Morning News 24-Dec-2021

MCB-ARIF HABIB Savings and Investments Limited

- **Review of EFF to be presented to IMF board on Jan 12 | BR:** The Ministry of Finance said on Thursday that the sixth review of the Extended Fund Facility (EFF) would be presented to the International Monetary Fund (IMF) board on January 12. The spokesman of the ministry shared this development through a tweet, "I am pleased to confirm 6th review will be presented to IMF Board on 12th January, 2022".
- **Fiscal year 2021-22: USD4.7bn foreign debt incurred in first 5 months | BR:** Pakistan incurred foreign debt of USD4.7bn from multiple financing sources in the first five months (July-November) of 2021-22 including USD1.53bn from foreign commercial banks (33%) against the total budgeted external loans of USD14.09bn for the entire fiscal year.
- **SBP's reserves down USD415mn | BR:** The total liquid foreign exchange reserves held by the States Bank of Pakistan (SBP) decreased by USD415mn to USD18.15bn during the week ended December 17, mainly due to external debt repayment. According to data released by the SBP, the total liquid foreign exchange reserves held by the country stood at USD24.63bn on 17 December 2021.
- **PSX performance in CY21: Technology and textile spinning top performing sectors | BR:** Technology and textile spinning were the top performing sectors during the calendar year 2021 posting returns of 37% and 35%, respectively based on market cap. This is compared to KSE-100 Index, which is up 1.0% (negative 9.0% in USUSD terms) in 2021 to date (7 trading sessions remaining). On the other hand, tobacco and refinery sectors remained the worst performing sectors posting decline of 35% and 29%, respectively.
- **Electricity Distribution Efficiency Improvement Project: Agreements worth USD195mn signed with WB | BR:** The government of Pakistan signed financing agreements of Electricity Distribution Efficiency Improvement Project worth USD195mn with the World Bank, here on Thursday. Mian Asad Hayaud Din, secretary, Economic Affairs Division signed the loan agreement on behalf of the Government of Pakistan, while representatives of the Hyderabad Electric Supply Company (Hesco), the Multan Electric Power Company (Mepco), and the Peshawar Electric Supply Company (Pesco) signed the project agreements.
- **Fertiliser makers seek new policy, deregulation | The News:** Pakistan needs to introduce new fertiliser policy to jump-start urea production in the country, said one of the top executives of the industry on Thursday. There is a need for a revised fertiliser policy, which should aim to eliminate the subsidy on gas for the fertiliser sector and enable the much needed transition towards Weighted Average Cost of Gas (WACOG), said Imran Ahmed, Chief Financial Officer of Engro Fertilizers Limited in an interaction with the media.
- **Govt decides to amend gas law | BR:** The federal government has decided to amend Natural Gas (Development Surcharge) Ordinance, 1967, that includes alteration in definitions for sale price and prescribed price aimed at enforcing recoveries and consequential punitive measures, official sources told Business Recorder. The Natural Gas (Development Surcharge) Ordinance, 1967 was promulgated to provide for levy and collection of a development surcharge on natural gas and for the matters connected therewith.
- **Govt misses petroleum levy target | BR:** The federal government has been able to generate only seven percent of petroleum levy (PL) in the first five months (July-November 2021) of the current financial year 2021-22. Sources said that the government has budgeted PKR610bn to collect through PL in the current financial year; however, it failed and managed to collect only 7% of total PL collection due to raise in prices of crude oil internationally and raise in exchange rate.
- **K-E seeks PKR5.5 per unit hike in tariff | Tribune:** The K-Electric on Thursday asked the National Electric Power Regulatory Authority (Nepra) to raise its tariff by PKR5.49 per unit on account of fuel charges adjustment (FCA). According to a notification, the KE has requested an increase of PKR5.182 for the first quarter of the current fiscal year — July to September — and PKR0.317 for November. The national power regulator will take up the KE's plea for a hearing on January 3 next year.
- **Engro wants gas subsidy for fertiliser sector abolished | Dawn:** Engro Fertilisers on Thursday called upon the government to devise and announce fertiliser policy 2022, withdraw gas subsidy, enable the industry's move to Weighted Average Cost of Gas (WACOG) and help exports of urea and other fertilisers to various countries. "Prior to 1980-81, Pakistan imported well over 50 per cent of its annual fertiliser requirements and had been a net importer till 2012.
- **GVGL to enter in automobile sector | Mettis Global:** In order to diversify and expand its business operations, Ghani Value Glass Limited (PSX: GVGL) is planning to enter the automobile and appliances industries which could prove to be a major revenue growth driver for the tempered glass segment, the management of the company informed while holding a corporate briefing session. Apprising investors of the financial performance of the company during FY21, the management underlined that net sales increased 56%YoY to PKR2.5bn, where revenue growth was witnessed across the entire product portfolio.

| Market Indices | | | |
|---|---|---|---|
| | **23-Dec-21** | **22-Dec-21** | **30-Jun-21** |
| KSE 100 | 44,267 | 44,175 | 47,356 |
| KSE 30 | 17,427 | 17,389 | 18,962 |
| KMI 30 | 71,261 | 71,221 | 76,622 |
| KSE All Shares | 30,297 | 30,267 | 32,480 |
| **Volume (mn Shares)** | | | |
| | **23-Dec-21** | **FYTD (Average)** | |
| KSE 100 | 85.1 | 128.6 | |
| KSE 30 | 54.2 | 52.0 | |
| KMI 30 | 39.5 | 49.1 | |
| KSE All Shares | 240.4 | 352.5 | |
| **Commodity Rates** | | | |
| | **23-Dec-21** | **Daily Change** | **FYTD Change** |
| Crude Oil-Brent (USD/BBL) | 76.9 | 2.1% | 2.3% |
| Crude Oil-Arab Light (USD/BBL) | 74.8 | 1.3% | 3.5% |
| Coal (USD/Tonne) | 139.7 | -4.0% | 35.2% |
| Copper(USD/Lbs) | 4.4 | 0.0% | 2.1% |
| Cotton (USD/Lbs) | 106.2 | -0.8% | 30.5% |
| CRC Steel (USD/Tonne) | 907.5 | 0.0% | -23.4% |
| **Currency (Interbank)** | | | |
| | **23-Dec-21** | **Daily Change** | **FYTD Change** |
| US Dollar | 178.0 | -0.2% | 13.0% |
| UK Pound | 238.7 | 0.3% | 9.6% |
| Euro | 201.6 | -0.1% | 8.0% |
| UAE Dirham | 48.8 | 0.0% | 13.2% |
| Chinese Yuan | 27.9 | -0.2% | 14.5% |
| **Fund Flows (USD mn)** | | | |
| | **23-Dec-21** | **FYTD** | |
| FOREIGN INDIVIDUAL | 0.01 | 4.21 | |
| FOREIGN CORPORATES | 0.67 | -313.61 | |
| OVERSEAS PAKISTANI | -0.37 | 51.22 | |
| **FIPI NET** | **0.31** | **-258.18** | |
| **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** | | | |
| | **23-Dec-21** | **22-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 | 10.21 | 10.25 | 7.28 |
| 6 Month T-Bill | 10.90 | 10.96 | 7.53 |
| 12 Month T-Bill | 11.32 | 11.36 | 7.81 |
| 3 Year Government Bond | 11.30 | 11.45 | 8.99 |
| 5 Year Government Bond | 11.37 | 11.54 | 9.49 |
| 10 Year Government Bond | 11.66 | 11.76 | 9.94 |
| 3 Month KIBOR | 10.41 | 10.44 | 7.45 |
| 6 Month KIBOR | 11.17 | 11.19 | 7.69 |

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