Morning News 20-Dec-2021

MCB-ARIF HABIB
Savings and Investments Limited

- **Asset declarations to be made public under IMF condition | Tribune:** The government has agreed to publicly disclose asset declarations filed by politically exposed persons, civil servants and their spouses, a move aimed at meeting a condition set by the International Monetary Fund (IMF).
- **FDI improves 12% in Jul-Nov | Tribune:** Foreign investment in Pakistani businesses surged for the first time in the current fiscal year 2021-22 on a cumulative basis, as it improved 12% to $798 million during July-November FY22. The foreign direct investment (FDI) had stood at $710 million in the first five months of the previous fiscal year 2020-21, the State Bank of Pakistan (SBP) reported on Friday.
- **Rare SBP move causes money market rates to decline | Dawn:** In an unusual open market operation (OMO) that included the injection of liquidity for a 63-day period, the State Bank of Pakistan (SBP) provided the money market with total funds of Rs1.77 trillion on Friday. The central bank buys and sells government debt papers almost every week to control short-term interest rates in the money market.
- **Tax target surpassed | BR:** The revenue collection of the Federal Board of Revenue (FBR) has reached Rs476 billion during November 2021 against the assigned target of Rs408 billion, reflecting an increase of Rs68 billion. The updated revenue figures compiled here on Friday revealed that the net collection for the month of November 2021 was Rs470 billion, which has been increased to Rs476 billion, reflecting an increase of Rs6 billion.
- **Purchase of forex by individuals | BR:** The State Bank Pakistan (SBP) has fixed a maximum limit of $100,000 (or equivalent in other foreign currencies) per person per calendar year for buying of foreign currency from Exchange Companies. In order to enhance documentation and transparency and to further strengthen the foreign exchange regulatory regime, the SBP amended the regulations, governing sale of foreign exchange to individuals by exchange companies.
- **Engro mulls building onshore LNG terminal costing up to $600mln | The News:** Engro Corporation and Royal Vopak are evaluating the process of setting up Pakistan's first multi-functional onshore LNG terminal along with its existing Floating Storage Regasification Unit (FSRU-based) terminal with an estimated capital expenditure of around $500-600 million dollars. It would offer regasification, bunkering and LNG trucking services.
- **Furnace fuel glut also forces Byco Refinery to close down | The News:** The furnace fuel glut that emerged out of bad governance of the government has aggravated the POL non-availability crisis as Byco refinery has also closed down its operations. Sources said NRL (National Refinery Limited) is also expected to shutdown its operation in the last week of current month of December.
- **SNGPL seeks Ogra's nod for spending Rs46.5bn on uplift projects | Dawn:** The Sui Northern Gas Pipelines Limited (SNGPL) has asked the Oil & Gas Regulatory Authority (Ogra) to allow it to spend Rs46.525 billion for execution of several development schemes, including 300,000 new gas connections to domestic consumers during the ongoing fiscal year (FY22) ending on June 30, 2022.
- **Oil, food imports surge to $12.4bn in July-November | Dawn:** Pakistan's oil and eatable import bill surged by 78 per cent to $12.4 billion in the July-November period compared to $6.97bn in the corresponding period last year owing to higher international prices and massive depreciation of the rupee.
- **Fuel Component Adjustment for November | BR:** The Central Power Purchasing Agency- Guaranteed (CPPA-G) has sought an increase of Rs 4.33 per unit in tariffs of power Distribution Companies (Discos) for November 2021, under monthly Fuel Component Adjustment (FCA) mechanism. The main reason for the proposed increase in FCA was higher generation from expensive fuels and previous adjustments.
- **Supplementary grants | BR:** The Economic Coordination Committee (ECC) of the Cabinet has approved Rs64.0876 billion supplementary grants for making 40 percent payment to the Independent Power Producers (IPPs). Sources told Business Recorder that the Ministry of Energy has sought approval of supplementary grant for first installment of 40 percent to the IPPs under payment mechanism.
- **Govt may conditionally restore gas supply to captive power plants | The News:** Gas supply may be restored to some captive power plants conditionally as the government and textile industry are likely to hit a sweet spot in their negotiations over a row on tariff and priority order, officials said on Saturday. Ministry of Energy is currently working out relevant modalities with the representatives of All Pakistan Textile Mills Association (Aptma) in contact with Sui Northern Gas Pipelines Ltd (SNGPL).
- **Will pay soon to IPPs to end furnace oil crisis: Hammad Azhar | The News:** Attributing the overstocking of furnace oil in the refineries and stoppage of work in the refineries due to the circular debt, the Federal Minister for Energy Hammad Azhar on Friday said that the furnace oil crisis would end in a few days as the government would give funds to the IPPs to enable them to lift furnace oil from the refineries to build their 30-day mandatory backup.
- **Factors behind hike in prices of new tyres identified | BR:** The cost of raw materials used in tyre manufacturing has increased by 25 percent during the last six months that led to the current increase in the prices of new tyres in Pakistan. According to General Tyre, the prices of tyres have been affected by a number of factors including global raw material prices increase, supply chain disruption because of Covid, depreciation of the rupee and increase in utility prices.

Market Indices			
	17-Dec-21	**16-Dec-21**	**30-Jun-21**
KSE 100	43,901	43,731	47,356
KSE 30	17,298	17,214	18,962
KMI 30	71,158	70,772	76,622
KSE All Shares	30,029	29,949	32,480
Volume (mn Shares)			
	17-Dec-21	**FYTD (Average)**	
KSE 100	105.1	129.7	
KSE 30	57.8	52.0	
KMI 30	39.1	49.2	
KSE All Shares	252.2	356.7	
Commodity Rates			
	17-Dec-21	**Daily Change**	**FYTD Change**
Crude Oil-Brent (USD/BBL)	73.5	-2.0%	-2.1%
Crude Oil-Arab Light (USD/BBL)	73.6	0.0%	2.5%
Coal (USD/Tonne)	143.2	-0.4%	38.6%
Copper(USD/Lbs)	4.3	-0.2%	0.1%
Cotton (USD/Lbs)	104.7	-2.2%	28.6%
CRC Steel (USD/Tonne)	907.5	-0.5%	-23.4%
Currency (Interbank)			
	17-Dec-21	**Daily Change**	**FYTD Change**
US Dollar	178.1	0.1%	13.1%
UK Pound	235.8	-0.5%	8.2%
Euro	200.1	-0.7%	7.2%
UAE Dirham	48.5	0.0%	12.6%
Chinese Yuan	27.9	0.0%	14.5%
Fund Flows (USD mn)			
	17-Dec-21	**FYTD**	
FOREIGN INDIVIDUAL	0.00	4.20	
FOREIGN CORPORATES	-2.48	-315.63	
OVERSEAS PAKISTANI	0.15	49.31	
FIPI NET	**-2.33**	**-262.12**	
Economic Data (USD mn)			
	FY22E	**FY21**	**FY20**
GDP Growth	4.8%	3.9%	-0.5%
	Nov-21	**Oct-21**	
Exports	2,884	2,464	
Imports	7,847	6,372	
Remittances	2,352	2,518	
Foreign Exchange Reserves	22,499	23,829	
Money Market Data			
	17-Dec-21	**16-Dec-21**	**30-Jun-21**
SBP Policy Rate	9.75	9.75	7.00
CPI Inflation	11.5%	9.2%	9.7%
3 Month T-Bill	10.27	10.68	7.28
6 Month T-Bill	11.07	11.41	7.53
12 Month T-Bill	11.35	11.50	7.81
3 Year Government Bond	11.53	11.66	8.99
5 Year Government Bond	11.58	11.66	9.49
10 Year Government Bond	11.77	11.86	9.94
3 Month KIBOR	10.57	10.81	7.45
6 Month KIBOR	11.37	11.53	7.69

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