

Wealth

Monthly Newsletter from Nabil Investment Banking Ltd. (Nabil Invest) Vol.4. Issue 10, Magh, 2072

NEPSE UPDATE

INDICATORS	Poush End, 072	Mangsir End, 072	Increase/Decrease (%)
NEPSE	1190.16	1,121.02	6.17
SENSITIVE	255.83	239.72	6.72
BANKING	1080.42	1,014.01	6.55
DEV. BANKS	1140.18	1,006.60	13.27
FINANCE COs	585.64	576.34	1.61
INSURANCE COs	5375.74	5,153.03	4.32
HYDROPOWER	2164.29	1,915.39	12.99
HOTELS	1726.79	1,836.47	-5.97
MANU. & PRO.	1843.1	1,879.84	-1.95
OTHERS	787.13	769.51	2.29
TRADING	201.38	207.97	-3.17
MARKET CAP (NPR 'MILLIONS)	1,189,489.65	1,282,864.15	-7.28
VOLUME (000)	17,936.01	11,636.54	54.14

NEPSE Index increased by 69.14 points or 6.17% month-on-month to end at 1,190.16 points at the end of the Poush 2072. Sensitive Index, which gauges the performance of class 'A' stocks followed the same trend and increased by 6.72% in comparison to the previous month and closed at 255.83 points. Among the nine sectorial index, all sector except Hotels, Manufacturing and Trading ended in green zone.

Market Capitalization declined by 7.28% where as Market Volume amplified by 54.14%. The market observed upward trend during the review period due to the implementation of the much-awaited dematerialised form of share-trading and encouraging political cues.

The market opened for 21 trading days during the review month.

Market UPDATE

- **Nepse records fresh high**
The Nepal Stock Exchange (Nepse) index.....[Read More](#)
- **Banks expect high profits despite crisis**
Banks are optimistic of high.....[Read More](#)
- **NRB raises loan ceiling for microfinance institutions**
Nepal has once again received.....[Read More](#)
- **BFI promoters may soon be able to convert 100 percent equity into ordinary shares**[Read More](#)

Upcoming AGMs

Company Name	Book Close Date	AGM Date	Proposed Dividend (%)	
			stock	cash
Century Commercial Bank Ltd.	22-Jan-16	5-Feb-16	9.00	0.47
Manaslu Bikash Bank Ltd.	19-Jan-16	6-Feb-16	13.50	0.71
Subhechha Bikas Bank Ltd.	13-Jan-16	6-Feb-16	17.95	0.94
Nepal SBI Bank Ltd.	19-Jan-16	7-Feb-16	27.00	1.42
Laxmi Bank Limited	25-Jan-16	11-Feb-16	-	-
Nepal Awast Finance Ltd.	23-Sep-15	12-Feb-16	-	-
NMB Bank Ltd.	26-Jan-16	15-Feb-16	8.00	0.42
Guras Life Insurance Co. Ltd.	28-Jan-16	17-Feb-16	10.00	0.52

Nabil Invest UPDATE

- Nabil Invest as an Issue Manager of 10:2 right share of Prabhu Bank Ltd. opened its right offering from 28th, February 2016 to 3rd, April 2016.
- Nabil Invest has successfully completed the auction of Machhapuchchhre Bank Ltd.'s 42,611.65 units of promoter share and 233,983.79 units of ordinary share to the general public.
- Nabil Invest is appointed as the issue manager for the 1,025,000 units IPO Shares (410,000 unit for locals of project affected area & 615,000 units for general public) of Radhi Bidhut Company.
- Nabil Invest is appointed as issue manager for issuance of 2:1 i.e. 15,301,440 units right share of Sanima Bank Ltd.

Bullion Desk UPDATE

Hallmark Gold NRs. 51,300/10 Gms.

Worked Gold NRs. 51,050/10 Gms.

Silver NRs.695/10 Gms.

As of 27/01/2016

Quote of the Month

"Confronted with a challenge to distill the secret of sound investment into three words, we venture the motto, Margin of Safety."

– Benjamin Graham



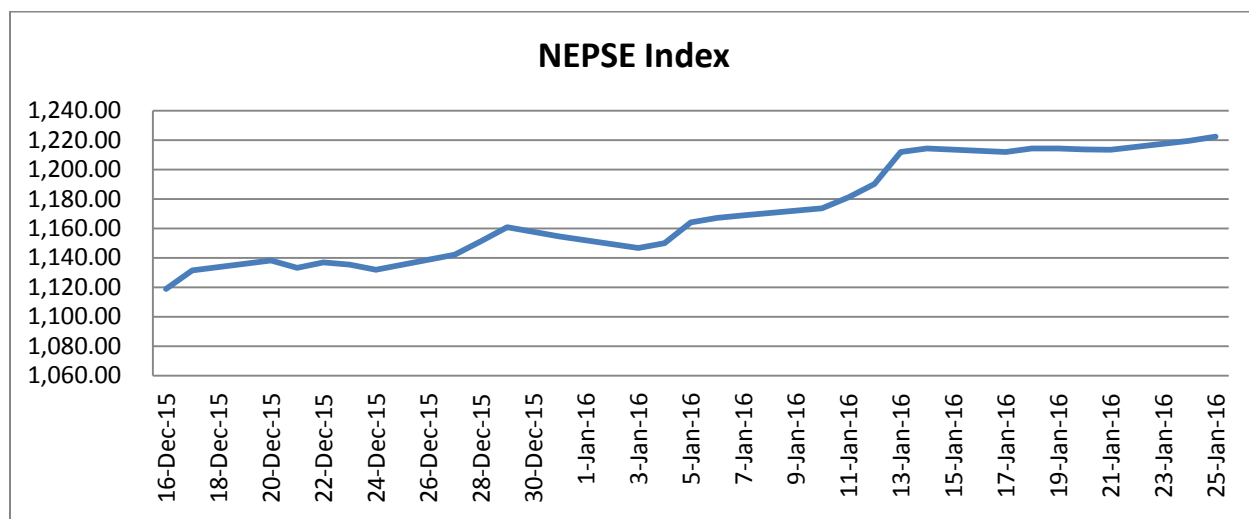
Our Services:

Issue Management | Underwriting | Registrar to Share/Depository Participant | Portfolio Management | Corporate Advisory | Fund Manager and Depository for Nabil Mutual Fund

NEPSE – Technical Analysis

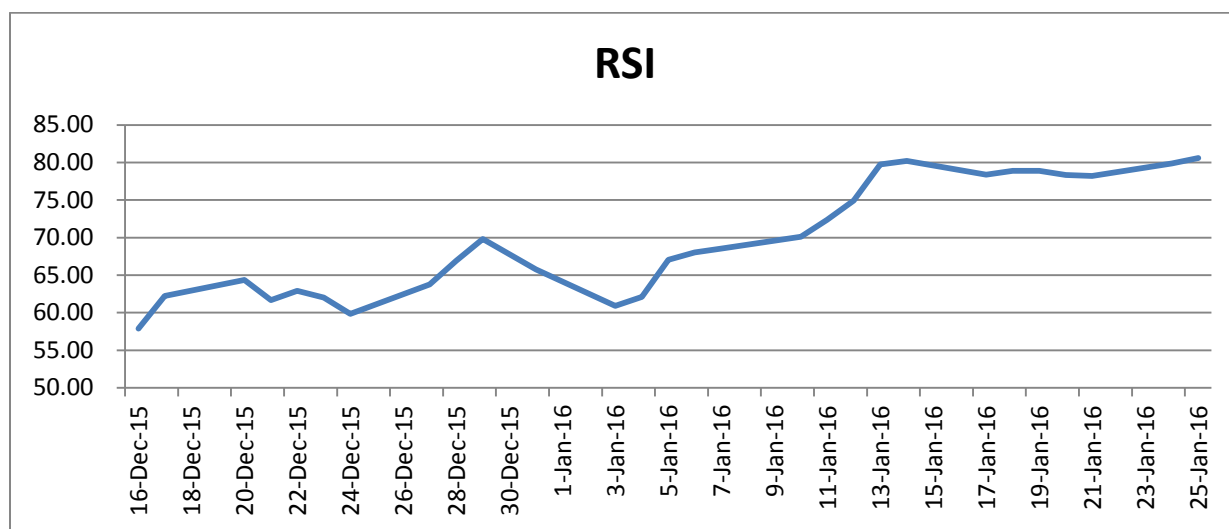
Trend Analysis

The benchmark index of the only stock exchange of the country - NEPSE showed a sign of bullish trend during the review period of 16th Dec 2015 to 25th Jan 2016. NEPSE index in the review period hovered at a range of 1118.95 to 1,222.43 points. 1222.43 point reached on 25th Jan 2016 is the highest point in the history of NEPSE index. Full dematerialization of NEPSE trading from 16th Jan 2016 is considered to be the main reason for upward price movement.



Relative Strength Index (RSI) Analysis

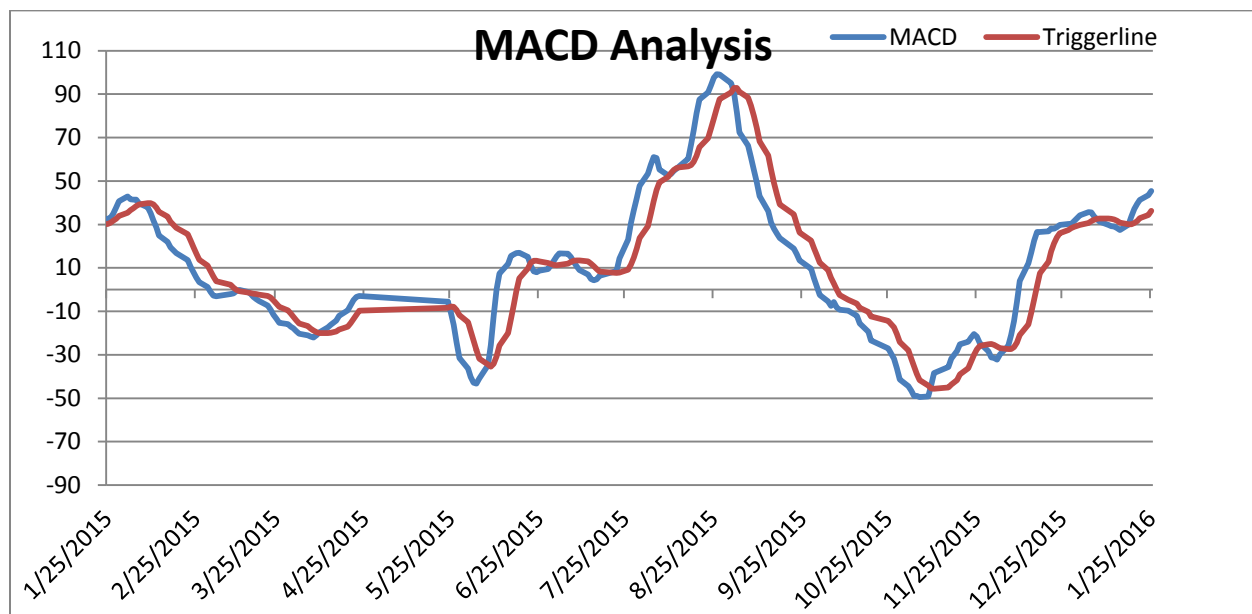
RSI is a technical momentum indicator that compares the magnitude of recent gains to recent losses in an attempt to determine overbought and oversold conditions of an asset. RSI oscillates between zero and 100. RSI is considered overbought zone when above 70 and therefore likely to be overvalued in term of share price and oversold zone when below 30 and likely to become undervalued.



The 14-days Relative Strength Index (RSI) as on January 25th, 2016 stood at 80.61 points, which is above the overbought zone indicating that the buying pressure is very high in the market. RSI of more than 70 is considered as 'overbought zone' indicating a possibility of a downtrend and initiate short. Though RSI is a very effective and widely used leading indicator, in the trending market, it is not appropriate to take decision solely on RSI. RSI only reflects the momentum of the market. To reflect better position, RSI is generally confirmed with Moving Averages and Moving Average Convergence Divergence (MACD).

Moving Average Convergence Divergence (MACD)

Moving Average Convergence Divergence (MACD) is a technical indicator that uses the difference between short term and long term price trends to anticipate future movements. Moreover, MACD is good for confirming the change in signals. It is considered a bullish signal and indicates a time to buy when MACD crosses its trigger line from below and vice-versa. As shown in the chart below, MACD has crossed the trigger line from below during the mid review period and rose above the trigger line, indicating bullish signal marking an upward trend of the price of the assets and a time to buy. MACD line still remain above trigger line indicating no trend reversal at the moment.

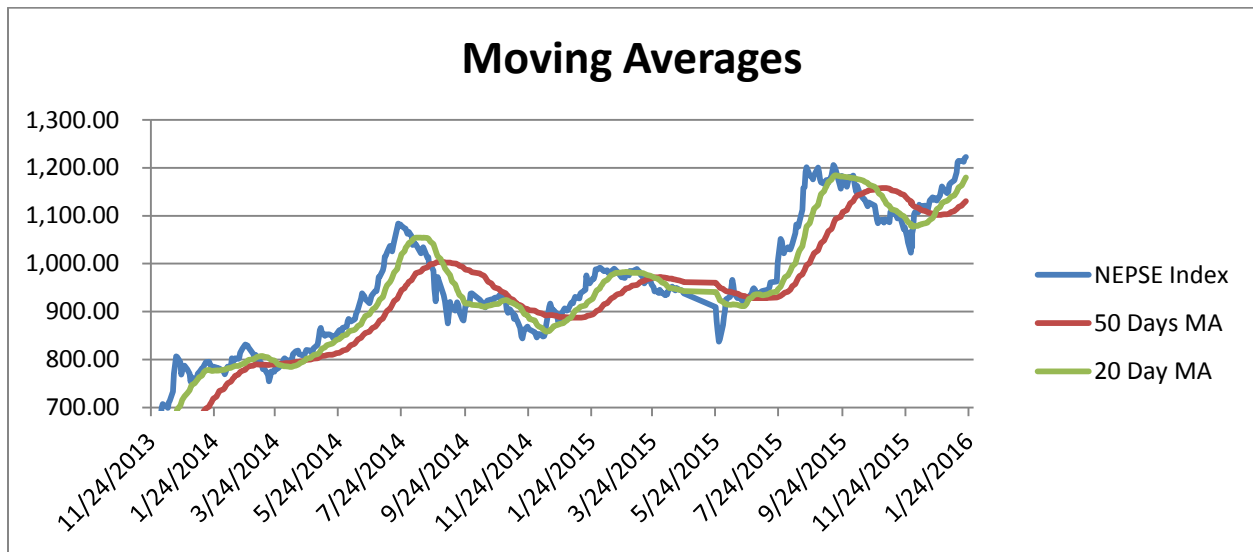


In the chart above, MACD indicator has increased from negative figure to 45.41 on 25th January, 2016 (End of review period). Increasing MACD values suggest that the upward trend is getting stronger and there are fewer chances of corrections in market index in the coming days.

Moving Average Analysis

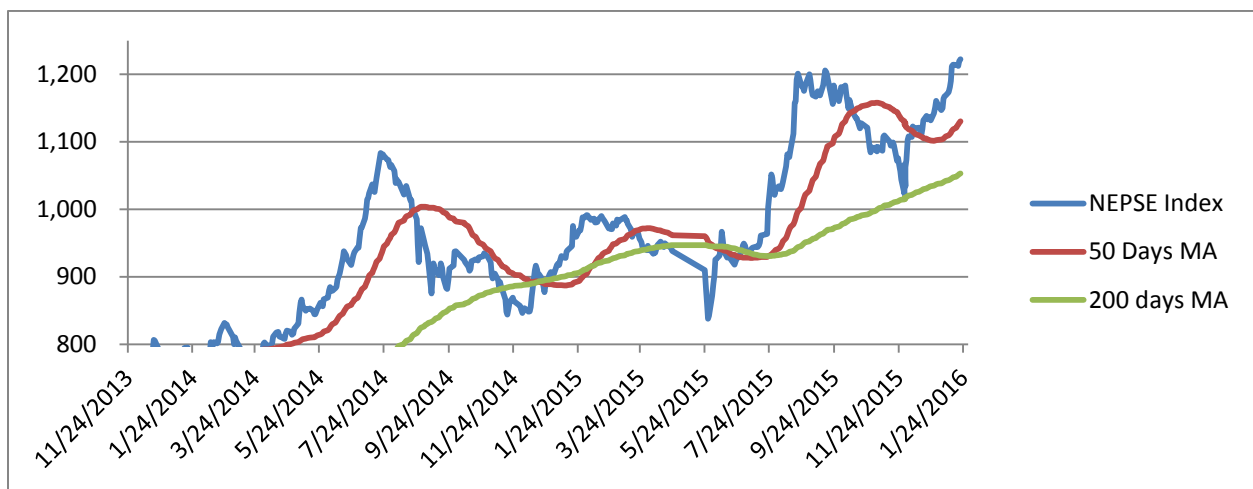
Moving Averages lines are used to identify current trends and trend reversals as well as to set up support and resistance levels. Further, moving averages can be used to quickly identify whether a security is moving in an uptrend or a downtrend depending on the direction of the moving average.

50 days MA and 20 days MA analysis:



From the above moving average chart, it is apparent that 20 days MA line crossed 50 days MA line from below on 22nd Dec, 2015 when index was at 1,137.03 points indicating bullish signal. Since, then the 20 days MA line has remained above 50 days MA line. Thus, it indicates that the market is following a bullish trend in the short run. Also the 50 days MA line is below the NEPSE index line during the review period indicating further upward movement.

50 Days MA and 200 days MA analysis:



If we look at the longer period moving averages, 50 days MA line crossed the 200 days MA line from below on July 26, 2015 and has remained above the 200 days MA line till the end of the review period. This indicates a bullish trend in the long run. Additionally, if we look at the 50 days MA line and the NEPSE index, NEPSE index line crossed 50 days MA line from below on December 8, 2015 and has remained above the 50 days MA line till the end of the review period, which indicates bullish signal in the long run.

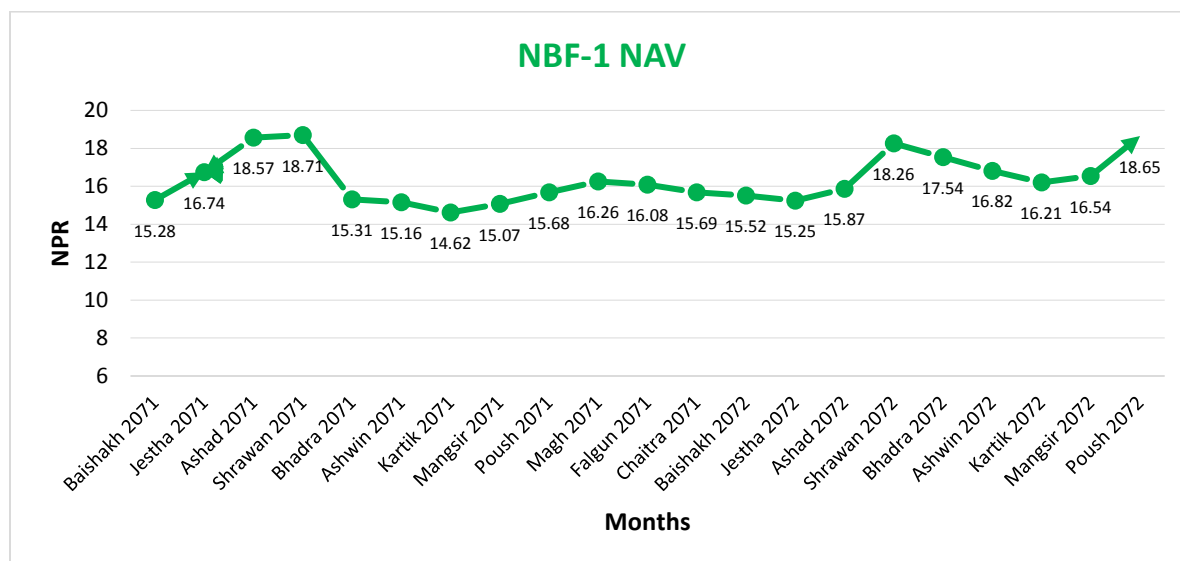
The touching point between the 50 days MA and NEPSE lines can act as a support level. From the chart below the support level of NEPSE is seen at 1,116.67, and NEPSE seems to show upward trend after support point also mainly due to positive sentiment of investors.

NABIL Mutual Fund

NAV Summary of Nabil Balanced Fund I as on Poush End 2072

Investment	Amount (NPR)	Amount (NPR)2
Listed Securities		1,088,864,504.00
Shares	974,434,224.00	
Debentures	114,430,280.00	
Unlisted Securities		160,675,089.00
Shares	160,675,089.00	
Bond/Debentures		
Fixed Deposits	75,000,000.00	75,000,000.00
Total Investment		1,324,539,593.00
Current Assets		
Bank Balance	84,354,599.77	
Other Assets	9,065,527.21	
Total		93,420,126.98
Current Liabilities		
Other Liabilities	19,520,330.54	
Accumulated Fees & Commission	-	
Total		19,520,330.54
Gross Assets Value		1,398,439,389.44
Fund Managers Fees		-
Depository's Fees		-
Supervisors Fees		-
Net Assets Value (NAV)		1,398,439,389.44
No. of Units		75,000,000
NAV per Unit		18.65

Monthly NAV Trend of Nabil Balanced Fund –I



धितोपत्र हितग्राही खाता (Demat Account) खोल्नुहोस्



NABIL INVEST

हामी छौं यहाँ तपाईंका लागि

धितोपत्रहरूको सहज कारोबार गर्नका लागि
आउँ नबिल इन्भेष्टमा आई धितोपत्र निक्षेप खाता खोल्नुहोस् ।

हाम्रा सेवाहरू:

हितग्राही खाता (डिम्याट एकाउन्ट) खोल्ने । अभौतिकीकरण/भौतिकीकरण गर्ने ।
धितोपत्रहरूको-निक्षेप, भुक्तानी, हस्तान्तरण, रोक्का/रोक्का फुकुवा गर्ने ।
गैर मौद्रिक संस्थागत लाभहरू जम्मा गर्ने आदि ।

NABIL INVESTMENT BANKING LTD.

(A subsidiary of Nabil Bank Ltd.)

नबिल इन्भेष्टमेन्ट बैंकिङ लिमिटेड

तेस्रो तल्ला, सेन्ट्रल प्लाजा, नारायणचौर, जयसाल, काठमाडौं, नेपाल

फोन नं.: ८८९९६०८, ८८९९६३३ | फ्याक्स नं.: ८८९०५५४

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तपाईंको लगानीको व्यवस्थापन कसले गर्छ ?



NABIL INVEST

हामी छौं यहाँ तपाईंका लागि

नबिल इन्भेष्ट प्रस्तुत गर्दछ -

लगानी व्यवस्थापन सेवाहरू

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