



LOW INVESTOR BASE IN THE CAPITAL MARKET OF PAKISTAN

TERMS OF REFERENCE (ToR) for the Research Study

Scope:

Primarily, the focus of this project is to identify long term financial needs of middle class Pakistanis and the sources through which Pakistanis are at present satisfying these needs. The research study will also highlight the actions required from Capital Market entities to address these long term financial needs of common Pakistanis.

In the light of the above, the project would also analyse the reasons behind low investor base in Capital Market and what measures can be taken to increase investor pool and create Capital Market awareness.

Objectives:

The basic objectives of this project are:

1. To gauge the perception of investors and potential investors (middle class Pakistanis) regarding Pakistan Capital Market.
2. To understand the long term financial needs of common Pakistanis (education, health, etc.) and how they are addressing these needs.
3. To identify the reasons behind preference of investors/potential investors to invest in National Savings Certificate, Savings and Term Deposits Bank Account, Gold, Real Estate, Bancassurance, investment plans of insurance companies, etc.
4. To understand investor psyche in order to deliver an effective awareness and promotional plan.

5. To identify how Pakistanis decide where to invest, who are the opinion leaders and what are the factors which influence their investment decisions.

Stakeholders:

- PSX – Pakistan Stock Exchange
- CDC – Central Depository Company of Pakistan Limited
- MUFAP - Mutual Funds Association of Pakistan
- SECP - Securities & Exchange Commission of Pakistan
- NCCPL – National Clearing Company of Pakistan Limited

Expectations from the Research Firm

1- Key Deliverables:

- Identify long term financial needs and Investment preferences of common middle class Pakistanis and Identify reasons for not investing through Capital Market.
- Comparative analysis (mainly with reference to the perception issues) of Capital market with other investment avenues such as Banks, National Savings, etc.
- Analysis of and investor feedback about the existing delivery channels in Capital Market and what are their preferences w.r.t delivery channels.

2- Research Methodology:

3- Key Team Members, Project Timelines, Compensation, List of Interviews & Resources required.

For further details, please contact:

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