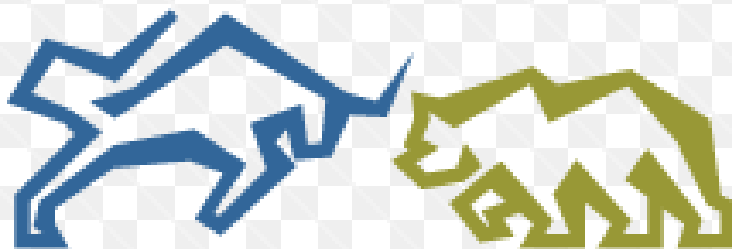


# Market Outlook



BULL VS BEAR



लक्ष्मी क्यापिटल मार्केट लिमिटेड  
Laxmi Capital Market Limited

## Market Performance (07/04/2019-11/04/2019)

From the First week of March, we have been seeing positive momentum in the market. The index this week had selling pressure as the index was already up by 90 pts and profit booking seems to be obvious. The index has increased by 23 pts but could not sustain the level and only closed 2pts above its opening. The average volume has been maintained and the market cap has increased as well.

### Weekly Statistics

<b>Total Turnover (Rs.)</b>	<b>2,449,012,888.00</b>
<b>Total Traded Shares</b>	<b>8,604,001.00</b>
<b>Total No. of Transactions</b>	<b>31,265.00</b>
<b>Scripts Traded</b>	<b>170</b>
<b>Market Cap at (2019-04-08)</b>	<b>1,456,452.58 Millions</b>
<b>Market Cap at (2019-04-11)</b>	<b>1,462,507.74 Millions</b>
<b>Floated Market Cap at (2019-04-08)</b>	<b>514,189.13 Millions</b>
<b>Floated Market Cap at (2019-04-11)</b>	<b>514,021.46 Millions</b>

### Top 10 Securities by Amount Traded

S.N.	Name of the Security	Symbol	Amount Traded (Rs. In Million)
1	NIC Asia Bank Ltd.	NICA	252.18
2	NMB Bank Limited	NMB	177.22
3	Kumari Bank Limited	KBL	150.92
4	Neco Insurance Co. Ltd.	NIL	130.65
5	Nepal Bank Limited	NBL	120.56
6	Nepal Credit And Commerce Bank Limited	NCCB	108.06
7	Prabhu Bank Limited	PRVU	99.78
8	Nepal Investment Bank Limited	NIB	81.49
9	Machhapuchhre Bank Limited	MBL	75.59
10	Prime Commercial Bank Ltd.	PCBL	67.47

### Top 10 Securities by Market Capitalization

S.N.	Security Name	Symbol	Capitalization (Rs. In Million)
1	Nepal Doorsanchar Comapany Limited	NTC	102,300.00
2	Nepal Investment Bank Limited	NIB	68,964.32
3	Nabil Bank Limited	NABIL	66,275.33
4	Everest Bank Limited	EBL	48,161.18
5	Nepal Life Insurance Co. Ltd.	NLIC	48,146.37
6	Standard Chartered Bank Limited	SCB	47,347.55
7	Himalayan Bank Limited	HBL	41,749.25
8	NIC Asia Bank Ltd.	NICA	41,432.53
9	Nepal SBI Bank Limited	SBI	34,810.91
10	NMB Bank Limited	NMB	34,240.66

## Listing of securities from (07/04/2019-11/04/2019)

S N	Name of company	Listing unit	Type of listing
1	RSDC Laghubittya Bittiya Sanstha Ltd.	575,920.00	Bonus
2	Ridi Hydropower Development Company Ltd.	300,633.00	Bonus
3	RMDC Laghubittya Bittiya Sanstha Ltd.	726,726.00	Bonus
4	Global IME Bank Ltd.	14,221,401.33	Bonus
5	Shree Investment And Finance Company Ltd.	98,500.00	Bonus
6	Hydroelectricity Investment And Development Co Ltd.	10,000,000.00	Bonus
7	Kankai Bikas Bank Ltd.	150,000.00	Bonus
8	Mountain Hydro Nepal Ltd.	12,500,000.00	IPO
9	Mahuli Samudayik Laghubittya Bittiya Sanstha Ltd.	300,000.00	Right

## Technical Analysis

### 1. Weekly Support & Resistance

INDEX	S4	S3	S2	S1	Pivot	R1	R2	R3	R4
Classic	1,116.54	1,139.54	1,162.54	1,173.28	1,185.54	1,196.28	1,208.54	1,231.54	1,254.54

### 2. Technical Indicators



The Index is currently trading below its 200-day EMA. Although settlement above its 50-day EMA above 1160 level the index was unable to breach 1190/1200 level. Minor correction at this stage is likely and accepted. We could see the positive build up in RSI. Major concern is shown by DMI and ADX line which indicated the Reversal of current trend. Able to sustain the level above 1165, the index is likely to continue its rally towards its Resistance area of 1200/15.

## Fundamental Analysis

We can see our country in a brink of new era. Four year ago this April, this beautiful land was devastated by Earthquake and shook Kathmandu to core. Our country is young with more than 40% of the country's population between age group 16-40. It is ambitious, with plans for new highways, new mass transit infrastructure, new airports, more trade, more energy, and growth. With a stable government and an ambitious economic plan, Nepal is, for the first time in decades, in a position to dream big and to carry out a long-term vision that includes more and better services and opportunities for people.

Things are moving in the right direction. Extreme poverty is expected to decline from 15 percent in 2010 to a 10 percent in 2019, based on a poverty line of \$1.90 a day. But Nepal will have to grow fast enough to achieve that goal by some estimates by as much as 8 percent a year to further reduce poverty and boost growth. This will require enormous levels of resources and investment. Infrastructure investment alone will need to be around 12 percent of GDP or more per annum roughly twice the current levels.

Nepal's economy is anticipated to grow at 6.2% in fiscal year (FY) 2019 and 6.3% in FY2020, says the latest Asian Development Bank (ADB) Nepal Macroeconomic Update. "The outlook is for a stable growth on the back of strong domestic demand, fueled by a larger budget allocation to subnational governments and accelerated post-earthquake reconstruction," said ADB Country Director for Nepal Mr. Mukhtor Khamudkhanov. "Challenges to smooth implementation of fiscal federalism and maintaining fiscal discipline at large could pose potential risks to the outlook. Nepal has the potential to achieve and sustain higher growth rate over a long period of time if these challenges are addressed."

The agriculture sector will likely grow from 2.8% in FY2018 to 4.5% in FY2019, owing to a good monsoon that is expected to boost paddy production to 5.5 million tons, a rise of 8.4% from the previous year. The industry sector is expected to expand by 7.1% in FY2019 buoyed by improved electricity supply and efforts to improve the investment climate. And the services sector will likely grow by 6.4% in FY2019 with the expansion of wholesale and retail trade, hotels and restaurants, and financial intermediation.

The inflation is projected to rise to 4.4% in FY2019 from 4.2% in FY2018, partly reflecting somewhat higher inflation expected in India, stable oil prices, and higher government expenditures under the new federal structure.

Revenue collection has primarily increased on higher import growth and an improvement of the tax system. The budget as of mid-January 2019 is in surplus by NRs173.3 billion owing to strong revenue growth and a marginal slowdown in recurrent expenses. Though capital expenditure has surged in the fiscal year through mid-February, its execution stands at only

22.5%. This could again lead to a spending spree in the last month of the fiscal year, undermining the quality of capital projects, says the update.

With rising trade and current account deficit, Nepal increasingly faces the risk of external sector instability. Data to mid-February 2019 show that trade deficit has surpassed net invisible earnings, widening the current account deficit to \$1.5 billion, marginally up from a deficit of \$1.4 billion in the year earlier period. The current account deficit is projected to widen further to 9.3% of gross domestic product in FY2019, up from 8.2% a year earlier on increased imports of capital and consumer goods and services, notwithstanding a healthy growth of remittances and stable oil prices.

## Investment Themes

- Equities are gaining positive momentums in a meanwhile and seems to be at corrective phase.
- Long-term growth prospects and cheap absolute and relative valuations support Equities.
- Liquidity seems to be major concern in the market.
- FDI commitment/acceptance of proposals for FDI is to be watched closely.
- Stocks' with high dividend yield are to be considered for buying and maintaining a Beta portfolio equaling market seems be rationale at the moment.

### Disclaimer:

**The report concerns the trading statistics and outlook based on the market performance from 7<sup>th</sup> April 2019 to 11<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.**