



नेपाल फिनिक्स सेक्युरिटीज प्राइवेट लिमिटेडको एकमात्र ब्रोकर एन्ड इन्भेस्टमेन्ट फर्म हो

**गरिमा क्यापिटल लिमिटेड**  
**GARIMA CAPITAL LIMITED**

(A Subsidiary of GARIMA BIKAS BANK LIMITED)

समृद्धिको सारथी

# WEEKLY MARKET INSIGHT



## Market Performance

Market rose by mere 4.40 points in the week



## Technical View

Market still testing the 2200 level



## Fundamental Watch Ahead

Mid-term Monetary Review



## Market Ahead

Likely break 2200 level

Date: 22<sup>nd</sup> Jan. to 28<sup>th</sup> Jan. 2023

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## The Week in Review:

- ✓ Market traded in between 2,139.89 and 2203.13 level in the week; closing at 2,183.21 on Thursday, losing mere 4.40 points (0.20%) over the review period.
- ✓ Sensitive, and Sensitive Float Index dropped by 0.46%, 0.54% respectively while float index rose by 0.14%
- ✓ Compared to last review week, average Turnover, Volumes, Transaction size and market capitalization dropped by 26.61%, 26.95%, 19.55% and 0.29% respectively.
- ✓ Non-life insurance, Life insurance, Hotel and Tourism, and Hydropower sector gained the most while Development Bank, Investment sector lost more by the end of the week.

## Market Fundamental Chart Board

Index Measure	26.01.23	19.01.23	% Change	Week Avg. value
NEPSE	2,183.21	2,178.81	0.20	2,176.30
Sensitive	413.15	415.06	-0.46	413.99
Float	153.52	153.31	0.14	153.04
Sensitive Float	138.71	139.47	-0.54	138.99
Turnover (Million)	2,860.08	3,044.53	-6.06	3,298.46
Shares Volumes	7,764,153.00	8,247,646.00	-5.86	9,089,196.50
Total Transactions	47,909,00	58,656.00	-18.33	54,985.00
Total Scrips Traded	254.00	246.00	3.25	255.00
Market Cap (Rs. Million)	3,150,486.55	3,145,635.21	0.15	3,141,253.01
Float Market Cap (Rs. Million)	1,115,543.35	1,114,425.64	0.10	1,112,456.14

### NEPSE Statistics

Average Return	20.69%
Std. Deviation	25.29%

Note: Data taken 01/01/20 - 26/01/23.

Assumed annual 225 trading days.

### Market Valuation

Market Cap / GDP Ratio	64.94%
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Conclusion: Undervalued

### Market Top 3

Gainers	ADLB, SGIC, SJLIC
Losers	SAPDBL, KSBBL, MLBBL
Stocks Traded	KBL, API, HDHPC
Transactions	PHPL, KBL, API
Turnover	KBL, RIDI, NICA
Buyer Broker	58, 42, 49
Seller Broker	58, 42, 45

Sub-Indices Measures	Weekly % Change	Price (Rs.)	Median		
			P/E	ROE	Beta
Banking	-0.04	259.00	15.27	11.90%	0.89
Development Bank	-2.04	349.15	27.1852	6.58%	1.18
Finance	2.05	363.90	73.4139	2.73%	1.14
Microfinance	0.12	1049.50	74.91	5.36%	1.02
Life Insurance	2.91	653.00	50.46	8.82%	1.03
Non-Life Insurance	4.00	599.00	41.02	7.22%	1.17
Hydropower	0.79	351.00	24.60	7.48%	1.31
Hotels	2.28	518.00	115.73	4.35%	0.96
Mfg. & Processing	-1.00	7887.50	16.80	31.16%	0.93
Investment	-2.01	475.50	50.19	4.10%	1.24
Trading	1.08	4090.55	-	-	0.895
Others	-0.85	860.00	82.7064	6.37%	1.15
Mutual Fund (Close ended)	-0.67	8.92	Weekly Median NAV: 10.47		

## Key Events of the Week:

- Court scraps Parliament and cabinet membership position of Rabi Lamichhane citing he did not obtain Nepali citizenship after renouncing his American citizenship.
- BFIs publish Q2 financial report of F.Y 2079/80; Rising NPL and declining profitability a major concern.
- Finance ministry issue introductions to encourage capital expenditure and minimize recurring expenses.
- Everest bank closed the issue of “7.5% Everest Bank limited Uria Rinpatra 2089” from January 23<sup>rd</sup>, 2023.
- 4.54 crore shares of Suryajyoti life insurance listed in NEPSE after merger.
- Public issue of “Sunrise focused equity fund” opened from January 24<sup>th</sup>, 2023.
- ICRA Nepal places CZBIL’s rating on *watch with negative implications*.
- NRB issues reverse repo Rs.5 billion on 26<sup>th</sup> 2023.

## Dividend Announcement

Company	Bonus	Cash
SABSL	18%	-
SMFBS	20%	-
NMFBS	38.5%	-
KMCDB	19%	-
TRH	8.42%	-

## NEPSE Technical Chart Board



Technical Indicator	Value
RSI	69.22
MACD line	62.27
Signal line	62.63
Bollinger Upper Band	2281.73
Bollinger Middle Band	2115.28
Bollinger Lower Band	1948.82
ADX	46.40

## Technical Overview:

In the review week, market remained consolidated at 2140 to 2200 level, testing the 2200 level thrice. Despite no notable correction, market is slowly tilting towards middle Bollinger band with lowering RSI. MACD line looks to potentially cross the Signal line from above, giving the downward outlook. However, the recent fall is not much supported by the volume, signalling no huge correction anytime soon, and ADX still points the presence of bullish sentiment. Our anticipated near-term resistance of 2230 and 2320 and support of 2130 and 2060 still holds in the coming week too.

## Thought of/for the Week:

Sideway market was observed in the review week, giving the indecisive outlook. Despite the expectation and wait for a healthy correction since over the week, market is neither finding a downward nor upward momentum, showing the equal presence of both buyers and sellers. The upcoming mid-term review of Monetary Policy will be the major fundamental factor for giving the direction to the market. Market participants should be cautious and not to fall in trap over any sort of speculations that will be circulated regarding the mid-term review. The lift of import ban, no import margin requirement provision, and NRB issue of Reverse repo could likely affect the current market liquidity.

## The Week Ahead:

- AGMs: NIL (15% Bonus), ULI (8.97% Bonus), NLBBL (22% Bonus), SICL (16%), RIDI (40% Bonus), AHPC (8%), GMFIL (6.5%).
- Shuvam Power Ltd to issue 4,81,882 units IPO shares to General Public from 18th Magh.
- Makar Jitumaya Suri Hydropower to issue IPO shares: 7,60,000 units for the project-affected locals and 1,52,000 units for Nepalese Employed Abroad from 15th Magh.
- Atmanirbhar Laghubitta Bittiya Sanstha Ltd to issue 20,388 units IPO shares to Nepalese Employed abroad from 16th Magh.

## Fundamental and Technical Stock Screen (*Hotel and Tourism, Others*)

Pricing	Ticker	LTP (Rs.)	Fair Price (Rs.)	% Prem./ (Disc.)	RSI	Remarks
Under	SHINE	359.00	452.35	(20.64)	76.15	NPL increased from 0.98% to 1.31% on 2 <sup>nd</sup> qtr, 79/80
	MNBBL	416.70	459.39	(9.29)	59.73	NPL increased from 0.26% to 0.98% on 2 <sup>nd</sup> qtr, 79/80
	GBBL	373.00	452.51	(17.57)	55.93	NPL increased from 0.96% to 1.89% on 2 <sup>nd</sup> qtr, 79/80
Over	NABBC	464.50	283.00	64.14	70.24	Net loss of Rs. 16.62 Mill. on 2 <sup>nd</sup> qtr, 79/80
	SINDU	302.00	198.38	52.24	58.09	Net loss of Rs. 18.71 Mill. on 2 <sup>nd</sup> qtr, 79/80
	KRBL	307.80	232.26	32.52	63.41	Net profit of Rs. 16.37 Mill. on 2 <sup>nd</sup> qtr, 79/80
Fairly	EDBL	354.00	337.64	4.85	56.79	Net profit of Rs. 23.26 Mill. on 2 <sup>nd</sup> qtr, 79/80
	MLBL	354.00	369.39	(4.17)	57.12	Net profit of Rs. 316 Mill. on 2 <sup>nd</sup> qtr, 79/80
	JBBL	310.00	302.48	2.49	53.95	Net profit of Rs. 34.75 Mill. on 2 <sup>nd</sup> qtr, 79/80

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. 5,345 Bill.
Total BFIs Lending	Rs. 4,817 Bill.
CD Ratio	86.77%
Wt. Avg. Interbank Rate	4.73%
91 Days T-Bill Rate	10.59%

Note: As per latest NRB data (25/01/2023)

### Investment Climate

Inflation (CPI) (Mid.Dec 2023)	7.38%
Import (in 1 <sup>st</sup> 6 months of current FY)	-20.68%
Export (in 1 <sup>st</sup> 6 months of current FY)	-32.01%
BoP (Mid.Dec 2023)	Rs. 45.87 Bill.
Trade deficit (in 1 <sup>st</sup> 6 months of current FY)	Rs.711.86 Bill.
Remittance (Mid.Dec 2023)	23%
FX Reserve (Mid.Dec 2023)	+6.3%
Govt. Rev. target meet	33.42%
Govt. Exp. target meet	34.62%

## Global Market Outlook:

Key Stock Market Indices:		
Key Global Indices	27.01.23	Weekly change
SENSEX	59,330.90	-2.13%
S&P 500	4,070.56	+2.47%
NASDAQ	11,621.71	+4.32%
SHANGHAI	3,264.81	-
NIKKEI	27,382.56	+3.12%
US Dollar Index Future	101.735	-0.01%
Crude Oil	79.38	-3.15%
Gold	1928.00	0.02%
US 10 Year Bond Yield	3.507%	0.72%

## Major Global News and Events Ahead:

1. India: Union Budget 2023-24 to be presented on February 1, 2023.
2. Hindenburg Research alleges fraud at Adani Group; MSCI seeks clarification on Group
3. China halts trade through Rasuwagadhi -Kerung citing celebrations of Chinese New Year
4. India to announce Interest Rate decision on February 7, 2023.
5. 1<sup>st</sup> February, 2023: US Initial Jobless Claims, Crude Oil Inventories.



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