MCB-ARIF HABIB
Savings and Investments Limited

Morning News 21-Dec-2021

- **July-Nov: C/A deficit yawns to USD7.1bn | BR:** The country's current account posted over USD7bn deficit during the first five months of this fiscal year (FY22) due to increasing trade gap. Despite strong growth in exports and remittances, the current account is deteriorating due to a massive rise in goods import bill. Overall, goods imports rose to USD29.9bn during July-Nov FY22, compared to USD18.18bn during the same period last year.
- **Agri credit disbursement: SBP sets PKR1.7trn target | BR:** The State Bank of Pakistan (SBP) Monday set PKR1.7 trillion-agriculture credit disbursement target for this fiscal year (FY22). State Bank Governor Dr Reza Baqir has appreciated banks for providing agri credit of over PKR1.3 trillion during FY21 and set target of PKR1.7 trillion for FY22. According to the SBP, Dr Baqir chaired the annual meeting of the Agricultural Credit Advisory Committee (ACAC) in Multan.
- **IsDB approves USD252.5mn for two projects | BR:** The Islamic Development Bank (IsDB) has approved USD252.5mn of funding for two vital projects in Pakistan, said a press release. The projects mainly aim to support the country's green agenda in the energy sector, as well as, the ongoing efforts to counter the adverse impacts of the Covid-19 pandemic.
- **Power generation jumps by 13.4% YoY during Nov | MettisGlobal:** Power generation increased by 13.4% YoY to 8,482 GWh during Nov'2021 compared to 7,479 GWh in Nov'20, backed by the higher generation from hydel, nuclear, and coal, monthly power production data released by the National Electric Power Authority (NEPRA) said on Monday. Cumulatively, during 5MFY22, power generation witnessed an upsurge of 9% YoY to 65,568 GWh against 60,167 GWh recorded in the corresponding period last calendar year.
- **ECC takes stock of cotton situation | BR:** A meeting of the Economic Coordination Committee (ECC) of the Cabinet was informed that none of the markets in Sindh or the Punjab witnessed seed cotton prices lower than PKR5000 per 40kg (the benchmark for market intervention). A meeting of the ECC meeting was updated about cotton prices in domestic and international markets for the month of October 2021.
- **Cabinet to meet today | BR:** The Federal Cabinet, which is scheduled to meet on Tuesday (today) with Prime Minister Imran Khan in the chair, will discuss the country's gas crisis, economic and political situation besides impact of the 17th extraordinary session of OIC Council of Foreign Ministers on Afghanistan's financial woes. The sources said that the Cabinet members will congratulate the Prime Minister and Foreign Minister Shah Mehmoood Qureshi on the successful moot of OIC's Foreign Ministers.
- **Pakistan, Russia to develop financial infrastructure | BR:** Pakistan and Russia have reportedly agreed to develop bilateral financial infrastructure through their central banks aimed at facilitating trade, investment activities, etc., well informed sources told Business Recorder. This consensus was evolved at the 7th Session of Pak-Russia Intergovernmental Commission on Trade, Economic, Scientific and Technical Cooperation held recently in Yekaterinburg city of the Russian Federation.
- **Samba Bank shares: FFC allowed by board to evaluate potential acquisition | BR:** The board of directors of Fatima Fertilizer Company (FFC) Limited has approved to evaluate and pursue the potential acquisition of around 84.51 percent shareholding of Samba Bank Limited proposed to be sold by Saudi National Bank.
- **TRGP decides to continue its investment in TRGI | BR:** The board of directors of TRG Pakistan Limited (TRGP) considered the options offered to it by The Resource Group International Limited (TRGI), i.e., either to directly receive (by way of full or partial redemption) its share of TRGI's liquid assets namely cash and certain number of shares of Ibex Limited owned by TRGI or continue with its investment in TRGI.
- **Packages Ltd to become part of investor consortium | BR:** The board of directors of Packages Limited has accorded its approval, in-principle, to become part of the investor consortium to evaluate and conduct a due diligence for a potential transaction for the purchase of entire 52.87% shareholding of Sanofi Foreign Participants B.V. held in Sanofi-Aventis Pakistan Limited (SAPL).
- **Govt-industry legal battle robs FFBL of feedstock gas | The News:** Natural gas supply to the country's biggest urea-maker has been disrupted as ongoing litigation has altered feedstock allocation arrangements, which may lower the output of this key agriculture chemical input, causing shortages, officials said on Monday.
- **Tarin elected Senator from KP | BR:** Advisor to Prime Minister on Finance, Shaukat Tarin on Monday was elected as Senator from Khyber Pakhtunkhwa Assembly by securing 87 votes. Out of the total 145-member house, 122 MPAs cast their votes in the Senate election on one seat from KP Assembly. The candidates of Awami National Party and JUI-F got 13 votes each. One vote was rejected while 9 were declared invalid.
- **Omicron panic pummels equities, oil | BR:** Global equity and oil markets slumped Monday on investor panic over the impact of worldwide measures to contain the fast-spreading Omicron coronavirus variant, dealers said. Asia tanked on concern over a fresh global surge in coronavirus infections, sparking a fierce renewed selloff in Europe, and Wall Street also fell at the opening bell.

Market Indices

	20-Dec-21	17-Dec-21	30-Jun-21
KSE 100	44,340	43,901	47,356
KSE 30	17,487	17,298	18,962
KMI 30	71,894	71,158	76,622
KSE All Shares	30,272	30,029	32,480

Volume (mn Shares)

	20-Dec-21	FYTD (Average)
KSE 100	118.6	129.6
KSE 30	59.1	52.1
KMI 30	55.0	49.3
KSE All Shares	238.4	355.8

Commodity Rates

	20-Dec-21	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	71.5	-2.7%	-4.8%
Crude Oil-Arab Light (USD/BBL)	73.6	0.0%	2.5%
Coal (USD/Tonne)	145.1	1.4%	40.5%
Copper(USD/Lbs)	4.3	-0.1%	0.0%
Cotton (USD/Lbs)	102.8	-4.0%	26.2%
CRC Steel (USD/Tonne)	907.5	0.0%	-23.4%

Currency (Interbank)

	20-Dec-21	Daily Change	FYTD Change
US Dollar	178.0	-0.1%	13.0%
UK Pound	235.8	-0.5%	8.2%
Euro	200.6	0.2%	7.4%
UAE Dirham	48.5	0.0%	12.6%
Chinese Yuan	27.9	-0.1%	14.4%

Fund Flows (USD mn)

	20-Dec-21	FYTD
FOREIGN INDIVIDUAL	0.00	4.20
FOREIGN CORPORATES	0.89	-314.74
OVERSEAS PAKISTANI	1.35	50.66
FIPI NET	**2.24**	**-259.88**

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

	20-Dec-21	17-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	10.29	10.27	7.28
6 Month T-Bill	11.09	11.07	7.53
12 Month T-Bill	11.24	11.35	7.81
3 Year Government Bond	11.50	11.53	8.99
5 Year Government Bond	11.57	11.58	9.49
10 Year Government Bond	11.77	11.77	9.94
3 Month KIBOR	10.49	10.57	7.45
6 Month KIBOR	11.26	11.37	7.69

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