



- 4.8% growth target for FY22 to be achieved | Dawn:** Despite considerable geopolitical downside risks and emerging commodities supercycle phenomena, Pakistan will achieve an economic growth target of 4.8% for the current fiscal year as the resumption of the International Monetary Fund programme is expected to bring improvements in a few indicators in the second half of the current fiscal year. The Ministry of Planning in its Mid-Year Economic Review (July-December) 2021-22, issued on Friday, projected a slight let-up in the external sector vulnerabilities besides a reduction in commodity prices with exchange rate stability.
- Rupee seen under pressure next week | The News:** The rupee is likely to face more punishment in coming week as hefty current account deficit, surging energy and oil prices, and volatility in financial markets amid Russia-Ukraine conflict might weigh on the domestic currency, traders and analysts said. The local unit fell by 1.36 rupees or 0.77 percent against the dollar the outgoing week. It started the week on 175.75 per dollar and closed at 177.11 on Friday. The all-time high current account deficit of USD2.5 billion amid high global oil and other commodity prices seems a chief worry as it's increasing the dependence on foreign loans.
- Pakistan heading towards record USD20bn deficit mark | The News:** All projections to curtail the rising current account deficit dashed to the ground in the wake of rising international prices; it is being feared that Pakistan is heading towards a historic record of USD20bn deficit mark. In the wake of the ongoing lingering war between Russia and Ukraine, it has multiplied the worries of Pakistan's economic managers owing to rising POL and commodities prices in the international markets.
- Import bill of POL shrinks by around 25% MoM in January: SBP | Mettis Global:** The import bill of the petroleum group for the month of January 2022 shrank by around 25% MoM to stand at PKR1.1bn, compared to PKR1.45bn in December 2021. However, on the yearly basis, the import bill of the same group has jumped by 90% YoY against PKR582mn in January 2021, data issued by the State Bank of Pakistan showed on Thursday. The main products during the month that contributed to declining Petroleum's import bill were petroleum products, petroleum crude and natural liquefied gas as their imports declined notably by 13.85% MoM, 53% MoM, and 20.34% MoM respectively.
- Foreign debt, liabilities reach USD130.6bn at end-Dec | The News:** Pakistan's foreign debt and liabilities (outstanding) ticked up 6.89% to USD130.6bn in the six months of this fiscal year, latest figures showed, as the government has been unable to finance its yawning budget deficit without borrowing from international donors. According to number released by State Bank of Pakistan (SBP), the external debt and liabilities (EDL) clocked in at USD122.2bn at the end of June 2021. The EDL stood at USD127bn in the period ended on September 30, 2021.
- Profit outflows rise to USD1bn | Dawn:** Foreign investors succeeded in earning over USD1bn as profits and dividends on their investments in Pakistan during the first seven months of the current fiscal year (7MFY22). The data released by the State Bank of Pakistan (SBP) on Friday showed the country paid profits and dividend on foreign direct investment and portfolio were USD1.01bn during July-Jan FY22. Though foreign investors often shy away from investing in Pakistan, they have always earned good profits on their investments. The amount of outflow was USD1.03bn in 7MFY22, which is almost the same as during July-Jan FY21.
- Weekly inflation rises 0.51% WoW, 15.9% YoY | The News:** Weekly inflation increased to 0.51 per cent week-on-week and 15.9% year-on-year during the seven-day period ended February 24, showing the lowest yearly increase in 16 weeks. Pakistan Bureau of Statistics (PBS) data published on Friday showed an increase in prices of chicken (14.46%), bananas (3.86%), tomatoes (3.63%), mustard oil (2.96%) and prepared tea (1.72%). The joint impact of the decrease was 0.61% in overall SPI. On YoY basis, weekly inflation has declined for the first time in 16 weeks; however, it continued to take its toll on lower and middle-income groups.
- Textile exports reach USD10.36bn in 7MFY22 | BR:** The country's total textile exports have posted a growth of 32% YoY to around USD10.36bn during the seven months (July-Jan) of the current fiscal year as compared to USD7.86bn in the corresponding period of FY21, data issued by the State Bank of Pakistan (SBP) on Thursday showed. During the month of January 2022 alone, textile products remained the major exportable goods for Pakistan as this group accounted for 58% of the total exports during the review month. The overall exports of the textile group showed a notable growth of 21% YoY to USD1.44bn compared to USD1.2bn recorded in the same period of last year.
- Another big rise in oil prices likely | Tribune:** As tensions boil over in Europe after Russia's invasion of Ukraine, the prices of petroleum products in Pakistan are likely to surge by up to PKR9.59 per litre from March 1, 2022. In mid-February, the government has already made a record increase in prices of petroleum products, when it raised the price of petrol by PKR12.03 per litre to PKR159.86 per litre. On February 16, the crude oil price stood at USD94 per barrel in the international market. As Russia launched an attack on its neighbour, the price of oil crossed USD100 a barrel for the first time since 2014 with Brent crude touching USD105 on Thursday.
- Industry hints at looming diesel shortage | Tribune:** The oil industry has set off alarm bells after it warned about an imminent diesel crisis in the wake of stock depletion and the RussiaUkraine conflict. In a recent meeting of the National Price Monitoring Committee (NPMC), Finance Minister Shaukat Tarin expressed concern over reserves of high-speed diesel (HSD) in the country and asked the Petroleum Division to take measures to replenish the inventory. The oil industry pointed out that international publications had reported a shortage of diesel over the past 10 days, mainly due to the depletion of US stocks.
- ECC clears legal mechanism for barter trade with Iran, Afghanistan | Dawn:** Pakistan on Thursday cleared a legal mechanism to provide for barter trade with two sanctions-hit neighbours — Iran and Afghanistan. The decision was taken at a meeting of the Economic Coordination Committee (ECC) of the cabinet which also decided to build 500,000 tonnes of strategic reserves of sugar and lift 1.2 million tonnes of wheat at a minimum support price of PKR1,950 per 40kg amounting to PKR65bn.
- Pak-Afghan trade volume shrinks to USD1bn | Tribune:** A report of the Pakistan-Afghanistan Joint Chamber of Commerce and Industry (PAJCCI) has expressed serious concerns over the "shrinking" trade volume from USD2.5bn to USD1bn between the two countries. "Lack of business-friendly policies, absence of proper barter trade mechanisms, ineffective investment and joint venture policies apart from unnecessary pressure and action by the FIA and FBR are the main factors that reduced the trade volume," the report submitted to a committee on Afghanistan, headed by National Assembly Speaker Asad Qaiser, on Saturday said.
- Extension of GSP Plus status | BR:** Special Representative of the European Union for Human Rights Eamon Gilmore and EU Ambassador to Pakistan Androulla Kaminara Sunday assured support in the extension of GSP Plus status to Pakistan. They gave the assurance during a meeting with the Governor Punjab Chaudhry Mohammad Sarwar, here at Governor House Lahore. During the meeting, matters regarding bilateral ties between Pakistan and EU, trade promotion and the extension of GSP Plus status were discussed.

Market Indices

	25-Feb-22	24-Feb-22	30-Jun-21
KSE 100	43,984	43,831	47,356
KSE 30	17,091	17,050	18,962
KMI 30	70,820	70,635	76,622
KSE All Shares	30,217	30,062	32,480

Volume (mn Shares)

	25-Feb-22	FYTD (Average)
KSE 100	90.0	121.2
KSE 30	43.5	51.2
KMI 30	45.7	48.5
KSE All Shares	241.3	325.0

Commodity Rates

	25-Feb-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	97.9	-1.2%	30.3%
Crude Oil-Arab Light (USD/BBL)	91.3	-3.9%	26.4%
Coal (USD/Tonne)	203.0	0.4%	76.8%
Copper(USD/Lbs)	4.5	0.6%	4.9%
Cotton (USD/Lbs)	116.5	-0.5%	43.1%
CRC Steel (USD/Tonne)	995.0	0.0%	-16.0%

Currency (Interbank)

	25-Feb-22	Daily Change	FYTD Change
US Dollar	176.8	0.2%	12.2%
UK Pound	237.0	0.4%	8.8%
Euro	199.2	0.9%	6.7%
UAE Dirham	48.5	0.5%	12.6%
Chinese Yuan	28.0	0.4%	14.7%

Fund Flows (USD mn)

	25-Feb-22	FYTD
FOREIGN INDIVIDUAL	0.00	4.38
FOREIGN CORPORATES	-1.19	-300.33
OVERSEAS PAKISTANI	0.42	48.70
FIPI NET	-0.77	-247.25

Economic Data (USD mn)

	FY22E	FY21	FY20
GDP Growth	4.6%	5.4%	-0.5%
	Jan-21	Dec-21	
Exports	2,618	2,764	
Imports	6,053	7,580	
Remittances	2,144	2,520	
Foreign Exchange Reserves	22,084	23,882	

Money Market Data

	25-Feb-22	24-Feb-22	30-Jun-21
SBP Policy Rate	9.75	9.75	7.00
CPI Inflation	12.96	12.96	9.70
3 Month T-Bill	10.45	10.45	7.28
6 Month T-Bill	10.90	10.87	7.53
12 Month T-Bill	10.93	10.92	7.81
3 Year Government Bond	10.90	10.90	8.99
5 Year Government Bond	10.93	10.94	9.49
10 Year Government Bond	11.05	11.06	9.94
3 Month KIBOR	10.60	10.60	7.45
6 Month KIBOR	11.02	10.99	7.69

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