



# **Nepal Rastra Bank**

## **Research Department**

# **Current Macroeconomic and Financial Situation of Nepal**

**(Based on Six Months' Data of 2016/17)**

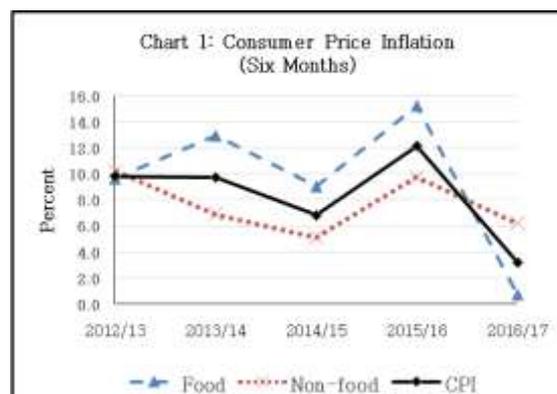
## **Macroeconomic Outlook**

1. The current macroeconomic indicators show the resiliency of the Nepalese economy. For example, industrial capacity utilization is expected to boost on the back of improved power supply and smooth supply of raw materials. The completion of the long awaited Khimti-Dhalkebar transmission line is expected to strengthen the power supply. This has the potential to improve the industrial climate further.
2. A total number of tourists visiting Nepal showed a growth of 35.4 percent to 729550 in 2016. A pick up in tourist arrival is expected to improve hotel and restaurant businesses.
3. A significant growth in paddy production is expected to boost agricultural output. Together with the increased agricultural output, a recovery in tourism and industrial output is likely to improve growth outlook going forward.
4. Inflation is decelerating in recent months, reducing inflation wedge between Nepal and India to a zero level. The only threat to inflation is from the global rise of oil prices.
5. Notwithstanding a significant growth in imports, country's balance of payments is in surplus leading to an accumulation of international reserves. The continuous deceleration in the growth of remittance is a matter of concern.
6. Government budgetary operation continues to be strong. A significant growth in government revenue is reflected in budgetary surplus leading to a significant rise in treasury surplus of Rs. 217.6 billion as of mid- January 2017.
7. Of late, a wedge between deposit and loan growth has caused a somewhat financial friction. Liquidity injection through open market operations taken together forward guidance issued by NRB recently has, however, reduced financial frictions to some extent. The market is also in corrective mode as reflected in higher level of deposit mobilization relative to loans extended in recent days.

## Inflation, Salary and Wage Rate

### Consumer Price Inflation

8. The rate of inflation has further moderated to 3.2 percent in mid-January 2017 from the peak of 12.1 percent of mid-January 2016.
9. The y-o-y inflation is continuously decelerating in recent months due mainly to the base effect, improved supply situation and deceleration in Indian inflation.



### Food Inflation

10. The food inflation has declined to 0.7 percent in mid-January 2017 from 15.2 percent in the corresponding period of the previous year. A fall in prices of ghee and oil by 13.9 percent, pulses and legumes by 6.6 percent, vegetable by 3.9 percent, fruit by 2.0 percent, meat and fish by 1.7 percent and cereal grain by 1.2 percent caused the food inflation to decline. Of food and beverage group, the prices of sugar and sugar products increased by 15.0 percent and alcoholic drinks by 11.2 percent.

Box 1: Y-O-Y Food Inflation (Six Months)		
Particulars	Inflation (Percent)	
	2072/73	2073/74
<b>Food Inflation</b>	<b>15.2</b>	<b>(0.7)</b>
1 Pulses and Legumes	46.9	(6.6)
2 Ghee and Oil	31.3	(13.9)
3 Spices	17.6	5.8
4 Meat and Fish	16.8	(1.7)
5 Fruit	13.1	(2.0)
6 Cereal Grains and their Products	13.1	(1.2)
7 Milk products and Eggs	12.9	2.9
8 Vegetable	11.4	(3.9)

*Source: National Consumer Price Index, Mid-January 2017*

### Non-food Inflation

11. The non-food inflation also moderated to 6.2 percent during the review period from 9.7 percent in the corresponding period of the previous year. The decline in prices of clothes and footwear, housing and utilities, education, among others contributed to the moderation in non-food inflation in the review period.

### Region-wise Consumer Price Inflation

12. The Hilly region witnessed a relatively higher rate of inflation of 5.7 percent followed by Mountain at 4.2 percent, Terai 2.8 percent and the Kathmandu Valley at 1.9 percent in the

review period. In the corresponding period of the previous year, Hilly region, Mountain region, Terai region and the Kathmandu Valley had seen the inflation rate of 12.1 percent, 10.0 percent, 10.7 percent and 13.8 percent respectively.

### **Inflation Differential between Nepal and India**

13. The y-o-y consumer price inflation was 3.2 percent in India in January 2017. Such inflation was also 3.2 percent in Nepal during the review period showing no inflation wedge between the two countries. Such inflation was 5.7 percent in India and 12.1 percent in Nepal reflecting a wider inflation differential of 6.4 percent in the corresponding period of the previous year.

<b>Box 2: Commodity-Wise Inflation Wedge between Nepal and India</b>			
<b>Commodities</b>	<b>Inflation (Percent)</b>		<b>Wedge</b>
	<b>Nepal</b>	<b>India</b>	
<b>Overall Consumer Price Inflation</b>	<b>3.2</b>	<b>3.2</b>	<b>0</b>
1 Sugar and Sugar Products	15.0	18.7	(3.7)
2 Alcoholic drinks	11.2	6.4	4.8
3 Education	9.8	5.6	4.2
<i>Source: Ministry of Statistics and Programme Implementation, India, January 2017</i>			

### **Wholesale Price Inflation**

14. The y-o-y wholesale price inflation dropped to 1.8 percent in the review period from 7.6 percent a year ago. The wholesale price indices of agricultural commodities and domestic manufactured commodities showed a growth of 2.0 percent and 4.8 percent respectively, whereas such index of imported commodities declined by 0.8 percent in the review period. In the corresponding period of the previous year, the increments in wholesale price indices of agricultural commodities and domestic manufactured commodities were 12.2 percent and 6.4 percent respectively, whereas the price index of imported commodities had seen a decline of 1.3 percent.

### **National Salary and Wage Rate**

15. The y-o-y salary and wage rate index rose to 14.1 percent in the review period from 4.5 percent in the corresponding period of the previous year. In the review period, the salary index increased 18.5 percent, while the wage rate index grew 13.0 percent. The hike in pay scale of civil service drove up the salary and wage rate index in the review period. The salary indices of civil service, army and police forces and public corporation sub-groups increased 24.2 percent, 23.6 percent and 20.8 percent respectively in the review period. Likewise, wage rate indices of construction laborer, agricultural laborer and industrial laborer witnessed a growth of 14.0 percent, 13.5 percent and 11.6 percent respectively in the review period.

## External Sector

### Merchandise Trade

16. In the first six months of 2016/17, merchandise exports increased 14.8 percent to Rs. 36.27 billion compared to a drop of 27.2 percent in the same period of the previous year. In the review period, exports to India, China and other countries increased 17.1 percent, 54.8 percent and 10.1 percent respectively. Commodity wise, exports of juice, oil cakes, rosin, GI pipe, among others increased whereas export of cardamom, polyester yarn, woolen carpet, vegetable, among others decreased in the review period.



17. Merchandise imports increased 67.3 percent to Rs. 464.61 billion in the review period compared to a drop of 25.7 percent in the same period of the previous year. In the review period, imports from India, China and Other countries increased 95 percent, 34.3 percent and 29.5 percent respectively. Commodity wise imports of vehicles and spare parts, petroleum products, MS billet, machineries, among others increased whereas imports of chemical fertilizer, medicine, coldrolled- sheet in coil, betelnut, among others decreased in the review period.
18. Based on customs points, the exports through Bhairahawa Customs Office, Biratnagar Customs Office and Tribhuvan International Airport Customs Office decreased whereas exports from other customs points increased in the review period. On the import side, imports through Mechi Customs Office, Tribhuvan International Airport Customs Office and Kailali Customs Office decreased whereas imports through other customs points increased in the review period.
19. Total trade deficit in the review period widened 74 percent to Rs 428.33 billion compared to a contraction of 25.5 percent in the same period of the previous year. The export-import ratio remained 7.8 percent in the review period compared to 11.4 percent in the corresponding period of the previous year.

### Export-Import Price Index

20. The y-o-y unit value export price index based on customs data increased 11.8 percent while import price index increased 2.6 percent in the first sixth months of 2016/17. Consequently, the TOT index improved 8.9 percent compared to an increase of 25 percent in the

corresponding period of the previous year. Increase in price of export items such as cardamom, tea, yarsagumba, carpet, pashmina caused the rise in export price index in the review period. Increase in the price of petroleum products, tyre, vehicles, laptop resulted in an increase in import price index in the review period.

### Services

21. The total services receipts increased 10.4 percent and expenses rose 8.9 percent in the review period. As a result, net services surplus stood at Rs. 4.29 billion in the review period compared to Rs. 3.02 billion in the same period of the previous year. Under the services account, travel receipts increased 30.4 percent to Rs. 26.47 billion in the review period. Such receipts had decreased 17 percent in the same period of the previous year.

### Workers' Remittances

22. The workers' remittances increased 5.7 percent to Rs. 342.23 billion in the review period compared to a growth of 17.3 percent in the corresponding period of the previous year. Consequently, net transfer receipts increased 5.6 percent to Rs. 399.98 billion in the review period. Such receipts had increased 20.5 percent in the same period of the previous year.

23. The number of workers going abroad for foreign employment has been falling. The number of Nepalese workers seeking foreign employment, based on final approval for foreign employment, decreased 9.9 percent in the first six months of 2016/17. It had decreased 22.5 percent in the same period of the previous year.

<i>Box 3: Number of Nepalese Workers Going Abroad for Foreign Employment *</i>			
<b>Mid-Month/Year</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>
August	42309	37756	35485
September	51551	40275	34759
October	35550	35484	24949
November	43213	23061	30588
December	53354	38350	33650
January	45362	35389	30002
February	48941	34219	
March	44460	35701	
April	52210	31615	
May	31375	36778	
June	37962	37687	
July	<b>26600</b>	<b>32398</b>	
<b>Total</b>	<b>512887</b>	<b>418713</b>	<b>189433</b>
<b>Percentage Change</b>	-2.8	-18.4	-9.9**
* Based on final approval for foreign employment except re-approval. ** July /Jan. Source:- Foreign Employment Department			

### Current Account and BOP

24. The current account slipped into deficit by Rs. 1.08 billion in mid-January 2017 on account of sharp increase in imports. The current account was in significant surplus of Rs. 157.52 billion in the same period of the previous year. The overall BOP recorded a surplus of Rs. 45.02 billion in the review period compared to a surplus of Rs. 139.75 billion in the same period of the previous year.

25. Capital transfer of Rs. 7.93 billion and Foreign Direct Investment (FDI) inflow of Rs. 7.39 billion were recorded in the review period. In the same period of the previous year, capital transfer and FDI inflows were Rs. 7.41 billion and Rs. 1.93 billion respectively.

<b>Box 4: External Sector (USD)*</b>							
Particulars	(USD Million)						
	2014-15		2015-16		2016-17	Percentage Change in Six months	
	Six Months	Annual	Six Months	Annual	Six Months	2015/16	2016/17
Goods Exports (FoB)	497.8	988.1	320.0	703.9	377.1	-35.7	17.8
Goods Imports (FoB)	3764.7	7657.6	2596.3	7092.5	4250.5	-31.0	63.7
Trade Balance	-3266.8	-6669.5	-2276.3	-6388.6	-3873.4	-30.3	70.2
Total Trade	4262.5	8645.6	2916.3	7796.3	4627.6	-31.6	58.7
Travel Receipts	248.1	536.7	192.8	392.7	246.0	-22.3	27.6
Workers' Remittances	2802.9	6192.0	3079.4	6253.4	3182.0	9.9	3.3
Current Account Balance	135.7	1067.3	1496.5	1338.8	-9.4	-	-
BOP (-Surplus)	-344.1	-1437.0	-1323.5	-1779.8	-417.8	-	-

*\* Data from BOP Presentation*

- In the US dollar terms, total merchandise exports and imports increased 17.8 percent and 63.7 percent respectively in the first six months of 2016/17. Exports and imports had decreased 35.7 percent and 31 percent respectively in the corresponding period of the previous year.
- In the review period, travel receipts increased 27.6 percent and worker's remittance rose 3.3 percent. Travel receipts had decreased 22.3 percent and remittances had increased 9.9 percent in the corresponding period of the previous year.
- Current account recorded a deficit of USD 9.4 million in the review period. It was in surplus of USD 1496.5 million in the corresponding period of the previous year. Likewise, Balance of Payments (BOP) recorded a surplus of USD 417.8 million in the review period compared to the surplus of USD 1323.5 million in the corresponding period of the previous year.

### Foreign Exchange Reserves

26. The gross foreign exchange reserves increased 4.8 percent to Rs. 1088.85 billion as at mid-January 2017 from Rs. 1039.21 billion in mid-July 2016. Of the total foreign exchange, reserves held by NRB increased 4.7 percent to Rs. 928.74 billion as at mid-January 2017 from Rs. 887.01 billion as at mid-July 2016. Similarly, the reserves of banks and financial institutions (except NRB) increased 5.2 percent to Rs. 160.11 billion as at mid-January 2017 from Rs. 152.20 billion as at mid-July 2016. The share of Indian currency in total reserves stood at 21.9 percent as at mid-January 2017.



### Foreign Exchange Adequacy Indicators

27. Based on the imports of the first six months of current fiscal year, the foreign exchange holdings of the banking sector is sufficient to cover the prospective merchandise imports of 14.3 months, and merchandise and services imports of 12.4 months. The ratio of reserve-to-GDP, reserve-to-imports and reserve-to-M2 stood at 48.5 percent, 103.5 percent and 44.9

percent respectively as at mid-January 2017. Such ratios were 46.2 percent, 117.4 percent and 46.3 percent as at mid-July 2016.

### Price of Oil and Gold in the International Market and Exchange Rate Movement

28. The price of oil (Crude Oil Brent) in the international market increased 88.5 percent to USD 54.37 per barrel in mid-January 2017 from USD 28.84 per barrel a year ago. The price of gold increased 9.4 percent to USD 1190.35 per ounce in mid-January 2017 from USD 1088.40 per ounce a year ago.
29. Nepalese currency vis-à-vis the US dollar depreciated 1.7 percent in mid-January 2017 from mid-July 2016. It had depreciated 5.1 percent in the same period of the previous year. The buying exchange rate per US dollar stood at Rs. 108.54 in mid-January 2017 compared to Rs. 106.73 in mid-July 2016.

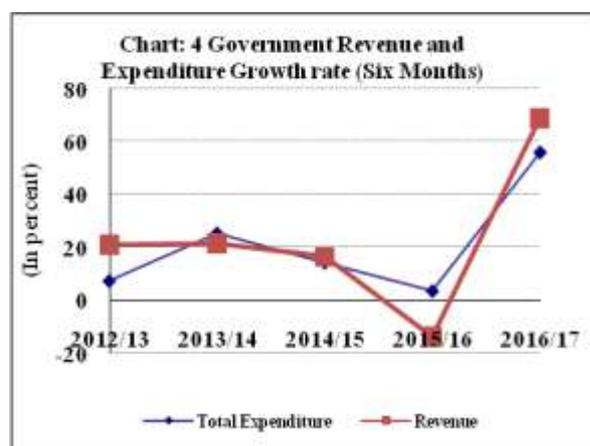
## Fiscal Situation \*

### Budget Deficit / Surplus

30. In the first six months of 2016/17, the Government of Nepal (GoN) ran a surplus of Rs. 80.37 billion in its budget. Such surplus was Rs. 28.93 billion in the corresponding period of the previous year.

### Government Expenditure

31. In the review period, total government expenditure on a cash basis increased 55.7 percent to Rs. 248.20 billion. Such expenditure had increased 3.7 percent to Rs. 159.40 billion in the corresponding period of the previous year.
32. In the review period, recurrent expenditure increased to Rs. 196.47 billion. Such expenditure was 126.01 billion in the corresponding period of the previous year. In the review period, capital expenditure increased to Rs. 30.97 billion. Such expenditure was



\*

Based on the data reported by 8 NRB offices, 69 branches of Rastriya Banijya Bank Limited, 49 branches of Nepal Bank Limited, 24 branches of Agriculture Development Bank Limited, 9 branches of Everest Bank Limited, 4 branches of Global IME Bank Limited and 1 branch each from Nepal Bangladesh Bank Limited, NMB Bank Limited, Bank of Kathmandu Lumbini Limited and Century Commercial Bank Limited conducting government transactions and released report from 79 DTCOs and payment centers.

Rs. 13.63 billion in the corresponding period of the previous year. However, outturns in various heads of government expenditure have remained far below of annual targets.

## Government Revenue

33. In the review period, the government revenue collection increased 68.9 percent to Rs. 277.57 billion. Such revenue had decreased 13.7 percent to 164.33 billion in the corresponding period of the previous year. Higher growth rate of major tax heads such as value added tax, income tax, customs, excise duty and others tax heads contributed to the overall rise in revenue collection in the review period.

Box: 5 The Budget Performance			
(Rs. in millions)			
Heads	Budget Estimates	Outturns in Six Months	As percent of Budget Estimates
<b>Total Expenditure</b>	<b>1048921.4</b>	<b>248203.6</b>	<b>23.66</b>
Recurrent	617164.13	196466.6	31.83
Capital	311946.33	30970.1	9.93
Financial	119810.9	20766.9	17.33
<b>Revenue</b>	<b>565896.5</b>	<b>277571.5</b>	<b>49.05</b>

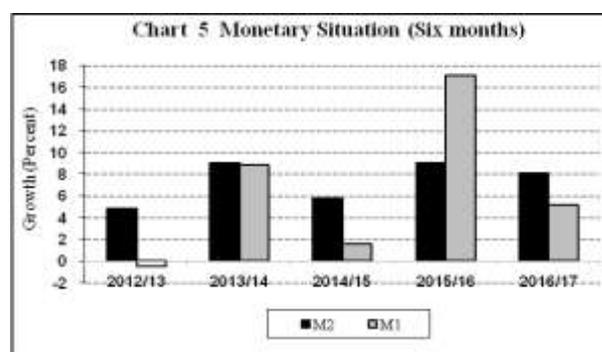
## Cash Balance of the GoN

34. Because of a slow pace of government expenditure relative to resource mobilization, the GoN accumulated cash balance of Rs. 217.61 billion at Nepal Rastra Bank as of mid-January 2016.

## Monetary Situation

### Money Supply

35. Broad money (M2) increased 8.1 percent in the review period compared to a rise of 9 percent in the corresponding period of the previous year. On y-o-y basis, M2 expanded 18.5 percent in mid-January 2017.
36. The net foreign assets (NFA after adjusting foreign exchange valuation gain/loss) increased Rs. 45.02 billion between mid-July 2016 and mid- January 2017 compared to an increase of Rs. 139.75 billion in the corresponding period of the previous year.
37. Reserve Money increased 1.4 percent in the review period compared to a growth of 0.7 percent in the corresponding period of the previous year. On y-o-y basis, reserve money increased 5.4 percent in mid-January 2017.



## Domestic Credit

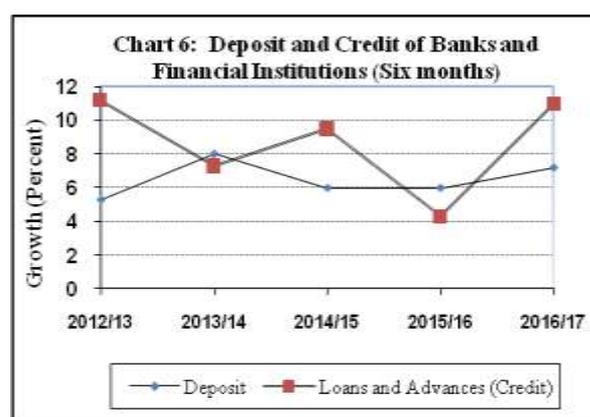
38. Domestic credit expanded 6 percent in the review period compared to a growth of 1.1 percent in the same period of the previous year. On y-o-y basis, domestic credit increased 24 percent in mid-January 2017.
39. Claims of monetary sector on the private sector increased 12.6 percent in the review period compared to a growth of 5.9 percent in the previous year. On y-o-y basis, claims on the private sector increased 30.9 percent in mid-January 2017.

## Deposit Collection

40. Deposits at Banks and Financial Institutions (BFIs) increased 7.2 percent in the review period compared to a growth of 6 percent in the corresponding period of the previous year. On y-o-y basis, deposits at BFIs expanded 20.8 percent in mid-January 2017. Of the total deposits at BFIs, the share of demand deposits, saving deposits and fixed deposits remained 8.2 percent, 42.1 percent and 32.7 percent respectively in mid-January 2017. Such shares were 8.6 percent, 43.8 percent and 29.2 percent respectively a year ago.

## Credit Disbursement

41. Credit to the private sector from BFIs increased 12.9 percent in the review period compared to an increase of 5.8 percent in the same period of the previous year. In the review period, private sector credit from commercial banks and development banks increased 14.8 percent and 6.2 percent respectively, while that of finance companies decreased 5.2 percent. On y-o-y basis, credit to the private sector from BFIs increased 32 percent in mid-January 2017.



42. Credit to the agriculture sector increased 13.6 percent, industrial production sector 10.5 percent, construction sector 11.7 percent, wholesale and retail trade sector 10.5 percent, service industries sector 11.9 percent and transport, communication and public sector 21 percent in the review period.

<b>Box 6: Outstanding loan of BFIs in some areas</b>				
<i>(Rs. in billion)</i>				
Headings	2015/16		2016/17	
	Mid-Jul	Mid-Jan	Mid-Jul	Mid-Jan
<b>Overdraft</b>	246.0	259.2	294.3	341.3
<b>Real Estate &amp; Home Loan</b>	204.6	219	250.9	286.3
<b>Hire Purchase</b>	81.0	85.1	110.1	142.6
<b>Margin Nature Loan</b>	24.1	27.6	37.7	40.8

43. Of the total outstanding credit of BFIs, 60.6 percent is against the collateral of land and building and 14.3 percent against the collateral of current assets (such as agricultural and non-agricultural products). Such ratios were 59.8 percent and 12.5 percent respectively in the same period of the previous year.
44. The outstanding loan of BFIs in overdraft, margin nature, real estate and hire purchase increased significantly in mid-January 2017 from the level of a year ago.
45. Of the total lending of bank and financial institutions, credit to real estate (including personal home loan up to Rs. 10 million) was 15.1 percent in mid-January 2017.
46. Of the total lending of commercial banks, credit to small and medium enterprises was only 2.7 percent (Rs. 42.73 billion) in mid-January 2017.
47. Trust Receipt (T.R.) loan extended by commercial banks increased 6.4 percent (Rs. 4.62 billion) in the review period as against a decline of 13.4 percent in the same period of the previous year.

### **Liquidity Management**

48. In the first six months of 2016/17, the NRB injected liquidity of Rs. 15.40 billion through repo auction. Likewise, the BFIs used Rs. 13.98 billion standing liquidity facility (SLF) in the review period.
49. In the review period, the NRB injected net liquidity of Rs. 219.35 billion through the net purchase of USD 2.04 billion from foreign exchange market. Net liquidity of Rs. 234.13 billion was injected through the net purchase of USD 2.23 billion in the corresponding period of the previous year.
50. In the first six months of 2016/17, the NRB mopped up Rs. 101.10 billion through open market operations. Under this system, Rs. 29.80 billion was mopped up through 14 days deposit collection auction under corridor system, Rs. 7.05 billion under 90 days deposit collection auction and Rs. 64.25 billion through reverse repo auction on a cumulative basis. In the corresponding period of the previous year, Rs. 198.40 billion was mopped up through deposit collection auction, Rs. 97.35 billion through reverse repo auction and Rs. 9.10 billion through outright sale auction.
51. The NRB purchased Indian currency (INR) equivalent to Rs. 224.30 billion through the sale of USD 1.98 billion and Euro 95 million in the review period. INR equivalent to Rs. 140.99 billion was purchased through the sale of USD 1.34 billion in the corresponding period of the previous year.

## **Refinance, Productive Sector and Deprived Sector Lending**

52. The NRB has been providing refinance facility aimed at expanding credit to the productive sector along with promoting export. In the review period, the use of such facility has increased. In the review period, a total refinance of Rs. 5.27 billion including general refinance Rs. 4.90 billion and export refinance Rs 0.37 billion was availed. In the corresponding period of the previous year, a total refinance of Rs. 1.86 billion including general refinance of Rs. 1.70 billion and export refinance of Rs. 0.16 billion was utilized.
53. A sum of Rs. 265.7 million housing loan at a concessional interest rate of 2 percent has been extended to 123 borrowers by the BFIs to the earthquake victims as of mid-January 2017. For this, NRB provides a refinance facility to BFIs at a zero percent interest.
54. In the "Rehabilitation Fund", to be operationalized by this Bank, the Government of Nepal has deposited Rs. 2.75 billion to "Interest Subsidy Account" and Rs. 2.25 billion to "Refinance Account".
55. As of mid-October 2016, a total number of 3996 farmers obtained Rs. 4.8 billion loan under the 6 percent interest subsidized lending scheme of GoN for selected agro-businesses. Under this provision, Rs. 101.1 million interest subsidies have been provided.
56. There is a policy-provision for commercial banks to disburse 20 percent of their total credit to the designated productive sector. Such credit of commercial banks was 15.3 percent in mid-January 2017.
57. There is a policy provision for "A", "B" and "C" class Banks and Financial Institutions (BFIs) to disburse at least 5 percent, 4.5 percent and 4 percent loan to the deprived sector. These institutions have disbursed 5.6 percent, 6.5 percent and 4.6 percent respectively to the deprived sector as of mid-January 2017.

## **Inter-bank Transaction**

58. In the review period, inter-bank transactions of commercial banks stood at Rs. 595.59 billion and those of other financial institutions (excluding transactions among commercial banks) amounted to Rs. 197.93 billion. Such transactions were Rs. 411 billion and Rs. 34.75 billion respectively in the corresponding period of the previous year.

## **Interest Rates**

59. The weighted average 91-day Treasury Bill rate increased to 1.74 percent in the sixth month of 2016/17 from 0.68 percent a year ago. The weighted average inter-bank transaction rate among commercial banks, which was 0.26 percent a year ago, increased to 2.71 percent in the review month. Likewise, the weighted average inter-bank rate among other financial institutions increased to 5.53 percent from 1.21 percent a year ago.

60. The weighted average interest rate spread between deposit and lending rate of commercial banks decreased to 5.33 percent in the review month from 5.97 percent a year ago. The average base rate of commercial banks increased to 7.1 percent in the review month from 6.82 percent a year ago.

### **Merger/Acquisition**

61. The number of BFIs involved in merger and acquisition has been increasing after the introduction of merger/acquisition policy aimed at strengthening financial stability. As of mid-January 2017, 130 BFIs (including 'D' class) were involved in merger and acquisition. Of which, the license of 88 BFIs was revoked thereby forming 42 BFIs.

### **Reinstatement of Branches**

62. Of the total 318 branches of Nepal Bank Limited, Rastriya Banijya Bank and Agricultural Development Bank closed during the insurgency period, 151 branches have been reinstated as of mid-January 2017.

## **Capital Market**

63. On y-o-y basis, the NEPSE index increased 24.3 percent to 1,479.9 points in mid-January 2017. However, the index which had reached 1,718.2 points in mid-July 2016, has decreased by 13.9 percent during the review period.
64. The total turnover of the securities increased 129.9 percent to Rs. 115.01 billion during the first six months of 2016/17. The increased liquidity of stocks due to the dematerialized transactions, extension in the share trading time from 2016/17 as well as the bullish trend of the NEPSE index itself were the primary reasons of such upsurge in turnover.
65. During the first six months of 2016/17, Securities Board of Nepal (SEBON) has approved 34.97 million securities of 10 companies worth Rs. 7.66 billion for the initial public offerings (including further public offerings).