

- Monetary policy: SBP maintains status quo in interest rate at 9.75% | Tribune:** In line with market expectations, the State Bank of Pakistan left the benchmark interest rate unchanged at 9.75% for the next one and half month on Tuesday. The market had expected status quo in the interest rate after the State Bank of Pakistan (SBP) strongly hinted at status quo in the policy rate in future (in March and onwards) in its monetary policy announcement in January 2022. At that time, the rate was enough to gradually tame inflation reading that clocked in at 13% in January 2022 and to support economic growth target of around 4.5% in the current fiscal year.
- Govt not yet share PIT reforms with IMF | BR:** The government has yet not shared the draft of the personal income tax (PIT) reforms with the International Monetary Fund (IMF). Sources told Business Recorder that the FBR has started virtual meetings with the IMF team, but authorities confirmed that the FBR did not share any draft of Personal Income Tax law with the IMF. The FBR has prepared multiple drafts of the PIT, but so far the same have not been shared with the IMF. The IMF raised questions over the PM's Relief Package and the government officials explained it very well to satisfy the IMF team.
- PSM sell-off process hits a snag | BR:** Sui Southern Gas Company Limited (SSGCL) has not yet issued requisite No Objection Certificate (NOC) to Pakistan Steel Mills Corporation (PSMC), which is necessary to move forward on privatisation process, despite strong recommendations by Finance Minister Shaukat Tarin, well informed sources told Business Recorder. On February 16, 2022, Finance Minister, while presiding over a meeting on pending issues had snubbed Managing Director, SSGC for delaying the issue of NOC to be submitted to SECP for approval of Scheme of Arrangement (SoA).
- Public debt up 9.5% in July-January FY2022 | The News:** Pakistan's public debt and liabilities rose 9.5% to PKR42.4 trillion at the end of January, the central bank data showed on Tuesday. Debt stood at PKR38.7 trillion as of June 30, 2021, going up 16% year-on-year. It was PKR36.5 trillion at the end of January 2021. A large part of net borrowing from commercial banks results in increasing domestic debt, especially when the government does not borrow from the central bank under the International Monetary Fund programme. The domestic debt stood at PKR27.4 trillion by the end of January. It stood at PKR26.2 trillion as of June last year.
- THE RUPEE: PKR on the back foot | BR:** High oil prices kept Pakistan's currency on the back foot, which dropped to its lowest level against the US dollar, depreciating 0.27% in the inter-bank market on Tuesday. As per the State Bank of Pakistan (SBP), the rupee closed at 178.61 after a day-on-day depreciation of 48 paisas or 0.27%. This is the lowest closing level of the rupee in the inter-bank. Last year on December 29, the PKR had closed at 178.24 against the USD. Brent on Tuesday surged past USD126 a barrel, as fears of formal sanctions against Russian oil and fuel exports spurred concerns about supply availability.
- ECC says fuel price capping will add to pressure on exchequer | BR:** While expressing concern over the rising oil prices, Economic Coordination Committee (ECC) of the Cabinet has held that capping of fuel price would generate additional burden on the exchequer, especially in the current international scenario and oil market volatility. The ECC, headed by Finance Minister Shaukat Tarin shared their concern during the ECC meeting held on March 7, 2022 when reduction in electricity tariff by Rs5 per unit came under discussion.
- Govt mulls urea import to meet kharif demand | The News:** Government contemplates urea import and allowing gas supplies to manufacturing units up north from April to June 2022 for augmenting domestic supplies of the nitrogenous fertiliser for the upcoming kharif season starting next month. A high-level fertiliser review meeting on Tuesday discussed the issues faced by farmers, domestic production of the input, as well as the demand for fertiliser during the kharif season. The meeting was chaired by Federal Minister for Industries and Production Makhdum Khusro Bakhtyar, while Federal Minister for Food Security and Research Syed Fakhar Imam joined via media link.
- Pakistan's Shariah-compliant banking will continue to grow | Mettis Global:** Shariah-compliant banking, an integral part of Pakistan's National Financial Inclusion Strategy (NFIS) will continue growing by targeting customers who prefer Islamic products and were previously considered unbankable due to their religious beliefs, Moody's Investors Service said in a report issued today. According to the enhanced NFIS targets, the government of Pakistan and the State Bank of Pakistan (SBP) target an Islamic banking market share of 25% by 2023 from 17% in 2020, it noted.
- Pakistan, Afghanistan agree to allow free movement of goods trucks | The News:** Pakistan and Afghanistan have agreed to allow free movement of each other's trucks carrying trade cargoes between the two countries from March 21 on Temporary Admission Documents (TAD), an advisor said Tuesday. "We have finally done it! Historical development on regional connectivity front!" said Abdul Razak Dawood, advisor to Prime Minister for Commerce and Investment on his official twitters account. "We wish to share that Pakistan and Afghanistan have allowed free movement of each other's trucks between the two countries and cross stuffing w.e.f. 21 March, 2022 via TAD."
- Karachi likely to have new industrial estate | BR:** Secretary Industries & Commerce, Government of Sindh, Amir Khursheed has informed the members of Site Association of Industries that the Chief Minister Sindh for a new Karachi-based Industrial Estate on 3,000 acres, which will also incorporate cottage industries and SMEs, has approved a summary. On the matter of Ease of Doing Business, he said that we are already looking into it through the Directorate of Industries to streamline everything for all industries.
- UK-Pakistan relations hit a new low over Ukraine | The News:** The diplomatic relations between the UK and Pakistan have hit a new low as two important visits have been cancelled, following Prime Minister Imran Khan's visit to Russia and his recent speech condemning the Western countries. The News has learnt through credible sources in both the UK and Pakistan administrations that diplomatic relations at this point of time have cooled off to the extent that the UK government has cancelled two important visits after Prime Minister Imran Khan met Russian President Vladimir Putin on the day Russia started assault of Ukraine and then Prime Minister Imran Khan's blistering speech five days ago.
- Opposition submits no-trust motion against PM Imran | Dawn:** A delegation of senior opposition lawmakers submitted the no-trust motion against Prime Minister Imran Khan with the National Assembly Secretariat on Tuesday, PML-N spokesperson Marriyum Aurangzeb said. The confirmation from her came after a delegation of opposition lawmakers, including Rana Sanaulah, Ayaz Sadiq, Shazia Marri and Marriyum Aurangzeb, had reached Parliament House in Islamabad. Aurangzeb said National Assembly Speaker Asad Qaiser was not present in his office which is why the documents were submitted with the secretariat.

Market Indices			
	8-Mar-22	7-Mar-22	30-Jun-21
KSE 100	42,878	43,267	47,356
KSE 30	16,669	16,825	18,962
KMI 30	68,955	69,863	76,622
KSE All Shares	29,670	29,917	32,480
Volume (mn Shares)			
	8-Mar-22	FYTD (Average)	
KSE 100	93.0	120.4	
KSE 30	60.5	51.3	
KMI 30	53.8	48.5	
KSE All Shares	226.1	321.1	
Commodity Rates			
	8-Mar-22	Daily Change	FYTD Change
Crude Oil-Brent (USD/BBL)	128.0	3.9%	70.3%
Crude Oil-Arab Light (USD/BBL)	124.5	4.4%	72.2%
Coal (USD/Tonne)	460.2	0.9%	300.7%
Copper(USD/Lbs)	4.7	-0.3%	10.0%
Cotton (USD/Lbs)	115.8	0.9%	42.3%
CRC Steel (USD/Tonne)	1,015.0	0.0%	-14.3%
Currency (Interbank)			
	8-Mar-22	Daily Change	FYTD Change
US Dollar	178.5	0.4%	13.3%
UK Pound	233.9	0.4%	7.4%
Euro	194.5	0.8%	4.2%
UAE Dirham	49.0	1.0%	13.7%
Chinese Yuan	28.2	0.4%	15.8%
Fund Flows (USD mn)			
	8-Mar-22	FYTD	
FOREIGN INDIVIDUAL	0.01	4.37	
FOREIGN CORPORATES	-0.77	-304.64	
OVERSEAS PAKISTANI	0.35	50.73	
FIPI NET	-0.41	-249.54	
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			
	8-Mar-22	7-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	10.66	10.69	7.28
6 Month T-Bill	11.07	11.18	7.53
12 Month T-Bill	11.23	11.30	7.81
3 Year Government Bond	11.31	11.39	8.99
5 Year Government Bond	11.32	11.41	9.49
10 Year Government Bond	11.24	11.27	9.94
3 Month KIBOR	10.78	10.76	7.45
6 Month KIBOR	11.21	11.22	7.69

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