Morning News 31-Mar-2022

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- **WB speaks about focal points of upcoming talks with Pakistan | BR:** The World Bank (WB) has said that managing uncertainty and preparing for future crises will be the centre of bilateral meetings with Pakistani authorities and also during IMF/ World Bank spring meeting to be held from April 18-23, 2022. In a letter to Minister for Economic Affairs, Omar Ayub Khan, World Bank's Vice President, South Asia Region, Hartwig Schafer has hoped that he would have the opportunity to meet him and his delegation on the occasion of Spring Meeting.
- **China rolls over USD2bn SAFE deposits | BR:** Finance Ministry said on Wednesday that China has rolled over USUSD2bn SAFE deposits and USD2.3bn syndicate facility is being process for roll over. In a statement issued by the Finance Ministry said that two facilities of worth USD4.3bn matured in the month of March, of which SAFE deposits worth USD2bn have been rolled over and the roll-over of the syndicate facility of RMB 15,000 million (i.e. approximately USD2.3bn) is being processed. Finance Ministry further stated that government of Pakistan and China have strong economic ties spanning over the last many decades.
- **Rupee loses 16% since start of fiscal year | Dawn:** The ongoing fiscal year has proved to be one of the worst for the rupee, which has lost 16% against the US dollar during the past nine months. Currency experts and dealers are not sure how quickly the dollar would leap in the coming months, but some of them fear the 190 mark is not too far. On Wednesday, the dollar was trading at PKR182.64 in the inter-bank market by the close compared to PKR157.40 on July 2, 2021 — a decrease of PKR25.24, or 16%. "It seems there is no plan to stop this dollar appreciation, which has inflated prices. It will ultimately hit both the cost of production and exports," said Aamir Aziz, a manufacturer of exportable finished textile products.
- **ECC approves revised DLTS for 2021-26 | Mettis Global:** The Economic Coordination Committee (ECC) after detailed discussion approved the revised/rationalized Drawback of Local Taxes Scheme (DLTS) for the period of five financial years from July 1, 2021 to 30th June 2026. Federal Minister for Finance and Revenue Mr. Shaukat Tarin presided over a meeting on ECC wherein the Ministry of Commerce presented a DLTS summary for the period 2021-26 in a meeting. The scheme will be subject to quarterly/periodic reviews to gauge its impact on the export performance of sectors as well as exporting firms. The estimated financial impact will be PKR79.27bn for FY2021-22, however, actual claims till 30th June 2022 are estimated to be around 50bn.
- **Meeting with vendors today: Ministry to seek justification of hike in prices of cars, SUVs | BR:** The Ministry of Industries and Productions has convened a meeting with auto vendors Thursday (Mar 31) to seek justification of sudden increase in the prices of cars and SUVs; however, to check under invoicing import of luxury vehicles was mandate of the Federal Board of Revenue (FBR) and the Ministry of Commerce, a parliamentary panel was informed on Wednesday. A monitoring committee constituted under New Auto Policy 2021 headed by secretary Industries and Productions has scheduled a meeting with representatives of auto manufacturers to find out the hike in the cost productions including raise in international fridge charges and shortage of chips.
- **Pakistan's regional exports jump 26.47% in July-Feb | The News:** Country's exports to seven regional countries witnessed an increase of 26.47% in first eight months of the financial year (2021-22), a government data showed. Exports to the regional countries including Afghanistan, China, Bangladesh, Sri Lanka, India, Nepal, and Maldives accounted for USD2954.60mn, which was 14.33% of the country's overall exports of USD20616.99mn during July-February (2021-22), State Bank of Pakistan (SBP) reported. China topped the list of countries in terms of Pakistan's exports to its neighbouring, followed by other countries such Bangladesh and Afghanistan.
- **ECC approves PKR16bn TSG to clear SNGPL dues | BR:** The Economic Coordination Committee (ECC) of the Cabinet has approved technical supplementary grant of PKR16bn for payment of the SNGPL dues for the month of February and expected claims for the remaining months of March, April, and May during the current fiscal year 2021-22. The meeting of the ECC presided over by Minister Finance and Revenue Shaukat Tarin was submitted a summary by the Ministry of Industries and Production for operation of Fatima Fertilizer (Sheikhupura Plant) and Agritech.
- **SNGPL demands 66% hike in gas price | BR:** The Sui Northern Gas Pipeline Limited (SNGPL) has demanded a substantial increase in price of gas, ie, up to 66% for the fiscal year 2022-23. The Oil and Gas Regulatory Authority (Ogra) conducted a public hearing in Lahore on Wednesday at a local hotel on the petition filed by the SNGPL for the Determination of its Estimated Revenue Requirements (DERR) and prescribed prices for fiscal year 2022-23. The petitioner projected the average Prescribed Price at PKR920.88/MMBtu for fiscal year 2022-23. The petitioner has further requested PKR1,172 MMBtu on account of previous years' shortfall.
- **No-trust motion: 'Tareen group' to make final decision today | BR:** Tareen group — a disgruntled faction within the ruling Pakistan Tehreek-e-Insaf (PTI) – has summoned a consultative session on Thursday (today) to make a final decision whether to support the opposition's no-trust motion or side with the ruling PTI. Sources privy to the development said that Tareen group has decided to summon consultative session wherein key decisions would be taken regarding no-trust resolution and Pervaiz Elahi's candidature for Punjab Chief Minister (CM) slot after Usman Buzdar's resignation. They said that the Tareen group has decided to continue talks with Pervaiz Elahi, the joint opposition and government team over the no-confidence motion.
- **Key ally's exit leaves Imran without majority | BR:** Prime Minister Imran Khan on Wednesday suffered a major setback that virtually cost his party its majority in the 342-member National Assembly, as the MQM-P announced its decision to exit the ruling coalition ahead of a crucial vote on the opposition-moved no-confidence resolution against him. The urban Sindh-based MQM-P announced its decision to quit the government at a crowded news conference with top opposition leaders after reaching a broad-based understanding and solemnising it transpired in the form of written agreements that were finalised by the two sides after night-long hectic negotiations and consultations.

Market Indices	30-Mar-22	29-Mar-22	30-Jun-21
KSE 100	44,338	44,439	47,356
KSE 30	16,923	16,983	18,962
KMI 30	71,879	72,067	76,622
KSE All Shares	30,372	30,379	32,480

Volume (mn Shares)	30-Mar-22	FYTD (Average)
KSE 100	115.7	116.7
KSE 30	74.3	50.9
KMI 30	47.4	47.6
KSE All Shares	344.0	311.3

Commodity Rates	30-Mar-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	113.5	2.9%	51.0%
Crude Oil-Arab Light (USD/BBL)	108.0	3.6%	49.5%
Coal (USD/Tonne)	259.0	1.4%	125.5%
Copper (USD/Lbs)	4.8	0.5%	11.3%
Cotton (¢/Lbs)	137.3	2.3%	68.6%
Gold (USD/Ounce)	1,933.1	0.7%	9.2%

Currency (Interbank)	30-Mar-22	Daily Change	FYTD Change
US Dollar	182.4	0.1%	15.8%
UK Pound	239.5	0.4%	10.0%
Euro	203.5	0.8%	9.0%
UAE Dirham	49.8	0.0%	15.4%
Chinese Yuan	28.7	0.4%	17.8%

Fund Flows (USD mn)	30-Mar-22	FYTD
FOREIGN INDIVIDUAL	0.00	4.33
FOREIGN CORPORATES	-2.46	-325.70
OVERSEAS PAKISTANI	-0.46	54.05
FIPI NET	**-2.93**	**-267.32**

Economic Data (USD mn)	FY22E	FY21	FY20
GDP Growth	4.6%	5.4%	-0.5%
	Feb-22	**Jan-22**	
Exports	2,820	2,614	
Imports	5,907	6,036	
Remittances	2,190	2,144	
Foreign Exchange Reserves	22,875	22,836	

Money Market Data	30-Mar-22	29-Mar-22	30-Jun-21
SBP Policy Rate	9.75	9.75	7.00
CPI Inflation	12.20	12.20	9.70
3 Month T-Bill	11.75	11.81	7.28
6 Month T-Bill	12.32	12.38	7.53
12 Month T-Bill	12.45	12.45	7.81
3 Year Government Bond	12.09	12.09	8.99
5 Year Government Bond	11.96	11.96	9.49
10 Year Government Bond	11.86	11.87	9.94
3 Month KIBOR	11.93	11.98	7.45
6 Month KIBOR	12.51	12.51	7.69

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