

- IMF to approve tranche only after prior actions are carried out: govt | BR:** The government on Sunday said the International Monetary Fund (IMF) board would approve the new tranche for Pakistan, once all the required actions were completed. "As soon as the prior actions are completed by Pakistan, which the government is pushing hard, the IMF board will consider it for approval," a statement issued by the finance ministry said adding, "IMF board can move whenever our actions are completed".
- Trade deficit declines by 17% MoM to USD4.14bn in Dec | Mettis Global:** Pakistan's trade deficit during the month of December declined by 17% MoM to USD4.14bn compared to USD5.02bn in the previous month as imports weakened by USD1bn MoM to USD6.9bn, Adviser to PM on Commerce and Investment Razak Dawood announced today. In a series of tweets, he said "early indications are that the growth in imports has started to decrease. Imports during Dec 2021 decreased to USD6.9bn as compared to USD7.9bn in Nov 2021. This is a decrease of USD1bn."
- SBP injects PKR604bn through 63-day OMO | Dawn:** In the third consecutive open market operation (OMO) in as many weeks, the State Bank of Pakistan (SBP) on Friday injected cash into the money market for an unusual 63-day period. The SBP provided banks with PKR604bn liquidity against the offered amount of PKR963bn. It injected PKR330bn at 9.87% for seven days in addition to providing PKR274bn at 9.88% for 63 days through the OMO.
- USD31bn exports, USD32bn remittances and PKR6trn revenue likely in full fiscal year 2021-22 | BR:** The Finance Division said it is expecting the growth to stay at 5%, exports USD31bn as well as remittances USD32bn and tax collection of PKR6 trillion besides reduction in trade deficit to reduce in second half of fiscal year 2022. While issuing performance report of year 2021 on Friday, the Finance Division said that "Year 2021 - Resilient now ever!" Sustainability: Pakistan boom-bust lifecycle appears cyclical than sustainable in past.
- FBR collection jumps 32% to PKR2.92tr in 6MFY22 | Dawn:** The Federal Board of Revenue (FBR) collected PKR2.92 trillion in the first half of the current fiscal year (6MFY22), exceeding the target of PKR2.633tr by PKR287bn, provisional data compiled by the tax body showed on Friday. The 6MFY22 collection witnessed a growth of 32.5% when compared with PKR2.20tr the FBR collected in the same period of FY21. Month-on-month, the revenue collection in December rose by 18% to PKR600bn.
- Inflation peaks 12.3% with inflationary budget on horizon | Tribune:** For the fourth month in a row, inflation rate skyrocketed to another peak of 12.3% in December – the highest pace in nearly two years that also beat the government's expectations, indicating the difficulties ahead once the highly inflationary mini-budget is implemented. The fresh inflation reading may also cause further increase in interest rates by the State Bank of Pakistan that is now following headline inflation number (new 12.3%) to determine the policy rate instead of core inflation.
- Finance (Supplementary) Bill, 2021: Politically exposed persons: FBR can disclose info | BR:** The government has decided to remove restrictions on the Federal Board of Revenue (FBR) from not disclosing information of the politically exposed persons including high-level public officials under the proposed Finance (Supplementary) Bill, 2021. Through the Finance (Supplementary) Bill, 2021, the FBR has been empowered to disclose information of the politically exposed persons.
- ECC allows subsidy on five essential items for another month | Dawn:** The Economic Coordination Committee (ECC) of the cabinet on Friday approved the continuation of untargeted subsidy on five essential food items at Utility Stores outlets for only one month – January 2022. The decision was taken at a meeting of the ECC presided over by Finance Minister Shaukat Tarin. December 31, 2021 was the deadline for the untargeted subsidy on wheat flour, sugar, vegetable ghee, pulses and rice effective from July 1, 2021.
- FO glut likely to ease as IPPs book most of available inventories | The News:** Oil refiners reeling from brimming Furnace Oil (FO) inventories on the back of lackluster demand have finally breathed a sigh of relief as Independent Power Producers (IPPs) place firm orders of huge quantities for next several weeks. "The oil refineries have received firm orders of 250,000 tonnes of furnace oil by IPPs for the month of January alone," said a senior official of ministry of Energy.
- Ministry voices doubt on drop in fertiliser prices | Tribune:** The Ministry of National Food Security and Research has raised doubt about the authenticity of data reported by the Pakistan Bureau of Statistics (PBS) that claims a decline in fertiliser prices. It argued that the situation was not good as farmers were still facing shortage of fertiliser in the market.
- K-3 nuclear power plant loads with fuel | Tribune:** After receiving a formal fuel load permit from the Pakistan Nuclear Regulatory Authority (PNRA), the authorities completed loading fuel to the second 1,100-megawatt nuclear power plant on Friday. The important milestone coincided with three decades of successful nuclear cooperation between Pakistan and China.
- Petrol, diesel prices up by PKR4 per litre | The News:** Owing to increase in the crude oil price in the international market, the government Friday increased the prices of petrol and diesel by PKR4 per litre each. The new prices will be effective from today (Saturday) till 15 January. PKR3.95 and PKR4 have also increased prices of kerosene and light diesel oil per litre respectively for the first half of January 2022.
- 'New Year gift': Govt cuts LPG price by nearly PKR6 per kg | Tribune:** The federal government on Friday slashed the price of liquefied petroleum gas (LPG) by PKR5.90 per kg for the next month. According to a notification issued by the Oil and Gas Regulatory Authority (Ogra), the LPG will now be available at PKR196.67 per kg from January 1, 2022, Express News reported.
- Hascol and its senior management: FBR decides to initiate audit | BR:** The Federal Board of Revenue (FBR) has decided to start audit of the income tax and sales tax affairs of the Hascol Petroleum Ltd and its senior management. It is reliably learnt that the audit of the tax affairs of the company would be started. The FBR's relevant field office will also conduct audit of the tax affairs of the management and the board of directors of the said company.

Market Indices

	31-Dec-21	30-Dec-21	30-Jun-21
KSE 100	44,596	44,416	47,356
KSE 30	17,502	17,432	18,962
KMI 30	71,687	71,332	76,622
KSE All Shares	30,727	30,475	32,480

Volume (mn Shares)

	31-Dec-21	FYTD (Average)
KSE 100	153.8	127.4
KSE 30	79.7	51.8
KMI 30	81.2	49.2
KSE All Shares	317.6	346.9

Commodity Rates

	31-Dec-21	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	77.8	-1.9%	3.5%
Crude Oil-Arab Light (USD/BBL)	75.7	-1.9%	4.7%
Coal (USD/Tonne)	115.8	0.3%	12.1%
Copper(USD/Lbs)	4.4	1.5%	3.8%
Cotton (USD/Lbs)	109.4	2.1%	34.4%
CRC Steel (USD/Tonne)	900.0	0.0%	-24.1%

Currency (Interbank)

	31-Dec-21	Daily Change	FYTD Change
US Dollar	175.8	-1.2%	11.6%
UK Pound	237.8	-0.9%	9.2%
Euro	199.8	-0.8%	7.0%
UAE Dirham	48.1	-1.0%	11.5%
Chinese Yuan	27.6	-0.9%	13.3%

Fund Flows (USD mn)

	31-Dec-21	FYTD
FOREIGN INDIVIDUAL	0.00	4.23
FOREIGN CORPORATES	1.94	-304.71
OVERSEAS PAKISTANI	-2.23	50.14
FIPI NET	-0.30	-250.35

Economic Data (USD mn)

	FY22E	FY21	FY20
GDP Growth	4.8%	3.9%	-0.5%
	Nov-21	Oct-21	
Exports	2,884	2,464	
Imports	7,847	6,372	
Remittances	2,352	2,518	
Foreign Exchange Reserves	22,499	23,829	

Money Market Data

	31-Dec-21	30-Dec-21	30-Jun-21
SBP Policy Rate	9.75	9.75	7.00
CPI Inflation	12.3%	11.5%	9.7%
3 Month T-Bill	10.35	10.45	7.28
6 Month T-Bill	11.30	11.35	7.53
12 Month T-Bill	11.38	11.40	7.81
3 Year Government Bond	11.42	11.44	8.99
5 Year Government Bond	11.46	11.46	9.49
10 Year Government Bond	11.62	11.61	9.94
3 Month KIBOR	10.54	10.54	7.45
6 Month KIBOR	11.46	11.47	7.69

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