

# Market Outlook



BULL VS BEAR

## Market Performance (21/04/2019-25/04/2019)

The index closed above its pivot of last week with higher than on average volume as compare to last week's average. With a close at 1292.12 the index is currently at its seven month's High. The volume has tremendously increased by more than 90% in the review period as compared to that of last week. We can see the market being in Risk-ON stage as the investor participation has been increasing day by day.

### Weekly Statistics

|   |                              |
|---|------------------------------|
| <b>Total Turnover (Rs.)</b>               | <b>5,005,859,973.00</b>      |
| <b>Total Traded Shares</b>                | <b>16,366,581.00</b>         |
| <b>Total No. of Transactions</b>          | <b>51,008.00</b>             |
| <b>Scripts Traded</b>                     | <b>176</b>                   |
| <b>Market Cap at (2019-04-21)</b>         | <b>1,563,546.42 Millions</b> |
| <b>Market Cap at (2019-04-25)</b>         | <b>1,601,054.22 Millions</b> |
| <b>Floated Market Cap at (2019-04-21)</b> | <b>552,642.37 Millions</b>   |
| <b>Floated Market Cap at (2019-04-25)</b> | <b>565,202.25 Millions</b>   |

### Top 10 Securities by Amount Traded

| S.N. | Name of the Security                     | Symbol | Amount Traded (Rs. In Million) |
|------|--|--------|--------------------------------|
| 1    | Nepal Bank Limited                       | NBL    | 560.80                         |
| 2    | Prabhu Bank Limited                      | PRVU   | 228.84                         |
| 3    | NIC Asia Bank Ltd.                       | NICA   | 222.81                         |
| 4    | NMB Bank Limited                         | NMB    | 194.48                         |
| 5    | Nepal Credit And Commercial Bank Limited | NCCB   | 186.18                         |
| 6    | Chhimek Laghubitta Bikas Bank Limited    | CBBL   | 175.14                         |
| 7    | Janata Bank Nepal Ltd.                   | JBNL   | 168.83                         |
| 8    | Global IME Bank Limited                  | GBIME  | 156.64                         |
| 9    | Civil Bank Ltd                           | CBL    | 119.86                         |
| 10   | Nepal Investment Bank Limited            | NIB    | 113.48                         |

### Top 10 Securities by Market Capitalization

| S.N. | Security Name                      | Symbol | Capitalization (Rs. In Million) |
|------|------------------------------------|--------|---------------------------------|
| 1    | Nepal Doorsanchar Comapany Limited | NTC    | 105600                          |
| 2    | Nabil Bank Limited                 | NABIL  | 79242.24                        |
| 3    | Nepal Investment Bank Limited      | NIB    | 72481.62                        |
| 4    | Standard Chartered Bank Limited    | SCB    | 57922.64                        |
| 5    | Everest Bank Limited               | EBL    | 53860.26                        |
| 6    | Nepal Life Insurance Co. Ltd.      | NLIC   | 50344.83                        |
| 7    | Himalayan Bank Limited             | HBL    | 48565.46                        |
| 8    | NIC Asia Bank Ltd.                 | NICA   | 44789.54                        |
| 9    | Nepal SBI Bank Limited             | SBI    | 42922.19                        |
| 10   | NMB Bank Limited                   | NMB    | 38087.92                        |

## Listing of securities from (21/04/2019-25/04/2019)

| S N | Name of company | Listing unit | Type of listing |
|-----|-----------------|--------------|-----------------|
| 1   | Laxmi Bank Ltd. | 6,988,416.91 | Bonus share     |

## Technical Analysis

### 1. Weekly Support & Resistance

| INDEX   | S4       | S3       | S2       | S1       | Pivot    | R1       | R2       | R3       | R4       |
|---------|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| Classic | 1,128.82 | 1,178.77 | 1,228.72 | 1,260.42 | 1,278.67 | 1,310.37 | 1,328.62 | 1,378.57 | 1,428.52 |

### 2. Technical Indicators



The index is currently trading above its 50-day EMA and 200-day EMA. We can see the convergence between shorter term EMA and longer term EMA. If the shorter term EMA crosses longer term EMA from below this will signal the start of the new Bullish trend. And the convergence area will act as a support zone for the trend. We are likely to stay above 1200 level as the index is currently above its shorter term and longer term Moving Average.

As the market is overbought any correction seen from 1300 area will reach maximum to the level of 1220 which is its 61.8% retracement level from the low of 1100 to current peak.

Momentum Indicators are seem highly overbought. But the overall trend remains to be in favors of bull.

## Fundamental Analysis

The economy is anticipated to grow by 6.2% in fiscal year (FY)2019, marginally down from 6.3% in FY2018. On the demand side, growth in public infrastructure spending and private investment as well as buoyant government expenses will drive growth in FY2019. Gross domestic product (GDP) growth at 6.3% is envisaged for FY2020, assuming a normal monsoon and no untoward circumstances such as floods devastating crop production. Average annual inflation will edge up to 4.4% in FY2019 from 4.2% in FY2018. Inflation averaged 4.2% in the first 7 months of FY2019, above the 3.7% result in the year-earlier period. Data to mid-February 2019 show that trade deficit has surpassed the net invisible earnings, widening the current account deficit to \$1.5 billion, slightly up from a deficit of \$1.4 billion in the year earlier period. Downside risks to outlook in FY2020 center on challenges to smooth implementation of fiscal federalism.

The national accounts statistics of the fiscal 2074-75 BS launched by Central Bureau of Statistics (CBS) revealed that the contributions of primary sector to the Gross Domestic Product (GDP) have been on decreasing trend whereas the contributions by service sector are on the rise. The economy has attained the growth rate of 6.81% above the estimation and projections made by international agencies like ADB, IMF and World Bank for Nepal. But the estimation of economic growth of 8% made by the budget last year seems like to be unattainable after seeing the 9-month performance of the economy.

## Investment Themes

- Equities are gaining positive momentums in a meanwhile and seems to be at RISK ON stage.
- Remaining long on equities is justifiable at present scenario.
- Increase in Investor participation had increased the Volume tremendously.
- Economic growth rate seems to be at its pace and above its estimation as projected by International agencies like ADB, IMF and World bank.
- Decrease in inflation will flatten the yield curve in near term.
- FDI commitment/acceptance of proposals for FDI is to be watched closely.

### Disclaimer:

**The report concerns the trading statistics and outlook based on the market performance from 21<sup>th</sup> April 2019 to 25<sup>th</sup> April 2019. The information in the document has been printed on the basis of publicly available information. Internal data and other sources believed to be true and are for general guidance only but which may have not been verified independently. While every effort is made to ensure the accuracy and completeness of information contained.**