

- MPS on Monday: Policy rate may be kept unchanged | BR:** The Monetary Policy Committee (MPC) of the State Bank of Pakistan (SBP) will meet on Monday (Jan 24) to decide about the key policy rate. The MPC will review the key economic indicators including inflation, external and fiscal sectors, economic growth and results of monetary policy stance, to take a decision on interest rate. This will be consecutively third Monetary Policy meeting during the three months as the SBP, in November 2021, decided to increase the number of the MPC meetings from six to eight times a year amid greater volatility in economic indicators.
- Pakistan records USD9bn current account deficit in 1HFY22 | Mettis Global:** Pakistan posted the current account deficit (CAD) of USD9.09bn in the first half of the ongoing fiscal year as opposed to USD1.25bn surplus recorded in the same period last year, reflecting the robust increase in imports, the central bank data showed today. In the month of Dec'21, CAD was broadly unchanged at USD1.93bn from USD1.89bn in Nov'21. While on a yearly basis, the current account balance rang alarming bells as its deficit was two-fold high as a year earlier.
- LSM growth slows down further: Output of big industries expands just 3.3% in July-November 2021 | Tribune:** The slowdown in growth of big industries has deepened with only 3.3% increase in their output in the first five months (July-November) of current fiscal year. On the other hand, the recent rebasing of economy also points to a drop in the share of job-intensive industrial sector. The pace of growth of Large Scale Manufacturing (LSM) sector eased to 3.3% in July-November of fiscal year 2021-22, the Pakistan Bureau of Statistics (PBS) reported on Friday.
- Banks tasked to raise house loans to 7% of private advances till Dec | The News:** State Bank of Pakistan on Friday asked the banks to allocate seven percent of their private sector loans in housing and construction finance till December 2022. "With a view to further promote housing and construction finance, banks are advised to increase their financing for housing and construction of buildings (residential and non-residential) to at least 7% of their respective domestic private sector advances by December, 2022," the SBP said in a circular.
- Banks told to stay wary of sovereign loans default | Tribune:** The State Bank of Pakistan has instructed commercial banks to start taking into account the probability of default on loans taken by the federal government. This brings an end to decades-old belief that the government cannot default on domestic debt. The central bank has issued the International Financial Reporting Standards (IFRS-9) instructions and withdrew an exemption from the expected credit loss on loans either guaranteed or taken by the federal government, revealed the July 2021 instructions that were to be enforced with effect January 1, 2022.
- Refunds to EPZ foreign investors in USD: FBR to move SBP for clarification | BR:** The Federal Board of Revenue (FBR) will approach the State Bank of Pakistan (SBP) to seek clarification as to how the foreign investors of Export Processing Zone (EPZ) will obtain refunds in dollars following withdrawal of the sales tax exemption from the EPZ. Sources told Business Recorder that the FBR Member Inland Revenue (Policy) and other senior Inland Revenue officials held a meeting with the investors of the EPZ at Karachi at a tax office.
- Fertiliser shortage, price hike to dent wheat output | Tribune:** The increase in prices of di-ammonium phosphate (DAP) fertiliser coupled with unavailability of urea is expected to trigger a drop in wheat production in Pakistan this year. In a statement on Saturday, Pakistan Businesses Forum (PBF) President Mian Usman Zulfiqar said that output of wheat crop was under threat as farmers had been facing acute shortage of urea since the start of sowing season.
- Steel unit to start production at Rashakai SEZ soon | Triune:** In approximately 90 days, Century Steel (Private) Limited's first unit will begin production at Rashakai Special Economic Zone (SEZ), said Abdul Karim Tordher, Special Assistant to Khyber-Pakhtunkhwa (K-P) Chief Minister on Industries. Rashakai SEZ is a flagship project of industrial cooperation under the China-Pakistan Economic Corridor (CPEC) framework.
- Sindh to begin 'importing gas' in a few years | Tribune:** Responding to a notice of MQM Pakistan members pertaining to gas shortage in Karachi, Federal Minister for Energy Hammad Azhar on Friday revealed during a National Assembly session that the province of Sindh will begin importing gas in a few years. Azhar highlighted that local gas reserves were rapidly depleting with the province of Sindh experiencing the fastest decline in its natural gas reserves.
- CPHGC's coal transshipment fleet | BR:** Special Assistant to Prime Minister on CEPC Khalid Mansoor has sought support from Federal Board of Revenue (FBR) for re-import of coal transshipment fleet for M/s China Power Hub Generation Company (CPHGC) Private Limited without additional tax or duty. In a letter to Member Customs (Operations), Mansoor maintained that 1320MW CPHGC imported coal-fired power plant with integrated jetty is one of the largest foreign direct investments of CPEC in Balochistan with an investment of USD2bn.
- Karot Hydropower Project operations likely to begin in June | Dawn:** The 720-megawatt Karot Hydropower Project (HPP) is likely to start operations in June, two months before its actual Commercial Operation Date (COD) in August, Dawn learnt on Saturday. The civil, mechanical and electrical works of Karot HPP – the first hydel power generation project under the China-Pakistan Economic Corridor (CPEC) – are about to be completed while the project management is set to start internal testing of the four turbines from next month.
- Power production hits record high | Tribune:** Power production in Pakistan rose to a historic high at 136,572 gigawatt-hours (GWh) in 2021, apparently helping the authorities to reduce burden of capacity payments to electricity producers. Consumers, however, paid a price for the growth in power production as the cost of energy spiked 72.4% to PKR8.24 per unit (kilowatt-hour) in the winter month of December.
- CPPA-G seeks PKR3.12 raise in Discos' tariffs for Dec 2021 | BR:** The Central Power Purchasing Agency- Guaranteed (CPPA-G) has sought an increase of PKR3.12 per unit in tariffs of power Distribution Companies (Discos) for December 2021, under monthly Fuel Component Adjustment (FCA) mechanism, as generation from coal has overtaken hydel generation in terms of both units and cost. The main reason, according to CPPA-G, for the proposed increase in FCA was higher generation from expensive fuels and previous adjustments.
- Automakers pass on impact of FED hike to buyers | Dawn:** Indus Motor Company (IMC) and Honda Atlas Cars Ltd (HACL) have jacked up prices by PKR63,000-493,000 following an increase in Federal Excise Duty (FED) after the passage of Finance (Supplementary) Bill 2021 commonly known as mini-budget.
- K-Electric seeks tariff cut of PKR1.8 per unit | Tribune:** K-Electric has sought a reduction of PKR1.798 per unit in power tariff on account of fuel cost adjustment (FCA) for December 2021. According to a petition submitted by K-Electric, a private power utility-serving consumer in Karachi, the decrease in tariff will provide a relief of PKR2.11bn to the company's consumers.

Market Indices			
	21-Jan-22	20-Jan-22	30-Jun-21
KSE 100	45,018	44,826	47,356
KSE 30	17,748	17,666	18,962
KMI 30	73,002	72,825	76,622
KSE All Shares	30,879	30,750	32,480
Volume (mn Shares)			
	21-Jan-22	FYTD (Average)	
KSE 100	89.9	125.3	
KSE 30	45.5	52.4	
KMI 30	29.7	49.4	
KSE All Shares	176.0	341.6	
Commodity Rates			
	21-Jan-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	87.9	-0.6%	17.0%
Crude Oil-Arab Light (USD/BBL)	84.7	-2.1%	17.1%
Coal (USD/Tonne)	172.5	2.4%	67.0%
Copper(USD/Lbs)	4.5	-1.3%	5.6%
Cotton (USD/Lbs)	117.3	-1.8%	44.0%
CRC Steel (USD/Tonne)	897.5	0.0%	-24.3%
Currency (Interbank)			
	21-Jan-22	Daily Change	FYTD Change
US Dollar	176.0	-0.1%	11.7%
UK Pound	238.6	-0.4%	9.5%
Euro	199.6	0.1%	6.9%
UAE Dirham	48.1	0.0%	11.5%
Chinese Yuan	27.8	-0.1%	13.8%
Fund Flows (USD mn)			
	21-Jan-22	FYTD	
FOREIGN INDIVIDUAL	0.00	4.44	
FOREIGN CORPORATES	0.07	-281.23	
OVERSEAS PAKISTANI	-0.08	49.07	
FIPI NET	-0.01	-227.72	
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			
	21-Jan-22	20-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	11.28	11.25	7.53
12 Month T-Bill	11.42	11.40	7.81
3 Year Government Bond	11.45	11.45	8.99
5 Year Government Bond	11.52	11.53	9.49
10 Year Government Bond	11.61	11.62	9.94
3 Month KIBOR	10.40	10.43	7.45
6 Month KIBOR	11.43	11.45	7.69

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