
Positive developments keeping the market alive

CGT issue resolution likely in upcoming days

As per market updates tomorrow there is meeting between FBR, Ministry of Finance and KSE officials. There are rumors the methodology of CGT payment and calculation would be relaxed for the investors and would augur well for market participants.

Change in monetary policy meetings

Monetary policy schedule has been changed by the SBP through press release. The meetings now be held in second week of February, April, June, Oct, and December rather it used to be held at the end of the month. As we know inflation data is available in first five working days of every month compared to second week of every month. Subsequently SBP would held the meeting in second week of every alternate month thus would consider the latest inflation data of that month. Considering the ease in inflation numbers we foresee two cuts of 50 bps in 2HFY12.

Relations with USA to improve

Reopening of NATO route on certain conditions between two countries would help revive terms with regard to financial aid.

Recommendation:

We see the KSE 100 index of 12100 in short term accompanied by result rally of 1HFY12/CY11 for banks. We recommend hold/buy on dividend yielding and low P.E. stocks - POL, PSO, PPL, LUCK, DGKC, FFC, ENGRO, FATIMA, MCB, ABL, UBL, BAHL, HBL, NML, HUBC, KAPCO, NCPL.

Ismail Iqbal Securities (Pvt.) Ltd

17, Banglore Town, Sharah e Faisal, Karachi.
Email: research@ismailiqbal.com

Equity Sales Team:

Mr. Zaheer Ahmed

Mr. Ahfaz Mustafa

Mr. Jeevan Panjwani

Mr. Sadiq

Tel: +92 (21) 34302171-77

Equity Research Team:

Mr. Yasir Yousuf

Mr. Ather Khurshid

Tel: +92 (21) 34302181-84
