# JYOTI WEEKLY OUTLOOK

**18th JAN to 22nd JAN, 2026**

Review Period: 15th JAN to 22nd JAN 2026

MARKET OVERVIEW

MACRO ECONOMIC UPDATE


NEWS UPDATE

# WEEKLY MARKET UPDATE

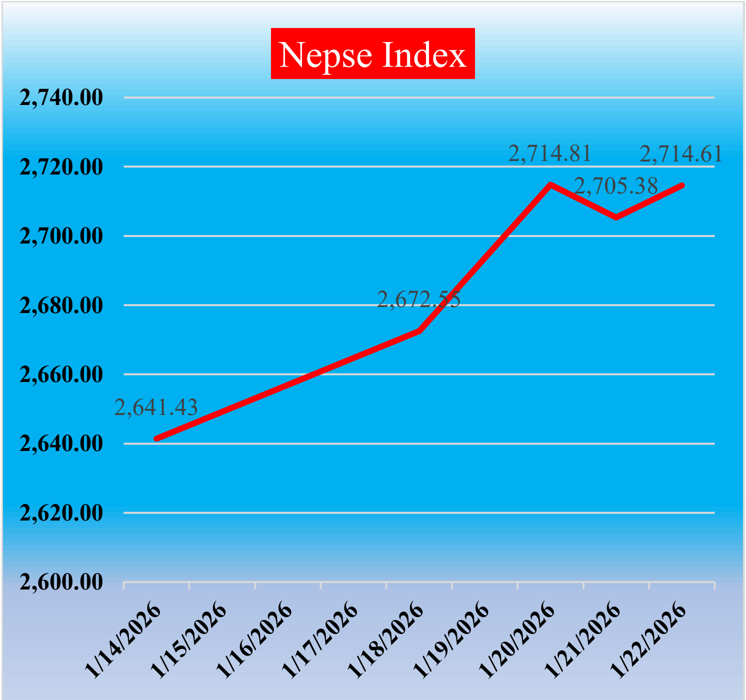
The index posted 2.77% gain on weekly basis (from 14th Jan to 22nd Jan). The market remained volatile with weekly low being at 2640 level and high at 2,728.05.

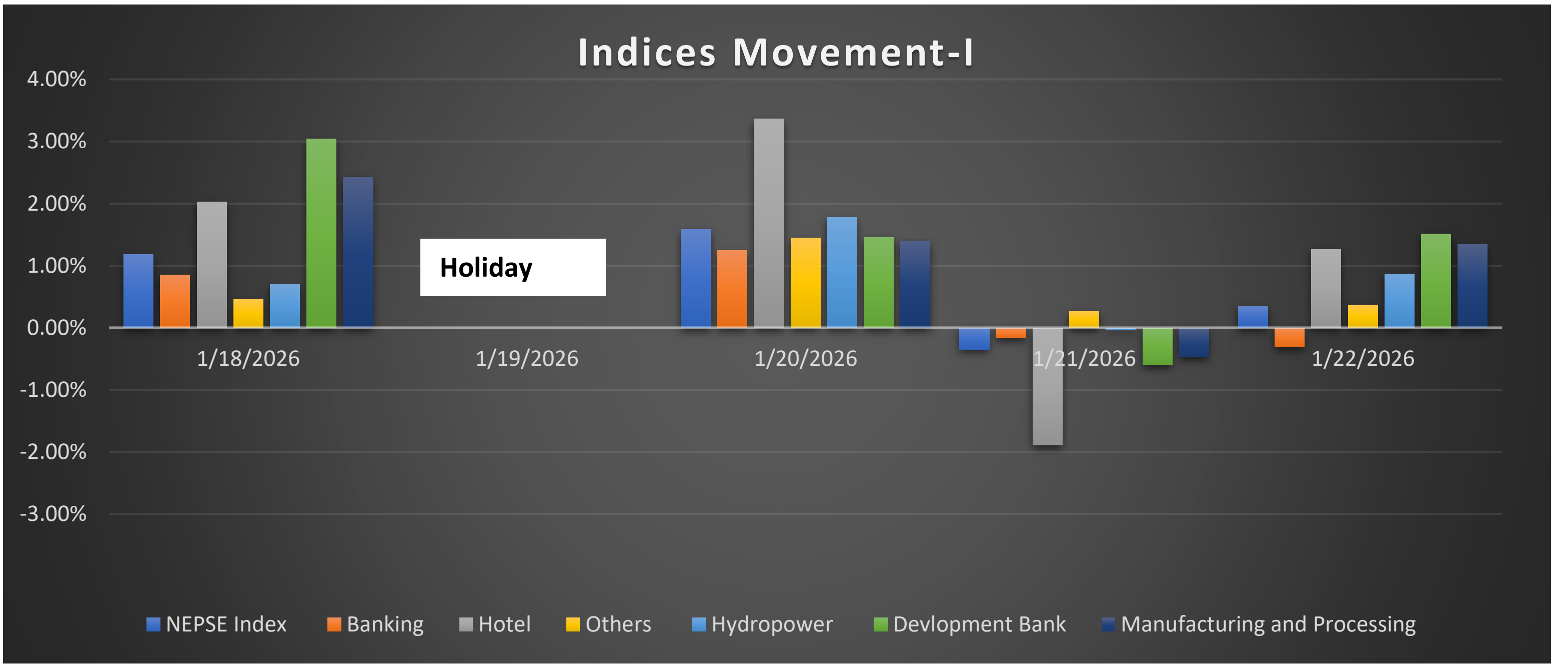
The index broke out the resistance of 2660 -2700 levels. Moreover, the market is above the 200-Days MA level.

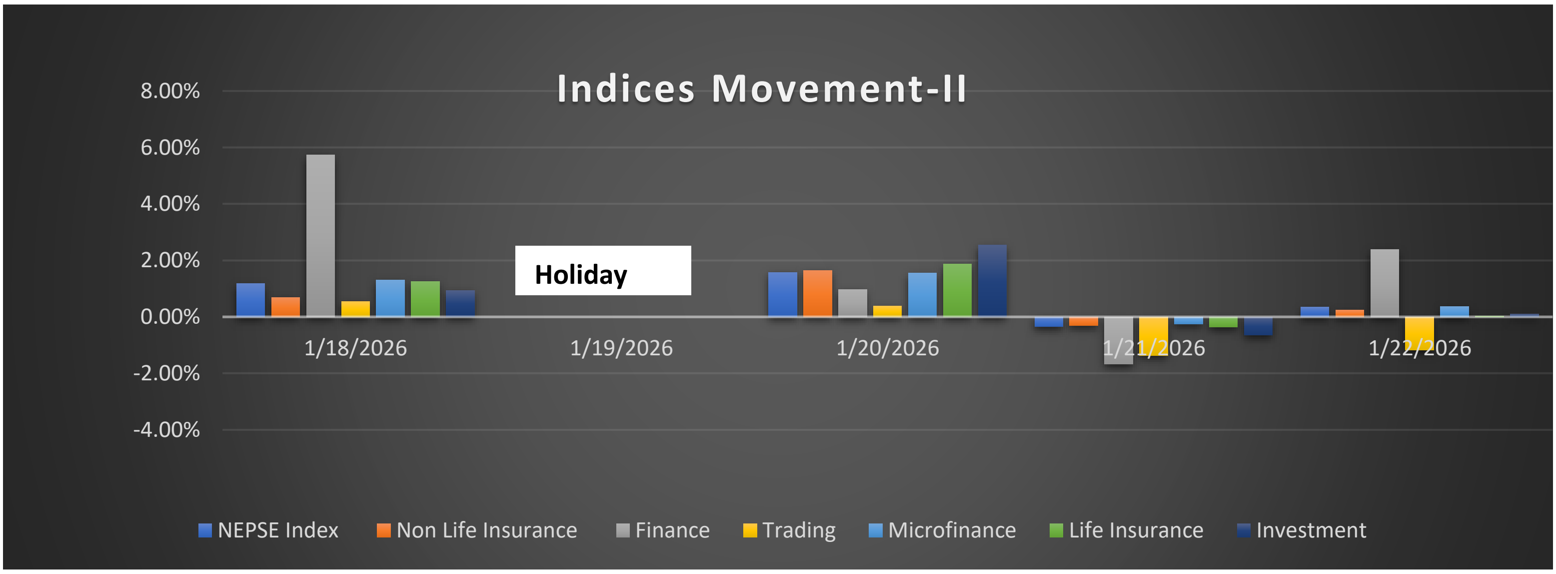
The price action after the break out seems to be on the sideways as candles are not successful to break out previous candle's high and give a break out.

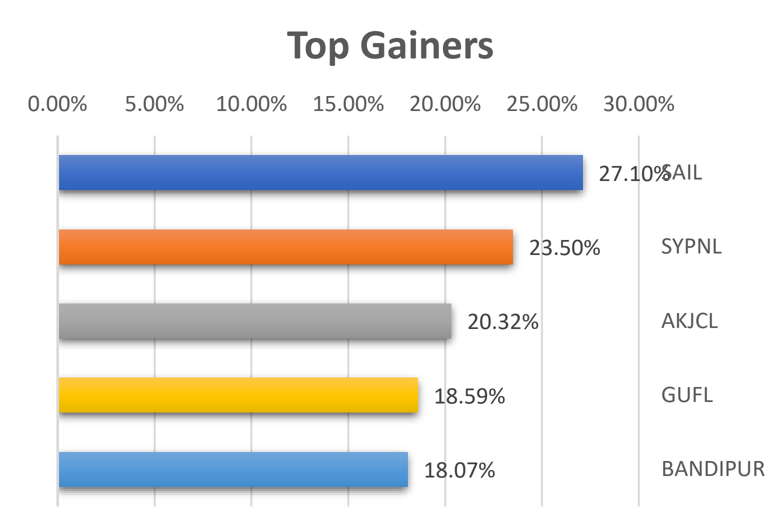
The last candle has emerged as a *hammer like candle.* The occurrence of hammer (the body) is inside the open and close of previous red candle. Moreover, if we look the last three candle at once, we find occurrence of last two candle's body within the upper part (50%) of the first green candle of the break out.

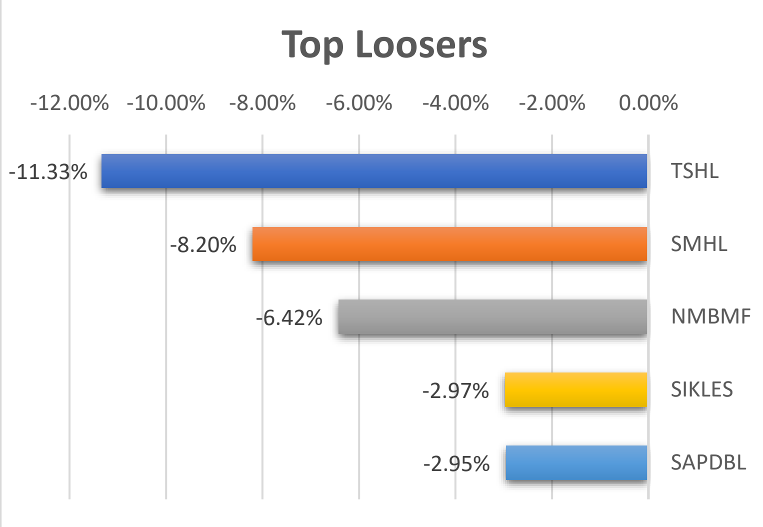
On the positive side, the current trend seems to be strong as ADX has risen from 16 to 24 levels.

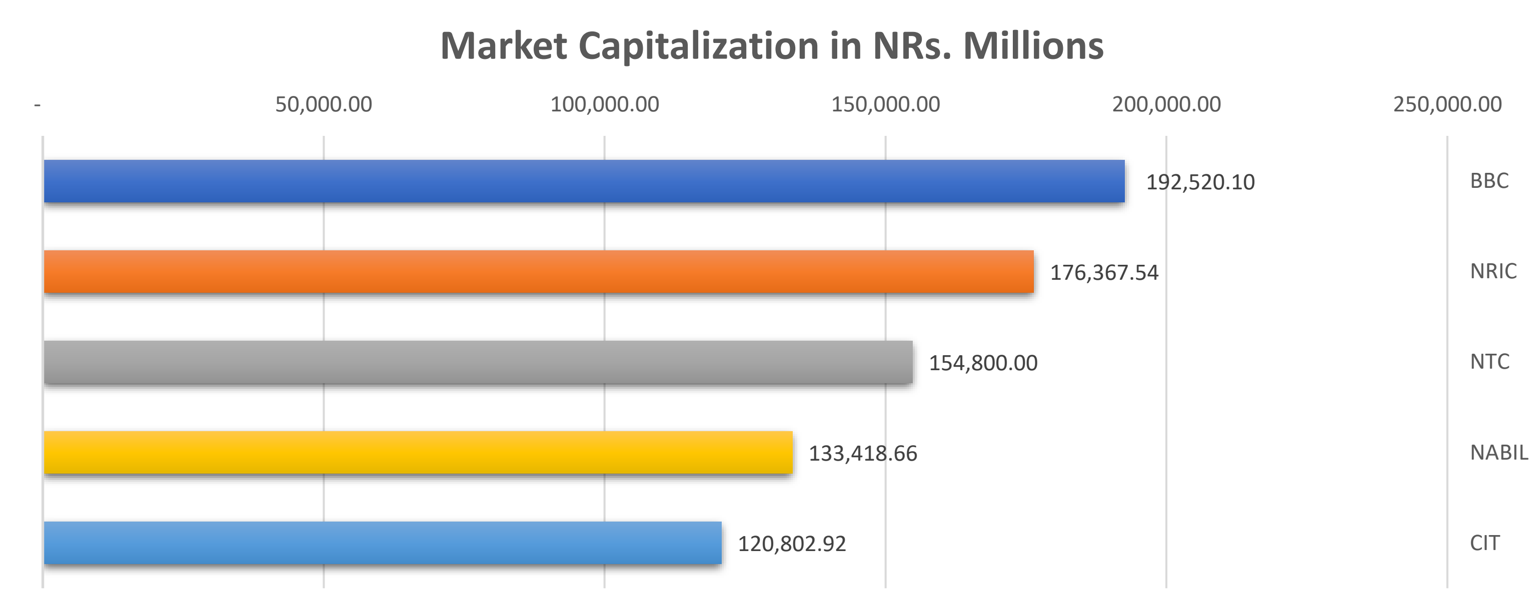





## News:

- A total of 590,718 Nepalis left the country for overseas employment over the past six months, according to the Department of Foreign Employment. During Shrawan-Poush of the current fiscal year 2082/83, 141 undocumented workers were brought into the formal system.

- The government has announced plans to develop the 328.10 MW Bharbung reservoir-based hydropower project in Dolpa at an estimated cost of Rs 103.31 billion. Promoted by the Department of Electricity Development, the project will affect Chharka Tangsong wards 4 and 5 and Kaike ward 1.

- Nepal and Saudi Arabia are set to sign their first bilateral labor agreement on Monday, with Labor Minister Rajendra Singh Bhandari leading the Nepali delegation. The Cabinet approved the agreement in mid-September. The pact prioritizes worker rights, safety, and welfare, covering wages, working conditions, and the deployment of skilled and semi-skilled labor.

- Nepal's rice imports reached Rs 20.39 billion in the first six months of the current fiscal year, rising by Rs 1.28 billion year-on-year. Basmati rice accounted for Rs 4.27 billion, while raw and semi-processed rice imports totaled Rs 9.87 billion. Despite higher import volumes, revenue collection fell to Rs 144.26 million.

## MARKET OUTLOOK:

## NEPSE Technical Indicators - Detailed Analysis:

The market is in break out mode of the resistance of 2660-2700- and 200-Days Moving Average. On looking at the price action, the candles after the break out are mainly inside candles signifying sideways movement and build up for next move. For market to move beyond this level, the index must sustain beyond the support the level of 200- Days Moving Average.

## Support and Resistance Levels:

The main support level of the price action on immediate instance is the previous resistance level (now support) of 2660-2700 level. Moreover, 200-Days Moving average along with 50 Days Moving Average are at its support. The immediate resistance of the price action is at 2800-2860 levels.

## Bollinger Bands and Fib-Retracement:

The price is at the upper band of BB. Moreover, the price is at support of Middle Line of BB. Moreover, the low of the latest hammer like candle is the 61.28% level support of Fib-Retracement. This signifies the price action after break out is taking a support of the low of *hammer like candle*.

## RSI (Relative Strength Index) and ADX:

RSI after the latest price action is ticking upward. Moreover, the ADX has been in the uptrend signifying a strong upward trend. ADX increase from 16 to now at 24 level.

## Moving Averages:

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

| | |
|---|---|
| MA-5 | 2, 711.05 |
| MA-50 | 2,619.80 |
| MA-200 | 2677.43 |

As previously stated, the price action has moved beyond the 200 Days Moving Average. This break out has been validated by two sideways candles along with last candle a hammer. The volume on the break out was also above NPr. 10 Arba. Currently, the index has been retesting the dynamic support. We expect the market to hold this level for a considerable period.

## Technical Insights:

NEPSE has successfully broken above the 2660–2700 resistance zone and the 200-Day Moving Average, signaling a positive shift in market structure. The breakout was followed by inside candles and a hammer formation, indicating consolidation and retesting rather than weakness. The 2660–2700 zone now acts as a strong support, reinforced by the 200-DMA and 50-DMA. As long as the index sustains above this level, the broader trend remains constructive. The immediate upside resistance is placed at 2800–2860. Price action near the upper Bollinger Band reflects strength, while support around the middle band suggests healthy consolidation. The low of the recent hammer aligns with the 61.8% Fibonacci retracement, strengthening the validity of the pullback.
Momentum indicators support the bullish bias, with RSI ticking upward and ADX rising from 16 to 24, confirming increasing trend strength. The breakout was validated by strong volume above NPR 10 Arba. Overall, NEPSE

appears to be in a post-breakout retest phase. Holding above the 200-DMA and 2660–2700 zone keeps the outlook positive, with scope for continuation toward 2800–2860.

# Macro- Economic Bulletin Board

| Particulars | Five Months, 2082 | Five Months, 2081 |
|---|---|---|
| Total Budget (In NRs. Billion) | 1,964.11 | 1,860.30 |
| 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 | 28.74% | 29.89% |
| Total Capital Budget Utilization | 8.3% | 11.58% |
| Total Recurrent Budget Utilization | 33.7% | 31.87% |
| Cash Balance of Government (In NRs. Billion) | 253.022 | 222.00 |
| Imports (In NRs. Billions) | 766.2 | 661.5 |
| Exports (In NRs. Billions) | 116.5 | 73.7 |
| Gross Forex Reserves (In US Dollar. Million) | 22,129.5 | 16,755.8 |
| Import Capacity (in Months) | 18.2 | 14.6 |
| Current Account Surplus (In NRs. Billions) | 358.8 | 158.4 |
| Balance of Payment (In NRs. Billions) | 421.9 | 225.30 |
| Remittance (In NRs. Billions) | 870.3 | 641.9 |
| Foreign Direct Investment (In NRs. Billions) | 7.47 | 6.03 |
| Commercial Bank Average Base Rate | 5.38 | 6.82 |
| Commercial Bank Interbank Rates | 2.74 | 2.99 |
| Inflation (CPI) | 1.63 | 6.05 |
| Inflation (WPI) | 2.78 | 6.52 |
| Total Loans and Advances (In NRs. Billions) | 5,675.74 | 5,330.25 |
| Total Deposits (In NRs. Billions) | 6,679.33 | 7,578.77 |
| Commercial Bank Weighted Average Lending Rate | 7.26 | 8.90 |
| Commercial Bank Weighted Average Deposit Rate | 3.74 | 4.78 |
| No. of Tourist Arrivals (July to December, 2025) | 1,158,459 | 1,147,567 |
| No. of Workers for Foreign Employment (New entry and Renewals) | 339,515.00 | 325,809.00 |

Nepal's recent macroeconomic indicators point to a stable but demand-constrained economic environment, characterized by subdued inflation and strong external buffers. CPI inflation at 1.63 percent y-o-y reflects weak domestic demand and ample supply conditions, while robust foreign exchange reserves—sufficient to cover over 18 months of imports—provide significant external sector resilience. The continuation of current account and balance of payments surpluses is largely remittance-driven, with inflows growing sharply in both NPR and USD terms, cushioning the trade deficit despite a notable rise in imports. Although exports have expanded strongly, the growth is from a relatively low base, limiting its immediate macro impact. On the monetary side, moderate broad money growth, healthy deposit expansion, and subdued private sector credit growth signal cautious lending behavior and muted investment appetite, reinforced by low interbank and Treasury bill rates that indicate surplus liquidity in the banking system. Fiscal dynamics show a widening expenditure–revenue gap, implying continued reliance on financing while potentially constraining capital spending efficiency. Overall, the macro backdrop remains supportive for stability, but the key challenge lies in translating liquidity, low interest rates, and external strength into stronger private investment and credit-led economic activity.

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