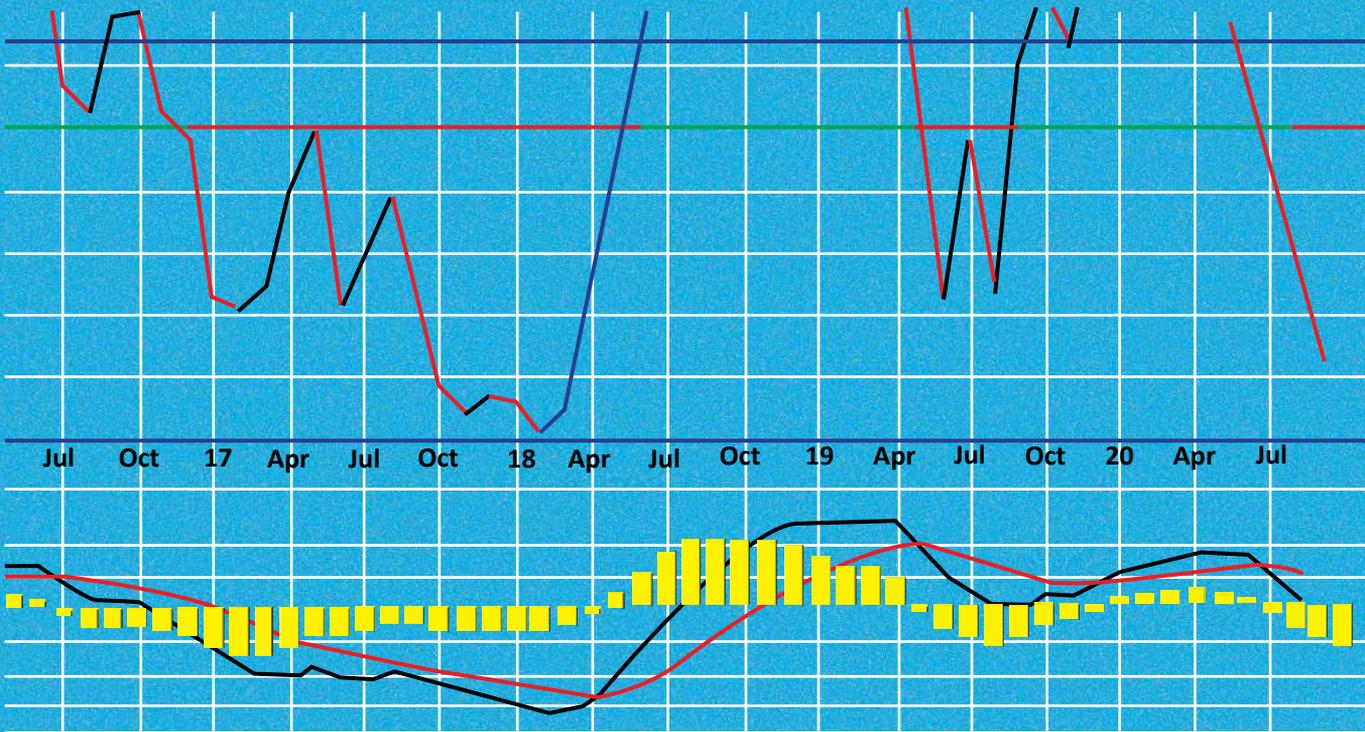


# QUARTERLY SECURITIES MARKET INDICATORS

(Second Quarter, FY 2018/19)

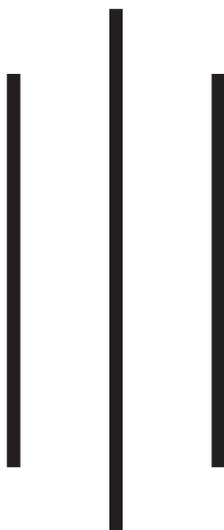


**Securities Board of Nepal**  
Jawalakhel, Lalitpur, Nepal



# QUARTERLY SECURITIES MARKET INDICATORS

(Second Quarter, FY 2018/19)



**Securities Board of Nepal**  
Jawalakhel, Lalitpur

# QUARTERLY SECURITIES MARKET INDICATORS (Second Quarter, FY 2018/19)

## Chief Advisor

Dr Rewat Bahadur Karki

## Advisors

Mr Paristha Nath Poudyal

Mr Niraj Giri

## **Editorial Board**

Dr Nabaraj Adhikari

Mr Narayan Prasad Sharma

Mr Rewat Shrestha



## **Published By:**

### **Securities Board of Nepal**

Supervision and Research Department

Policy, Research and Planning Division

P.O.B. No.: 9031, Jawalakhel, Lalitpur

Phone No. 01-5541057, 5550511, 5544076, 5551162 Fax No.: 01-5541058

Toll Free Hotline No.: 1660-01-44433

Website: <http://www.sebon.gov.np>

E-mail: [support@sebon.gov.np](mailto:support@sebon.gov.np)

# Editorial

The Quarterly Securities Market Indicator has been continuously published by Securities Board of Nepal (SEBON) since 2016/17. The indicator aims to provide detailed statistical information of Nepalese securities markets along with some key figures of global securities markets. It also includes the recent reforms and development initiatives and other activities carried out by SEBON.

The tables, graphs and charts have been incorporated in this publication to streamline the context so that securities market investors can better understand the terminology of securities markets. The Editorial Board is sincere and put continuous effort to make this publication more realistic, authentic, and useful by covering the overall aspects of Nepalese securities markets. Editorial Board hopes that the publication will help the general investors, students, researcher and lecturer of universities and other stakeholders to analyse the securities markets as per their need and requirements. It is only a small step towards meeting the interest and expectation of the stakeholders of the securities markets in Nepal in the area of securities markets data and information.

Editorial Board is thankful to all the seniors and colleagues of SEBON for their continuous guidance and support to make this publication better. Nepal Stock Exchange Ltd., CDS & Clearing Ltd. and other market participants are also the part of thanks. Any comments and suggestions on the contents/features/sections of this publication may be sent to [sebon.research@sebon.gov.np](mailto:sebon.research@sebon.gov.np). Editorial Board assures that the valuable suggestions/feedbacks will be duly considered in next issue of this publication. This publication is available to all stakeholders at free of cost and a readable version of this indicators is also available at [www.sebon.gov.np](http://www.sebon.gov.np).

*Editorial Board*



# Contents

---

1. Global Securities Markets-----	1
2. SAARC Securities Markets -----	2
3. Nepalese Securities Markets-----	3
3.1 Primary Market-----	3
3.1.1 Initial Public Offerings (IPOs) and Subscription Status -----	4
3.1.2 Right Offerings -----	5
3.1.3 Debenture Issue Approval and Subscription Status -----	5
3.1.4 Bonus Share Registration -----	5
3.2 Secondary Market -----	6
3.2.1 NEPSE Index -----	6
3.2.2 Turnover -----	7
3.2.3 Sectorwise Turnover-----	8
3.2.4 Market Capitalisation-----	9
3.2.5 Sectorwise Market Capitalisation -----	10
4. Fixed Income Securities -----	10
4.1 Listed Government Development Bonds -----	10
4.2 Corporate Bonds/Debentures -----	11
5. Preferred Stocks -----	11
6. OTC Market -----	11
7. Mutual Funds' NAV -----	11
8. Demat Account and Dematerilisation Trends -----	12
9. Reform and Development in Securities Markets -----	12
9.1 Major Reforms/Initiatives -----	12
9.2 Other Activities-----	12

## List of Charts

Chart 1	Trend of Major World Equity Market Indices-----	1
Chart 2	Structure of Global Securities Markets -----	2
Chart 3	Primary Market -----	4
Chart 4	NEPSE Index and NEPSE Float Index -----	7
Chart 5	Turnover -----	8
Chart 6	Average Daily Turnover -----	8

Chart 7	Sectorwise Turnover and Percentage of Total Turnover -----	9
Chart 8	Market Capitalisation and Float Market Capitalisation -----	9
Chart 9	Market Capitalisation and Sectorwise Percentage -----	10

### **Statistical Tables**

Table – 1:	Major Equity Market Indices of SARRC Countries (in points) -----	16
Table – 2:	Primary Market Indicators (Based on Annual Data)-----	16
Table – 3	Primary Market Indicators (Last Three Quarters of FY 2018/19)-----	16
Table – 4:	Primary Market Indicators (Q2 of Last Three Years)-----	17
Table – 5:	IPO Approval (Q2 of FY 2018/19) -----	17
Table – 6:	Subscription Status of IPOs (Q2 of FY 2018/19) -----	17
Table – 7:	Right Issue Approval (Q2 of FY 2018/19)-----	18
Table – 8:	Debenture Issue Approval (Q2 of FY 2018/19) -----	19
Table – 9:	Subscription Status of Debenture (Q2 of FY 2018/19)-----	20
Table – 10:	Bonus Share Registration in Q2 of FY 2018/19-----	20
Table – 11:	Secondary Market Indicators (Based on Annual Data)-----	21
Table – 12:	Secondary Market Indicators (Last Three Quarters) -----	21
Table – 13:	Secondary Market Indicators (Q2 of Last Three Years)-----	22
Table – 14:	NEPSE Index and other Indices (Based on Annual Data)-----	23
Table – 15:	NEPSE Index and other Indices (Three Months of Q2, FY 2018/19)-----	24
Table – 16:	Sectorial Indices of NEPSE (Three Months of Q2, FY 2018/19)-----	24
Table – 17:	Sectorial Turnover (Three Months of Q2, FY 2018/19)-----	25
Table – 18:	Sectorwise Market Capitalisation (Three Months of Q2, FY 2018/19)-----	25
Table – 19:	Listed Government Development Bonds-----	26
Table – 20:	Corporate Bonds/Debentures -----	26
Table – 21:	Preferred Stocks-----	27
Table – 22:	NAV of Mutual Fund Schemes (Three Months of Q2, FY 2018/19)-----	28
Table– 23:	Demat Account and Trends of Dematerlisation (Q2 of FY 2018/19) -----	28
Table –24:	NAV of Mutual Fund Scheme (Three Months of Q2, FY 2018/19) -----	29
Table– 25:	Demat Account and Trend of Dematerlisation (Q2 of FY 2018/19)-----	29

## EXPLANATORY NOTES

1. Because of the subsequent revision in data, difference with previously published figures may occur.
2. In some cases, figures are rounded off. Hence, totals may not tally with their component units.
3. The following months of the Gregorian Calendar year are the approximate equivalent to the months of the Nepalese Calendar Year:

<b>Gregorian Month</b>	<b>Nepalese Month</b>
Apr/May	Baisakh
May/Jun	Jestha
Jun/Jul	Ashadh
Jul/Aug	Shrawan
Aug/Sep	Bhadra
Sep/Oct	Ashwin
Oct/Nov	Kartik
Nov/Dec	Marg
Dec/Jan	Poush
Jan/Feb	Magh
Feb/Mar	Falgun
Mar/Apr	Chaitra

4. The Nepalese fiscal year generally begins on July 16 and ends on July 15.
5. A dash (–) indicates that figures are nil or negligible. The non-availability of data is indicated by dots (...). An oblique (/) indicates a Nepalese fiscal year (e.g., 2016/17) or a Nepalese month (July/August = Shrawan). A hyphen (-) used with a Gregorian Calendar month indicates the end of a Nepalese month (e.g., Mid-July = end of Ashad). Symbols used : "FY" for Fiscal Year, "Q1" for 1stQuarter, "Q2" for 2nd Quarter, "Q3" for 3rd Quarter and "Q4" for 4th Quarter.



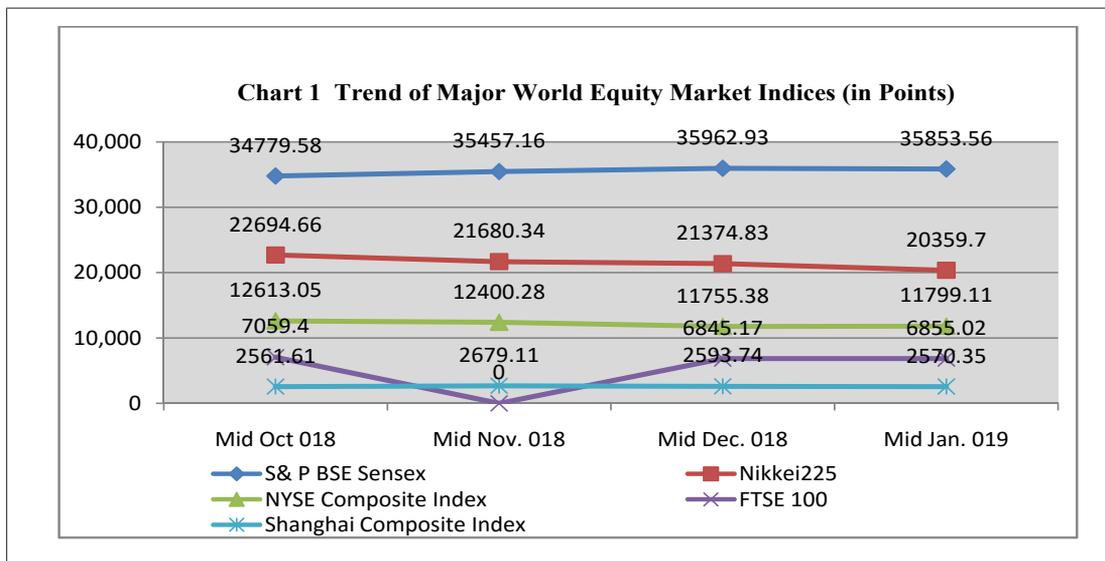
# Quarterly Securities Market Indicators

## (Mid-Nov to Mid-Jan, 2019), Issue 8

### 1. Global Securities Markets

Global stock markets had a turbulent year in 2018. The report published by World Federation of Exchanges, WFE, on February 2019, states that volatility made a come-back, breaking the spell of stable markets in 2017. The return of volatility was against the backdrop of a global economic slowdown, geopolitical and trade tensions, concerns about tightening monetary policy, and increased scrutiny of the technology sector. While the year began on a high note, with domestic market capitalisation scaling record levels in markets across the globe, by the end of the year, there were significant declines in market valuations when compared to the beginning of 2018. In the presence of such high volatility, trading activity was up on 2017; however, overall primary market activity saw a slowdown, with a decline in overall IPO listings and investment flows.

Major equity market indices decreased in Mid Jan 2019 in comparison to Mid-Oct 2018. Amongst the advance markets, NYSE index of New York Stock Exchange decreased by 6.45 percent to 11799.11 points in Mid-Jan 2019 in comparison to Mid-Oct 2018. However, Nikkei 225 of Japan increased by 10.29 percent to 20359.70 points at the same time. However, In Asia Pacific Region, most of market indices sketched the downtrend. S&P BSE SENSEX of India went down by 3.09 percent during the same period touching 35853.56 points in Mid-Jan 2019. Similarly, Shanghai Composite index, an index of Shanghai Stock Exchange increased marginally by 0.34 percent to 2570.35 points at the same time. The major market indices in Europe, Middle East and African Region also recorded decline during the review period. FTSE 100, the index of London Stock Exchange decreased by 2.90 percent to 6855.02 points at the end of Mid Jan 2019. The trend of major world equity market indices is depicted in Chart 1.

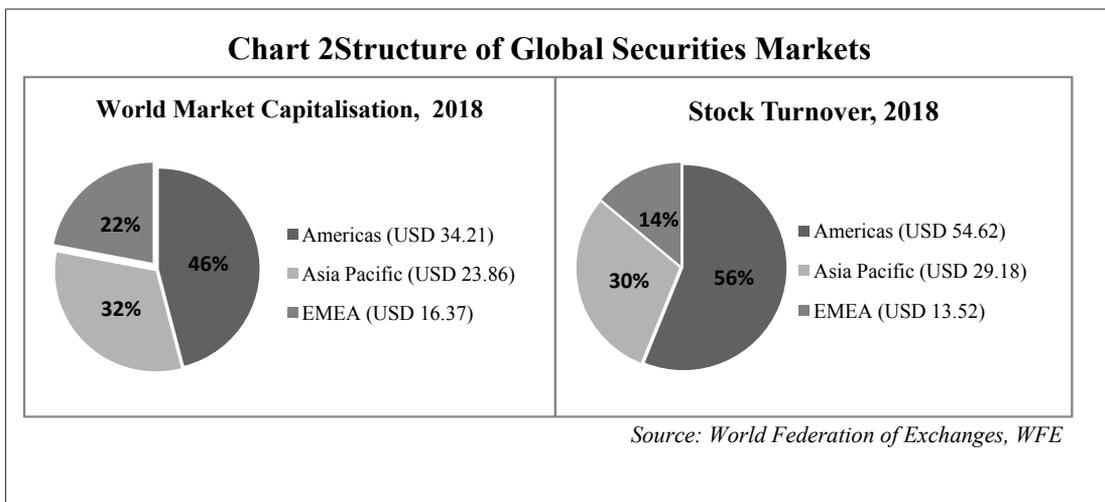


Source: Bloomberg

Global market capitalisation at end 2018 was down 14.9 percent on 2017 to \$74.4 trillion. This was due to decline across all three regions: the Americas region by 6.3 percent, Asia-Pacific by 23.8 percent, and the EMEA region by 16.5 percent. This is the first time in the five-year period since 2014 that there was a year-on-year decline in overall domestic market capitalisation. However, there was a marginal decline of 0.3 percent in the number of listed companies. A 1.1 percent increase in the number of listed companies in the Americas was offset by a 1.9 percent decline in the EMEA region. In the Asia-Pacific region the total number of listed companies was unchanged.

Both value and volume of trades in equity shares were up by 15.4 percent and 11.5 percent respectively in 2018 as compared to 2017. The turnover value was US\$ 97.32 trillion at the end of 2018. The uptick in value traded was driven by significant increases of 30.4 percent in the Americas that occupy almost 56 percent on total turnover of global securities markets. The turnover was increased by 11.1 percent in EMEA region. In Asia-Pacific volume traded was down by 3.6 percent which occupies almost 14 percent on global securities markets.

New listings through IPOs were down by 14.5 percent in 2018 as compared to 2017. This was due to a decline in the number of IPOs in the Asia-Pacific (-22.7 percent) and EMEA (-22 percent) regions. Only the Americas saw an increase (37.3 percent) in the number of IPOs on 2017. Likewise, investment flows through IPOs fell by 12.1 percent in 2018 as compared to 2017. IPO listings and investment flows in the Americas region were up despite uncertainty in the region driven by market volatility and geopolitical uncertainties. The healthcare, technology and financial sector accounted for the highest share of listings. Hong Kong Exchanges and Clearing (HKEX) recorded the highest number of IPOs globally due to a surge in the number of technology companies coming to markets. In the EMEA region, listings and investment flows fell in the presence of uncertainty stemming from Brexit negotiations, trade tensions, and volatility in oil prices and economic instability in some markets. The structure of global securities markets in terms of world market capitalisation and stock turnover in 2018 is depicted in chart 2.



The year 2018 marked the year of a volatility. This set the tone for stock markets across the

world reflecting the ongoing uncertainties of the global geopolitical landscape right through to the end of 2018. This can be seen most clearly in the dip in global market capitalisation, which closed out the year almost 15 percent down as compared to 2017, the first time since 2014 that this indicator has shown a decline. In the face of increased global risk, combined with an environment of monetary policy uncertainty and high volatility in equity and currency markets, more investors using derivatives for hedging risk resulting in strong volumes of equity, currency and interest rate derivatives, all of which were higher in 2018 than that of 2017.

## 2. SAARC Securities Markets

Most of the equity market indices of SAARC member countries were in uptrend in Mid Jan 2019 as compared to Mid Oct 2018. S&P BSE SENSEX of India increased by 3.09 percent as compared to Mid Oct 2018 to 35853.56 points at the end of Mid-Jan 2019. It was 34,779.58 points in Mid-Oct 2018. Similarly, index CSEALL: IND of Sri Lanka, increased by 3.19 percent to 5,981.02 points in Mid-Jan 2018. It was 5,796.02 points in Mid-Oct 2018. In the meantime, KSE 100, index of top 100 companies listed in Karachi Stock Exchange of Pakistan also increased by 4.69 percent to 39,412.55 points in Mid-Jan 2018 which was 37,647.34 points in Mid-Oct 2018. Similarly, DSE Broad Index of Dhaka Stock Exchange, to 5836.23 points in Mid Jan 2019, increased by 8.08 percent against 5,399.88 points in Mid Oct 2018. However, NEPSE Index reached to 1178.03 points in Mid Jan 2019, decreased by 5.12 percent against 1241.63 points in Mid Oct 2018. The major equity market indices of SAARC countries are presented in Table-1.

## 3. Nepalese Securities Markets

Nepalese securities markets recorded mixed trend in Q2 of FY 2018/19 as compared to Q1 of same fiscal year. Fund mobilisation through primary market increased significantly during the review period. However, most of indicators of secondary market, except number of listed companies and securities traced downtrend in Q2 of FY 2018/19 as compared to that of Q1 of same FY. However, primary market scenario showed negative growth in Q2 of FY 2018/19 as compared to same period of last FY. The decline of fund mobilisation through primary market is attributed to lessening the right offering activities and no FPOs and mutual fund offering occurred during the review period. According to first six month review, IPOs volume and debenture issue increased significantly as compared to that of last FY.

During the review period (Q2 of FY 2018/19), major indicators like quarterly turnover of securities, NEPSE index, market capitalisation followed the downtrend as before. The downtrend momentum in secondary market is assumed to be driven by the interest rate volatility, policy instability, investment pattern of general investor, etc. The glimpse of primary and secondary market of Q2 of FY 2017/18 and that of corresponding period of previous FY has been presented hereunder.

### 3.1 Primary Market

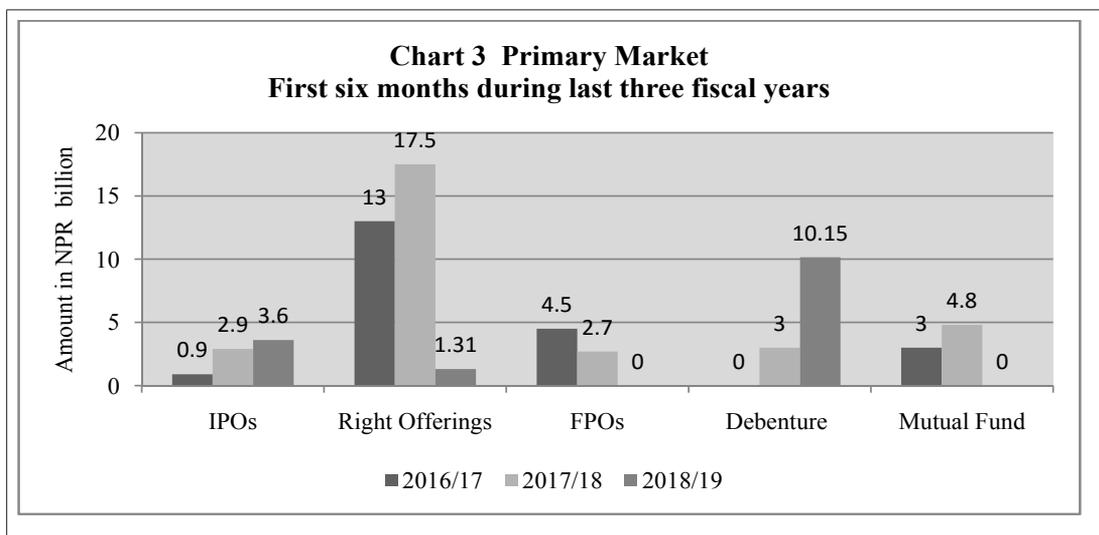
**On QoQ basis**, fund mobilisation through primary issues of securities recorded steep decline by 4.5 times in Q2 of FY 2018/19 as compared to that of Q1 of FY 2017/18 though it

decreased on the comparison of Q2 of last FY. Similarly, number of corporate bodies raising capital through primary market also doubled. In review period, 16 companies raised total fund of Rs. 12.77 billion through primary market. Out of which, seven companies issued securities through IPO of ordinary share worth Rs. 1.9 billion, and five listed companies offered right shares worth Rs. 1.14 billion. During the review period, four corporate bodies issued debenture worth Rs. 9.75 billion. No mutual fund and FPOs was issued during the period as of Q1 of same FY.

In Q2 of FY 2018/19, debenture covered three fourth of total offerings, followed by IPOs (15 percent). The summary of primary market indicators of last three quarters of FY 2018/19 is presented in Table 3.

**While analysing Q2 of FY 2018/19 to the corresponding period of previous year,** primary market figure is adverse. During the review period, right offerings decreased by 90 percent as compared to the Q2 of last FY. Likewise, IPOs also decreased by 32.86 percent during the period. However, debenture issuance in terms of number and volume increased significantly by 4 times and 3 times respectively during the period. The summary of primary market indicators of Q2 of three FYs is presented in Table 4.

**On the basis mid-term (first six months) comparison,** primary market scenario is mixed though total fund mobilisation decreased by 51.26 percent in first half of FY 2018/19 as compared to the same period of FY 2017/18. During the period, SEBON approved IPOs worth Rs. 3.6 billion, an increase of 24.14 percent which was Rs. 2.9 billion in same period of last FY. Similarly, debenture approval also increased by more than 3 times with total amount of Rs. 10.15 billion. Some commercial banks were seen attracted to issue debenture during the review period. The summary of primary market of first six months during last three fiscal years is presented in Table 5 and depicted in Chart 3.



### 3.1.1 Initial Public Offerings, IPOs and Subscription Status

SEBON approved IPO of seven corporate bodies worth Rs. 1.88 billion in second quarter of FY 2018/19 registering a decrease of 12.5 percent and 32.8 percent in terms of number of issues and offering amount as compared to same quarter of last FY (*See Table 4*). In Q2 of last FY, eight corporate bodies got approval in making IPOs worth Rs. 2.8 billion. During the review period, six hydropower companies raised Rs 1.81 billion (96 percent of total offerings amount), followed by one micro-finance company that raised Rs. 67.4 million (four percent of total offerings amount). It shows that hydropower companies have shown higher attraction to market based financing. The detail of IPOs during Q2 of FY 2018/19 is presented in Table-6.

During Q2 of FY 2018/19, eight companies consisting six hydropower and two microfinance companies floated shares to public through IPOs. Recently, local people seem to be less attractive to invest in local shares. The detail of subscription rate of offerings is presented in Table-7.

### 3.1.2 Right Offerings

SEBON approved right offerings worth Rs. 1.14 billion of five listed companies in Q2 of FY 2018/19. **On QoQ basis**, it represents significant increase of more than 5 times as compared to Q1 of same FY. In Q1 of FY 2018/19, only three listed companies got approval for right offering worth Rs. 0.2 billion. During the review period, only three microfinance and two insurance companies involved in right offerings. However, On YoY basis, right offering amount significantly decreased by 90.17 percent. In Q2 of FY 2017/18, 16 listed companies got approval of right offerings worth Rs. 11.6 billion.

**On semi-annual basis**, amount of right offerings decreased by 92.51 percent as compared to first half of last FY. In first half of last FY, 30 listed companies offered right share worth Rs. 17.5 billion. The detail of right offerings during Q2 of FY 2018/19 is presented in Table-8.

### 3.1.3 Debenture Issue Approval and Subscription Status

During Q2 of FY 2018/19, SEBON approved debenture issue of four commercial banks worth Rs. 9.75 billion. Of which, 80 percent is sold through the private placement and rest 20 percent is issued for general public. Since 2015/16, debenture issuance activities were nil. However, in recent period, some commercial banks are in the pipeline to issue debenture as Nepal Rastra Bank allowed banks to issue debenture to the limit of 100 percent of their core capital. The detail of debenture issuance during review period is presented in Table-9.

During the Q2 of FY 2018/19, two commercial banks issued debenture on which 80 percent were placed privately and rest 20 percent were offered to public. Public are less attracted to invest in debenture. Its subscription status during Q2 of FY 2018/19 is presented in Table-10. Recently, SEBON made provision that require to allot 40 percent of total issue amount of debenture to general public.

### 3.1.4 Bonus Share Registration

A total of 14 listed companies registered bonus shares amounting to Rs. 2.79 billion in Q2 of FY 2018/19 at SEBON. Out of the 14 listed companies, two commercial banks, two

development banks, three finance companies, three micro-finance companies, two hydropower companies and one hotel and Citizen Investment Trust have registered bonus share. The detail of bonus share registration during Q2 of FY 2018/19 is presented in Table-11.

### 3.2 Secondary Market

Secondary market scenario has not improved during the second quarter of this FY as compared to Q1 of FY 2018/19. Most of the indicators like NEPSE index, market capitalisation, number of listed companies, and liquidity of securities remained negative though the number of listed company increased during the period. Similarly, it showed downfall while comparing with the Q2 of last FY.

**On QoQ Basis**, among the major indicators, NEPSE index decreased by 5.1 percent to 1178.03 points at the end Q2 of FY 2018/19. It was 1241.63 points at the end of Q1 of FY 2018/19. Similarly, at the end of Q2 of FY 2018/19, NEPSE float index went down by 5.6 percent to 85.34 points as against 90.36 points at the end of Q1 of FY 2018/19. During the review period, quarterly turnover decreased by 13 percent in comparison to the turnover of previous quarter. Similarly, market capitalisation and float market capitalisation both also decreased by 3 percent and 2.8 percent and stood at Rs. 1436.67 billion and Rs. 500.66 billion respectively at the end of Q2 of current FY as compared to Q1 of current FY. In Q2 of FY 2018/19, supply of listed securities increased by 6.9 percent as compared to Q1 of FY 2018/19. Number of listed companies in NEPSE increased to 202 in Q2 of FY 2018/19 which was 198 at the end of Q1 of Same FY. The summary of major indicators of secondary market as of Q2 of this FY 2018/19 in comparison to previous quarters is presented in Table-12.

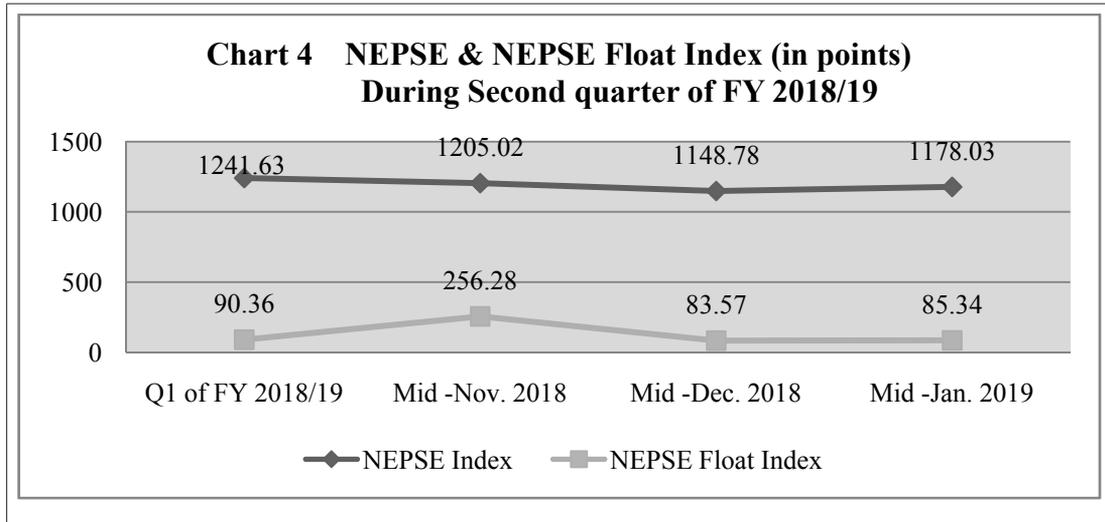
**On YoY Basis**, major indicators of secondary market decreased in Q2 of FY 2018/19 in comparison to corresponding period of FY 2017/18 whereas the supply of listed securities increased significantly by 16.9 percent. Quarterly turnover of securities in Q2 of FY 2018/19 was Rs. 20 billion, a decrease of 34.4 percent, as compared to the corresponding period of FY 2017/18. During the review period, average daily turnover also decreased to Rs. 0.33 billion, recording a decrease of 33.3 percent from Rs. 0.5 billion. Number of transaction was also decreased by 17.5 percent in the review period. The summary of major indicators of secondary market as of Q2 of last three FY is presented in Table-13.

**On semi-annual comparison**, secondary market portrayed downtrend scenario. Major indicators except number of listed companies and their securities decreased. The summary of major indicators of secondary market at the end of first half of month of last FY is presented in Table-14. The summary of secondary market of last three fiscal years is presented in Table 15.

#### 3.2.1 NEPSE Index

NEPSE index and other indices decreased in Mid-Jan of FY 2018/19 in comparison to Q1 of same FY. During second quarter, all market indices followed downtrend till the end of mid Dec 2018. However, all indices increased by almost two percent at the end of mid-Jan as compared to mid-Dec 2018. The month end data of NEPSE index in Q1 and other indices at

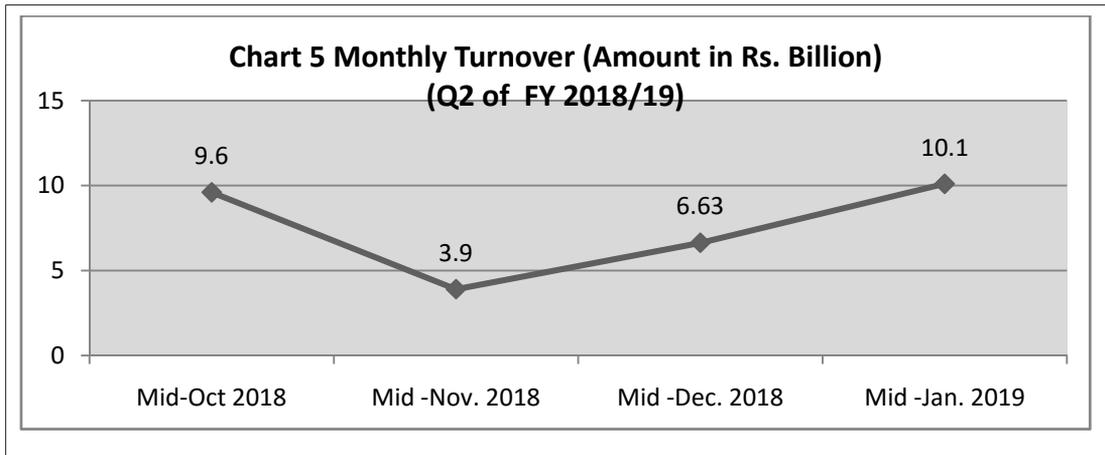
during Q2 of FY 2018/19 is presented in Table-16 and depicted in Chart 4.



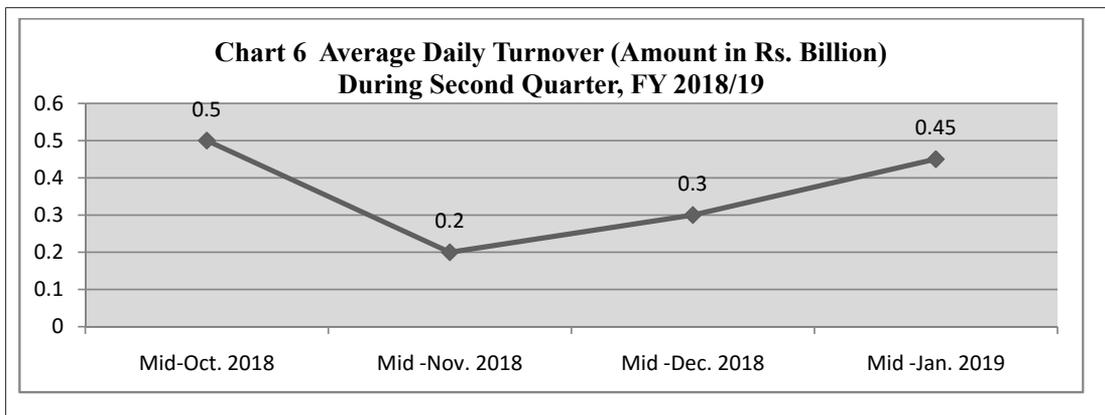
As we look over the sectorwise indices of secondary market, most of the indices remained negative in mid- Jan of FY 2018/19 in comparison with Q1 of FY 2018/19. Same trend was seen at the end of Mid Dec 2018 as compared to the mid-Nov 2018. However, most of the indices increased at the end of mid-Jan against mid-Dec. In mid-Jan, the highest rise (12 percent) was seen in life insurance sector, followed by non-life insurance (10.46 percent) as compared to last month. The banking and development bank sector index decreased by 1 percent and 1.8 percent respectively during the same period. The MoM movement of sectorial indices of NEPSE in three months of Q2 of FY 2018/19 and comparison of review period with previous quarter is presented in Table-17. Similarly, the summary of NEPSE and other Indices of last three fiscal years is presented in Table 18.

### 3.2.2 Market Turnover

Market turnover is the trading volume of listed securities of secondary market. The increasing turnover indicates the high liquidity of securities. Market turnover was Rs. 20 billion during Q2 of FY 2018/19, a decrease of 34.4 percent in comparison to turnover of Rs. 30.5 billion on Q2 of FY 2017/18. However, the monthly turnover in three months of the review quarter was in uptrend. It was Rs. 3.9 billion in first month, Rs. 6.6 billion and Rs. 10.1 billion in second and third month of the second quarter. NEPSE launched NEPSE Online Trading System (NOTS) on 6 Nov 2018. The monthly turnover of Q2 of FY 2018/19 is depicted in Chart 5.

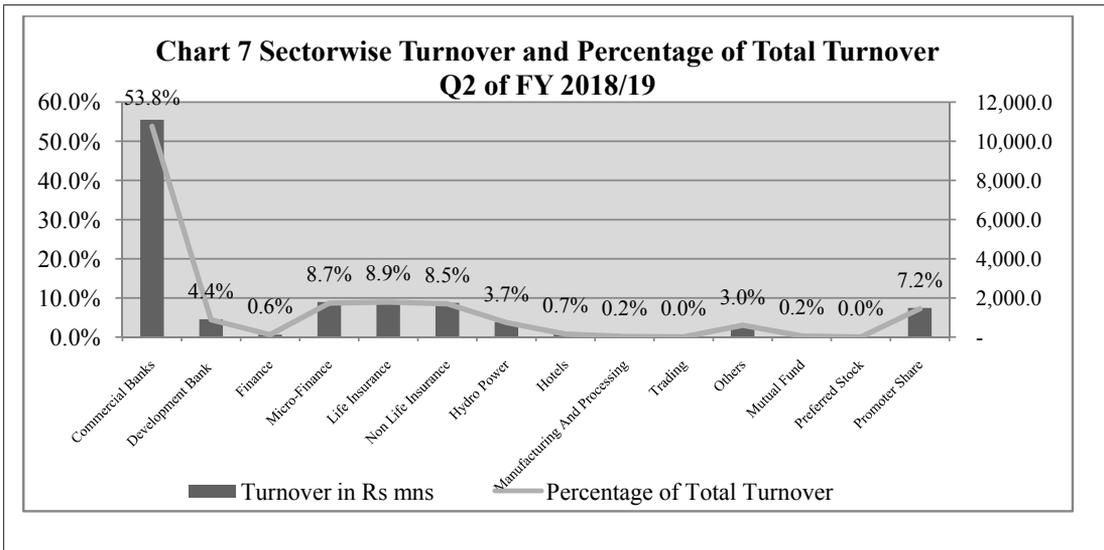


On QoQ basis, average daily turnover of Q2 of FY 2018/19 decreased by 7.3 percent as compared to Q2 of last FY. It was Rs. 0.33 billion during Q2 of FY 2018/19. The trend of average daily turnover during each month of second quarter of FY 2018/19 is depicted in Chart 6.



### 3.2.3 Sectorwise Turnover

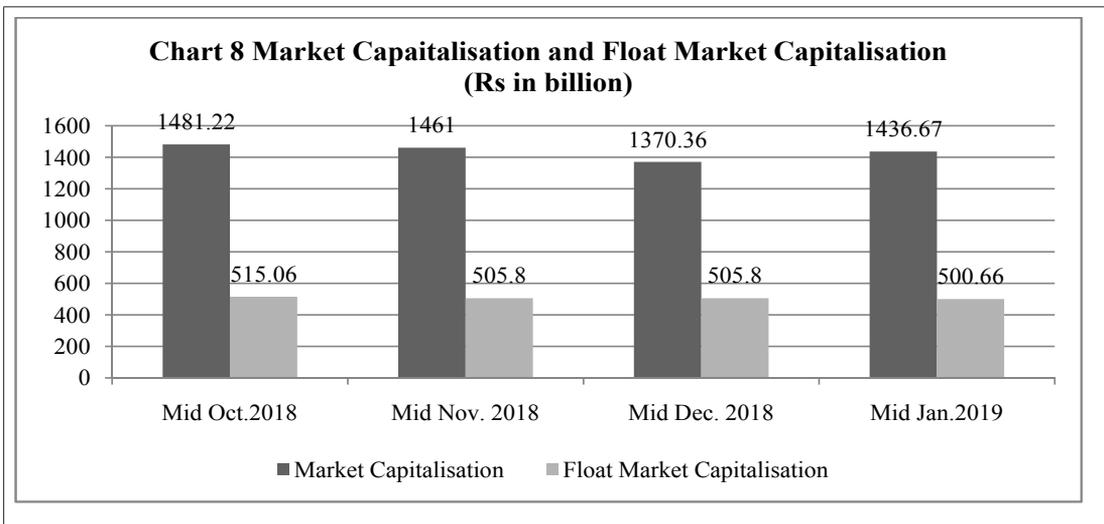
Turnover of secondary market is the total value of traded ordinary shares, preferred stocks, promoter shares of different listed companies representing from 11 sectors and mutual fund units as well. Among them, commercial banks occupied the highest 53.8 percent in second quarter of FY 2018/19. Preferred stock turnover and mutual fund occupied 0.002 percent and 0.2 percent respectively in total turnover in Q2, FY 2018/19. The detail of sectorwise turnover is presented in Table 19 and overview of sectorwise representation in turnover is depicted in Chart 7.



### 3.2.4 Market Capitalisation

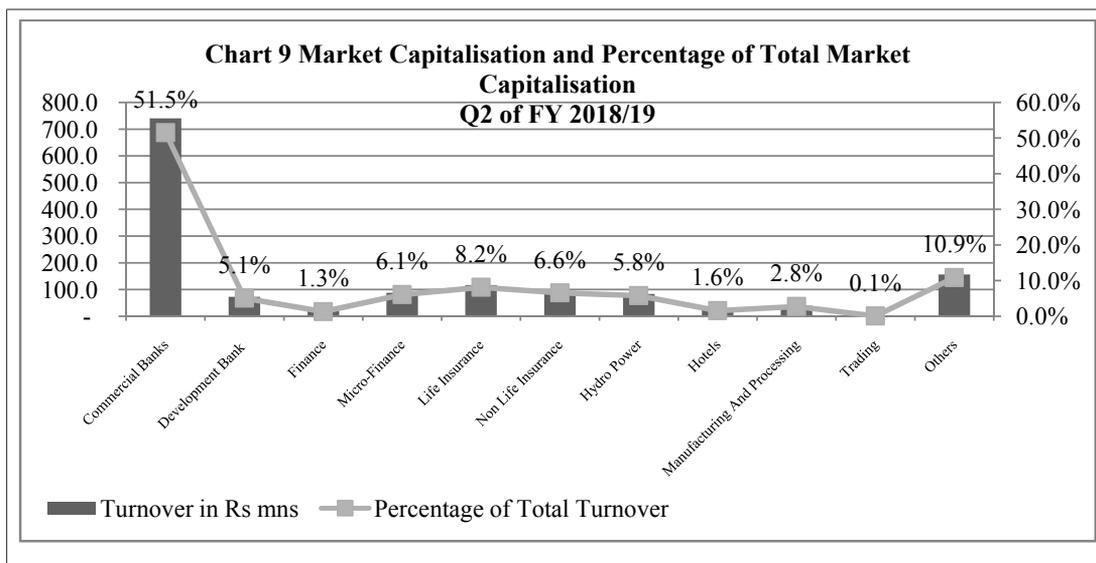
**On QoQ basis**, market capitalisation which gives overview of market valuation of securities listed on stock exchange, decreased by 3 percent to the level of Rs. 1436.67 billion as against to the end of Q1 of FY 2018/19.

Float market capitalisation is the market capitalisation of only tradable shares of listed companies. **On QoQ basis**, it decreased by 2.8 percent in second quarter of FY 2018/ 19 and reached to Rs. 500.66 billion as against of Rs. 515 billion at the end of first quarter of FY 2018/19. The market capitalisation and float market capitalisation of each month during Q2 of FY are depicted in Chart 8.



### 3.2.5 Sectorwise Market Capitalisation

During Q2 of FY 2018/19, commercial banks occupied the highest portion (51.5 percent) of total market capitalisation and followed by Other sector (10.9 percent). The Other sector consists of Hydroelectricity Investment and Development Company Ltd (HIDCL), Nepal Doorsanchar Comapany Limited (NTC), Citizen Investment Trust (CIT) and Nepal Film Development Company Limited (NFD). The least portion (0.1 percent) of total market capitalisation was occupied by trading sector. Trading sectors consists of Bishal Bazar Company Limited (BBC), Nepal Trading Limited (NTL), Nepal Welfare Company Limited (NWC) and Salt Trading Corporation (STC). Sectorwise market capitalisation and percent of total market capitalisation is presented in Table-20 and depicted in Chart 9.



## 4. Fixed Income Securities

Fixed income securities generate fixed income to its holders in the form of interest or dividend. Income provided by fixed income securities does not vary with the change in the income of concerned company. Thus, risk adverse investors prefer to invest in fixed income securities. Bond and debentures are the fixed income securities available in the Nepalese securities markets.

### 4.1 Listed Government Development Bonds

Development bond is a government bond issued by Nepal Government to raise internal funds. In general, it is issued for more than two years or more that provides the debt fund for intermediate or long term period to government. It is issued on the basis of Dutch Auction System so its interest rate is determined by the auction system. The detail of listed government bonds in Nepal Stock Exchange Ltd is presented in Table-21.

## 4.2 Corporate Bonds/Debentures

Corporate Bonds/Debentures are debt type financial instruments that provide fixed interest to the holders. Company issues such instruments to raise debt capital as an alternative to bank financing. In FY 1997/98, Shree Ram Sugar Mills Ltd had issued redeemable debenture worth Rs. 93 million for the first time in Nepalese securities markets. From banking sector, Himalayan Bank Ltd is the first bank that issued debenture worth Rs. 360 million in FY 2001/02. Such debentures are required to be listed on Nepal Stock Exchange Ltd. for secondary trading. In FY 2017/18, corporate debentures worth Rs 575.43 million were traded manually in NEPSE. The detail of listed corporate debentures in Nepal Stock Exchange Ltd is presented in Table-22.

## 5. Preferred Stocks

Preferred stock which is known as hybrid securities is a fixed income securities that provide stipulated dividend to its holder. It is too. In FY 1993/94, Necon Air Ltd and Birat Shoes Ltd both had issued preferred stock worth Rs. 14 million and Rs 2.5 million respectively. The issue managers of the issue were Citizen Investment Trust and NIDC Capital Markets Ltd respectively. Since FY 1993/94, five corporate bodies had issued preferred stocks worth Rs. 636.5 million out of which Everest Bank Ltd has issued convertible preferred stock worth Rs 400 million in FY 2006/07. The Details of preferred stocks issue for last 25 years is presented in Table-23.

## 6. OTC Market

SEBON, exercising the power as per Section 117 of Securities Related Act, 2006, approved OTC Market Byelaws, 2008 under the Rule 23 of Stock Exchange Regulations, 2008 and NEPSE implemented the same on June 4, 2008. Thenafter, this market was almost passive with transactions of very few companies including shares of Nepal Bank Limited at the very beginning. SEBON informed Office of the Company Registrar that the shares of unlisted and delisted securities of public limited companies can be traded on OTC market and also directed NEPSE to operate OTC market effectively. As a result, OTC market operation was regularised after a notice, issued by Office of the Company Registrar, related to transaction of shares of unlisted, delisted and those public limited companies ineligible for listing on OTC market was published in the review period.

In Q2 of FY 2018/19, a total of 1.36 million shares of 14 companies from different sectors were traded with total value of Rs. 177.22 million. However, in Q1 of same FY, a total of 1.98 million shares of 11 companies from different sectors were traded with total value of Rs. 193.78 million.

## 7. Mutual Funds' Net Assets Value

On QoQ basis, performance of mutual fund was mixed in Q2 of FY 2018/19 as compared to Q1 of same FY. During the period, seven mutual funds out of 13 listed mutual funds showed the positive growth. The highest growth (10 percent) is recorded by NMB Sulav Investment Fund-1 whereas highest negative growth (1.8 percent) is faced by NIBL Pragati Fund-1. On MoM basis, all mutual funds' NAV increased at the end of mid-Jan as compared to previous

month. However, situation was inversed in mid-Dec as compared to mid-Nov. The NAV report of mutual fund schemes of each month of Q2 of FY 2018/19 is presented in Table-24.

## 8. Demat Account and Dematerlisation Trends

Demat Account is the account on which securities like share, bond, preferred stock, mutual fund, etc. are deposited in electronic or dematerlised form. After the implementation of Central Depository Service Regulations, 2010, depository participants commenced the operation of demat account opening from FY 2012/13. A Total of 256 demat accounts were opened and 6,561 securities were dematerialised in that FY.

After the implementation of full-fledged dematerialised trading system from Mid-January 2016, the number of demat account and dematerialised securities increased significantly. SEBON made it mandatory to have demat account for IPO application from Mid-July 2016 for Kathmandu valley and from Mid-January 2017 all over the country. At present, allotted shares of primary issues, right shares and bonus shares are being deposited in respective demat account of investors.

The number of demat accounts reached 1.59 million at the end of Q2 of FY 2018/19 which was an increase of 22.67 percent in comparison to FY 2017/18. A total of 1,77,133 demat accounts were opened during Q2 of FY 2018/19 The detail of dematerlisation during current FYs is presented in Table 25.

## 9. Reform and Development in Securities Markets

SEBON performed various development functions during Q2 of FY 2018/19 to develop and expand the securities markets. It eased the registration and ownership transfer in case of family transfer. It provides the merchant banker license and directed NEPSE for the same to recommending the brokerage license as per federal structure. Beside this, SEBON imposed monetary penalties to four fund managers against the violence of investment guidelines as per Mutual Fund Regulations, 2010. The securities markets reform and development initiatives taken by SEBON during Q2 of FY 2018/19 are briefly stated as under:

### 9.1 Major Reforms/Initiatives

- I. **Easing the process of registration and ownership transfer of securities for intra family and death transfer:** On 26 October 2018, SEBON endorsed the third amendment of Central Depository Service Bylaws, 2012 as proposed by CDS and Clearing Ltd with an aim to ease the process of registration and ownership transfer of securities for the intra family and after death stock ownership transfer process. The new process is as follows:

- An individual who wishes to transfer stock ownership (intra family and after death of owner) should apply in prescribed format to the Depository Participant (DP) along with all required documents.
- The DP should enter the document and application into the system of CDSC after the verification.

- The DP should submit the details that are received from the CDSC's system after entry of the application to CDS and Clearing Ltd to further the process.
- The CDSC complete the transfer of ownership as soon as possible after receiving the forwarded application from DP after the verification of all submitted documents.
- In case of other claims for the stock ownership after the death of its primary owner, CDSC is required to publish the notice for the related parties asking them to register their claim with a notice period of 35 days.

All the bonus and dividends would be transferred to the rightful owner after the ownership transfer of the stocks following the death of the original owner.

- II. **SEBON directed NEPSE to initiate the process of issuing brokerage license as per federal structure:** On 3 December 2018, SEBON directed NEPSE to initiate the process of issuing brokerage license as per the federal structure of the nation. SEBON also asked NEPSE for the information regarding the preparation for the entry of securities dealer in the securities markets on 20 December 2018.
- III. **SEBON requested to include the aspects of capital markets in curriculum of higher education:** SEBON requested to include the various aspects of securities markets and commodities markets in curriculum of higher studies. By issuing a letter to various universities On 05 December 2018, SEBON stated that it is ready for any kind of cooperation for this initiation. It helps to develop qualified manpower in securities markets.
- IV. **SEBON granted new license to two companies to carry out merchant banking business:** On 25 December 2018, SEBON granted license to the two subsidiaries companies of two commercial banks to carry out merchant banking business. Nepal Bangladesh Capital Ltd. and Kumari Capital Ltd. got approval to carry out the activities like issue manager, share registration, securities underwriter, portfolio management, corporate consultant.
- V. **SEBON regulatory action to four Fund Managers:** On 31 December 2018, for the first time, SEBON imposed fine to four fund managers against the violation the provisions under Mutual Fund Regulations, 2010. They were charged on investing more than 10 percent of the net assets of fund in the fixed deposit. The fund managers penalised were NMB Capital limited, Laxmi Capital Market Limited, CBIL Capital Limited and NIC Asia Capital Limited.

## 9.2 Other Activities

Beside development activities, SEBON performed other functions related to capital market as well. It organised some interaction programme with stakeholders related to application of digital signature in brokerage industry and credit rating business too. It also performed education programme in different part of the country in order to increase the capital market literacy. The details of such activities are briefly stated hereunder:

- I. Interaction on Credit Rating Business:** An interaction programme was organised with the credit rating companies to highlight the current scenario of credit rating business and its different aspects. In the policy and programmes of SEBON there is the provision of rating borrowers of Bank and Financial Institution and rating of municipal bond /debenture in collaboration with Municipal Development Funds and managing the public issues. Due to this provision, the scope of operation of credit rating business has increased.
- II. Information about Digital Signature to the Securities Brokers:** On 28 November 2018 to digitalised all the activities of the market and to formulate the IT policy 2019, SEBON organised the interaction programme about the uses of digital signature and its dynamism in collaboration of Nepal Certified Company Pvt. Ltd. Some government institutions have started to take digital signature from this fiscal year as Government of Nepal has adopted the policy to implement digital signature.
- III. Investors Awareness and Education Programme:** On 16 December 2018, SEBON in collaboration with International Finance Corporation, IFC, conducted investor awareness and education programme to the locals of project affected areas in Lamjung State no. 4 where the representatives of local level, businessperson, investors, journalist, students and public participated. Same programme were also organised in State no. 3, Dolakha during 21-22 December 2018.

# **Statistical Tables**

**Table 1**  
Major Equity Market Indices Of SAARC Countries (in Points)

S.N.	Countries	Indices	Mid Oct 018	Mid Nov. 018	Mid Dec. 018	Mid Jan. 019
1	India	S& P BSE Sensex	34,779.58	35,457.16	35,962.93	35,853.56
2	Sri Lanka	CSEALL: IND	5796.02	5955.43	6062.55	5981.02
3	Pakistan	KSE 100	37647.34	41660.75	38585.66	39412.55
4	Bangladesh	DSE Broad Index	5399.88	5244.63	5251.02	5836.23
5	Nepal	NEPSE Index	1241.63	1205.02	1148.78	1178.03

Source: Bloomberg and Nepal Stock Exchange

**Table 2**  
**Primary Market**  
(Based on Annual Data)

SN	Particulars	Fiscal Year (Amount in NPR billion)						Percentage Change			
		2015/16		2016/17		2017/18		In Number		In Amount	
		Number	Amount	Number	Amount	Number	Amount	2016/17		2017/18	
1	IPOs	14	2.76	17	1.51	21	8.3	21.4	29.4	-45.3	449.7
2	Right Offerings	37	9.4	76	45.64	55	25.7	105.4	-27.6	385.5	-43.7
3	FPOs	3	5.83	4	7.99	6	11.5	33.3	25	37	43.9
4	Deben-ture	-	-	-	-	1	3	-	-	-	-
5	Mutual Fund	1	1	4	4.25	4	4.8	300	0	325	12.9
<b>Total</b>		<b>55</b>	<b>18.99</b>	<b>101</b>	<b>59.39</b>	<b>87</b>	<b>53.3</b>	<b>83.6</b>	<b>-13.9</b>	<b>212.7</b>	<b>-10.3</b>

**Table 3**  
**Primary Market Indicators**  
(Last Three Quarters of FY 2018/19) (Amount in Rs.Billion)

SN	Offerings	FY 2017/18		FY 2018/19				Percentage Change			
		Q4		Q1		Q2		In Number		In Amount	
		No.	Amount	No.	Amount	No.	Amount	Q1/Q4	Q2/Q1	Q1/Q4	Q2/Q1
1	IPOs	9	5.4	4	1.7	7	1.88	-55.56	75.00	-68.52	10.59
2	Right Offerings	16	6.1	3	0.2	5	1.14	-81.25	66.67	-96.72	470.00
3	FPOs	3	8.8	0	0	0	-	-100.00	-	-100.00	-
4	Deben-ture	0	0	1	0.4	4	9.75	-	300.00	-	2337.50
5	Mutual Fund	0	0	0	0	0	-	-	-	-	-
<b>Total</b>		<b>28</b>	<b>20.3</b>	<b>8</b>	<b>2.3</b>	<b>16</b>	<b>12.77</b>	<b>-71.43</b>	<b>100.00</b>	<b>-88.67</b>	<b>455.22</b>

<b>Table 4</b>											
<b>Primary Market Indicators</b>											
<b>(Q2 of Three Years)</b>											
<i>(Amount in Rs. Billion)</i>											
SN	Offerings	FY 2016/17		FY 2017/18		FY 2018/19		Percentage Change			
		No.	Amount	No.	Amount	No.	Amount	In Number		In Amount	
								2017/18	2018/19	2017/18	2018/19
1	IPOs	6	0.4	8	2.8	7	1.88	33.33	-12.50	600.00	-32.86
2	Right Offerings	9	2.2	16	11.6	5	1.14	77.78	-68.75	427.27	-90.17
3	FPOs	2	4.5	2	2.6	0	-	0.00	-100.00	-42.22	-
4	Debenture	0	0	1	3	4	9.75	-	300.00	-	225.00
5	Mutual Fund	1	0.8	3	3.3	0	-	200.00	-100.00	312.50	-
<b>Total</b>		<b>18</b>	<b>7.9</b>	<b>30</b>	<b>23.3</b>	<b>16</b>	<b>12.77</b>	<b>66.67</b>	<b>-46.67</b>	<b>194.94</b>	<b>-45.19</b>

<b>Table 5</b>											
<b>Primary Market</b>											
<b>(Based on First six months)</b>											
<i>(Amount in NPR billion)</i>											
SN	Particulars	Fiscal Year						Percentage Change			
		2016/17		2017/18		2018/19		In Number		In Amount	
		Number	Amount	Number	Amount	Number	Amount	2016/17		2017/18	
1	IPOs	8	0.9	9	2.9	11	3.6	12.50	22.22	222.22	24.14
2	Right Offerings	30	13	30	17.5	8	1.31	0.00	-73.33	34.62	-92.51
3	FPOs	2	4.5	3	2.7	0	0	50.00	-100.00	-40.00	-100.00
4	Debenture	-	-	1	3	5	10.15	-	400.00	-	238.33
5	Mutual Fund	3	3	4	4.8	0	0	33.33	-100.00	60.00	-100.00
<b>Total</b>		<b>43</b>	<b>21.4</b>	<b>47</b>	<b>30.9</b>	<b>24</b>	<b>15.06</b>	<b>9.30</b>	<b>-48.94</b>	<b>44.39</b>	<b>-51.26</b>

<b>Table 6</b>										
<b>IPO Approval</b>										
<b>Q2 of Fiscal Year 2018/19</b>										
S.N.	Name of Company	Sector	No. of Share Registered	Issue price	Amount of Share Registered	Public Issue Amount	% of Issued Capital	Issue Manager	Date of Approval	Remarks
1	Joshi Hydro-power Development Company Ltd.	Hydropower	1,448,460	100	144,846,000	169,047,000	46.00%	Sid-dhartha Capital Ltd.	2075/07/18	General Public

2	Ghalemdi Hydro Ltd.	Hydropower	1,100,000	100	110,000,000	155,577,000	28.00%	Vibor Capital Ltd.	2075/08/16	Local People General Public
3	Universal Power Company Ltd.	Hydropower	21,003,500	100	2,100,350,000	966,161,000	46.00%	Sid-dhartha Capital Ltd.	2075/08/27	Local People General Public
4	Shiva Shree Hydropower Ltd.	Hydropower	12,549,400	100	1,254,940,000	147,640,000	10.00%	Sid-dhartha Capital Ltd.	2075/09/10	Local People
5	Panchthar Power Company Ltd.	Hydropower	9,625,000	100	962,500,000	192,500,000	20.00%	Sanima Capital Ltd.	2075/09/13	Local People General Public
6	Greenlife Hydropower Ltd.	Hydropower	16,200,000	100	1,620,000,000	180,000,000	10.00%	Kathman-du Capital Market Ltd.	2075/09/17	Local People
7	Asha Laghubitta Bittiya Sanstha Ltd.	Microfinance	2,074,000	100	207,400,000	67,400,000	32.50%	Prabhu Capital Ltd.	2075/09/29	General Public
	<b>Total</b>		<b>64,000,360</b>		<b>6,400,036,000</b>	<b>1,878,325,000</b>				

**Table 7**  
**Subscription Status of IPOs**  
(Q2 of FY 2018/19)

SN	Company	Issue Date	Target Group	Public Issue Amount (Rs.)	Total Collected Amount (Rs.)	Subscription Times
1	Upper Tamakoshi Hydropower Ltd	2075/07/15	Public	1,509,075,000	6,461,884,300	4.28
		2075/07/06	Mutual Fund	79,425,000	794,250,000	10.00
2	Ghalemdi Hydropower Ltd	2075/09/19	Public	153,377,000	390,464,000	2.55
		2075/09/19	Employees of Company	2,200,000	2,200,000	1.00
3	Himalaya Urja Bikash Co. Ltd	2075/07/06	Local	99,000,000.00	107,748,600	1.09
4	Madhya Bhotekoshi Hydropower Co. Ltd	2075/07/28	Savers of EPF	1,170,000,000	3,710,679,000	3.17
		2075/08/19	Employees of Company	210,000,000	389,255,000	1.85
		2075/08/19	Employees of EPF	60,000,000	64,573,000	1.08
5	Samudayik Laghubitta Co. Ltd	2075/08/02	Public	27,300,000	1,652,975,000	60.55
			Employees of Company	1,200,000	1,200,000	1.00
			Mutual Fund	1,500,000	12,000,000	8.00

6	Joshi Hydropower Development Company Ltd.	2075/08/16	Public	159,858,000	591,752,000	3.70
			Employees of Company	5,071,400	73,670,000	14.53
			Mutual fund	8,452,300	16,904,600	2.00
7	Universal Power Company Ltd	2075/09/15	Local	21,003,500,000	33,420,000	0.002
8	Chautari Laghubitta Bittiya Sanstha	2075/08/19	Public	56,070,000	1,715,377,000	30.59
			Mutual fund	3,000,000	280,000,000	93.33
			Staffs of company	930,000	930,000	1.00

**Table 8**  
**Right Issue Approval**  
Q2 of FY 2018/19

S.N.	Name of Company	Sector	Ratio	No. of share	Amount of Issue	Issue Manager	Date of Approval
1	Everest Insurance Co. Ltd. (Promoter Issue)	Insurance	1: 1.05	1,403,325	140,332,500	Siddhartha Capital Ltd.	2075/07/04
2	NADEP Laghubitta Bittiya Sanstha Ltd.	Microfinance	1:1	1,600,000	160,000,000	Nabil Investment Banking Ltd.	2075/07/15
3	Surya Life Insurance Company Ltd.	Insurance	10:7	7,923,300	792,330,000	NIC Asia Capital Ltd.	2075/08/12
4	Mithila Laghubitta Bittiya Sanstha Ltd.	Microfinance	2:1	329,890	32,989,000	Kathmandu Capital Markets Ltd.	2075/09/13
5	Unnati Microfinance Bittiya Sanstha Ltd.	Microfinance	5:1	110,000	11,000,000	Siddhartha Capital Ltd.	2075/09/20
	<b>Total</b>			<b>11,366,515</b>	<b>1,136,651,500</b>		

<b>Table 9</b> <b>Debenture Issue Approval</b> <b>Q2 of FY 2018/19</b>								
SN	Name of Company	No. of Unit Registered	Rate Rs.	Amount of Debenture Registered	Public Issue	Private Placement	Issue Manager	Date of Approval
					Amount	Amount		
1	Sanima Bank Ltd. (10% Sanima Debenture 2085)	2,000,000	1000	2,000,000,000	400,000,000	1,600,000,000.00	Kathmandu Capital Market Ltd.	2075/07/07
2	Siddhartha Bank Ltd. (10.5% SBL Debenture 2082)	2,250,000	1,000	2,250,000,000	450,000,000	1,800,000,000.00	NIBL ACE Capital Ltd.	2075/08/06
3	Global IME Bank Ltd. (10%Global IME Bank Debenture 2080/81)	1,500,000	1,000	1,500,000,000	600,000,000	900,000,000.00	NIBL ACE Capital Ltd.	2075/09/30
4	NIC Asia Bank Ltd. (10% NIC ASIA Bank Debenture 2085/86)	4,000,000	1,000	4,000,000,000	1,600,000,000	2,400,000,000.00	Nepal SBI Capital Ltd.	2075/09/30
<b>Total</b>				<b>9,750,000,000</b>	<b>3,050,000,000</b>	<b>6,700,000,000.00</b>		

<b>Table 10</b> <b>Subscription status of Debenture</b> <b>Q2 of FY 2018/19</b>						
S.N.	Name of Company	Issue date	Public Issue Amount in Rs	Target group	Total Collected Amount Rs	Subscription Times
1	Sanima Bank Ltd. (10% Sanima Debenture 2085)	2075/07/30	380,000,000	Public	82,212,000	0.22
		2075/07/31	1,600,000,000	Private Placement	1,252,500,000	0.78
		2075/07/08	20,000,000	Mutual Fund	20,000,000	1.00
2	Siddhartha Bank Ltd. (10.5% SBL Debenture 2082)	2075/08/23	450,000,000	Public	57,559,000	0.13
		2075/08/23	1,800,000,000	Private Placement	2,105,000,000	1.17

**Table 11**  
**Bonus Share Registration**  
**Q2 of FY 2018/19**

SN	Name of Company	Sector	Bonus Rate	Total No. of Share	Amount of Issue	Date of Registration
			%			
1	Century Commercial Bank Ltd.	Commercial Bank	5.00	3,839,730.92	383,973,092	2075/07/05
2	Shree Investment and Finance Company Ltd.	Finance	26.57	1,679,785.68	167,978,568	2075/07/12
3	Shangri-la Development Bank Ltd.	Development Bank	2.50	611,304.00	61,130,400	2075/07/18
4	NMB Bank Ltd.	Commercial Bank	15.00	11,404,935.95	1,140,493,595	2075/07/18
5	Oriental Hotels Ltd.	Hotels	15.00	1,401,354.58	140,135,458	2075/08/09
6	Garima Bikas Bank Ltd.	Development Bank	10.00	2,534,880.00	253,488,000	2075/08/18
7	Swarojgar Laghubitta Bittiya Sanstha Ltd.	Microfinance	20.00	244,995.52	24,499,552	2075/08/18
8	Janautthan Samudayic Laghubitta Bittiya Sanstha Ltd.	Microfinance	20.00	48,000.00	4,800,000	2075/08/28
9	Mero Microfinance Bittiya Sanstha Ltd.	Microfinance	15.00	429,000.00	42,900,000	2075/08/28
10	Sanima Mai Hydropower Ltd.	Hydropower	10.00	2,110,000.00	211,000,000	2075/09/09
11	Janaki Finance Company Bittiya Sanstha Ltd. Finance		22.00	887,466.00	88,746,600	2075/09/22
12	Ridi Hydropower Development Co.Ltd.	Hydropower	6.00	300,633.00	30,063,300	2075/09/26
13	Citizen Investment Trust.	Other	22.06	1,992,289.66	199,228,966	2075/09/29
14	Pokhara Finance Ltd.	Finance	5.00	408,225.00	40,822,500	2075/09/29
<b>Total</b>				<b>27,892,600.31</b>	<b>2,789,260,031.00</b>	

**Table 12**  
**Secondary Market Indicators**  
**(Last Three Quarters)**

SN	Indicators	Unit	2017/18	2018/19		Percentage Change	
			Q4	Q1	Q2	Q1/Q4	Q2/Q1

1	No. of Listed Companies	Number	196	198	202	1.0	2.0
2	No. of listed Securities	Million	3598.7	3687.6	3943.2	2.5	6.9
3	Turnover	Rs in billion	27	23	20	-14.8	-13.0
4	Average Daily Turnover	Rs in billion	0.4	0.4	0.33	0.0	-16.7
5	Trading Days	Days	64	62	60	-3.1	-3.2
6	No. of Scripts Traded	Number	213	213	213	0.0	0.0
7	No. of Securities Traded	No. in million	68.1	86.7	67.7	27.3	-21.9
8	No. of Transactions	Number	332546	287753	246791	-13.5	-14.2
9	Total Paid up Value of Listed Shares	Rs in billion	308.3	361	385.94	17.1	6.9
10	Market Capitalisation	Rs in billion	1435.1	1481.2	1436.67	3.2	-3.0
11	Float Market Capitalisation	Rs in billion	483.9	515	500.66	6.4	-2.8
12	Turnover/Market Capitalisation	Percentage	5.6	6.2	2.78	10.7	-55.1
13	Turnover/Float Market Capitalisation	Percentage	22.3	17.9	7.99	-19.7	-55.4
14	NEPSE Index	In Points	1212.36	1241.63	1178.03	2.4	-5.1
15	NEPSE Sensitive Index	In Points	255.2	264.1	250.49	3.5	-5.2
16	NEPSE Float Index	In Points	87.15	90.36	85.34	3.7	-5.6

*Source: Nepal Stock Exchange Ltd.*

**Table 13**  
**Securities Market Indicators**  
(Q2 of Last Three Fiscal years)

SN	Indicators	Unit	FY			Percentage Change	
			2016/17	2017/18	2018/19	2018/19	2018/19
1	No. of Listed Companies	Number	219	192	202	-12.3	5.2
2	No. of listed Securities	Million	2493.7	3372.7	3943.2	35.2	16.9
3	Turnover	Rs in billion	40	30.5	20	-23.8	-34.4
4	Average Daily Turnover	Rs in billion	0.7	0.5	0.33	-28.6	-33.3
5	Trading Days	Days	57	57	60	0.0	5.3
6	No. of Scripts Traded	Number	171	191	213	11.7	11.5
7	No. of Securities Traded	Million	63.9	69.1	67.7	8.1	-2.0
8	No. of Transactions	Number	262,192	299,221	246791	14.1	-17.5
9	Total Paid up Value of Listed Shares	Rs in billion	242.4	329.5	385.94	35.9	17.1
10	Market Capitalisation	Rs in billion	1660.3	1,671.60	1436.67	0.7	-14.1

11	Float Market Capitalisation	Rs in billion	569.2	561.5	500.66	-1.4	-10.8
12	Turnover/Market Capitalisation	Percentage	9.6	7.3	2.78	-24.0	-61.9
13	Turnover/Float Market Capitalisation	Percentage	28.1	21.7	7.99	-22.8	-63.2
14	NEPSE Index	Points	1479.86	1431.1	1178.03	-3.3	-17.7
15	NEPSE Sensitive Index	Points	319.96	302.2	250.49	-5.6	-17.1
16	NEPSE Float Index	Points	110.09	102.86	85.34	-6.6	-17.0

Source: Nepal Stock Exchange Ltd.

**Table 14**  
**Secondary Market Indicators**  
*(Based on First six months Data)*

SN	Indicators	Unit	Fiscal Year			Percentage Change	
			2016/17	2017/18	2018/19	2016/17	2017/18
1	Number of Listed Companies	Number	219	192	202	-12.3	5.2
2	No. of listed Securities	Number in million	2493.7	3372.7	3943.2	35.2	16.9
3	Annual Turnover of Securities	NPR billion	115	72.4	43.54	-37.0	-39.9
4	Average Daily Turnover	NPR million	1	0.6	0.35	-40.0	-41.7
5	Trading Days	Days	113	113	122	0.0	8.0
6	No. of Scripts Traded	Number	228	228	225	0.0	-1.3
7	Number of Traded Securities	Number in million	192.1	166.4	154.43	-13.4	-7.2
8	Number of Transaction	Number in million	631446	704041	534544	11.5	-24.1
9	Total paid up value of listed Shares		242.4	329.5	385.94	35.9	17.1
10	Total Market Capitalisation	NPR billion	1660.3	1671.6	1436.7	0.7	-14.1
11	Float Market Capitalisation	NPR billion	611.1	561.5	500.6	-8.1	-10.8
12	Turnover/Total Market Capitalisation	Percentage	13.9	8.7	6.061	-37.4	-30.3
13	NEPSE Index	Points	1479.86	1431.1	1178.03	-3.3	-17.7
14	NEPSE Sensitive Index	Points	319.96	302.2	250.49	-5.6	-17.1
15	NEPSE Float Index	Points	110.09	102.86	85.34	-6.6	-17.0

Source: Nepal Stock Exchange Ltd.

<b>Table 15</b>							
<b>NEPSE Index and Other Indices</b>							
<i>(Based on Annual Data)</i>							
SN	Indicators	Unit	FY			Percentage Change	
			2016/17	2017/18	2018/19	2017/18	2018/19
1	NEPSE Index	Points	1803.74	1559.18	1241.63	-13.6	-20.4
2	NEPSE Sensitive Index	Points	391.40	328.34	264.1	-16.1	-19.6
3	NEPSE Float Index	Points	135.04	112.75	90.36	-16.5	-19.9
4	NEPSE Sensitive Float Index	Points	108.99	104.17	77.92	-4.4	-25.2

*Source: Nepal Stock Exchange Ltd.*

<b>Table 16</b>							
<b>Secondary Market Indicators</b>							
<i>(Based on Annual Data)</i>							
SN	Indicators	Unit	Fiscal Year			Percentage Change	
			2015/16	2016/17	2017/18	2016/17	2017/18
1	Number of Listed Companies	Number	229	208	196	-9.2	-5.8
2	Annual Turnover of Securities	NPR billion	164.65	205.02	121.4	24.5	-40.8
3	Average Daily Turnover	NPR million	706.6	891.4	521	26.2	-41.6
4	Number of Traded Securities	Number in million	303.6	392.9	294	29.4	-25.2
5	Number of Transaction	Number in million	0.839	1.357	1.311	61.7	-3.4
6	Total Market Capitalisation	NPR billion	1890.13	1856.82	1435.14	-1.8	-22.7
7	Float Market Capitalisation	NPR billion	632.66	641.69	483.9	1.4	-24.6
8	Turnover/Total Market Capitalisation	Percentage	8.71	11.04	8.5	26.8	-23.4
9	Total Market Capitalisation/GDP	Percentage	84.1	71.44	47.7	-15.1	-33.2
10	Float Market Capitalisation/GDP	Percentage	28.15	24.69	16.1	-12.3	-34.8
11	NEPSE Index	Points	1718.2	1582.7	1212.4	-7.9	-23.4
12	NEPSE Sensitive Index	Points	369.1	336.0	255.2	-8.9	-24.1
13	NEPSE Float Index	Points	125.4	116.1	87.2	-7.4	-25.0

14	NEPSE Sensitive Float Index	Points	109.0	104.2	77.9	-4.4	-25.2
----	-----------------------------	--------	-------	-------	------	------	-------

Source: Nepal Stock Exchange Ltd.

**Table 17**  
**NEPSE Index and Other Indices**  
**(Three Months of Q2, FY 2018/19)** *in Points*

SN	Indices	Q1 of FY 2018/19	Mid -Nov 2018	Mid -Dec 2018	Mid -Jan 2019
1	NEPSE Index	1241.63	1205.02	1148.78	1178.03
2	NEPSE Sensitive Index	264.1	256.28	244.7	250.49
3	NEPSE Float Index	90.36	256.28	83.57	85.34
4	NEPSE Sensitive Float Index	83	80.5	76.99	78.5

*Source: Nepal Stock Exchange Ltd.*

**Table 18**  
**Sectoral Indices of NEPSE**  
**(Q2 of Fiscal Year 2018/19)**

SN	Indicators	Q1 of FY 2018/19	Q2 of FY 2018/19			Percentage Change	
			Mid-Nov.	Mid-Dec.	Mid-Jan.	Mid-Dec.	Mid-Jan.
1	Banking	1100.35	1060.32	1019.8	1009.76	-3.8	-1.0
2	Development Bank	1486.49	1481.08	1442.08	1415.6	-2.6	-1.8
3	Finance	614.59	605.62	597.9	611.28	-1.3	2.2
4	Micro-finance	1482.94	1423.95	1268.73	1400.32	-10.9	10.4
5	Hotels	1854.23	1854.75	1717.3	1736.75	-7.4	1.1
6	Hydro Power	1360.47	1266.15	1199.54	1213.26	-5.3	1.1
7	Life Insurance	5564.78	5421.83	5445.13	6096.96	0.4	12.0
8	Non Life Insurance	5784.85	5574.51	5086.8	5625.69	-8.7	10.6
9	Manufacturing and Processing	2245.58	2298.61	2209.87	2240.13	-3.9	1.4
10	Trading	233.85	239.97	240.82	248.2	0.4	3.1
11	Others	744.74	742.95	716.63	756.66	-3.5	5.6

*Source: Nepal Stock Exchange Ltd.*

<b>Table- 19</b> <b>Sectoral Turnover</b> <b>(Three months of Q2,FY 2018/19)</b>							<i>Amount in Rs Million</i>
SN	Sector	Mid November	Mid December	Mid January	Total	Proportion	
1	Commercial Banks	2,190.4	4,097.2	4,807.8	11,095.4	<b>53.8</b>	
2	Development Bank	209.2	275.7	424.2	909.1	<b>4.4</b>	
3	Finance	34.7	40.4	49.1	124.2	<b>0.6</b>	
4	Micro-Finance	278.7	503.8	1,008.4	1,790.9	<b>8.7</b>	
5	Life Insurance	255.9	402.6	1,185.4	1,844.0	<b>8.9</b>	
6	Non Life Insurance	192.9	419.7	1,133.0	1,745.6	<b>8.5</b>	
7	Hydro Power	200.6	245.5	318.9	765.0	<b>3.7</b>	
8	Hotels	20.5	100.4	28.4	149.3	<b>0.7</b>	
9	Manufacturing And Processing	9.6	12.9	8.5	31.0	<b>0.2</b>	
10	Trading	0.1	8.8	0.9	9.7	<b>0.0</b>	
11	Others	81.6	126.5	408.4	616.5	<b>3.0</b>	
12	Mutual Fund	24.1	9.7	16.3	50.0	<b>0.2</b>	
13	Preferred Stock	0.3	0.1	0.0	0.3	<b>0.002</b>	
14	Promoter Share	400.8	388.2	700.9	1,490.0	<b>7.2</b>	
<b>Total</b>		<b>3,899.4</b>	<b>6,631.3</b>	<b>10,090.3</b>	<b>20,621.0</b>	<b>100%</b>	

*Source: Nepal Stock Exchange Ltd.*

<b>Table- 20</b> <b>Sectoral Market Capitalisation</b> <b>(Three months of Q2,FY 2018/19)</b>						<i>Amount in Rs Million</i>
SN	Sector	Mid November	Mid December	Mid January	Proportion	
1	Commercial Banks	780.8	747.8	740.4	<b>51.5%</b>	
2	Development Bank	76.7	72.7	73.2	<b>5.1%</b>	

3	Finance	19.0	18.8	19.2	<b>1.3%</b>
4	Micro-Finance	95.0	79.2	87.8	<b>6.1%</b>
5	Life Insurance	104.1	98.8	117.1	<b>8.2%</b>
6	Non Life Insurance	96.7	85.7	94.8	<b>6.6%</b>
7	Hydro Power	62.0	56.0	83.7	<b>5.8%</b>
8	Hotels	26.2	22.7	23.0	<b>1.6%</b>
9	Manufacturing And Processing	40.8	39.2	39.8	<b>2.8%</b>
10	Trading	1.4	1.4	1.4	<b>0.1%</b>
11	Others	158.1	148.1	156.3	<b>10.9%</b>
<b>Total</b>		<b>1,460.9</b>	<b>1,370.4</b>	<b>1,436.6</b>	<b>100%</b>

*Source: Nepal Stock Exchange Ltd.*

**Table 21**  
**Listed Government Development Bonds**

S.N.	Name	Amount Rs	Coupon Rate (%)
1	Development Bond-2075ka	2,100,000,000	6.5
2	Development Bond-2076kha	1,040,000,000	6.5
3	Development Bond-2076ka	900,000,000	6.5
4	Development Bond-2076ga	460,000,000	6.5
5	Development Bond-2076	2,200,000,000	6.5
6	Development Bond-2080	12,000,000,000	3.97
7	Development Bond-2083	13,000,000,000	4.44
8	Development Bond-2085	13,000,000,000	4.74
9	Development Bond-2086	13,000,000,000	4.94
10	Development Bond-2088	11,000,000,000	4.94
11	Development Bond 2080	7,000,000,000	3.56
12	Development Bons-2086Kha	5,000,000,000	4.32
13	Development Bond-2088ka	5,000,000,000	4.99
14	Development Bond-2084kha	5,000,000,000	5.15
15	Development Bond-2081ka	3,140,000,000	5
16	Development Bond-2079ng	5,000,000,000	5.45
17	Development Bond-2081kha	5,000,000,000	5.88
18	Development Bond-2085kha	5,000,000,000	6.48
<b>Total</b>		<b>108,840,000,000</b>	

*Source: Nepal Stock Exchange Ltd*

<b>Table 22</b>				
<b>Corporate Bonds/Debentures</b>				
<b>S.N.</b>	<b>Name</b>	<b>Number of Debenture</b>	<b>Total Amount in Rs</b>	<b>Coupon Rate (%)</b>
1	Siddhartha Bank- 2075	400,000	400,000,000	11.00
2	Siddhartha Bank Ltd. Bond 2076	303,520	303,520,000	8.00
3	Bank of Kathmandu- 2076	400,000	400,000,000	8.00
4	Global IME Bank - 2076	400,000	400,000,000	10.00
5	Laxmi Bank-2076	400,000	400,000,000	8.00
6	Nepal SBI Bank -2078	400,000	400,000,000	12.50
7	Everest Bank Ltd. -2079	468,850	468,850,000	8.00
8	Nepal SBI Bank -2079	400,000	400,000,000	8.00
9	Nepal Investment Bank Bond 2077	500,000	500,000,000	8.00
10	Himalayan Bank-2077	600,000	600,000,000	8.00
11	Citizens Bank Bond 2077	500,000	500,000,000	9.00
12	Nepal SBI Bank-2080	200,000	200,000,000	7.90
13	NIC Asia Bond -2077	500,000	500,000,000	7.25
14	NIB Bond 2078	750,000	750,000,000	8.00
15	NMB Bond 2077	500,000	500,000,000	7.00
16	Bank of Kathmandu 2079	600,000	600,000,000	8.00
17	Siddhartha Bank Debenture 2078	500,000	500,000,000	7.50
18	Everest Bank Ltd. -2078	600,000	600,000,000	8.00
19	NIC Asia Debenture 2081/82	3,000,000	3,000,000,000	9.00
20	NIC Asia Debenture 2082/83	1,830,000	1,830,000,000	11.00
	<b>Total</b>	<b>13,252,370</b>	<b>13,252,370,000</b>	

*Source: Nepal Stock Exchange Ltd*

<b>Table 23</b>			
<b>Preferred Stock</b>			
<b>SN</b>	<b>FY</b>	<b>Number of Issue</b>	<b>Amount in Rs. Million</b>
1	1993/94	2	16.5
2	1998/99	1	80
3	2001/02	1	140
4	2006/07	1	400
	<b>Total</b>	<b>5</b>	<b>636.5</b>

**Table 24**  
**NAV of Mutual Fund Scheme**  
**(Three Months of Q1, FY 2018/19)**

SN	Name of Mutual Funds Schemes	End of Q1	Q2 of FY 2018/19			Percentage Change		
		of FY 2018/19	Mid-Nov	Mid-Dec	Mid-Jan	Mid-Dec	Mid-Jan	Q1/Q4
1	Siddhartha Equity Oriented Scheme	10.54	10.42	10.16	10.61	-2.5	4.4	0.7
2	Nabil Equity Fund	8.59	8.43	8.03	8.77	-4.7	9.2	2.1
3	NMB Sulav Investment Fund -1	10.3	11.21	10.83	11.33	-3.4	4.6	10.0
4	NMB Hybrid Fund L-1	10.51	10.48	10.38	10.67	-1.0	2.8	1.5
5	Global IME Samunnat Scheme -1	8.57	8.33	8.01	8.77	-3.8	9.5	2.3
6	NIBL Samriddhi Fund -1	10.25	10.1	9.68	10.1	-4.2	4.3	-1.5
7	NIBL Pragati Fund -1	7.81	7.7	7.28	7.67	-5.5	5.4	-1.8
8	Laxmi Value Fund -1	10.89	10.8	10.53	10.89	-2.5	3.4	0.0
9	Laxmi Equity Fund	8.75	8.66	8.27	8.72	-4.5	5.4	-0.3
10	Sanima Equity Fund	10.38	10.32	10.2	10.58	-1.2	3.7	1.9
11	Citizen Mutual Fund	10.52	10.39	10.2	10.39	-1.8	1.9	-1.2
12	NIC Asia Growth Fund	10.31	10.25	10.1	10.42	-1.5	3.2	1.1
13	Siddhartha Equity Fund	10.47	10.45	10.37	10.57	-0.8	1.9	1.0

*Source: Fund Manager of respective mutual fund schemes*

**Table 25**  
**Demat Account and Trend of Dematerlisation**  
**(Q2 of FY 2018/19)**

SN	Particulars	FY 2017/18	Q1, FY 2018/19	Q2, FY 2018/19	Percentage Change	Percentage Change
		1	2	3	2/3	1/3
1	Demat Account	12.97	13.46	15.91	18.20	22.67
2	Ordinary Shares	110.25	114.44	119.83	4.71	8.69
3	Convertible Preferred Stock	5.81	5.83	5.85	0.34	0.69
4	Promoter Share	105.03	106.91	108.57	1.55	3.37
5	Mutual Fund Unit	141.44	143.05	145.31	1.58	2.74
6	Debenture	0.22	0.29	0.46	58.62	109.09

*Source: CDS & Clearing Limited*









**Published By**

---

# **Securities Board of Nepal**

**Supervision and Research Department**

Policy, Research and Planning Division

P.O.B. No.: 9031, Jawalakhel, Lalitpur

Phone No. 01-5541057, 5550511, 5544076, 5551162

Fax No.: 01-5541058

Toll Free Hotline No.: 1660-01-44433

Website: <http://www.sebon.gov.np>

E-mail: [support@sebon.gov.np](mailto:support@sebon.gov.np)