



नेपाल फिनिंग कोर्पोरेट लिमिटेडको एकमात्र ब्याङ्क तर्फ अनुमतिपत्र प्राप्त संस्था

गरिमा क्यापिटल लिमिटेड  
GARIMA CAPITAL LIMITED

(A Subsidiary of GARIMA BIKAS BANK LIMITED)

समृद्धिको साथै

# WEEKLY MARKET INSIGHT



## Market Performance

Market made upward reversal



## Technical View

Target of 2060 level



## Fundamental Watch Ahead

Presidential election, NBA's cut on premium, saving & call deposit rates



## Market Ahead

Likely a sideway market of 1900 to 2000 level

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Date: 5<sup>th</sup> March to 10<sup>th</sup> March 2023

# Weekly Market Insight

Review Period: 5<sup>th</sup> March. – 10<sup>th</sup> March 2023

Publication date: 10<sup>th</sup> March, 2023



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## The Week in Review:

- ✓ NEPSE index closed at 2,002.70 level on Thursday, gaining 33.68 points (1.71%) over the review period.
- ✓ Sensitive, float and Sensitive Float Index gained by 1.59%, 1.78% and 1.55% respectively.
- ✓ Compared to last review week, average Turnover, Volumes, Transaction size and market capitalization dropped by 17.72%, 9.61%, 9.23% and 1.85% respectively.
- ✓ Only Mfg. & processing lost 2.60% while all other indices gained; Non-life insurance and Hydropower gained 3.14% and 3.10% respectively.
- ✓ Likewise, Hotels and Tourism and Others gained mere 0.98% and 0.94% respectively.

## Market Fundamental Chart Board

Index Measure	9.03.23	2.03.23	% Change	Week Avg. value
NEPSE	2,002.70	1,969.02	1.71%	1,964.54
Sensitive	379.50	373.57	1.59%	372.82
Float	140.78	138.32	1.78%	138.07
Sensitive Float	126.93	124.99	1.55%	124.63
Turnover (Million)	1,565.56	1,336.33	17.15%	1,387.44
Shares Volumes	4,566,043.00	3,657,154.00	24.85%	4,152,550.33
Total Transactions	38,131.00	28,500.00	33.79%	31,135.67
Total Scrips Traded	262.00	256.00	2.34%	260.67
Market Cap (Rs. Million)	2,901,317.24	2,844,924.43	1.98%	2,845,838.44
Float Market Cap (Rs. Million)	1,043,509.01	1,023,987.51	1.91%	1,023,311.81

### NEPSE Statistics

Average Return	17.19%
Std. Deviation	25.19%

Note: Data taken 01/01/20 - 09/03/23.

Assumed annual 225 trading days.

### Market Valuation

Market Cap / GDP Ratio	59.80%
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Conclusion: Undervalued

### Market Top 3

Gainers	SMHL, NICL, SSSL
Losers	CBBL, CMF2, CYCL
Stocks Traded	KDBY, SHIVM, SSSL
Transactions	SMHL, HDL, SHIVM
Turnover	HDL, SHIVM, STC
Buyer Broker	58, 49, 45
Seller Broker	58, 28, 34

Sub-Indices Measures	Weekly %	Price (Rs.)	Median		
	Change		P/E	ROE	Beta
Banking	1.40	246.00	14.39	11.90%	0.89
Development Bank	2.72	329.00	25.90	6.58%	1.19
Finance	2.80	341.00	66.31	2.73%	1.15
Microfinance	1.05	810.00	41.10	8.97%	1.03
Life Insurance	1.87	579.00	43.54	9.88%	1.03
Non-Life Insurance	3.14	586.10	34.62	9.19%	1.18
Hydropower	3.10	329.00	38.94	4.92%	1.31
Hotels	0.98	510.00	63.07	4.35%	0.97
Mfg. & Processing	-2.60	7535.50	40.83	14.23%	0.92
Investment	2.65	580.00	51.60	5.44%	1.24
Trading	2.45	3,817.50			0.925
Others	0.94	787.00	66.49	6.48%	1.15
Mutual Fund (Close ended)	1.43	8.19			Weekly Median NAV: 9.93

## Key Events of the Week:

- Nepal Bankers Association (NBA) limits premium on loan up-to 5% (earlier 6%). Interest on savings deposit is lowered by 0.42%, call deposit is limited to 3%, while fixed deposits rate remains unchanged.
- Ramchandra Poudel from Nepali Congress has been elected as the new President of Nepal.
- NRB issued Rs. 15.045 billion total worth of treasury bills from 28 days to 182 days.
- 4,248,988 units IPO shares of Sanima Middle Tamor Hydropower Ltd. issued to General Public from 26<sup>th</sup> Falgun (today); issue to remain open till 30<sup>th</sup> Falgun.
- The IRD has started a full audit of 105 large firms for suspected tax manipulation based on firms' financial reports from mid-January; Firms like CG Foods Nepal, Ncell Axiata Pvt Ltd, Siddhartha Bank Limited, and NIC Asia Bank fall under the list

Dividend Announcement		
Company	Bonus	Cash
JSLBB	15%	-
NICLBSL	-	14.75%

## NEPSE Technical Chart Board



Technical Indicator	Value
RSI	42.59
MACD line	-34.98
Signal line	-22.36
Bollinger Upper Band	2200.43
Bollinger Middle Band	2059.73
Bollinger Lower Band	1919.03
ADX	26.42

## Technical Overview:

Market on the first day of week completed the formation of three black crows by breaking the support zone of 1960-80. But on last two trading day, market cumulatively gained 64.45 points and closed at 2002.70 level, re-emerging by respecting the predetermined support level of 1880. The recent upsurge caused index to move towards middle Bollinger Band along with uptick

of RSI from oversold zone. However, MACD and Signal Lines are still at negative levels with diverged position, Volume oscillator is (14- and 28-days MA) at negative level indicating lack of support for recent price increase and dots of Parabolic SAR being still above the candle sticks gives no confirmatory signs of bullish reversal. We expect market to trade sideways in between 1960-80 level to 2060-80 level.

## Thought of/for the Week:

The continuing down trending market in recent period got some relief this week amidst NBA's decision to reduce interest rates on savings and call deposits along with limiting premium on rate of loans. Marginal cuts on interest deposits and loan can be expected from beginning of Chaitra. As BFI's are required to reduce the Interest Rate Spread to 4.2% (Commercial Bank), and 4.8% (Development Bank and Finance) by Chaitra end, 2079, market may likely get the boosting factor, given the reduction in lending rate. However liquidity issue is still a matter of concern given the persistent Interbank rates at 7% level observed over the recent period with tight CD ratio at 86%. On other hand, speculation on appointment of next Finance Minister from new political alliance are likely to add fuel to the market. The appointment of Finance Minister capable enough to turnaround the gloomy economic reality can be the major catalyst for the sustainable growth of capital market.

## The Week Ahead:

1. NRB to close the issue of Foreign Employment Savings Bond 2084 Ka (5 years) on 3rd Chaitra, 2079.
2. Maturity date of Repo auction of Rs. 20 billion issued by NRB on 2nd Chaitra, 2079.
3. NRB to close the issue of Rs. 2.5 billion "11.50% Citizen Saving Bond 2084 Ka" on 30th Falgun, 2079.
4. SIC and LGIL to commence joint transaction from 29th Falgun after a successful merger; New name as *Sagarmatha Lumbini Insurance Company Limited*.
5. Bid opening of 3,00,000 units promoter shares auction of Nabil Bank Limited and 2,96,000 units promoter shares of Kumari Bank Limited.
6. AGMs: BARUN, CLBSL (11% Bonus), LLBS (15% Bonus), ADLB (20% Bonus), DDBL (10% Bonus), NHPC, UNLB, SMB (11% Bonus).
7. Book Closure: SKBBL (26% Bonus), SADBL (8.534% Bonus), SLBBL (22% bonus), ADBL (2% Bonus), RMDC (26% Bonus), SMATA (15% Bonus), MKLB (4.75% Bonus), SMFBS (20% Bonus).

## Fundamental and Technical Stock Screen (*Hydropower*)

Pricing	Ticker	LTP (Rs.)	Fair Price (Rs.)	% Prem./ (Disc.)	RSI	Remarks
Under	SHPC	326	518.04	-37.07	54.28	Q2 reported net profit of Rs. 32.925 crore
	BPCL	329	461.36	-28.69	55.86	5% Bonus share listed in NEPSE
	MHNL	305	490.42	-37.81	49.34	Q2 reported net profit of Rs. 12.49 crore
Over	MHL	385.90	247.73	55.77	53.01	Q2 reported net profit of Rs. 1.285 crore
	RHGCL	350.50	162.82	115.27	56.99	Q2 reported net profit of Rs. 5.40 crore
	TPC	439	166.98	162.90	54.92	Q2 reported net profit of Rs. 6.60 lakh
Fairly	GLH	308	302.76	1.73	49.52	The generation of electricity for commercial purposes has not yet started.
	RADHI	268	259.25	3.38	53.23	4.75% Bonus share listed in NEPSE
	HPPL	311.10	302.14	2.97	48.34	Q2 reported net profit of Rs. 5.40 crore

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. 5,380Bill.
Total BFIs Lending	Rs. 4,818 Bill.
CD Ratio	86.12%
Wt. Avg. Interbank Rate	7.03%
91 Days T-Bill Rate	9.40%

Note: As per latest NRB data  
(08/03/2023)

## Investment Climate

Inflation (CPI)	7.26%
Import	-19.90%
Export	-29.03%
Trade Deficit	-18.71%
BoP – Surplus	Rs. 97.10 billion
Remittance	+ 24.3%
FX Reserve	\$10.3 billion (suffice 9.1 months merchandise & service import)
Deposit	+ 4.2%
Private Sector Credit	+ 3%

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

## Global Market Outlook:

### Key Stock Market Indices:

Key Global Indices	10.03.23	Weekly change
SENSEX	59,055.74	-1.04%
S&P 500	3,918.32	-1.58%
NASDAQ	11,338.35	-1.09%
SHANGHAI	3,238.38	-2.57%
NIKKEI	28,181.83	0.88%
US Dollar Index Future	105.19	0.37%
Crude Oil	75.14	-3.62%
Gold	1,832.75	-0.61%
US 10 Year Bond Yield	3.84	-5.26%

## Major Global News and Events Ahead:

1. Xi Jinping becomes the President of China 3rd time in a row for the next 5 years.
2. The President of America, Joe Biden has announced a proposed budget of \$6.9 trillion.
3. Singapore surges its Gold Reserves by 30% in January, joining central banks of China and Turkey in increasing their gold reserves.
4. The Pakistan government's debt jumped by PKR 4 trillion or around 7.7 per cent in January 2023 to reach close to PKR 55 trillion.
5. Japan, Netherlands to join U.S. in restricting chip equipment exports to China

**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.