ज्योति क्यापिटल लि.
JYOTI CAPITAL LTD

JYOTI WEEKLY OUTLOOK

28th DEC to 01st JAN, 2026

Review Period: 24th Dec to 1st Jan 2026

MARKET OVERVIEW

MACRO ECONOMIC UPDATE

NEWS UPDATE

WEEKLY MARKET UPDATE

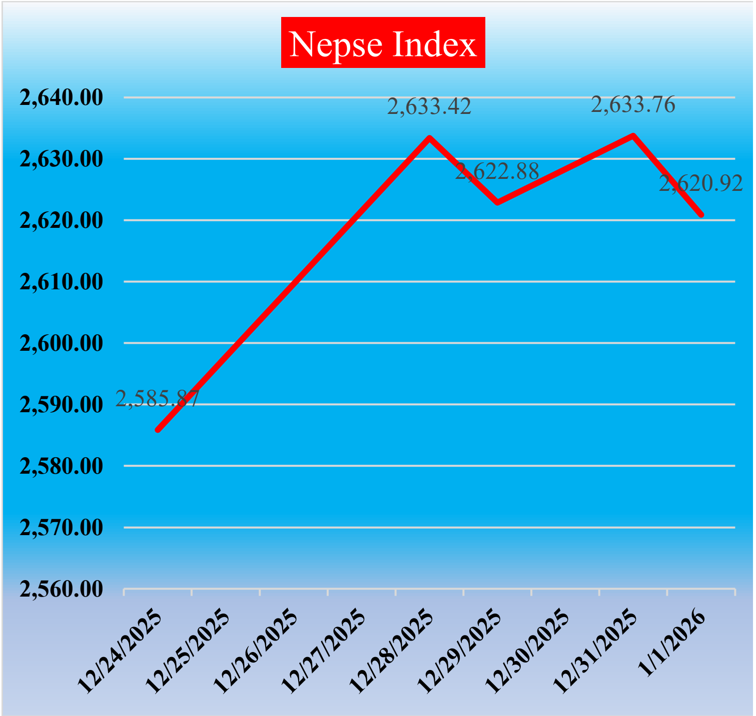
The NEPSE index posted a gain of 1.36% (35.05) points from 24th December to 1st January), closing at 2,620.92 on the last trading day of the review period. Market conditions remained volatile throughout the week, with the index fluctuating between an intraday high of 2,643.64 and a low of 2,586.41. Turnover showed a direct relationship with index returns.

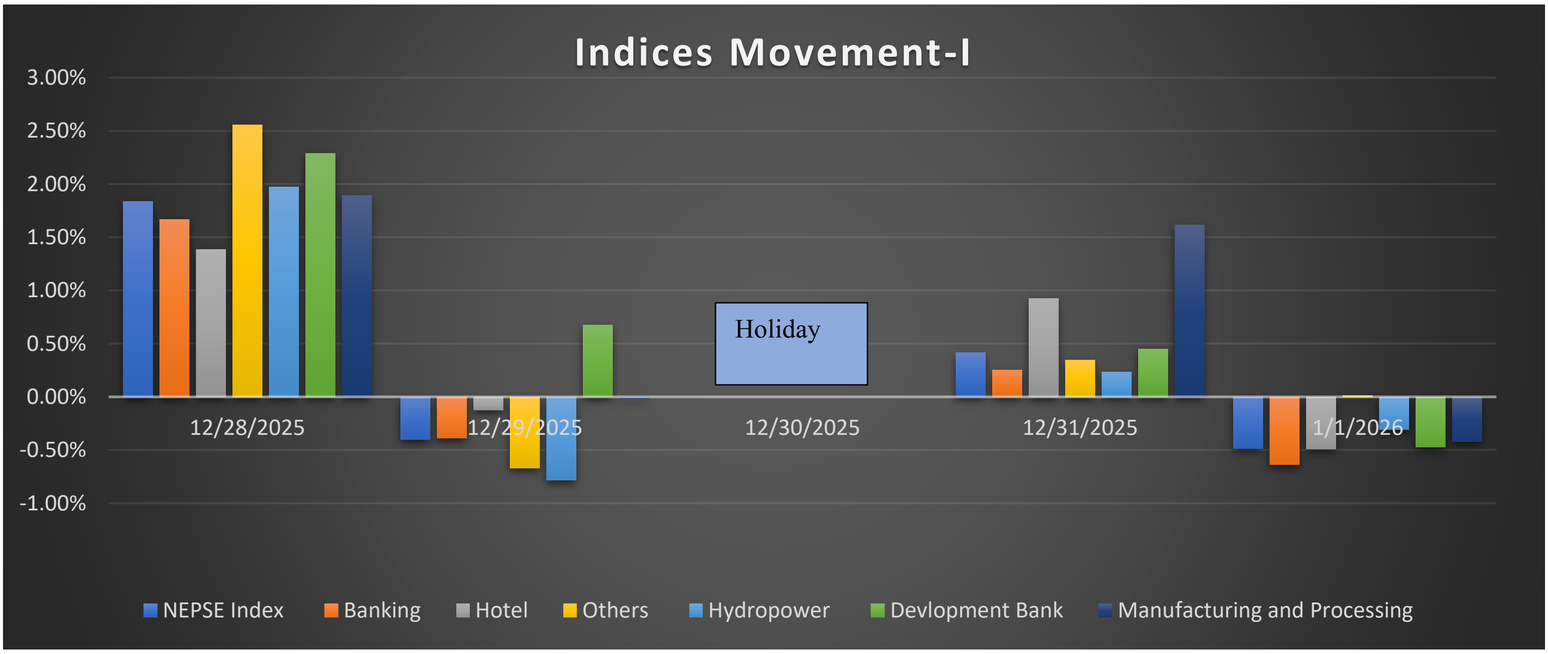
The price action started with *Bullish Marubozu* like candle stick pattern. This candle broke out the resistance of 2630 level.

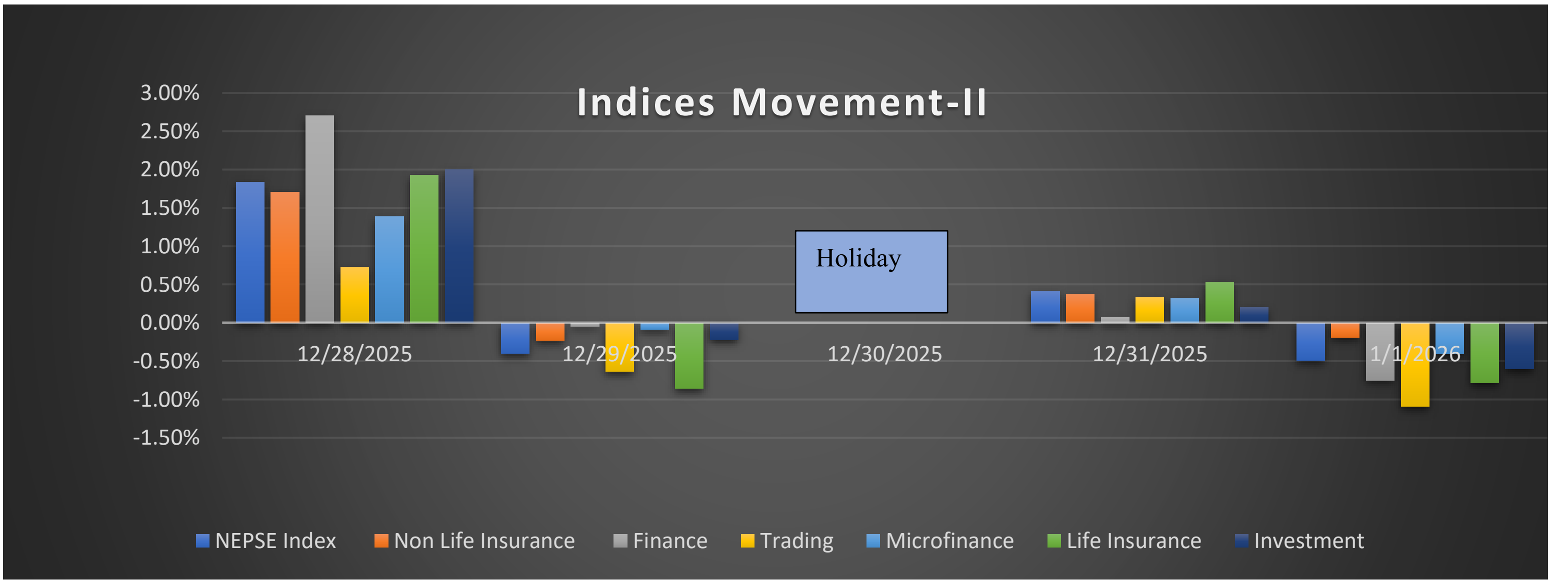
On the following day, the index opened above the previous candle's close, however, the price revised down and closed below the previous candle's close.

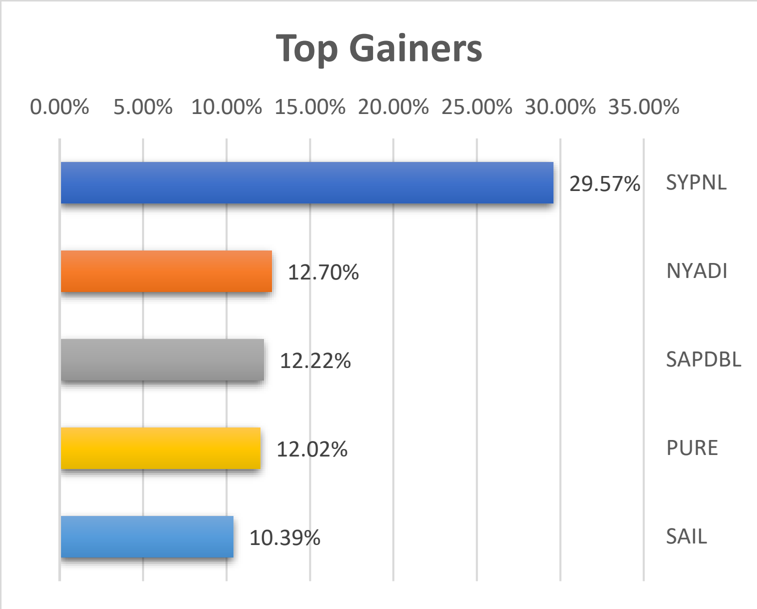
Price action on 31st December, made the week's high, receded down below 20 points but closed the day gaining 10.88 points. But on last trading day, price could not sustain above the previous green candle close and made a downward revision to close on 2,620.92.

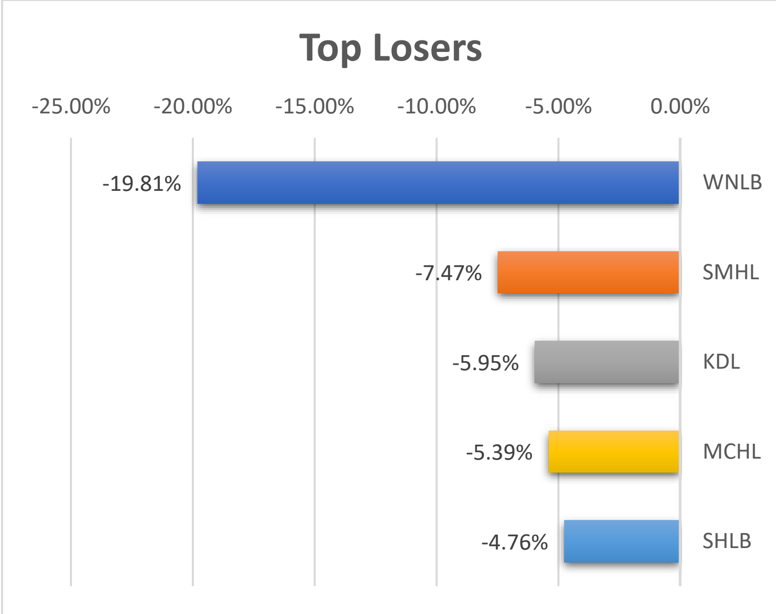
The index is in process of reacting with 2630 levels.

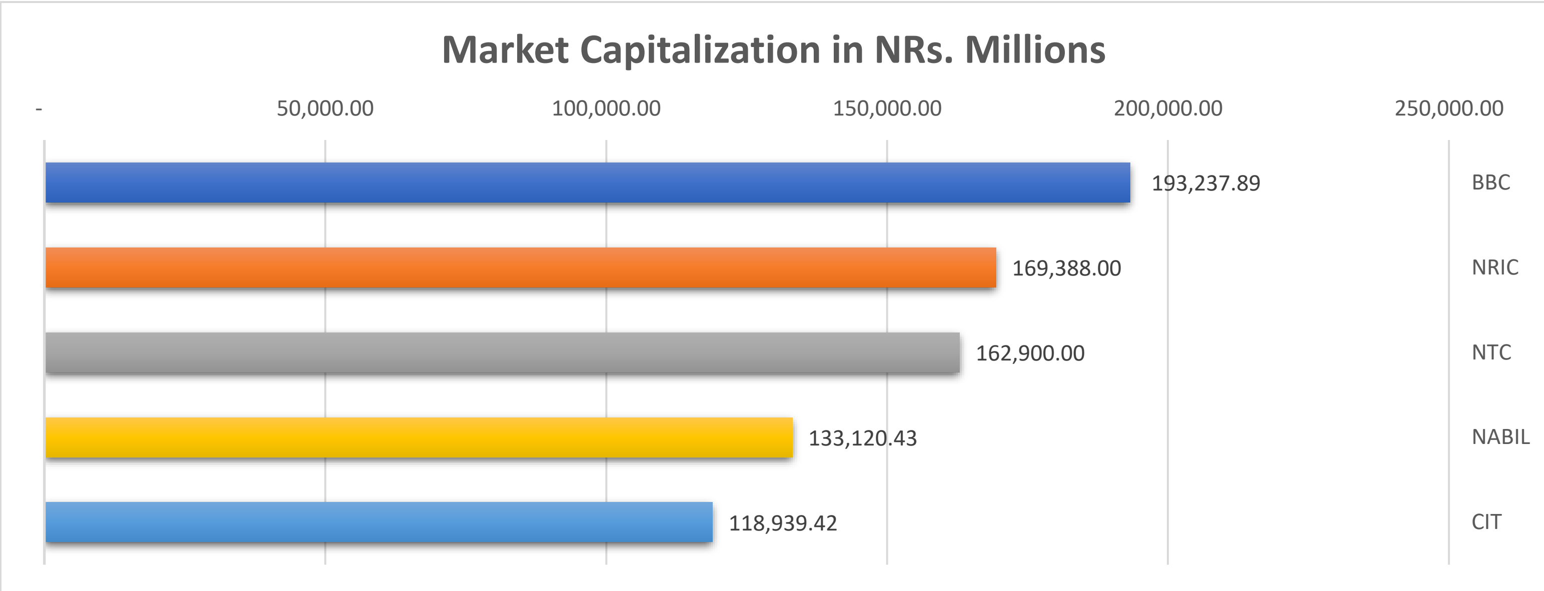












News:

Precious metal prices recorded notable gains, with gold rising by Rs 2,900 per tola and silver increasing by Rs 10 per tola, reflecting both domestic demand dynamics and global market movements. Such price trends often signal investor preference for safe-haven assets amid economic uncertainty.

Nepal Rastra Bank has forecast above-average GDP growth for FY 2025/26, supported by low inflation, easing interest rates, higher hydropower generation, and expanding construction and manufacturing activities.

Non-life insurance companies disbursed Rs 5.48 billion in claims related to Gen-Z protest damages, out of total claims amounting to Rs 23.47 billion. Property insurance accounted for the largest share, reflecting the sector's exposure to socio-political disturbances and rising claim liabilities.

Syangja district produced 23,238 metric tons of oranges, generating over Rs 1.32 billion in income, representing a Rs 200 million year-on-year increase. The growth underscores the rising commercial importance of high-value agricultural products.

Sudurpashchim Province reversed its earlier decision to cancel projects below Rs 1 million in value, aiming to accelerate capital expenditure.

MARKET OUTLOOK

NEPSE Technical Indicators - Detailed Analysis

The NEPSE index recorded a 1.36 percent gain (35.05 points) during the review period from 24 December to 1 January, closing at 2,620.92 on the final trading day. Market conditions remained volatile throughout the week, with the index moving between an intraday high of 2,643.64 and a low of 2,586.41, while trading turnover showed a direct relationship with index returns. Price action began with a bullish Marubozu-like candlestick, signaling strong buying momentum and resulting in a breakout above the 2,630-resistance level; however, in the subsequent session, the index opened above the previous close but reversed lower and closed below it due to selling pressure. On 31 December, the index marked the week's high before retreating by nearly 20 points intraday, though it managed to close with a gain of 10.88 points. In the final trading session, the index failed to sustain levels above the previous bullish candle's close and corrected downward to close at 2,620.52, indicating that the index is currently reacting around the 2,630 level, which remains a key near-term resistance.

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. The price action within the review period has been at decisive point. The 20-days moving average which was acting as resistance has been broken out with confirmation of two candles and has been acting as support. So, the immediate support is the 20 days moving average or middle level of Bollinger Band. However, the support now is to be determined through confluence of low of Tweezer Bottom's low, 50-Days Moving Average, and close of hammer's candle which inculcates 2595-2580 level. Breakdown of this level implies a single level of 2569 as support.

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 exhibited a distinctive pattern, with index returns and turnover growth moving in the same direction. On sessions when the index posted positive returns, turnover also increased, while days of negative index performance were accompanied by a decline in trading activity, indicating a clear directional alignment between price movement and market participation.

RSI (Relative Strength Index) and ADX:

Due to the Bullish Marabou Candle, RSI broke out the 50 levels. Since then, the RSI has been reacting at 57 level as its own resistance level. Now, the RSI is at 52 level. ADX is at 13 level denoting a weaker trend.

Moving Averages:

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

MA-5	2,619.37
MA-50	2,593.34
MA-200	2,683.29

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

Technical Insights

The NEPSE index is between short-term resistance holding around 2,630 and immediate support at the 20-day moving average or Middle Line of Bollinger Band. A stronger support cluster lies between 2,595–2,580, defined by the Tweezer Bottom low, 50-day moving average, and hammer candle close, while a breakdown below this level could open the way toward the next support at 2,569. Volume trends continue to align with price action, rising on bullish sessions and contracting on bearish ones, suggesting that market participation is still driving short-term moves. Momentum indicators indicate a neutral with bearish undertone scenario, with the RSI around 52 facing resistance near 57 and the ADX at 13 reflecting a weak trend. If the current support holds, the market may attempt to retest the 2,630-resistance level, potentially forming a base for a further bullish breakout. Conversely, a break below the support cluster may trigger a short-term corrective move toward 2,569. Moreover, if the market moves below this level, then the market scenario would be in an alert mode

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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