

Faysal Asset Management

Research Note

1st June 2012

Faysal Asset Management

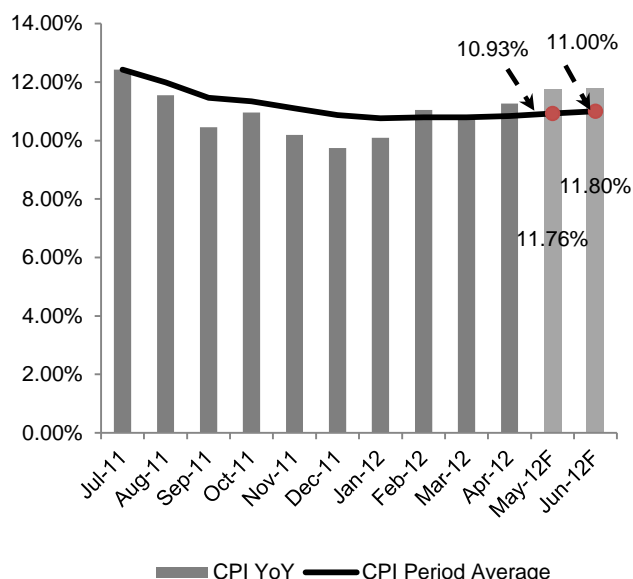
Highlights on Annual Plan Committee's meeting on Budget FY12-13

- Government has set the Growth Target at 4.3% for FY12-13 (Agriculture, Industrial and Service sector to grow by 4.1%, 3.9% and 4.9% respectively)
- Inflation: 10.5% expected in FY13 (11-12% in FY12) – 6th consecutive year of double digit inflation
- Current Account Deficit: FY13 expectations of \$5.3 bn (2.1% of GDP) from \$ 4.2 bn (1.8% of GDP) in FY12
- Exports: Exports target of \$25.9 bn (up 4.7%) from \$24.8 bn in FY12
- Imports: Imports projected at \$ 42.8 bn (up 7.3%) from \$40.2 bn in FY12
- Oil Bill: Oil bill expected at 16.9 bn up from 15.9 bn in FY12 (Govt. has worked out the average price of crude at \$115.3 vs \$114.9 in FY12)
- Remittance: \$ 14.1 bn expected in FY13 (up from \$13.2 bn)
- Government is hoping to receive \$5.3bn in fresh external loans in FY12-13
- Investment: Investments as proportion of GDP expected at 13.8% in FY13 (up from 12.5% in FY12 – Lowest in the country's history)
- Savings: 11.1% target in FY13 up from 10.7% in FY12 – Lowest in the country's history
- Development Budget: PSDP of Rs 825.2 bn (Rs 350.2 bn federal and Rs 475 bn provinces) up from Rs 730 bn in FY12 – up 13%
- External Debt: \$69 bn (up from \$66.7 bn)

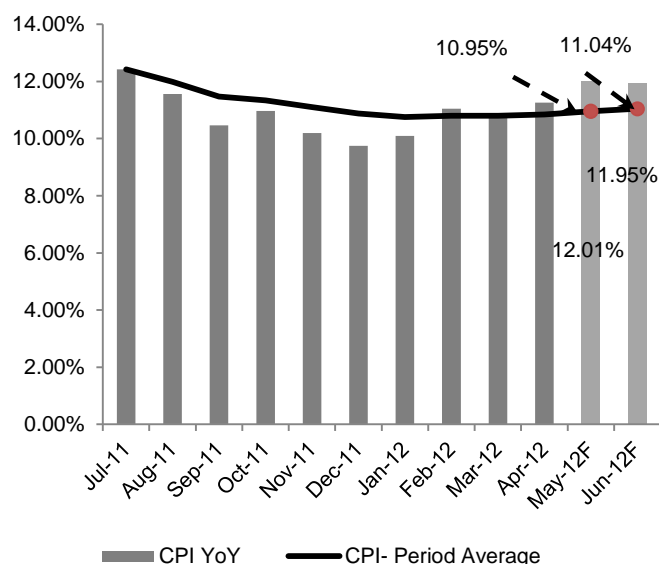
Sensitivity on CPI for May & June 2012

Considering the prices quoted in the first week of April 2012 inflation in the upcoming month to hover around 11.4% to 11.76% YoY. The sensitivity clearly indicates that government will comfortably meet the inflation target of 12% in FY12.

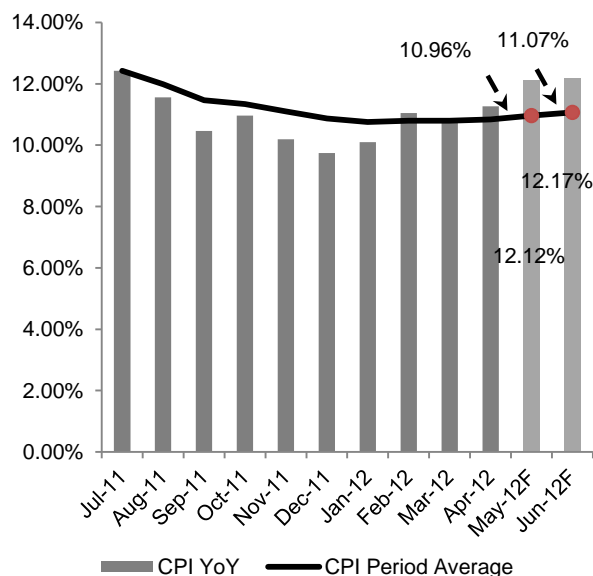
0.67% MoM Increase in May & June 2012



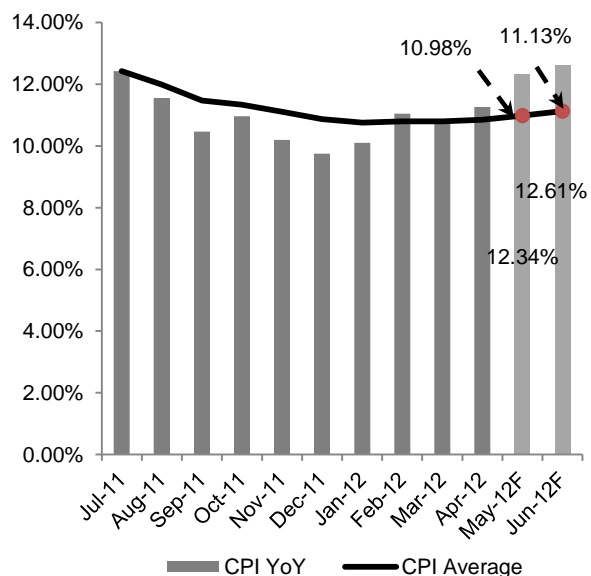
0.9% MoM Increase in May & June 2012



1% MoM Increase in May & June 2012



1.2% MoM Increase in May & June 2012



Faysal Asset Management

Months	0.67% MoM		0.9% MoM		1% MoM		1.2% MoM	
	YoY	Period Average	YoY	Period Average	YoY	Period Average	YoY	Period Average
May-12F	11.76%	10.93%	12.01%	10.95%	12.12%	10.96%	12.34%	10.98%
Jun-12F	11.80%	11.00%	11.95%	11.04%	12.17%	11.07%	12.61%	11.13%

Disclaimer: The information provided in this section are views of Faysal Asset Management Limited only and do not constitute a recommendation, solicitation or offer by Faysal Asset Management Limited or its affiliates to buy or sell any investment schemes, securities or other financial instruments or provide any investment advice or service. The information contained in this website has been prepared for investor education purposes only and may not pertain to any particular user's investment requirements or financial situation. Prior to the execution of any transaction involving information received from this website, investment advisor, attorney and tax and accounting advisors should be consulted with respect to the price, suitability, value, risk or other aspects of any stock, mutual fund, security or other investment