



नेपाल फिनिशियर होटेलिङ बँकेको एभिएस ब्याच अन्तर्गत स्थापित

गरिमा क्यापिटल लिमिटेड
GARIMA CAPITAL LIMITED

(A Subsidiary of GARIMA BIKAS BANK LIMITED)

समृद्धिको साथी

WEEKLY MARKET INSIGHT



Market Performance

Market rose by 29.42 points in the week



Technical View

Market testing the 2200 level



Fundamental Watch Ahead

Companies 2nd Quarter Reports



Market Ahead

Waiting for a healthy correction

Date: 15th Jan. to 21st Jan. 2023

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Kamalpokhari, Kathmandu, Nepal

Weekly Market Insight

Review Period: 15th Jan. – 21st Jan. 2023

Publication date: 23rd Jan 2023



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The Week in Review:

- ✓ Market traded in between 2,136.38 and 2,192.71 level in the week; closing at 2,178.81 on Thursday, rising by 29.42 points, gaining 1.37% over the review period.
- ✓ Sensitive, Float, and Sensitive Float Index all rose by 0.92%, 1.34%, and 1.09% respectively.
- ✓ Compared to last review week, average Turnover, Volumes, and Transaction size dropped by 44.42%, 43.05%, and 29.42% respectively. On average Market Cap increased by 1.37% in the week.
- ✓ Except Trading (), Manufacturing & Processing, Non-Life Insurance and Banking, rest Sub-indexes closed high by the week end, with particular rise in Development Banks.

Market Fundamental Chart Board

Index Measure	19.01.23	12.01.23	% Change	Week Avg. value
NEPSE	2,178.81	2,149.39	1.37	2178.01
Sensitive	415.06	411.26	0.92	414.93
Float	153.31	151.28	1.34	153.15
Sensitive Float	139.47	137.97	1.09	139.23
Turnover (Million)	3,044.53	5,477.62	(44.42)	3,899.35
Shares Volumes	8,247,646	14,482,959	(43.05)	111,45,024.33
Total Transactions	58,665	83,113	(29.42)	63,910.67
Total Scrips Traded	246	252	(2.38)	248
Market Cap (Rs. Million)	3,145,635.21	3,103,156.95	1.37	31,44,477.18
Float Market Cap (Rs. Million)	1,114,425.64	1,099,644.97	1.34	11,13,229.58

NEPSE Statistics

Average Return	20.74%
Std. Deviation	25.36%

Note: Data taken 01/01/20 - 19/01/23.
Assumed annual 225 trading days.

Market Valuation

Market Cap / GDP Ratio	64.84%
Conclusion: Undervalued	

Market Top 3

Gainers	GVL, PHCL, BHPL
Losers	KDBY, PSF, SLBSL
Stocks Traded	API, RIDI, HDHPC
Transactions	PHCL, API, RIDI
Turnover	RIDI, API, NICA
Buyer Broker	58, 48, 34
Seller Broker	58, 48, 34

Sub-Indices Measures	Weekly %	Price (Rs.)	Median		
	Change		P/E	ROE	Beta
Banking	(0.37)	269.05	13.96	12.20%	0.88
Development Bank	3.03	356.95	32.17	5.23%	1.18
Finance	2.25	364.00	97.22	2.05%	1.14
Microfinance	0.40	1042.00	76.68	5.40%	1.02
Life Insurance	0.20	643.00	49.30	8.64%	1.03
Non-Life Insurance	(0.55)	592.00	41.20	11.93%	1.17
Hydropower	7.03	339.80	23.63	5.16%	1.34
Hotels	3.14	501.45	112.92	4.35%	0.96
Mfg. & Processing	(1.21)	7897.00	17.18	32.49%	0.93
Investment	3.83	475.50	46.56	4.18%	1.25
Trading	(4.37)	4084.00	-	-	0.90
Others	1.53	868.50	84.02	6.58%	1.15
Mutual Fund (Close ended)	2.26	8.93	Weekly Median NAV: 10.47		

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Key Events of the Week:

- Yeti Airline – ATR 72, carrying 72 passengers including 4 crew members, flying from Kathmandu to Pokhara got into the tragic crash in Pokhara on Sunday.
- Total of 23 Ministers (including the PM himself) has been formed in the regime of PM Pushpa Kamal Dahal.
- NRB issued a circular to Banks removing the requirement of placing 50% to 100% cash margin for opening the Letter of Credit (LC) for import of items.
- NRB instructed BFI's to mandatorily maintain the daily liquidity situation and inter-bank transaction, along with deposit and lending rates details in the 'Supervisory and Information System (SIS)' portal.
- NRB issued Rs.1000 crore, 14 days Repo.

Dividend Announcement

Company	Bonus	Cash
LLBS	15%	5%
GILB	12%	8%
ILBS	20%	-
SMB	11%	-
NSLB	19%	-
UMHL	7%	-
MLBBL	15%	-
SWBBL	15%	6.05%
CBBL	22%	-
NMBMF	10%	-
SLBBL	22%	-
CORBL	5%	-
STC	10%	5%
MSLB	20%	5%
DDBL	10%	11.0526%

API proposes to issue 40% Rights.

NEPSE Technical Chart Board



Technical Indicator

Value

RSI	70.37
MACD line	70.22
Signal line	59.93
Bollinger Upper Band	2295.88
Bollinger Middle Band	2053.34
Bollinger Lower Band	1810.79
ADX	44.60

Technical Overview:

Market is testing the immediate resistance of 2200, which it could not breach in the week of trade. It is still hovering on the upper level of RSI and Bollinger Band which hints the likely prevalence of seller despite ADX still indicating the bullish sentiment. MACD and EMA 9 & EMA 20 shows the upward momentum as well. Market hasn't produced any healthy correction which makes us cautious before investing at the moment and this week drop in volumes corroborate it. Our anticipated near-term resistance are 2230 and 2320 while our support are 2130 and 2060.

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Thought of/for the Week:

Market opened for only three days in the review week. However, contrary to our correction expectation following the development of red candle last week end, market behaved differently and resisted to fall, despite no major upward movement. Significant drops were observed in the volumes, and turnover amount including the transaction size. Investors wait the second quarter unaudited reports ahead along with Political affairs. The rising level of NPL reported by few banks could be a concern for market participant. Liquidity issue is not yet into discussion but opening of LC (for import) could create lending demands.

The Week Ahead:

- Market to remain close on 9th Magh, Sunday (Sonam Lhosar).
- Super Madi Hydropower Ltd. to issue 17,43,000 units of IPO shares to the General Public from 9th Magh.
- New Fund Offer of “Sunrise Focused Equity Fund”, a close-ended Mutual Fund to be managed by Sunrise Capital Ltd., to open from 10th Magh for General Public.
- Maya Khola Hydropower Company to issue 19,92,000 units of IPO to the General Public from 13th Magh.
- NRB to issue Rs.360 crores and Rs.700 crores Treasury Bill of 91 days and 364 days resp. on 10th Magh.
- AGMs: IGI (6% Bonus), AKBSL (30% Bonus).
- Release of 2nd quarter unaudited reports of listed companies.

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

Pricing	Ticker	LTP (Rs.)	Fair Price (Rs.)	% Prem./ (Disc.)	RSI	Remarks
Under	NTC	867	1387.65	(37.52)	49.07	-
	TRH	441.40	467	(5.45)	61.26	AGM on 3 rd Falgun; 8.42% Cash dividend
Over	NRIC	870	480	81.44	68.38	Q1 2079/80 report yet not published
	CGH	1373	492	179	71.02	Issuer rating upgraded to ICRANP-IR BB+
Fairly	OHL	561.50	553.30	1.48	60.83	-
	SHL	227	230	(1.14)	53.76	-

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

Liquidity Indicator		Investment Climate	
Total BFIs Deposit	Rs. 5,354 bill	Inflation (CPI) (Mid.Nov 2022)	8.08%
Total BFIs Lending	Rs. 4,817 bill	Import (in 1 st 5 months of current FY)	-20.71%
CD Ratio	86.64%	Export (in 1 st 5 months of current FY)	-34.61%
Wt. Avg. Interbank Rate	7.22%	BoP (Mid.Nov 2022)	Rs. 20.03 bill
91 Days T-Bill Rate	10.59%	Trade deficit (in 1 st 5 months of current FY)	Rs.597 bill
Note: As per latest NRB data (17/01/2023)		Remittance (Mid.Nov 2022)	+ 20.4%
		FX Reserve (Mid.Nov 2022)	+ 1%
		Govt. Rev. target meet	33.16%
		Govt. Exp. target meet	32.83%

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Global Market Outlook:

Key Stock Market Indices:		
Key Global Indices	20.01.23	Weekly change
SENSEX	60,621.77	+0.60%
S&P 500	3,972.61	-0.66%
NASDAQ	11,140.43	+0.55%
SHANGHAI	3,264.81	+2.18%
NIKKEI	26,553.53	+1.66%
US Dollar Index Future	101.743	Down Trend
Crude Oil	81.96	Rising Trend
Gold	1927.70	Rising Trend
US 10 Year Bond Yield	3.482%	Down Trend

Major Global News and Events Ahead:

1. Adani Enterprises files for follow-on-share sale, seeking to raise Rs 20,000 crore in a
2. follow-on public offering UK Inflation rate for December softens to 10.5%, down from 10.7% in November.
3. China economy has expanded by just 3% in 2022, significantly below the government own target and marking one of the worst performances in nearly half a century.
4. The national birth rate in China has hit a record low of 6.77 births per 1,000 people, marking the first population decline in 60 years, potentially resulting a significant impact on the country economy and workforce in the future.
5. 26th January, 2023: US Initial Jobless Claims

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.