



नेपाल फिनिशियल सेक्टोर्माट मर्केट सेक्टरको एकमात्र सब्सिडियरी कम्पनी

गरिमा क्यापिटल लिमिटेड
GARIMA CAPITAL LIMITED

(A Subsidiary of GARIMA BIKAS BANK LIMITED)

समृद्धिको साथै

WEEKLY MARKET INSIGHT



Market Performance

Continuance of down trend.



Technical View

Bearish momentum indicator supported by Moving Averages.



Fundamental Watch Ahead

New Finance Minister view towards market.



Market Ahead

Consolidated market trading between 1800 to 2000 levels.

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Kamalpokhari, Kathmandu, Nepal

Date: 26th March to 30th March 2023

Weekly Market Insight

Review Period: 26th March. – 30th March 2023

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The Week in Review:

- ✓ NSE index closed at 1,908.55 level on Thursday, losing 6.59 points (0.34%) over the review period.
- ✓ Sensitive, float and Sensitive Float Index lost by 0.42%, 0.50% and 0.68% respectively.
- ✓ Compared to last review week, average Turnover, Volume and Market capitalization dropped by 8.80%, 15.67% and 0.97% respectively while Transaction size rose by 4.42%.
- ✓ Banking, Microfinance and Mutual fund indices lost by 1.26%, 1.68% and 1.54% respectively.
- ✓ Hotel & Tourism gained the most by 3.47%, likewise Hydropower and Non-life Insurance gained mere 0.16% and 0.40% respectively.

Market Fundamental Chart Board

Index Measure	30.03.23	23.03.23	% Change	Week Avg. value
NEPSE	1,908.55	1,915.14	-0.34%	1,908.14
Sensitive	359.48	361.01	-0.42%	359.04
Float	133.51	134.18	-0.50%	133.55
Sensitive Float	119.52	120.34	-0.68%	119.44
Turnover (Million)	899.53	1,413.17	-36.35%	1,166.32
Shares Volumes	2,750,655.00	4,340,270.00	-36.62%	3,486,092.00
Total Transactions	26,434.00	29,685.00	-10.95%	31,384.20
Total Scrips Traded	254.00	259.00	-1.93%	258.00
Market Cap (Rs. Million)	2,764,663.07	2,770,075.26	-0.20%	2,763,627.80
Float Market Cap (Rs. Million)	984,298.68	988,342.85	-0.41%	984,513.02

NEPSE Statistics

Average Return	15.35%
Std. Deviation	25.02%

Note: Data taken 01/01/20 - 30/03/23.

Assumed annual 225 trading days.

Market Valuation

Market Cap / GDP Ratio	56.98%
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Conclusion: Undervalued

Market Top 3

Gainers	KDL, AHL, CMF2
Losers	JALPA, NMFBS, ADLB
Stocks Traded	NICA, SBL, GBIME
Transactions	MKHC, AHL, HDL
Turnover	NICA, HDL, SHIVM
Buyer Broker	58, 34, 49
Seller Broker	58, 45, 34

Sub-Indices Measures	Weekly %	Price (Rs.)	Median		
	Change		P/E	ROE	Beta
Banking	-1.26	225.00	13.77	11.90%	0.89
Development Bank	-0.46	310.25	25.10	6.58%	1.19
Finance	-0.84	318.00	62.59	2.73%	1.15
Microfinance	-1.68	715.00	35.46	8.97%	1.03
Life Insurance	0.64	562.10	40.04	9.88%	1.03
Non-Life Insurance	0.40	556.25	35.57	9.19%	1.18
Hydropower	0.16	318.00	38.94	4.92%	1.31
Hotels	3.47	501.00	62.10	4.35%	0.97
Mfg. & Processing	1.26	7215.50	38.51	14.23%	0.92
Investment	0.40	549.50	50.15	5.44%	1.24
Trading	0.02	3,499.00			0.925
Others	0.70	784.50	66.77	6.48%	1.15
Mutual Fund (Close ended)	-1.54	8.00	Weekly Median NAV: 9.83		

Key Events of the Week:

1. Dr. Prakash Sharan Mahat appointed as the new Finance Minister of Nepal.
2. NRB predicts slow economic growth of 4-5% for current year due to weak construction demand.
3. SEBON proposes regulations for Small and Medium sized Enterprises IPO/Index issuance in Nepal; SMEs with paid-up capital of Rs.25 crores may need to issue IPOs as per the regulation.
4. The Government of Nepal has drafted their Minimum Common Programme; to implement coordinated policies to address the issues, such as decline in share market and restructuring the budget system, passing the Anti Money Laundering Act related to the economic sector, strengthening Revenue administration.
5. Nepal China Coordination Mechanism on Border Trade and Cooperation has agreed to resume open Rasuwagadhi - kerung border from April 1 and Tatopani /Zhangmou border from May,1, 2023.
6. NRB issued Rs. 22.1025 billion worth of treasury bills of 28 days (Rs. 5 billion), 91 days (Rs. 11.5025 billion), 182 days (Rs. 0.6 billion) and 364 days (Rs. 5 billion) ranging from 28 days to 364 days.
7. NRB carried out outright purchase of Rs. 25 billion worth of treasury bills from BFIs on 17th Chaitra.

Dividend Announcement

Company	Bonus	Cash
NESDO	50%	23.68%
GLICL	13.27%	-

NEPSE Technical Chart Board



Technical Indicator

Value

RSI	36.81
MACD line	-37.71
Signal line	-38.88
Bollinger Upper Band	2011.49
Bollinger Middle Band	1944.62
Bollinger Lower Band	1877.75
ADX	25.36

Technical Overview:

Technically, market is still in the bearish mode with no indication and excitement for any major pull-up anytime soon. The 20D (1944.72), 50D (2055.71), and 200D (1997) SMA are all above the current index level, showing the bearish market. However, the current index coincides 5D (1908.13) SMA. By week end, Index has neared the middle level of Bollinger bands, RSI at oversold zone, MACD Line has crossed Signal line from below with thin histogram, ADX is persistent at 25 level. Despite the fall, the volume has dropped over the days of trade. So, we expect meagre pull-up in the week ahead, although we still stick with our anticipation of sideways market in between 1960 to 1850 level.

Thought of/for the Week:

The falling volumes in the weeks highlight the market indecisiveness, showing both the buyers and sellers being more careful of their trading position at the current level. Though, the market participants were already aware of the appointment of next Finance Minister, their excitement was not reflected in the trading hours, inking the need for the participants to cautiously watch the fundamental issues surrounding the market ahead. One such issue is the looming higher NPLs at banks, subdued revenue collection, passive credit growth, potential collection of domestic debt by govt., etc. Further, Banks could likely have to maintain Counter Cyclical Buffer (2%) from Shrawan, 2080. Bank's facility to account 80% of reserve fund of local level govt. will end in Asadh 2080. These things are likely to stress Banks in maintain CAR and CD ratio going forward, and raising the liquidity issue again. On the positive side, outright purchase of Treasury bills worth of NPR 25 bill. on March 31st, 2023 can further bring down Credit to deposit Ratio. To recapitulate, we find no major catalyst to the pull the market up, but we also build an opinion not to be too pessimistic as the market has discounted and priced most of the negative news.

The Week Ahead:

1. Makar Jitumaya Suri Hydropower limited to issue 13,37,302-unit IPO shares to the General Public from Chaitra 19.
2. Bhugol Energy Development Company Limited to issue 13,46,993 units IPO shares to the General Public from 23rd Chaitra.
3. NMB Bank Limited to issue 40,00,000 units "NMB Debenture 10.75%- 2089/90 " from 21st Chaitra.
4. Bid Opening of auction of NMB Bank Limited for 67,706 units promoter shares.
5. Closing of auction of Citizen Investment Trust for 25,000 units promoter shares.
6. AGMs: SIKLES (10.526% cash), NLG (10% Bonus), UMHL (7% Bonus), HHL, GMFBS.
7. Book Closure: ACLBSL, KLBSL (0.36842% Cash), GLICL (13.27% Bonus).

Fundamental and Technical Stock Screen (Hydropower)

		LTP	Fair Price	% Prem./	RSI	
Pricing	Ticker	(Rs.)	(Rs.)	(Disc.)		Remarks
Under	SHPC	339	513.15	-33.94	62.22	Q2 reported net profit of Rs.329 million.
	BPCL	317.60	457.35	-30.56	47.08	Q2 reported net profit of Rs.228 million.
	MHNL	299.50	418.21	-28.38	47.73	Q2 reported net profit of Rs.120 million.
Over	TPC	428	168.08	154.64	48.93	Q2 reported net profit of Rs.0.66 million
	SHEL	328.50	158.41	107.37	53.94	Q2 reported net loss of Rs.41.43 million
	RHGCL	315.90	164.90	91.57	42.22	Q2 reported net profit of Rs.1.27 million
Fairly	RHPL	305	294.13	3.70	48.12	Q2 reported net loss of Rs.27.19 million
	RADHI	261.50	258	1.36	49.07	4.75% Bonus share listed in NEPSE
	RFPL	291	282.55	2.99	46.37	Q2 reported net loss of Rs.6.63 million.

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

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Liquidity Indicator

Total BFIs Deposit	Rs. 5,410 bill.
Total BFIs Lending	Rs. 4,816 bill.
CD Ratio	85.60%
Wt. Avg. Interbank Rate	7.01%
91 Days T-Bill Rate	9.03%

Note: As per latest NRB data
(28/03/2023)

Investment Climate

Inflation (CPI)	7.88%
Import	-19.13%
Export	-29.07%
Trade Deficit	-17.86%
BoP – Surplus	Rs. 133.21 billion
Remittance	+ 27.1%
FX Reserve	\$10.5 billion (Suffice 9.1 months merchandise & service import)
Deposit	+ 5.0%
Private Sector Credit	+ 3.2%

Note: As per latest CME release of NRB and
Department of Customs

Global Market Outlook:

Key Stock Market Indices:

Key Global Indices	30.03.23	Weekly change
SENSEX	58,506.48	1.14%
S&P 500	4,050.83	2.59%
NASDAQ	12,031.47	2.07%
SHANGHAI	3,271.30	0.07%
NIKKEI	28,079.46	2.76%
US Dollar Index Future	101.89	-0.36%
Crude Oil	74.31	6.51%
Gold	1,997.75	0.13%
US 10 Year Bond Yield	3.56	4.80%

Major Global News and Events Ahead:

1. India's Ministry of Finance has announced plans to sell \$109 billion worth of bonds in the first half of the fiscal year, which is 58% of the full-year target of 15.43 trillion rupees. The government aims to achieve between 55% to 60% of its full-year sales in the first half.
2. Alibaba's US shares surged by up to 15% following the announcement of its plan to divide its \$255 billion empire into separate divisions that will raise funds individually and eventually explore IPOs.
3. India to publish S&P Global Manufacturing PMI, with the previous PMI being 55.3 on Monday, April 3.
4. GBP, Canada, and USD to also publish their respective Manufacturing PMI reports on Monday, April 3.
5. India to announce its Cash Reserve Ratio, Interest Rate Decision, and Reverse REPO Rate on Thursday, April 6.
6. India to release its Bank Loan Growth and Deposit Growth data on Friday, April 7.

Disclaimers: This WEEKLY MARKET INSIGHT is solely prepared with the objective to provide insight about the market performance and status to the interested market participants. The information and data herein should not be construed as an investment advice or recommendation. Should the investors choose to act based on this report, it shall be entirely at their own risk and Garima Capital shall not be liable, for any loss or damages incurred thereby.