



First Capital

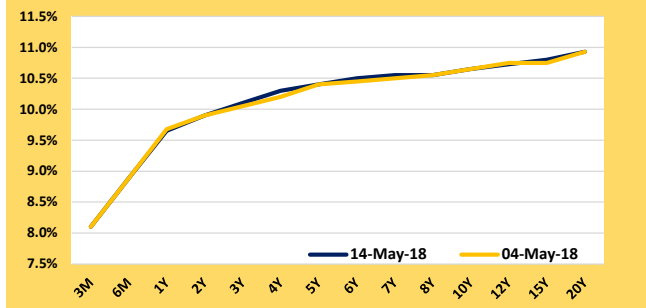
DAILY MARKET WATCH

First Capital Research

May 14, 2018

FIXED INCOME

YIELD CURVE BASED ON MID RATES & MARKET COMMENTARY



The secondary market yield curve shifted slightly downwards with overall market continuing to witness thin volumes. On the back of buying interest stemmed from local counterparties 15.03.23 maturity was seen trading at 10.40%, 01.08.26 changing hands at 10.60% and the 01.09.28 maturity changed hands at 10.65%-10.70% levels.

T-BILLS & T-BONDS 2 WAY QUOTE AND CHANGE OVER LAST WEEK

Tenure	Bid	Offer	Today	Last Week	Change (bps)
< 91 Days < 3M	8.15%	8.05%	8.10%	8.10%	0
< 182 Days < 6M	9.00%	8.75%	8.88%	8.88%	0
< 364 Days < 1Y	9.70%	9.60%	9.65%	9.68%	-3
01-May-20 < 2Y	9.95%	9.85%	9.90%	9.90%	0
01-Mar-21 < 3Y	10.15%	10.05%	10.10%	10.05%	5
01-Jul-22 < 4Y	10.35%	10.25%	10.30%	10.20%	10
15-Mar-23 < 5Y	10.45%	10.35%	10.40%	10.40%	0
01-Aug-24 < 6Y	10.55%	10.45%	10.50%	10.45%	5
01-Aug-25 < 7Y	10.60%	10.50%	10.55%	10.50%	5
01-Jun-26 < 8Y	10.60%	10.50%	10.55%	10.55%	0
01-Sep-28 < 10Y	10.70%	10.60%	10.65%	10.65%	0
15-May-30 < 12Y	10.80%	10.65%	10.73%	10.75%	-2
15-Jan-33 < 15Y	10.90%	10.70%	10.80%	10.75%	5
15-Mar-35 < 20Y	11.10%	10.75%	10.93%	10.93%	0

PRIMARY AUCTION

T-BILL AUCTION

Tenor	Current	Previous	Change
	09-May-18	02-May-18	(bps)
91 days	8.11%	N/A	N/A
182 Days	N/A	N/A	N/A
364 Days	9.65%	9.61%	4
Date of Settlement	11-May-18		

WEEK ENDING 11-May-18

Offered	Bids	Accepted
LKR ('Mn)	LKR ('Mn)	LKR ('Mn)
6,000	9,785	1,625
6,000	9,750	0
16,000	42,396	21,034
28,000	61,931	22,659

T-BOND AUCTION

Bond Type	Yield	Offered	Bids	Accepted
9.50%2020'A'	9.79%	10,000	50,108	10,000
10.35%2025'A'	10.11%	15,000	50,138	15,000
TOTAL		25,000	100,246	25,000

MATURITY TABLE FOR NEXT WEEK

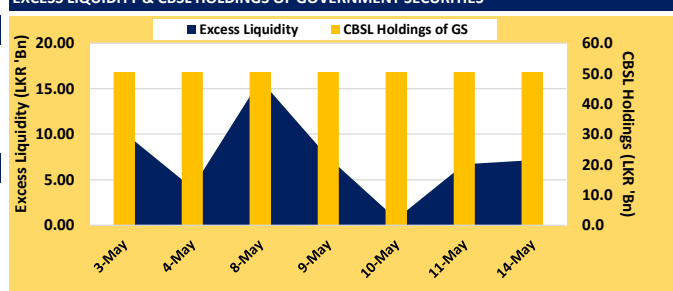
Type	LKR ('Mn)	USD ('Mn)
T-Bills	28,958	
T-Bonds	0	
T-Bond Interest	13,010	
SLDBs/Sovereign Bonds		0
TOTAL	41,968	0

LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

MARKET LIQUIDITY

14-May-18	Repo	Reverse Repo
Mid-day Auction [LKR 'Bn]	[LKR 'Bn]	[LKR 'Bn]
Offered	6.5	0.0
Bids	7.0	N/A
Accepted	6.5	N/A
Weighted Average Rate (%)	7.5%	N/A
Standing Facility	SDF	SLF
Rate	7.25%	8.50%
Value [LKR 'Bn]	10.2	9.5
O/N Surplus/(Deficit)		7.2
CBSL Holdings of Government Securities [LKR 'Bn]		50.5

EXCESS LIQUIDITY & CBSL HOLDINGS OF GOVERNMENT SECURITIES



MONEY MARKET RATES

	High	Low	W.Avg	Value [LKR 'Bn]
Call Money 14-May-18	7.90%	7.85%	7.87%	22.0
Repo Rates 14-May-18	8.20%	7.85%	7.92%	10.5

OUTSTANDING STOCK

	9-May-18	Previous Week	Change (%)
T-Bills [LKR 'Mn]	880,000	875,000	0.6%
T-Bonds [LKR 'Mn]	4,177,061	4,177,061	0.0%
TOTAL	5,057,060	5,052,060	0.1%
Foreign Holding [LKR 'Mn]	314,505	318,554	-1.3%
Foreign Holding (%)	6.2%	6.3%	

MARKET INTEREST RATES

	9-May-18	Last Month	Change (bps)
AWPLR	11.27%	11.32%	-5
FD Ceiling Rate (1 Year)	1H2018 11.22%		

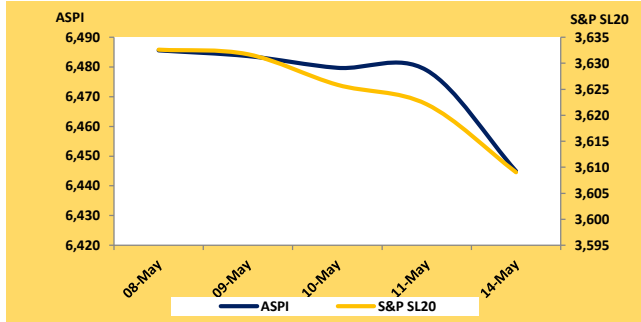
GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

US TREASURIES	11-May-18	4-May-18	Change (bps)	Last Month	Change (bps)
1 Year	2.28%	2.24%	4	2.24%	4
2 Year	2.54%	2.51%	3	2.49%	5
5 Year	2.84%	2.78%	6	2.80%	4
10 Year	2.97%	2.95%	2	2.96%	1
30 Year	3.10%	3.12%	-2	3.13%	-3

EXCHANGE RATES	14-May-18	Last Month	Change (%)
USA Dollar	157.88	157.65	-0.1%
UK Pound	214.21	219.49	2.5%
EU Euro	188.84	190.91	1.1%
Japan Yen	1.44	1.44	0.0%
Australia Dollar	119.26	119.09	-0.1%

EQUITY

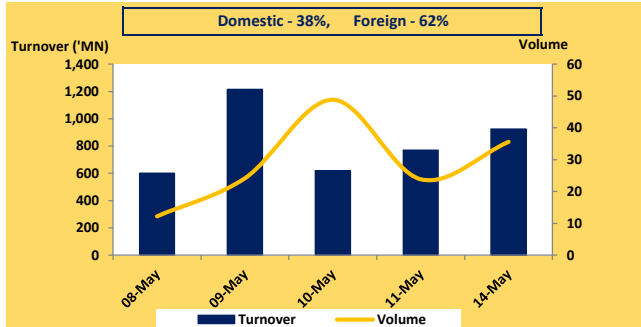
MARKET INDICES



MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	6,444.96	6,478.87	-0.52%
S&P SL20	3,609.04	3,622.11	-0.36%
Turnover (LKR 'Mn)	924.43	769.47	20.14%
Volume ('Mn)	35.60	23.84	49.30%
Market Cap. (LKR 'Bn)	3,010.15	3,025.98	-0.52%
Market Cap. (USD 'Bn)	19.07	19.17	-0.52%
Traded Companies	226	233	-3.00%
Foreign Purchases (LKR 'Mn)	406.75	469.60	-13.38%
Foreign Sales (LKR 'Mn)	739.91	445.28	66.17%
Net Foreign flow (LKR 'Mn)	-333.16	24.31	-1470.27%

MARKET TURNOVER & VOLUME



MTD Net Foreign Flow (LKR 'Mn) **270.08**

YTD Net Foreign Flow (LKR 'Mn) **-668.55**

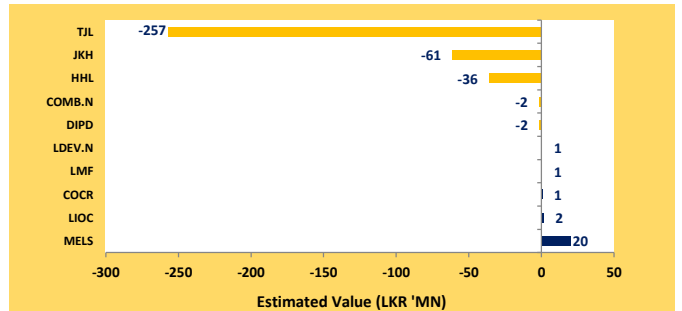
MARKET COMMENTARY

Market saw a 5 week low and ended on a negative note mainly contributed by JKH and DIAL. ASPI had a continuous downtrend throughout the day with some volatility and closed at 6,445 losing 34 points. Turnover had increased while nearly 52% was derived from TJL crossings. Net foreign outflow was recorded after 6 consecutive days of inflow amidst high foreign participation.

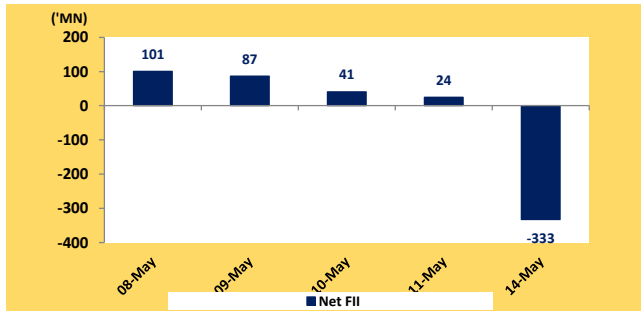
MAJOR CROSSINGS

Stock	No. of Crossings	Price [LKR]	Quantity
TJL	6	30.00	16,170,000

ESTIMATED LARGEST FOREIGN FLOW



NET FOREIGN FLOW



TOP 5 GAINERS

	Today	Previous	Change (%)
CARGO BOAT	75.00	68.10	10.13%
HORANA	24.70	23.00	7.39%
BRAC LNKA FNANCE	55.00	51.40	7.00%
SINGHE HOSPITALS	1.70	1.60	6.25%
FORT LAND	20.40	19.50	4.62%

TOP 5 LOSERS

	Today	Previous	Change (%)
ADAM CAPITAL	0.50	0.60	-16.67%
AMANA LIFE	1.30	1.50	-13.33%
MULLERS	0.90	1.00	-10.00%
RENUKA HOTELS	64.10	70.00	-8.43%
EDEN HOTEL LANKA	16.50	18.00	-8.33%

TOP 5 TURNOVER

	Price	Volume ('Mn)	Turnover ('Mn)
TEEJAY LANKA	30.10	20.1	602.27
JKH	160.00	0.7	116.47
HEMAS HOLDINGS	125.00	0.3	36.67
MELSTACORP	58.00	0.4	20.63
SAMPATH	298.50	0.1	17.59

TOP 5 VOLUME

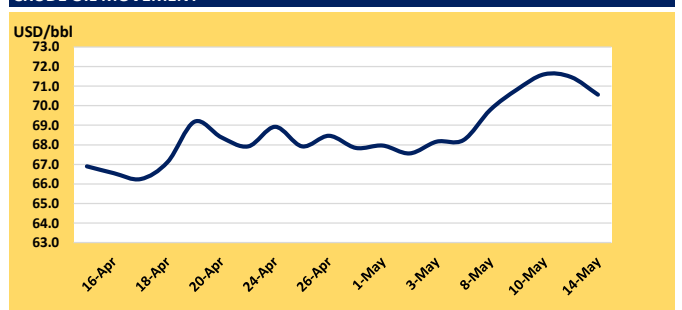
	Price	Volume ('Mn)	Turnover ('Mn)
TEEJAY LANKA	30.10	20.1	602.27
BROWNS INVSTMNTS	3.00	3.8	11.39
BROWNS CAPITAL	4.30	2.7	11.76
ADAM CAPITAL	0.50	1.3	0.67
LOLC FINANCE	3.90	0.9	3.58

GLOBAL MARKETS & COMMODITIES

GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	70.6	67.8	4.0%
Gold USD/t oz	1,320.7	1,318.4	0.2%
Copper USd/lb.	308.9	309.2	-0.1%
Cotton USd/lb.	84.4	84.5	-0.2%

CRUDE OIL MOVEMENT



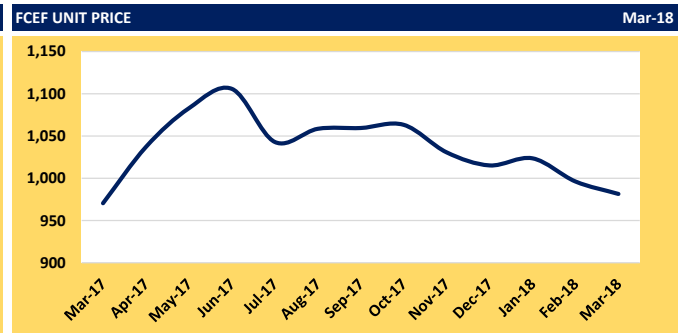
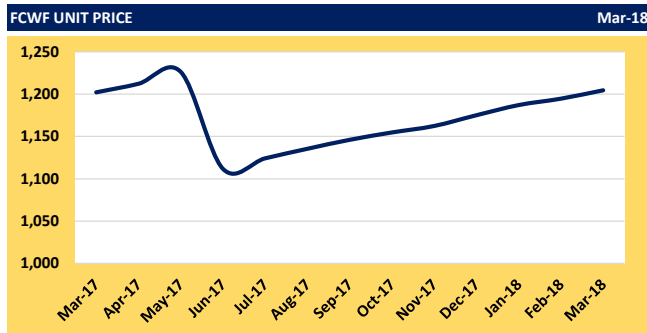
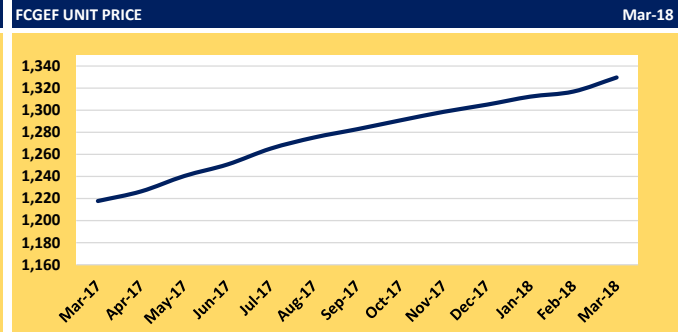
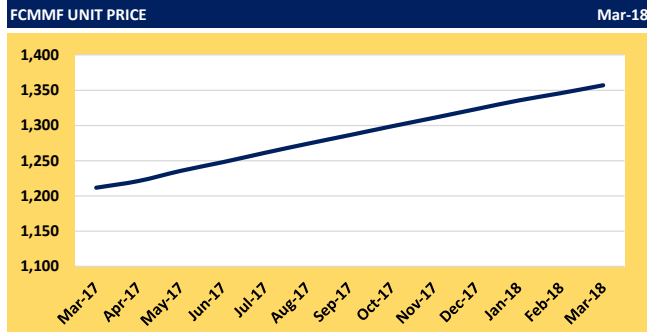
GLOBAL MARKETS

	Current	Last Month	Change (%)
DOW JONES	24,831.2	24,322.3	2.1%
EURO STOXX 50	3,563.3	3,511.3	1.5%
FTSE 100	7,720.0	7,463.7	3.4%
NIKKEI 225	22,865.9	22,467.9	1.8%

UNIT TRUSTS

	Sell Price	Buy Price	AUM LKR 'Mn	Avg. Yield	Information on Fees		
	LKR	LKR	As at Mar 2018		Mgmt Fee	Trustee fee	Performance Fee
First Capital Money Market Fund	1,375.90	1,375.90	1,583	12.12%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,339.88	1,339.88	54	11.15%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,216.10	1,216.07	205	11.32%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	982.43	933.31	62	N/A	1.00% p.a.	0.23% p.a.	25% over ASTRI

TRAILING RETURNS (%)							Performance as of	Mar-18
FIXED INCOME FUNDS	YTD	2016/17	2015/16	2014/15	2013/14	2012/13	Since Inception	
First Capital Money Market Fund	11.92%	10.39%	7.92%	7.20%	N/A	N/A		10.04%
First Capital Gilt Edge Fund	9.14%	19.06%	4.17%	-3.46%	N/A	N/A		9.30%
First Capital Wealth Fund	11.32%	10.63%	4.90%	15.48%	17.60%	12.91%		16.95%
BALANCED FUND	1 Month	3 Months	6 Months	12 Months	2 Years		Since Inception	
First Capital Equity Fund	-1.48%	-3.32%	-7.36%	0.96%	N/A			5.85%
ASTRI*	-1.08%	1.85%	0.83%	7.30%	N/A			-9.87%
Out/(Under) Performance	-0.40%	-5.17%	-8.19%	-6.34%	N/A			15.72%





We are pleased to announce that our **KANDY BRANCH** has relocated to a more convenient & central location

2nd Floor, No : 121, Kotugodella Veediya (E L Senanayake Veediya) , Kandy

Our services include :
Government Securities - Debentures - Unit Trusts - Wealth Management
Stockbroking - Commercial Papers - Trust Certificates - Corporate Advisory

First Capital Holdings PLC - Kandy Branch Office
2nd Floor, No : 121, Kotugodella Veediya (E L Senanayake Veediya), Kandy,
Telephone No: +94 81-2236010 | +94 777 590521, Fax No: +94 81-2236011
Email : kandy@firstcapital.lk Web : www.firstcapital.lk





Download the **FC CAPITAL MARKET APP**

Available on the  

Your complete insight into the Sri Lankan capital market



First Capital

First Capital Holdings PLC

No.2, Deal Place,
Colombo 3

Tel: +94 11 2145 000
Fax: +94 11 2145 050

RESEARCH

Dimantha Mathew	+94 11 2639 853	Amanda Lokugamage	+94 11 2639 868
Atchuthan Srirangan	+94 11 2639 863	Nisansala Kuruppumudali	+94 11 2639 866

GOVERNMENT SECURITIES SALES

Anjelo Simmons	+94 77 3031 636	Neminda Jayawardena	+94 76 6644 080
Anushka Dissanayake	+94 77 2220 021	Arun Kandasamy	+94 75 4861 506
Anushi Ranawaka	+94 77 3876 819		

CORPORATE DEBT SALES

Sewwandi Kathriarachchi	+94 77 3461 734	Kemith De Zoysa	+94 77 2390 691
Nethalie De Mel	+94 11 2639 854		

EQUITY SALES

CEO	Jaliya Wijeratne	+94 70 2910 042	Negombo	
			Priyanka Anuruddha	+94 70 2910 035
Colombo			Priyantha Wijesiri	+94 70 2910 036
Damian Le Grand	+94 70 2910 032			
Nishantha Mudalige	+94 70 2910 041			
Isuru Jayawardana	+94 70 2910 034			
Ifadh Marikar	+94 77 9625 679			
Thushara Pathiraja	+94 70 2910 037			
Anushka Buddhika	+94 70 2910 030			
Gamini Hettiarachchi	+94 70 2910 039			

UNIT TRUST SALES

Imali Abeygunawardena	+94 77 1764 799
-----------------------	-----------------

BRANCHES

Kandy	Kurunegala	Matara	Negombo
2nd Floor, No.121 Kotugodella Veediya (E L Senanayake Veediya) Kandy	CSE - Kurunegala Branch, 1st Floor, Union Assurance Building, No 06, Rajapihilla Mawatha, Kurunegala 60000.	2nd Floor, E.H. Cooray Building No: 24, 1/3, Anagarika Dharmapala Mawatha, Matara 81000.	No: 163B, Colombo Road, Negombo 11500 Negombo 11500.
Manager: Salinda Samarakoon	Manager: Menaka Wavegedara	Manager: Rohana Jayakody	Manager: Buddhika Edirisinghe
Tel: +94 81 2236 010	Tel: +94 37 2222 930	Tel: +94 41 2222 988	Tel: +94 31 2233 299

Disclaimer:

This Review is prepared and issued by First Capital Holdings PLC based on information in the public domain, internally developed and other sources, believed to be correct. Although all reasonable care has been taken to ensure the contents of the Review are accurate, First Capital Holdings PLC and/or its Directors, employees, are not responsible for the correctness, usefulness, reliability of same. First Capital Holdings PLC may act as a Broker in the investments which are the subject of this document or related investments and may have acted on or used the information contained in this document, or the research or analysis on which it is based, before its publication. First Capital Holdings PLC and/or its principal, their respective Directors, or Employees may also have a position or be otherwise interested in the investments referred to in this document. This is not an offer to sell or buy the investments referred to in this document. This Review may contain data which are inaccurate and unreliable. You hereby waive irrevocably any rights or remedies in law or equity you have or may have against First Capital Holdings PLC with respect to the Review and agree to indemnify and hold First Capital Holdings PLC and/or its principal, their respective directors and employees harmless to the fullest extent allowed by law regarding all matters related to your use of this Review. No part of this document may be reproduced, distributed or published in whole or in part by any means to any other person for any purpose without prior permission.

About us:

This report providing a snapshot of fixed income, equity and unit trust is composed and circulated by First Capital Holdings PLC an investment bank in Sri Lanka. The company operates in the capital market of Sri Lanka with operations in government securities - treasury bills and bonds, stock brokering and share market investments, asset management, private wealth management, retirement planning, personal financial planning, unit trust, margin trading, capital market research, trustee services, corporate finance advisory services including corporate debt structuring (debentures, trust certificates, commercial papers), valuations, restructuring, mergers and acquisitions, initial public offerings (IPOs) and project advisory. The First Capital Group consists of First Capital Treasuries PLC, First Capital Limited, First Capital Markets Limited, First Capital Asset Management Limited and First Capital Equities (Private) Limited covering Colombo, Negombo, Matara, Kandy and Kurunegala.