



First Capital

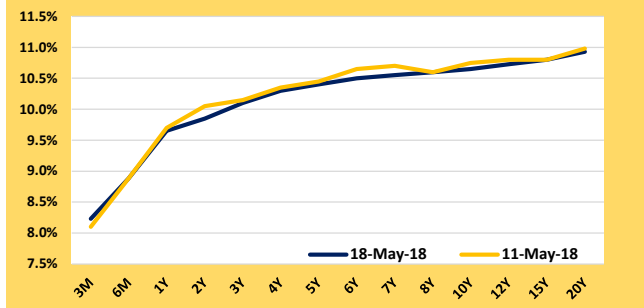
# DAILY MARKET WATCH

First Capital Research

May 18, 2018

## FIXED INCOME

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



Overall market activity remained dried up with the secondary market yield curve continued to remain steady. Buying interest was witnessed on the short tenure maturities with 3M and 6M trading at 8.40% and 9.00% levels respectively with considerable volumes.

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

Tenure	Bid	Offer	Today	Last Week	Change (bps)
< 91 Days < 3M	8.30%	8.15%	8.23%	8.10%	13
< 182 Days < 6M	9.00%	8.75%	8.88%	8.88%	0
< 364 Days < 1Y	9.70%	9.60%	9.65%	9.70%	-5
01-May-20 < 2Y	9.90%	9.80%	9.85%	10.05%	-20
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%	10.45%	-5
01-Aug-24 < 6Y	10.55%	10.45%	10.50%	10.65%	-15
01-Aug-25 < 7Y	10.60%	10.50%	10.55%	10.70%	-15
01-Jun-26 < 8Y	10.65%	10.55%	10.60%	10.60%	0
01-Sep-28 < 10Y	10.70%	10.60%	10.65%	10.75%	-10
15-May-30 < 12Y	10.80%	10.65%	10.73%	10.80%	-7
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
	16-May-18	09-May-18	(bps)
91 days	8.33%	8.11%	22
182 Days	8.90%	N/A	N/A
364 Days	9.70%	9.65%	5

#### WEEK ENDING 18-May-18

Offered	Bids	Accepted
LKR ('Mn)	LKR ('Mn)	LKR ('Mn)
7,000	11,902	4,895
7,000	13,750	1,807
14,000	45,321	21,298
<b>28,000</b>	<b>70,973</b>	<b>28,000</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

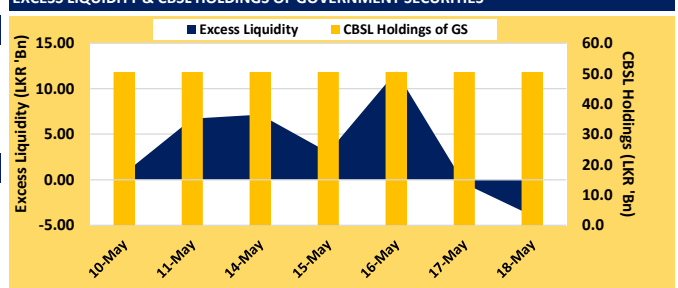
Type	LKR ('Mn)	USD ('Mn)
T-Bills	27,862	
T-Bonds	0	
T-Bond Interest	0	
SLDBs/Sovereign Bonds		0
<b>TOTAL</b>	<b>27,862</b>	<b>0</b>

### LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

#### MARKET LIQUIDITY

18-May-18	Repo	Reverse Repo
Mid-day Auction	[LKR 'Bn]	[LKR 'Bn]
Offered	3.0	0.0
Bids	3.3	N/A
Accepted	3.0	N/A
Weighted Average Rate (%)	7.43%	N/A
Standing Facility	SDF	SLF
Rate	7.25%	8.50%
Value [LKR 'Bn]	11.5	18.4
O/N Surplus/(Deficit)		-4.0
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	18-May-18 7.95%	7.85%	7.90%	20.7
Repo Rates	18-May-18 8.15%	7.80%	7.89%	22.1

#### 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%		

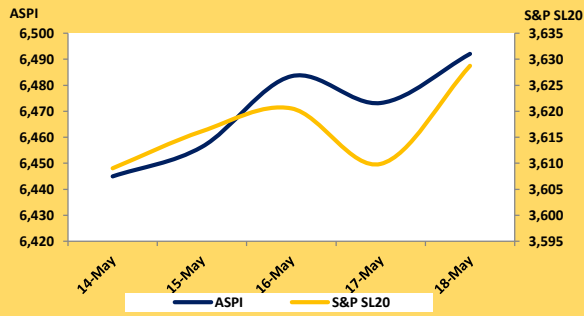
### GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

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	18-May-18	Last Month	Change (%)
USA Dollar	158.07	157.65	-0.3%
UK Pound	213.63	219.49	2.7%
EU Euro	186.61	190.91	2.3%
Japan Yen	1.42	1.44	1.4%
Australia Dollar	118.78	119.09	0.3%

# EQUITY

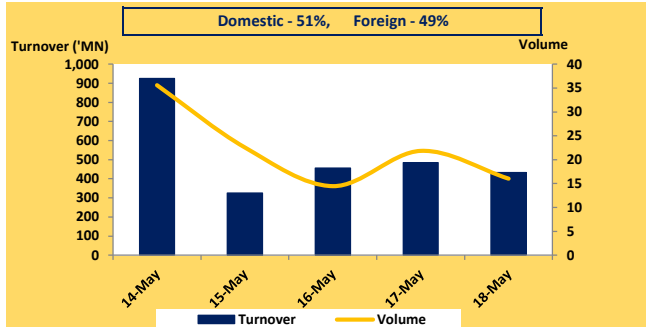
## MARKET INDICES



## MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	6,492.06	6,473.18	0.29%
S&P SL20	3,628.74	3,609.88	0.52%
Turnover (LKR 'Mn)	433.30	484.63	-10.59%
Volume ('Mn)	16.02	21.85	-26.65%
Market Cap. (LKR 'Bn)	3,032.14	3,023.33	0.29%
Market Cap. (USD 'Bn)	19.18	19.13	0.29%
Traded Companies	234	213	9.86%
Foreign Purchases (LKR 'Mn)	188.25	206.21	-8.71%
Foreign Sales (LKR 'Mn)	239.69	283.99	-15.60%
<b>Net Foreign flow (LKR 'Mn)</b>	<b>-51.44</b>	<b>-77.78</b>	<b>33.86%</b>

## MARKET TURNOVER & VOLUME



MTD Net Foreign Flow (LKR 'Mn) **139.84**

YTD Net Foreign Flow (LKR 'Mn) **-798.78**

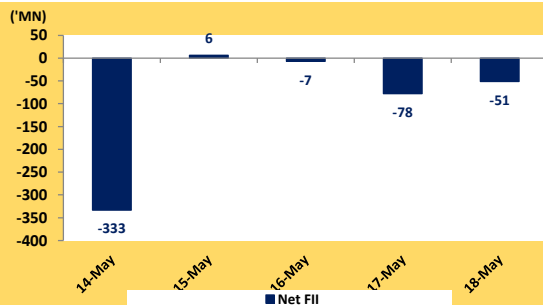
## MARKET COMMENTARY

Market saw a two week high and ended with a positive note heavily contributed by JKH. ASPI witnessed an intraday high of 6,505 during the early hours of trading followed by a volatile downtrend to close at 6,492 gaining 19 points. Turnover had decreased while a net foreign outflow was recorded for the 3rd consecutive day with high foreign participation.

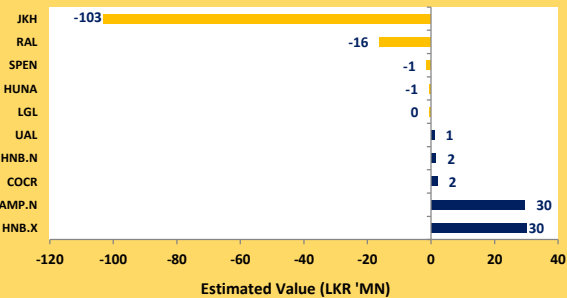
## MAJOR CROSSINGS

Stock	No. of Crossings	Price [LKR]	Quantity	Total Crossings
JKH	1	158.00	341,900	1

## NET FOREIGN FLOW



## ESTIMATED LARGEST FOREIGN FLOW



## TOP 5 GAINERS

	Today	Previous	Change (%)
HUNAS FALLS	90.10	76.30	18.09%
LANKEM CEYLON	42.70	38.00	12.37%
UNION ASSURANCE	224.10	203.50	10.12%
RESUS ENERGY	22.10	20.50	7.80%
AMANA LIFE	1.40	1.30	7.69%

## TOP 5 LOSERS

	Today	Previous	Change (%)
ADAM INVESTMENTS	0.20	0.30	-33.33%
TESS AGRO [X]	0.70	0.80	-12.50%
AMANA TAKAFUL	0.80	0.90	-11.11%
BERUWALA RESORTS	0.80	0.90	-11.11%
NATION LANKA	0.80	0.90	-11.11%

## TOP 5 TURNOVER

	Price	Volume ('Mn)	Turnover ('Mn)
JKH	161.90	1.4	223.35
SAMPATH	301.00	0.2	45.95
HNB[NON-VOTING]	188.10	0.2	30.71
RENUKA AGRI	2.30	7.0	16.17
NATIONS TRUST	89.00	0.1	9.14

## TOP 5 VOLUME

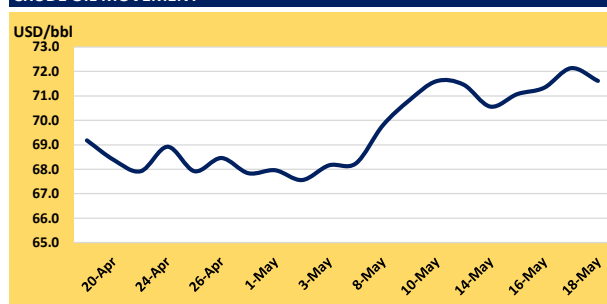
	Price	Volume ('Mn)	Turnover ('Mn)
RENUKA AGRI	2.30	7.0	16.17
JKH	161.90	1.4	223.35
TESS AGRO	0.80	0.6	0.51
SERENDIB ENG.GRP	9.40	0.6	5.65
ADAM CAPITAL	0.60	0.6	0.35

## GLOBAL MARKETS & COMMODITIES

### GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	71.6	67.8	5.6%
Gold USD/t oz	1,286.1	1,318.4	-2.4%
Copper USd/lb.	306.5	309.2	-0.9%
Cotton USd/lb.	85.8	84.5	1.5%

### CRUDE OIL MOVEMENT



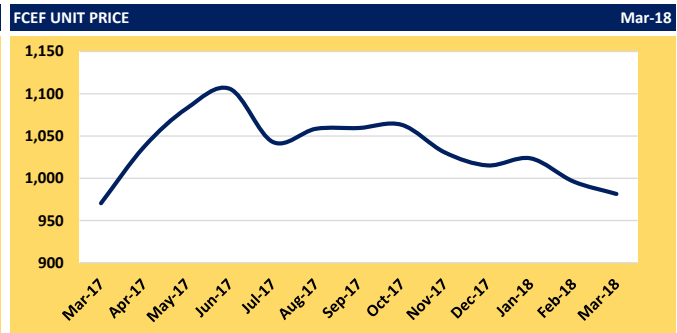
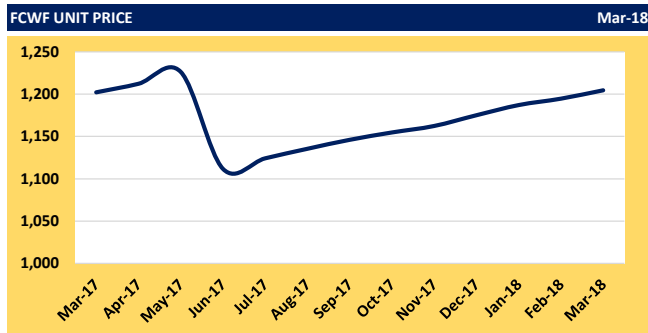
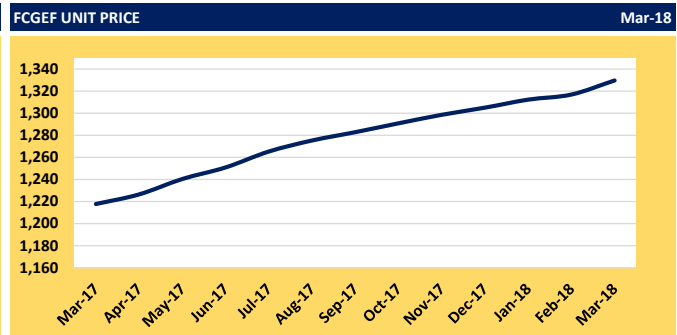
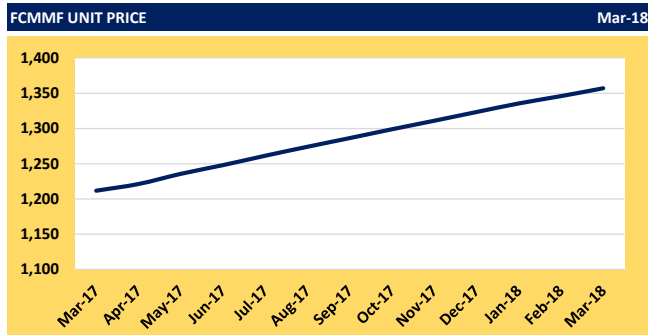
### GLOBAL MARKETS


	Current	Last Month	Change (%)
DOW JONES	24,714.0	24,322.3	1.6%
EURO STOXX 50	3,589.9	3,511.3	2.2%
FTSE 100	7,779.3	7,463.7	4.2%
NIKKEI 225	22,930.4	22,467.9	2.1%

# 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	1,377.54	1,377.54	1,583	12.12%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,340.91	1,340.91	54	11.15%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,216.87	1,216.84	205	11.32%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	984.19	934.98	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

<b>CEO</b>	Jaliya Wijeratne	+94 70 2910 042	<b>Negombo</b>	
			Priyanka Anuruddha	+94 70 2910 035
<b>Colombo</b>			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.
<b>Manager: Salinda Samarakoon</b> Tel: +94 81 2236 010	<b>Manager: Menaka Wavegedara</b> Tel: +94 37 2222 930	<b>Manager: Rohana Jayakody</b> Tel: +94 41 2222 988	<b>Manager: Buddhika Edirisinghe</b> 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.