Committee on Energy), and other stakeholders in working jointly with us to help make better and cleaner Pakistan," the OCAC said.
- **Furnace oil: refineries make formal request to petroleum division | BR:** Local refineries reminded the Petroleum Division Thursday that they are supplying over 11mn MT per annum of various petroleum products but due to non-upliftment of furnace oil, owing to limited storages. The refineries are forced to reduce throughput/close the crude processing, which will affect the availability of all the other petroleum products eventually disturbing the already fragile supply chain.
- **No duty, taxes on crude oil import | The News:** Pakistan Oil Refinery Policy 2021 seeks withdrawal of previously proposed 10-year tax holiday for existing refineries, while it also proposes zero taxes/duties on import of crude oil, The News has learnt. According to final draft of the policy, the new policy also seeks extension, up to December 31, 2022, for availing tax holiday under clause 126B of Finance Act 2021-22, to obtain government approval for setting up new deep conversion refineries from existing deadline of December 31, 2021.
- **ECC set to consider policies for auto industry, SMEs | BR:** The Economic Coordination Committee (ECC) of the Cabinet, which is scheduled to meet on Friday (today) will consider Auto Industry Development and Export Policy (AIDEP) 2021-26 and Small and Medium Enterprises Policy (SMEs) 2021-25, official sources told *Business Recorder*. The meeting of the ECC was to be held on December 8, 2021, which has been rescheduled for Friday (today) to be presided over by Minister for Economic Affairs, Omar Ayub Khan.
- **NEPRA notifies PKR4.75 hike in power tariff | Pakistan Today:** The National Electric Power Regulatory Authority (NEPRA) has notified a PKR4.75 per unit hike in the power price on account of fuel charges adjustment (FCA) for the month of October. In this regard, NEPRA on Thursday issued a notification informing of the hike for all ex-WAPDA Distribution Companies (XWDISCOs) except K-Electric, adding that the raise will be charged from consumers in the billing month of December.
- **Fertilizers: Punjab CS orders sale of confiscated stocks at fixed rates | BR:** Chief Secretary Punjab Kamran Ali Afzal has directed all the deputy commissioners to take action against the hoarders of fertilizers under the Anti-Hoarding Act. He gave this directive while presiding over a meeting to review the prices and availability of fertilizers in the province at the Civil Secretariat.
- **Drugs raw materials: Reduced rate of GST may be levied | BR:** The government is planning to impose a reduced rate of sales tax on the import of raw materials used in the manufacturing of medicines under the Tax Laws (Fourth) Amendment Bill, 2021. Sources told Business Recorder here on Thursday that the Tax Laws (Fourth) Amendment Bill, 2021 may withdraw sales tax exemption on the import of raw materials used in the manufacturing of pharmaceutical products, but local supply of medicines would be sales tax zero-rated.
- **National grid: Govt to increase KE quota | BR:** Power Division said Thursday the Federal Government will sign three agreements with Karachi Electric (KE) and increase power quota to 2250 MW from national grid in one-year from existing over 1150 MW. This was stated by senior officials of Power Division at a poorly attended meeting of Senate Standing Committee on Power, headed by Senator Saifullah Abro.
- **Prices will come down in 3-4 months, claims Tarin | The News:** Prime Minister's Adviser on Finance Shaukat Tarin on Thursday highlighted the major challenges being faced by the economy and said that the POL import bill might touch USD24bn in the current fiscal year against an annual range of USD12 to USD13bn. However, in the same breath he also underlined that domestic inflation would recede within three to four months due to reduction in global inflationary trend in the prices of food and commodities.

Market Indices			
	9-Dec-21	**8-Dec-21**	**30-Jun-21**
KSE 100	43,519	43,847	47,356
KSE 30	16,957	17,049	18,962
KMI 30	70,080	70,596	76,622
KSE All Shares	29,785	29,964	32,480
Volume (mn Shares)			
	9-Dec-21	**FYTD (Average)**	
KSE 100	97.4	130.7	
KSE 30	69.6	51.9	
KMI 30	44.1	49.5	
KSE All Shares	200.4	361.7	
Commodity Rates			
	9-Dec-21	**Daily Change**	**FYTD Change**
Crude Oil-Brent (USD/BBL)	74.4	-1.8%	-0.9%
Crude Oil-Arab Light (USD/BBL)	75.5	0.5%	5.2%
Coal (USD/Tonne)	135.1	3.1%	30.8%
Copper(USD/Lbs)	4.3	-1.3%	0.9%
Cotton (USD/Lbs)	104.0	0.2%	27.8%
CRC Steel (USD/Tonne)	925.0	0.0%	-21.9%
Currency (Interbank)			
	9-Dec-21	**Daily Change**	**FYTD Change**
US Dollar	177.1	-0.1%	12.4%
UK Pound	234.0	0.0%	7.5%
Euro	199.9	-0.5%	7.1%
UAE Dirham	48.5	0.0%	12.6%
Chinese Yuan	27.8	-0.6%	13.8%
Fund Flows (USD mn)			
	9-Dec-21	**FYTD**	
FOREIGN INDIVIDUAL	0.00	4.10	
FOREIGN CORPORATES	-0.86	-310.34	
OVERSEAS PAKISTANI	-0.06	48.34	
FIPI NET	**-0.91**	**-257.91**	
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			
	9-Dec-21	**8-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	10.64	10.76	7.28
6 Month T-Bill	11.26	11.32	7.53
12 Month T-Bill	11.51	11.54	7.81
3 Year Government Bond	11.95	11.95	8.99
5 Year Government Bond	11.94	11.94	9.49
10 Year Government Bond	11.96	11.96	9.94
3 Month KIBOR	10.83	10.87	7.45
6 Month KIBOR	11.53	11.55	7.69

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