Morning News 27-Dec-2021

MCB-ARIF HABIB
Savings and Investments Limited

- **All set to introduce Finance, SBP autonomy bills tomorrow:** The government is all set to introduce the amended Finance and State Bank of Pakistan (SBP) autonomy bills in Parliament for approval tomorrow (Tuesday) despite resistance by opposition. The sources privy to the development said that both the bills are being introduced in parliament for approval before the sixth review of the USD6bn Extended Fund Facility (EFF) by the International Monetary Fund's (IMF) executive board on January 12. (Business Recorder)
- **Pakistan Stock Exchange to promote retail trade in debt securities market: CEO:** The Pakistan Stock Exchange (PSX) is determined to promote retail trade in the debt securities market through its platform in 2022, PSX CEO Farrukh H. Khan said. Speaking to Dawn in a recent interview, the head of the country's only bourse said the PSX has brought on board 12 banks as market-makers to ensure retail investors have easy access to the debt securities market. (Dawn)
- **Economic prosperity improves by 1.5% during Nov 2020 to Oct 2021:** Report: Economic prosperity has improved by 1.5% during November 2020 to October 2021, according to PRIME's latest report Pakistan Prosperity Index. (The Nation)
- **SBP injects another PKR382bn for 63 days:** The State Bank of Pakistan (SBP) injected PKR1.08 trillion into the money market on Friday in yet another open market operation (OMO), which included around PKR382bn for an unusual 63-day period. (Dawn)
- **WB to finance two hydropower projects in Swat:** The World Bank (WB) would finance two hydropower projects of 245 megawatt in Swat district that would generate a receipt of over 13bn rupees for the province per annum. (Business Recorder)
- **Energy sector reforms: USD300m received from ADB:** Pakistan received USD300mn from the Asian Development Bank (ADB) for energy sector reforms. The minister took to Twitter and acknowledged receipt of USD300mn from ADB for energy sector reforms. It will also help to strengthen forex reserves and stabilise exchange rate. (Business Recorder)
- **Purchasing power drops in October 2021:** The Purchasing Power Index (PRI) continued on a downward trajectory in Pakistan, reaching the lowest in October 2021, as it declined from the benchmark of 85.6 in November 2020 to 79 in October 2021. (The News)
- **Sufficient stock of furnace oil available: Hammad:** The Federal Minister for Energy, Hammad Azhar, on Sunday clarified some 'misconceptions' about availability and consumption of furnace oil, saying it was 'well stocked' to meet the winter energy needs of the country. (Business Recorder)
- **Domestic gas consumers: There will be no supply of LNG on 'lower' rates: Hammad:** Federal Energy Minister Hammad Azhar said on Friday that the government would not supply imported Liquefied Natural Gas (LNG) to domestic gas consumers on lower rates. (Business Recorder)
- **Gas supply priority revised for 3 months:** Fertilizer sector now on a par with export sector: The Federal Government has decided to place domestic fertilizer sector at par with export sector in gas supply priority list for three months, i.e., till March 31 2022. (Business Recorder)
- **Refinery shutdowns may dent aviation fuel reserves:** The possibility of complete shutdown of oil refineries has raised concern that it may lead to the depletion of strategic aviation fuel reserves. At present, Pakistan Refinery Limited (PRL) is closed whereas other refineries are running only partially as their fuel stocks are piling up due to reluctance of power producers to take furnace oil supplies. (Tribune)
- **New Refinery Policy Being Finalised To Shift Refineries Away From Furnace Oil: Hammad Azhar:** In order to sort drop in refineries run rate due to higher furnace oil inventories a new refinery policy is being finalised to shift refineries away from production of FO, says Hammad Azhar.(AUGAF)
- **Ministry delays pact signing with power firms:** Following grave concerns expressed by the Boards of Directors (BoDs) and fearing resistance during a scheduled meeting, the Ministry of Energy (Power Division) has delayed signing of agreements among the Power Planning and Monitoring Company (PPMC), all power distribution and generation companies (Discos and Gencos) and the National Transmission and Despatch Company (NTDC). (Dawn)
- **Textile, apparel industry: Govt decides to substitute power, RLNG tariffs:** The Federal Government has decided to substitute electricity and RLNG tariffs for the textile and apparel industry, indicated for fiscal year 2021-22, with regionally competitive energy rates. (Business Recorder)
- **Urea price down to PKR1,768 a bag, govt body told:** The weekly fertiliser review meeting on Friday noted that punitive measures undertaken against hoarders and profiteers had resulted in significant reduction in urea price close to notified rate of PKR1,768 per bag. (Dawn)

Market Indices

	24-Dec-21	23-Dec-21	30-Jun-21
KSE 100	44,118	44,267	47,356
KSE 30	17,353	17,427	18,962
KMI 30	70,987	71,261	76,622
KSE All Shares	30,204	30,297	32,480

Volume (mn Shares)

	24-Dec-21	FYTD (Average)
KSE 100	71.0	128.2
KSE 30	42.6	51.9
KMI 30	29.1	49.0
KSE All Shares	223.4	351.6

Commodity Rates

	24-Dec-21	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	76.1	-0.9%	1.3%
Crude Oil-Arab Light (USD/BBL)	74.8	0.0%	3.5%
Coal (USD/Tonne)	141.3	1.1%	36.7%
Copper(USD/Lbs)	4.4	0.0%	2.1%
Cotton (USD/Lbs)	106.2	0.0%	30.5%
CRC Steel (USD/Tonne)	900.0	-0.8%	-24.1%

Currency (Interbank)

	24-Dec-21	Daily Change	FYTD Change
US Dollar	178.3	0.1%	13.2%
UK Pound	238.6	0.0%	9.5%
Euro	201.7	0.0%	8.0%
UAE Dirham	48.8	0.0%	13.2%
Chinese Yuan	28.0	0.2%	14.7%

Fund Flows (USD mn)

	24-Dec-21	FYTD
FOREIGN INDIVIDUAL	0.00	4.21
FOREIGN CORPORATES	0.09	-313.52
OVERSEAS PAKISTANI	-0.35	50.87
FIPI NET	**-0.26**	**-258.44**

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

	24-Dec-21	23-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	10.20	10.21	7.28
6 Month T-Bill	10.76	10.90	7.53
12 Month T-Bill	11.24	11.32	7.81
3 Year Government Bond	11.26	11.30	8.99
5 Year Government Bond	11.31	11.37	9.49
10 Year Government Bond	11.54	11.66	9.94
3 Month KIBOR	10.37	10.41	7.45
6 Month KIBOR	11.07	11.17	7.69

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