Morning News 14-Dec-2021

MCB-ARIF HABIB
Savings and Investments Limited

- **MPS today | BR:** The Monetary Policy Committee (MPC) of the State Bank of Pakistan (SBP) will meet today (Tuesday) December 14, 2021 to review the economic indicators and take a decision on key policy rate. In the previous monetary policy meeting held on Nov 19, 2021, SBP decided to increase the number of MPC meetings from six to eight times a year in line with international best practices. As per schedule the next meeting will be held on January 24, 2022.
- **Jul-Nov remittances post 10% growth YoY | BR:** Inflows of home remittances posted a 10% growth during the first five months of this fiscal year, supported by the government's proactive policy measures. The State Bank of Pakistan (SBP) Monday reported that the workers' remittances continued their strong growth during this fiscal year and rose by some 9.7% or USD1.14bn during Jul-Nov of the current fiscal year.
- **Japan announces USD4.35mn grant to support Pakistan's polio programme | Tribune:** The government of Japan on Monday announced a USD4.35mn grant as part of its continued support to Pakistan for its polio eradication efforts. The grant will be utilised for the procurement of 24 million oral doses of vaccines. It will allow the Pakistan Polio Eradication Programme to reach around 21 million children under the age of five, especially in high-risk districts.
- **Revival of IMF programme may be delayed by couple of weeks | The News:** With no possibility of the IMF's Executive Board to approve USD1bn for Pakistan within the envisaged deadline of January 12, the revival of the IMF program might be delayed for a couple of weeks mainly because Pakistan requires more time to implement the agreed Prior Actions. The IMF's Executive Board will only consider Pakistan's next tranche when agreed Prior Actions are fulfilled, including getting approval of Parliament on Tax Laws (Fourth) Amendment Bill and SBP's Autonomy Bill.
- **THE RUPEE: PKR weakens further | BR:** Pakistan's rupee weakened further against the US dollar, depreciating 0.10% in the inter-bank market on Monday. As per the State Bank of Pakistan (SBP), the PKR closed at 177.89 against the USD after a day-on-day depreciation of 18 paisas or 0.10%. On Friday, PKR closed at the then-record low of 177.71 against USD. The rupee has depreciated by 11.28% CYTD and 12.9% on FYTD basis against US dollar.
- **Car sales decline 12% MoM in November | Mettis Global:** The sale of passenger cars witnessed a 12% MoM decline during the month of November 2021, clocking in at 15,351 units as opposed to 17,413 units sold in October 2021 and 29% YoY higher as compared to November 2020, data from Pakistan Automotive Manufacturers Association (PAMA) showed Monday. "The post rise in 150bps in Nov'21 MPS, the average markup rates have ballooned by 154bps mainly on the rise in consumer lending rates along with the drastic rise in secondary market yields".
- **SOEs: PC sets sell-off target | BR:** The Privatization Commission has set a target to complete the privatisation of one dozen state-owned entities (SOEs) including the Pakistan Steel Mills (PSM) in the next couple of years. The government had projected to generate PKR252 billion from the privatisation proceeds in the current fiscal year.
- **Lead and zinc in Khuzdar: PPL granted large-scale mining lease | BR:** Pakistan Petroleum Limited (PPL) has been granted a large-scale mining lease for lead and zinc, in District Khuzdar, by the government of Balochistan. In this regard a large scale mining lease deed has been executed, for large scale mining and establishment of a lead-zinc processing plant in district Khuzdar, Balochistan over an area covering 30 sq km (7413.16 acres), material information sent to Pakistan Stock Exchange on Monday said.
- **PKR11.5bn IT projects sanctioned | The News:** With an aim to digitally transform some of country's top tourist resorts and other remote areas, the government has commissioned ten information technology (IT) projects costing around PKR11.5bn, a statement said. The Universal Service Fund (USF) Board announced contracting Jazz, Ufone, and Telenor for high-speed mobile broadband internet, and Pakistan Telecommunication Company Ltd (PTCL) for fibre optic cable cable projects.
- **State-owned institutions can't do real estate business | BR:** The Islamabad High Court (IHC) Chief Justice, Athar Minallah, Monday, remarked that the state-owned institutions cannot do real estate businesses, as it is clearly a matter of conflict of interests. A single bench of IHC comprising IHC chief justice made the remarks while hearing a matter against the real estate business being carried out by the ministries and the state institutions.
- **Pakistan to get extension in GSP Plus facility | The News:** Abdul Razak Dawood, Adviser to the Prime Minister on Commerce and Textiles, has said that diversification in exports that wasn't registered in the past, has started taking place in the country. While talking to The News in an exclusive talk, the adviser said that in the last three years, the exports of non-traditional products to the traditional markets have hiked by 60% to USD2.02bn, while the exports of non-traditional items to the non-traditional markets have jacked up by 77% to USD713mn.
- **Punjab: PM launches 'Sehat Card' scheme | BR:** Launching a 'Naya Pakistan Sehat Card' scheme, Prime Minister Imran Khan said on Monday that all families in Punjab will get health cards by March 2022. "This is a defining moment towards our course to make Pakistan a welfare state," the premier said this while addressing the launching ceremony here. He said that 440 billion rupees will be spent on the health card programme in three years.
- **First Omicron case in Pakistan confirmed | Dawn:** Pakistan on Monday reported its first confirmed case of the Omicron variant of Covid-19. The virulent strain was found in a female patient from Karachi and was confirmed by the National Institute of Health (NIH) through whole-genome sequencing. In an official statement, the NIH said it was the first confirmed case and that continued surveillance of suspected samples was in place to identify the trends.

Market Indices			
	13-Dec-21	**10-Dec-21**	**30-Jun-21**
KSE 100	42,876	43,396	47,356
KSE 30	16,679	16,901	18,962
KMI 30	68,907	69,790	76,622
KSE All Shares	29,421	29,769	32,480
Volume (mn Shares)			
	13-Dec-21	**FYTD (Average)**	
KSE 100	71.3	129.9	
KSE 30	33.4	51.7	
KMI 30	21.1	49.1	
KSE All Shares	150.2	358.7	
Commodity Rates			
	13-Dec-21	**Daily Change**	**FYTD Change**
Crude Oil-Brent (USD/BBL)	74.4	-1.0%	-1.0%
Crude Oil-Arab Light (USD/BBL)	74.9	0.6%	4.2%
Coal (USD/Tonne)	139.9	2.2%	35.4%
Copper(USD/Lbs)	4.3	0.1%	0.0%
Cotton (USD/Lbs)	104.2	0.6%	28.1%
CRC Steel (USD/Tonne)	912.5	0.0%	-23.0%
Currency (Interbank)			
	13-Dec-21	**Daily Change**	**FYTD Change**
US Dollar	177.8	0.2%	12.9%
UK Pound	235.0	-0.2%	7.9%
Euro	200.6	-0.1%	7.4%
UAE Dirham	48.5	0.0%	12.6%
Chinese Yuan	27.9	0.2%	14.4%
Fund Flows (USD mn)			
	13-Dec-21	**FYTD**	
FOREIGN INDIVIDUAL	0.00	4.20	
FOREIGN CORPORATES	2.96	-308.29	
OVERSEAS PAKISTANI	0.34	48.72	
FIPI NET	**3.30**	**-255.37**	
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			
	13-Dec-21	**10-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	10.66	10.64	7.28
6 Month T-Bill	11.25	11.25	7.53
12 Month T-Bill	11.49	11.50	7.81
3 Year Government Bond	11.95	11.83	8.99
5 Year Government Bond	11.89	11.86	9.49
10 Year Government Bond	11.96	11.97	9.94
3 Month KIBOR	10.83	10.82	7.45
6 Month KIBOR	11.53	11.52	7.69

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