Morning News 22-Dec-2021

MCB-ARIF HABIB
Savings and Investments Limited

- **All set for inking USD1.5bn loan agreements with ADB | BR:** Pakistan and the Asian Development Bank (ADB) will sign six financing loan agreements worth USD1.5bn on Wednesday (today), it is learnt. Official sources revealed to Business Recorder that Minister for Economic Affairs Omar Ayub Khan will witness the loan-signing ceremony. Documents revealed that the Economic Affairs Division (EAD) and the ADB will sign loan agreement worth USD600mn for integrated social protection development Programme (BISP Ehsaas). Another project worth USD300mn would be signed for energy sector reforms and financial sustainability Programme (Sub-program 2).
- **STPF 2020-25 approved: Govt seeks to achieve USD57bn export target | BR:** The Federal Cabinet on Tuesday approved the Strategic Trade Policy Framework (STPF) 2020-25, hoping to achieve export target of USD57.03bn by 2024-25. The Economic Coordination Committee (ECC) of the Cabinet approved STPF 2020-25 last week in terms of financial matters. The scenario 1 assumed that the government interventions under the STPF and other initiatives would be minimal and the prices and cost of doing business would follow a status quo trend.
- **Incentives restricted to new auto companies | BR:** The Federal Cabinet has reportedly rejected incentives for existing auto companies on manufacturing of new products, i.e., cars, vans, LCVs, 2-3 wheelers and tractors, well informed sources told Business Recorder. The Ministry of Industries, sources said, had proposed incentives for both existing and new companies but the Cabinet kept it limited only to new companies. The new product policy for 2-3 wheelers include incentives for motorcycles, motorcycle rickshaws and auto rickshaws having higher engine power than existing model.
- **170mn Euro Thar-New Chorr rail track: MoU signed | BR:** An MOU was signed between RAILCOP, Railway Constructions Pakistan Limited, M/s Al Furqan Holdings (Private) Ltd and BIL Pakistan (Pvt) Ltd to construct a new 105kms rail track connecting Thar Coal Block-II with New Chorr station on the Hyderabad-Mirpurkhas Rail link. The project valued Euro 170mn will be executed under 100% foreign direct investment by Al Furqan Group UAE, the CEO RAILCOP, Syed Najam Saeed, said on the occasion of MOU signing ceremony.
- **Alarms raised as throwback liabilities surge to PKR6.5trln | The News:** A Senate body on Tuesday sounded serious alarms as throw-forward liabilities have surged to a massive PKR6.5 trillion, mainly owing to lack of or delay in the release of funds for development projects. The throw-forward liabilities are the expenses, which cannot be made in the current year and are budgeted to be met in later years based on average allocations. The committee while receiving a briefing on the Ministry–wise Details of Projects costing less than PKR2bn, raised questions on the time and cost overrun projects.
- **Mini-budget withdrawn from cabinet after stiff opposition | The News:** In the wake of increasing difficulties on the political front, the government has withdrawn for the time being the mini-budget encompassing Tax Laws (Fourth) Amendment Bill, from the federal cabinet and decided to hold further consultations with Prime Minister Imran Khan for devising a fresh strategy. The unveiling of the mini-budget has proven to be a bitter pill to swallow for the incumbent PTI-led government.
- **Jul-Nov ICT export remittances increase 37.57% to USD1.05bn YoY | BR:** The ICT export remittances, including telecommunication, computer and information services for the period July-November fiscal year 2021-22 surged to USD1.05bn at a growth rate of 37.57% compared to USD764mn during July-November fiscal year 2020-21. According to the data released by the Ministry of Information Technology and Telecommunication in November 2021, the ICT export remittances are USD221mn at a growth rate of 31.55% when compared to USD168mn reported for the month of November 2020.
- **Kandhkot field: PPL seeks Govt nod to produce more gas | BR:** Pakistan Petroleum Limited (PPL) has sought government nod to produce additional 125 mmcfd gas from Kandhkot gas field to sell to any other buyer, revealing that Genco-IIs 747 MW unit is going to be sold to third party. Sharing the background of his new proposal, he has cited the letter of December 16, 2021, on the proposed Terms of Reference (ToRs).
- **Byco to acquire Puma Energy | Dawn:** Vertically integrated oil firm Cynergyico PK Ltd is going to negotiate with the shareholders of Puma Energy Pakistan Ltd for the acquisition of a majority stake in the oil marketing firm, said a regulatory filing on Tuesday. Formerly named Byco Petroleum Pakistan Ltd, Cynergyico operates in oil refining as well as marketing segments with as many as 440 retail outlets across Pakistan.
- **Acquiring of 84.51% paid up capital: Samba Bank receives firm intention | BR:** Samba Bank Limited has received firm intention from a consortium through its manager to the offer, Arif Habib Limited, to acquire control of 852.04mn voting shares, representing 84.51% of paid up capital of the bank. According to material information sent to Pakistan Stock Exchange on Tuesday, Samba Bank Limited has received firm intention from consortium comprising the participating members of the management of Samba Bank Limited.
- **Govt will have to repay USD 55bn loans: minister | BR:** The government would be required to make loans repayment of USD55bn during its tenure of five years borrowed by former Prime Minister Nawaz Sharif and president Zardari's governments. Federal Minister stated this for Information and Broadcasting Fawad Chaudhry, while briefing the media after the cabinet meeting presided over by Prime Minister Imran Khan on Tuesday.

Market Indices			
	21-Dec-21	20-Dec-21	30-Jun-21
KSE 100	44,177	44,340	47,356
KSE 30	17,387	17,487	18,962
KMI 30	71,273	71,894	76,622
KSE All Shares	30,213	30,272	32,480

Volume (mn Shares)			
	21-Dec-21	FYTD (Average)	
KSE 100	98.5	129.4	
KSE 30	53.1	52.1	
KMI 30	53.3	49.3	
KSE All Shares	223.0	354.8	

Commodity Rates			
	21-Dec-21	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	74.0	3.4%	-1.5%
Crude Oil-Arab Light (USD/BBL)	72.2	1.6%	0.0%
Coal (USD/Tonne)	144.7	-0.3%	40.1%
Copper(USD/Lbs)	4.3	1.1%	1.1%
Cotton (USD/Lbs)	104.3	-2.5%	28.2%
CRC Steel (USD/Tonne)	907.5	0.0%	-23.4%

Currency (Interbank)			
	21-Dec-21	Daily Change	FYTD Change
US Dollar	178.2	0.1%	13.1%
UK Pound	236.3	0.6%	8.5%
Euro	201.0	0.2%	7.6%
UAE Dirham	48.8	0.5%	13.2%
Chinese Yuan	28.0	0.2%	14.6%

Fund Flows (USD mn)		
	21-Dec-21	FYTD
FOREIGN INDIVIDUAL	0.00	4.20
FOREIGN CORPORATES	0.64	-314.10
OVERSEAS PAKISTANI	0.48	51.14
FIPI NET	**1.11**	**-258.76**

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			
	21-Dec-21	20-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	10.26	10.29	7.28
6 Month T-Bill	10.99	11.09	7.53
12 Month T-Bill	11.20	11.24	7.81
3 Year Government Bond	11.46	11.50	8.99
5 Year Government Bond	11.54	11.57	9.49
10 Year Government Bond	11.76	11.77	9.94
3 Month KIBOR	10.45	10.49	7.45
6 Month KIBOR	11.20	11.26	7.69

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