

## **Rupee hits 1-year high of 157.1 versus dollar (The News)**

Pakistani rupee hit one-year high of 157.13 against the US dollar in the interbank market as foreign debt inflows and robust remittances helped the local currency regain some losses, analysts said on Wednesday. "Appetite for hard currency for payment from importers was muted," said a foreign exchange dealer at a commercial bank. "The supply of dollars remained higher than the demand, which pushed the rupee higher against the greenback." In the interbank market, the current is the strongest level since March 9 last. Rupee was up 0.5 percent from the previous close of 157.85. The local currency increased 6.7 percent or Rs11.3 against the dollar since August 26 last when it hit a record low of 168.43. The rupee has increased 0.57 percent so far this week. In the open market, rupee closed at 157.35 compared with Tuesday's close of 157.35. The IMF and Pakistan reached a staff-level agreement on reforms that will allow the release of around \$500 million in loan.

## **Feb trade deficit widens 23.93pc YoY (BR)**

Pakistan's trade deficit widened by 23.93 percent on year-on-year basis to \$2.517 billion in February 2021 compared to \$2.031 billion in February 2020, says the Pakistan Bureau of Statistics (PBS). The PBS, on Wednesday, released trade figures showing that the country's exports registered 4.12 percent decline in February 2021 and stood at \$2.049 billion compared to \$2.137 billion in February 2020. The country's imports remained \$4.566 billion in February 2021 compared to \$4.168 billion in February 2020, registering 9.55 percent growth. Trade deficit narrowed by 5.87 percent to \$2.517 billion in February 2021, compared to \$2.674 billion in January 2021. Pakistan's exports declined by 4.52 percent and stood at \$2.049 billion in February 2021 against \$2.146 billion in January 2021. The country's imports remained \$4.566 billion in February 2021, compared to \$4.820 billion in January 2021 registering 5.27 percent negative growth. The data further says that the country's trade deficit widened by 10.64 percent to \$17.536 billion in July-February 2020-21 compared to \$15.850 billion in July-February 2019-20. Trade figures show that the country's imports remained \$33.840 billion in July-February 2020-21 compared to \$31.483 billion in July-February 2019-20, registering 7.49 percent growth. The country's exports witnessed 4.29 percent growth and remained \$16.304 billion in July-February 2020-21 compared to \$15.633 billion in July-February 2019-20.

## **17 IPPs haven't signed tariff discount deals, Nepra told (Dawn)**

The National Electric Power Regulatory Authority (Nepra) on Wednesday completed the hearing on tariff revisions of 30 independent power producers (IPPs) under renegotiated deals with the government, which reported that 17 producers had not yet signed the tariff reductions. The hearing on the request of the Central Power Purchasing Agency (CPPA) followed a deal between the IPPs and the government signed last month and was presided over by Nepra chairman Tauseef H. Farooqui. Additional secretary of power division Waseem Mukhtar told the regulator that 17 of the 47 power producers which had initialed revised agreements for tariff discounts had not signed final agreements. He said final agreements had been signed with 30 IPPs. The remaining 17 had also signed MoUs and the government was in talks with them for final agreements, he added. CPPA's Chief Financial Officer Rehan Akhtar said revised agreements with thermal IPPs would reduce energy costs, help reduce circular debt and profitability of the IPPs. He said the IPPs set up through foreign investment would get 12pc rate of return on equity instead of the erstwhile 15pc and power generation had been frozen at an exchange rate of Rs148 per dollar.

## **Nepra asks govt why dollar rate kept at Rs148 (BR)**

National Electric Power Regulatory Authority (Nepra) on Wednesday quizzed the government as to why the dollar rate was kept at Rs 148 rather than any other rate while negotiating new deals with the Independent Power Producers (IPPs). This transpired during a public hearing on tariff adjustment applications of 24 Independent Power Producers (IPPs), baggasse Co. Gen IPPs and wind power projects that recently signed agreements with the government. A total of 47 IPPs signed an initial agreement with the government with 30 power companies signing off on the final agreement the financial benefit of which is projected at Rs 836 billion over a period of 20 years. The average tariff reduction will be in the range of Paise 25 per unit, which will increase to Paise 40 per unit in 2027. However, officials did not indicate any relief will be directly available to consumers in their tariffs. The representative of CPPA-G stated that initially the government and IPPs had agreed to freeze the rupee-dollar parity at Rs 168 which was revised downwards to Rs 148 in the final agreement. Losses will not be passed on to the consumers and only savings will be shared with them.

## **Rs84.3bln borrowed through PIBs (The News)**

The government on Wednesday raised Rs84.301 billion through an auction of fixed rate Pakistan Investment Bonds (PIBs) with yields increasing on shorter and longer tenors papers. The fetched amount was lower than the pre-auction target of Rs125 billion, the auction result issued by the central bank showed. The cut-off yield for three-year paper rose 42 basis points (bps) to 9.4100. The State Bank of Pakistan (SBP) sold Rs28.8 billion worth of this paper. The yield on the five-year PIBs also increased 31bps to 9.9000 percent from 9.5890 percent in the previous auction held on February 3. The SBP sold Rs35.6 billion worth of five-year PIBs. The yield on 10-year paper rose 24bps to 10.2890 percent. The central bank sold Rs20 billion worth of these PIBs. However, bids of 15-, 20- and 30-year PIBs were rejected by the government.

## **Private sector borrowing rises by 80pc (Dawn)**

Private sector borrowing through banks went up by 80 per cent in the first eight months of the current fiscal year, reflecting accelerated economic activities in the country. Though the government is not optimistic about economic growth rate, the pace of borrowing from the private sector indicates economic activities are higher than they were in the previous fiscal year. The State Bank's latest data

shared on Monday showed that the private sector borrowed Rs352 billion during July to Feb 19, FY21. This was 80.5pc higher than the borrowing of Rs195bn made during the same period in FY20. Bankers said the first quarter of the new fiscal was largely under the negative influence of Covid-19 which appeared in March 2020 but the borrowings started from the second quarter of FY21.

### **NSS rates raised by up to 43bps (The News)**

Profit rates on different National Savings Scheme (NSS) certificates were raised by up to 43 basis points from Wednesday by the Central Directorate of National Savings. Profit rates on defence savings certificates increased to 9.51 percent from 9.42 percent. Rates of return on special savings certificates were raised from 7.97 percent to 8.4 percent, according to the finance division. Profit rates on regular income certificates remain unchanged at nine percent. Likewise, rates of return on Behbood, pensioners and shuhada welfare certificates were kept unchanged at 11.28 percent. Profit rates on three-month savings certificates were raised to 6.8 percent from 6.76 percent, while those on six-month savings certificates increased to seven percent from 6.82 percent and profit rates on one year savings certificates were raised to 7.35 percent from 6.92 percent. NSS certificate rates have started to ratchet up since July last after the central bank decided to reverse its interest rate reduction policy considering upside risks to current growth projection.

## Equities

PSX Data					International Stock Markets (returns are USD based)						
3-Mar-21	Index	Change	CYTD	FYTD	3-Mar-21	Index	Change	CYTD	DY (%)	P/E(x)	P/B(x)
All Shares Index	31,665.08	130.59	2.9%	28.41%	<b>KSE100</b>	<b>46,161</b>	<b>0.9%</b>	<b>7.3%</b>	<b>6.7</b>	<b>7.1</b>	<b>1.1</b>
<b>KSE100 Index</b>	<b>46,160.78</b>	<b>196.51</b>	<b>5.5%</b>	<b>34.10%</b>	BSE-30	51,445	3.2%	8.2%	1.1	30.1	3.7
KSE30 Index	19,299.03	63.24	6.2%	29.85%	SHANGHAI	3,749	2.0%	3.9%	2.2	13.1	1.5
KMI30 Index	77,024.79	618.78	8.2%	40.06%	Vietnam	1,187	0.0%	7.9%	1.4	15.2	2.4
					Hang Seng	29,880	2.7%	9.7%	2.8	13.3	1.3
<b>KSEAll Market Cap</b>	<b>PKR bn</b>	<b>CYTD</b>	<b>USD bn</b>	<b>CYTD</b>	Nikkei 225	29,559	0.2%	3.9%	1.4	22.7	2.2
Market Cap	8,266	2.9%	52.60	4.6%	Straits Times	3,000	0.7%	4.7%	3.8	15.6	1.0
<b>FIPI (USD Million)</b>	<b>Buy Value</b>	<b>Sell Value</b>	<b>Net Value</b>		Tadawul	9,310	0.7%	7.2%	2.8	20.1	2.0
Foreign Individuals	0.04	0.05	(0.01)		FTSE-100	6,675	0.9%	5.5%	3.8	13.1	1.6
Foreign Corporates	5.40	9.03	(3.63)		Dow Jones	31,270	-0.4%	2.2%	3.8	20.5	4.5
Overseas Pakistani	7.89	8.20	(0.31)		NASDAQ	12,998	-2.7%	0.8%	1.6	32.2	0.1
<b>Total</b>	<b>13.33</b>	<b>17.28</b>	<b>(3.95)</b>		S&P 500	3,820	-1.3%	1.7%	1.6	22.2	3.9

## Fixed Income/Forex

10-Year Govt Bond Yields				Tbills/PIBs		Secondary Market Yields			Cut-off Yields	
Country	3-Mar-21	2-Mar-21	Change (bps)			3-Mar-21	2-Mar-21	Change (bps)	Current	Change (bps)
Pakistan	10.25%	10.25%	-	03-Month T.Bill		7.19%	7.20%	(1.00)	7.25%	7
Australia	1.78%	1.69%	9.0	06-Month T.Bill		7.50%	7.50%	-	7.55%	6
UK	0.78%	0.68%	10.0	12-Month T.Bill		7.79%	7.79%	-	7.80%	-
US	1.48%	1.41%	7.0	03-Year PIB		9.23%	9.26%	(3.00)	9.41%	42
Germany	-0.29%	-0.35%	6.0	05-Year PIB		9.85%	9.86%	(1.00)	9.90%	31
Japan	0.12%	0.12%	-	10-Year PIB		10.25%	10.25%	-	10.29%	24

  

Description	3-Mar-21	2-Mar-21	Change (bps)	PKR/US Dollar		KIBOR Rates			
				3-Mar-21		Open Mkt	Interbank	Tenor	Rate
Pak. Euro Bond (Yield)	7.11%	7.10%	0.4	Buy		157.85	160.35	03-Month	7.39%
Pak. Euro Bond (Price)	107.04	107.07	(0.0)	Sell		158.35	157.13	06-Month	7.64%

## Commodities

Commodity	Current	Previous	Change	Up Coming Board Meetings				
				Company	Period	Date	Time	Place
<b>Local (PKR)</b>				SME Leasing Ltd.	CY20	4-Mar	12:15 PM	Islamabad
Cement (bag)**	608.1	608.4	-0.05%	GlaxoSmithKline Consumer Healthcare	CY20	5-Mar	2:45 PM	Karachi
Urea (bag)**	1,741	1,741	0.00%	Gammon Pakistan Ltd.	1HFY21	8-Mar	11:00 AM	Rawalpindi
Gold (10grms)	94,564	94,564	0.00%	Apna Microfinance Bank Ltd.	CY20	8-Mar	2:00 PM	Lahore
Cotton (Maund)	12,200	11,900	2.52%	GlaxoSmithKline Pakistan Ltd.	CY20	9-Mar	2:00 PM	Karachi
<b>International (US Dollar)</b>				Hascol Petroleum Ltd.	1HCY20	10-Mar	12:00 PM	Karachi
WTI (bbl)	61.46	59.75	2.86%	Jahangir Siddiqui & Co. Ltd.	CY20	11-Mar	12:15 PM	Karachi
Brent (bbl)	64.28	64.07	0.33%					
Arabligh (bbl)	62.24	62.73	-0.78%					
Silver (oz)	26.10	26.76	-2.50%					
Coal Future (ton)	88.60	87.70	1.03%					
Gold (oz)	1,711.23	1,738.36	-1.56%					
Steel (ton)	771.81	751.55	2.70%					

\*\* Price updated on weekly basis

# Investor Watch

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