

Wealth

Monthly Newsletter from Nabil Investment Banking Ltd. (Nabil Invest) Vol.4. Issue 12, Chaitra, 2072

NEPSE UPDATE

INDICATORS	Falgun End, 072	Magh End, 072	Increase/ Decrease (%)
NEPSE	1318.88	1263.72	4.36
SENSITIVE	283.86	272.45	4.19
BANKING	1189.79	1150.55	3.41
DEV. BANKS	1374.89	1261.60	8.98
FINANCE COs	672.78	603.17	11.54
INSURANCE COs	5951.9	5567.66	6.90
HYDROPOWER	2311.8	2319.73	-0.34
HOTELS	1746.45	1749.94	-0.20
MANU. & PRO.	1998.78	1950.88	2.46
OTHERS	822.37	821.2	0.14
TRADING	201.38	201.38	0.00
VOLUME (000)	607783.80	538,832.66	12.80

NEPSE Index elevated by 55.16 points or 4.36% month-on-month to end at 1318.88 points at the end of the Falgun 2072. Sensitive Index, which measures the performance of class 'A' stocks followed the same trend and increased by 4.19% in comparison to the previous month and closed at 283.86 points. Among the nine sectorial index, all sector except Hydropower and Hotels ended in green zone. Trading sector remained constant.

Market Volume uplifted by 12.80%. The market observed bullish trend during the review period mainly due to positive political scenario, excess liquidity in the market and due to the anticipation of official announcement of capital increment requirement for Insurance and Microfinance Companies.

The market opened for 18 trading days during the review month.

Market UPDATE

- **Deposit at BFIs surges by whopping 73pc**
Deposit in the banking sector surged.....[Read More](#)
- **NRB raising more domestic debt to finance**
As the government prepares to increase.....[Read More](#)
- **New budget will focus on economic prosperity: Fin Min**
Minister for Finance Bishnu Prasad Paudel has.....[Read More](#)
- **Monetary Policy brought an unexpected twist in the stock market**.....[Read More](#)

Upcoming AGMs

The detailed information about upcoming AGMs is enclosed in Annexure.

Nabil Invest UPDATE

- Nabil Invest has been appointed as a Share Registrar of Bottlers Nepal (Terai) Limited and Bottlers Nepal (Balaju) Limited.
- Nabil Invest as a Share Registrar of Sana Kishan Bikash Bank Limited urge its shareholders to provide DEMAT account to transfer 2:1 right shares in dematerialized form.
- Nabil Invest as a Share Registrar of Sanima Bank Limited urge its shareholders to provide DMAT account to transfer 20% stock dividend in dematerialized form.
- Nabil Invest as a Share Registrar of Swabalamban Laghubitta Bikash Bank now started the distribution of 10.63% cash dividend to its shareholders from 13th March, 2016.
- 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.

Bullion Desk UPDATE

Hallmark Gold NRs. 46,465/10 Gms.

Worked Gold NRs. 46,250/10 Gms.

Silver NRs. 6 17/10 Gms.

As of 29/03/2016

Quote of the Month

"If you expect to continue to purchase stocks throughout your life, you should welcome price declines as a way to add stocks more cheaply to your portfolio."

—Warren Buffett



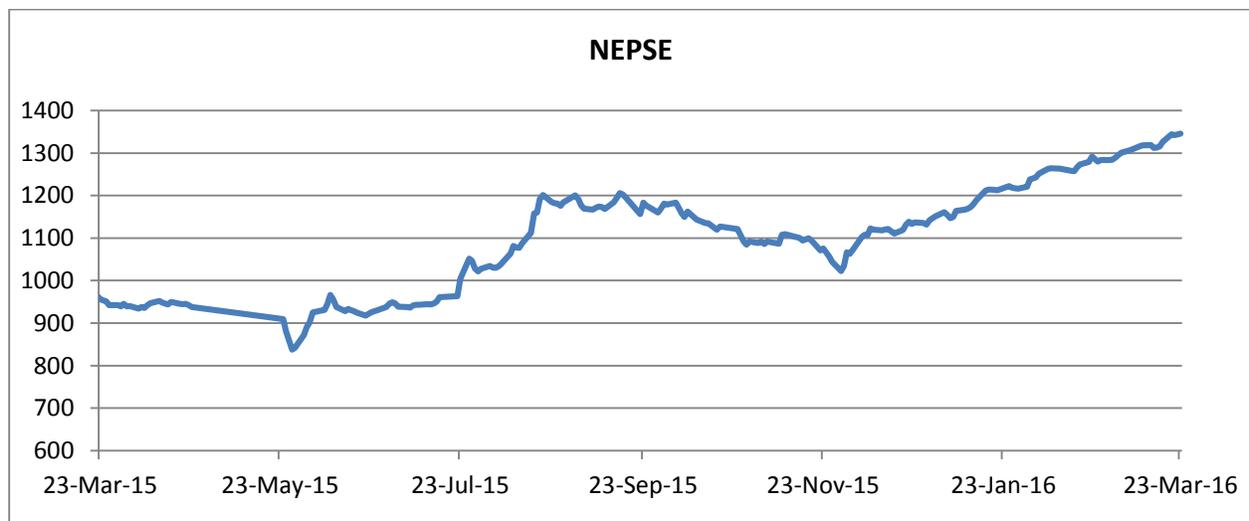
Our Services:

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

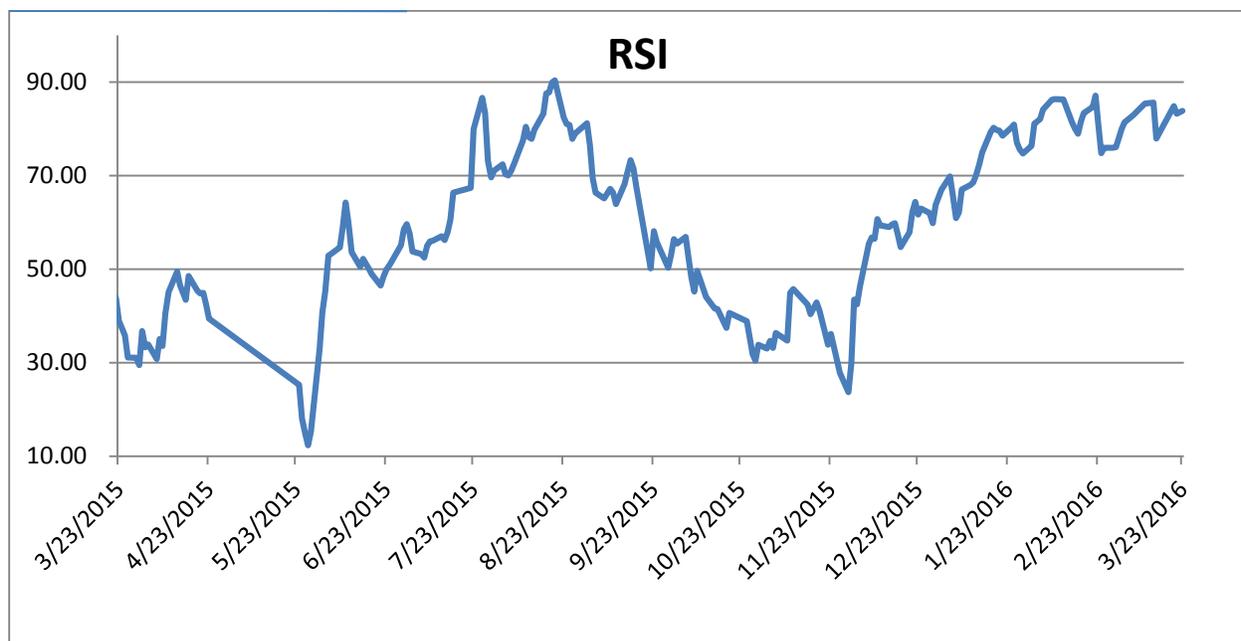
The benchmark index of the only stock exchange of the country- NEPSE remained in upward trend creating new records till the end of the review period of Chaitra (Mid-March). NEPSE index in the review period closed at 1345.53 points on 23rd March, 2016. NEPSE index showed bullish trend with increase in investors' confidence because of positive political situation, removal of the unofficial economic blockade by India, prevailing excess liquidity in the market, marginal lending facilities by bank, and also due to the anticipation of official announcement of capital increment requirement for Insurance and Microfinance Companies.



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 in overbought zone when above 70 and therefore likely to become overvalued in share price and oversold zone when below 30 and likely to become undervalued.

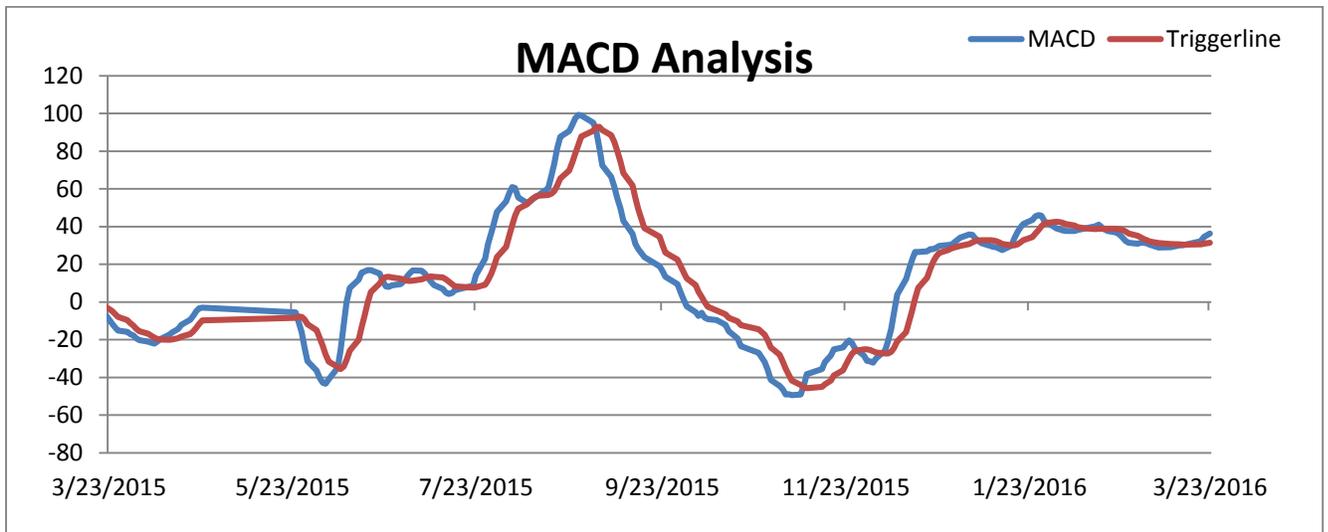
The 14-days Relative Strength Index (RSI) as on 23rd March, 2016 stood at 83.83 points, which is above the overbought zone indicating that the buying pressure is very high in the market. RSI of more than 70 is considered as 'overbought zone' indicating a possibility of a downtrend and initiate short. Though RSI is a very effective and widely used leading indicator, in the trending market, it is not appropriate to take decision solely based 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 crossed the trigger line from above, when NPESE index was at 1266.08 points (17th February, 2016) and stayed below the trigger line, showing the downtrend due to some correction seen in the market. However, at the very end of the review period, MACD has just crossed the trigger line from below indicating the end of market correction, and showing the possibility of upward trend in the market.

Traders should also observe whether MACD line is above or below the zero line, because this signals the position of short term and long term averages. When the MACD is above zero, the short-term average is above the long-term average, which signals upward momentum. The opposite is true when the MACD is below zero. As we can see from the chart below, the zero line often acts as an area of support and resistance for the indicator.



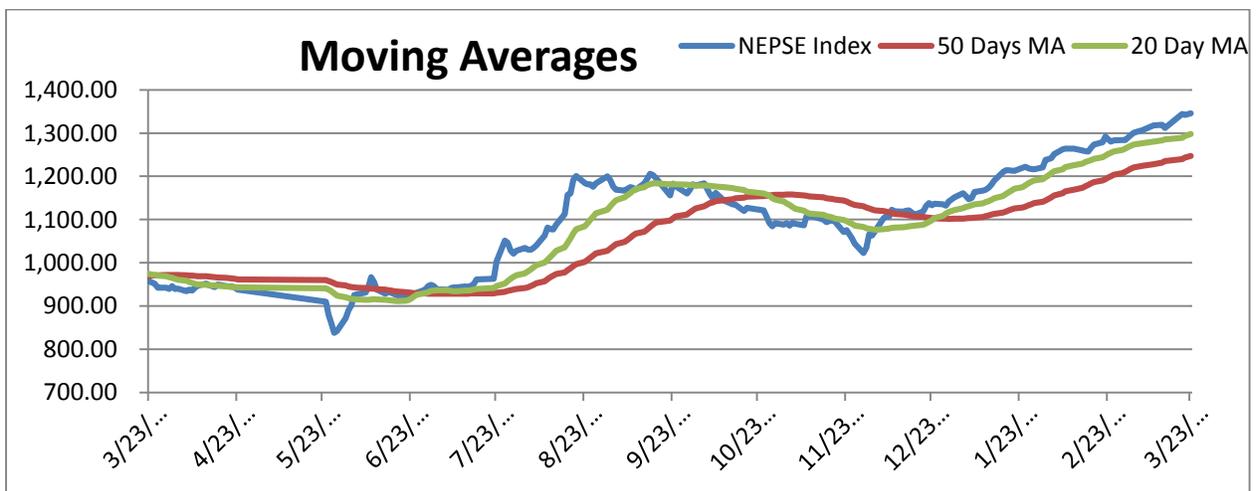
In the chart above, MACD indicator has sustained above the zero line for quite some time now standing at the level of 36.37 points at the end of the review period. Increasing MACD values suggest that the upward trend is still stronger with few corrections in market index in the coming days.

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.

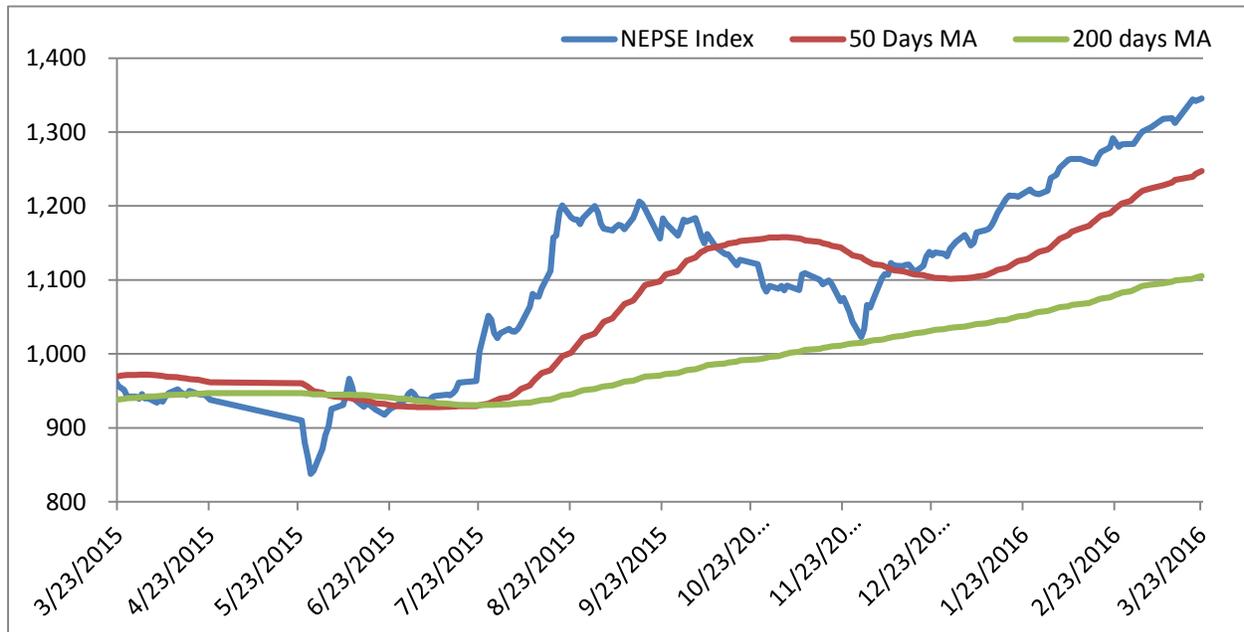
50 days MA and 20 days MA analysis:

From the moving average chart below, it is apparent that 20 days MA line crossed 50 days MA line from below on 24th December, 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 and seems to continue same trend in future. Also the 50 days MA line is below the Nepsse index line during the whole phase of the review period indicating upward trend.



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 8th December, 2015 and has remained above the 50 days MA line till the end of the review period, which indicates bullish signal in the short run.



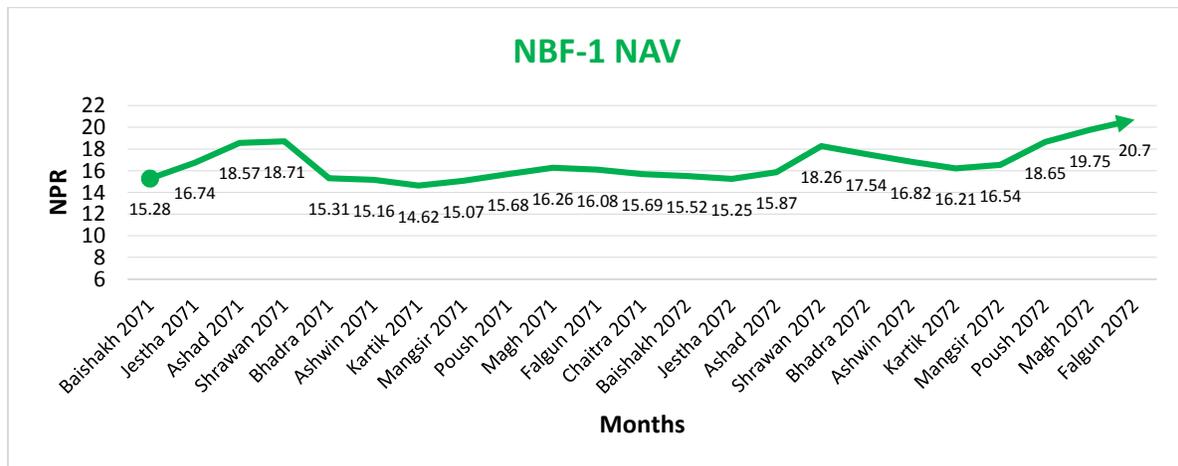
The touching point between the 50 days MA and NEPSE lines can act as a support level. From the chart below, the support level of NEPSE is seen at 1,116.67 and NEPSE seems to show upward trend after crossing this support level, mainly due to positive developments in the market and optimistic sentiments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

NABIL Mutual Fund

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

Investment	Amount (NPR)	Amount (NPR)2
Listed Securities		1,182,135,286.00
Shares	1,067,705,006.00	
Debentures	114,430,280.00	
Unlisted Securities		195,596,382.00
Shares	195,596,382.00	
Bond/Debentures		
Fixed Deposits	75,000,000.00	75,000,000.00
Total Investment		1,452,731,668.00
Current Assets		
Bank Balance	93,661,011.85	
Other Assets	26,499,965.42	
Total		120,160,977.27
Current Liabilities		
Other Liabilities	13,218,038.79	
Accumulated Fees & Commission	3,538,845.91	
Total		16,756,884.70
Gross Assets Value		1,556,135,760.57
Fund Managers Fees		2,558,031.39
Depository's Fees		639,507.85
Supervisors Fees		639,507.85
Net Assets Value (NAV)		1,552,298,713.49
No. of Units		75,000,000
NAV per Unit		20.70

Monthly NAV Trend of Nabil Balanced Fund –I



UPCOMING AGMs

Company's Name	Book Close Date	AGM Date	Stock Dividend (%)	Cash Dividend (%)
Premier Insurance Company (Nepal) Ltd.	17-Mar-16	30-Mar-16	30	1.02
Seti Finance Ltd.	18-Mar-16	2-Apr-16	14	-
NIDC Development Bank Ltd.	23-Mar-16	6-Apr-16	-	-
Api Power Company Ltd.	24-Dec-15	9-Apr-16	-	-
Excel Development Bank Ltd.	29-Mar-16	10-Apr-16	26	1.37
ICFC Finance Ltd.	28-Mar-16	12-Apr-16	10.5	0.55
Siddhartha Insurance Company Ltd.	24-Mar-16	13-Apr-16	25	-

धितोपत्र
हितप्राही खाता
(Demat Account)
खोल्नुहोस्



NABIL INVEST

हामी छौं यहाँ तपाईंका लागि

धितोपत्रहरूको सहज कारोबार गर्नका लागि
आजै नबिल इन्भेस्टमा आई धितोपत्र विधीपत्र खोला खोल्नुहोस् ।

हाम्रा सेवाहरू:

हितप्राही खाता (डिमाट अकाउन्ट) खोल्ने । प्रमाणीकरण/प्रमाणीकरण गर्ने ।
धितोपत्रको-निक्षेप, भुक्तानी, इस्तान्तरण, रोक्का/रोक्का फुकुवा गर्ने ।
गैड मोडिफिकेसन्सबाट सम्बन्धित गर्नका लागि ।

NABIL INVESTMENT BANKING LTD.

(A subsidiary of Nabil Bank Ltd.)

नबिल इन्भेस्टमेन्ट बैंकिंग लिमिटेड

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फोन नं.: ८१९१६०४, ४४९९६०३ | फ्याक्स नं.: ८१९०४९८

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तपाईंको
लगानीको
व्यवस्थापन
कसले गर्छ ?



NABIL INVEST

हामी छौं यहाँ तपाईंका लागि

नबिल इन्भेस्ट प्रस्तुत गर्दछ -

लगानी व्यवस्थापन सेवाहरू

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