



# JYOTI WEEKLY OUTLOOK

7<sup>th</sup> DEC to 11<sup>th</sup> DEC, 2025

Review Period: 04<sup>th</sup> Dec to 11<sup>th</sup> Dec 2025



MARKET OVERVIEW



MACRO ECONOMIC UPDATE



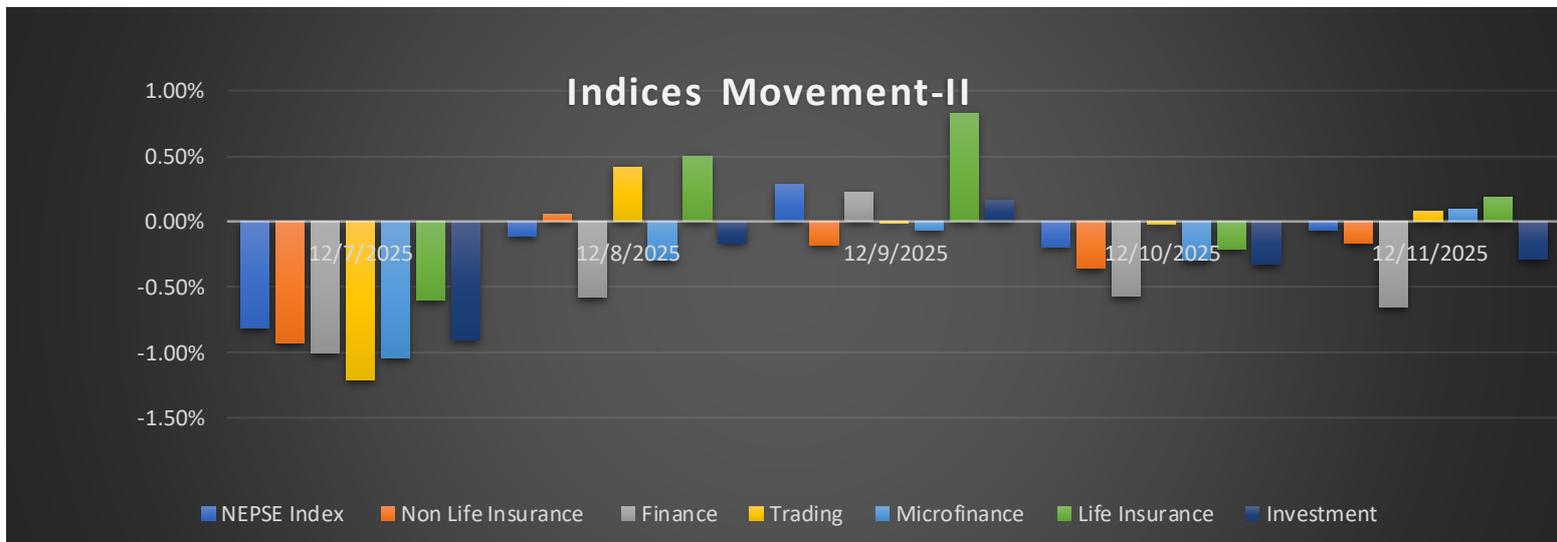
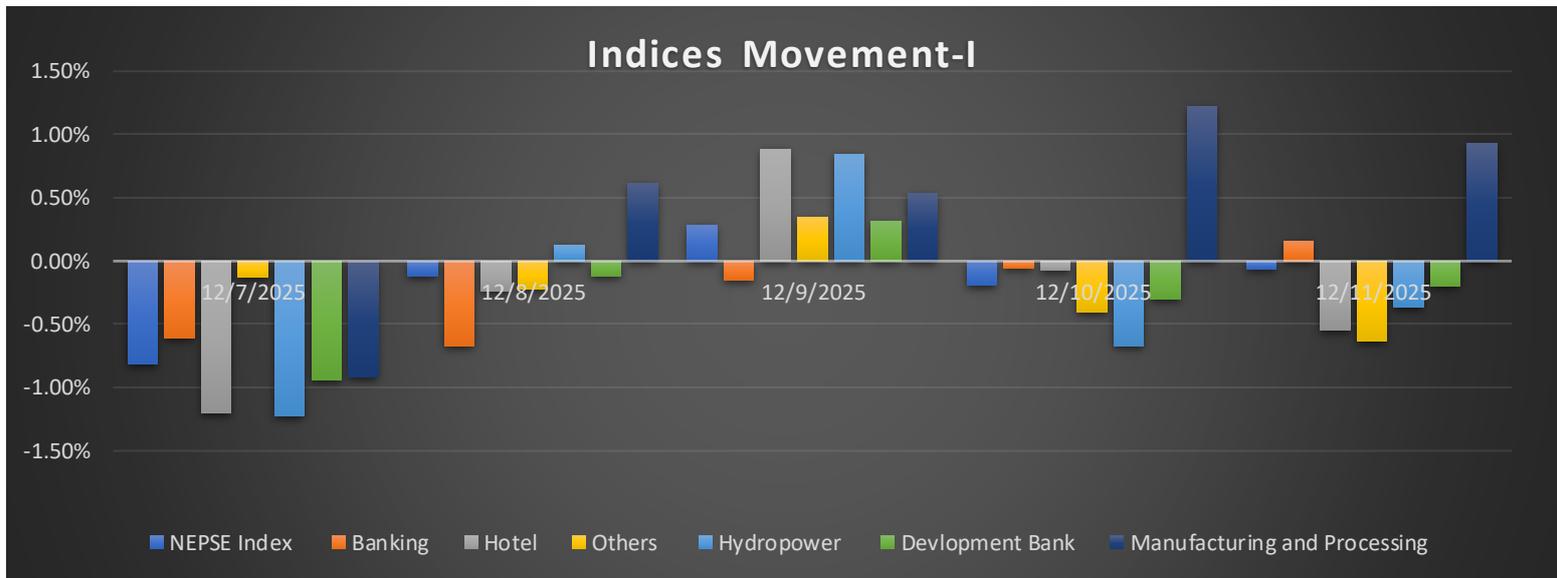
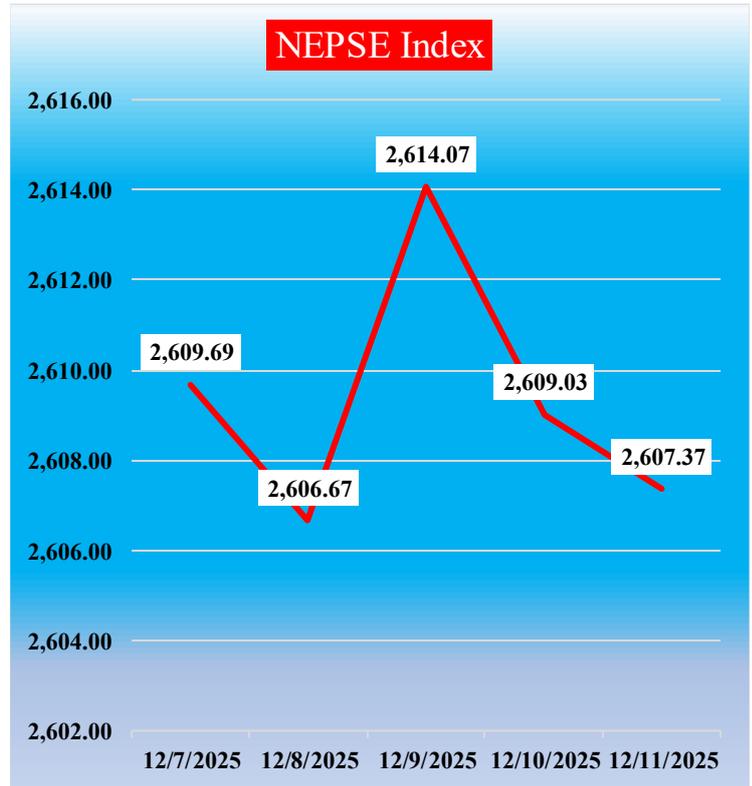
NEWS UPDATE

# WEEKLY MARKET UPDATE

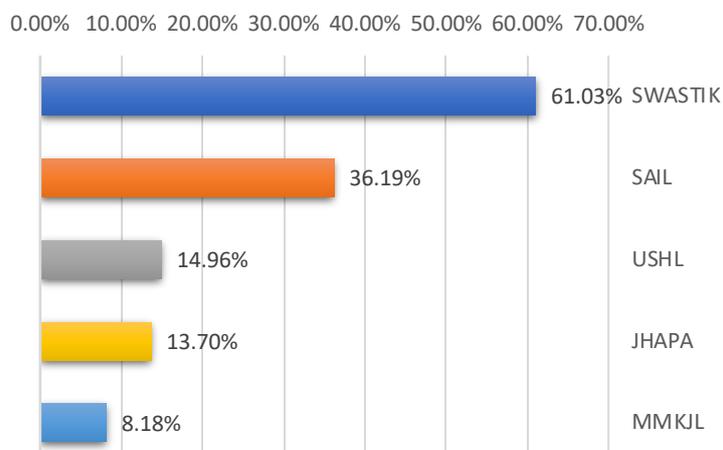
The NEPSE index posted a loss of 0.90% (23.80) points from 03<sup>rd</sup> to 11<sup>th</sup> December), closing at 2607.37 on the last trading day of the review period. Market conditions remained volatile throughout the week, with the index fluctuating between an intraday high of 2,636.97 and a low of 2,596.70. Trading activity, however, did exhibit a consistent downward trend. Turnover receded from 5.28 Arba to 3.46 Arba within the week

Up until 27<sup>th</sup> November, the price action showed long wicked price appreciation signifying momentum exhaustion. Thus, the following price action showed a large upper price rejection and failure to move beyond previous swing high. Thus, after this decisive candle, price made lower lows and recently have started to move sideways.

The price action accompanied with subdued volume has showed weakening trend. The price action is currently resting at support made from confluence of 50 Day Moving Average, an upward moving trend line and Fibonacci retracement at 61 %.



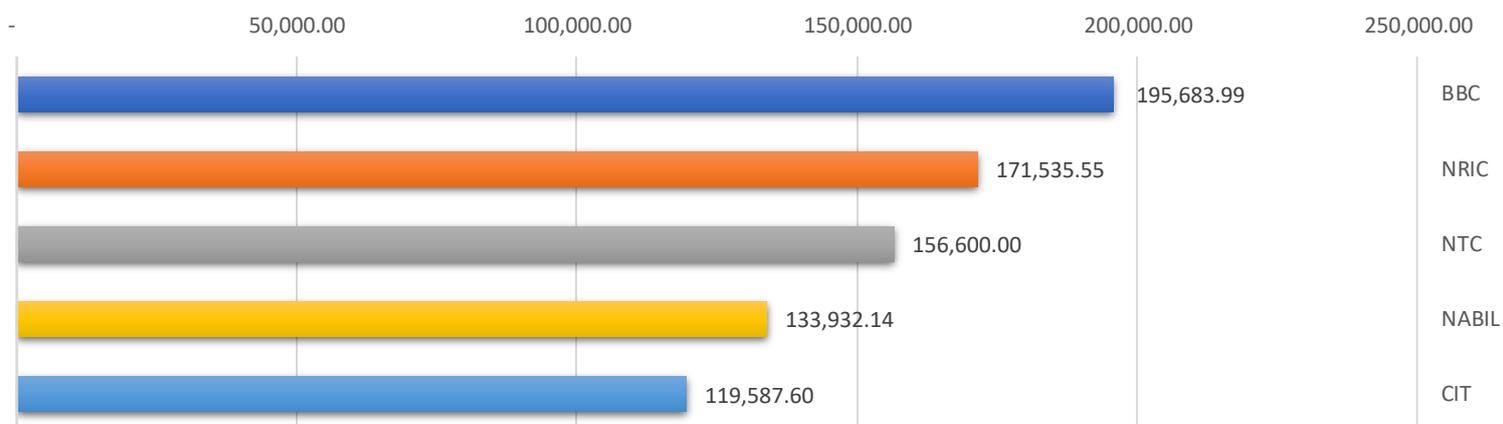
### Top Gainers



### Top Losers



### Market Capitalization in NRs. Millions



### News:

Nepal's national health insurance programme served 12.5 million hospital visits, but faces a large financial strain: hospitals are owed Rs 14 billion in unpaid dues, while premium collections were only Rs 3.75 billion.

The Carbon Trading Regulation 2025 was approved and published in the Nepal Gazette, enabling private-sector participation in carbon markets/

Land Revenue Offices have started recovering long-pending real estate tax and fee arrears identified by the Auditor General, raising compliance issues and sparking opposition from developers over valuation methods.

Hetauda proposed redesignating the northern section of the Tribhuvan Highway as a tourism corridor to boost local economic activity and optimize infrastructure usage.

Paddy output in Gulmi district dropped by 8 % year-on-year, with cultivated area shrinking and farmers facing erratic weather, drought, and seed/fertilizer shortages; local authorities are promoting indigenous rice varieties.

Hyatt Regency Kathmandu agreed to pay minimum basic salary to employees during its year-long reconstruction after extensive damage from protests, ensuring continued income and social security contributions .

The government cancelled the highway construction contract in Kanchanpur (Postal Highway section) after repeated delays, with plans to seize performance bonds and pursue penalties.

## MARKET OUTLOOK



### NEPSE Technical Indicators - Detailed Analysis

On last day of the week, the market printed a long legged doji, reflecting short-term indecision among participants. However, the market formed this long legged at a critical juncture of trend line support signifying a reversal of bullish trend at least for short time duration. Moreover, confluence of Fib-retracement level at 61.8%- and 50-days moving average also validates the support signifying either sideways continuation or bullish reversal.

### Support and Resistance Levels:

The index is presently between the support zone of 2440-2485 and resistance zone of 2660-2700 levels. Moreover, upward trending support line along with fib retracement level of 61.8 %- and 50-days moving average are also acting a strong support.

### Bollinger Bands and Volume Behavior:

The price action of the index shows the index level to be above the lower line of the Bollinger band. From the last four trading sessions, the price action consistently touched the BB's middle line signifying support.

### RSI (Relative Strength Index):

Currently, the RSI is at 48.63. RSI in the previous week remained within the range of 50 to 48 levels.

### Moving Averages:

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

MA-5	2,609.37
MA-50	2,594.36
MA-200	2,687.81

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

### Technical Insights

The market is currently exhibiting signs of short-term consolidation and weakening momentum, as reflected by the RSI reading of 48.63, which has remained confined within the 50–48 range over the previous week, indicating a neutral to mildly bearish momentum bias. Price action has been accompanied by subdued volume, suggesting a lack of strong participation and a pause in directional conviction rather than aggressive distribution.

Importantly, prices are presently resting at a technically significant support zone formed by the confluence of the 50-day moving average, an upward-sloping trendline, and the 61% Fibonacci retracement level. This convergence of support factors enhances the probability of stability at current levels, favoring sideways movement or a potential short-term bullish rebound, contingent upon an improvement in volume and RSI reclaiming the 50 level.

At this point, volume uprise is nowhere to be seen. Thus, for the price to move beyond the resistance of Moving Average and previous swing high, there must be support of volume. Thus, after the support of volume only, the price upswings can be regarded as strong bullish moves.

## Macro- Economic Bulletin Board

Particulars	Three Months, 2082	Three 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	18.56%	17.70%
Total Capital Budget Utilization	4.70%	8.34%
Total Recurrent Budget Utilization	21.75%	20.15%
Cash Balance of Government (In NRs. Billion)	174.93	177.83
Imports (In NRs. Billions)	468.1	390.80
Exports (In NRs. Billions)	72.80	38.40
Gross Forex Reserves (In US Dollar. Million)	21,205.60	16,600.5
Import Capacity (in Months)	16.40	14.60
Current Account Surplus (In NRs. Billions)	237.60	115.4
Balance of Payment (In NRs. Billions)	264.00	185.00
Remittance (In NRs. Billions)	553.30	408.80
Foreign Direct Investment (In NRs. Billions)	1.74	4.81
Average Commercial Base Rate	5.56%	7.29%
Interbank Rates	2.58%	3.00%
Inflation (CPI)	1.47%	4.82%
Inflation (WPI)	1.32%	5.51%
Total Loans and Advances (In NRs. Billions)	5,673.15	5,292.41
Total Deposits (In NRs. Billions)	7,522.60	6,661.67
Commercial Bank Weighted Average Lending Rate	7.50%	9.33%
Commercial Bank Weighted Average Deposit Rate	3.85%	5.24%
No. of Tourist Arrivals (August to October, 2025)	295,834.00	293,417.00
No. of Workers for Foreign Employment (New entry and Renewals)	200,716.00	170,593.00

Nepal's recent economic indicators point toward a phase of macroeconomic stability supported primarily by strong external sector performance. Inflation at 1.47 percent y-o-y remains notably subdued, suggesting weak domestic demand pressures and easing global commodity prices.

The sharp rise in foreign exchange reserves to NPR 2,979.81 billion (USD 21.21 billion), covering 16.4 months of imports, highlights sustained external buffers—largely underpinned by robust remittance inflows.

The sizeable current account (NPR 237.59 billion) and BoP surpluses (NPR 264.03 billion) further reinforce this position. A key driver remains remittance inflows, which surged 35.4 percent in NPR terms, indicating continued reliance on migrant earnings rather than domestic productivity growth.

Trade dynamics show a mixed picture: while exports jumped 89.6 percent, this could be from larger share of soyabean oil's speculative exports whereas imports' 19.8 percent growth suggests a gradual revival in domestic consumption and investment demand.

## Monetary Policy Review for 1st quarter, 2082

### Overview of Monetary Policy – First Quarter Review

- First Quarter Review of Monetary Policy for FY 2082/83 (2025/26).
- Focuses on macroeconomic conditions, financial sector performance, and policy direction.
- Views are personal and for educational purposes, not an official NRB communication.

---

### Global Economic Backdrop

- Global economic growth remains moderate amid lingering uncertainties.
- Inflation is easing globally but still remains above comfort levels.
- Elevated geopolitical risks continue to pose downside risks.
- Major central banks are gradually shifting toward cautious monetary easing.
- Economic growth in India and China shows signs of moderation.

---

### Inflation Dynamics in Nepal

- Average inflation stands at around 4.7 percent, within NRB's target ceiling of 5 percent.
- Food inflation remains relatively subdued.
- Services inflation continues to be sticky, limiting aggressive easing.
- Inflation trends provide room for cautious monetary policy easing.

---

### External Sector Performance

- Exports have grown sharply by approximately 48.6 percent.
- Imports increased at a moderate pace of around 17.8 percent.
- Remittance inflows expanded by about 35.4 percent.
- Foreign exchange reserves are sufficient to cover more than 15 months of imports.
- Overall external sector stability remains strong.

---

### Fiscal Position Assessment

- Government revenue growth recorded at around 7.3 percent.
- Expenditure growth remains higher at approximately 10.4 percent.
- Recurrent expenditure continues to dominate fiscal spending.
- Public debt levels are rising but remain manageable.
- Dependence on domestic borrowing remains relatively high.

---

### Banking Sector

- Broad money supply expanded by around 12 percent.
- Private sector credit growth stood at approximately 11.5 percent.
- Deposit growth remains weak at about 3.9 percent.
- Non-performing loan (NPL) ratio increased to around 5.06 percent.
- Capital adequacy of banks remains above regulatory minimums.

---

### Key Monetary Policy Decisions

- Policy rate reduced to 4.25 percent to support economic activity.
- Standing Liquidity Facility (SLF) rate lowered to 5.75 percent.
- Standing Deposit Facility (SDF) rate maintained at 2.75 percent.
- Cash Reserve Ratio (CRR) and Statutory Liquidity Ratio (SLR) kept unchanged.
- Policy actions aim to maintain a symmetric interest rate corridor.

---

### Credit and Lending Measures

- Institutional deposit rate floor has been abolished.
- Personal overdraft limit increased to NPR 10 million.
- Microfinance collateral-based loan ceiling raised to NPR 1.5 million.
- Disaster-affected borrowers permitted loan restructuring.
- Repayment flexibility introduced for microfinance borrowers.

## Structural and Governance Reforms

- BFIs allowed to consolidate branches in metropolitan areas.
- Expansion of digital payment systems encouraged.
- Anti-Bribery and Corruption Policy to be introduced.
- Focus placed on strengthening governance and transparency in the financial system.

---

## Economic Implications of Policy Measures

- Lower interest rates expected to support investment activity.
- Small and medium enterprises (SMEs) and households likely to benefit from easier credit.
- Remittance inflows continue to anchor macroeconomic stability.
- Rising NPLs require closer supervisory oversight.
- Digital banking adoption expected to accelerate.

---

## Financial Stability Outlook

- System-wide liquidity conditions remain comfortable.
- Credit risk is rising in stressed sectors.
- Loan restructuring measures may delay full NPL recognition.
- Strong and proactive supervision remains critical.
- Capital buffers in the banking system remain adequate.

---

## Financial Inclusion and Microfinance Impact

- Higher loan ceilings expected to support rural demand.
- Repayment flexibility provides relief to vulnerable borrowers.
- Risk management challenges for microfinance institutions are increasing.
- Financial inclusion is expected to deepen further.

---

## Strategic Outlook for FY 2082/83

- Economic growth projected to remain moderate.
- Inflation expected to stay within the target band.
- External sector outlook remains stable.
- Banking sector resilient but adopting a cautious stance.
- Overall policy direction remains growth-supportive yet prudent.

---

## Key Takeaways

- NRB has adopted a calibrated monetary easing approach.
- Policy focus balances growth support with financial stability.
- Relief measures targeted toward households, SMEs, and disaster-affected sectors.
- Governance reforms and digital transformation are prioritized.
- Core macroeconomic fundamentals remain stable.

## Our Take:

A notable structural feature of the current policy stance is the clear tilt toward retail and microcredit expansion. Enhancements in personal overdraft limits and microfinance collateral-based lending ceilings indicate a pragmatic preference for fast-circulating credit channels at a time when large-scale industrial investment remains hesitant. While this approach may support short-term consumption and working capital needs, it also increases exposure to household leverage and microcredit risk, necessitating stronger underwriting discipline and post-disbursement monitoring. Targeted restructuring measures and repayment flexibility for disaster-affected and vulnerable borrowers reflect a measured and empathetic policy response to income shocks and climate-related disruptions.

### Lowering the policy rate & upper corridor: what is the intent?

When the central bank **cuts the policy rate** and **lowers the upper bound of the interest rate corridor**, it is essentially saying:

“We want borrowing to become cheaper in the economy.”

- The **policy rate** is the main signal rate.
- The **upper corridor (SLF rate)** is the *maximum* cost at which banks can borrow short-term funds from the central bank.

By lowering these:

- Banks' **cost of funds declines**
- Lending rates are **guided downward**, even if slowly
- Credit demand is encouraged without forcing banks

At the same time, the **lower corridor (SDF rate)** is kept stable so that:

- Depositors still earn a reasonable return
- Sudden deposit outflows are avoided

This protects **financial confidence**, which is critical for stability.

---

### Why narrow the interest rate corridor?

The **interest rate corridor** defines the range within which short-term market rates move.

When the corridor is **narrowed**:

- Interbank interest rates fluctuate less
- Banks can **predict funding costs more accurately**
- Monetary policy signals become **clearer and stronger**

**From a central banker's view:**

Stable and predictable short-term rates means better monetary transmission.

This helps policy rate cuts **actually reach borrowers**, instead of getting lost in market volatility.

---

### Why keep CRR and SLR unchanged?

CRR and SLR are **quantity-based tools**:

- They directly control *how much* banks can lend

By **not changing them**, the central bank is saying:

“We do not want to shock the system by suddenly releasing or absorbing liquidity.”

Instead, the central bank prefers **price-based tools**:

- Interest rates
- Corridor adjustments

This approach indicates:

- Confidence that banks already have enough liquidity
- Desire to influence **credit behavior smoothly**, not abruptly
- Preservation of **liquidity buffers** in case of stress

**In short, NRB wants to guide behavior, and not force it.**

## Disclaimer

*All of the content published on this Jyoti Weekly Outlook is based on internal data, publicly published data and other available information believed to be reliable. The information contained in this document is meant for general purposes only without warranty of any kind. The information/data herein alone is not sufficient and shouldn't be used for the development, analysis or implementation of an investment strategy. The investments discussed or recommended in this report may not be suitable for all investors. Investors should use this research as one input into formulating an investment opinion. Additional inputs should include, but are not limited to, the review of other. This is not an offer (or solicitation of an offer) to buy/sell the securities/instruments mentioned or an official confirmation. Jyoti Capital Limited is not responsible for any error or inaccuracy or for any losses suffered on account of information contained in this report. This report does not purport to be offer for purchase and sale of share/units. Investing in the stock market may have large potential risks involved in which you can lose some or all your money. You, the reader and not Jyoti Capital Ltd, are solely responsible for any losses, financial or otherwise, as a result of trading stocks.*



आजै Demat Account खोलौं,  
लगानीलाई सहज र सुरक्षित बनाऔं!



**INVEST SMART,  
SAVE SECURE**

### Facilities

Investment  
Consultant 

DEMAT 

MERO SHARE 



**D** Underwriting

**P** Portfolio  
Management  
Service

**C** Corporate  
Advisory



[www.jyoticapital.com.np](http://www.jyoticapital.com.np)



[info@jyoticapital.com.np](mailto:info@jyoticapital.com.np)



+977-015916548/49



ज्योति क्यापिटल लि.  
JYOTI CAPITAL LTD.



# अब घरबाटै OneLink मार्फत DEMAT Renewal को रकम भुक्तानी गर्नुहोस् ॥



## भुक्तानी प्रक्रिया

- ▶ Sms मार्फत भुक्तानी link मोबाइलमा आउने ।
- ▶ आएको link मा click गर्ने ।
- ▶ आफ्नो mobile banking app बाट भुक्तानी गर्ने ।

NEPAL PAYMENT  
SOLUTION LTD.



16600130666



www.nepalpayment.com



Gairidhara, Kathmandu