



# WEEKLY MARKET INSIGHT



## Market Performance

Market trended down for healthy correction



## Technical View

Market likely to rebound testing 2060-80 support



## Fundamental Watch Ahead

Mid-term Monetary Review and Political Dev.



## Market Ahead

Likely to rebound after healthy correction level

Date: 29<sup>th</sup> Jan. to 4<sup>th</sup> Feb. 2023

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# Weekly Market Insight

Review Period: 29<sup>th</sup> Jan. – 4<sup>th</sup> Feb. 2023

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गरिमा क्यापिटल लिमिटेड  
GARIMA CAPITAL LIMITED

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## The Week in Review:

- ✓ Market traded in between 2,168.54 and 2094.54 level in the week; closing at 2,094.54 on Thursday, losing 22.12 points (1.04%) over the review period.
- ✓ Sensitive, float and Sensitive Float Index dropped by 3.58%, 4.06% and 3.43% respectively.
- ✓ Compared to last review week, average Turnover, Volumes, Transaction size and market capitalization dropped by 26.70%, 24.02%, 17.26% and 4.06% respectively.
- ✓ Among sectoral indices, Investment and Finance indices lost the most by 7.25 % and 6.95 % respectively.
- ✓ Likewise, Manufacturing & Processing, Banking and Mutual Fund indices lost by meagre 2.16%, 2.71% and 2.83% respectively.

## Market Fundamental Chart Board

Index Measure	02.02.23	26.01.23	% Change	Week Avg. value
NEPSE	2,094.54	2,183.21	-4.06%	2,123.74
Sensitive	398.37	413.15	-3.58%	402.69
Float	147.29	153.52	-4.06%	149.41
Sensitive Float	133.95	138.71	-3.43%	135.33
Turnover (Million)	2,096.42	2,860.08	-26.70%	2,601.46
Shares Volumes	5,898,903.00	7,764,153.00	-24.02%	7,117,951.60
Total Transactions	39,642.00	47,909.00	-17.26%	47,899.60
Total Scrips Traded	257.00	254.00	1.18%	260.00
Market Cap (Rs. Million)	3,022,527.69	3,150,486.55	-4.06%	3,064,693.14
Float Market Cap (Rs. Million)	1,071,367.29	1,115,543.35	-3.96%	1,086,161.50

### NEPSE Statistics

Average Return	19.17%
Std. Deviation	25.24%

Note: Data taken 01/01/20 - 02/02/23.

Assumed annual 225 trading days.

### Market Valuation

Market Cap / GDP Ratio	62.03%
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Conclusion: Undervalued

### Market Top 3

Gainers	ADLB, LGIL, BHPL
Losers	RIDI, NLBBL, SICL
Stocks Traded	API, RIDI, NGPL
Transactions	PHCL, RIDI, NIFRA
Turnover	RIDI, NICA, SJLIC
Buyer Broker	58, 45, 42
Seller Broker	58, 34, 49

Sub-Indices Measures	Weekly %		Median		
	Change	Price (Rs.)	P/E	ROE	Beta
Banking	-2.71	245.00	14.59	11.90%	0.89
Development Bank	-4.86	330.50	25.8941	6.58%	1.18
Finance	-6.95	344.90	68.429	2.73%	1.14
Microfinance	-4.96	973.55	68.12	5.36%	1.02
Life Insurance	-3.30	610.00	47.23	8.82%	1.17
Non-Life Insurance	-4.45	570.00	40.45	7.22%	1.34
Hydropower	-5.08	327.70	24.64	7.48%	0.96
Hotels	-4.36	499.00	111.83	4.35%	0.93
Mfg. & Processing	-2.16	7705.00	16.37	31.16%	1.24
Investment	-7.25	475.50	46.92	4.10%	0.895
Trading	-4.35	3,875.00			1.15
Others	-4.40	820.65	78.3202	6.37%	0.395
Mutual Fund (Close ended)	-2.83	8.42			

Weekly Median NAV: 10.545

## Key Events of the Week:

- The former Home Minister, Rabi Lamichhane reacquired Nepali citizenship officially.
- The Ministry of Finance has cut the current expenditure by 20% under various headings such as Fuel, Repair, Printing, Training and Travelling which will save around Rs. 24 Arba.
- The CEO of KSBBL, along with 3 others has been arrested in charge of issuing loans without sufficient collateral.
- Cement Production reduced by 70% amid low demand due to slow progress of development projects.
- The IPO allotment of Kalinchowk Darshan Ltd. has concluded; 89,460 applicants were allotted 10 units each out of 13,76,123 applicants.
- NRB approves for the acquisition of CBL by HBL maintaining swap ratio of 100:80.28.
- Gold breaks all time high and reached up to Rs. 1,07,500 per tola
- NRB allows banks operating in Nepal to take up foreign loans on condition to not deploying in real estate and share market.

Dividend Announcement		
Company	Bonus	Cash
MKLB	4.75%	-
ULBSL	61.75%	-
CLBSL	11.00%	-

## NEPSE Technical Chart Board



Technical Indicator	Value
RSI	49.29
MACD line	32.93
Signal line	49.39
Bollinger Upper Band	2230.27
Bollinger Middle Band	2148.44
Bollinger Lower Band	2066.61
ADX	39.15

## Technical Overview:

In the review week, market trended down after a week of sideways, respecting the MACD indication. Our immediate support was 2060-2080 level, and we expect market to rebound, avoiding any further significant fall, which will be 1980. We still believe market to show upward momentum and be on the bullish trend breaking the 2200 mark in coming periods. The 50 day SMA and 200 day SMA indicate the likely golden cross over in market providing strong bullish outlook.

## Thought of/for the Week:

The recent political twist following the Supreme Court Verdict on then Home Minister and Deputy PM Rabi Lamichhane is likely to cast doubt on the position of present Finance Minister Bishnu Poudel, if new coalition of major political parties base on different condition. Market participant are likely to be observant of such political development, resulting the recent selloff. However, for the healthy upward market, the correction to 2080 level can be taken positively. The feedback period for the upcoming mid-term monetary review ended on Magh 20. We still remain positive on certain fundamental changes such as the ceiling of Rs.12 crores margin loan, reduction of provisional weight of Risk weighted assets, easing lending rates, etc. The liquidity issue could still pop up following the relaxation in import ban.

## The Week Ahead:

- Supermai Hydropower to issue 4,15,000 units IPO shares to general public on 23<sup>rd</sup> Magh.
- HIDCL,SWBBL,ALBSL to auction promoter shares.
- AGMs: SICL(16% bonus), ULI(8.97% bonus), AHPC(8% bonus),SINDU,GMFIL(6.5% bonus), NLBBL(22% bonus), JBBL(3% bonus).
- Standard chartered Bank to issue 24,00,000 units of 10.30% debentures shares from 26<sup>th</sup> Magh.
- Asian Hydropower to issue 6,97,200 units IPO share to general public on 27<sup>th</sup> Magh.

## Fundamental and Technical Stock Screen (*Manufacturing and Processing*)

		LTP (Rs.)	Fair Price (Rs.)	% Prem./ (Disc.)	RSI	Remarks
Under	NLO	246.00	1187.95	(79.29)	99.47	Declared 25% Bonus share on F.Y 2078/79
	BNL	2,222.20	7116.97	(68.78)	98.96	Net Profit of Rs. 401.50 Mill. on Q179/80
Over	HDL	2610.00	1332.03	95.94	49.73	Net profit of Rs. 215.76 Mill. on Q12079/80
Fairly	SHIVM	509.00	494.65	2.90	37.24	Net profit of Rs. 274.76 Mill. on Q12079/80

Note: Fair Price derived is the average of Pricing as per P/E, P/B, Graham Number, and 180 days average price.

Liquidity Indicator		Investment Climate	
Total BFIs Deposit	Rs. 5,351 Bill.	Inflation (CPI) (Mid.Dec 2022)	7.38%
Total BFIs Lending	Rs. 4,816 Bill.	Import (in 1 <sup>st</sup> 6 months of current FY)	-20.68%
CD Ratio	86.54%	Export (in 1 <sup>st</sup> 6 months of current FY)	-32.01%
Wt. Avg. Interbank Rate	4.16%	BoP (Mid.Dec 2022)	Rs. 45.87 Bill.
91 Days T-Bill Rate	9.19%	Trade deficit (in 1 <sup>st</sup> 6 months of current FY)	Rs.711.86 Bill.
		Remittance (Mid.Dec 2022)	23%
		FX Reserve (Mid.Dec 2022)	+6.3%
		Govt. Rev. target meet	35.98%
		Govt. Exp. target meet	35.14%

Note: As per latest NRB data (01/02/2023)



## Global Market Outlook:

Key Stock Market Indices:		
Key Global Indices	03.02.23	Weekly change
SENSEX	60,841.88	2.54%
S&P 500	4,136.48	+1.61%
NASDAQ	12,006.96	+3.30%
SHANGHAI	3,263.41	-0.04%
NIKKEI	27,382.56	+0.46%
US Dollar Index Future	101.735	1.00%
Crude Oil	79.38	-7.74%
Gold	1877.70	-2.60%
US 10 Year Bond Yield	3.519%	0.012%

## Major Global News and Events Ahead:

1. Indian billionaire Gautam Adani loses more than \$51 billion in a week due to the report published by Hindenburg.
2. Elon Musk's company SpaceX has planned to extend Starlink Internet service in Nepal as well by 2023.
3. Apple becomes world's largest smartphone manufacture with 72.3 Million iPhone shipping in fourth quarter of 2022.
4. Indian Budget for 2023/24 provisioned to increase grant to Nepal by 29.41% to NPR. 8.8 billion.



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