

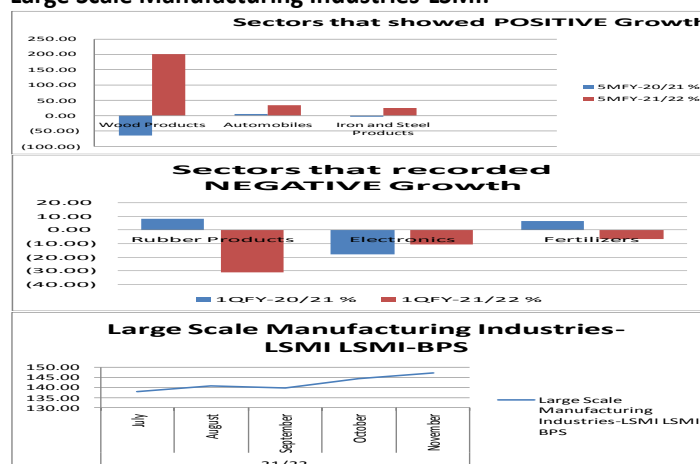
KEY PAKISTAN STATS & ECONOMIC INDICATORS				
Items	Period	Unit	Figure	
Gross Domestic Product-GDP				
GDP	1HFY-21/22	USD bn	159.259	
Foreign Exchange-FX-Reserves				
FX-Reserves-WoW	14-Jan-22	USD bn	23.349	
FE-25 Import Financing	December, 2021	USD bn	1.04	
SBP Forward/Swap Position	30-Nov-21	USD bn	(4.59)	
Net International Reserves-NIR (EST)	14-Jan-22	USD bn	(8.89)	
Kerb USD/PKR	21-Jan-22	Bid/Ask	177.50/178.50	
Real Effective Exchange Rate-REER	December, 2021	Rs	96.74	
Consumer Price Index-CPI				
Sensitive Price Index-SPI-WoW	13-Jan-22	bps	167.39	
CPI (YoY)	Dec, 2021	%	12.30	
CPI- (MoM)	Dec, 2021	%	(0.02)	
CPI-Urban-YoY	Dec, 2021	%	12.70	
CPI-Rural-YoY	Dec, 2021	%	10.60	
PAK CPI-YoY minus US CPI-YoY	12.30%-6.80%	%	5.50	
M2 Growth				
M2 Growth-YoY	1 July 21 To 7-Jan 22	%	2.25	
Net Govt. Sector Borrowing	1 July 21 To 7-Jan 22	Rs mn	30.78	
GOVT. Borrowing for budgetary support from SBP	1 July 21 To 7-Jan 22	Rs bn	52.24	
Credit to Private Sector-YoY	1 July 21 To 7-Jan 22	Rs bn	772.83	
Govt. Foreign Commercial Banks Borrowing	5MFY-21/22	USD bn	1.52	
Policy Rate				
SBP Policy Rate	FY-21/22 YTD	%	9.75	
SBP O/N REPO & Reserve REPO Rate	Floor & Ceiling	%	8.75-10.75	
SBP PR minus USD FED Fund Rate	9.75%-0.25%	%	9.50	
1-Year KIBOR minus 1-Year LIBOR	11.33%-0.60%	%	10.73	
FX-Economic Data				
Foreign Direct Investment-FDI	1HFY-21/22	USD bn	1.06	
Home Remittance	1HFY-21/22	USD bn	15.807	
Trade Bal-S/(D)	1HFY-21/22	USD bn	(23.01)	
CAB-S/(D)	1HFY-21/22	USD bn	(9.09)	
CAB-S/(D) % of GDP	1HFY-21/22	%	(5.70)	
Government, Circular Debt & External Liabilities				
Government Domestic Debt & Liabilities	As at 31-10-2021	Rs trn	26.47	
External Debt	As at 30-9-2021	USD bn	127.023	
Central Debt	As at 31-10-2021	Rs trn	27.14	

25th JANUARY 2022
DAILY MARKET REVIEW
ECONOMIC-NEWS:

- ✓ **Pakistan raised \$1bn through SUKUK bonds:** Yesterday, Ministry of Finance confirmed to the Express Tribune, Pakistan has issued the 7yrs tenor asset-backed SUKUK bond to raise \$1bn at an interest rate of 7.95%.
- ✓ Pakistan raised a \$1bn loan through the SUKUK bond at a 7.95% interest rate--which is the highest cost that the country has agreed to pay in its history on an Islamic bond.

ECONOMIC-DATA:

- ✓ **Monetary Policy Statement January 24, 2022:** Since the last meeting on 14th December 2021, several developments suggest that these demand moderating measures are gaining traction and have improved the outlook for inflation. Recent economic growth indicators are appropriately moderating to a more sustainable pace.
- ✓ While YoY headline inflation is high and will likely remain so in the near term due to base effects and energy prices, the momentum in inflation has slowed with MoM inflation flat in December compared to a significant rise of 3% in November. Inflation expectations of businesses have also declined considerably.
- ✓ The CAD appears to have stopped growing since November and the non-oil CAB is expected to achieve a small surplus for FY22.
- ✓ The economic recovery underway over the last 18months continues, with its pace moderating from a rebased estimate of 5.6% in FY21.
- ✓ , LSM production decelerated to 3.3 percent (y/y) in July-November 2021, partly reflecting a high base-effect as well as higher input costs, while electricity generation stabilized. Similarly, there has been some easing in the momentum of imports and tax revenue growth.
- ✓ Overall, growth in FY22 is expected around the middle of the forecast range of 4% to 5%, slightly lower than previous expectations in light of moderating demand indicators and higher base effects from the upward revision in last year's growth rate.
- ✓ Through the 1HFY-22, the CAD has reached \$9bn. Based on PBS data, imports rose to \$40.6bn, up around 66% (y/y), Exports grew by nearly 25% (y/y) to reach \$15.1bn, buoyed by record-high shipments of textiles as well as strong rice exports.
- ✓ Meanwhile, remittances rose by 11.3% (y/y) to an all-time high of \$15.8bn during the 1HFY-22.
- ✓ During the 1HFY-22, FBR tax collections grew strongly by 32.5% (y/y). As a result, the fiscal deficit shrank to 1.1% of GDP during 4MFY-22, compared to 1.7% of GDP during the same period last year. The primary surplus also improved by 0.1% points to 0.4% of GDP.
- ✓ During the 1HFY-22, PSC cumulatively grew by 13.4%, largely driven by increased demand for working capital loans especially by rice, textile, petroleum and steel industries. Since the last meeting, both short and long-term secondary market yields, benchmark rates and cut-off rates in the Govt. auctions declined significantly, in line with the forward guidance provided by the MPC and the conduct of 2-month OMO by the SBP.
- ✓ After analyzing the above economic data, MPC decided to maintain the PR at 9.75%.
- ✓ **Large Scale Manufacturing Industries-LSMI:**


ECONOMIC DATA RELEASED DURING THE LAST 24-HOURS

Date	Event	Impact	Actual	Forecast	Previous
21/1/2022	LSMI for Nov 21	MEDIUM	147.23bps	141.75bps	144.48bps
21/1/2022	LSMI for 5MFY-22	MEDIUM	142.40bps	140.95bps	137.90bps
24/1/2022	SBP Monetary Policy	HIGH	9.75%	9.75%	9.75%

READY Rates-PKR-Rs				25-Jan-22	
Open	176.40	Last Day		Close-LDC	
High	176.75				
Low	176.40			176.49	
Close	176.70				
DAILY USD/PKR SWAP YIELDS-%					
PERIOD	SWAP	Change in Premiums	Swap Implied	PKR Yield	
1-Week	0.3325	(0.0054)	9.89%		
2-Week	0.6650	(0.0099)	9.89%		
1-Month	1.4350	(0.0508)	9.09%		
2-Month	2.6750	(0.0586)	9.22%		
3-Month	3.9550	(0.1803)	9.12%		
4-Month	5.3000	(0.1215)	9.12%		
5-Month	6.6750	(0.0923)	9.35%		
6-Month	7.9500	(0.2796)	9.31%		
9-Month	11.8000	(0.2762)	9.64%		
1-Year	15.6250	(0.0661)	9.54%		
MONEY Market-MM Rates-%				25-Jan-22	
Open	9.90	Last Day		Close-LDC	
High	10.00				
Low	9.25			10.10	
Close	9.40				
KIBOR AND PKRV RATES (%)			25-Jan-22		
Tenor	KIBOR-%	PKRV Rates-%			
1-M	9.84	9.97			
3-M	10.21	10.30			
6-M	11.21	11.30			
12-M	11.31	11.41			
Pakistan Investment Bonds-PIB					
Period	22-Dec-21	25-Jan-22			
	Cut Off Yields-%	Bid-%	Ask-%		
2-Yrs	-	11.05	11.00		
3-Yrs	11.5000	11.05	11.00		
5-Yrs	11.5740	11.10	11.00		
10-Yrs-Fixed	11.7640	11.60	11.50		
Floating	11.9699	102	101.75		
15-yrs*	-	12.21			
20-yrs*	-	12.38			
Market Treasury Bills-MTB					
Tenor	12-Jan-22	25-Jan-22			
	Cut Off Yields-%	Bid-%	Ask-%		
3-M	10.4498	10.15	10.12		
6-M	11.3699	10.90	10.80		
12-M	11.4900	11.10	11.05		
Note: * The secondary yields for 15 & 20-years Bonds are not available, so instead of leaving it blank, we inputted PKRV Rates.					