

NEPAL LIFE CAPITAL

WEEKLY

MARKET UPDATE

Week: (14/7/2024 to 18/7/2024)



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Market Movement

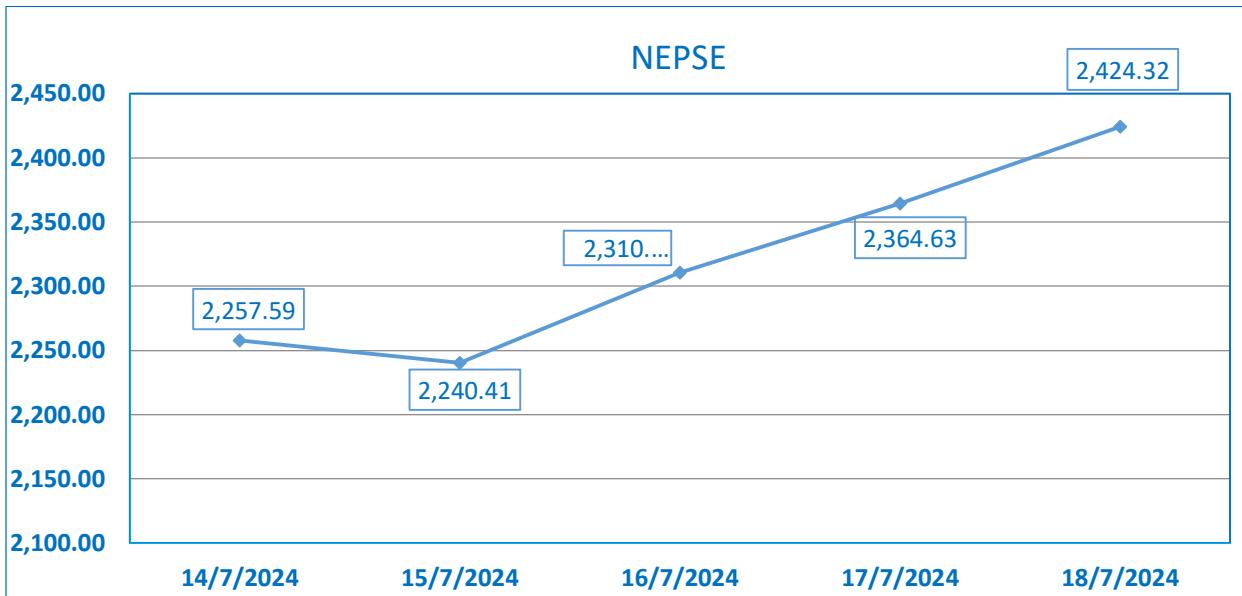


Figure 1 Market Movement for NEPSE index.

For the week of 14th July to 18th July, the NEPSE index had another staggering week as it rose by 219.71 points (9.97%) to close at 2424.32. The average turnover has also increased to 10.619 arba (83.52%) more than the previous week.

Daily Turnover

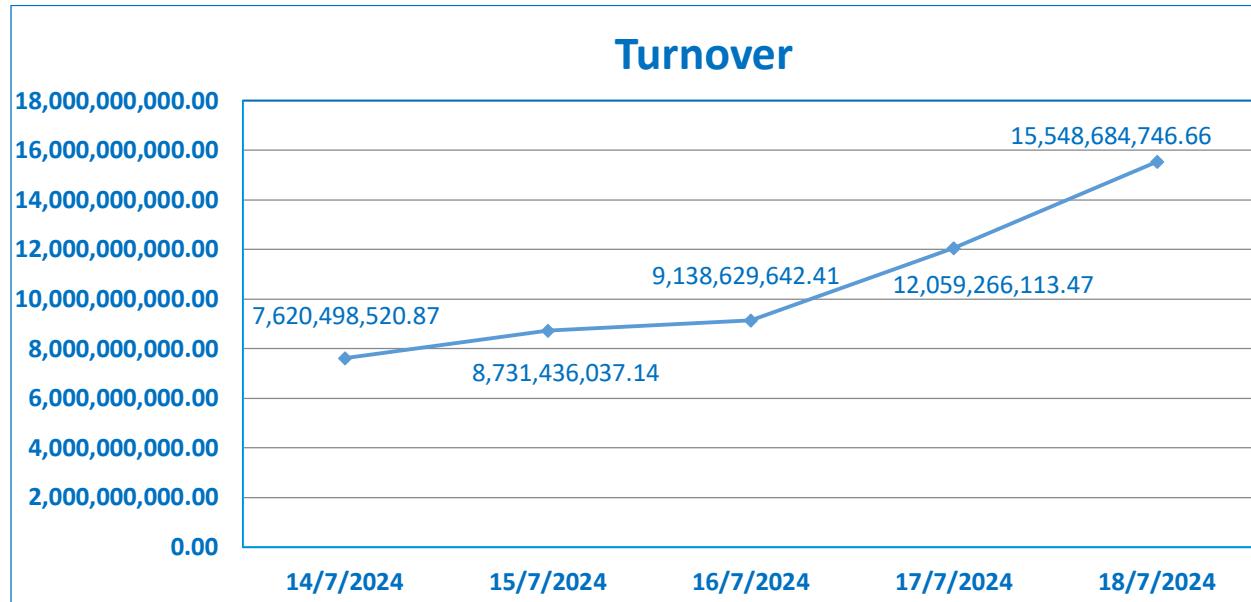


Figure 2 Turnover for NEPSE index.

Sub-Indices Performance

Indices	11th July	18th July	Return
Banking	1,194.95	1,362.16	13.99%
Trading	2,998.64	3,381.49	12.77%
Hydropower	2,675.01	2,985.28	11.60%
Development Bank	4,465.33	4,907.31	9.90%
Hotels and Tourism	5599.67	6145.51	9.75%
Manufacturing & Processing	6,545.17	7,169.14	9.53%
Investment	81.14	88.23	8.74%
Non-Life Insurance	11,142.21	11,924.37	7.02%
Finance	2,581.85	2,762.90	7.01%
Life Insurance	10,727.73	11,475.03	6.97%
Others	1681.68	1794.28	6.70%
Microfinance	4,847.24	5,159.95	6.45%
Mutual Fund	19.74	20.53	4.00%

This week:

Weeks after weeks the NEPSE index continues to rise at a great pace. We now have double digit weekly return on the sub-indexes. The detailed weekly return has been listed in the table above.

Daily Sector Movement

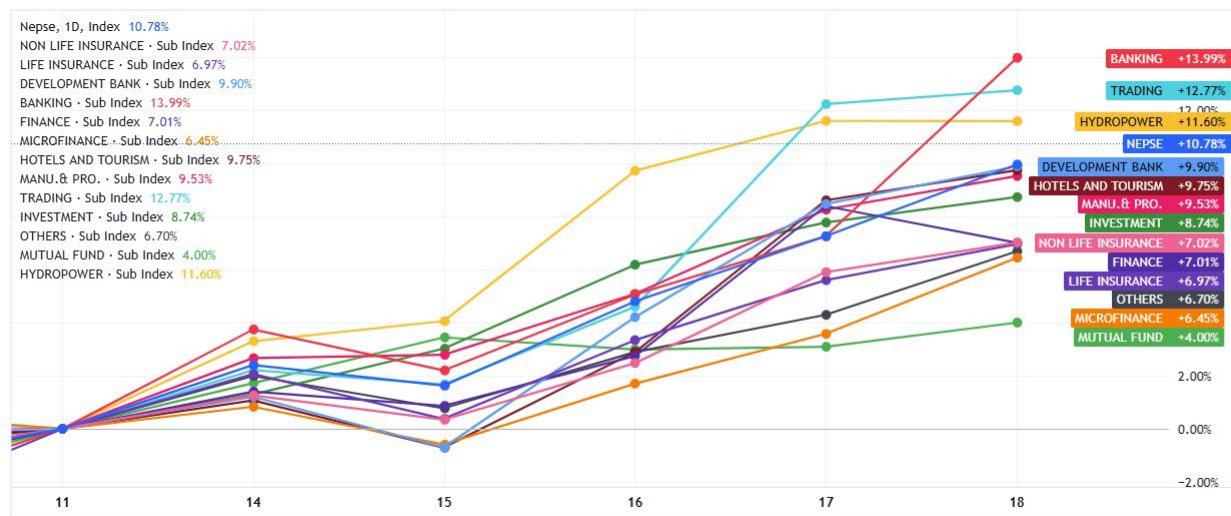


Figure 3 Daily sector movement relative to NEPSE index.

*Each dot represents the index closing point for each day of the week.

Investors Choice

In this section the stocks with the highest weekly trading volume have been showcased

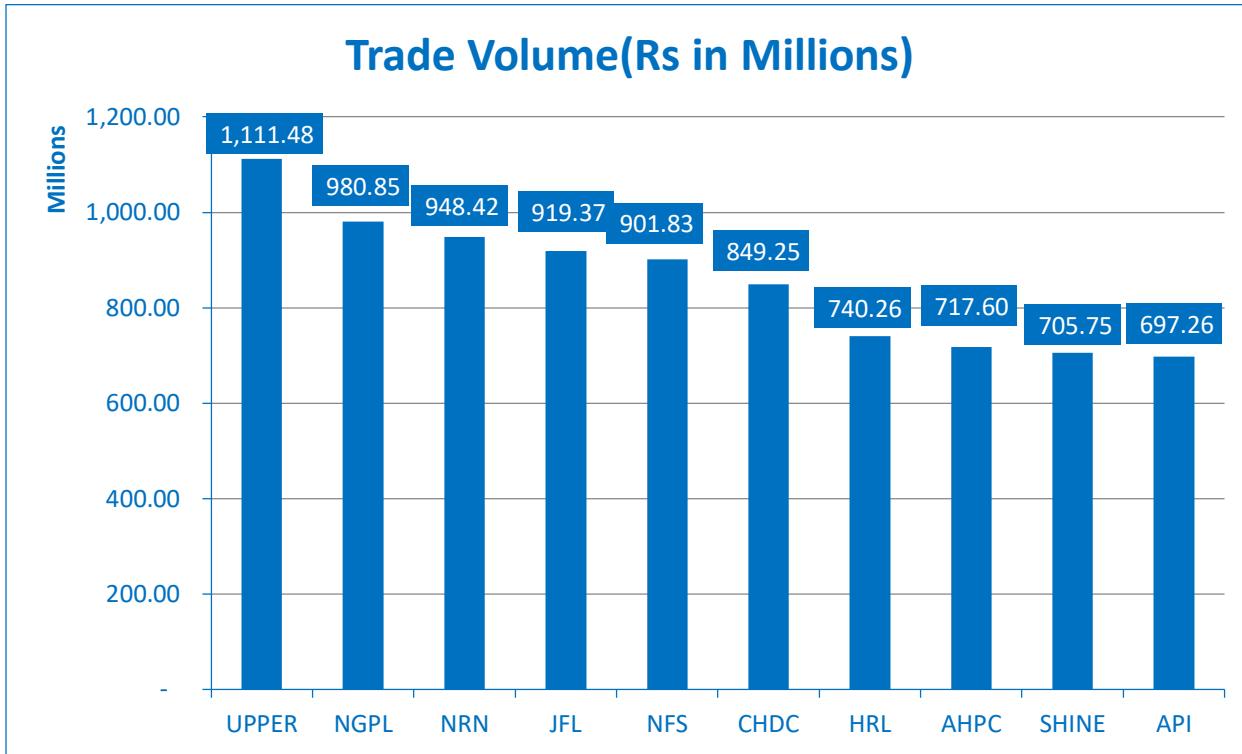
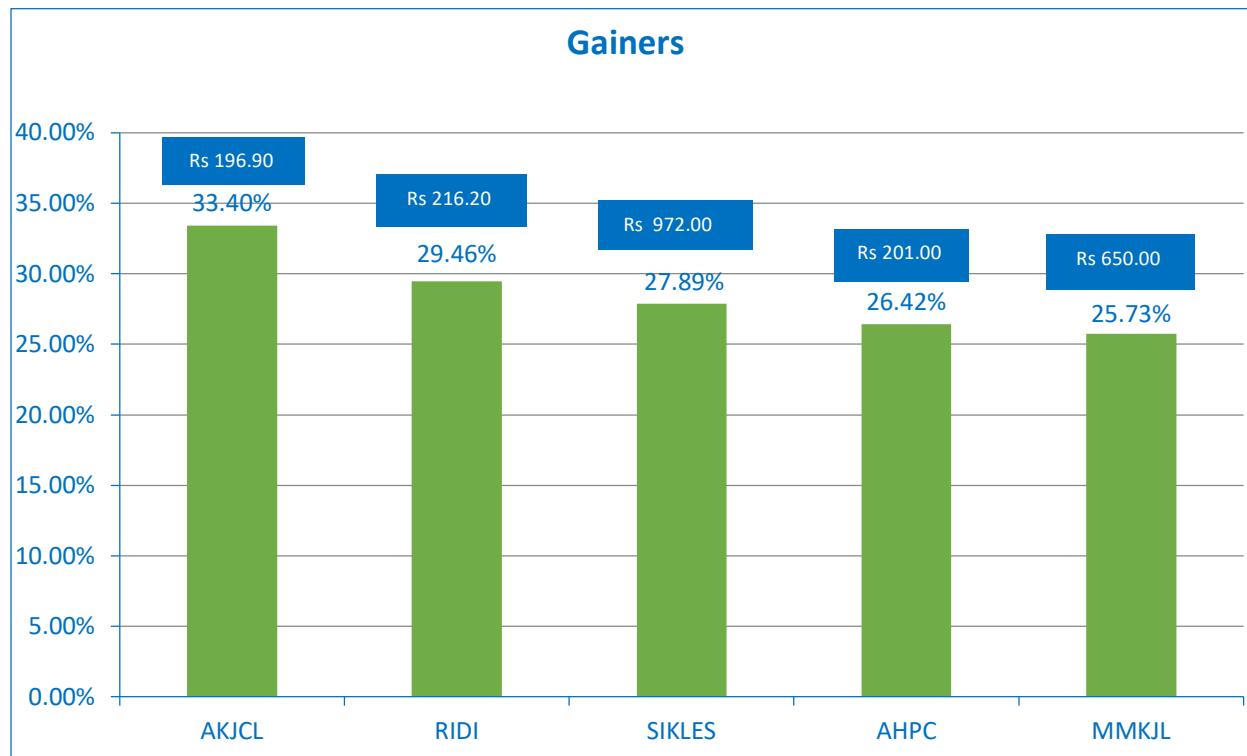
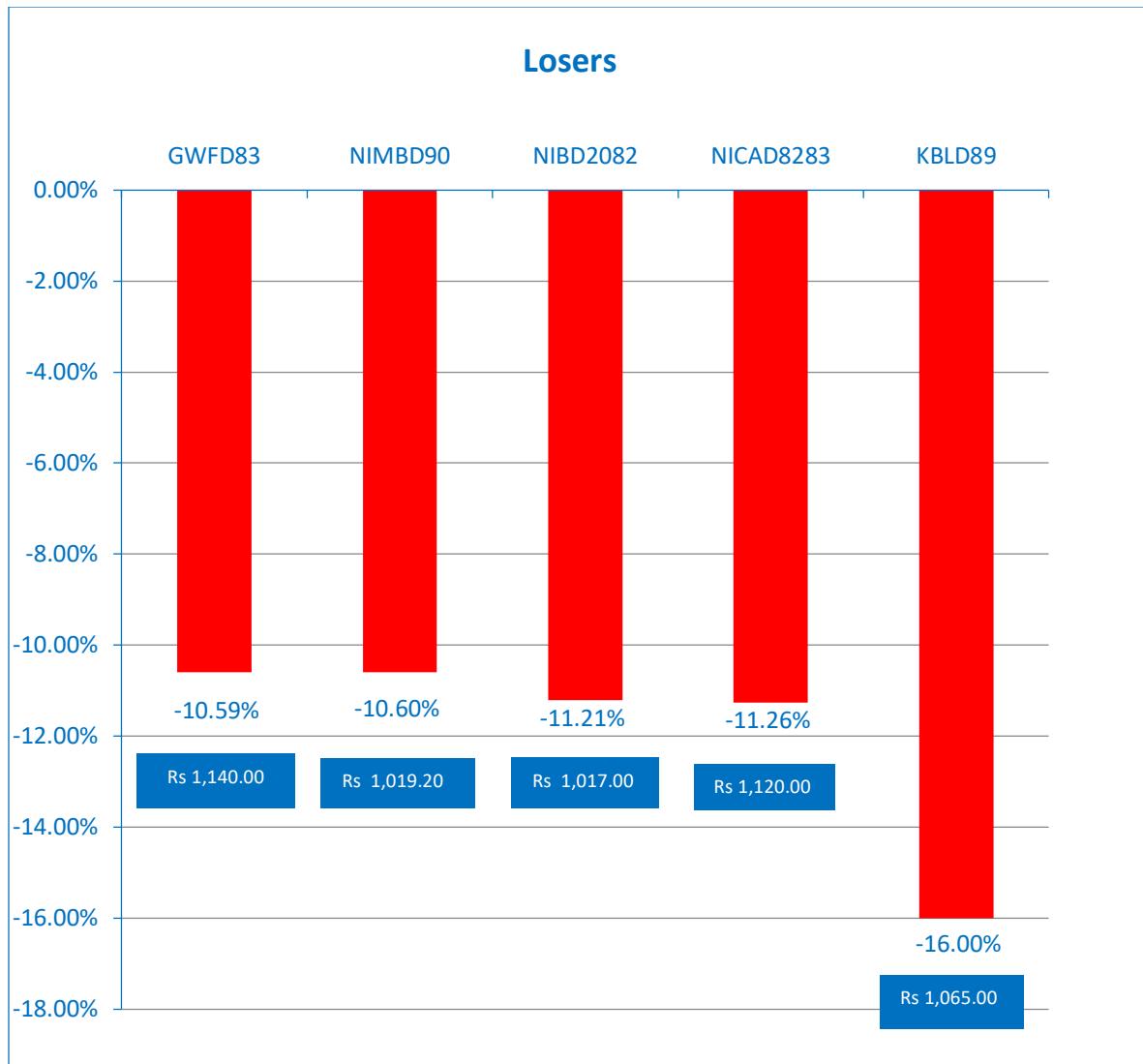


Figure 4 Top 10 Trade volume for the week.

Gainers and Losers



Top 5 Gainers and losers for the week



Technical Overview

The tides have turned, the NEPSE index has breached its 2200- 2250 resistance with a great margin. A weekly average volume of 10 Arba should mark the end of the bear run. This shall be the trigger factor for the market. The index gives a return of 10% in a single week! How ever the short-term run must soon come to an end, not necessarily this week, not necessarily because of the test of any other resistance area. but rather to the loss of buying power and unwillingness to pay a higher price in the market. But until then the run is on and shall continue. The very next trading day is on Sunday July 21, 2024. The monetary policy is expected to drop on this day. The anticipation is good, yet it is a well-known fact that rallies come to end after the good news is out.

Technically, we even stand higher than the 2400 index. Therefore, there is still a high chance of even testing the 2500 to 2575 mark as it marks the 1.618 Fib area. However, the move is quite impulsive and unpredictable.

As the great Isaac Newton once said, “I can calculate the motion of heavenly bodies, but not the madness of people.”

Weekly analysis



Figure 5 Weekly Time Frame Candlestick Pattern

Daily analysis



On daily graph,

The time series has been extended back to the years of 2017. The cycles move in an arch, a sine waves. It's quite simple and very informative. If we do see the index sustain above the 2400s in the upcoming weeks and months. We can take it as an early signal for the upcoming upward movements in the index.

Here are some of the zones to watch to determine the direction of the market.

Support	Resistance
S1 – 2400	R1 – 2470
S2 – 2333	R2 – 2562
S3 – 2250	R3

Major Rates and Ratios

Description	As on	Rate/Ratio
CD Ratio	July 15, 2024	77.67%
Weighted Average Interbank Interest Rate LCY	July 15, 2024	2.96%
Weighted Average 28 days T-bill rate	July 16, 2024	2.9081%
Weighted Average 91 days T-bill rate	July 16, 2024	2.9292%
Weighted Average 182 days T-bill rate	July 2, 2024	3.0370 %
Weighted Average 364 days T-bill rate	July 9, 2024	3.1834%

Average FD Rate for the month of Ashad 2080	
Institutional	Individual
5.48%	6.74%

Upcoming Events

Date	Event
21/7/2024	18th and 19th AGM of Nepal Hydro and Electric Limited.
22/7/2024	No Events!
23/7/2024	Closing Day of 46,729.5450 units FPO shares of Suryodaya Womi Laghubitta Bittiya Sanstha Limited to the general public.
	Closing Day of auction of Mahila Laghubitta Bittiya Sanstha Limited for 1,99,472 units promoter shares.
24/7/2024	No Events!
25/7/2024	No Events!
26/7/2024	SGM of Aadishakti Investment Company Limited.
27/7/2024	5th, 6th & 7th AGM of Sindhujwala Hydropower Limited.

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