

- IMF forecasts real growth at 4% at factor cost | BR:** The International Monetary Fund (IMF) has projected Pakistan's real GDP growth at four percent at factor cost for 2021-22 against the five to 5.5% projected by the government. The Fund projection for growth in the current year may rise after rebasing as the uploaded data on its website, after the Executive Board meeting held in Washington on 2nd February, estimates GDP growth at 3.9% for 2020-21, while after rebasing it is given at 5.57%. Inflation is expected to pick up this year before gradually slowing down, so stated the official IMF handout projecting it at 10.2 percent inflation rate for year-end – 1.2% higher than the budget projection.
- Tarin derives strength from IMF tranche | BR:** Federal Minister for Finance and Revenue, Shaukat Tarin said Thursday that approval of the USD1bn 6th tranche by the International Monetary Fund (IMF) was its endorsement of the policies adopted by the incumbent government. Prior to leaving for China, Tarin said the IMF tranche would also help in bringing stability in local currency as well as the national economy, besides the development of the country. Highlighting the importance of Prime Minister Imran Khan's ongoing visit to China, Shaukat Tarin said it was not only of political significance but would have a long-lasting impact on the economic development and prosperity of the country.
- USD2.3bn new loan accords inked in Q1 | BR:** The government of Pakistan signed new loan agreements worth USD2.3bn with various bilateral and multilateral development partners, and foreign commercial banks during the 1st quarter of the current fiscal year 2021-22, revealed the Ministry of Economic Affairs. According to the official data, out of the total new agreements, USD628mn worth of financing agreements were signed with multilateral development partners, and USD686mn with foreign commercial banks. It further revealed that the government has received USD1.42bn from international capital market through tap issuance.
- Foreign exchange: SBP reserves fall USD463mn to USD15.73bn | Tribune:** The foreign exchange reserves held by the central bank fell 2.86% on a weekly basis, according to data released by the State Bank of Pakistan (SBP) on Thursday. On January 28, the foreign currency reserves held by the SBP were recorded at USD15,727.6mn, down USD463mn compared with USD16,190.1mn on January 21. According to the central bank, the decrease came due to external debt and other payments. Overall liquid foreign currency reserves held by the country, including net reserves held by banks other than the SBP, stood at USD22,084.5mn.
- Prosperity index falls as inflation continues to rise | The News:** Pakistan Prosperity Index (PPI) declined 1.7 points in November 2021 mainly owing to soaring inflation, currency devaluation, and dwindling foreign investment, a study showed on Thursday. "In contrast, the overall decline in prosperity was moderated by an increase in private sector borrowing, trade volume, and output of the manufacturing sector," said a report released by Policy Research Institute of Market Economy (PRIME). "Inflation remains a serious challenge severely impacting the economic activities in the country and posts serious threat to the economic prosperity."
- Per person, debt rises nearly 50% | Tribune:** The Ministry of Finance has submitted a self-contradictory fiscal policy statement in the National Assembly that also hid critical information from legislators, undermining the spirit of law that requires objective explanation of fiscal indicators. The Fiscal Policy Statement 2021-22 also showed that per person debt burden increased to PKR179,070 at the end of last fiscal year – an additional liability of PKR58,971, or 49%, on every citizen in three years since Prime Minister Imran Khan assumed office. The statement has been prepared by the budget wing of the Ministry of Finance to comply with the requirement of Fiscal Responsibility and Debt Limitation Act of 2005.
- Saudi Oil Facility of USD1.2bn to be Operationalized Soon | Pro Pakistani:** The Saudi oil facility for Pakistan, worth USD1.2bn, will soon be operationalized for the import of petroleum products. Ambassador of the Kingdom of Saudi Arabia in Islamabad Nawaf bin Saeed Al-Malkiy called on the Federal Minister for Economic Affairs Omar Ayub Khan in his office. Both sides discussed ongoing development projects and new initiatives. The minister appreciated the Saudi support in the priority development areas. During the meeting, it was agreed to operationalize the Saudi oil facility at the earliest.
- PACE-II loan: WB not satisfied with prior actions | BR:** The World Bank is reportedly not satisfied with progress on prior actions assigned to Government of Pakistan (GoP) about Program on Affordable and Clean Energy (PACE-II), well informed sources in Finance Ministry told Business Recorder. The Bank has conveyed its reservations during a meeting with Additional Secretary Finance (External Finance) on January 28, 2022. Last year, the World Bank had approved USD400mn loan funding for PACE initiative meant to improve financial viability of power sector. The PACE-II program focuses on clean energy in Pakistan.
- Gas sector circular debt reaches PKR1.3tr | The News:** The Petroleum Division told the Public Accounts Committee Thursday that circular debt of Sui Southern Gas Company (SSGC) and Sui Northern Gas Pipeline Limited (SNGPL) had reached PKR1.3 trillion (PKR1,300bn). The Public Accounts Committee (PAC) expressed its annoyance at the Petroleum Division for non-completion of gas schemes and ordered a one-year audit to ascertain the losses. During Thursday's meeting, PAC Chairman PAC Rana Tanveer asked the SNGPL MD about his salary to which he could not give an answer. He said there was no precedent for the package being given to the MD in the government.
- Honda Atlas reveals 'tentative' prices of its 2022 Civic | BR:** Honda Atlas Cars (Pakistan) Limited announced on Thursday 'tentative' prices for its next-generation Civic that would feature three 1.5-litre variants, confirmed multiple dealers to Business Recorder. The 2022 Civic will replace the current 10th-generation model, and feature the following variants: 1.5L Turbo M-CVT (priced at PKR5,099,000) Oriel 1.5L Turbo M-CVT (priced at PKR5,399,000), and 1.5L Turbo LL-CVT (at PKR6,149,000). The dealerships stated that these prices are "tentative", and subject to change keeping in view the exchange-rate parity. "Customers are being told that delivery times will go up till September. Hence, there could be a price-difference then.
- UBL submits PAI to acquire up to 84.51% stake in Samba Bank | Mettis Global:** United Bank Limited (UBL) has submitted a Public Announcement of Intention (PAI) to acquire up to 852,040,531 ordinary shares of Samba Bank Limited (SBL). These shares represent 84.51% of the total issued and paid-up capital together with management control of SBL. For the aforesaid acquisition, UBL has appointed AKD Securities Limited as the Manager to the Offer. Last week, UBL obtained in-principle approval of SBP to commence the due diligence of Samba Bank Limited for the acquisition of the above-mentioned shareholding of SBL, currently held by Saudi National Bank (SNB).

Market Indices			
	3-Feb-22	2-Feb-22	30-Jun-21
KSE 100	45,863	46,119	47,356
KSE 30	17,955	18,069	18,962
KMI 30	74,534	74,986	76,622
KSE All Shares	31,387	31,473	32,480
Volume (mn Shares)			
	3-Feb-22	FYTD (Average)	
KSE 100	125.7	123.8	
KSE 30	58.0	52.3	
KMI 30	68.0	49.4	
KSE All Shares	327.8	336.3	
Commodity Rates			
	3-Feb-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	91.1	1.8%	21.3%
Crude Oil-Arab Light (USD/BBL)	89.7	2.4%	24.1%
Coal (USD/Tonne)	176.0	0.3%	53.2%
Copper(USD/Lbs)	4.5	-0.4%	4.4%
Cotton (USD/Lbs)	123.7	0.0%	52.0%
CRC Steel (USD/Tonne)	897.5	0.0%	-24.3%
Currency (Interbank)			
	3-Feb-22	Daily Change	FYTD Change
US Dollar	175.6	-0.2%	11.5%
UK Pound	238.7	-0.1%	9.6%
Euro	200.9	1.0%	7.5%
UAE Dirham	48.1	0.0%	11.5%
Chinese Yuan	27.6	-0.2%	13.2%
Fund Flows (USD mn)			
	3-Feb-22	FYTD	
FOREIGN INDIVIDUAL	0.00	4.39	
FOREIGN CORPORATES	-0.27	-285.66	
OVERSEAS PAKISTANI	-0.44	45.65	
FIPI NET	-0.71	-235.62	
Economic Data (USD mn)			
	FY22E	FY21	FY20
GDP Growth	4.6%	5.4%	-0.5%
	Dec-21	Nov-21	
Exports	2,765	2,901	
Imports	7,666	7,899	
Remittances	2,520	2,459	
Foreign Exchange Reserves	24,018	22,329	
Money Market Data			
	3-Feb-22	2-Feb-22	30-Jun-21
SBP Policy Rate	9.75	9.75	7.00
CPI Inflation	13.00	13.00	9.70
3 Month T-Bill	10.20	10.21	7.28
6 Month T-Bill	10.55	10.59	7.53
12 Month T-Bill	10.65	10.76	7.81
3 Year Government Bond	10.71	10.77	8.99
5 Year Government Bond	10.80	10.85	9.49
10 Year Government Bond	11.05	11.10	9.94
3 Month KIBOR	10.40	10.37	7.45
6 Month KIBOR	10.76	10.75	7.69

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