



JYOTI WEEKLY OUTLOOK

01st Feb to 06th Feb, 2026

Review Period: 29th Jan to 06th Feb, 2026



MARKET OVERVIEW



MACRO ECONOMIC UPDATE



NEWS UPDATE

WEEKLY MARKET UPDATE

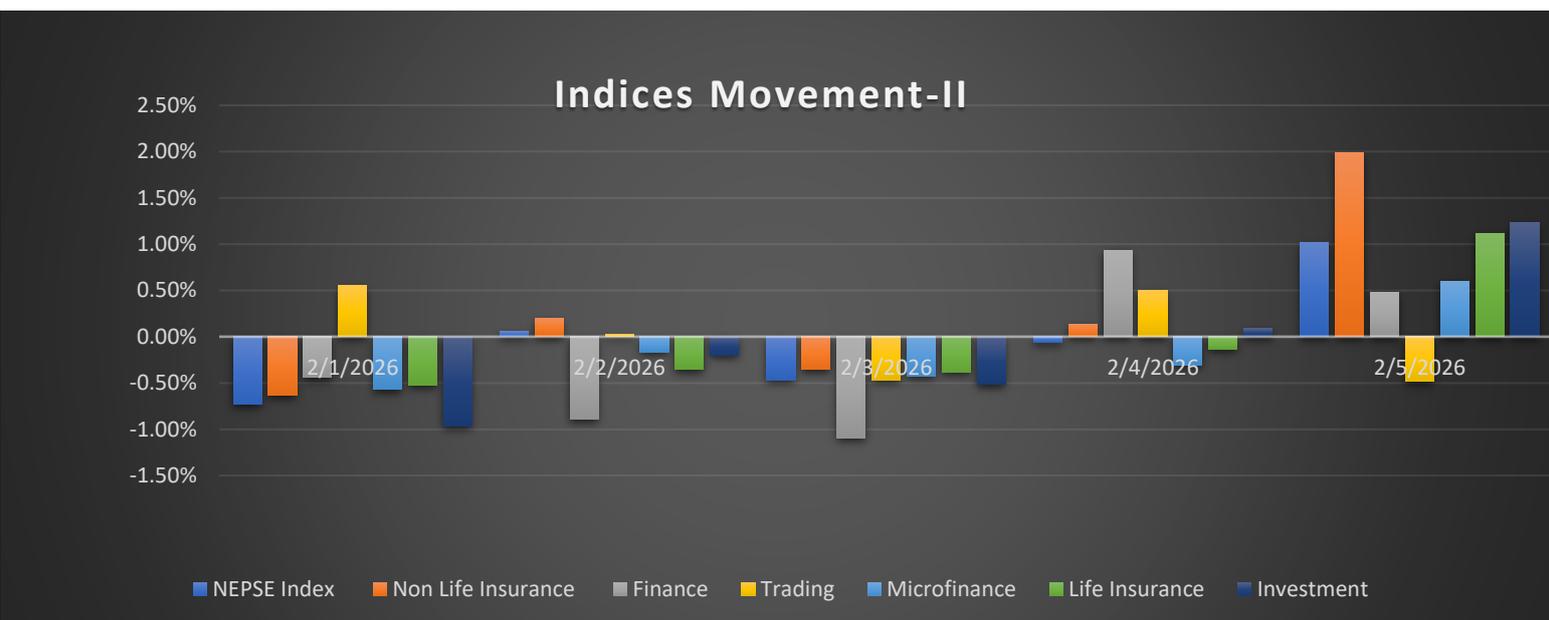
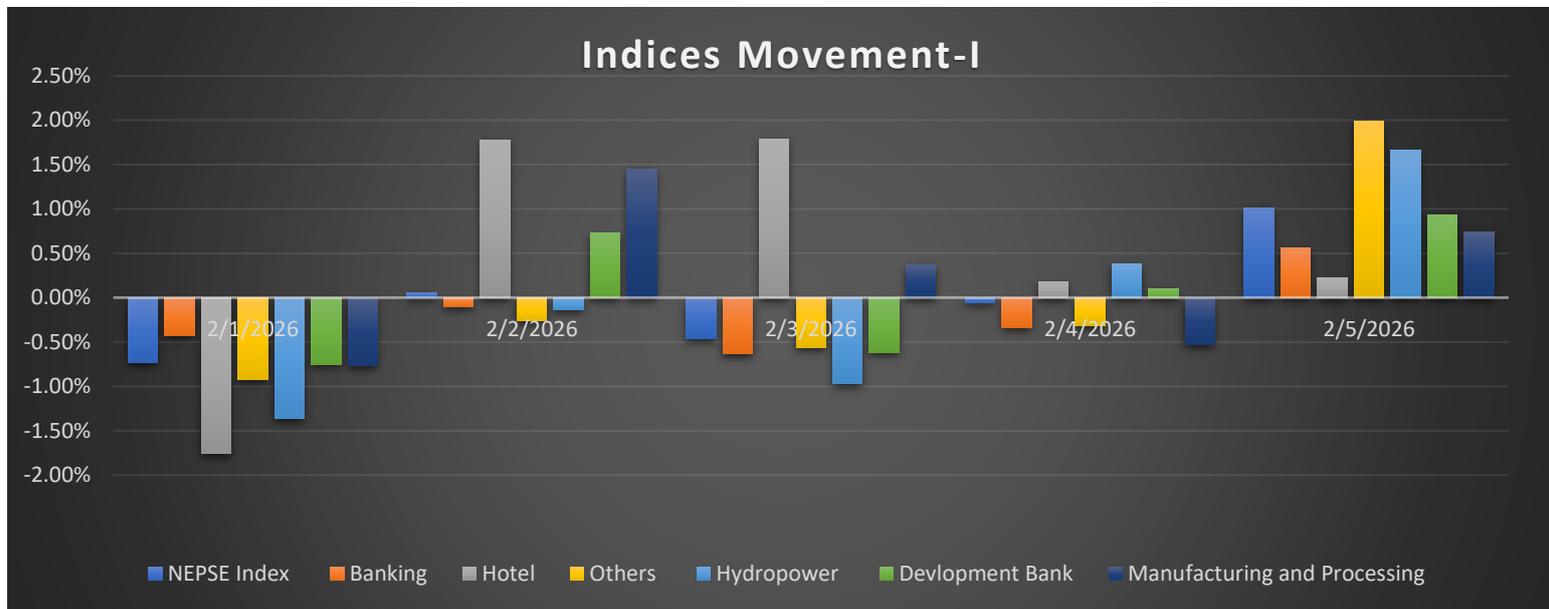
The NEPSE index posted a gain of -0.20% (5.35) points from 29th January to 5th January), closing at 2,708.7 on the last trading day of the review period. Market conditions remained volatile throughout the week, with the index fluctuating between an intraday high of 2,719.62 and a low of 2,659.86.

The price action started with strong bearish candle. This candle along with remaining candles tested the 200 Days Moving Average as a support.

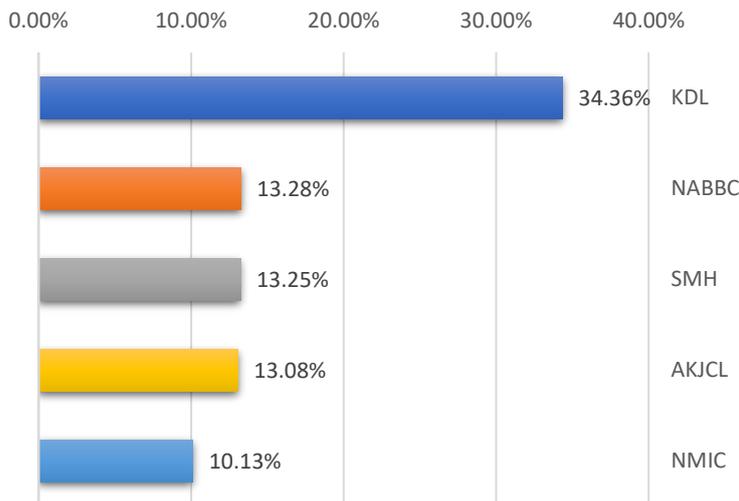
As the momentum had diluted due to lower low price action formation, the RSI was near to 50 level. However, the RSI reverted towards upper level at 57.05 due last day's bullish reversal candle.

This price move was further validated by increase turnover as index rose by 27 Points with volume of NRs. 11 billion.

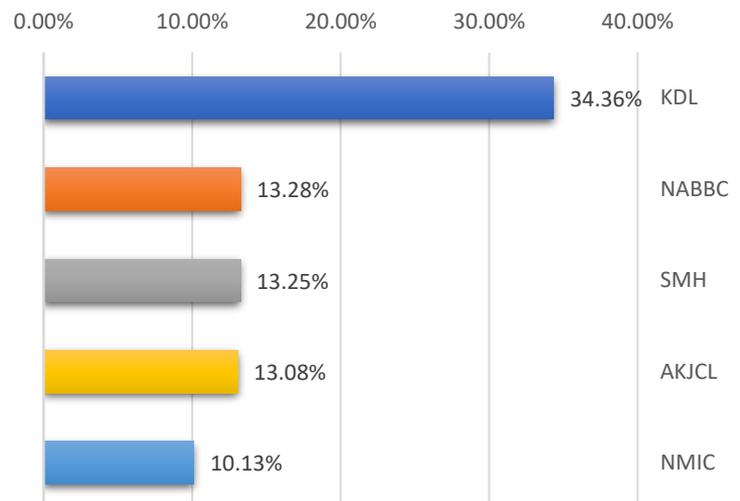
So. The index has provided sings of bullish reversal. However, the index is moving in a upward moving channel and is now forecasted to react with its mid line.



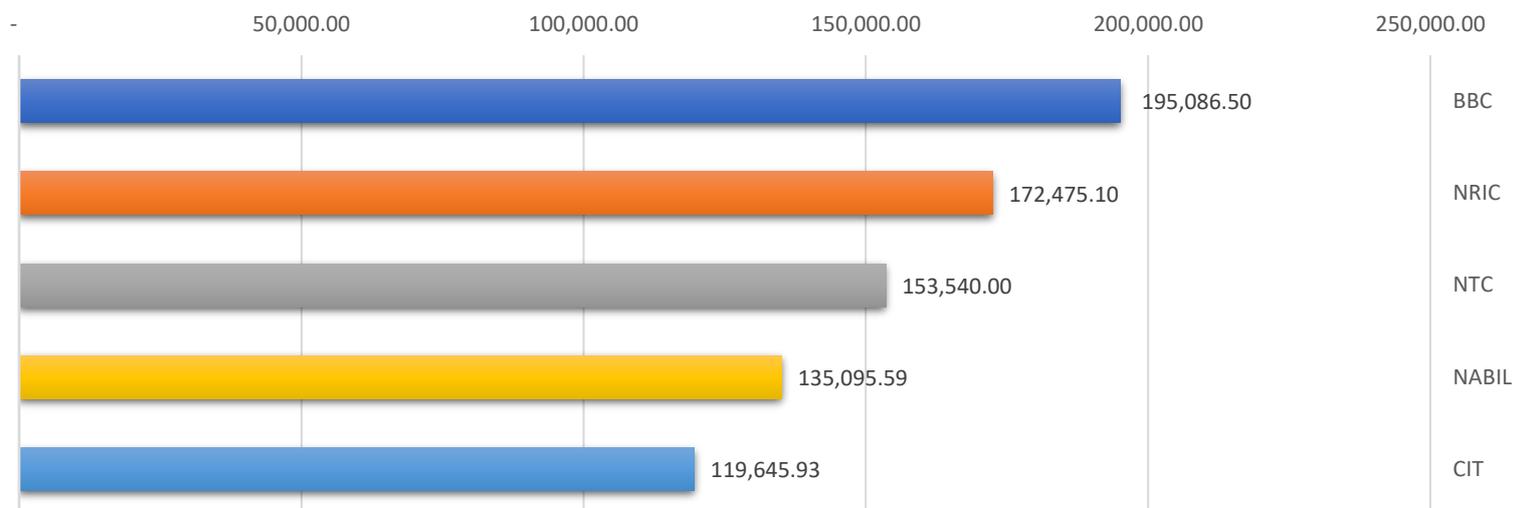
Top Gainers



Top Gainers



Market Capitalization in NRs. Millions



News:

- The banking sector continues to face stress as non-performing loans (NPLs) rise alongside slowing economic activity. A recent review of major commercial banks revealed higher average NPL ratios, highlighting challenges in loan recovery and credit growth. At the same time, Nepal Rastra Bank has introduced initiatives such as children's bank accounts to promote long-term financial inclusion and savings culture.
- Insurance penetration continues to improve, with life insurance coverage reaching around 50 percent of the population. The sector reported higher premium collections and improved policy retention. Capital markets also showed signs of revival, with renewed IPO activity after a prolonged slowdown, indicating gradual recovery in investor sentiment.
- On the project front, the Sabhakhola 'B' hydropower project achieved a major construction milestone with a tunnel breakthrough. Meanwhile, environmental impact assessment reports for multiple large hydropower projects—totaling over 1,500 MW—were made public, marking progress in project planning despite broader sectoral delays.

MARKET OUTLOOK



NEPSE Technical Indicators - Detailed Analysis

The NEPSE index recorded a marginal change of -0.20 percent (5.35 points) during the review period from January 29 to February 5, closing at 2,708.7 on the final trading day. Market conditions remained volatile throughout the week, with the index fluctuating between an intraday high of 2,719.62 and a low of 2,659.86. Price action began with a strong bearish candle, followed by subsequent candles that tested the 200-day moving average, which acted as a key support level. As downside momentum weakened and lower-low formations faded, the RSI hovered near the neutral 50 level. However, a bullish reversal on the final trading day pushed the RSI higher to 57.05, indicating improving momentum. This upward move was further confirmed by a sharp rise in turnover, as the index gained 27 points on trading volume of approximately NRs 11 billion. Overall, the index has shown early signs of a bullish reversal. That said, NEPSE continues to trade within an upward-sloping channel and is now expected to react near the channel's midline, which may influence its next directional move.

Support and Resistance Levels:

The index is presently between the support zone of 2660-2700 and resistance zone of 2800-2860 levels. The price action within the review period has been at decisive point. The 200-days moving average which was acting as support has been successfully retested as of the last day of review period. The market can again react to 2790 to 2800 levels as it is moving in an upward channel. However, market is in decisive move as it has yet to react with mid line of channel.

Bollinger Bands and Volume Behavior:

The price action of the last three candles is taking the support of Middle line of Bollinger Band. Trading volume on last exhibited a distinctive pattern, with index return of 27 points came with volume of NRs. 11 Arba. Turnover in the review period was subdued, however, on the exact day of retesting 200 Days Moving Average, Turnover grew to 11 Arba.

RSI (Relative Strength Index) and ADX:

Due to the strong green candle on last day, RSI broke out the 50 levels. Since then, the RSI is resting at 57 level as its own resistance level. ADX is at 26.92 which reverted down as the price action reacted with the high of up trending channel.

Moving Averages:

All three major moving averages (MA-5, MA-50, MA-200) show mixed results.

MA-5	2,694.59
MA-50	2,649.59
MA-200	2674.13

Technical Insights:

The NEPSE Index remains at a **decisive technical juncture**, showing early but not yet confirmed signs of a bullish reversal. The successful retest of the **200-day moving average**, followed by a strong bullish candle supported by a sharp rise in turnover, suggests that downside pressure has weakened and buyer participation is gradually returning. Momentum indicators have improved, with the **RSI moving above the neutral 50 level**, indicating a shift toward positive bias, though it is now approaching a short-term resistance zone near 57. At the same time, a moderating **ADX** reflects that trend strength is stabilizing rather than accelerating. Despite these encouraging signals, the index continues to trade **within an upward-sloping channel** and has yet to decisively react at the **channel midline**, keeping near-term direction open. Sustained strength above the 2,790–2,800 zone, supported by volume, would be required to confirm a continuation of the bullish trend toward higher resistance levels. Conversely, failure to hold the **2,660–2,700 support zone**, particularly the 200-day moving average, could revive selling pressure. Overall, the market maintains a **cautiously bullish bias**, with confirmation dependent on follow-through price action and volume behavior in the coming sessions.



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