

Investment Management



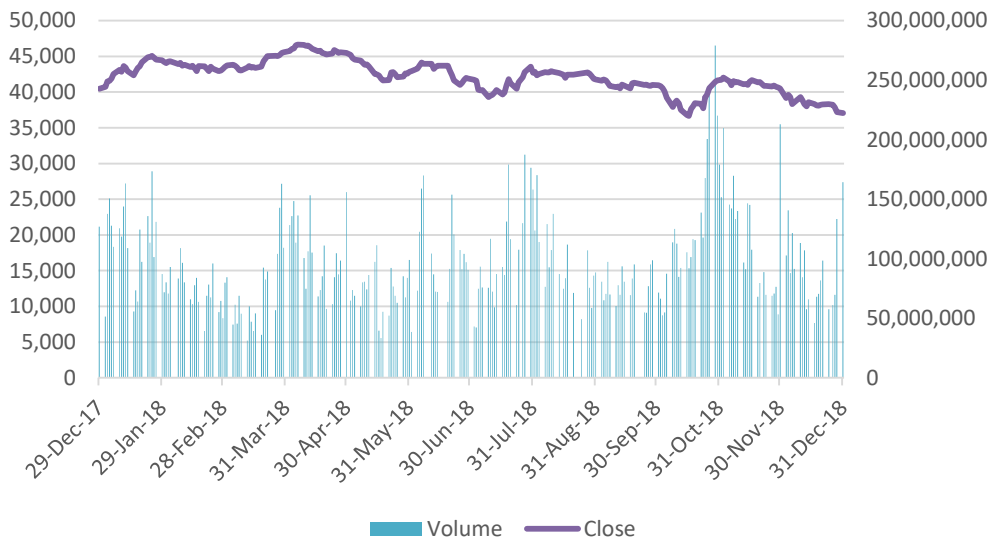
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Introduction

- ▶ Globally, “wealth management” for ultra High Net Worth Individuals and family offices are established business segments. Almost all fund managers and institutes are engaged in this business.
- ▶ Relatively new segment in Pakistan’s financial sector, comprises companies with core business activity of capital investments in equity market, money market, forex, real estate and commodities.
- ▶ Long and short term investments for capital gains and dividend income.
- ▶ Certain corporate entities and individuals with proven track record are engaged in this business.
- ▶ Different from Asset Management Companies, as main focus is to invest own funds and generate sizeable returns.
- ▶ Returns are correlated with stock market and interest rate environment.
- ▶ Emphasize on value creation through in-house research, detailed fundamental and technical analysis, and rigorous research on economic developments.

KSE-100 Performance

KSE-100 Index declined by ~8% during the year Dec'17 to Dec'18



- KSE-100 index ended CY18 on bearish note, due to deteriorating economic indicators; where increasing current account deficit and depleting foreign exchange reserves caused concern among the investors.
- persistent political noise and Government's less clarity on financing front created uncertainty which subdued investor's sentiment.
- Volumes remained low throughout the year.

	Jan'18	Feb'18	Mar'18	Apr'18	May'18	Jun'18	Jul'18	Aug'18	Sep'18	Oct'18	Nov'18	Dec'18
Average monthly Index	43,367	43,520	44,069	45,908	43,039	42,825	40,910	42,493	41,050	39,149	41,182	38,379
Average monthly volume (mln)	110	74	74	104	73	101	103	97	77	128	118	91

KSE-100 Returns

1-Year (CY18)	3-Years (CY)	5-Years (CY)
-8%	13%	47%

1HFY19	FY18	FY17	FY16	FY15
-12%	-10%	23%	8%	16%

CY18	CY17	CY16	CY15	CY14	CY13
-8%	-15%	46%	2%	26%	49%

Dec'18	Nov'18	Oct'18	Sep'18	Aug'18	Jul'18	Jun'18	May'18	Apr'18	Mar'18	Feb'18	Jan'18
-8%	-3	2%	-2%	-2%	2%	-2%	-6%	0%	5%	-2%	9%

KSE-100 Average Traded Volumes

CY18	CY17	CY16
96 million	102 million	130 million

KSE-100 Performance

Top 10 Scrips – CY18		Returns
MEBL	Meezan Bank Limited	57%
EPCL	Engro Polymer & chemicals Ltd	52%
SYS	Systems Ltd	51%
BOP	The Bank of Punjab	45%
HMB	Habib Metropolitan Bank Ltd	43%
PAKT	Pakistan Tobacco Co Ltd	38%
ABL	Allied Bank Ltd	37%
GADT	Gadoon Textile Mills Ltd	33%
MUREB	Murree Brewery Company Ltd	31%
FABL	Faysal Bank Ltd	30%
Top 10 Average		42%

Sector Wise Portfolio Investments

PARTICIPANTS	CY - 18			
	GROSS BUY	GROSS SELL	NET BUY/SELL PKR	NET BUY/SELL USD mln
INDIVIDUALS	1,560,435	1,541,547	18,888	153
COMPANIES	144,888	131,269	13,619	109
BANKS / DFI	78,027	82,939	(4,912)	(50)
NBFC	7,081	7,277	(197)	(1)
MUTUAL FUNDS	186,111	187,551	(1,440)	(12)
OTHER ORGANIZATION	43,327	36,511	6,816	57
BROKER PROPRIETARY TRADING	430,841	434,681	(3,839)	(33)
INSURANCE COMPANIES	126,499	89,132	37,367	313
LIPI NET	2,577,209	2,510,908	66,302	537
FOREIGN INDIVIDUAL	1,462	1,048	414	4
FOREIGN CORPORATES	162,388	232,175	(69,788)	(568)
OVERSEAS PAKISTANI	77,026	73,935	3,092	27
FIPI NET	240,876	307,158	(66,282)	(537)

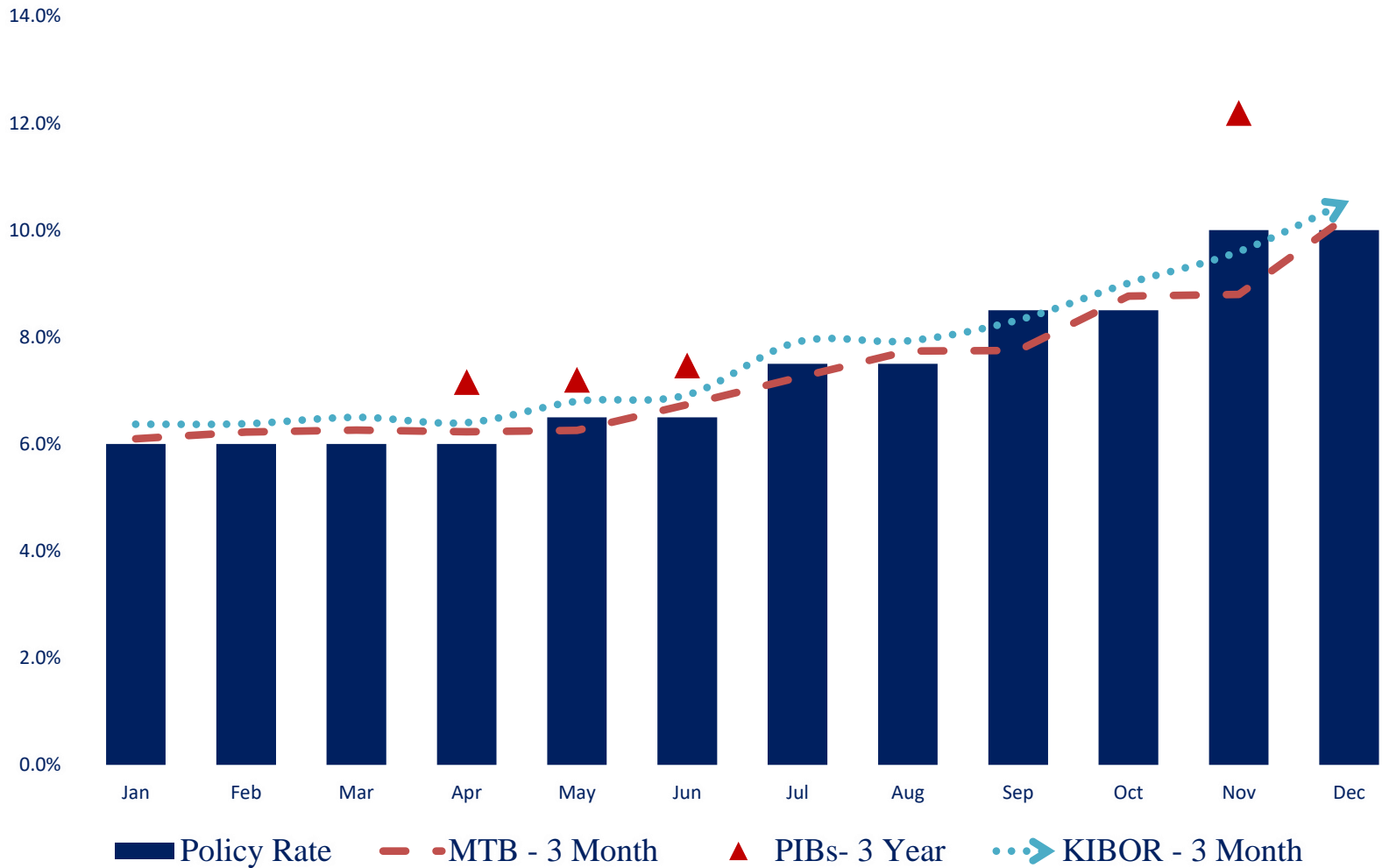
Market Treasury Bills

Auction Month	Total Realized Amount (PKR bln)	Total Outstanding Amount (PKR bln)	Weighted Average Yield (%)			Monetary Policy Rate (%)
			3-Month	6-Month	12-Month	
Jan-18	2,713	4,316	6.06	-	-	6.00
Feb-18	1,374	4,965	6.22	-	-	6.00
Mar-18	73	4,025	6.26	-	-	6.00
Apr-18	3,374	5,133	6.23	6.35	-	6.00
May-18	506	4,082	6.26	6.35	-	6.50
Jun-18	1,370	5,295	6.74	6.83	-	6.50
Jul-18	3,533	5,503	7.24	7.85	-	7.50
Aug-18	1,032	4,701	7.74	-	-	7.50
Sep-18	41	4,325	7.75	-	-	8.50
Oct-18	3,258	3,403	8.77	8.82	-	8.50
Nov-18	19	3,321	8.78	-	-	10.00
Dec-18	2,040	5,318	10.28	10.35	-	10.00

Pakistan Investment Bonds

Auction Settlement Month	Total Outstanding Amount (PKR bln)	Maturity Period	Total Realized Amount (PKR bln)	Coupon Rate (%)	Weighted Average Yield (%)
Jan-18	3,851	3 years	-	7.00	-
		5 years	-	7.75	-
Feb-18	3,851	3 years	-	7.00	-
		5 years	-	7.75	-
Mar-18	3,324	3 years	-	7.00	-
		5 years	-	7.75	-
Apr-18	3,360	3 years	7.62	7.00	7.16
		5 years	2.36	7.75	8.03
May-18	3,394	3 years	4.25	7.00	7.20
		5 years	1.88	7.75	8.03
Jun-18	3,413	3 years	2.67	7.00	7.47
		5 years	0.54	7.75	8.48
Jul-18	2,987	3 years	-	7.25	-
		5 years	-	8.00	-
Aug-18	3,076	3 years	-	7.25	-
		5 years	15.92	8.00	9.25
Sep-18	3,081	3 years	-	7.25	-
		5 years	4.67	8.00	9.25
Oct-18	3,081	3 years	-	7.25	-
		5 years	-	8.00	-
Nov-18	3,081	3 years	8.67	7.25	12.19
		5 years	2.35	8.00	12.70
Dec-18	3,104	3 years	6.69	7.25	12.19
		5 years	1.75	8.00	12.70

Money Market Review – CY18



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