

- Economy prone to more lockdowns, demand shocks, warns Moody's | BR:** In the event of further lockdowns or shocks to external demand, the government of Pakistan (rating B3 stable) would have comparatively less fiscal headroom to support domestic economic activity, says Moody's Investors Services (Moody's). Moody's in its latest report stated that economies with relatively weak fiscal profiles, including India, Indonesia (Baa2 stable), Malaysia (A3 stable) and Pakistan, will be compelled to balance fiscal consolidation objectives with rising social demands to ameliorate structural problems such as weak governance, unequal access to healthcare or income inequality.
- Govt raises PKR133.5bn via fixed-rate PIBs | The News:** The government on Thursday raised PKR133.5bn through an auction of fixed-rate Pakistan Investment Bonds, with the yields falling on three-, five- and 10-year papers, auction result showed. The auction target was PKR100bn. The cut-off yield on the three-year PIB dropped by 71 basis points (bps) to 10.79%. The yield on five-year paper also fell by 72 bps to 10.86%. The yield on a 10-year paper rose 79 bps to 11%. The State Bank of Pakistan said it sold PKR83.5bn worth of three-year paper and PKR40bn of the five-year and PKR10bn worth of 10-year paper.
- Forex reserves fall sharply in three weeks | BR:** The country's foreign exchange reserves fell sharply over USD1.5bn in the first three weeks of January and reached below the USD23bn mark mainly due to massive external debt servicing. According to the State Bank of Pakistan (SBP) statistics, the country's total liquid foreign exchange reserves stood at USD22.48bn as of January 21, 2022 down from USD24.02bn as of December 31, 2021, depicting a decline of 6% or USD1.5bn. During the period under review, reserves held by the SBP and commercial banks witnessed a downward trend, however a major decline was recorded in the SBP's reserves due to foreign debt payments.
- Virus, external woes, inflation top economic risks | The News:** The government has come clean on the fact economy is in doldrums as it is facing up to three major risks including virus's fifth onrush, external sector frailties, and likely double-digit inflation in this fiscal year. "Though ... recovery is underway, the economy is also confronting new Covid-19 wave, inflation and external sector pressures," noted 'Monthly Economic Update and Outlook' released by Ministry of Finance on Thursday.
- 'New' taxes to hurt auto industry, national economy: experts | BR:** While the government has imposed new taxes on the auto sector through mini-budget to control the widening trade deficit, experts believed these taxes would prove detrimental to the local auto industry and may cause damage to the national economy. Syed Zafar Ali, Auto industry expert said: "These new taxes would prove detrimental to the local auto industry and it would do more damage to the national economy." The government should control the import of used cars that is in full swing despite some measures by the government like SRO-52, he added.
- Turkmenistan team due for talks on TAPI, TAP projects | BR:** A high-level Turkmenistan delegation headed by Deputy Minister for Foreign Affairs, Vepa Hajiyeiev is to visit Pakistan from January 31 to February 2, 2022 to discuss Turkmenistan-Afghanistan-Pakistan-India Gas Pipeline (TAPI) and Turkmenistan-Afghanistan-Pakistan power transmission (TAP) projects, sources in Ministry of Energy told Business Recorder. The seven-member delegation, also comprised of Muhammetmyrat Amanov, Chairman of the Board and CEO TAPI Pipeline Company Limited, M. Artykov, Head of the Department of International Power Projects in the direction of Turkmenistan -Afghanistan-Pakistan.
- Advance tax on wide range of cellular services increased | BR:** The Federal Board of Revenue (FBR) from January 16, 2022 increased the advance tax on a wide range of cellular services from 10 to 15% including telephone bills of subscribers; prepaid cards for telephones; sale of units through any electronic medium; internet bills of subscribers, and prepaid cards for internet. A tax expert explained that the rate of advance tax on cellular services under section 236 of the Income Tax Ordinance has been increased from 10% to 15% through the Finance (Supplementary) Act, 2022.
- Fertiliser crisis hits Punjab's revised wheat target | Dawn:** The Punjab Agriculture Department informed the wheat review committee on Thursday that the province would not be able to achieve its revised sowing target of 16.7mn acres due to the increasing price of fertilisers. However, it said, the originally assigned sowing target of 16.2mn acres would be achieved. Punjab had voluntarily enhanced its sowing target to 16.7m acres, but due to the fertiliser crisis it reverted to its original target of 16.2mn acres.
- Govt to launch Ehsaas Petrol Card for bikers | The News:** The government has decided to launch Ehsaas Petrol Card for providing petrol at a subsidised rate to motorcyclists, The News learnt on Thursday. The government also plans to raise salaries of public sector employees in the coming budget for fiscal year 2022-23. However, there is no consideration to monetise perks and privileges of bureaucrats despite Pakistan Institute of Development Economics (PIDE) report that reveals top bureaucrats in Pakistan are drawing salaries and perks more than United Nations employees.
- Tariq Glass and ICI Pakistan to form JV for setting float glass manufacturing facility: PSX | Augaf:** The Board of Directors of M/s Tariq Glass Industries Ltd and M/s ICI Pakistan Ltd in their separate board meetings held on January 26, 2022 has resolved to sign a Term Sheet with each other to explore the possibility of a joint venture with M/s ICI Pakistan Ltd for setting up a state-of-the-art green field float glass manufacturing facility. Manufacturing facility have a production capacity of up to 1,000 metric tons per day.
- PM's upcoming China visit: Chinese investors want high-level parleys | BR:** Chinese investors in Pakistan's energy sector, who are facing bottlenecks, have urged Islamabad to resolve issues of existing project sponsors to attract more investment in the country, well informed sources in Board of Investment (BoI) told Business Recorder. Chinese investors, who are visiting different ministries/ organisation for years for resolution of their procedural issues, have conveyed this message to the Government of Pakistan.

Market Indices			
	27-Jan-22	26-Jan-22	30-Jun-21
KSE 100	45,083	44,955	47,356
KSE 30	17,828	17,738	18,962
KMI 30	73,322	73,059	76,622
KSE All Shares	30,761	30,794	32,480
Volume (mn Shares)			
	27-Jan-22	FYTD (Average)	
KSE 100	89.8	124.3	
KSE 30	49.9	52.2	
KMI 30	37.8	49.1	
KSE All Shares	173.4	337.3	
Commodity Rates			
	27-Jan-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	89.3	-0.7%	18.9%
Crude Oil-Arab Light (USD/BBL)	87.6	-0.8%	21.2%
Coal (USD/Tonne)	174.9	0.0%	69.3%
Copper(USD/Lbs)	4.4	-2.1%	3.3%
Cotton (USD/Lbs)	118.0	-0.6%	45.0%
CRC Steel (USD/Tonne)	897.5	0.0%	-24.3%
Currency (Interbank)			
	27-Jan-22	Daily Change	FYTD Change
US Dollar	176.6	-0.1%	12.1%
UK Pound	236.4	-0.6%	8.5%
Euro	196.8	-0.9%	5.4%
UAE Dirham	48.3	0.0%	12.1%
Chinese Yuan	27.7	-0.9%	13.6%
Fund Flows (USD mn)			
	27-Jan-22	FYTD	
FOREIGN INDIVIDUAL	0.01	4.45	
FOREIGN CORPORATES	0.64	-281.91	
OVERSEAS PAKISTANI	-0.98	46.00	
FIPI NET	-0.33	-231.46	
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			
	27-Jan-22	26-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	10.19	10.08	7.28
6 Month T-Bill	10.52	10.71	7.53
12 Month T-Bill	10.80	10.95	7.81
3 Year Government Bond	10.73	10.82	8.99
5 Year Government Bond	10.82	10.98	9.49
10 Year Government Bond	11.17	11.23	9.94
3 Month KIBOR	10.33	10.28	7.45
6 Month KIBOR	10.74	11.05	7.69

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