Morning News 23-Dec-2021

MCB-ARIF HABIB
Savings and Investments Limited

- **Pakistan, ADB sign agreements worth USD1.5bn for various projects | Dawn:** The federal government and the Asian Development Bank (ADB) on Wednesday signed six agreements amounting to USD1.54bn to finance projects related to the energy sector, urban infrastructure, social protection, roads and water resources, the Ministry of Economic Affairs in a statement.
- **Jul-Oct import bill soars 64% to USD25.1bn YoY, Senate told | BR:** Pakistan's import bill jumped by 64% or USD25.1bn—in the first four months of the current fiscal year from July to October—compared to USD15.2bn in the corresponding months of the last financial year, federal government admitted in Senate on Wednesday. "Increase in import is mainly due to substantial increase in the prices of oil, gas, coal and food commodities in the international market," reads a reply from Commerce Ministry shared in the Senate sitting.
- **Govt Likely to Pass Mini-Budget as an Ordinance | Pro Pakistani:** Finance Parliamentary Secretary Zain Qureshi said that the government is seriously considering bringing amendments to the Finance Bill through an ordinance. The government is now in a fix after the cabinet's initial deliberation on the mini-budget yesterday where resistance to the SBP Amendment Bill came from a few ministers, leaving no option but to introduce an amendment in the Finance Bill through an ordinance.
- **Govt offers tax relief to ensure affordable vehicles | Dawn:** The government has showered a number of tax and duty reliefs on the existing and new entrants under the Auto Industry Development and Export Policy (AIDEP) 2021-26 to encourage the manufacturing of affordable vehicles including bikes, small vehicles, tractors, etc. Besides, the five-year policy is also aimed at improving localisation, ensuring consumers' protection, promotion of new technologies ie electric and hybrid vehicles and targeting export markets.
- **November banking spread inches down MoM | BR:** The provisional banking spread during November 2021 inched down by 3bps compared to October. Overall, banking spread stood at 4.2% in November 2021, data released by State Bank of Pakistan (SBP). Lending rates stood at 8.0 percent during November, up by 11bps on month-on-month basis. Meanwhile, deposit rates also improved by 13bps to 3.8% during the month under review.
- **Govt likely to revise SBP amendment bill | Prodit:** The government is likely to revise the State Bank of Pakistan (SBP) Amendment Bill owing to reservations from different quarters. Sources said that various institutions have raised questions over the draft amendment bill, especially over unlimited powers of the central bank's governor. It is pertinent to mention here that the federal cabinet in March this year had approved the SBP Amendment Bill but later on, the government revised the draft when Federal Minister for Law and Justice Farogh Naseem reportedly declared some of the clauses "unconstitutional".
- **SECP exempts banks from getting separate licence | BR:** The Securities and Exchange Commission of Pakistan (SECP) has abolished the requirement for banks to obtain separate license for distributing mutual funds and private pension funds to Roshan Digital Accounts (RDAs). In this connection, the SECP has issued a notification here on Wednesday. This relaxation has been granted to facilitate overseas Pakistanis to invest in mutual funds and private pension funds managed by Asset Management Companies (AMCs).
- **Textile units that run only on gas to get supply | BR:** The government has reportedly agreed, in principle, to supply gas to those textile units, which cannot operate without gas, well-informed sources told Business Recorder. The decision was taken at an internal meeting presided over by Advisor to Prime Minister on Finance and Revenue, Shaukat Tarin. Minister for Energy Hammad Azhar, Minister for Industries and Production Khusro Bakhtyar, and Advisor to the Prime Minister on Commerce and Investment Abdul Razak Dawood also attended the meeting.
- **PKR93.28bn projects approved by Ecnec | BR:** The Executive Committee of the National Economic Council (Ecnec) has approved over PKR93.28bn projects for infrastructure development, agriculture, and poverty alleviation. The Ecnec meeting presided over by Adviser on Finance and Revenue Shaukat Tarin considered and approved revised project for Construction of Hyderabad–Sukkur Motorway on Built Operate Transfer (BOT) basis with cost of PKR191.47bn.
- **Summit Bank Shall Be Shifted To Normal Counter From Tomorrow | AUGAF:** Summit Bank Limited (SMBL) has convened all the overdue AGMs and submitted the Annual Audited Accounts. In view thereof, the non-compliances of SMBL under PSX Regulations 5.11.1. (c) & (d) stands rectified. Therefore, SMBL shall be shifted to the "Normal Counter" of the Exchange with effect from Thursday, December 23, 2021.
- **Taliban stop Pakistani troops from fencing border | Dawn:** Taliban soldiers in Afghanistan disrupted the erecting of a security fence by the Pakistani military along the border between the two countries, Afghan officials said on Wednesday. Pakistan has fenced most of the 2,600km border despite protestations from Kabul, which has contested the British-era boundary demarcation that splits families and tribes on either side.

Market Indices

	22-Dec-21	21-Dec-21	30-Jun-21
KSE 100	44,175	44,177	47,356
KSE 30	17,389	17,387	18,962
KMI 30	71,221	71,273	76,622
KSE All Shares	30,267	30,213	32,480

Volume (mn Shares)

	22-Dec-21	FYTD (Average)
KSE 100	68.0	129.0
KSE 30	35.5	51.9
KMI 30	35.9	49.2
KSE All Shares	151.7	353.3

Commodity Rates

	22-Dec-21	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	75.3	1.8%	0.2%
Crude Oil-Arab Light (USD/BBL)	73.9	2.3%	2.2%
Coal (USD/Tonne)	145.4	0.5%	40.8%
Copper(USD/Lbs)	4.4	1.0%	2.1%
Cotton (USD/Lbs)	105.9	-1.1%	30.1%
CRC Steel (USD/Tonne)	907.5	0.0%	-23.4%

Currency (Interbank)

	22-Dec-21	Daily Change	FYTD Change
US Dollar	178.3	0.1%	13.2%
UK Pound	238.0	0.7%	9.3%
Euro	201.9	0.4%	8.1%
UAE Dirham	48.8	0.0%	13.2%
Chinese Yuan	28.0	0.1%	14.7%

Fund Flows (USD mn)

	22-Dec-21	FYTD
FOREIGN INDIVIDUAL	0.00	4.20
FOREIGN CORPORATES	-0.18	-314.28
OVERSEAS PAKISTANI	0.45	51.59
FIPI NET	**0.27**	**-258.49**

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

	22-Dec-21	21-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	10.25	10.26	7.28
6 Month T-Bill	10.96	10.99	7.53
12 Month T-Bill	11.36	11.20	7.81
3 Year Government Bond	11.45	11.46	8.99
5 Year Government Bond	11.54	11.54	9.49
10 Year Government Bond	11.76	11.76	9.94
3 Month KIBOR	10.44	10.45	7.45
6 Month KIBOR	11.19	11.20	7.69

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