

Insurance subgroup leads market rally

market UPDATE

(January 7 - 12)

Nepse rose by 16.46 points — 1.16 per cent — to close at 1,440.29 points in the week



The secondary market index went up by 16.46 points or 1.15 per cent in the trading week between January 7 and 11.

The Nepal Stock Exchange (Nepse) remained open for only four days against the normal five trading days as the secondary market remained closed on Thursday due to public holiday of *Prithvi Jayanti*.

Along with Nepse index, sensitive and float indices also witnessed gains. The sensitive index rose by 4.02 points or 1.34 per cent to 303.68 points and float index went up by 1.25 points or 1.22 per cent to 103.5 points.

The benchmark index had opened at 1,423.83 points on Sunday and rested at 1,431.8 points for the day. The secondary market continued in the same trajectory on Monday and Tuesday. The local bourse advanced to 1,443.8 points on Monday and to 1,456.07 points on Tuesday. However, owing to selling pressure on Wednesday, Nepse dropped by 15.78 points to 1,440.29 points on the last trading day of the week.

Capital market experts have stated market is being driven by fundamental reasons rather than external factors. “Major reason of fluctuation is excessive supply of shares and deposit crunch in financial system. These two reasons are affecting market movement,” said Shreejesh Ghimire, CEO of NMB Capital Ltd.

The market rallied on the back of insurance subgroup in review period. The sector soared by 152.49 points or 2.09 per cent to rest at 7,457.63 points. Share price of Nepal Life Insurance Company surged by 5.26

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per cent to Rs 1,821 per unit, Sagarmatha Insurance Company went up by 3.04 per cent to Rs 1,390 per unit and share price of Life Insurance Corporation Nepal rose by 2.79 per cent to Rs 1,989 per unit.

Similarly, sub-index of class 'A' financial institutions rose by 13.04 points or 1.06 per cent to 1,244.95 points. Share price of Everest Bank increased by 5.73 per cent to Rs 922 per unit and that of Himalayan Bank went up to Rs 663 per unit, with a gain of 2.95 per cent.

Other sub-indices of financial group also increased during the week. The finance group went up by 2.72 points or 0.37 per cent to 735.74 points. Likewise, the development banks sector increased by 18.87 points or 1.18 per cent to 1,614.82 points and the sub-index of microfinance rose by 17.43 points or 1.01 per cent to 1,741.97 points.

The sub-index of hotels gained 36.82 points or 1.74 per cent to 2,152.57 points. Similarly, sub-index of others group rose by 9.72 points or 1.26 per cent to 783.07 points, hydropower group went up by 5.36 points or 0.28 per cent to 1,921.11 points and trading group inched up by 1.69 points or 0.89 per cent to 192.4 points.

Meanwhile, manufacturing group fell by 18.2 points or 0.72 per cent to 2,506.8 points.

Altogether, 4.05 million shares of 174 firms worth Rs 1.71 billion were traded through 17,393 transactions in the week. The traded amount was 36.79 per cent less than total weekly turnover of the previous week.

Nepal Life Insurance Company secured top position in terms of total turnover with Rs 237.65 million. It was followed by Sanima Mai Hydropower with Rs 93.66 million, Everest Bank with Rs 80.12 million, Standard Chartered Bank with Rs 62.66 million and Nabil Bank with Rs 48.62 million.

Nepal Life Insurance Company also topped list in terms of trading volume and total number of transactions with 199,000 units of its shares changing hands through 1,475 transactions.

New listings

Company	Type	Unit
Excel Development Bank	Rights	1,922,812.50
Nabil Bank	Bonus	18,577,140
Ngadi Group Power	Bonus	486,868
Sanima Bank	Bonus	11,036,214.40
Tourism Development Bank	Bonus	1,710,775

Source: The Himalayan Times, 14th January 2018