



नेपाल फिनिशियल सेक्टोरबाट प्रबन्धित बैंकको एउटा ब्राण्ड एन्ड अफिलियट ब्रान्ड हो

गरिमा क्यापिटल लिमिटेड
GARIMA CAPITAL LIMITED

(A Subsidiary of GARIMA BIKAS BANK LIMITED)

समृद्धिको साथी

WEEKLY MARKET INSIGHT



Market Performance

Market rose by 88 points in the week



Technical View

Market hovering in between 2080 to 2200



Fundamental Watch Ahead

Mid-term Monetary Review, NRB 6 month CME Report



Market Ahead

Likely test 2080 level again

Date: 5th Feb. to 11th Feb. 2023

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The Week in Review:

- ✓ Market traded in between 2,213.89 and 2,087.20 level in the week; closing at 2,182.64 on Thursday, gaining 88.10 points (4.21%) over the review period.
- ✓ Sensitive, float and Sensitive Float Index rose by 4.28%, 4.24% and 4.64% respectively.
- ✓ Compared to last review week, average Turnover, Volumes and Transaction size dropped by 1.64%, 4.25% and 10.57% respectively while market capitalization rose by 4.21%.
- ✓ Among sectoral indices, investment, finance and development bank gained the most by 7.97%, 7.17 % and 6.29 % respectively.

Market Fundamental Chart Board

Index Measure	09.02.23	02.02.2023	% Change	Week Avg. value
NEPSE	2,182.64	2,094.54	4.21%	2,145.40
Sensitive	415.42	398.37	4.28%	409.34
Float	153.54	147.29	4.24%	150.94
Sensitive Float	140.16	133.95	4.64%	138.00
Turnover (Million)	2,062.06	2,096.42	-1.64%	2,504.44
Shares Volumes	5,648,212.00	5,898,903.00	-4.25%	6,922,647.00
Total Transactions	35,450.00	39,642.00	-10.57%	44,002.40
Total Scrips Traded	257.00	257.00	0.00%	258.20
Market Cap (Rs. Million)	3,149,654.74	3,022,527.69	4.21%	3,095,910.67
Float Market Cap (Rs. Million)	1,119,107.78	1,071,367.29	4.46%	1,098,405.13

NEPSE Statistics

Average Return	20.38%
Std. Deviation	25.23%

Note: Data taken 01/01/20 - 09/02/23.

Assumed annual 225 trading days.

Market Valuation

Market Cap / GDP Ratio	64.92%
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Conclusion: Undervalued

Market Top 3

Gainers	JOSHI, RADHI, NYADI
Losers	MLBBL, WNLB, PFL
Stocks Traded	API, NGPL, HIDCL
Transactions	PHCL, API, NABIL
Turnover	NICA, API, NGPL
Buyer Broker	58, 45, 49
Seller Broker	58, 45, 49

Sub-Indices Measures	Weekly % Change	Price (Rs.)	Median		
			P/E	ROE	Beta
Banking	3.14	258.00	15.20	11.90%	0.89
Development Bank	6.29	353.50	27.4258	6.58%	1.18
Finance	7.17	362.00	72.9607	2.73%	1.15
Microfinance	2.99	1011.00	64.58	5.69%	1.02
Life Insurance	3.33	640.00	46.75	9.85%	1.03
Non-Life Insurance	4.17	621.95	40.71	7.57%	1.17
Hydropower	5.78	339.00	25.09	6.39%	1.33
Hotels	2.88	512.40	114.84	4.35%	0.96
Mfg. & Processing	5.33	8025.00	17.51	31.16%	0.93
Investment	7.97	475.50	49.32	4.10%	1.25
Trading	3.68	4,054.00			0.9
Others	3.77	855.50	83.2266	6.37%	1.15
Mutual Fund (Close ended)	1.25	8.56	Weekly Median NAV: 10.335		

Key Events of the Week:

1. NRB released the Mid-term review of Monetary Policy 2079/80 on Friday, 27th Magh; amid the speculation of certain fundamental changes to boost the stock market, the Review remained silent for now.
2. Meeting of Nepal's Bankers Association made no change to Commercial Bank interest rate on fixed deposit (11%) for the month of Falgun while the meeting of Development Bankers Association reduced the interest rate by 0.25% to 11.75% for the month of Falgun.
3. NRB amended Unified Directive 2022 for class A, B, and C BFI's: removal of the provision that allowed BFI's to reduce the installment amount for borrowers whose financial condition and cash flow have been negatively impacted by the pandemic.
4. NRB unveiled the 'Current Macroeconomic and Financial Situation of Nepal (based on six months' data of 2079/80); presents improving economic health of economy.
5. NRB took actions against 10 commercial banks for violating different banking rules; 4 have been fined Rs. 50 lakhs for various violations and other banks have been penalized for violating asset management rules.

Dividend Announcement

Company	Bonus	Cash
SAMATA	15%	3%
ALBSL	20%	1.05%
VLBS	20%	1.05%
SADBL	8.534%	0.449%

NEPSE Technical Chart Board



Technical Indicator	Value
RSI	66.44
MACD line	28.53
Signal line	34.14
Bollinger Upper Band	2226.08
Bollinger Middle Band	2156.83
Bollinger Lower Band	2087.57
ADX	35.55

Technical Overview:

Market is well respecting the technical support and resistance level of 2080 to 2200 respectively. In the review week too market rebounded from the support zone and again failed to stay above the resistance. The potential golden cross over as depicted by the 50 day SMA and 200 day SMA signals the strong bullish momentum. Shortly market may be pushed down to the RSI level of 47-50. Our support and resistance for the coming week will be again 2080 to 2200.

Thought of/for the Week:

The surprise 77 point rise of Index on Tuesday brought some excitement before it shortly faded on the next trading day. Market participants remained observant to the Banker's Association meetings, NRB CME reports, and most importantly the Mid-term review of Monetary Policy. Despite the review failed to give any ingredient to boost the market immediately, the improving economic checklists do yield optimistic outlook of the market. The falling interbank rate, treasury rate, deposit interest rates, overnight liquidity rate (7%), etc. are positive factors potentially pushing down the interest rate (lending) in coming quarters, and likely soaring the market. Still the liquidity issue is among the major concerns given the rise of lending compared to deposits lately and CD ratio tight at 86%. In the coming week, market could react negatively over the indecisiveness of Mid-term review, but we remain optimistic of market to gradually find the upward momentum.

The Week Ahead:

- 1) Global IME Bank to issue 50,00,000 units " 11.25% Global IME Bank Limited Debenture 2084/85 " from 29th Magh.
- 2) Molung Hydropower Company Ltd. to issue 22,64,655 units IPO shares to the General Public from 4th Falgun.
- 3) BFC to auction 58,429 units ordinary shares and 5,56,674 units promoter shares from 1st Falgun.
- 4) AGMs: RIDI (40% bonus), TRH (8.42% cash), BNHC.

Fundamental and Technical Stock Screen (*Life Insurance*)

	Pricing	Ticker	LTP (Rs.)	Fair Price (Rs.)	% Prem./ (Disc.)	RSI	Remarks
Under		PLI	539	592.83	(9.08)	68.28	Q2 reported net profit of Rs.12.8 crores.
		RLI	440	521.62	(15.65)	55.87	M&A with SLI at 1:1; Q2 reported Rs.11.6 crores net profit.
Over		NLIC	744.90	486.43	53.14	56.31	Q2 reported Rs.44 crores net profit
		ALICL	707.60	620.49	14.04	61.82	-

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

Liquidity Indicator		NRB - 6 Month CME (2079/80)	
Total BFIs Deposit	Rs. 5,355 Bill.	Inflation (CPI)	7.26%
Total BFIs Lending	Rs. 4,824 Bill.	Import	- 20.7%
CD Ratio	86.63%	Export	- 32.0%
Wt. Avg. Interbank Rate	4.35%	Trade Deficit	- 19.20%
91 Days T-Bill Rate	9.63%	BoP – Surplus	Rs. 97.10 billion
		Remittance	+ 24.3%
		FX Reserve (suffice 9.1 mnths merchandise & service import)	\$10.3 billion
		Deposit	+ 4.2%
		Private Sector Credit	+ 3%
		Govt. Revenue Collection (as on 27/10/79)	36.36%
		Govt. Expenditure (as on 27/10/79)	36.59%

Note: As per latest NRB data (08/02/2023)

Global Market Outlook:

Key Stock Market Indices:		
Key Global Indices	10.02.23	Weekly change
SENSEX	60,682.70	-0.26%
S&P 500	4,090.46	-1.11%
NASDAQ	11,718.12	-2.41%
SHANGHAI	3,260.67	-0.08%
NIKKEI	27,670.98	+0.59%
US Dollar Index Future	103.470	+1.71%
Crude Oil	79.38	+0.48%
Gold	1,876.50	-0.06%
US 10 Year Bond Yield	3.743%	6.37%

Major Global News and Events Ahead:

- 1) Gautam Adani, the billionaire Indian businessman, has hired a law firm known for defending against activist short sellers, in response to claims made by Hindenburg Research.
- 2) UK economy shows no growth in Q4 2022, avoiding recession but facing tough prospects in 2023 due to high inflation. December GDP saw a 0.5% contraction, larger than expected.
- 3) Google Parent Alphabet lost USD 100 billion market value after the new chatbot shared inaccurate information in a promotional video.
- 4) German industrial production drops 3.1% in December, worse than expected, as energy-intensive sectors see a 6.1% decline; ING Global Macro Head says energy crisis is severely hurting industry.



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