

NEPAL LIFE CAPITAL

WEEKLY

MARKET UPDATE

Week: (25/8/2024 to 30/8/2024)



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Market Movement

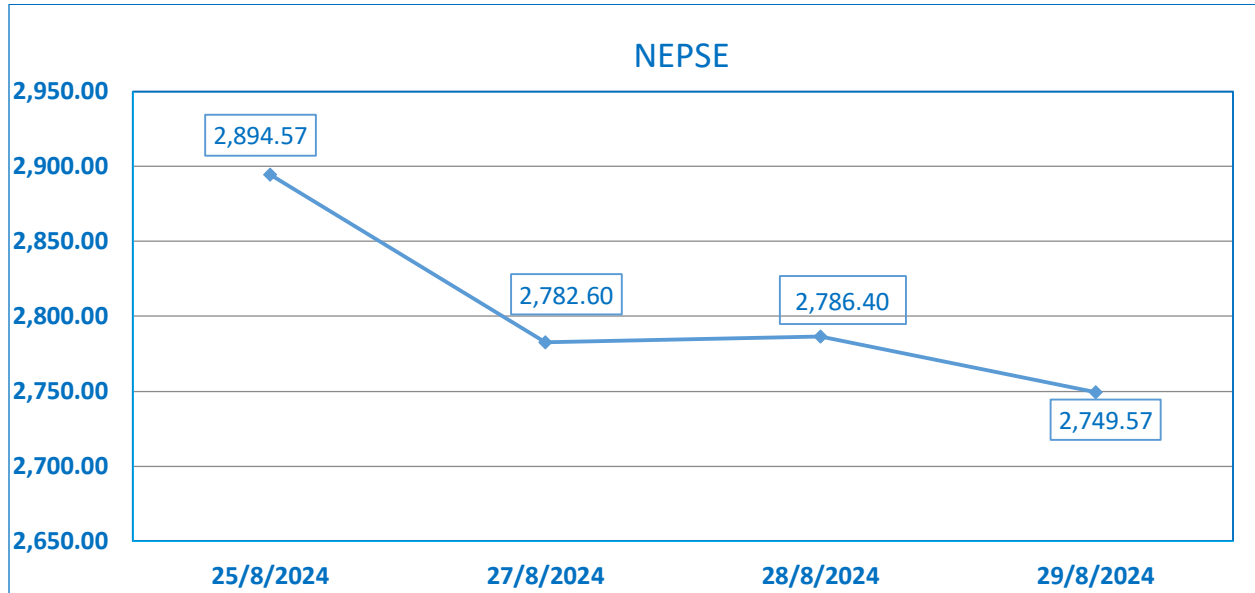


Figure 1 Market Movement for NEPSE index.

For the week of 25th August to 30th August, the NEPSE index dropped by -224.89 points (-7.56%) to close at 2,749.57. The average turnover has also decreased to 16.090 arba (-27.85%) less than the previous week.

Daily Turnover

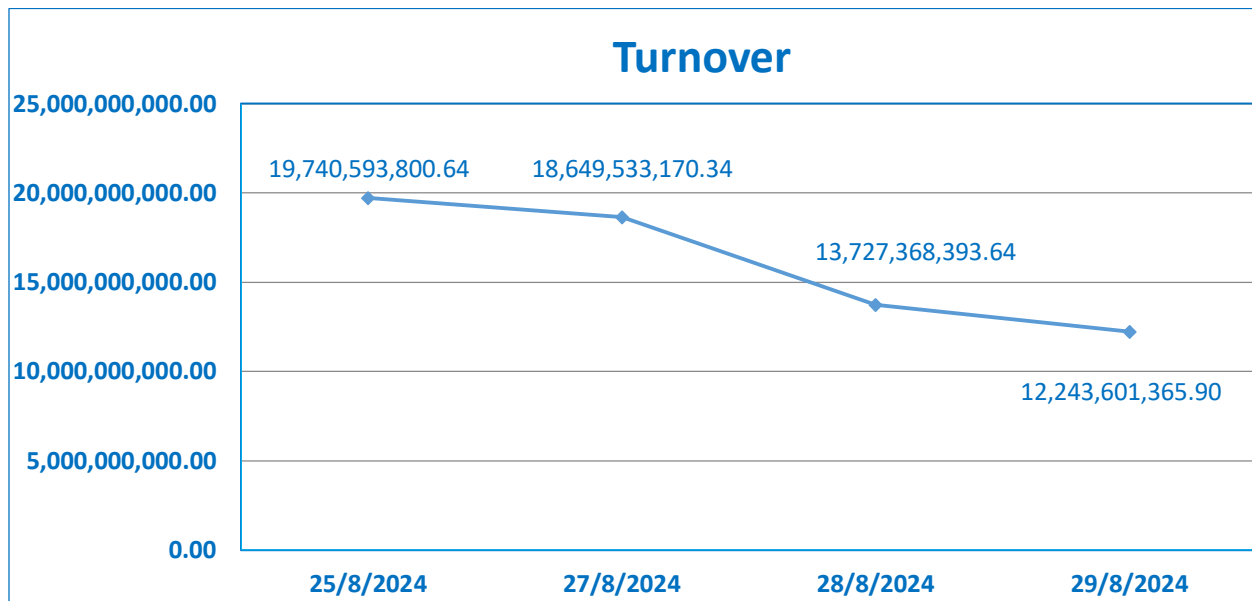


Figure 2 Turnover for NEPSE index.

Sub-Indices Performance

Indices	22th August	29th August	Return
Mutual Fund	22.34	21.97	-1.66%
Hotels and Tourism	7427.36	7155.68	-3.66%
Microfinance	5,372.21	5,107.24	-4.93%
Manufacturing & Processing	7,741.27	7,295.83	-5.75%
Trading	4,010.03	3,772.09	-5.93%
Hydropower	3,659.34	3,419.34	-6.56%
Non-Life Insurance	14,170.97	13,108.97	-7.49%
Others	2276.31	2101.49	-7.68%
Investment	120.78	111.35	-7.81%
Development Bank	5,930.17	5,436.27	-8.33%
Life Insurance	14,730.05	13,486.03	-8.45%
Banking	1,712.18	1,559.76	-8.90%
Finance	3,975.49	3,559.94	-10.45%

This week:

NEPSE is now corrective in trend. All the subsectors are losing in value. While the “Finance” sub index faced the most volatility with 10.45% on the negative side. While the rest of the sectors followed the downtrend. The list for the weekly return has been listed in the table above.

Daily Sector Movement

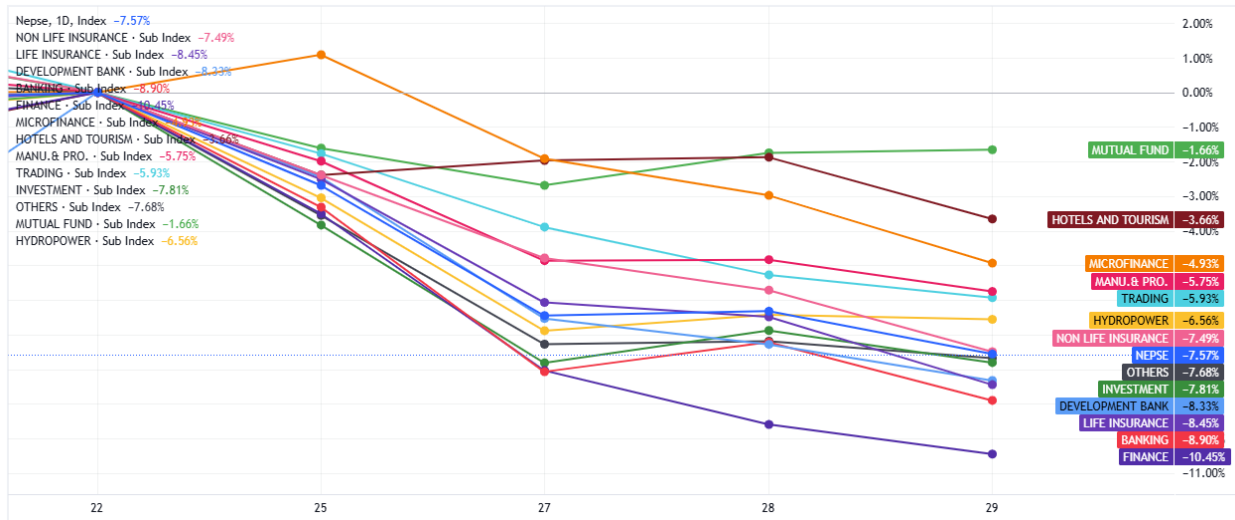


Figure 3 Daily sector movement relative to NEPSE index.

*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

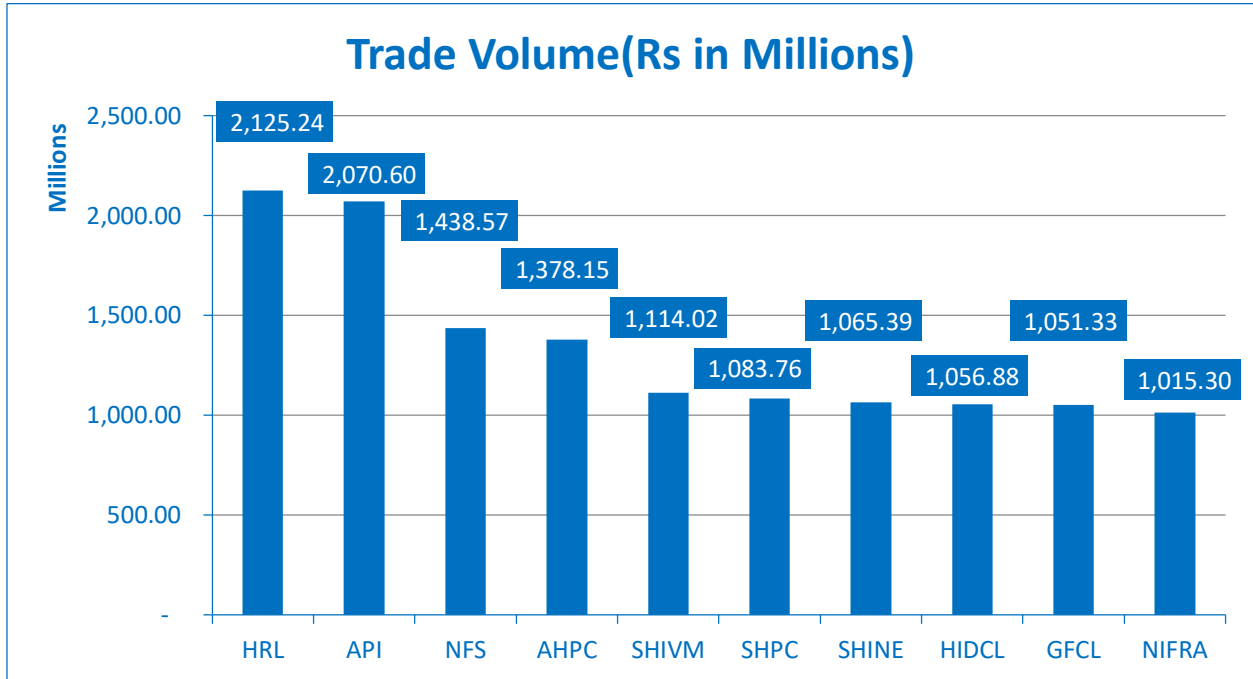
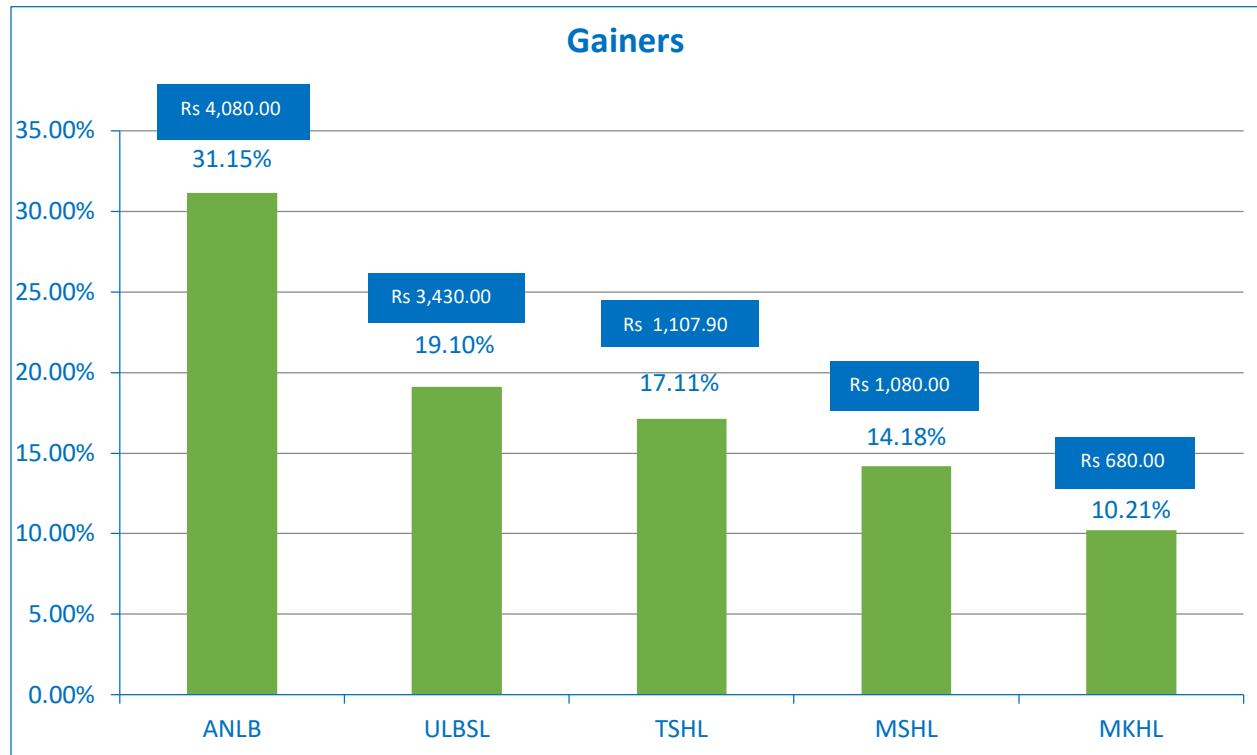


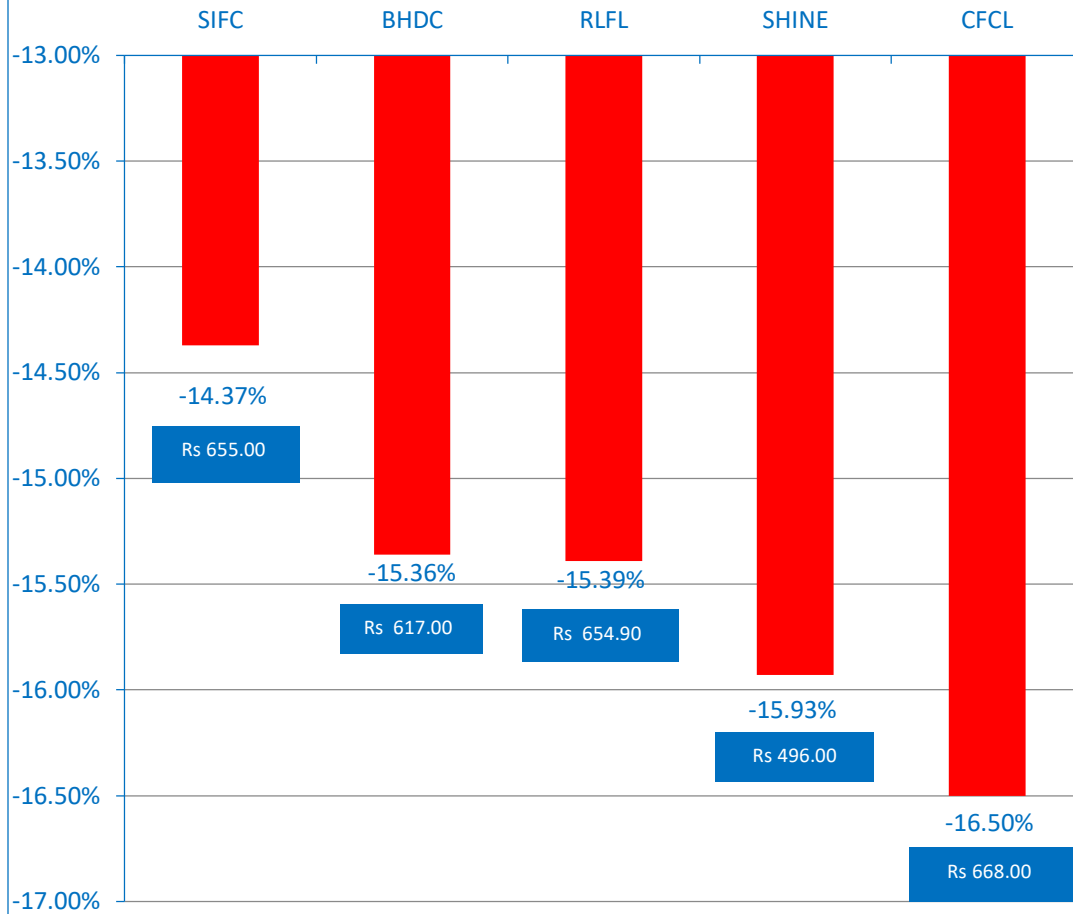
Figure 4 Top 10 Trade volume for the week.

Gainers and Losers



Top 5 Gainers and losers for the week

Losers



Technical Overview

We now have a bearish candle on a weekly spectrum, A fall of -7.56% on the index occurred this week. With only four trading days the selling pressure was yet huge to drag the index to a lower point below our minor supports. There was less to non-buying pressure throughout the week as the index slowly kept on rolling downwards. Yet the long term is bullish as we have managed to climb up from the 1800s and 2000s. Our major supports are yet far from the current situation but supports and resistance are created from the reaction from the buyers and sellers in the market. The volume has been low, and for a fact the volume increases when the price moves with the trend. This is a corrective wave and shall not be the final move. We shall remain with patience and hope for higher trading volume days where the index does test the ATH.

Weekly analysis



Figure 5 Weekly Time Frame Candlestick Pattern

Daily analysis



On daily graph,

On a daily spectrum. All of our minor supports have been violated and we remain in a confusion zone. The volume hasn't been that huge that we can decide this is an end of our uptrend. However the index did give a good fall leaving the investors confused. Yet technically, if we look at the chart the volume is decreasing as the index falls towards our major support area, this is great as we have always been talking about the fundamentals of technical analysis. Less volume in correction is the first and accurate signal of the correction about to slow down. The trend is identified when there is a rise in volume with the trend. Therefore, as we move into the next week, we should pay attention to the volume. If we do see a rise in the volume as the index begins to rise. We can take it as, buying power has established control over the market and the bull shall take over again soon. Until then the correction shall and will continue whether 2640 might hold it or not. We shall leave it to the index itself.

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

Support	Resistance
Support 1: 2640	Resistance 1: 2830
Support 2: 2550	Resistance 2: 2880
Support 3: 2400s	Resistance 3: 3100

Major Rates and Ratios

Description	As on	Rate/Ratio
CD Ratio	August 28, 2024	78.95
Weighted Average Interbank Interest Rate LCY	August 28, 2024	3.00%
Weighted Average 28 days T-bill rate	August 6, 2024	2.9760%
Weighted Average 91 days T-bill rate	August 27, 2024	2.8262%
Weighted Average 182 days T-bill rate	August 13, 2024	2.9956%
Weighted Average 364 days T-bill rate	August 21, 2024	3.0400%

Average FD Rate for the month of Bhadra 2080	
Institutional	Individual
5.25%	6.49%

Upcoming Events

Date	Event
1/9/2024	Closing Day of ratio 1:1.5 Right Share of Ankhukhola Hydropower Company Limited.
2/9/2024	SGM of Nabil Bank limited. 18th AGM of Citizens Capital Limited.
3/9/2024	No Events!
4/9/2024	Book Closure for Kumari Equity Fund Book Closure for Kumari Dhanabridhhi Yojana
5/9/2024	14th AGM of Reliance Finance Limited.
6/9/2024	No Events!
7/9/2024	No Events!

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