



JYOTI WEEKLY OUTLOOK

21st DEC to 25th DEC, 2025

Review Period: 18th Dec to 25th Dec 2025



MARKET OVERVIEW



MACRO ECONOMIC UPDATE



NEWS UPDATE

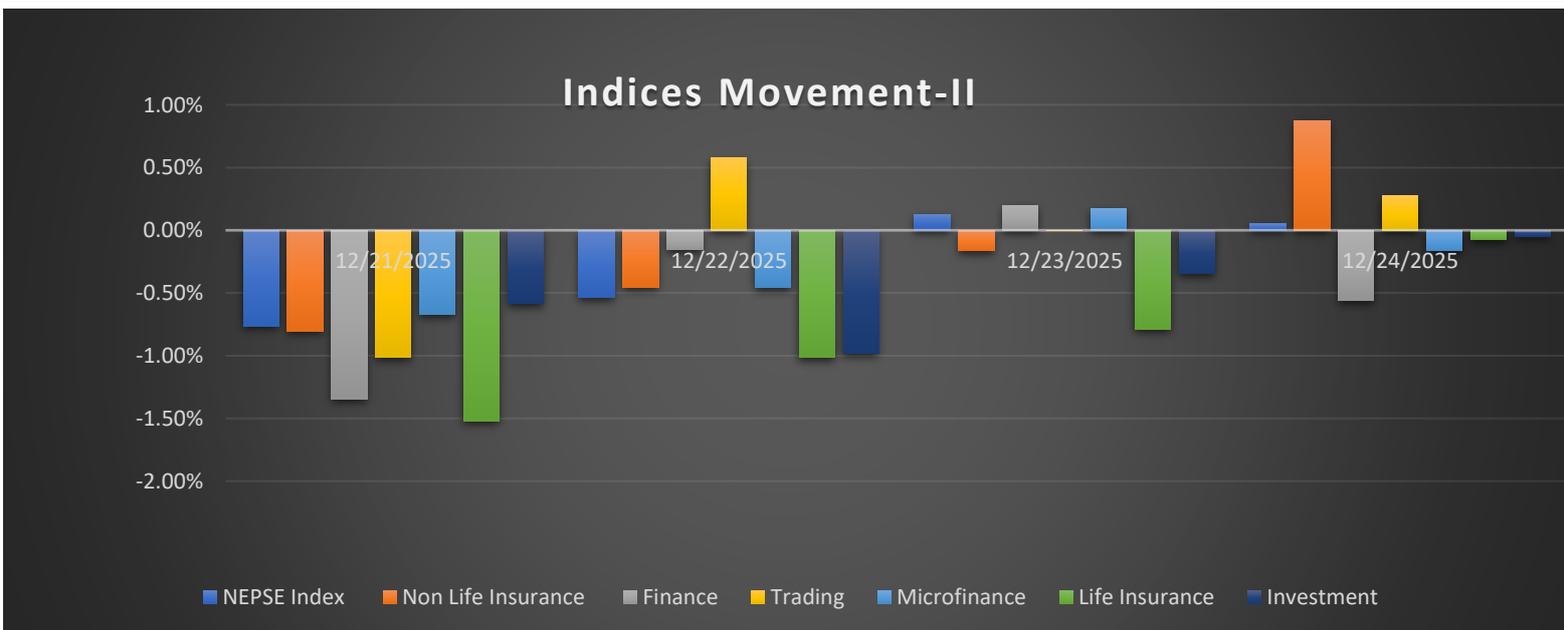
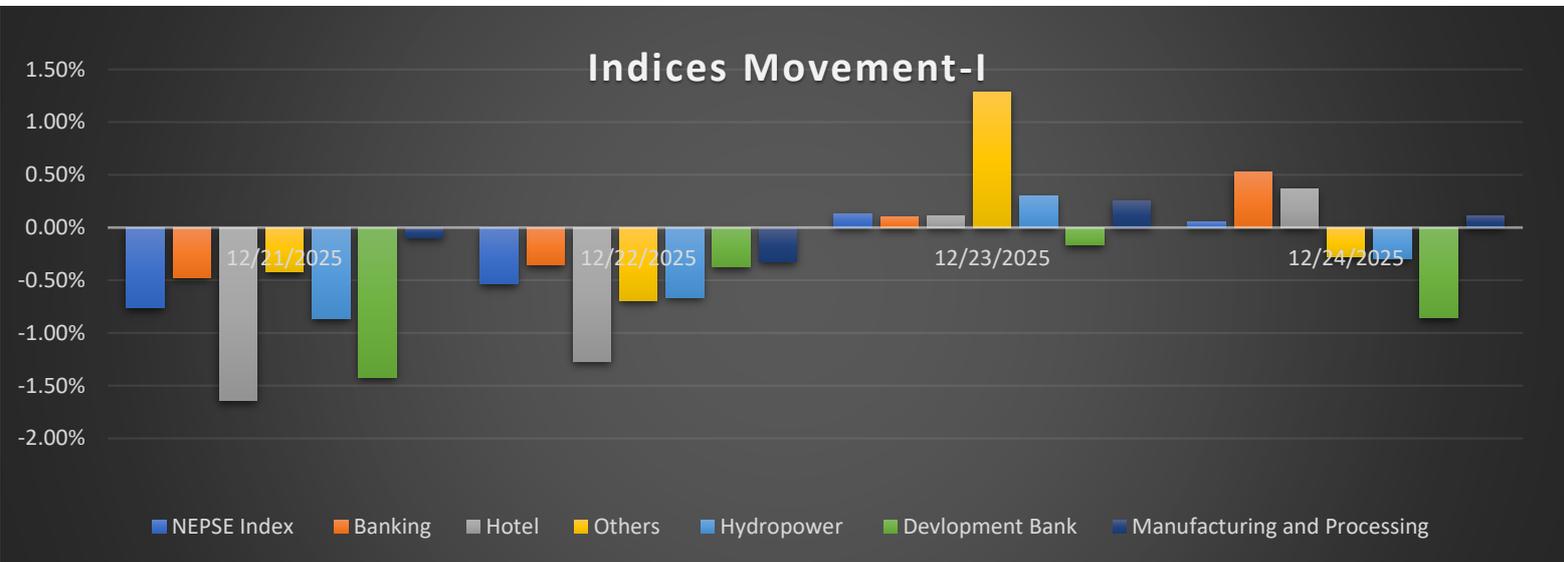
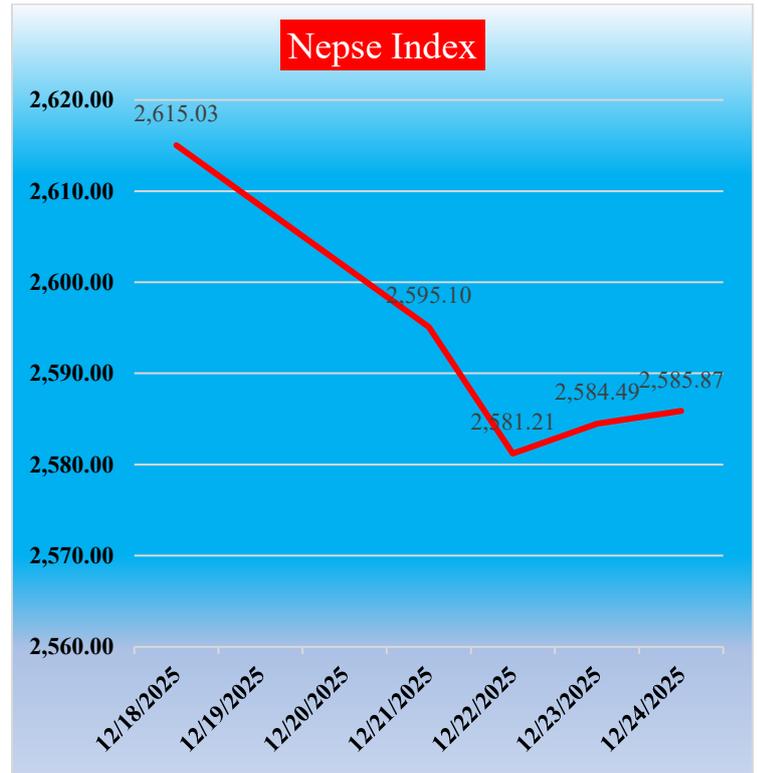
WEEKLY MARKET UPDATE

The NEPSE index posted a loss of 1.12% (29.16) points from 18th December to 24th December, closing at 2,585.87 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 2,616.25 and a low of 2,568.24. Turnover showed a downward trend throughout the week.

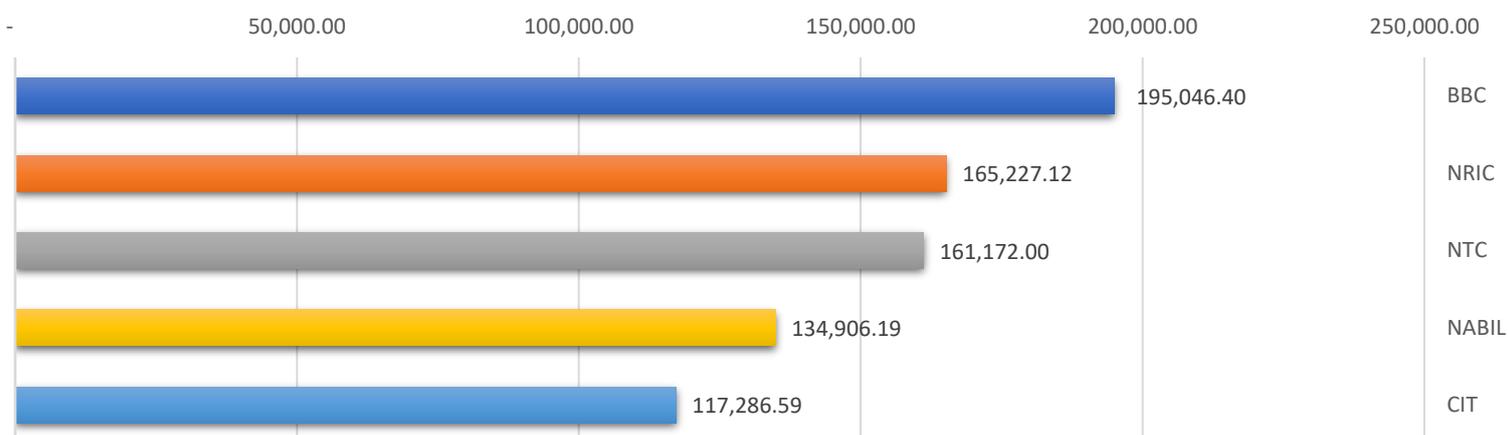
The price action started with *Three Black Crows* like candle stick pattern. Within these candles, the most decisive candle was red Marubozu candle formed on Monday. This candle broke down previous confluence support formed by 50 MA and *Tweezer Bottom's* low.

On the following day, the price action created a hammer candle stick. Price action on this day went low at ~2568 level but made a comeback closing at 2,584.49 level.

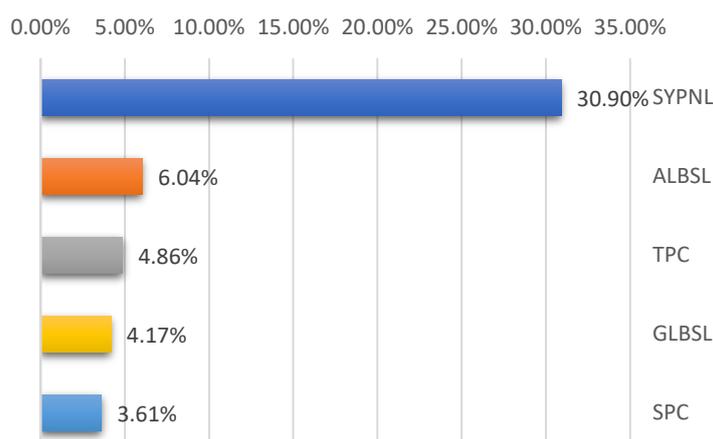
Price action on last trading day, validated the previous hammer candle as it formed a Doji Candle and closed above the previous day close.



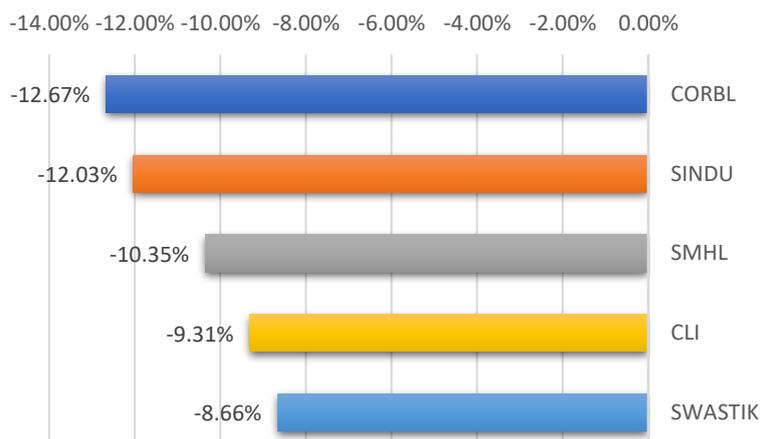
Market Capitalization in NRs. Millions



Top Gainers



Top Losers



News:

Foreign trade grew 20.07% in the first five months of FY 2025/26, reaching Rs 8.826 billion; exports surged 58.17% while imports rose 15.83%, but the trade deficit widened to Rs 6.496 billion.

Gold prices eased by Rs 600 per tola to Rs 267,500, and silver fell by Rs 20 to Rs 4,400 per tola after recent record highs.

Nepal Rastra Bank approved the first overseas expansion of a Nepali IT firm (iDream Technologies) to open a U.S. branch.

Processed edible oil exports to India reached Rs 52.80 billion, but these largely depended on re-exporting imported raw oil.

South Korea's reduced EPS E-9 visa quota for 2026 is expected to impact Nepali workers.

A large portion of Nepal's workforce (about 62.2%) remain in the informal sector, with social security enrollment progressing slowly.

Herb exports via the Nepalgunj border climbed by 71 percent to Rs 250 million by December 15 of the current fiscal year. A total of 841,338 kilograms of herbs were exported, with around 85 percent destined for India.

MARKET OUTLOOK



NEPSE Technical Indicators - Detailed Analysis

The NEPSE Index declined by 1.12% (29.16 points) between 18 December and 24 December, closing the period at 2,585.87, while market conditions remained volatile with the index fluctuating between an intraday high of 2,616.25 and a low of 2,568.24; market turnover continued to trend downward even during sessions that recorded positive returns, indicating weakening participation. Price action at the start of the week resembled a Three Black Crows-like candlestick structure, highlighting strong bearish momentum, with the most decisive move occurring on Monday when a bearish Marubozu candle broke below the prior confluence support formed by the 50-day moving average and the low of the earlier Tweezer Bottom pattern. On the following trading day, a hammer candlestick emerged, suggesting a temporary exhaustion of selling pressure as the index dipped to around the 2,568 level but recovered to close at 2,584.49. On the final trading day of the review period, price action validated the hammer formation by printing a Doji candle and closing above the previous day's close, reflecting market indecision and the early signs of buying interest near the support zone.

Support and Resistance Levels:

The index is presently between the support zone of 2,440-2,485 and resistance zone of 2,660-2,700 levels. Moreover, from recent price action, low from *tweezer bottom* candle and 50 days moving average are acting as immediate resistance. Moreover, horizontal trend line at ~ 2,630- and 20-Days Moving Average at 2,618 is taken as secondary resistance. Market must move beyond ~ 2630 levels so as to be in bullish mode.

Bollinger Bands and Volume Behavior:

The price action of the index during the week receded down toward lower line of Bollinger Band. Volume throughout the week had downward trend. The trend continued even on days when market posted gains.

RSI (Relative Strength Index):

RSI plunged down to 42.4 on 22nd of December, Monday. But due to some nominal gains RSI has risen at 43.59 levels.

Moving Averages:

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

MA-5	2,592.34
MA-50	2,586.98
MA-200	2684.362

We can expect a complete bullish move if the market moves beyond the 200 MA with aggressive momentum supported by volume

Technical Insights

The price action of the index indicates that it is trading below both the 20-day and 50-day moving averages. Moreover, the price remains below the horizontal trend line around the 2630 level. For the index to enter a reversal phase, it must break through the resistance posed by the 50-day moving average as well as the Tweezer Bottom pattern. Ultimately, the price action must also move above the 2630 level and the 20-day moving average to confirm a clear bullish trend. Considering the current market sentiment and the strength or momentum of the trend, as reflected by RSI and ADX, the market may attempt a reversal toward levels above the 50-day moving average; however, substantial momentum would be required to sustain a move beyond 2630 level. As a result, the market

may establish the hammer's support as a decisive base and register some positive upward bars, but a complete turnaround of the index—specifically a move beyond the 2630 level—should not be expected at this stage.

Who Moved My Silver?

A dive into its supply-side induced imbalance

Silver's supply dynamics are structurally constrained, making it fundamentally different from most commodities and even from other precious metals. The most important supply-side limitation arises from the fact that **silver is predominantly a by-product metal**, with nearly three-quarters of global production coming from mines where silver is not the primary target but a secondary output of copper, lead, zinc, or gold extraction. This has profound implications for supply responsiveness. Unlike primary commodities, where higher prices incentivize producers to expand output, silver supply does not directly respond to rising silver prices. Production decisions are driven by the economics of the host metal—such as copper or zinc—meaning that even a strong silver price environment cannot independently trigger a meaningful increase in silver mining. If base-metal demand weakens or if copper or zinc prices fall, silver output may stagnate or even decline despite rising silver prices. This structural price inelasticity ensures that supply adjustments are slow, constrained, and largely outside the control of the silver market itself.

This by-product dependence feeds directly into the second major constraint: **persistent structural supply deficits**. Silver has not merely experienced occasional shortfalls between supply and demand; instead, the market has recorded **multi-year deficits**, where total demand has consistently exceeded combined mine production and recycling. These deficits are structural rather than cyclical because they are rooted in the fundamental mismatch between inelastic supply and steadily expanding demand. Over successive years, these shortfalls have been met by drawing down above-ground inventories, including exchange-held stocks and private holdings. As inventories decline, the market's ability to absorb shocks diminishes, leaving silver increasingly exposed to volatility from even modest demand surges or supply disruptions. Importantly, these deficits persist because the underlying causes—by-product mining, long project lead times, and limited new discoveries—prevent supply from catching up quickly, even in a high-price environment.

Compounding these issues is the problem of **declining ore grades** across many mature mining regions. As higher-grade deposits have been exhausted, miners are forced to process larger volumes of lower-grade ore to maintain output levels. This significantly raises operating costs, energy consumption, and environmental burdens, while simultaneously reducing the efficiency of production growth. Lower ore grades do not immediately collapse supply, but they steadily erode the industry's capacity to expand output, reinforcing the structural tightness of the market over time.

Further exacerbating supply constraints is **chronic underinvestment in exploration and new mine development**, particularly following the prolonged period of subdued silver prices during the 2010s. Mining is a capital-intensive, long-cycle industry, and the lack of sustained investment has resulted in a thin project pipeline. New silver mines can take more than a decade to progress from discovery to production, meaning today's constrained supply is the delayed consequence of investment decisions made many years ago. Even recent improvements in prices cannot quickly reverse this shortage of new capacity.

Finally, while recycling contributes meaningfully to supply, it remains structurally limited. Much of modern silver use occurs in electronics, solar panels, and industrial components where silver is embedded in small quantities, making recovery complex and often uneconomic. As a result, recycling cannot scale rapidly enough to compensate for deficits arising from mine supply constraints.

Taken together, these supply-side factors—by-product dependence, persistent structural deficits, declining ore grades, underinvestment, and limited recycling—create a market where silver supply is rigid, slow to respond, and increasingly unable to keep pace with demand. This structural inflexibility is a key reason why silver prices remain highly sensitive to demand growth and why upward price pressure tends to persist once inventories begin to tighten.

Macro- Economic Bulletin Board

Particulars	Four Months, 2082	Four Months, 2081
Total Budget (In NRs. Billion)	1,964.11	1860.30
Total Capital Budget (In NRs. Billion)	407.89	352.35
Total Recurrent Budget (In NRs. Billion)	1,180.98	1,140.66
Total Budget Utilization	23.87%	22.31%
Total Capital Budget Utilization	6.21%	9.8%
Total Recurrent Budget Utilization	27.18%	25.65%
Cash Balance of Government (In NRs. Billion)	202.98	216.31
Imports (In NRs. Billions)	609.50	513.40
Exports (In NRs. Billions)	93.50	52.70
Gross Forex Reserves (In US Dollar. Million)	21,517.70	16,701.30
Import Capacity (in Months)	17.40	15.10
Current Account Surplus (In NRs. Billions)	147.80	279.70
Balance of Payment (In NRs. Billions)	318.40	205.80
Remittance (In NRs. Billions)	687.10	523.10
Foreign Direct Investment (In NRs. Billions)	2.49	5.76
Commercial Average Base Rate	5.44	7.02
Commercial Interbank Rates	2.75	2.99
Inflation (CPI)	1.11	5.60
Inflation (WPI)	2.65	5.16
Total Loans and Advances (In NRs. Billions)	5,643.63	5,285.06
Total Deposits (In NRs. Billions)	7,520.46	6,642.80
Commercial Bank Weighted Average Lending Rate	7.38	9.33
Commercial Bank Weighted Average Deposit Rate	3.74	5.24
No. of Tourist Arrivals (July to November, 2025)	482,580	472,517
No. of Workers for Foreign Employment (New entry and Renewals)	273,810.00	241,583.00

Overall, the macroeconomic indicators point to a stable but demand-constrained economic environment. CPI-based inflation remaining at 1.11 percent reflects subdued price pressures and provides sufficient room for an accommodative monetary stance, though persistently low inflation also signals weak domestic demand.

The strong external sector position, evidenced by robust foreign exchange reserves covering 17.4 months of imports and sizeable current account and balance of payments surpluses, underscores near-term external resilience; however, this strength is largely remittance-driven rather than export-led, highlighting underlying structural dependence on labor income inflows.

While exports recorded a sharp increase, the magnitude of growth should be interpreted cautiously given possible base effects, whereas moderate import growth aligns with muted consumption and investment activity.

On the fiscal side, the gap between government expenditure and revenue mobilization indicates continued fiscal pressures, which may influence domestic liquidity conditions.

In the monetary sector, broad money growth remains healthy, but the relatively weak expansion of private sector credit compared to deposit growth suggests risk aversion among banks and subdued private investment appetite despite excess liquidity. This is further reinforced by low interbank and Treasury bill rates, indicating surplus liquidity in the banking system, while the wide spread between deposit and lending rates reflects banks' preference to protect margins rather than aggressively expand credit in a low-demand environment.

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info@jyoticapital.com.np



+977-015916548/49



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