Morning News 28-Dec-2021

MCB-ARIF HABIB Savings and Investments Limited

- **Pakistan's GDP growing at 5%: report:** The average monthly economic indicator (MEI) for the first five months of current fiscal year (2021-22) indicates that average economic (GDP) growth of Pakistan during the period could be estimated at around 5%, said a monthly report issued by the Ministry of Finance and Revenue on Monday. (Profit Pakistan)
- **Ministry's forecast: Remittances to keep current account deficit 'manageable:** Highlighting two major challenges, including increasing current account deficit and higher inflationary pressures, the Ministry of Finance in its forecast has relied on higher and stabilized remittances, then the current account deficit would become manageable and financeable. (The News)
- **Inflation won't subside anytime soon:** The government has conceded inflationary pressure would continue for a while in the country even though the country has been on a high growth trajectory compared to the growth observed during the fiscal year 2021. (Business Recorder)
- **CDWP gives go-ahead to PKR191.72bn worth of projects:** The Central Development Working Party (CDWP) on Monday, approved one development project with a cost of PKR528.4mn and also recommended project worth PKR191.195bn to the Executive Committee of the National Economic Council (ECNEC) for further consideration. (The News)
- **Govt-Aptma agree to restore textile sector's gas supply:** Textile millers are in advanced talks with the government to secure gas supplies for the industry before end of the current calendar year, it is learnt on Monday. (The News)
- **Telecom services: Proposed taxation to hinder IT sector's growth:** The proposed increase of five percent in the withholding tax (WHT) on telecom services and the standard rate of 17% sales tax on import of computers and accessories in the forthcoming mini-budget will severely impact the growth of IT sector, besides compromising the envisaged ICT exports target of USD5bn. (Business Recorder)
- **Three large Discos: Ministerial panel to consider bifurcation:** The Federal Government has constituted a five-member ministerial panel to firm up recommendations on the viability of bifurcation of three large power Distribution Companies (Discos), i.e., Mepco, Pesco and Qesco. (Business Recorder)
- **Car engine manufacturing:** body formed to lure OEMS: The Federal Cabinet has constituted a three-member ministerial committee aimed at luring Original Equipment Manufacturers (OEMs) and electronic goods manufacturers in setting up engine and compressor manufacturing facilities in the country. (Business Recorder)
- **Fauji Cement Co Ltd signs PKR37,400mn syndicated term loan facilities for expansion:** The signing ceremony for credit facilities for path breaking expansions by Fauji Cement Company Ltd and Askari Cement Ltd was held on Monday. Both the companies are part of the Fauji Group and have been in the forefront of infrastructure development in Pakistan. (Business Recorder)
- **Shanghai Electric Still Interested In Acquiring Majority Stake In Karachi Electric: PSX:** Manager to the Offer, would like to intimate that the time period for making the public announcement of offer (as extended by the Acquirer) made by Shanghai Electric Power Company Limited to acquire Karachi Electric will lapse as of December 28, 2021 ("Expiry Date") on the basis that certain regulatory and other approvals for the Transaction remain outstanding. (Augaf)
- **National Refinery shuts down operations as FO stocks pile up:** National Refinery Limited (NRL), reeling from months of lackluster fuel oil demand and an abundance of inventory, has temporarily shut down its operations. (The News)
- **Senate passes resolution to set up infrastructure for electric vehicles:** The Senate has unanimously passed three resolutions on subjects including electric vehicles (EVs) and establishment of charging stations network and infrastructure across the country. (Tribune)
- **Bilawal says anti-govt drive to start from Lahore:** Rejecting the impression of a deal being sought by PPP, party chairman Bilawal Bhutto-Zardari has asked the party workers to get ready to launch a movement against the "puppet" government from Lahore after a meeting of the PPP's central executive committee and federal council in the city on Jan 5. (Dawn)

Market Indices			
	27-Dec-21	**24-Dec-21**	**30-Jun-21**
KSE 100	43,913	44,118	47,356
KSE 30	17,232	17,353	18,962
KMI 30	70,615	70,987	76,622
KSE All Shares	30,102	30,204	32,480
Volume (mn Shares)			
	27-Dec-21	**FYTD (Average)**	
KSE 100	53.5	127.7	
KSE 30	28.0	51.7	
KMI 30	28.3	48.8	
KSE All Shares	114.6	349.9	
Commodity Rates			
	27-Dec-21	**Daily Change**	**FYTD Change**
Crude Oil-Brent (USD/BBL)	78.6	3.2%	4.6%
Crude Oil-Arab Light (USD/BBL)	75.6	1.0%	4.6%
Coal (USD/Tonne)	137.8	-2.5%	33.3%
Copper(USD/Lbs)	4.4	1.6%	3.8%
Cotton (USD/Lbs)	109.4	2.1%	34.3%
CRC Steel (USD/Tonne)	900.0	0.0%	-24.1%
Currency (Interbank)			
	27-Dec-21	**Daily Change**	**FYTD Change**
US Dollar	178.1	-0.1%	13.0%
UK Pound	239.3	0.3%	9.9%
Euro	201.7	0.0%	8.0%
UAE Dirham	48.8	0.0%	13.2%
Chinese Yuan	27.9	-0.2%	14.5%
Fund Flows (USD mn)			
	27-Dec-21	**FYTD**	
FOREIGN INDIVIDUAL	0.00	4.21	
FOREIGN CORPORATES	1.39	-312.13	
OVERSEAS PAKISTANI	0.40	51.27	
FIPI NET	**1.80**	**-256.65**	
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			
	27-Dec-21	**24-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	10.22	10.20	7.28
6 Month T-Bill	10.80	10.76	7.53
12 Month T-Bill	11.26	11.24	7.81
3 Year Government Bond	11.36	11.26	8.99
5 Year Government Bond	11.40	11.31	9.49
10 Year Government Bond	11.58	11.54	9.94
3 Month KIBOR	10.35	10.37	7.45
6 Month KIBOR	10.97	11.07	7.69

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