

- Will have to approach IMF again if no rise in exports: PM Imran | Dawn:** Prime Minister Imran Khan expressed fears on Tuesday that the government would have to go to the International Monetary Fund (IMF) again if the country's exports did not increase sharply. He said exports and tax collection were main driving agents to boost the country's economy on which the government was focused. The prime minister presented a rosy picture of what he called "improving economy" and said all economic indicators were showing upward trends despite inherited economic crunch, impact of Covid-19 and "imported inflation" (due to price hike of food items in international market).
- WB projects 4% GDP growth rate | BR:** The World Bank has projected Pakistan's GDP growth rate at 4% for 2022-23, benefiting from structural reforms enhancing export competitiveness and improving the financial viability of the power sector. The World Bank in its latest report "Global Economic Prospects report," stated that high inflation in Pakistan led to the removal of monetary accommodation. Monetary policy is expected to tighten but continue to be moderately accommodative in 2022 (except Pakistan), to support growth while protecting against an increase in medium-term inflation expectations.
- Infant milk, bread: Govt will urge IMF to be flexible: Tarin | BR:** Finance Minister Shaukat Tarin said Tuesday that the government would try to exclude infant milk and bread sold in bakeries from the purview of the 17% sales tax under the Finance Supplementary Bill, 2021; and 100 percent subsidy would be given on solar panels and laptops. In a background briefing on the Finance Supplementary Bill, 2021 and the State Bank Amendment Bill, 2021, Tarin said that infant milk and bread are not luxury items. "We will give subsidy on laptops/ solar panels, but we will not stop documentation and do it at any cost," he added.
- Car sales jump by 59% MoM in December | Mettis Global:** The sale of passenger cars witnessed an upsurge of 59.4% MoM during the month of December 2021, clocking in at 24,462 units as opposed to 15,351 units sold in November 2021 on the back of improvement in the supply chain, data from Pakistan Automotive Manufacturers Association (PAMA) showed Tuesday. Meanwhile, on yearly basis, car sales saw a more than two-fold increase when compared to 11,247 units sold in December 2020.
- Sale of Liquefied Natural Gas: Bill on weighted average cost on the cards | BR:** Energy Minister Hammad Azhar said the government would introduce a bill in the parliament within 8-10 days for weighted average cost of gas (WACOG) for the sale of local and imported liquefied natural gas. He was responding to questions during the background briefing on the finance supplementary bill, economic indicators and the State Bank's initiatives, held here on Tuesday.
- Power base tariff: Power Div proposes further hike | BR:** The Power Division is said to have proposed further increase in electricity base tariff by over PKR2 per unit to raise it to PKR18.37 per unit by 2023 from existing base rate of PKR16.44 per unit in accordance with understanding with the IMF, well-informed sources told Business Recorder. The revision has been proposed in the revised Circular Debt Management Plan (CDMP) for 2022 and 2023, tailored on basis of projected exchange rate PKR 171/ US Dollar, and Consumer Price Index of USA and Pakistan.
- First five months of current fiscal: Circular debt touches PKR2.41trn mark | BR:** The country's circular debt has reached PKR2.41 trillion mark during the first five months (July-November) of 2021-22 as compared to PKR2.31 trillion in the same period 2020-21, with average growth of PKR26bn per month, totalling to PKR130bn, official sources told Business Recorder. Of the total amount PKR1.41 trillion relates to power producers, PKR91bn to Gencos payable to fuel suppliers and PKR908bn is parked in Power Holding Ltd (PHL).
- Govt to Launch a USD2bn Housing Project for Overseas Pakistanis in Islamabad | Pro Pakistani:** The federal cabinet has approved a residential project worth USD2bn for the overseas Pakistanis to invest in real estate by making remittances through their Roshan Digital Accounts. The project will be executed at Park Road, Zone-4 of the federal capital, and will cover 6,000 housing units. Interior Minister Sheikh Rashid Ahmed briefed the cabinet on the tragic Murree incident.
- IT sector contributing USD3.5bn to GDP: minister | Tribune:** Federal Minister for Information Technology Syed Aminul Haq has said that the IT sector contributes USD3.5bn to the country's Gross Domestic Product (GDP). He said this during a ceremony held to sign a contract for the establishment of an incubation centre in Hyderabad. The Ministry of IT & Telecommunication will launch its 7th National Incubation Centre (NIC) in Hyderabad by summer of this year. The federal minister was the chief guest on the occasion.
- OICCI for cut in cash margin requirement | Dawn:** Multinational companies operating in Pakistan have demanded a reduction in the requirement of 100% cash margin against the import of raw materials. In a recent letter to State Bank of Pakistan (SBP) Governor Reza Baqir, the representative body of overseas investors said the reduction in the rate of cash margin will increase exports. A 100% cash margin requirement means an importer has to deposit the total amount of a transaction value in a bank before the opening of a letter of credit.
- Companies raise USD100bn on global debt market in brisk start to 2022 | The News:** Companies raised more than USD100bn on the bond market in the first week of this year as finance chiefs kicked off an effort to lock in low borrowing costs before benchmark interest rates start to climb. Global corporate bond issuance reached USD101bn in the year to January 7, with US deals reaching a record pace. The global haul trailed only a blockbuster USD118bn start to 2021, which was the highest on Refinitiv records going back 19 years.
- Report sees debt crisis as top risk faced by Pakistan | Dawn:** The 'Global Risks Report 2022' has listed five risks facing Pakistan with top risk of debt crisis, followed by extreme weather events, failure to stabilise price trajectories, failure of cyber security measures and human-made environmental damage. The report, published by the World Economic Forum (WEF) on Tuesday, presents the top five risks for each of 124 economies surveyed by the forum's Executive Opinion Survey between May and September 2021.

Market Indices

	11-Jan-22	10-Jan-22	30-Jun-21
KSE 100	45,881	45,888	47,356
KSE 30	18,057	18,078	18,962
KMI 30	73,973	74,427	76,622
KSE All Shares	31,344	31,360	32,480

Volume (mn Shares)

	11-Jan-22	FYTD (Average)
KSE 100	102.3	126.6
KSE 30	59.5	52.6
KMI 30	38.5	49.1
KSE All Shares	338.7	345.9

Commodity Rates

	11-Jan-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	83.7	3.5%	11.4%
Crude Oil-Arab Light (USD/BBL)	82.0	4.4%	13.4%
Coal (USD/Tonne)	156.7	0.4%	51.6%
Copper(USD/Lbs)	4.4	1.7%	3.4%
Cotton (USD/Lbs)	112.7	0.7%	38.5%
CRC Steel (USD/Tonne)	900.0	0.0%	-24.1%

Currency (Interbank)

	11-Jan-22	Daily Change	FYTD Change
US Dollar	176.4	0.0%	12.0%
UK Pound	240.4	0.5%	10.4%
Euro	200.4	0.4%	7.3%
UAE Dirham	48.3	0.0%	12.1%
Chinese Yuan	27.7	0.1%	13.4%

Fund Flows (USD mn)

	11-Jan-22	FYTD
FOREIGN INDIVIDUAL	0.00	4.23
FOREIGN CORPORATES	-1.23	-278.18
OVERSEAS PAKISTANI	0.44	47.93
FIPI NET	-0.80	-226.02

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

	11-Jan-22	10-Jan-22	30-Jun-21
SBP Policy Rate	9.75	9.75	7.00
CPI Inflation	12.28	12.28	9.70
3 Month T-Bill	10.29	10.34	7.28
6 Month T-Bill	11.31	11.33	7.53
12 Month T-Bill	11.40	11.41	7.81
3 Year Government Bond	11.40	11.42	8.99
5 Year Government Bond	11.45	11.47	9.49
10 Year Government Bond	11.62	11.61	9.94
3 Month KIBOR	10.48	10.51	7.45
6 Month KIBOR	11.47	11.51	7.69

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