

- Pakistan-China Business Investment Forum launched: Exports now under increased focus, says PM | BR:** Prime Minister Imran Khan said that the government has made necessary alignment for increasing the country's exports and was moving towards industrialisation after dealing with crises. Addressing the Pak-China Business Investment Forum (PCBIF), the prime minister said the government has faced crises, one after another, as in the first year stabilisation and then Covid-19.
- July-Dec trade deficit widens 100% to USD24.78bn | The News:** Pakistan's trade deficit widens 100% to stand at USD24.78bn during July-December of fiscal year 2021-22, as compared to USD12.36bn in the corresponding half of the last fiscal year, provisional pre-PBS data showed. The latest official figures about external trade indicated that trade deficit in December 2021 was up 57% to USD4.1bn compared to USD2.6bn in the same month last fiscal. The number was down 18% against the deficit in November.
- Import purposes: ECs ask SBP to restrict banks from USD forward booking | BR:** Exchange Companies have asked the State Bank of Pakistan (SBP) to restrict banks from forward booking of dollars for import purposes to stabilize the exchange rate. Malik Bostan, Chairman, Exchange Companies Association of Pakistan (ECAP) in a meeting with Finance Minister Shaukat Tarin and State Bank Governor Dr Reza Baqir has suggested that commercial banks should be asked to sell dollars to importers as they bought from exporters.
- 'Mini-budget': Delay of a few days doesn't really matter: Tarin | BR:** Finance Minister Shaukat Tarin said on Monday that delay of two to four days in the approval of the Finance Supplementary Bill, 2021 would not be an issue as the International Monetary Fund (IMF) can extend board meeting couple of days beyond January 12, 2022. Talking to reporters after launching the tax directory of Parliamentarians for tax year 2019 at the Federal Board of Revenue (FBR), he stated that if the approval of the finance bill is delayed for two or four days, there would be no issue.
- Listed companies in Pakistan paid highest ever dividend in CY21 | Mettis Global:** The companies listed at the Pakistan Stock Exchange (PSX) have paid the highest ever dividends in 2021 amounting to PKR499.84bn, which was 87% higher, compared to CY20, Spokesperson to Finance Ministry Muzzammil Aslam informed today. In CY20, the dividend stream from stock exchange companies was around PKR267.61bn.
- New framework: SBP to grant two types of digital bank licences | BR:** The State Bank of Pakistan (SBP) has developed a licensing and regulatory framework for setting up digital banks in Pakistan aimed at enhancing financial inclusion, provision of affordable/cost-effective digital financial services, especially to unserved and underserved segments of the society Under this framework, the SBP may grant two types of digital bank licenses, ie Digital Retail Bank (DRB) and Digital Full Bank (DFB).
- USD10bn can be brought if facilitated, exchange firms assure govt | Dawn:** Finance Minister Shaukat Tarin and State Bank of Pakistan Governor Dr Reza Baqir have assured exchange companies of facilitating their businesses while the firms said they could bring up to USD10bn annually to the country. At a meeting with exchange companies led by Exchange Companies Association of Pakistan chairman Malik Bostan in Karachi on Jan 1, the finance minister and the SBP governor were willing to see higher remittances in the banks by the exchange companies.
- PKR343bn exemptions withdrawn: PKR251bn will be refunded/adjusted to pharma, other sectors | BR:** PKR251bn out of total PKR343bn tax exemptions withdrawn in the Finance Supplementary Bill, 2021, tabled in the National Assembly, will be refunded/adjusted to the pharmaceutical sector, importers of capital machinery, raw materials, and local suppliers of 11 items.
- 7.3mn cotton bales reach ginners | The News:** Seed cotton (Phutti) equivalent to over 7.2mn or exactly 7,347,404 bales have reached ginning factories across the country till first of January 2022 registering increase of 36.81% as compared to corresponding period of last year. According to a fortnightly report of Pakistan Cotton Ginners Association (PCGA) released on Monday, over 7.3mn or 7,347,404 bales have undergone the ginning process i.e converted into bales.
- Cement Companies Start Producing Electricity from New Power Plants | Pro Pakistani:** Two cement producers, Attock Cement and Flying Cement, have commenced electricity production from their separate power plants based in Balochistan. According to a stock filing, Attock Cement's solar power plant of 20 megawatts was made operational on January 01, 2022. The power plant is located within the premises of the cement producer in Hub, Baluchistan.
- Neptra may grant KE quarterly tariff hike of PKR4.80 | BR:** National Electric Power Regulatory Authority (Neptra) is likely to allow KE to increase quarterly tariff by PKR4.80 per unit for first quarter (July-September) of current fiscal, whereas Paise 75 per unit for November under FCA mechanism will be refunded to consumers. The regulator took this decision in principle, after holding a public hearing on tariff adjustment requests of Karachi Electric.
- Pak Suzuki Broke another Sales Record in December 2021 | Pro Pakistani:** The year 2021 was quite successful for the Pak Suzuki Motor Company (PSMC) in terms of sales and profit figures. It seems poised to kick off the New Year with a bang, setting a new monthly sales record of more than 15,500 units sold in December 2021, breaking its previous record of over 15,200 units sold in July 2021. The increase in sales is due to the impending increase in tax rates and interest rates over car loans, which has perhaps prompted car buyers to make hay while the sun shines.

Market Indices

	3-Jan-22	31-Dec-21	30-Jun-21
KSE 100	44,887	44,596	47,356
KSE 30	17,647	17,502	18,962
KMI 30	72,399	71,687	76,622
KSE All Shares	30,789	30,727	32,480

Volume (mn Shares)

	3-Jan-22	FYTD (Average)
KSE 100	92.8	127.2
KSE 30	38.8	51.7
KMI 30	39.2	49.1
KSE All Shares	195.1	345.9

Commodity Rates

	3-Jan-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	79.0	1.5%	5.1%
Crude Oil-Arab Light (USD/BBL)	76.7	1.3%	6.1%
Coal (USD/Tonne)	121.0	4.5%	17.1%
Copper(USD/Lbs)	4.4	-0.7%	3.0%
Cotton (USD/Lbs)	110.0	0.6%	35.2%
CRC Steel (USD/Tonne)	900.0	0.0%	-24.1%

Currency (Interbank)

	3-Jan-22	Daily Change	FYTD Change
US Dollar	176.3	0.3%	11.9%
UK Pound	237.5	-0.2%	9.0%
Euro	199.1	-0.4%	6.6%
UAE Dirham	48.3	0.5%	12.1%
Chinese Yuan	27.7	0.3%	13.6%

Fund Flows (USD mn)

	3-Jan-22	FYTD
FOREIGN INDIVIDUAL	0.00	4.23
FOREIGN CORPORATES	0.96	-303.75
OVERSEAS PAKISTANI	0.21	50.35
FIPI NET	1.17	-249.17

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

	3-Jan-22	31-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	10.35	7.28
6 Month T-Bill	11.30	11.30	7.53
12 Month T-Bill	11.38	11.38	7.81
3 Year Government Bond	11.42	11.42	8.99
5 Year Government Bond	11.46	11.46	9.49
10 Year Government Bond	11.62	11.62	9.94
3 Month KIBOR	10.54	10.54	7.45
6 Month KIBOR	11.46	11.46	7.69

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