

- 4 new assets to be added to Sukuk structure: PKR300-400bn borrowing from IB sector to bridge fiscal deficit | BR:** The government has decided to add four new assets to the transaction structure of Ijara Sukuk aimed at more borrowing from the Islamic Banking sector for bridging fiscal deficit. To affect the inclusion of the additional underlying assets in the GOP Ijara Sukuk (GIS) structure, the State Bank of Pakistan (SBP) has issued an Addendum to the Transaction Structure.
- FATF Asks for Details on Business Persons Using Fake CNICs | Pro Pakistani:** The Financial Action Task Force (FATF) has sought the list of business persons registered with tax departments using forged CNIC. FBR has acquired some details about such business persons using forged CNICs, enabling money laundering. According to FBR sources, the FBR has asked the banks for details of the accounts created on these identity cards.
- Nine export sectors post double-digit growth in December | Dawn:** Nine export-oriented sectors, including value-added textiles, posted double-digit growth in December compared to the same month a year ago, the data compiled by the Ministry of Commerce showed on Tuesday. Growth in the value-added sectors contributed to an increase in overall exports from the sectors. Highest-ever, depreciation of the rupee against the dollar and greater demand from the international market are reasons behind this growth.
- SBP releases quarterly compendium: Banking sector assets surge to PKR28.79tr by Q3CY21-end | BR:** The banking sector maintained its growth momentum as overall assets surged to PKR28.79tr by the end of the third quarter of CY21. The State Bank of Pakistan (SBP) Tuesday published Quarterly Compendium: Statistics of the Banking System for Jul-Sep, 2021. The compendium offers a comprehensive data coverage on major financial statistics as well as Financial Soundness Indicators (FSIs) of the banking sector.
- Dec cement despatches decline 4.2% to 4.59mn tons YoY | BR:** Cement despatches declined by 4.2% in December 2021 as total despatches during the month were 4.59mn tons against 4.79mn tons despatched during the same month of last fiscal year. According to the data released by All Pakistan Cement Manufacturers Association (APCMA), local cement despatches by the industry during the month of December 2021 were 4.06mn tons compared to 4.16mn tons in December 2020, showing a reduction of 2.45%.
- Sales of petroleum, lubricants decline 6% YoY, 14% MoM | BR:** The total petroleum and lubricant sales clocked-in at 1.51mn tons in December 2021, depicting a decline of 6% on year-on-year basis and 14% on month-on-month basis on account of significant decline in Furnace Oil (FO) volumes. FO volumes clocked-in at 0.13mn tons, down by 47% on YoY and 28% on MoM basis as compared to 0.24mn tons in December 2021 and 0.18mn in November 2021, respectively.
- Auto part vendors see squeezed profits | Tribune:** Around 10-15% of auto part vendors are on the verge of shutdown, while the rest are under tremendous financial constraints due to squeezed profit margins amid rising input costs and cash flow constraints, said Pakistan Association of Automotive Parts and Accessories Manufacturers (Paapam) Chairman Abdur Razzaq Gauhar.
- Withdrawal of textile policy termed 'deadliest U-turn' | BR:** Textile makers-cum-exporters on Tuesday feared the government's move to "withdraw" the Textile Policy 2020-25 will "destroy" the textile industry, terming the decision "the deadliest u-turn" in the country's history. "The government's decision to withdraw the ECC-approved textile policy 2020-25 and discontinuing the relevant policy measures to uplift textile exports shall prove as the deadliest u-turn in the history of Pakistan which will not only sabotage all the hard efforts of value-added textile exporters but will also destroy the textile industry of Pakistan," a joint statement of several textile associations said.
- Effective Jan 1: GST on POL products increased | BR:** The Federal Board of Revenue (FBR) has increased the sales tax on petrol from 1.63% to 4.77% from January 1, 2022. The FBR has issued SRO1(I)/2022, here on Tuesday. According to the notification, sales tax on high-speed diesel oil has been increased from 7.37% to 9.08%. The sales tax on kerosene has been raised from 8.19% to 8.30%. The FBR has also increased sales tax on light diesel oil from 0.46% to 2.70%.
- Sindh High Court allows import of LNG without infrastructure cess | Dawn:** The Sindh High Court (SHC) on Tuesday restrained the provincial tax authorities from taking any coercive action against the state-run Pakistan LNG Limited (PLL) and allowed it to clear the LNG consignment without demanding infrastructure cess. However, the two-judge bench led by Justice Syed Hasan Azhar Rizvi directed the PLL to furnish a bank guarantee equivalent to the differential amount to the nazir of SHC.
- PARCO set to sell HFSO at lower than ex-refinery price | The News:** Pak-Arab Refinery Limited (PARCO) has received PKR72,000 per tonne bid for export of its high sulfur fuel oil (HSFO) against the ex-refinery price of PKR86,000 per tonne, The News learnt on Tuesday. PARCO floated the tender for sale of its HSFO, which the company has started to store at Port Qasim for export purposes. It has stored 46,000 tonnes of HSFO at Port Qasim for export.
- PKR1.075/unit hike in FCA for October: Nepra allows KE to recover PKR1.91bn from consumers | BR:** National Electric Power Regulatory Authority (NEPRA) has allowed Karachi Electric (KE) to recover PKR1.91bn from consumers at the rate of PKR1.0751 per unit for October 2021, under monthly FCA mechanism. The regulator, unveiled its determination on Tuesday on the petition of KE. The regulator conducted public hearing on November 30, 2021. The increased FCA will be recovered in the bills of January 2022.
- Two IPPs serve payment notices to govt | BR:** Two Independent Power Producers (IPPs) namely, Attock Gen Ltd (AGL) and Sapphire Electric Company Ltd (SEL) have served payment notices to GoP, which, according to Managing Director, PPIB will have serious consequences for the CPPA-G besides having adverse effect on GoPs guarantee obligations, well informed sources in PPIB told Business Recorder.

Market Indices

	4-Jan-22	3-Jan-22	30-Jun-21
KSE 100	45,391	44,887	47,356
KSE 30	17,859	17,647	18,962
KMI 30	73,497	72,399	76,622
KSE All Shares	31,113	30,789	32,480

Volume (mn Shares)

	4-Jan-22	FYTD (Average)
KSE 100	134.3	127.2
KSE 30	85.7	52.0
KMI 30	69.4	49.2
KSE All Shares	375.9	346.1

Commodity Rates

	4-Jan-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	80.0	1.3%	6.5%
Crude Oil-Arab Light (USD/BBL)	76.7	0.0%	6.1%
Coal (USD/Tonne)	131.1	8.3%	26.9%
Copper(USD/Lbs)	4.4	1.1%	4.2%
Cotton (USD/Lbs)	113.1	2.8%	38.9%
CRC Steel (USD/Tonne)	900.0	0.0%	-24.1%

Currency (Interbank)

	4-Jan-22	Daily Change	FYTD Change
US Dollar	176.3	0.0%	11.9%
UK Pound	238.4	0.4%	9.5%
Euro	198.9	-0.1%	6.5%
UAE Dirham	48.3	0.0%	12.1%
Chinese Yuan	27.7	-0.2%	13.4%

Fund Flows (USD mn)

	4-Jan-22	FYTD
FOREIGN INDIVIDUAL	0.00	4.23
FOREIGN CORPORATES	7.02	-296.73
OVERSEAS PAKISTANI	-1.62	48.73
FIPI NET	5.41	-243.77

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

	4-Jan-22	3-Jan-22	30-Jun-21
SBP Policy Rate	9.75	9.75	7.00
CPI Inflation	12.3%	11.5%	9.7%
3 Month T-Bill	10.36	10.35	7.28
6 Month T-Bill	11.32	11.30	7.53
12 Month T-Bill	11.40	11.38	7.81
3 Year Government Bond	11.44	11.42	8.99
5 Year Government Bond	11.47	11.46	9.49
10 Year Government Bond	11.62	11.62	9.94
3 Month KIBOR	10.52	10.54	7.45
6 Month KIBOR	11.47	11.46	7.69

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