



गरीमा क्यापिटल लिमिटेड

गरीमा क्यापिटल लिमिटेड
GARIMA CAPITAL LIMITED
(A Subsidiary of GARIMA BANK LIMITED)

संगठनको समर्थन

Garima Monthly Insight

SHRAWAN 2082

(17 JULY 2025 -16 AUGUST 2025)

VOL: 4, ISSUE: 1



MARKET AHEAD



MACROECONOMIC FACTORS



NERSE SCANNER



MARKET SCANNER



ARTICLE OF THE MONTH



Market Update:

During Shrawan 2082, NEPSE's performance was largely influenced by the monetary policy for FY 2082/83, which was introduced in the last week of Ashad. The policy was considered liberal toward the stock market, with key measures such as raising the personal share collateral loan limit from Rs. 150 million to Rs. 250 million, allowing banks to increase capital through right shares with NRB's approval, reviewing the dividend restrictions on microfinance institutions among others. These announcements initially fueled market optimism, driving NEPSE up by 7.4% in the first two weeks of Shrawan, climbing from 2,794.78 to 3,002.07 and touching a high of 3,028.79.

However, the momentum was short-lived as selling pressure pulled the index down, closing the month at 2,788.36—marking an overall decline of 0.23% (6.42 points). Alongside, turnover and share volume contracted sharply by 46.82% and 55.33%, respectively, while market capitalization inched down by just 0.02%. The publication of fourth-quarter results, many of which were favorable, helped cushion the market from steeper losses, and early trading in Bhadra has so far reflected a sideways movement.

NRB has released Annual CME & Financial Situation Report of Nepal for FY 2081/82. Additionally, it has published the financial performance of BFIs for the same period. Commercial banks have announced the revised interest rates for Bhadra 2082. The key highlights of these significant developments are summarized below:

1. In the FY 2081/82, commercial banks earned a total net profit of Rs. 71.50 billion, marking 43.39% YoY growth with Nabil Bank leading at Rs. 7.13 billion, followed by Nepal Investment Mega Bank (Rs. 6.76 billion) and Global IME (Rs. 6.20 billion).
2. In the first month of FY 2082/83, Nepal's total public debt increased by 14.2 billion and reached Rs 2.68 trillion (43.94% of GDP). The debt includes Rs 1.28 trillion as external debt and Rs 1.40 trillion as domestic debt.
3. NRB has amended its foreign exchange directive to allow up to \$8,000 in foreign exchange facilities for importing services from countries other than India.



4. For the month of Bhadra 2082, 11 out of 20 commercial banks kept fixed deposit rates unchanged, eight reduced them (with Standard Chartered trimming the institutional FD rates by 1.13%) and one bank i.e., Prabhu raised rates- institutional rates by 1.1%. NIC Asia is offering the highest institutional (5.25%) and individual (6.25%) FD rates while Standard Chartered and Laxmi Sunrise are providing the lowest institutional (2.75%) and individual (5.00%) FD rates respectively.
5. Per the Banking & Financial Statistics, the average CD Ratio of Banking sector (A, B, and C Class) is 75.79 which is lower than 78.39 of earlier month. NPL has reduced to 4.62% compared to 5.24% previous month and CAR has improved to 12.95% from 12.40%. Weighted average interest rate on deposit has come down to 4.19% (saving 3.37%, fixed 5.79%) and weighted average rate on credit has fallen to 7.85%.
6. On the external front of the economy, remittance inflows rose by 19.15% to Rs. 1,722.04 billion as of mid-July 2024/25, with approximately Rs. 189.11 billion coming in between mid-June and mid-July alone. Exports inclined by 81.8%, while imports rose by 13.3% and the trade deficit increased by 6.0%. The balance of payments (BOP), current account balance, and gross foreign exchange reserves all grew to Rs. 594.54 billion, Rs. 409.20 billion, and \$19.50 billion, respectively. Additionally, 505,957 Nepali workers received their first-time approval for foreign employment, while 333,309 received renewal entry approvals.
7. As per the CME Report, Y-o-Y deposits at BFIs has increased by 12.5% while the private sector credit has increased by just 8.2%. Monetary Policy has targeted the Private Sector Credit growth of 12% in FY 2082/83.
8. The government will grant income tax exemption to MCA Nepal for the income year 2082/83 on income earned from MCC-funded construction or service provider companies operating under it.



9. According to Nepal Tourism Board (NTB), Nepal welcomed 70,193 foreign tourist in July 2025 i.e., 8.7% higher than the same month last FY. A total of 5,47,882 tourists has arrived in Nepal in the first seven months of 2025.

Coda: Market is subject to several forms of risks, especially the fundamentals, and investors have tendencies to be behaviourally biased, leading to making the sub-par investment decisions. It's always

important to screen the facts vs opinions. Facts are going to last the market long while opinion can likely make market volatile.



Beyond Compliance: How Operational Resilience Drives Business Growth and Innovation

Author- *Paul Samson and Angelo Federico Arcelli*

Operational resilience has evolved beyond a mere regulatory requirement into a powerful enabler of business growth and innovation. While firms traditionally focused on resilience as a way to meet compliance standards, the real value lies in how organizations can leverage it to enhance customer trust, streamline operations, and stay competitive in an increasingly complex and disruptive market.

As regulatory bodies continue to raise expectations for operational resilience, financial firms are facing the challenge of not only ensuring compliance but also developing resilient strategies that drive long-term business success. By integrating resilience into their core operations and culture, firms can position themselves as market leaders while mitigating risks that could otherwise undermine profitability and growth.

The Shift to Strategic Resilience

Historically, operational resilience in financial services was primarily viewed through the lens of compliance – essentially a set of regulations designed to ensure that firms could withstand disruptions like cyberattacks, natural disasters or technology failures. The focus was on creating contingency plans, establishing disaster recovery procedures, and fulfilling minimum regulatory requirements.

However, as the financial landscape becomes more dynamic and interconnected, firms are recognizing that a reactive, compliance-driven approach to resilience no longer suffices. Instead, resilience should be viewed as a proactive, strategic capability that empowers firms to anticipate risks, respond more effectively to disruptions, and even capitalize on change.

Today's financial institutions are under constant pressure to innovate, enhance customer experience, and improve operational efficiency. A mature resilience framework can serve as a cornerstone for all of these initiatives. Rather than seeing resilience as just a defensive measure, firms can use it to create a foundation for growth and agility.

Building Trust and Competitive Advantage

One of the most powerful ways that operational resilience drives business success is by building trust with customers, investors and other stakeholders. In an industry where trust is a cornerstone of success, demonstrating the ability to continue delivering services, even in the face of disruption, is invaluable.

Customers are more likely to remain loyal to firms that can ensure uninterrupted services and safeguard their personal and financial information. In turn, this trust translates into long-term relationships, repeat business and positive word-of-mouth, all of which are critical in order to maintain a competitive edge.

Moreover, firms with mature resilience frameworks are better positioned to differentiate themselves in a crowded market. For example, by ensuring business continuity during periods of market volatility or providing superior security measures to safeguard customer data, firms can distinguish themselves as reliable and secure partners. This competitive advantage can make a significant difference, especially as customers become more discerning about where they place their business.

Driver of Innovation

In addition to fostering trust and creating a competitive edge, operational resilience can act as a catalyst for innovation. As firms prioritize resilience, they are often forced to rethink their business models, processes and technologies to ensure that they are better prepared for disruptions. These improvements can lead to innovative solutions that enhance operational efficiency, improve customer experience and open new revenue streams.

For instance, firms that invest in resilient digital infrastructures – such as cloud computing, AI-driven risk management tools, and automated recovery systems – are not only better equipped to handle potential disruptions, but also to position themselves as innovators in the market. These technologies can drive cost savings, speed up decision-making, and enable firms to scale more effectively, all of which contribute to long-term success.

A mature resilience framework also encourages the adoption of continuous improvement practices. By regularly testing and refining their resilience strategies, firms can identify inefficiencies and bottlenecks in their operations and implement improvements.

This ongoing cycle of evaluation and enhancement ensures that the firm remains adaptable and capable of seizing new opportunities as they arise.

Efficiency Boost

Another often-overlooked benefit of operational resilience is its ability to improve operational efficiency. A firm that invests in building a robust resilience framework often finds that many of the practices and technologies that strengthen its response to disruptions also streamline day-to-day operations.

For example, disaster recovery and business continuity planning require firms to create standardized processes for managing data, systems and workflows. These standardized processes not only make it easier to recover from disruption but also reduce redundancies and improve overall efficiency during normal operations. Automation and data-driven decision-making, which are often central to resilience strategies, can also enhance operational performance by reducing human error and enabling faster, more accurate decision-making.

Furthermore, by integrating resilience into every aspect of the business, firms can identify potential risks and take preemptive action before they materialize. This proactive approach to risk management can help minimize costly disruptions and delays, ultimately improving the firm's bottom line.

Agility and Adaptability: Preparing for the Future

Perhaps the most significant advantage of operational resilience is its ability to foster agility and adaptability. In an increasingly volatile and unpredictable world, firms must be able to pivot quickly in response to changes in the market, regulatory landscape or customer demands.

Firms with mature resilience frameworks in place are better equipped to navigate these shifts with minimal disruption. They have already established processes, technologies and governance structures that allow them to respond rapidly to emerging threats and opportunities. This agility gives them a distinct advantage over competitors who may be caught off guard by unexpected changes.

Moreover, a resilient organization is one that is continuously learning and evolving. By embedding resilience in the corporate culture, firms can foster an environment where employees are empowered to innovate, take calculated risks and collaborate across departments. This culture of continuous improvement ensures that the firm remains at the forefront of industry trends and ready to seize new opportunities.

Conclusion: The Strategic Value

While regulatory compliance will always be an important aspect of operational resilience, it is clear that firms that treat resilience as a strategic asset will reap the greatest benefits.

By focusing on resilience beyond compliance, financial institutions can create a solid foundation for business growth, foster innovation, build customer trust and enhance operational efficiency.

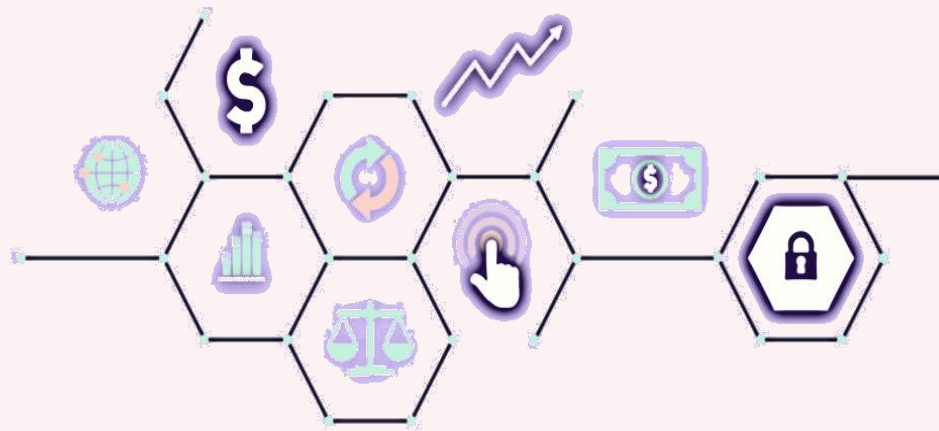
As the financial services industry continues to face increasing disruption, firms that prioritize resilience will not only survive – they will thrive. Investing in resilience today sets the stage for long-term success, positioning firms as leaders in an ever-evolving market.

Michael Konrad is a Principal Consultant in the Financial Crime, Risk, Regulation and Finance capability and the U.S. Operational Resilience solution lead at Capco. He has experience and subject matter expertise in the design and implementation of operational resilience frameworks, integrating workstreams across business service resilience, business continuity, third party, cyber, IT disaster recovery, and technology/data. His project experience aligns to industry trends and best practices, as well as global operational resilience regulations including FCA/PRA, DORA, FRB, OCC, DFS, NIST, CFTC and Basel.

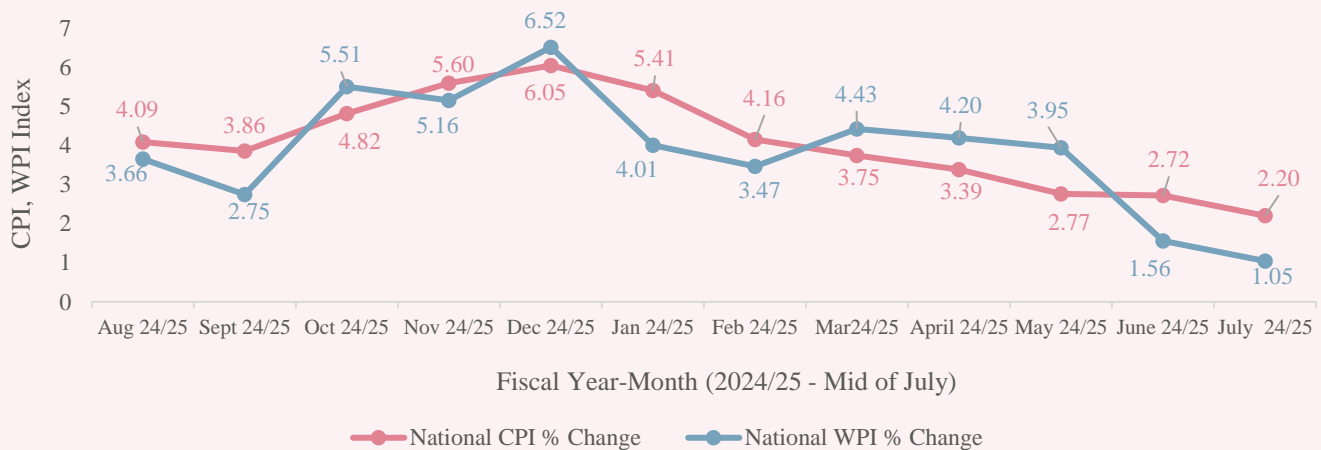
“Waiting helps you as an investor and a lot of people just can’t stand to wait. If you didn’t get the deferred-gratification gene, you’ve got to work very hard to overcome that.”

- Charlie Munger

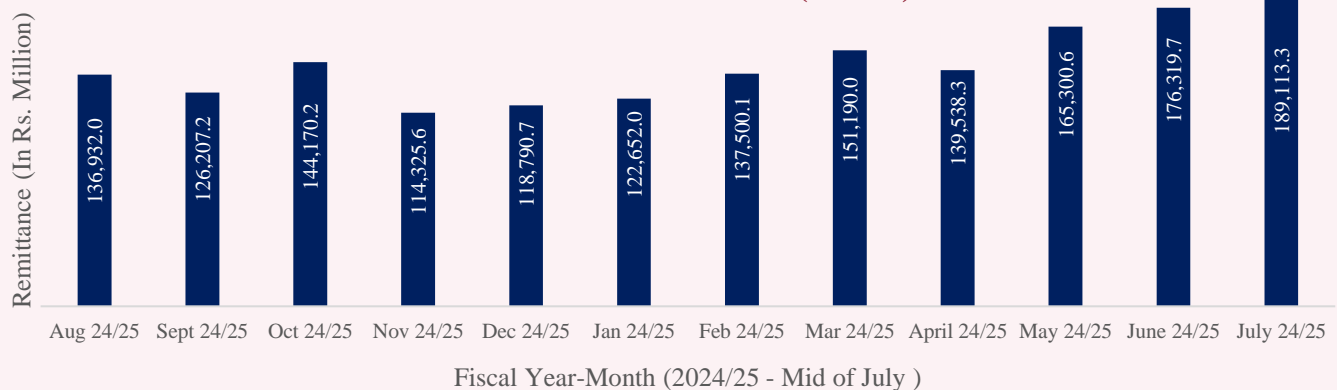
WHERE DO THE FACTORS STAND?



Inflation Rate (CPI)- 2.72%

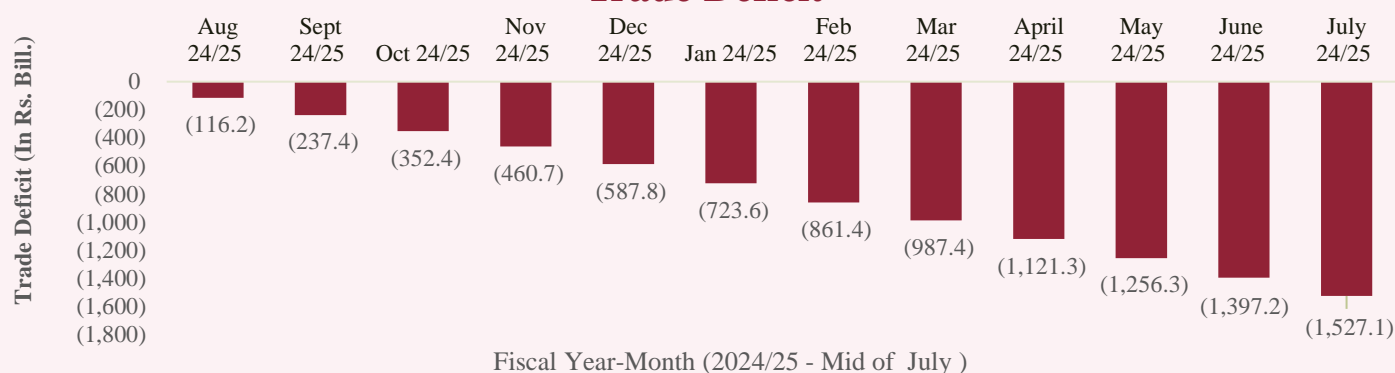
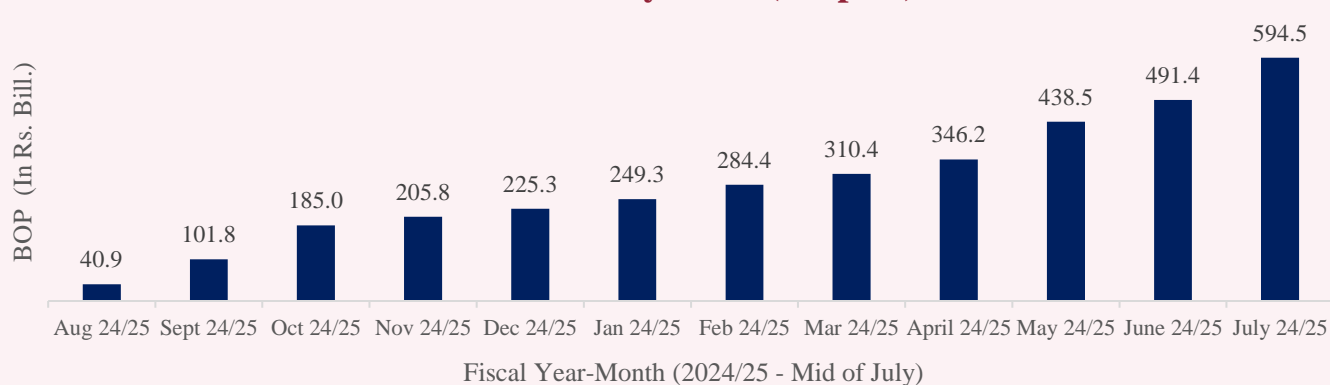
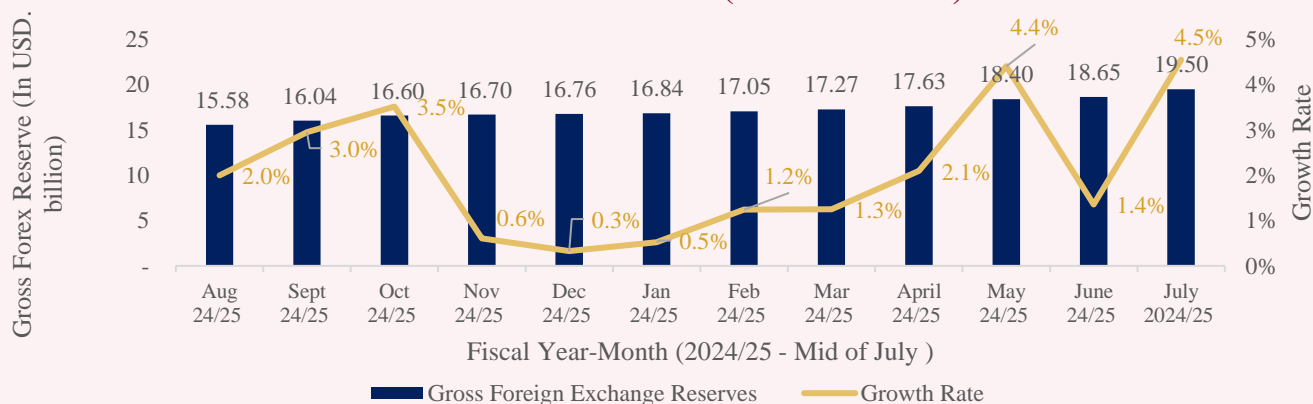


Remittance Inflow-19.15% (Y-o-Y)

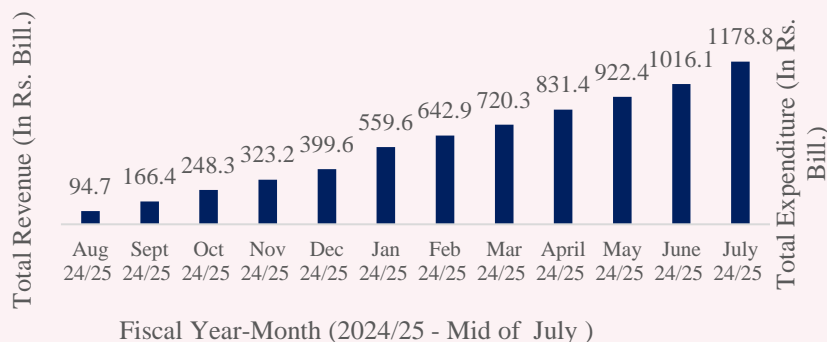


Liquidity Indicators (As on 28th August 2025):

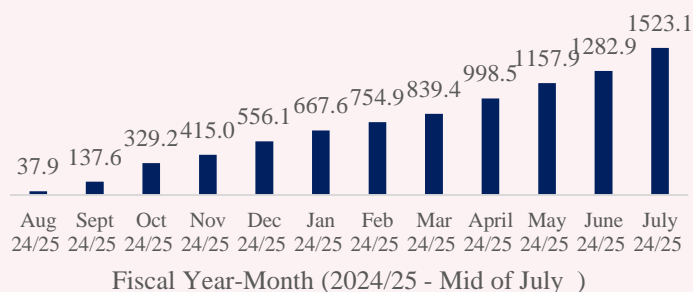
- ❖ BFI's Deposits: NPR. 7,233 billion
- ❖ BFI's Lending: NPR. 5,598 billion
- ❖ CD Ratio: 76.41%
- ❖ Inter-bank Interest Rate: 2.75%

Total Import (13.3% Y-o-Y)**Total Export (81.8% Y-o-Y)****Trade Deficit****Balance of Payments (Surplus)****Gross Forex Reserve (+27.71% YoY)**

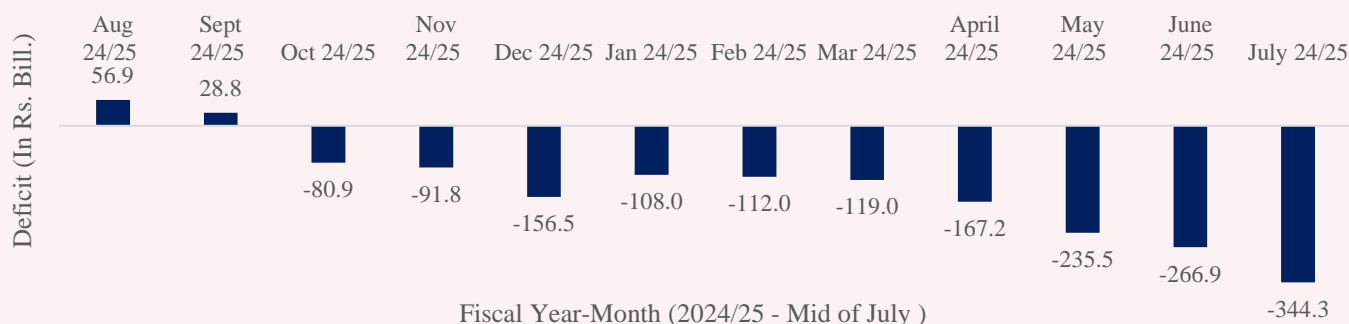
Govt. Revenue



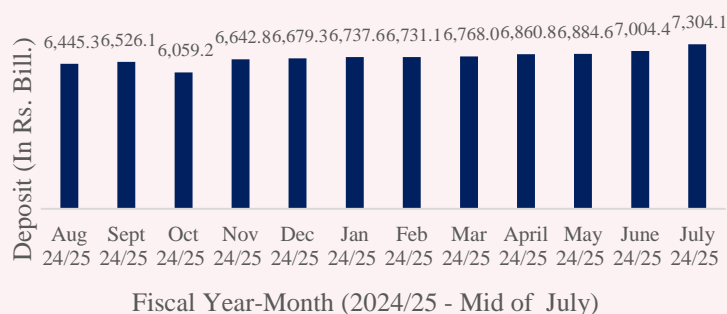
Govt. Expenditure



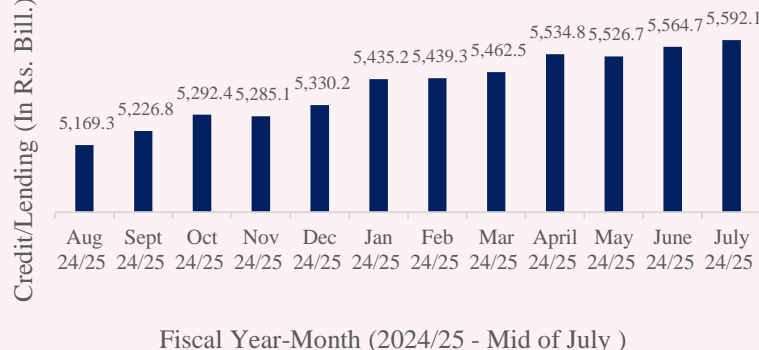
Fiscal Surplus/Deficit



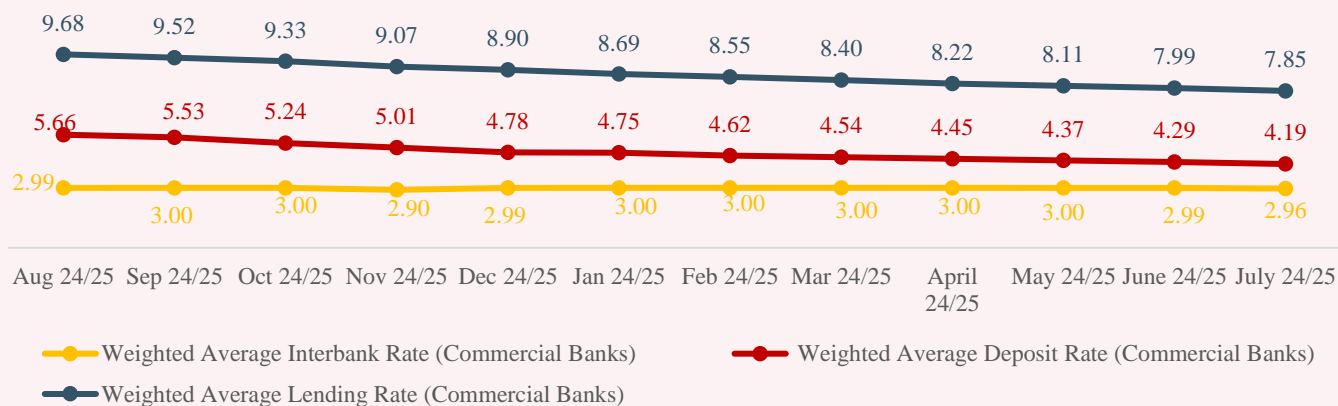
Deposit (+12.5% Y-o-Y)



Credit /Lending(+8.2% Y-o-Y)

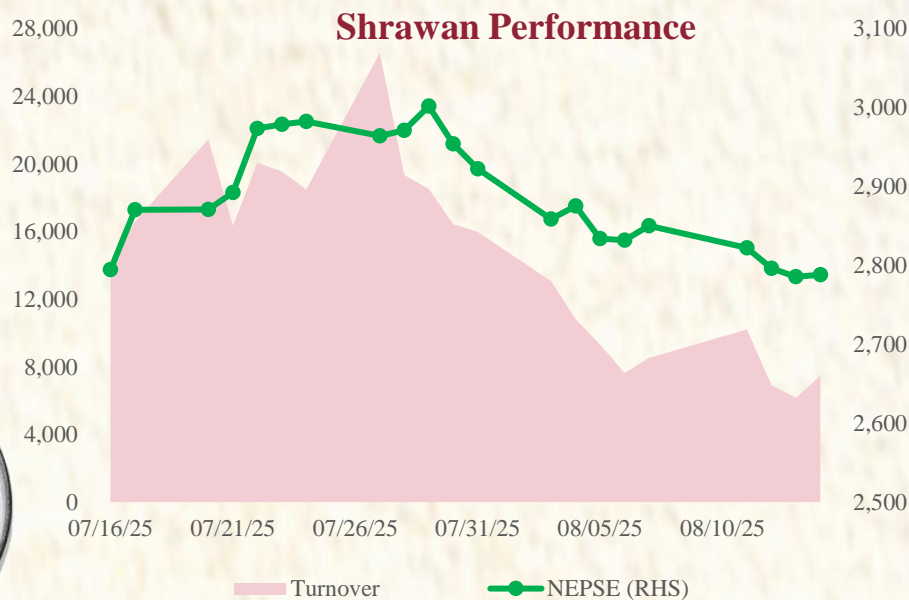


Market Interest Rates

Short-term Interest Rates (As on 26th August, 2025):

❖ 28 days: 2.74 % ❖ 91 days: 2.65% ❖ 364 days: 2.60%

Market Update: NEPSE SCANNER

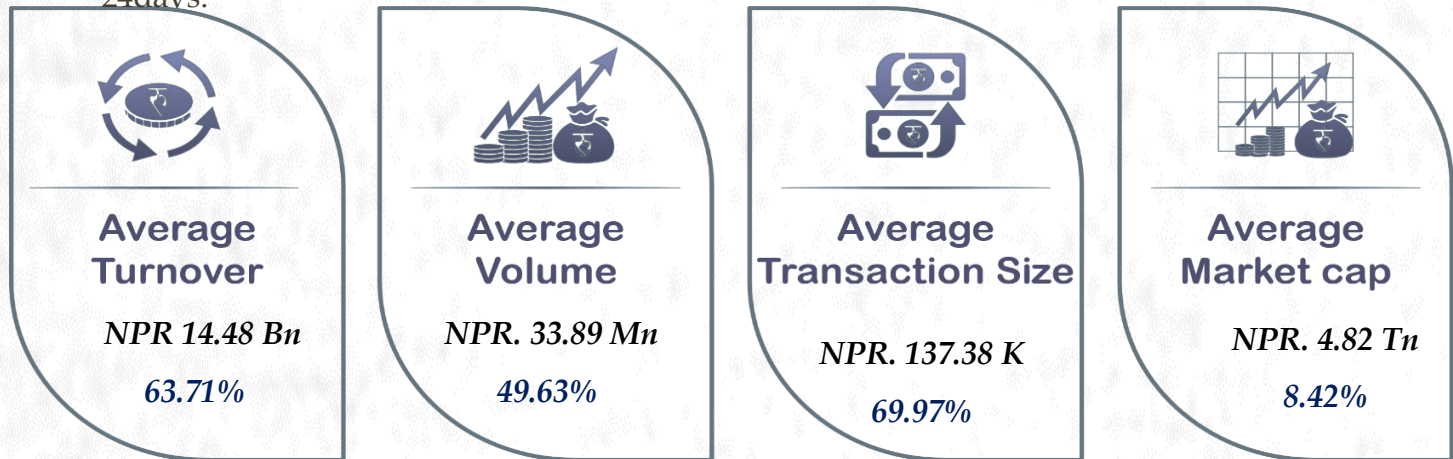


- NEPSE index declined by 6.42 points (-0.23%) to close at 2,788.36 from 2,794.78 at the previous month's end, with the index reaching a high of 3,028.79 and a low of 2,976.00 during the review month.
- Sensitive, Float, and Sensitive Float indices also decreased by 2.14%, 1.23%, and 2.42% respectively.
- By the month end, the turnover witnessed the decline of 46.82% and volume fell by 55.33%. The transactions decreased by 23.08% as compared to the previous month end.

Metrics	14.08.25	16.07.25	Monthly Change
NEPSE	2,788.36	2,794.78	-0.23%
Sensitive	478.82	489.27	-2.14%
Float	190.88	193.26	-1.23%
Sensitive Float	163.58	167.64	-2.42%
Turnover (Million)	7,464.18	14,034.84	-46.82%
Shares Volumes	19,258,445	43,111,416	-55.33%
Total Transactions	76,542	99,505	-23.08%
Total Scrips Traded	320	330	-3.03%
Market Cap (Rs. Million)	4,656,273.52	4,656,989.36	-0.02%
Sensitive Mrkt. Cap (Rs. Mn)	2,141,764.26	2,188,476.24	-2.13%
Float Market Cap (Rs. Mn)	1,576,133.60	1,591,974.35	-1.00%
Sens. Float Mrkt. Cap (Rs.Mn)	858,820.07	880,117.82	-2.42%
Average Return	15.45%	15.71%	-0.26%
Std. Deviation	22.62%	22.68%	-0.06%
10 Day 10% VAR	-5.89%	-5.91%	0.02%
Market Cap / GDP Ratio	76.24%	76.25%	-0.01%

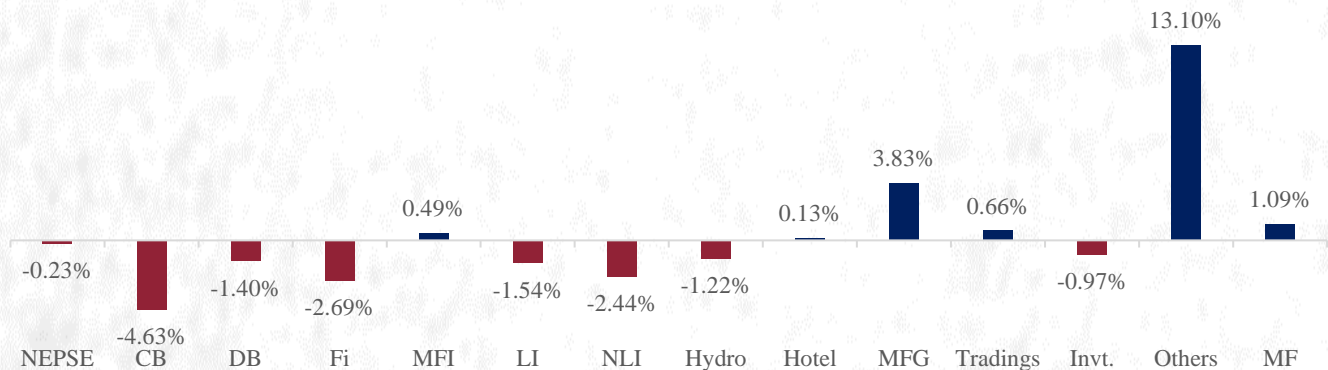
- Monthly average of these metrics computes to Rs. 14.48 billion (63.71%), Rs. 33.89 million (49.63%), and Rs. 137.38 thousand (69.97%) respectively.
- Market cap decreased by 0.02% to Rs. 4.66 trillion, out of which approx. 46.% are only Sensitive. The Sensitive market cap, covering A-class stocks, declined by 2.13%, the Sensitive Float market cap fell by 2.42%, and the Float market cap decreased by 1%.

- Average market return slightly decreased to 15.45% from 15.71%, the standard deviation marginally declined to 22.62%, and the 10-day 10% Value at Risk (VaR) stood at -5.89%
- Market is under-valued as per Market Capitalization to GDP ratio (Buffett Indicator) which is 76.24%.
- In the review period, market traded for 20 days. Last month, number of trading days was 24days.

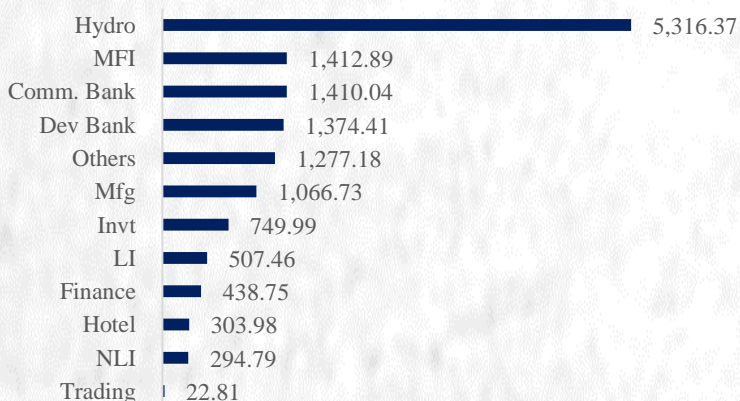


SECTOR SCANNER

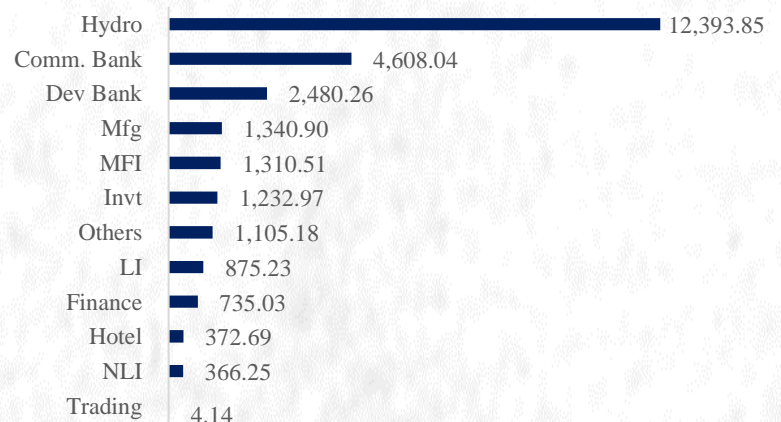
Monthly Sectoral Performance



Shrawan Avg. Turnover (Millions)

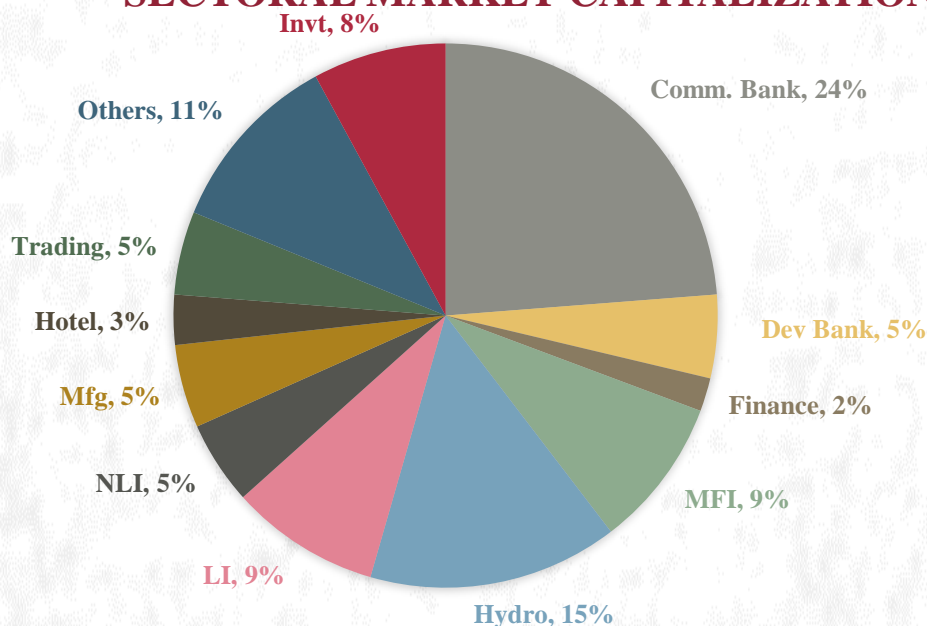


Shrawan Avg. Volume ('000)



- Out of 13 sectors, six sectors recorded positive growth during the month. Others sector logged the highest growth of 13.10% followed by Manufacturing (3.83%) and Mutual Fund (1.09%). Remaining three sectors i.e., Tradings, MFI and Hotels noted growth of less than 1%. Of the sectors that observed decline, the sharpest drops were observed by Commercial Banks (-4.63%), Finance (-2.69%), Non-Life Insurance (-2.44%), Life Insurance (-1.54%) and others.
- Hydropower sector dominated the market throughout the month, recording the highest average share of turnover value (37.52%) and transaction size (39.83%) across all trading days. In terms of turnover volume, Hydropower also led with an average of 46.61%. Microfinance and Commercial Bank sectors followed with notable average turnovers of 10.1% and 9.93%, and average transaction sizes of 8.97% and 9.67%, respectively.
- Pie- chart below shows the approximate market capitalization of 12 sectors as on last trading day of Shrawan i.e. Thursday 29th Shrawan, but excludes Promoter shares, Debentures, and Mutual Funds. BFI sector (A, B, C, D Class) covers approx. 39%, Commercial Bank alone 24%. Hydro and Others have 15 % and 11% coverage respectively. Insurance sector occupy 14% (Life – 9% and Non-Life – 5%) while Investment sector covers 8%. Finance has the least capitalization, amounting approx. Rs. 78.74 billion.

SECTORAL MARKET CAPITALIZATION

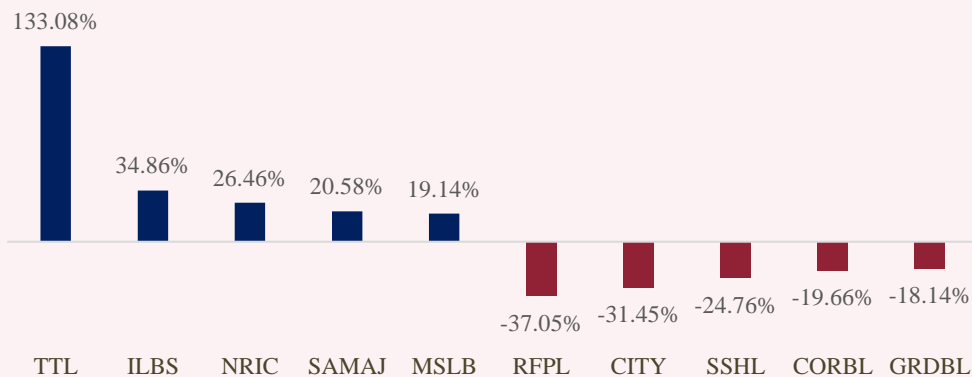


Monthly Terminology: Bull Trap

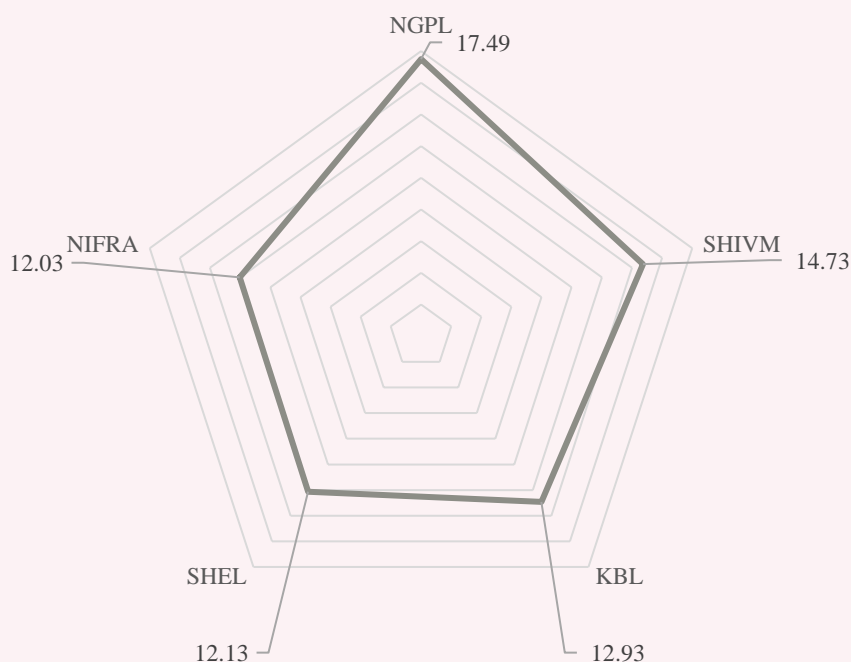
*A **Bull trap** is a false signal in the stock market that tricks investors into believing a declining asset has reversed into an uptrend. It usually happens when the price briefly rises above a resistance level or shows signs of recovery, prompting traders to buy with the expectation of further gains. However, the rally is short-lived, and the price quickly falls back below the resistance level, resuming its downward trend. Bull traps often occur in volatile markets and are commonly fueled by speculative buying, market manipulation, or overreaction to short-term news.*

STOCK SCANNER

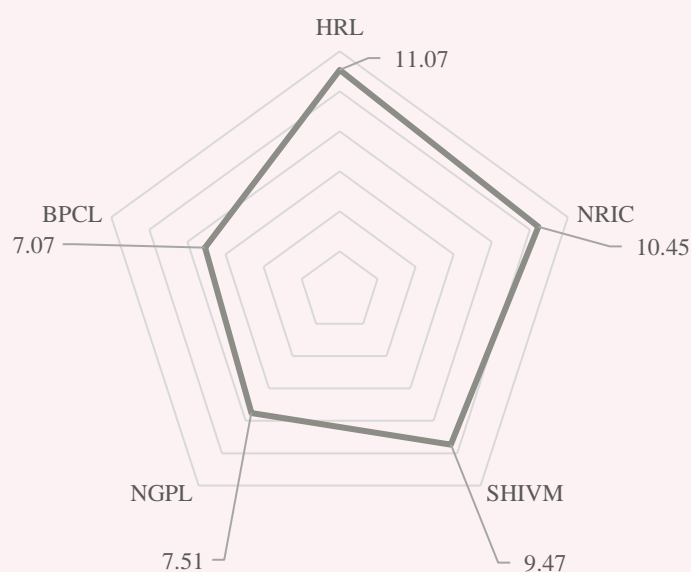
Top 5 Gaining and Losing Stocks/Scripts



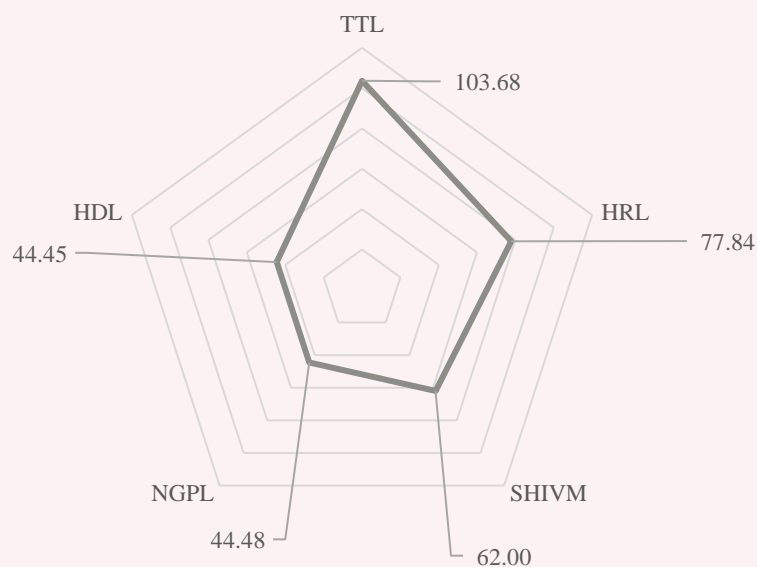
Stocks with Highest Volume (Millions)



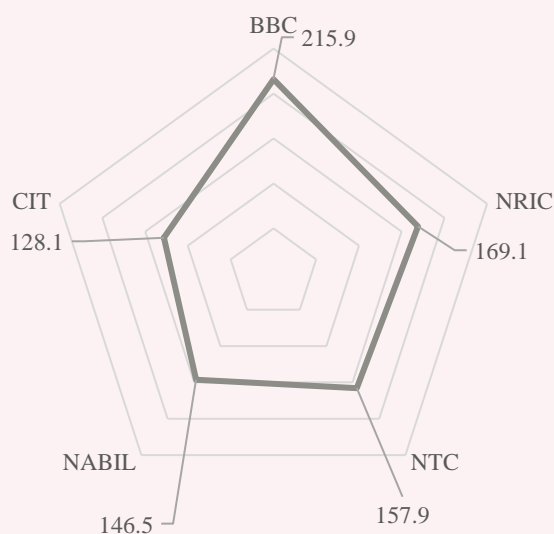
Stocks with Highest Turnover (Billions)



Stocks with Highest Transaction Size ('000)



Stocks with Highest Market Cap. (Billions)



TECHNICAL OUTLOOK...



Technical Indicator (14th August)

Value

RSI	43.31
MACD line	7.89
Signal line	32.19
Bollinger Upper Band	3031.26
Bollinger Middle Band	2891.37
Bollinger Lower Band	2751.48
ADX	27.30
Exp. Moving Avg. (9 Days)	2828.54
Exp. Moving Avg. (26 Days)	2830.03
Exp. Moving Avg. (50 Days)	2788.52
Exp. Moving Avg. (200 Days)	2662.34

Technical Overview:

In the month of Shrawan, NEPSE experienced mixed market signals. The RSI at 43.31 showed neutral momentum, leaning slightly bearish but not oversold. The MACD line remained below the signal line, indicating a short-term bearish crossover. Bollinger Bands placed the middle level at 2891, suggesting consolidation around that zone. With ADX at 27.30, the market reflected a moderate but noticeable trend. The 9-day EMA stayed just below the 26-day EMA, hinting at short-term weakness, while the 50-day EMA was close, pointing to sideways movement. The 200-day EMA stood much lower, confirming that the long-term uptrend was intact. Overall, NEPSE consolidated with mild bearish pressure, though short-term bullish signals indicated scope for recovery.

Key Bulletins of the Month

- 1) According to the Financial Comptroller General Office (FCGO), the Government of Nepal spent Rs 361.62 billion on public debt repayment in FY 2024/25, including Rs 304 billion in domestic debt, Rs 45.79 billion in multilateral loans, and Rs 11.65 billion in bilateral loans.
- 2) Nepal's public debt is projected to reach Rs 2.94 trillion by the end of FY 2025/26, with 53.15% from foreign sources and 46.85% from domestic borrowing.
- 3) According to the Ministry of Finance, the government secured foreign aid commitments totaling Rs 273.4 billion for FY 81/82, including Rs 5.75 billion in grants and Rs 215.54 billion in loans, through agreements with bilateral and multilateral donors to support various development projects.
- 4) In FY 2082/83 policy, SEBON has announced to allow Non-Resident Nepalis (NRNs) to trade shares in the secondary market and proposed legal provisions to enable the EPF, CIT, and SSF to invest in private equity and venture capital.
- 5) NEPSE has enabled viewing of odd lot buy/sell orders in market depth from 1st Shrawan 2082 to address investor complaints.
- 6) NRB has allowed organizations supplying services to public bodies to access unlimited foreign exchange facilities from commercial banks without regulatory approval.
- 7) The World Bank has increased the interest rate on loans provided to Nepal from 0.75 % to 1.5 %, with the new rate taking effect from July.
- 8) According to the Nepal Insurance Authority (NIA), life insurance companies—excluding micro-insurers—collected premiums totaling Rs. 181.43 billion in FY 2081/82, reflecting a 16.05% YoY growth.
- 9) In FY 2081/82, the government's total expenditure was Rs. 158.23 billion, up from Rs. 148.76 billion in FY 2080/81, with 85.95% spent on current expenditure.
- 10) According to customs department, Nepal imported goods worth Rs 1.804 trillion while exporting goods worth only Rs 277.03 billion in fiscal year 2081/82, resulting in a trade deficit of Rs 1.527 trillion.
- 11) Nepal exported electricity worth Rs 17.46 billion in fiscal year 2081/82, marking a significant rise from the previous year with exports reaching India and for the first time Bangladesh.
- 12) NRB has incurred a loss of around Rs 10 billion in the last fiscal year while implementing the interest rate corridor to manage excess liquidity.

Dividend Announced for FY 2081/82 during Shrawan 2082/83				
Company	Ticker	FY	Bonus (%)	Cash (%)
1. Machhapuchchhre Bank Limited	MBL	2081/82	4	4
2. Hathway Investment Nepal Limited	HATHY	2081/82	12	0.632
3. Sikles Hydropower Limited	SIKLES	2081/82	15	0.789

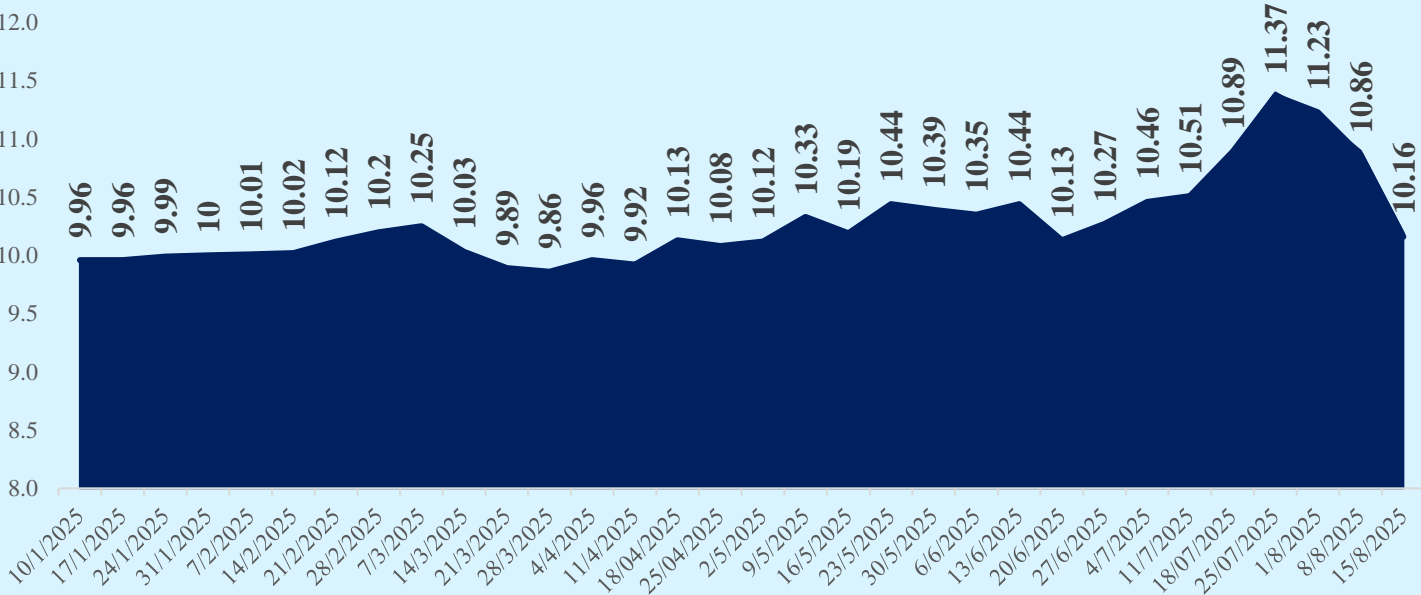
Upcoming IPO Issue				
Company	Ticker	Units	Opening Date	Closing Date
1. Jhapa Energy Limited	JEL	473,336.00	2025-09-05	2025-09-09
2. Sagar Distillery Limited	SDLTD	1,190,640.00	2025-09-10	2025-09-14

GARIMA SAMRIDDHI YOJANA

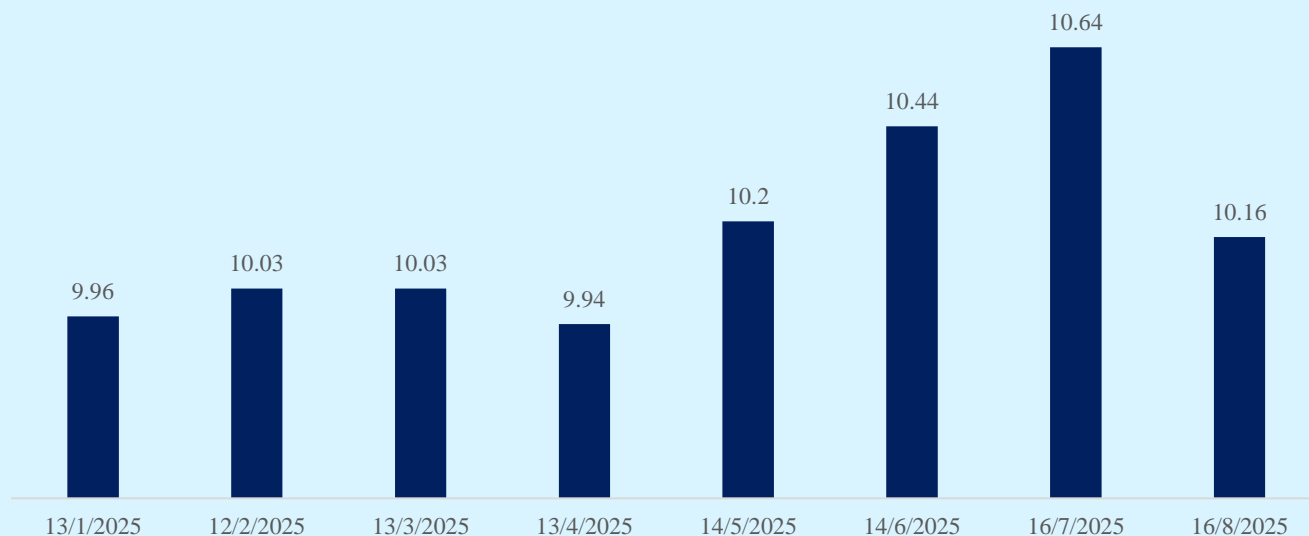
A Close Ended Mutual Fund Scheme

Fund Manager- Garima Capital Ltd.	NEPSE Ticker: GSY	LTP (14/08/2025): 9.42
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Weekly NAV



Monthly NAV

**Important Disclaimer:**

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The opinion and views expressed in this report are the consensus understanding and comprehension of the Department and the Company. However, such opinion, views, and information expressed in this report are subject to change based on change in market information and circumstances.

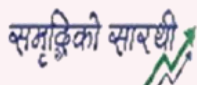
The sole purpose of this report is to provide analytical insight of the market performance and the state of affairs to whoever interested market participants along with our valued clients and customers.

This report should not be construed as investment advice or recommendation and ultimate investment decision stays on investors own wisdom. Garima Capital Ltd. including the Research and Product Team shall not be liable for any loss or damages that investors incur from investment actions based on this report.

नेपाल फिनिक्स लिमिटेड, धरान, कैलाली जिल्ला, नेपालको एकमात्र वित्तीय संस्थान



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