



First Capital

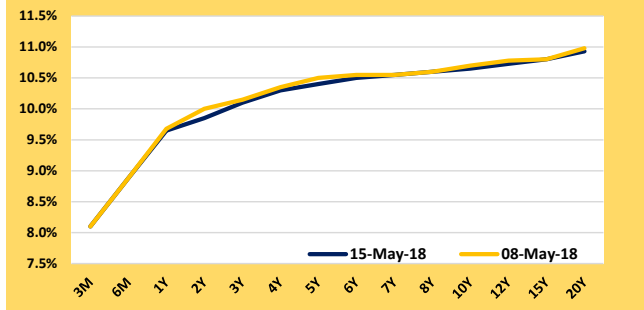
# DAILY MARKET WATCH

First Capital Research

May 15, 2018

## FIXED INCOME

### YIELD CURVE BASED ON MID RATES & MARKET COMMENTARY



The secondary market yield curve remained unchanged while overall market witnessed low volumes ahead of Treasury bill auction tomorrow. Selling interest was stemmed from foreign counterparties on less than 3 year maturities. Local buying interest was noted on 15.03.23 and 01.08.24 maturities at 10.40% & 10.50% levels respectively.

### 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	9.90%	9.80%	9.85%	10.00%	-15
01-Mar-21 < 3Y	10.15%	10.05%	10.10%	10.15%	-5
01-Jul-22 < 4Y	10.35%	10.25%	10.30%	10.35%	-5
15-Mar-23 < 5Y	10.45%	10.35%	10.40%	10.50%	-10
01-Aug-24 < 6Y	10.55%	10.45%	10.50%	10.55%	-5
01-Aug-25 < 7Y	10.60%	10.50%	10.55%	10.55%	0
01-Jun-26 < 8Y	10.65%	10.55%	10.60%	10.60%	0
01-Sep-28 < 10Y	10.70%	10.60%	10.65%	10.70%	-5
15-May-30 < 12Y	10.80%	10.65%	10.73%	10.78%	-5
15-Jan-33 < 15Y	10.90%	10.70%	10.80%	10.80%	0
15-Mar-35 < 20Y	11.10%	10.75%	10.93%	10.98%	-5

### 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
<b>TOTAL</b>	<b>61,931</b>	<b>22,659</b>

#### 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
<b>TOTAL</b>		<b>25,000</b>	<b>100,246</b>	<b>25,000</b>

#### MATURITY TABLE FOR NEXT WEEK

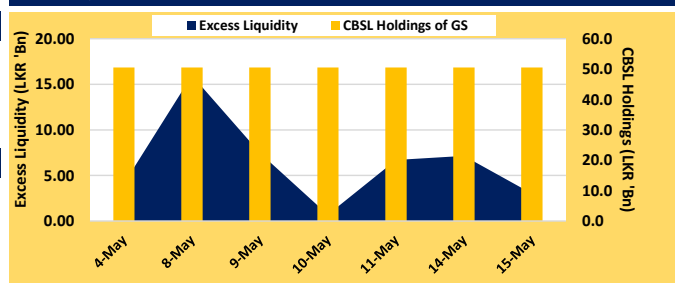
Type	LKR ('Mn)	USD ('Mn)
T-Bills	28,958	
T-Bonds	0	
T-Bond Interest	13,010	
SLDBs/Sovereign Bonds		0
<b>TOTAL</b>	<b>41,968</b>	<b>0</b>

### LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

#### MARKET LIQUIDITY

15-May-18	Repo	Reverse Repo
Mid-day Auction	[LKR 'Bn]	[LKR 'Bn]
Offered	4.0	0.0
Bids	5.3	N/A
Accepted	4.0	N/A
Weighted Average Rate (%)	7.5%	N/A
Standing Facility	SDF	SLF
Rate	7.25%	8.50%
Value [LKR 'Bn]	10.6	11.6
O/N Surplus/(Deficit)		3.0
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 15-May-18	7.90%	7.85%	7.89%	25.8
Repo Rates 15-May-18	8.15%	7.85%	7.95%	6.9

#### 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%
<b>TOTAL</b>	<b>5,057,060</b>	<b>5,052,060</b>	<b>0.1%</b>
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

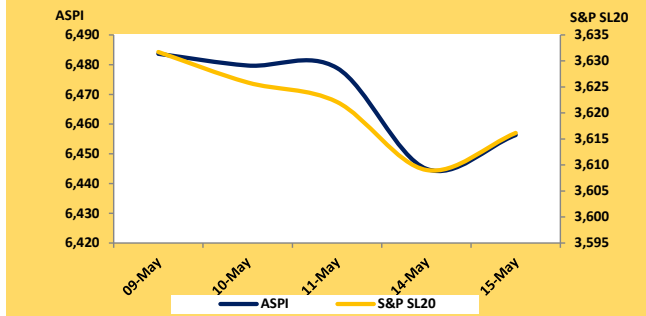
	11-May-18	4-May-18	Change (bps)	Last Month	Change (bps)
1 Year	2.28%	2.24%	4	2.24%	4
2 Year	2.54%	2.51%	3	2.49%	5
5 Year	2.84%	2.78%	6	2.80%	4
10 Year	2.97%	2.95%	2	2.96%	1
30 Year	3.10%	3.12%	-2	3.13%	-3

#### EXCHANGE RATES

	15-May-18	Last Month	Change (%)
USA Dollar	157.92	157.65	-0.2%
UK Pound	214.18	219.49	2.5%
EU Euro	188.44	190.91	1.3%
Japan Yen	1.44	1.44	0.4%
Australia Dollar	118.89	119.09	0.2%

# EQUITY

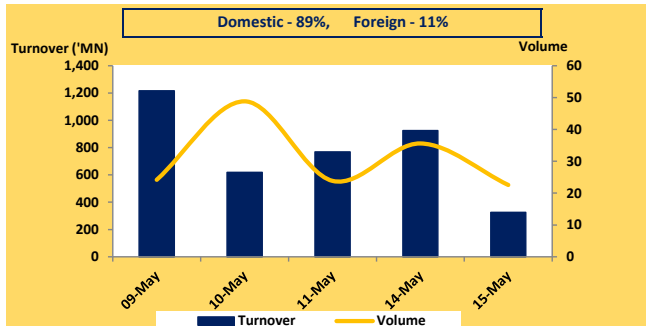
## MARKET INDICES



## MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	6,456.32	6,444.96	0.18%
S&P SL20	3,616.16	3,609.04	0.20%
Turnover (LKR 'Mn)	325.42	924.43	-64.80%
Volume ('Mn)	22.55	35.60	-36.64%
Market Cap. (LKR 'Bn)	3,015.45	3,010.15	0.18%
Market Cap. (USD 'Bn)	19.09	19.06	0.18%
Traded Companies	229	226	1.33%
Foreign Purchases (LKR 'Mn)	39.56	406.75	-90.27%
Foreign Sales (LKR 'Mn)	33.27	739.91	-95.50%
<b>Net Foreign flow (LKR 'Mn)</b>	<b>6.29</b>	<b>-333.16</b>	<b>101.89%</b>

## MARKET TURNOVER & VOLUME



<b>MTD Net Foreign Flow (LKR 'Mn)</b>	<b>276.37</b>
<b>YTD Net Foreign Flow (LKR 'Mn)</b>	<b>-662.26</b>

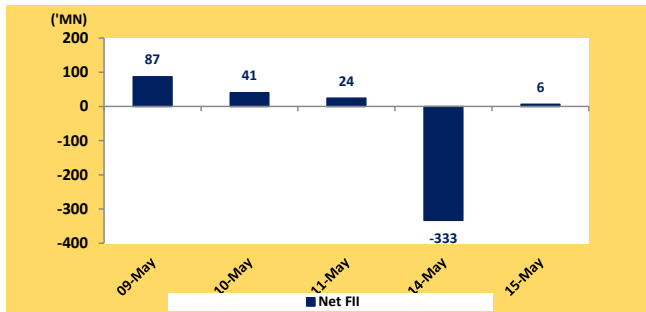
## MARKET COMMENTARY

Market rebound from a 6 day continuous downtrend and ended on a positive note mainly contributed by CCS and LOLC. ASPI had volatile movements throughout the day reaching an intraday high of 6,458 in the early hours of trading and closed at 6,456 gaining 11 points. Turnover had decreased and recorded a 3 weeks low. Net foreign inflow was recorded amidst low foreign participation.

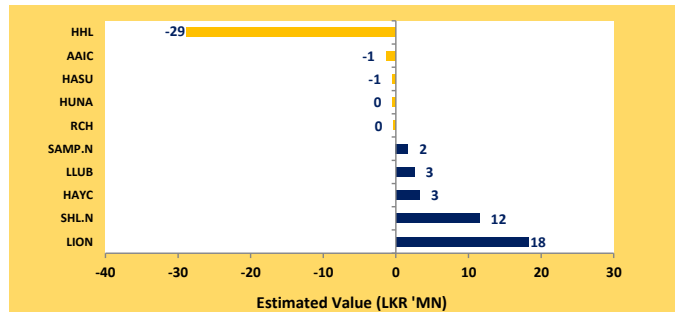
## MAJOR CROSSINGS

Stock	No. of Crossings	Price [LKR]	Quantity	Total Crossings
HHL	1	125.00	230,425	1

## NET FOREIGN FLOW



## ESTIMATED LARGEST FOREIGN FLOW



## TOP 5 GAINERS

	Today	Previous	Change (%)
BERUWALA RESORTS	0.90	0.80	12.50%
MACKWOODS ENERGY	2.30	2.10	9.52%
AMANA LIFE	1.40	1.30	7.69%
HNB ASSURANCE	100.00	93.10	7.41%
KAHAWATTE	38.90	36.40	6.87%

## TOP 5 LOSERS

	Today	Previous	Change (%)
S M B LEASING [X]	0.20	0.30	-33.33%
RADIANT GEMS	22.40	28.00	-20.00%
BLUE DIAMONDS	0.80	0.90	-11.11%
AUTODROME	84.60	94.00	-10.00%
KELANI CABLES	88.80	98.00	-9.39%

## TOP 5 TURNOVER

	Price	Volume	Turnover
		('Mn)	('Mn)
SAMPATH	298.50	0.2	66.52
HNB ASSURANCE	100.00	0.3	34.65
HEMAS HOLDINGS	125.00	0.3	32.80
LION BREWERY	549.50	0.1	32.09
NAT. DEV. BANK	135.20	0.1	16.25

## TOP 5 VOLUME

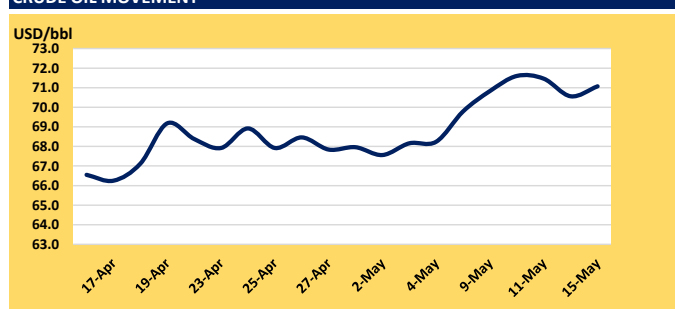
	Price	Volume	Turnover
		('Mn)	('Mn)
S M B LEASING	0.50	12.1	6.03
PANASIAN POWER	3.20	0.9	3.03
SOFTLOGIC	23.00	0.7	15.57
SWARNAMAHAL FIN	2.10	0.7	1.39
PIRAMAL GLASS	5.50	0.5	2.92

## GLOBAL MARKETS & COMMODITIES

### GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	71.1	67.8	4.8%
Gold USD/t oz	1,309.9	1,318.4	-0.6%
Copper USd/lb.	309.2	309.2	0.0%
Cotton USd/lb.	83.8	84.5	-0.9%

### CRUDE OIL MOVEMENT



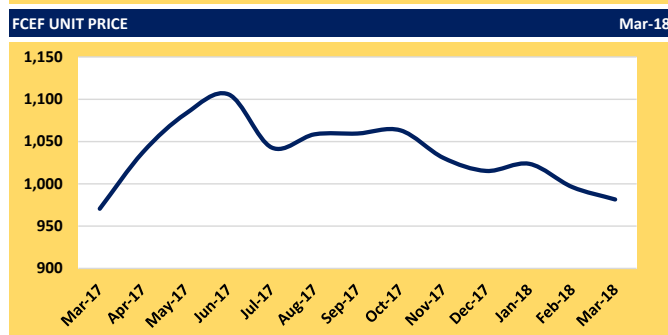
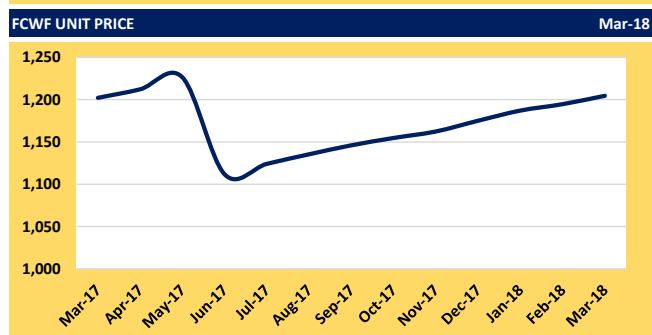
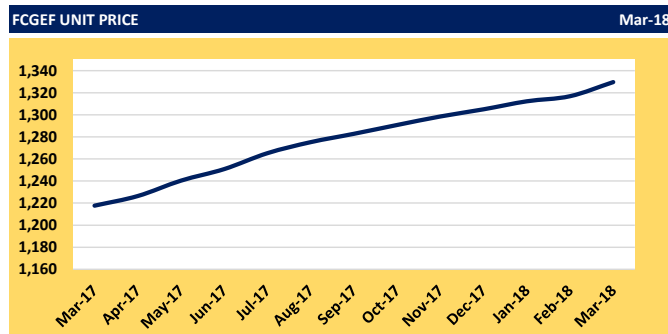
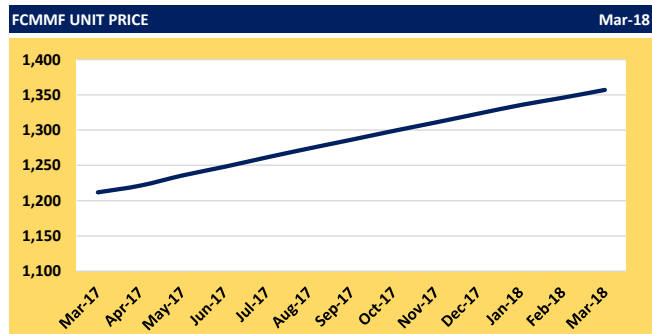
### GLOBAL MARKETS

	Current	Last Month	Change (%)
DOW JONES	24,899.4	24,322.3	2.4%
EURO STOXX 50	3,562.2	3,511.3	1.4%
FTSE 100	7,722.0	7,463.7	3.5%
NIKKEI 225	22,818.0	22,467.9	1.6%

# 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	1,376.30	1,376.30	1,583	12.12%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,340.13	1,340.13	54	11.15%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,216.36	1,216.33	205	11.32%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	980.99	931.94	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%
<b>Out/(Under) Performance</b>	<b>-0.40%</b>	<b>-5.17%</b>	<b>-8.19%</b>	<b>-6.34%</b>	<b>N/A</b>			<b>15.72%</b>





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First Capital

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