

## Stocks gain 2.5pc as investors celebrate CGT concession | Forex, Pakistan

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KARACHI: The Karachi share market gained 2.5 per cent on Thursday on institutional support and the government's decision to exempt individual investors from advance filing of capital gains tax (CGT) statement. Intense buying was witnessed on the back of corporate support. The retail investors celebrated the exemption from the quarterly-filing of CGT returns, said Hasnain Asghar Ali, a dealer at Aziz Fida Husein. The KSE 100-Index gained 239.83 points, or 2.54 per cent, to close at 9676.71 points. KSE 30-Index added 245.52 points to close at 9543.11 points. Total trades increased to 83,718 compared with 68,673 in the previous session. Out of the total 412 companies traded on Thursday, 244 companies advanced, 151 declined and 17 remained unchanged. The buying momentum along with shouts of foreign buying triggered massive short covering, thus allowing the benchmark a tremendous recovery, Ali said. Ahsan Mehanti, Chief Executive Officer at Shahzad Chamdia Securities, said that strong buying sentiments were witnessed on expectation of early resolution of capital gain tax issues. Investors remained bullish as quarterly submission of advance tax statements for individuals was waived by senate committee, Mehanti said. Rise in global capital markets, renewed foreign interest in oil, banks, insurance, and telecom scrips played a catalyst role in positive activity at KSE, he said. Furqan Punjani, an analyst at Topline Securities said that due to active support by institutions the market gained 2.5 percent. With uncertainty almost over on capital gain tax, investors accumulated shares trading at low price earnings multiple. The decision to exempt individuals from advance filing of CGT dominated the market's bullish momentum. The heavy weight OGDC contributed 103 points in KSE's rally of 239 points. On the corporate front, PPFL (Pakistan Premier Fund Limited) and PSAF (Pakistan Strategic Allocation Fund) topped volumes and continued to rise on the second consecutive day on announcement of conversion into open-ended funds. There was persistent talk in the market of aggressive foreign buying in MCB and PTC that obviously delighted the market. Dealers said that despite an unfruitful meeting in Islamabad, the market celebrated exempting the retail participants from quarterly submission of CGT returns as this would reduce complications attached to the new tax. Trading activity was better as compared to the last trading session as the ready market volume stood at 138.418 million compared with 99.350 million a day earlier. Future market volume however stood at 5.200 million shares as compared to 4.897 million shares in the last trading session. Highest volumes were witnessed in LOTPTA, the scrip contributed 17.393 million in day's turnover and closed at Rs9.05 with a gain of Rs0.09 followed by JSCL that generated a volume of 10.739 million and closed at Rs13.26 with a gain of Rs1.00. PSAF at 9.228 million closed at Rs6.14 with a gain of Rs0.89.

Courtesy : The News