

- **Relief package: govt says ready to ease IMF concerns | BR:** Pakistan is confident it will be able to defend a nearly USD1.5bn fuel and electricity subsidy package during a International Monetary Fund (IMF) programme review that started Friday, the finance ministry said. Prime Minister Imran Khan this week announced a cut in fuel and electricity prices despite a steep global rise in the cost of oil, pledging to freeze the new rates for four months with the price differential being covered by the government.
- **FATF retains Pakistan on grey list | Tribune:** The Financial Action Task Force (FATF) announced on Friday it retained Pakistan on its grey watch list though the global financial watchdog noted Islamabad's "persistent political commitment" to implement its action plan. The announcement came after the conclusion of the sixth plenary of the FATF held under the German Presidency of Dr Marcus Pleyer. At the end of the four-day of meetings, the watchdog also announced that it had added the United Arab Emirates to its "grey" watch list.
- **Monetary policy due on March 8 | The News:** State Bank of Pakistan (SBP) is expected to leave its benchmark interest rate steady at a meeting next week, despite challenges from balance of payments amid surging global commodity prices, analysts said. The Monetary Policy Committee (MPC) of the central bank will meet on Tuesday, March 8, 2022, to decide about the monetary policy, it said in a statement on Friday. "This will be an important MPS [monetary policy statement] decision as the market will keenly follow policy direction by the SBP when the country is currently faced with several economic challenges".
- **Tax amnesty scheme: Public office holders, families not eligible | BR:** The holders of public office, their spouses and dependent children, are not entitled to avail tax amnesty scheme for industrial investment. According to the comments of tax expert Ashfaq Tola on the Income Tax Amendment Ordinance, 2022, a general amnesty is given to all persons to declare assets by paying a general tax rate of five percent by investment in new industries. The persons not eligible for amnesty included holders of public office (a person as defined in the Voluntary Declaration of Domestic Assets Act, 2018).
- **Think tank advises govt to avoid blanket price relief | The News:** A financial think tank on Saturday urged the government to provide targeted relief measures for vulnerable segments and avoid strategy of blanket price cuts, saying 'popular' relief measure might dilute the center's credibility. Commenting on the PM's relief package, Economic Advisory Group (EAG) acknowledged that the government should take measures to protect sectors affected from the global commodity price shock. The group, however, advised to remain cautious.
- **Bank advances to SMEs jump by 20% | Dawn:** Bank financing to small and medium enterprises (SMEs), dubbed as an engine of economic growth, jumped by 20% quarter-on-quarter in October-December 2021. The State Bank of Pakistan (SBP) Quarterly SME Finance Review issued on Friday showed that the bank advances to SMEs rose by PKR86.3bn to PKR524bn in Q2FY22 from PKR437.7bn in Q1FY22. However, during the year from December 2020 to December 2021, the bank financing increased by PKR42.2bn or 8.7%.
- **PKR20bn proposed for paying price differential to OMCs | The News:** The Petroleum Division, Ministry of Energy, has proposed PKR20bn initially as supplementary grant for payment of Price Differential Claim (PDC) to the oil marketing companies and refineries to avert any shortage of petroleum products as apprehended by the oil sector in the wake of price cut announced by the prime minister on February 28. In a summary sent for approval to the Economic Coordination Committee (ECC) and the Federal Cabinet, the Petroleum Division has proposed a mechanism for PDC payment in the wake of government's decision to keep the prices unchanged till the next federal budget.
- **Govt mulls incentives to boost E&P activities | Dawn:** With lackluster domestic hydrocarbon finds, the Cabinet Committee on Energy (CCoE) on Friday constituted a committee to come up with policy incentives to encourage exploration and production (E&P) activities. The CCoE meeting presided over by Federal Minister for Planning & Development Asad Umar also reviewed the draft Model Production Sharing Agreement (MPSA) to facilitate offshore exploration and referred it to the Ministry of Law for vetting before formal approval.
- **Fuel subsidy payment via banks proposed | The News:** Oil industry has proposed a government-sponsored subsidy in the form of a consortium of banks for reimbursement of Price Differential Claim (PDC) on fuels that will not only ensure timely payments to companies/refineries, but also reduce immediate burden on the national exchequer, The News has learnt. Oil Companies Advisory Council (OCAC), which presented the mechanism to Petroleum Division, Ministry of Energy, proposed the arrangements involving four to five banks to foot the PDC payments under the guarantee of the government.
- **PKR3/kg hike in CNG price announced | BR:** People, who were expecting that the opening of compressed natural gas (CNG) stations would provide them some relief in the wake of all-time high petrol prices, received a shock when the government increased the CNG price by PKR3 per kilogram Saturday. Already petrol is available to the consumers at PKR150 per liter. Although Prime Minister Imran Khan had announced PKR10 cut in its price in his address to the nation a few days earlier, still the rate is beyond the reach of most of the people.
- **Islamic banks witness rapid growth | Tribune:** The Shariah-compliant banks in Pakistan are growing at a rapid pace compared to conventional counterparts as a strong preference for "markup-free banking" has emerged among the people and businessmen of Pakistan. "The deposits of Islamic banks have grown at 10-year CAGR (compound average growth rate) of 23% outpacing growth in conventional deposits (10 year CAGR: 12%)". The deposits of Islamic banks grew to PKR4.21 trillion by the end of December 2021.
- **US-Pakistan TIFA talks to begin today | BR:** Pakistan and the United States (US) are all set to hold parleys on bilateral trade and investment under the umbrella of Trade and Investment Framework Agreement (TIFA) on March 7-9, 2022. The US side is expected to be led by Assistant US Trade Representative (AUSTR) for South and Central Asia, Christopher Wilson whereas Pakistan team will be headed by Secretary Commerce. Commerce Ministry, sources said, has finalized discussion points in consultation with other Ministries, which have already been shared with the US side.
- **US warns Pakistan of Ukraine war consequences | Dawn:** The United States said on Friday it had informed Pakistan the [war in Ukraine](#) could have both regional and global consequences, even as the Foreign Office objected to the [issuance](#) of a press release by a group of 23 envoys earlier this week, saying the move was undiplomatic. "We have briefed the government of Pakistan on the impact that Russia's unprovoked war against Ukraine could have on regional and global security," a US State Department spokesperson told Dawn when asked to respond to these developments.

Market Indices

	4-Mar-22	3-Mar-22	30-Jun-21
KSE 100	44,551	44,526	47,356
KSE 30	17,429	17,410	18,962
KMI 30	72,495	72,436	76,622
KSE All Shares	30,698	30,703	32,480

Volume (mn Shares)

	4-Mar-22	FYTD (Average)
KSE 100	62.8	120.6
KSE 30	36.3	51.2
KMI 30	28.6	48.4
KSE All Shares	134.8	322.1

Commodity Rates

	4-Mar-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	118.1	6.9%	57.2%
Crude Oil-Arab Light (USD/BBL)	116.1	6.4%	60.7%
Coal (USD/Tonne)	418.8	18.5%	264.6%
Copper(USD/Lbs)	4.9	3.0%	14.7%
Cotton (USD/Lbs)	114.3	-2.9%	40.4%
CRC Steel (USD/Tonne)	1,015.0	2.0%	-14.3%

Currency (Interbank)

	4-Mar-22	Daily Change	FYTD Change
US Dollar	177.3	-0.1%	12.5%
UK Pound	234.4	-1.1%	7.6%
Euro	193.7	-1.4%	3.7%
UAE Dirham	48.8	0.0%	13.2%
Chinese Yuan	28.0	-0.1%	15.0%

Fund Flows (USD mn)

	4-Mar-22	FYTD
FOREIGN INDIVIDUAL	0.00	4.43
FOREIGN CORPORATES	-2.17	-302.53
OVERSEAS PAKISTANI	0.45	49.88
FIPI NET	-1.72	-248.22

Economic Data (USD mn)

	FY22E	FY21	FY20
GDP Growth	4.6%	5.4%	-0.5%
	Jan-21	Dec-21	
Exports	2,618	2,764	
Imports	6,053	7,580	
Remittances	2,144	2,520	
Foreign Exchange Reserves	22,084	23,882	

Money Market Data

	4-Mar-22	3-Mar-22	30-Jun-21
SBP Policy Rate	9.75	9.75	7.00
CPI Inflation	12.20	12.20	9.70
3 Month T-Bill	10.60	10.60	7.28
6 Month T-Bill	11.01	10.99	7.53
12 Month T-Bill	11.09	11.07	7.81
3 Year Government Bond	11.11	11.11	8.99
5 Year Government Bond	11.16	11.17	9.49
10 Year Government Bond	11.21	11.25	9.94
3 Month KIBOR	10.72	10.70	7.45
6 Month KIBOR	11.11	11.08	7.69

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