

- Sixth review of EFF: IMF Board to discuss loan matter on 28th | BR:** The International Monetary Fund (IMF)'s Executive Board will take the sixth review of the USD6bn Extended Fund Facility (EFF) on the agenda in its meeting scheduled for January 28. The Board calendar updated on its website shows that its meeting has been re-scheduled for January 28, 2022, and the agenda includes, Pakistan-2021 Article IV Consultation, sixth review under the Extended Arrangement, under the Extended Fund Facility, and requests for waivers of non-observance of performance criteria and re-phasing of access.
- Proposed USD Sukuk certificates: Fitch, Moody's assign 'B-', 'B3' ratings, respectively | BR:** Fitch Ratings has assigned Pakistan's proposed US-dollar sovereign global Sukuk certificates, to be issued through The Pakistan Global Sukuk Programme Company Limited, a "B-" rating. The Pakistan Global Sukuk Programme Company Limited is a legal entity in Pakistan and is the issuer and trustee of the Sukuk, incorporated primarily for the purpose of participating in the Sukuk transaction. It is wholly owned by Pakistan. Fitch Ratings stated that the certificates rating is driven solely by Pakistan IDR.
- H1FY22 FDI jumps 20% to USD1.06bn YoY | BR:** Foreign Direct Investment (FDI) into Pakistan rose by 20% during the first half of this fiscal year (FY22), the State Bank of Pakistan (SBP) reported Tuesday. According to the SBP data, Pakistan received FDI amounting to USD1.06bn during July-Dec of FY22 compared to USD880mn in the same months of the previous fiscal year (FY21), showing an increase of USD177mn. During the period under review, net FDI inflows were USD1.45bn (down by 7%) against the outflow of USD397mn (fell 42%).
- Pakistan pitches USD1bn Islamic bond to global investors | The News:** Pakistan has mandated four banks to arrange investor meetings ahead of the planned issuance of a seven-year tenor US dollar-denominated Sukuk, with analysts expecting an increased appetite for the country's debt from global investors seeking higher returns. The move follows a B3 rating given by Moody's to the Sukuk offering and the International Monetary Fund (IMF) announcing January 28 meeting with an agenda to hold Pakistan's sixth review for USD6bn Extended Fund Facility.
- SBP bill: govt unveils IMF 'concession' | BR:** Federal Minister for Energy Hammad Azhar Tuesday said that concession with respect to appointment of the State Bank of Pakistan (SBP) Board by the federal government was taken from the International Monetary Fund (IMF) after tough negotiations. While briefing the media Federal Minister Fawad Chaudhry said that the opposition tried to make the SBP law controversial, whereas, fact of the matter is as per proposed law the SBP Board of Directors would be appointed by the federal government, which would have the power to remove the governor SBP.
- Issuance of licences for securities brokers: SECP decides to revise eligibility criteria | BR:** The Securities and Exchange Commission of Pakistan (SECP) has decided to revise eligibility criteria for issuance of licenses for securities brokers. According to the draft amendments issued to the Securities Brokers (Licensing and Operations) Regulations, 2016, here on Tuesday, the SECP has decided to amend the eligibility criteria for licensing of securities brokers. Any person licensed by the Commission under these regulations to act as securities broker shall be permitted to undertake futures contracts based on securities and financial instruments in terms of the Futures Market Act, 2016, the SECP stated.
- Govt to present budget for next fiscal year in first week of June | The Nation:** The federal government would present the annual budget for next fiscal year 2022-23 in the first week of June as the Ministry of Finance has issued a "Budget Call Circular" to the federal ministries and divisions to initiate the process of preparation and presentation of the budget. The Ministry of Finance has issued Budget Call Circular" to the principal accounting officers (PAOs) of ministries and divisions and sought submission of detailed budget, actual and revised estimates for the fiscal year 2020-21, and budget estimates for fiscal year 2022-23 relating to receipts, current and development expenditure.
- FBR cuts ST on petrol | BR:** The Federal Board of Revenue (FBR) has reduced sales tax on petrol from 4.77% to 2.50% from January 1, 2022. The FBR has issued an SRO. 88 (I)/2022 here on Tuesday to amend SRO.57(I)/2016. The notification revealed that the FBR has reduced sales tax from high-speed diesel oil from 9.08% to 5.44%.
- Govt likely to allow 2 gas-based fertilizer plants' operations for further two months | BR:** The government is likely to allow operations of two fertilizer plants on Sui Northern Gas Pipeline Limited (SNGPL) system for a further two months, i.e., Feb-March 2022 to meet demand of urea, as farmers are still struggling to get fertilizer for their crops at controlled rate of PKR1860/bag. Official documents seen by this scribe show that a Fertilizer Review Committee (FRC) meeting was convened to assess the situation on December 24, 2021, wherein Minister for Industries and Production after detailed deliberations announced that SNGPL-based plants would run till March-2022, so that demand for urea fertilizer is met domestically.
- Non-textile exports grow 23% in 1HFY22 | Dawn:** Pakistan's non-textile exports grew 23% year-on-year to USD5.75bn in the first half of the current fiscal year owing to the partial revival of international orders and the government support schemes. Overall growth in the non-textile sector is mainly led by the value-added sectors. The non-textile sectors have yet to receive full orders to pre-Covid levels, showed data compiled by the Pakistan Bureau of Statistics (PBS). In FY21, three sectors — leather garments, surgical instruments and engineering goods — have maintained growth in export proceeds despite lockdowns in many countries.
- Auto financing jumps by PKR98bn in 2021 | Dawn:** Despite rising interest rates and policy changes to curb the demand for automobiles, bank financing jumped year-on-year by PKR98bn or 38% to PKR354bn by Dec 31, 2021. Arsalan Hanif of Arif Habib Ltd said auto financing had risen due to pent-up demand for vehicles, which is evident from the highest-ever monthly car sales in December 2021 along with significant orders in the pipeline that may keep car loaning numbers at the higher side for the next two months.
- Daily Covid cases top 5,000 after eight months | Dawn:** The second highest number of Covid-19 cases was reported on Tuesday across the country since April 29 last year, when 5,113 cases were reported. According to the data released by the National Command and Operation Centre (NCO), 5,034 cases and 10 deaths were reported in the past 24 hours. On Dec 25 last year, Islamabad had confirmed its first case and later it was officially announced that Pakistan had entered the fifth wave of pandemic.

Market Indices

	18-Jan-22	17-Jan-22	30-Jun-21
KSE 100	45,507	45,612	47,356
KSE 30	17,926	17,942	18,962
KMI 30	73,763	73,818	76,622
KSE All Shares	31,159	31,234	32,480

Volume (mn Shares)

	18-Jan-22	FYTD (Average)
KSE 100	78.6	125.7
KSE 30	57.8	52.4
KMI 30	39.3	49.4
KSE All Shares	164.6	343.9

Commodity Rates

	18-Jan-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	87.5	1.2%	16.5%
Crude Oil-Arab Light (USD/BBL)	85.8	1.8%	18.8%
Coal (USD/Tonne)	170.0	1.8%	64.6%
Copper(USD/Lbs)	4.4	-0.7%	2.6%
Cotton (USD/Lbs)	117.8	1.2%	44.7%
CRC Steel (USD/Tonne)	897.5	0.0%	-24.3%

Currency (Interbank)

	18-Jan-22	Daily Change	FYTD Change
US Dollar	175.5	-0.2%	11.4%
UK Pound	238.4	-0.6%	9.5%
Euro	198.8	-0.9%	6.4%
UAE Dirham	48.1	0.5%	11.5%
Chinese Yuan	27.6	-0.3%	13.3%

Fund Flows (USD mn)

	18-Jan-22	FYTD
FOREIGN INDIVIDUAL	0.00	4.25
FOREIGN CORPORATES	-2.21	-281.07
OVERSEAS PAKISTANI	-0.04	48.68
FIPI NET	-2.25	-228.14

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

	18-Jan-22	17-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	10.20	10.24	7.28
6 Month T-Bill	11.23	11.24	7.53
12 Month T-Bill	11.38	11.38	7.81
3 Year Government Bond	11.37	11.35	8.99
5 Year Government Bond	11.43	11.41	9.49
10 Year Government Bond	11.58	11.59	9.94
3 Month KIBOR	10.41	10.46	7.45
6 Month KIBOR	11.42	11.45	7.69

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