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DROP IN NEPSE
POINTS DUE TO HIGH
INTEREST RATES



“IT BILL” COULD KILL
INNOVATION



RIDE SHARING
SERVICES RIDDEN
WITH ISSUES

OUTLOOK - NEPAL



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Monetary Updates:

NEPSE sheds 22.06pts as investors wait for high interest rates to fall

Nepal Stock Exchange (Nepse) last week shed 22.06 points to close at 1,139.57 points, with high interest rates on bank loans weighing on investors' minds despite the regulator—Securities Board of Nepal—enforcing a number of measures to boost investor sentiment.

Central bank sets maximum interest rate spread at 4.5pc

Nepal Rastra Bank has directed commercial banks to maintain the spread rate at a maximum of 4.5 percent by the end of the current fiscal year ending mid-July. The central bank issued the directive through its mid-term review of the Monetary Policy released on Monday.

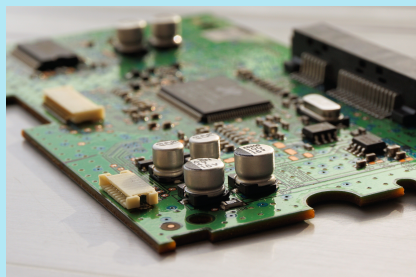
Regulatory Updates:

Securities Board allows brokerage firms to give margin loans

The Securities Board of Nepal has allowed stockbrokers to provide loans to their clients to buy shares. Issuing a guideline, the board gave the go-ahead to brokerage firms to engage in margin lending.



Information Technology bill could kill innovation in Nepal, experts warn



A new Information Technology bill proposed by the KP Sharma Oli administration has alarmed rights advocates as well as IT entrepreneurs, who say the bill is not in line with the government's messages about Nepal being open for business opportunities and foreign investment, and could stifle innovation in the country's nascent but growing information technology sector.

Industrial Updates (GoN*):

Electricity Authority cuts grid losses to 15.45pc



The Nepal Electricity Authority slashed electricity leakage by 5 percentage points in the first five months of the current fiscal year. The state-owned power utility claimed that grid losses had dropped to 15.45 percent as of mid-December 2019 from 20.45 percent in mid-July 2018.

\$630 million compact to be tabled in Parliament



The government has decided to table the compact signed with Millennium Challenge Corporation, an independent US government agency, in Parliament for ratification. Endorsement of the compact by the House will pave the way for the implementation of a \$630 million US government-funded project to build a 300-km-long 400 kV transmission line and upgrade 305 km of roads.

Out of the total investment of \$630 million, Millennium Challenge Corporation will contribute \$500 million and the Nepal government will put up the remaining \$130 million. The bulk of the investment being made in Nepal will be spent on the development of 300 km of transmission lines and three power substations.

Industrial Updates (Private):

Ride-sharing services ridden with issues

Tootle and Pathao, two ride-sharing apps operating in Kathmandu Valley, have a user base of 450,000 clients and their downloads continue to soar. Combined, they have 26,500 registered riders or partners and on average, some 8,000 motorbike trips are made daily.

But in recent weeks, companies operating these services have come under scrutiny for a lack of regulations, concerns over tax filings, privacy and security compliance, and road safety and insurance.

Hyundai Santro enters Nepal

Laxmi Intercontinental, the authorised distributor of Hyundai Motor, has launched the all new Santro in Nepal. The Korean automaker has adapted to the changing needs and trends of customers in Nepal and equipped the all new Santro with a modern and stylish design, comfortable and premium cabin, new age technology, customer centric safety and all round performance.



*GoN: Government of Nepal
Source: Money (Kathmandu Post)

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