

Feb CPI rate rises to 8.70pc (BR)

The Consumer Price Index (CPI) has recorded an increase of 8.7 percent on year-on-year basis in February 2021 as compared to an increase of 5.7 percent in the previous month, and 12.4 percent in February 2020, says the Pakistan Bureau of Statistics (PBS). According to a monthly review on price indices released by the PBS on month-on-month basis, the CPI increased by 1.8 percent in February 2021 as compared to a decrease of 0.2 percent in the previous month, and a decrease of one percent in February 2020. The National Consumer Price Index for February 2021 is increased by 1.80 percent over January 2021 and increased by 8.70 percent over corresponding month of the last year i.e. February 2020. The CPI inflation urban, increased by 8.6 percent on year-on-year (YoY) basis in February 2021 as compared to an increase of five percent in the previous month, and 11.2 percent in February 2020. On month-on-month (MoM) basis, it decreased by 2.3 percent in February 2021 as compared to a decrease of 0.2 percent in the previous month, and a decrease of 1.1 percent in February 2020.

Pakistan's tax-to-GDP ratio drops below average levels: WB (The News)

The World Bank has pointed out that Pakistan's tax to GDP ratio dropped to below average during the last two fiscal years. Furthermore, the overdependence on withholding taxes is also bad because it converted into another kind of Sales Tax. This emerged during a webinar organized by the Pakistan Development Policy Series 2021 in collaboration with the World Bank on Monday. World Bank's Senior Economist Sebastian James, WB's Country Director in Pakistan Najy Benhassine and SAPM on Revenues Dr. Waqar Masood, besides others participated. At this point, Special Assistant to Prime Minister on Revenues Dr. Waqar Masood said that the government would abolish 40 withholding taxes, bringing them down from 65 to 25 taxes, starting from upcoming budget for 2021-22. "There is a need to broaden the narrow tax base instead of burdening the existing ones. It's our serious concern that the average tax collection in Pakistan has dropped in the last fiscal years compared to similar economies," World Bank's Senior Economist Sebastian James, who also worked on Pakistan's taxation policy issues, said.

FY21 fiscal deficit projected at 7pc of GDP (BR)

The Finance Ministry has informed the National Assembly, on Monday that the federal fiscal deficit was 3.1 percent of the GDP (Rs1,393 billion) during the first half (July-December) of 2020-21 consequent to Rs3,185 billion expenditure against the net federal receipts of Rs1,792 billion. In mid-year budget review report for fiscal year 2020-21 placed before the National Assembly, the Finance Ministry has said that Rs255 billion provincial surplus has helped reduce the overall fiscal deficit to 2.5 percent of the GDP i.e. Rs1,138 billion during the period under review. The Finance Ministry added that from gross federal revenue receipts of Rs3,072 billion, the provinces were transferred Rs1,280 billion and the federal government was left with net federal revenue receipts of Rs1,792 billion. The total expenditures of the federal government stood at Rs3,185 billion—with current expenditure of Rs2,915 billion and development and net lending of Rs270 billion. The mid-year budget review report has been formulated to comply with the provisions laid down under Section 34(1) of the Public Finance Management Act, 2019.

Exports grow 4.6pc YoY (BR)

The country's exports have posted a growth of 4.6 percent to \$16.3 billion during the first eight months (July-February) of current fiscal year as compared \$15.643 billion in the corresponding period of 2019-20. According Advisor to Prime Minister on Commerce and Investment Abdul Razak Dawood, for the fifth consecutive month, Pakistan's exports have crossed \$2 billion mark. However, exports in February 2021 (28 days) stood at \$2.044 billion as compared to \$2.140 billion for February-2020 (29 days), posting a decline of 4.5 percent. "We wish to congratulate exporters for their hard work in earning foreign exchange for the country and urge them to market their exports even more aggressively," he said. Commerce Ministry has neither shared the import figures for February 2021 nor for the previous eight months (July-January 2020-21), which is critical for determining the trade deficit. Country's imports were \$4.185 billion in February 2020, while imports during the first eight months (July-Feb) 2019-20 were recorded at \$31.515 billion as compared to \$36.563 billion in the comparable period of 2018-19, showing a decline of 13.8 percent.

Number of active taxpayers drops 14pc to 2.18 million (The News)

The number of active taxpayers dropped 14 percent to 2.18 million for the tax year 2020 as many return filers were unable to file returns within due date, sources said on Monday. The Federal Board of Revenue (FBR) issued the new Active Taxpayers List (ATL) for tax year 2020 on March 1. The new ATL has 2.18 million names of taxpayers who file their returns for tax year 2020. However, this number is less than the ATL 2019, which carried 2.53 million active taxpayers. The last date for filing income tax return for tax year 2020 was December 8, 2020 in case of business individuals, salaried persons and companies with special years, which was extended from September 30, 2020. However, for the tax year 2019 the date was extended up to February 25, 2020. A day earlier, the FBR claimed to receive 2.62 million income tax returns by February 28, 2021. It means the FBR has received 440,000 returns that were filed after due date or failed to pay surcharge for appearing in the ATL 2020.

Equities

PSX Data					International Stock Markets (returns are USD based)						
1-Mar-21	Index	Change	CYTD	FYTD	1-Mar-21	Index	Change	CYTD	DY (%)	P/E(x)	P/B(x)
All Shares Index	31,269.25	(166.90)	1.6%	26.80%	KSE100	45,593	-0.6%	5.4%	6.8	7.1	1.1
KSE100 Index	45,593.43	(271.59)	4.2%	32.45%	BSE-30	49,850	1.4%	3.7%	1.1	29.2	3.5
KSE30 Index	19,055.89	(117.19)	4.8%	28.22%	SHANGHAI	3,723	1.4%	3.2%	2.2	13.1	1.5
KMI30 Index	76,002.59	(275.78)	6.8%	38.20%	Vietnam	1,186	1.5%	7.8%	1.4	15.3	2.4
					Hang Seng	29,453	1.6%	8.1%	2.8	13.1	1.2
KSEAll Market Cap	PKR bn	CYTD	USD bn	CYTD	Nikkei 225	29,664	2.2%	4.5%	1.4	23.2	2.2
Market Cap	8,164	1.6%	51.66	2.8%	Straits Times	2,973	1.2%	4.1%	3.8	15.5	1.0
FIPI (USD Million)	Buy Value	Sell Value	Net Value		Tadawul	9,138	-0.6%	5.2%	2.8	19.6	2.0
Foreign Individuals	0.00	0.01	(0.00)		FTSE-100	6,589	1.6%	3.9%	3.9	14.6	1.6
Foreign Corporates	5.90	6.66	(0.76)		Dow Jones	31,536	1.9%	3.0%	3.9	20.8	4.5
Overseas Pakistani	7.96	7.27	0.69		NASDAQ	13,589	3.0%	5.4%	38.1	33.5	0.1
Total	13.86	13.93	(0.08)		S&P 500	3,902	2.4%	3.9%	1.5	22.7	4.0

Fixed Income/Forex

10-Year Govt Bond Yields				Tbills/PIBs	Secondary Market Yields			Cut-off Yields	
Country	1-Mar-21	26-Feb-21	Change (bps)		1-Mar-21	26-Feb-21	Change (bps)	Current	Change (bps)
Pakistan	10.25%	10.20%	5.0	03-Month T.Bill	7.20%	7.21%	(1.00)	7.25%	7
Australia	1.64%	1.90%	(26.0)	06-Month T.Bill	7.51%	7.51%	-	7.55%	6
UK	0.76%	0.82%	(6.0)	12-Month T.Bill	7.80%	7.80%	-	7.80%	-
US	1.40%	1.40%	-	03-Year PIB	9.28%	9.20%	8.00	8.99%	49
Germany	-0.34%	-0.26%	(8.0)	05-Year PIB	9.86%	9.85%	1.00	9.59%	6
Japan	0.12%	0.15%	(3.0)	10-Year PIB	10.25%	10.20%	5.00	10.05%	6
Description	1-Mar-21	26-Feb-21	Change (bps)	PKR/US Dollar			KIBOR Rates		
				1-Mar-21	Open Mkt	Interbank	Tenor	Rate	
Pak. Euro Bond (Yield)	7.07%	7.08%	(0.8)	Buy	158.10	160.35	03-Month	7.39%	
Pak. Euro Bond (Price)	107.37	107.30	0.1	Sell	158.60	158.04	06-Month	7.65%	

Commodities

Commodity	Current	Previous	Change	Up Coming Board Meetings				
				Company	Period	Date	Time	Place
Local (PKR)				Shell Pakistan Ltd.	CY20	2-Mar	10:00 AM	Karachi
Cement (bag)**	608.1	608.4	-0.05%	Sanofi-Aventis Pakistan Ltd.	CY20	2-Mar	11:00 AM	Karachi
Urea (bag)**	1,741	1,741	0.00%	Metropolitan Steel Corporation Ltd.	1HFY21	2-Mar	11:00 AM	Karachi
Gold (10grms)	94,564	94,564	0.00%	Dawood Lawrencepur Ltd.	CY20	3-Mar	2:30 PM	Karachi
Cotton (Maunder)	11,900	12,200	-2.46%	Systems Ltd.	CY20	3-Mar	6:00 PM	Lahore
International (US Dollar)				Rafhan Maize Products Company Ltd.	CY20	3-Mar	6:00 PM	Faisalabad
WTI (bbl)	59.60	61.50	-3.09%	SME Leasing Ltd.	CY20	4-Mar	12:15 PM	Islamabad
Brent (bbl)	62.65	63.69	-1.63%	GlaxoSmithKline Consumer Healthcare	CY20	5-Mar	2:45 PM	Karachi
Arabligh (bbl)	65.07	64.22	1.32%	Gammon Pakistan Ltd.	1HFY21	8-Mar	11:00 AM	Rawalpindi
Silver (oz)	26.57	26.67	-0.36%					
Coal Future (ton)	85.50	88.65	-3.55%					
Gold (oz)	1,725.04	1,734.04	-0.52%					
Steel (ton)	752.71	752.91	-0.03%					

** Price updated on weekly basis

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