

## Top News

September 27, 2021

**SBP orders banks to report FX requirements of USD500,000 and above for overseas purchases:** The State Bank of Pakistan (SBP) issued new regulations, requiring banks to report USD500,000 and above future foreign currency requirements for overseas buying, apparently in a move to step up monitoring of money flows and to make rupee less volatile. The SBP issued new guidelines making mandatory for banks to submit information related to their all forthcoming imports payments of USD500,000 and above for the next five days.

Source: <https://www.thenews.com.pk/print/895075-sbp-orders-banks-to-report-fx>

**CPEC panel okays ambitious Karachi coastline plan:** Calling it a “game-changer”, the federal government on Saturday unveiled an ambitious plan to rebuild Karachi’s coastline under the China-Pakistan Economic Corridor (CPEC) with USD3.5bn “direct Chinese investment” that aims to overhaul city’s seaboard with new berths for the port, a new fishery port and a ‘majestic harbour bridge’ connecting it with Manora islands and Sandspit beach.

Source: <https://www.dawn.com/news/1648433/cpec-panel-okays-ambitious>

**NPPMCL privatisation: Debt structure to be aligned through Debt financing from banks: minister:** Federal Minister for Privatisation Mohammed Mian Soomro said that federal government was in the process of privatising National Power Parks Management Company Limited (NPPMCL) which owned two power plants of Haveli Bahdur Shah Power Plant (1230 MW) in District Jhang and Balloki Power Plant (1223 MW) in District Kasur.

Source: <https://www.brecorder.com/news/40122552/nppmcl-privatisation-debt>

**Acquisition of KE shares: Shanghai Electric extends timeline for PAO:** K-Electric announced that it has received an intimation for extension in timeline for the public announcement of offer (PAO) for the acquisition of up to 66.40% ordinary shares of the power utility by Shanghai Electric Power Company Limited, in a notice sent to the Pakistan Stock Exchange (PSX) on Friday. The announcement comes in reference to the earlier public announcement of intention (PAI) published on April 2, 2021 to acquire 18,335,542,678 ordinary shares of K-Electric Limited (the target company) representing 66.40% of the total issued and paid-up capital. Source: <https://www.brecorder.com/news/40122367/acquisition-of-ke-shares-shanghai>

**Kapco seeks renewal of power generation licence:** The National Electric Power Regulatory Authority (Nepra) has provisionally allowed Kot Addu Power Company (Kapco) to keep producing and supplying electricity to the national grid until the regulator arrives at a final decision whether to renew the company’s power generation licence. In a regulatory filing with the national bourse on Friday, Kapco said its licence renewal application is being “duly progressed with Nepra”.

### PSX: Market Stats

	24-Sep-21	23-Sep-21	Ch. Point	Change
KSE100 Index	45,074	45,297	(223.4)	-0.49%
KSE30 Index	17,742	17,811	(68.2)	-0.38%
KMI30 Index	71,904	72,145	(240.7)	-0.33%
KSE100 (Vol mn)	186.7	131.2	55.5	42.3%
KSE30 (Vol mn)	79.4	49.5	29.9	60.5%
KMI30 (Vol mn)	78.6	48.7	30.0	61.6%
Market Cap (PKR'bn)	7,831	7,873	(41.4)	-0.5%
Market Cap (USD'bn)	48.04	48.30	(0.3)	-0.5%

### Economic Indicators

	BID	Offer
3-month KIBOR	7.30	7.55
6-month KIBOR	7.51	7.76
12-month KIBOR	7.77	8.27

### PIBs

	Yield	T-Bill	Yield
3-year PIB	9.34%	3-mnth	7.23%
5-year PIB	9.70%	6-mnth	7.48%
10-year PIB	10.10%	12-mnth	7.67%

### KSE100 & Volume (mn)



Source: PSX

Source: <https://www.dawn.com/news/1648259/kapco-seeks-renewal-licence>

**PSO chief eyes 50% market share in petrol, diesel soon:** Pakistan State Oil (PSO) Managing Director Syed Taha has said he's actively trying to bring the focus of the company's sales efforts back to the retail segment.

"Our market share was at its lowest ebb two years ago. We were 33% in mogas (petrol) and 36% in diesel. Our focus was out," he said. According to the industry-wide data for the first eight months of 2021, PSO commands a market share of 43% in petrol and 47% in diesel.

Source: <https://www.dawn.com/news/1648439/pso-chief-eyes-50pc-market-share-in-petrol-diesel-soon>

**Dollar's ascend continues against descending rupee: Heavy regulatory duty on luxury items on cards:** The government is contemplating different options to jack up regulatory duty (RD) on import of dozens of luxury items such as import of automobiles, cosmetics, master baths, varnishes, stationary, different products of textiles, sweeteners, non-essential food items, and others. The government has decided for moving ahead with taking fiscal measures in order to curtail the rising current account deficit that had already ballooned to USD2.3bn in the first two months (July and August) of financial year 2021-22.

Source: <https://www.thenews.com.pk/print/895134-dollar-s-ascend-continues>

**Pakistan looks for trade deals with S. Arabia, UAE, Oman:** Pakistan will pursue individual trade deals with Saudi Arabia, the United Arab Emirates and Oman, a senior official said on Sunday, as talks with the Gulf Cooperation Council (GCC) remain stalled. The GCC, which includes those three countries plus Qatar, Kuwait and Bahrain, started free trade talks with Pakistan in 2004. It has not implemented a free trade deal since 2015. "We feel it is far better to do individual [deals] at the moment rather than with the GCC as a bloc," he said in Dubai. Source: <https://www.dawn.com/news/1648659/pakistan-looks-for-trade-deals->

**Govt to intervene in market to reduce food prices:** At a time when inflation is hitting all segments of society, Finance Minister Shaukat Tarin says the government has decided to intervene in the market to partially reduce prices of essential food items, including sugar, flour and pulses. The interventions in the market will be in three forms — Utility Stores, open market interventions and targeted subsidies to weak segments of society.

Source: <https://www.dawn.com/news/1648431/govt-to-intervene-in-market-to-reduce-food-prices-tarin>

**Power projects: Banks are put off financing by rising circular debt:** The country's commercial banks have reportedly refused to finance power projects due to historic energy sector circular debt, which has reached PKR2.327 trillion as of August 31, 2021. This was disclosed by the top officials of Ministry of Energy (Power Division). The Ministry of Energy has sought cash

development loan to Jamshoro Power Company Limited (JPCL - GENCO -I) for 2 x 660 MW imported coal fired power project, which was started with the financing of Asian Development Bank (ADB).

Source: <https://epaper.brecorder.com/2021/09/27/1-page/902050-news.html>

**Up to 35% hike in gas prices proposed:** The Petroleum Division on Saturday proposed an increase in gas prices by 35% for domestic consumers. Sources told Geo News the proposal is for four months — from November to February. The sources added that no increase in gas price has been proposed for consumers falling under the first two slabs. According to the sources, a 35% increase in gas tariff has been proposed for consumers falling under the last four slabs. Consumers who use more than 200 to 400 MMBTU gas within the price range of PKR553 to PKR1,460 per month fall under the last four slabs.

Source: <https://www.thenews.com.pk/print/895440-up-to-35pc-hike-in-gas-prices-proposed>

**Proposal floated to shut three refineries:** The partial approval of refinery policy is followed by another controversy in the sector as the chairman of Expert Group on Petroleum has suggested to the government to shut down three refineries, namely Pakistan Refinery, National Refinery and Byco Petroleum. The three refineries are producing jet fuel and kerosene oil to meet strategic requirements of the country. At present, Pakistan has five refineries and the other two are Parco and Attock Refinery.

Source: <https://tribune.com.pk/story/2321817/proposal-floated-to-shut-3-refineries>

**Rising CAD a big concern: Regulatory duty will be imposed on EVs, raised on other imported cars:** Worried with the sudden increase in Current Account Deficit (CAD), the government has decided to impose regulatory duty on electric vehicles and increase on other imported vehicles, well-informed sources told *Business Recorder*. The decision was taken at a high-level meeting of Tariff Policy Board (TPB) presided over by Advisor to Prime Minister on Commerce Abdul Razak Dawood. The meeting considered different proposals of Ministry of Industries and Production and NTC.

Source: <https://www.brecorder.com/news/40122550/rising-cad-a-big-concern->

**Govt to give PKR1.3bn for K-Electric consumers:** The government will give additional supplementary grant of PKR1.3bn for additional subsidy to K-Electric consumers to implement winter incentive package for electricity consumers on incremental consumption. The actual marginal cost to be utilised for subsidy shall be provided by the National Electric Power Regulatory Authority (Nepra). Further, Nepra shall provide an appropriate mechanism for adjustment, keeping in view existing tariff determinations of K-Electric. Source: <https://tribune.com.pk/story/2321984/govt-to-give-rs13b-for-k-electric-consumers>

Top 05 Gainer KSE100 index					Top 05 Loser KSE100 index				
	Current	Previous	Diff	Ch %		Current	Previous	Diff	Ch %
COLG	2,444.9	2,310.0	134.8	5.8%	ANL	19	21	-1.5	-7.1%
AGP	127.0	121.4	5.6	4.6%	FML	91.1	98.0	-7.0	-7.1%
BNWM	43.2	42.1	1.1	2.7%	FFBL	21.6	22.8	-1.2	-5.4%
THALL	404.5	395.6	8.9	2.3%	HGFA	7.6	8.0	-0.4	-5.0%
APL	299.3	294.8	4.5	1.5%	INDU	1,143.4	1,200.1	-56.7	-4.7%

Asian Markets					Int'l Markets				
	Current	Previous	Diff	Ch %		Current	Previous	Diff	Ch %
India (BSE 30)	60,048	59,885	163.1	0.3%	US (DJII)	34,798	34,765	33.2	0.1%
HK (Hang Seng)	24,192	24,511	(318.8)	-1.3%	UK (FTSE)	7,051	7,078	(26.8)	-0.4%
Japan (Nikkei)	30,249	29,639	609.4	2.1%	NASDAQ (IXIC)	15,048	15,052	(4.5)	0.0%
Singapore STI	3,062	3,076	(14.8)	-0.5%	S&P 500 GSPC	4,455	4,449	6.5	0.1%
Indonesia (JKSE)	6,145	6,143	2.1	0.0%	AMEX COMP (XAX)	3,153	3,140	12.5	0.4%
Shanghai Comp.	3,613	3,642	(29.1)	-0.8%	FCHI-CAC 40	6,638	6,702	(63.6)	-0.9%

NDM - Off Market Transaction							
Mem to Mem	Vol (000)	Price	Val (mn)	Client to Client	Vol (000)	Price	Val (mn)
PNSC	346.0	75.0	26.0	MLCF	450	47.9	21.5
GGGL	100.0	26.0	2.6	MLCF	250.0	48.0	12.0
CRTM	41.4	18.0	0.7	GHNL	90.0	131.0	11.8
BGL	40.0	16.5	0.7	KEL	3,000.0	3.3	10.0
YOUW	60.0	10.0	0.6	OGDC	100.0	95.0	9.5

Commodities							
	Current	Previous	Diff	Ch %	Currency	Buy	Sell
Richards Bay Coal	172.10	170.05	2.05	1.21%	USD Dollar	168.60	168.70
Brent Crude	79.02	77.25	1.77	2.3%	UK Pound	229.95	230.63
Int'l Gold	1,750	1,748	2.0	0.1%	Euro	197.81	198.40
Local Cotton	12,700	12,700	0.0	0.00%	Japanese Yen	1.5387	1.5433
Local Gold 10g	97,500	97,308	192.0	0.20%			

## Futures (PKR'bn) (30 day SMA)



Source: PSX

## MTS Value (PKR'bn)



Source: PSX