

- Govt revises up 2020-21 GDP to 5.37% | BR:** Pakistan has revised up its economic growth rate for 2020-21 to 5.37% from 3.9%, the minister for planning and development said on Thursday. "The growth in 2020-21 was 5.37%," minister Asad Umar said in a tweet, adding that the National Accounts Committee (NAC), a government body that reviews the economic indicators, had approved the revised estimate of GDP growth. This is the second time the GDP rate for 2020-21 has been revised, from an initial 2.3% set in the 2020 annual budget then later to 3.9%.
- SBP may hold rate this time but hike not far away | The News:** The State Bank of Pakistan (SBP) is likely to keep its benchmark policy rate unchanged next week, although analysts expect rate increases in the coming months as inflationary and external account pressures mount amid a surge in global commodity prices. The SBP raised the policy rate by 100 basis points to 9.75% last month to counter double-digit inflation, falling rupee and the large current account deficit. It has hiked interest rates by 275 basis points since September 2021.
- Forex reserves decline USD552mn | The News:** Pakistan's foreign exchange reserves declined by USD552mn or 2.3% in the week ended January 14, the State Bank of Pakistan (SBP) said on Thursday. The total liquid foreign reserves held by the country stood at USD23.3bn, compared with USD23.9bn in the previous week. The reserves of the central bank decreased USD562mn to USD17.04bn owing to external debt and other payments, it said in a statement. According to analysts, the SBP's reserves are adequate to pay 2.75 months of imports.
- REER drops to 96.7 in December 2021 | Mettis Global:** The Real Effective Exchange Rate (REER) of Pakistan decreased to 96.7 in December 2021, a decline of 1.85% compared to 98.5 recorded in November 2021, the latest monthly data published by the State Bank of Pakistan (SBP) showed on Thursday. Similarly, the index decreased 0.42% in December 2021 against the value of 96.3 in December 2020. Cumulatively, REER has declined by 3% since June 2021 and 6% from its recent peak in April 2021, implying that Pakistan's goods become more competitive in the international markets.
- Local supply of plants, machineries: Sales tax zero-rating withdrawn | BR:** The Federal Board of Revenue (FBR) has withdrawn sales tax zero-rating on local supply of plant and machinery to Export Processing Zones (EPZs), duty-free shops, local supplies to exports covered under the Export Facilitation Scheme, and supply/repair/maintenance of ships and related equipment and machinery from January 16, 2022. The FBR has issued circular number 6 of 2022, here on Thursday for the explanation of Important Amendments in Sales Tax Act, 1990, the ICT (Tax on Services) Ordinance, 2001 and Federal Excise Act, 2005.
- Restaurants, bakeries, caterers: FBR to charge 17% sales tax | BR:** The Federal Board of Revenue (FBR) will charge 17% sales tax on the food, foodstuff, and sweetmeats supplied by restaurants, bakeries, caterers, and sweetmeat shops from January 16. The FBR has issued a circular No 07 of 2022 (Sales Tax) on the explanation of important amendment introduced in the Sales Tax Act, 1990, through Finance (Supplementary) Act, 2022. Up to January 15, the food, food stuff, and sweetmeat supplied by restaurants, bakeries, caterers, and sweetmeat shops was taxable @ 7.5% under serial No64 of Eighth Schedule of Sales Tax Act, 1990, with the condition that no input tax shall be adjusted.
- Refineries warn of shutting operations from next month | Dawn:** The country's oil refineries have warned the government of a looming shutdown of their operations in a couple of weeks due to high and yet rising stocks of furnace oil. Informed sources said the refineries have reported to the government that the oil industry was currently holding about 400,000 tonnes of furnace oil. In addition, 300,000-tonne stocks were lying unutilised at various power plants. On the other hand, the Power Division had placed a requirement of furnace oil for February at just 45,000 tonnes for the power sector.
- Q4FY21: Nepra allows Discos to cut tariffs by Re0.99/unit | BR:** The National Electric Power Regulatory Authority (Nepra) has allowed Discos to slash tariffs by PKR 0.99 per unit for 4th quarter (April-June) of FY 2020-21 under the Quarterly Tariff Adjustment (QTA) formula. Nepra held public hearing on November 11, 2021, which was attended by XWDISCOs, CPPA-G, and other stakeholders including general-public and media.
- Pharmaceutical sector: FBR says 'no' to ST refund at purchase stage | BR:** The Federal Board of Revenue (FBR), Thursday, out rightly rejected a demand of the pharmaceutical sector to issue sales tax refunds immediately, after import of raw materials/ inputs, saying it would be issued after zero-rated supply of finished products, i.e., medicines. Sources told Business Recorder, here on Thursday that the tax authorities of the FBR held a meeting with the Pakistan Pharmaceutical Manufacturers Association (PPMA) on the issue of sales tax refunds.
- White elephant PSM: 6 parties submit SoQs | BR:** The Privatisation Commission Board deliberated upon the report pertaining to the pre-qualification of potential investors for the revival of Pakistan Steel Mills (PSMC) in a meeting held Thursday. Six parties submitted Statements of Qualification (SoQs) before and a pre-qualification committee was formulated to scrutinise the pre-qualified parties. Meeting of the Privatisation Board was held under the chairmanship of Federal Privatisation Minister Mohammedmian Soomro. Federal Secretary Privatisation, Interior, board members and Chairman CDA attended the meeting.
- Country reports 6,808 fresh Covid-19 cases; positivity ratio soars to 11.55% | BR:** Pakistan, Thursday, reported the second-highest Covid-19 infections tally since the pandemic outbreak as 6,808 new coronavirus cases at a positivity ratio of 11.55% were reported, taking the nationwide tally of infections to 1,345,801. According to the Covid-19 data released by the National Command and Operation Centre (NCOC), the country also reported five Covid-19 deaths, which took overall death tally to 29,042, since the pandemic outbreak. Pakistan on June 13, 2020 had recorded the highest number of cases when 6,825 people were tested positive for the Covid-19.

Market Indices			
	20-Jan-22	19-Jan-22	30-Jun-21
KSE 100	44,826	44,833	47,356
KSE 30	17,666	17,652	18,962
KMI 30	72,825	72,541	76,622
KSE All Shares	30,750	30,764	32,480
Volume (mn Shares)			
	20-Jan-22	FYTD (Average)	
KSE 100	113.7	125.5	
KSE 30	50.8	52.4	
KMI 30	58.1	49.5	
KSE All Shares	253.9	342.6	
Commodity Rates			
	20-Jan-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	88.4	-0.1%	17.6%
Crude Oil-Arab Light (USD/BBL)	86.5	-0.9%	19.7%
Coal (USD/Tonne)	168.5	-1.5%	63.1%
Copper(USD/Lbs)	4.6	2.3%	7.0%
Cotton (USD/Lbs)	119.4	-0.9%	46.6%
CRC Steel (USD/Tonne)	897.5	0.0%	-24.3%
Currency (Interbank)			
	20-Jan-22	Daily Change	FYTD Change
US Dollar	176.3	0.2%	11.9%
UK Pound	239.6	0.1%	10.0%
Euro	199.3	-0.1%	6.7%
UAE Dirham	48.1	0.0%	11.5%
Chinese Yuan	27.8	0.2%	13.9%
Fund Flows (USD mn)			
	20-Jan-22	FYTD	
FOREIGN INDIVIDUAL	0.00	4.44	
FOREIGN CORPORATES	0.00	-281.30	
OVERSEAS PAKISTANI	-0.24	49.16	
FIPI NET	-0.24	-227.71	
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			
	20-Jan-22	19-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	10.20	7.28
6 Month T-Bill	11.25	11.25	7.53
12 Month T-Bill	11.40	11.39	7.81
3 Year Government Bond	11.45	11.41	8.99
5 Year Government Bond	11.53	11.53	9.49
10 Year Government Bond	11.62	11.61	9.94
3 Month KIBOR	10.43	10.43	7.45
6 Month KIBOR	11.45	11.44	7.69

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