

Nepse finishes 2.81 points higher after choppy trading day

Stocks fell slightly in the first trading hour on Wednesday but began trimming losses around mid-day. Overall, the Nepal Stock Exchange (Nepse) Index vacillated between positive and negative territories before ending marginally higher. The index finished the day 0.23 percent higher at 1,242.07 points.

On the day, trading activity appeared largely subdued as the market continued to show a lack of direction. Turnover also dropped to the month's low of Rs. 214 million. The lackluster performance of Nepse came as investors were looking ahead to monetary policy announcements.

Most of the sub-indices ended the day showing modest moves contributing to the bland trading session. All sub-indices gained except the Others Sub-Index. Hotels Sub-Index rose the most by 0.95 percent. Hydropower sector also edged up 0.55 percent. Sub-Indices of Development Bank, Finance and Microfinance followed suit.

Shares of Grameen Bikas Laghubitta Bittiya Sanstha Ltd led the list of active stocks with a total transaction of over Rs. 14 million. Likewise, shares of Mega Bank Ltd and Nepal Life Insurance Company Ltd logged in turnovers of over Rs. 13 million each. Nabil Bank Ltd (Promoter Share) and Nepal Telecom Ltd were the other active stocks.

In terms of advances, shares of Radhi Bidyut Company Ltd extended gains for a third consecutive day. Its share price rallied almost 10 percent on Wednesday. Nepal Hydro Developers Ltd also saw its share price surged by 9.50 percent. Shares of Grameen Bikas Laghubitta Bittiya Sanstha Ltd, Arun Valley Hydropower Development Co Ltd and Sindhu Bikas Bank Ltd added 7.12 percent, 5.06 percent and 4.55 percent, respectively.

On the other hand, shares of Karnali Development Bank Ltd led losses dropping over 7 percent. Further, stock price of Ngadi Group Power Ltd corrected 4.49 percent. Subsequently, Mahila Sahayatra Microfinance Bittiya Sanstha Ltd and Shrijana Finance Ltd declined over 3 percent each.

NMB Bank Ltd has commenced the issue of over 11 million unit shares in its further public offering (FPO). The FPO is being issued with a premium of Rs. 233 over the par value of Rs. 100 per share. After the issue, the bank's capital will reach Rs. 7.6 billion, which is still short of the Rs. 8 billion capital requirement mark.

Furthermore, Mega Bank Ltd has amended the earlier bonus proposals made by the bank itself and Tourism Development Bank Ltd separately before the merger. The merged bank has now announced 10.75 percent bonus shares to its shareholders.

According to the ARKS technical analysis, a minor bullish candle is observed in the daily timeframe as the market is trending range bound. Hence, the chart clearly indicates inconclusiveness prevailing at the current juncture. Furthermore, major indicators like Relative Strength Index (RSI) and Moving Average Convergence/Divergence also imply lack of momentum in the equity market.

Source: The Himalayan Times, 14th June 2018