

## Nepse index remains southbound



Nepse fell by 21.43 points – 1.6 per cent – to close at 1,318.22 points in the week



Negative investor sentiment caused the country's sole secondary market to slide 21.43 points or 1.6 per cent in the trading week between May 20 and 24.

"Investors are worried about investment opportunities under the communist government," said Uttam Aryal, chairman of Nepal Investors Association.

"While the government did try to allay investors' worries through the 'Policies and Programmes', investors are distrustful of the current government, especially as Finance Minister Yubaraj Khatriwada had hinted at cracking down on 'unproductive sectors like share market' earlier."

He further said that in the meantime, investors are waiting for the budget announcement to get a clearer picture of the government's views and plans for the share market.

According to Aryal, the government should also introduce policies to attract the investment of non-residential Nepalis (NRN) into the stock market, which would give the market a definite boost.

The benchmark index remained southbound throughout in the week ahead of the scheduled budget announcement.

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The market had opened, with Nepal Stock Exchange (Nepse) index at 1,339.65 points. It had shed 0.46 points to close at 1,339.19 points by the end of the trading day. Nepse fell by 2.06 points to 1,337.13 points on Monday, by 4.31 points to 1,332.82 points on Tuesday, and by 4.55 points to 1,328.27 points on Wednesday. The local bourse slid by 10.05 points on Thursday to close the week at 1,318.22 points.

Along with Nepse index, sensitive and float indices also fell in the review week.

The sensitive index, which measures the performance of class 'A' stocks, was down 4.41 points or 1.56 per cent to 277.89 points.

Similarly, the float index that gauges the performance of shares actually traded also slipped by 1.66 points or 1.71 per cent to 95.04 points.

In the review period, only two subgroups — out of the total 10 — landed in the green zone. Trading and microfinance subgroups recorded gains of over one per cent, while the remaining subgroups witnessed losses between 0.02 per cent and 2.44 per cent.

Trading subgroup inched up by 1.47 per cent or 2.96 points to 204.30 points. Likewise, microfinance subgroup ascended by 1.21 per cent or 21.06 points to close at 1,754.60 points for the week.

Conversely, insurance subgroup plunged by 2.44 per cent or 170.05 points to rest at 6,787.90 points. On its heels, development banks dropped by 2.10 per cent or 32.58 points to land at 1,512.64 points.

Banking — the subgroup with the highest weightage on the share market — descended by 1.99 per cent or 22.93 points to 1,124.37 points. Similarly, the hydropower sub-index went down by 1.57 per cent or 26 points to 1,629.74 points.

Finance sub-index slipped by 0.84 per cent or 5.47 points to 642.20 points, while hotels shed 0.77 per cent or 15.32 points to 1,966.69 points.

The others sub-index dipped by 0.44 per cent or 3.31 points to rest at 748.16 points and manufacturing sub-index shrank by 0.02 per cent or 0.57 points to rest at 2,318.56 points for the week.

Altogether 4.13 million shares of 183 companies worth Rs 1.92 billion were traded through 19,713 transactions during the week. The traded amount was 77.71 per cent higher than the total weekly turnover of the previous week, which was recorded at Rs 1.08 billion. In the past week, 2.32 million shares of 176 companies had changed hands through 14,026 transactions.

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Nepal Investment Bank (Promoter Share) was the forerunner in two categories — weekly turnover and trading volume — with 96,000 of its shares changing hands worth Rs 228.50 million.

Swarojgar Laghubitta Bittiya Sanstha with Rs 69.97 million, Laxmi Bank with Rs 58.33 million, Kalika Microcredit Development Bank with Rs 53.68 million and Nepal Bank with Rs 47.71 million rounded up the top five listed companies in terms of weekly turnover in the review period.

Meanwhile, Nepal Investment Bank topped the chart in terms of number of transactions — 729.

Source: The Himalayan Times, 28<sup>th</sup> May 2018