

- Jul-Dec: Country incurs USD9.432bn foreign debt | BR:** Pakistan incurred foreign debt of USD9.43bn from multiple financing sources in the first half months (July-December) of 2021-22 including USD2.03bn from foreign commercial banks (21.53%) against the total budgeted external loans of USD14.09bn for the entire fiscal year. The Economic Affairs Division (EAD) data exclusively available with Business Recorder shows that the government has received USD3bn as time deposit in December.
- T-bills, bonds yields fall on SBP rate hold | The News:** Treasury bills and Pakistan Investment Bonds (PIBs) yields fell on Tuesday after a forward guidance from the central bank heightened expectations that the interest rates would remain steady in the near-term because of moderation in demand and inflation amid tighter fiscal policy, analysts said. Yields in the secondary market have dropped 10 to 40 basis points as the State Bank of Pakistan (SBP) made no change to its benchmark interest rate on Monday to sustain growth momentum.
- Auctions for Market Treasury Bills: CCP starts probe into suspected cartelisation | BR:** The Competition Commission of Pakistan (CCP) has initiated an inquiry into the suspected cartelisation by primary dealers (PDs) including banks in the recent auctions of Market Treasury Bills (T-bills) carried out by the government of Pakistan. Sources told Business Recorder here on Tuesday that a preliminary probe was undertaken due to various concerns raised with respect to the significant rise in the yields for all tenures (three, six, and 12 months) of T-bills issued by the government in recent auctions.
- Foreign exchange reserves nearing USD20bn, Senate informed | Tribune:** The Senate was informed on Tuesday that the country's foreign exchange reserves are nearing USD20bn and exports and growth rate have reached record levels, leading to a reduction in the current account deficit. Briefing the upper house, Minister of State for Parliamentary Affairs Ali Muhammad Khan acknowledged the issue of inflation and claimed efforts were being made to control the situation in the next quarter through an enhanced tax on the import of luxury items under the Finance Supplementary Bill, 2021.
- Jul-Nov trade deficit widens to USD20.64bn, Senate told | BR:** Pakistan's trade deficit was recorded at USD 20.64bn in five months— from July to November 2021- compared to USD9.72bn witnessed in the corresponding period in 2020-21 whereas it was recorded USD5.02bn in November last year alone, the federal government admitted in Senate on Tuesday. "Pakistan's exports in goods are picking up the pace and went up by 13% to USD25.3bn in financial year 2020-21 from USD22.53bn over the last year. Exports witnessed 26.89% growth during July-November 2021-22 and remained USD12.36bn compared to USD9.74bn during the same period of 2020-21.
- Regional exports increase 28.91%, imports jump 51.56% in 1H | The News:** Pakistan's exports to seven regional countries increased 28.91% to USD2.16bn, whereas imports also increased 51.56% to USD8.83bn during the first half of 2021-22, increasing the regional trade deficit. Exports to regional countries, including Afghanistan, China, Bangladesh, Sri Lanka, India, Nepal and the Maldives account for a small amount of USD2.16bn, which was only 14.14% of Pakistan's overall exports of USD15.24bn during July-December (2021-22), the State Bank of Pakistan (SBP) reported.
- Cabinet urged not to allow applicability of FED on cars | BR:** The Ministry of Industries and Production (Mo&IP) has proposed the Federal Cabinet not to allow applicability of Federal Excise Duty (FED) on cars booked before the passage of Supplementary Finance Bill 2022. In a summary for the Cabinet, the Mo&IP has explained that in response to the decisions taken at a meeting held on January 10, 2022 under the chairmanship of the Federal Minister for Finance & Revenue and attended by Advisor to Prime Minister on Commerce.
- Fertilizer offtake declines by 31.8% YoY in December | Mettis Global:** The country's overall nutrients offtake fell by 31.8% to 408,000 tonnes during December 2021 from 598,000 tonnes in the same period last year, the latest monthly data of fertilizer offtake issued by the National Fertilizer Development Company (NDFC) showed. Among the nutrients, nitrogen and phosphate offtake decreased by 31% and 37.3% to stand at 332,000 and 70,000 tonnes, respectively during December 2021. While potash offtake went up by 33.6% when compared to December 2020.
- Corruption Perceptions Index: Pakistan slips further | BR:** Pakistan's rank in Corruption Perceptions Index (CPI) has further slipped by 16 points to 140/180 in 2021 as compared to 124/180 in 2020. According to 2021 Corruption Perceptions Index (CPI) released by Transparency International (TI), Pakistan scored 28 out of 100. However, corruption levels remained at a standstill worldwide, with 86% of countries making little to no progress in the last 10 years.
- Govt to ban Criminals Charged for Holding Specialized Positions | Pro Pakistan:** The government has decided to ban people convicted for criminal offenses from holding ownership of or positions in Designated Non-Financial Business and Professions (DNFBPs), in compliance with the Financial Action Task Force's (FATF) conditions. According to the FATF, real estate developers and agents, precious stones dealers, law firms, accounting firms, audit firms or insolvency firms, and company service providers fall in the category of DNFBPs.
- CSIL intends to raise PKR1bn to restart DSL's operations | Mettis Global:** Crescent Star Insurance Limited (CSIL) intends to raise PKR1bn to clear the bank defaulted amount of Dost Steel Limited (DSL) and provide working capital required for the operations of DSL, subject to the issuance of 78.66mn shares and regulatory approvals, the company's filing on PSX showed today. As per the notice, these options are currently being discussed in the investment committee of CSIL, which has been asked to recommend the best option which will then be approved by the CSIL board to be included in the plan for DSL.
- PM stresses steps to create affordable housing | Dawn:** While admitting that price hike has hit the salaried class the most, Prime Minister Imran Khan has said Pakistan is heading in the right direction, something that has been acknowledged by international financial data providers. "The future of the country has been set in the right direction as indicated by Bloomberg, which acknowledged that Pakistan's economy has been put on the high trajectory," said PM Khan while addressing the inauguration ceremony of a housing project on Kurri Road on Tuesday.
- PKR220bn Karachi Circular Railway transaction structure approved | Dawn:** The government on Tuesday approved the transaction structure and project proposal for the construction and operation of Karachi Circular Railway (KCR) on public-private mode at an estimated cost of about PKR220bn. Under the transaction structure approved by the board of Public-Private Partnership Authority (P3A), the private sector will finance, develop and run the project on commercial lines.
- BOP to raise PKR13bn debt financing for Lucky Electric | BR:** After successfully raising PKR7.9bn debt financing for Lucky Electric Power Company Limited (LEPCL) in two tranches, the Bank of Punjab (BOP) has been awarded a third debt arrangement mandate by the company to raise an additional PKR5bn working capital.

Market Indices			
	25-Jan-22	24-Jan-22	30-Jun-21
KSE 100	44,888	44,924	47,356
KSE 30	17,696	17,727	18,962
KMI 30	73,037	72,981	76,622
KSE All Shares	30,734	30,786	32,480
Volume (mn Shares)			
	25-Jan-22	FYTD (Average)	
KSE 100	97.0	124.9	
KSE 30	51.0	52.3	
KMI 30	45.5	49.3	
KSE All Shares	206.0	339.6	
Commodity Rates			
	25-Jan-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	88.2	2.2%	17.4%
Crude Oil-Arab Light (USD/BBL)	85.8	2.4%	18.7%
Coal (USD/Tonne)	174.1	0.1%	68.5%
Copper(USD/Lbs)	4.4	0.7%	4.1%
Cotton (USD/Lbs)	117.4	0.1%	44.3%
CRC Steel (USD/Tonne)	897.5	0.0%	-24.3%
Currency (Interbank)			
	25-Jan-22	Daily Change	FYTD Change
US Dollar	176.2	0.1%	11.9%
UK Pound	237.9	0.3%	9.2%
Euro	199.1	-0.1%	6.6%
UAE Dirham	48.3	0.5%	12.1%
Chinese Yuan	27.9	0.2%	14.2%
Fund Flows (USD mn)			
	25-Jan-22	FYTD	
FOREIGN INDIVIDUAL	0.00	4.44	
FOREIGN CORPORATES	-1.25	-281.85	
OVERSEAS PAKISTANI	-0.75	47.54	
FIPI NET	-2.00	-229.87	
Economic Data (USD mn)			
	FY22E	FY21	FY20
GDP Growth	4.6%	5.4%	-0.5%
	Dec-21	Nov-21	
Exports	2,765	2,901	
Imports	7,666	7,899	
Remittances	2,520	2,459	
Foreign Exchange Reserves	24,018	22,329	
Money Market Data			
	25-Jan-22	24-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	10.10	10.20	7.28
6 Month T-Bill	10.83	11.25	7.53
12 Month T-Bill	11.10	11.40	7.81
3 Year Government Bond	11.05	11.45	8.99
5 Year Government Bond	11.15	11.53	9.49
10 Year Government Bond	11.32	11.62	9.94
3 Month KIBOR	10.27	10.41	7.45
6 Month KIBOR	11.08	11.43	7.69

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