



WEEKLY MARKET INSIGHT



Market Performance

Market rose by 115 points in the week



Technical View

Strengthening up momentum



Fundamental Watch Ahead

Political, Interest rate, AGM's etc.



Market Ahead

Expect to Close High with Correction

Date: 1st Jan. to 7th Jan. 2023

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Weekly Market Insight

Review Period: 1st Jan. – 7th Jan. 2023

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गरिमा क्यापिटल लिमिटेड
GARIMA CAPITAL LIMITED

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The Week in Review:

- ✓ Market traded in between 2,028.32 and 2,160.73 level in the week; closing at 2,143.93 on Thursday, rising by massive 114.91 points, gaining 5.66 % over the review period.
- ✓ Sensitive, Float, and Sensitive Float Index all rose by 5.09%, 5.78%, and 6.42% respectively.
- ✓ Compared to last review week, average Turnover, Volumes, and Transaction size gained massively by 39.18%, 23.39%, and 26.03% respectively. On average Market Cap increased by 5.63% in the week.
- ✓ All Sub-indices made notable gain, mainly Trading, Hotels and Tourism, Microfinance category made the most.
- ✓ Stocks like HDHPC, RIDI, GHIL remained the hot stocks in the week.

Market Fundamental Chart Board

Index Measure	05.01.23	29.12.22	% Change	Week Avg. value
NEPSE	2,143.93	2029.03	5.66	2088.25
Sensitive	411.23	391.30	5.09	400.72
Float	150.44	142.22	5.78	146.60
Sensitive Float	137.80	129.49	6.42	133.61
Turnover (Million)	5,040.74	2,833.07	77.92	3,769.00
Shares Volumes	12,581,982.00	7,262,239.00	73.25	8,928,361.60
Total Transactions	71,816.00	45,393.00	58.21	58,267.00
Total Scrips Traded	259	257	0.78	257.60
Market Cap (Rs. Million)	3,101,450.11	2,934,488.51	5.69	3,020,372.35
Float Market Cap (Rs. Million)	1,096,023.00	1,260,721.61	(13.06)	1,100,814.95

NEPSE Statistics

Average Return	20.41%
Std. Deviation	25.41%

Note: Data taken 01/01/20 - 05/01/23.
Assumed annual 225 trading days.

Market Valuation

Market Cap / GDP Ratio	63.93%
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Conclusion: Undervalued

Market Top 3

Gainers	KLBS, DLBS, SHLB
Losers	HBL, BNT, NIBPO
Stocks Traded	HDHPC, API, UPCL
Transactions	HDL, NABIL, PHCL
Turnover	HDL, NABIL, NTC
Buyer Broker	58, 49, 34
Seller Broker	58,49,45

Sub-Indices Measures	Weekly %	Price (Rs.)	Median		
	Change		P/E	ROE	Beta
Banking	2.19	236.10	13.45	12.49%	0.85
Development Bank	5.72	336.15	30.72	5.23%	1.18
Finance	6.68	370	99.35	2.05%	1.13
Microfinance	11.55	1089.50	55.85	5.40%	1.01
Life Insurance	5.09	621.00	42.41	8.64%	1.02
Non-Life Insurance	9.99	580.00	41.07	11.93%	1.16
Hydropower	7.61	295.10	22.34	4.77%	1.35
Hotels	14.15	507.55	114.07	4.35%	0.96
Mfg. & Processing	7.76	8284.95	17.60	32.49%	0.93
Investment	9.77	475.50	39.69	4.18%	1.26
Trading	20.06	4175.00	-	-	-
Others	0.86	858.00	80.83	6.58%	1.34
Mutual Fund (Close ended)	2.26	8.40	Weekly Median NAV: 10.09		

Key Events of the Week:

- 25,00,000 IPO units of Barahi Hydropower Ltd. (BHPL) listed in NEPSE; LTP: Rs. 235
- NRB issued and renewed approx. 20.25 Bill. worth of Treasury Bill tenure from 28 days to 1 year on 18th Poush.
- SLBBL and SMATA signs MOU for Merger.
- NRB revises and relaxes Working Capital Loan Guidelines; borrowings issued prior to 1st kartik 2079, shall be paid semi-annually until the end of Ahad, 2082.
- Finance Minister Bishnu Prasad Paudel pledges to balance Fiscal Policy and Monetary Policy.
- HURJA postpones its AGM called on 29th Poush by citing “special reasons”.
- SEBON approved ‘Prabhu Smart Fund’, a close-ended MF of Rs.80 crore size; Fund Manager - Prabhu Capital Ltd.
- EBL converted its remaining 400,000 units Preference Shares to Equity; shares listed in NEPSE.

Dividend Announced during the week

Company	Bonus	Cash
NUBL	19%	-
PICL	6.5%	-
NIBPO	4%	7%
API	7.5%	-
IGI	6.00%	-

LICN proposes to issue 88.45168% Rights.

NEPSE Technical Chart Board



Technical Indicator

Value

RSI	79.29
MACD line	49.75
Signal line	25.53
Bollinger Upper Band	2134.94
Bollinger Middle Band	1952.80
Bollinger Lower Band	1834.82
ADX	32.91

Technical Overview:

Both RSI and Bollinger band shows overbought position, while ADX indicate strong bullish sentiment. MACD and EMA 9 & EMA 20 shows the upward momentum as well. Market didn't show any correction as was expected in the week. While wait for correction remains, we expect the fundamental news in the coming week will eventually pull the market higher up. One positive facet to the recent upward trend is the growing volumes. Our anticipated near-term resistance are 2220 and our support are 2070 and 2020.

Thought of/for the Week:

Market didn't witness any correction in the week except the meagre 3 points fall on Wednesday. The bullish sentiment grew further, evidenced by monumental rise of volumes, turnover and transaction size over the week. Along with the formation of new government and appointment of Finance Minister, market participants remain hopeful of market friendly policies and news ahead. While we expect the correction in the week ahead, we have the fundamental factors like vote of confidence for new government, AGM's of companies, SLF and liquidity issues, etc. which will potentially pull the market further up in the week (*given that the vote of confidence favour the newly formed govt.*).

The Week Ahead:

- PM Pushpa Kamal Dahal to take *Vote of Confidence* from parliament on Poush 26.
- AGMs: PLIC, NMB, SHINE, SBI, TJVCL, LBBL, HDL, BNT, BNL, UIC, MDB, SBL, RADHI, CBL, HBL, NTC, PCBL, LBL, SHL, SHIVM, HPPL, NABIL, HURJA, NBL, NICA, ICFC, MBL, MLBL, RSDC, PIC, SIL, MFIL, CFCL, SIFC, FMDDBL, BPCL, FOWAD, CYCL, MNBBL, AIL, PFL, MPFL, MMFDB, GLBSL, SDLBSL.
- 7.5% EBL Urja Rinpatra, 2089 of 2,000,000 units to be issued from 25th Poush to 28th Poush, 2079.
- GBIME and BOKL to jointly operate as Global IME Bank Ltd. (GBIME) from Poush 25.
- CCBL and PRVU will commence their joint operation as Prabhu Bank Ltd. (PRVU) from Poush 26.
- Joint transaction of NIB and MEGA in name of "Nepal Investment Mega Bank Ltd." from Poush 27.

Fundamental and Technical Stock Screen (*Finance Sector*)

Pricing	Ticker	LTP (Rs.)	Fair Price (Rs.)	% Prem./ (Disc.)	RSI	Remarks
Under	MFIL	478	817.58	(41.53)	72.01	AGM on 29 th Poush; No div. for FY 78/79
	GFCL	515	692	(25.52)	72.15	Rs. 38.42 Mill. Profit for Q12079/80
	PROFL	346.10	449	(22.98)	74.26	Rs. 33.31 Mill. Profit for Q12079/80
Over	MPFL	349	179	95.16	67.30	AGM on 30 th Poush, No div. for FY 78/79
	JFL	442.60	250	76.96	67.62	Net profit declined by 91.37% in Q12079/80
	GMFIL	368.50	225	63.74	69.15	6.5% div. for FY 2078/79
Fairly	NFS	314	307	2.42%	75.79	Re-auction of promoter share closes on Magh 4,2079
	RLFL	358.50	346	3.73%	71.01	Net loss of Rs. 42.53 Mill. in 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

Total BFIs Deposit	Rs. 5,302 bill
Total BFIs Lending	Rs. 4,767 bill
CD Ratio	86.66%
Wt. Avg. Interbank Rate	6.83%
91 Days T-Bill Rate	11.42%

Note: As per latest NRB data (04/01/2023)

Investment Climate

Inflation (CPI) (Mid.Nov 2022)	8.08%
Import (in 1 st 5 months of current FY)	-20.71%
Export (in 1 st 5 months of current FY)	-34.61%
BoP (Mid.Nov 2022)	Rs. 20.03 bill
Trade deficit (in 1 st 5 months of current FY)	Rs.597 bill
Remittance (Mid.Nov 2022)	+ 20.4%
FX Reserve (Mid.Nov 2022)	+ 1%
Govt. Rev. Target	Upto 26.12%
Govt. Exp. Target	Upto 29.37%

Global Market Outlook:

Key Stock Market Indices:		
Key Global Indices	06.01.23	Weekly change
SENSEX	59,900.37	-1.55%
S&P 500	3,895.08	+1.45%
NASDAQ	10,569.29	+0.98%
SHANGHAI	3,157.64	+2.21%
NIKKEI	25,973.85	-0.46%

Major Global News and Events Ahead:

1. Global gold prices incline due to bullish purchases from central bank and rising fear of recession. (Investing, 2023)
2. Tesla, EV maker announced lower than expected vehicle delivery numbers for December. (Investing, 2023)
3. India's services Purchasing Managers Index (PMI) rose to 58.5 in December from 56.4 in the previous month (Investing, 2023)
4. China experienced shrink in purchasing managers' index to 49 in December from 49.4 in November (Investing, 2023).
5. India's CPI (DEC), USA's CPI (DEC) announcement on Jan 12.



अब IPO मा १०% आरक्षण

नेपाल धितोपत्र बोर्डद्वारा
वैदेशिक रोजगारीमा
जानुमएका नेपाली दाजुभाई
तथा दिदिबहिनीहरुलाई
आइपीओमा १०% आरक्षण
सुरक्षित गरिएको छ ।

यस सम्बन्धी थप जानकारीको लागि तल दिइएको
HELPDESK नम्बरमा VIBER/ WHATSAPP/BOTIM
मार्फत सम्पर्क गर्न सक्नुहुनेछ ।

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