



First Capital

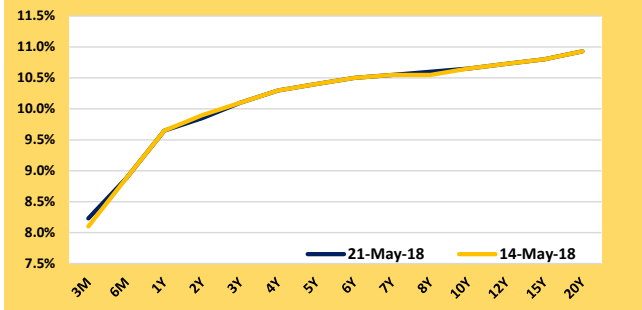
DAILY MARKET WATCH

First Capital Research

May 21, 2018

FIXED INCOME

YIELD CURVE BASED ON MID RATES & MARKET COMMENTARY



Last week's dry spell continued today as well with the yield curve remaining unchanged. Buying interest stemming from local banks was seen on short term maturities 15.08.18 and 15.11.18 at 8.60%-9.00% levels and 10.60%.

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%	9.65%	0
01-May-20 < 2Y	9.90%	9.80%	9.85%	9.90%	-5
01-Mar-21 < 3Y	10.15%	10.05%	10.10%	10.10%	0
01-Jul-22 < 4Y	10.35%	10.25%	10.30%	10.30%	0
15-Mar-23 < 5Y	10.45%	10.35%	10.40%	10.40%	0
01-Aug-24 < 6Y	10.55%	10.45%	10.50%	10.50%	0
01-Aug-25 < 7Y	10.60%	10.50%	10.55%	10.55%	0
01-Jun-26 < 8Y	10.65%	10.55%	10.60%	10.55%	5
01-Sep-28 < 10Y	10.70%	10.60%	10.65%	10.65%	0
15-May-30 < 12Y	10.80%	10.65%	10.73%	10.73%	0
15-Jan-33 < 15Y	10.90%	10.70%	10.80%	10.80%	0
15-Mar-35 < 20Y	11.10%	10.75%	10.93%	10.93%	0

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
Date of Settlement	18-May-18		

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
28,000	70,973	28,000

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

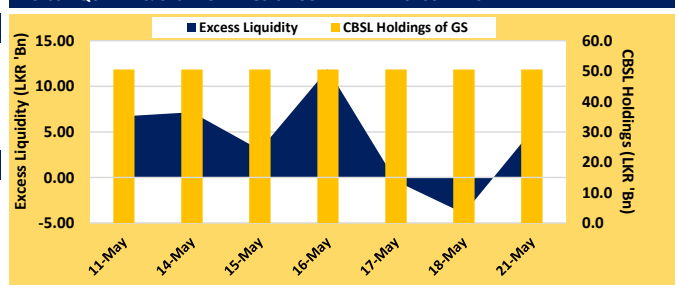
Type	LKR ('Mn)	USD ('Mn)
T-Bills	27,862	
T-Bonds	0	
T-Bond Interest	0	
SLDBs/Sovereign Bonds		0
TOTAL	27,862	0

LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

MARKET LIQUIDITY

	21-May-18	Repo	Reverse Repo
Mid-day Auction		[LKR 'Bn]	[LKR 'Bn]
Offered		10.0	0.0
Bids		15.4	N/A
Accepted		10.0	N/A
Weighted Average Rate (%)		7.39%	N/A
Standing Facility		SDF	SLF
Rate		7.25%	8.50%
Value [LKR 'Bn]		12.5	17.4
O/N Surplus/(Deficit)			5.1
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	21-May-18	7.97%	7.90%	7.92%	18.1
Repo Rates	21-May-18	8.20%	7.85%	7.93%	18.0

OUTSTANDING STOCK

	16-May-18	Previous Week	Change (%)
T-Bills [LKR 'Mn]	877,777	880,000	-0.3%
T-Bonds [LKR 'Mn]	4,177,061	4,177,061	0.0%
TOTAL	5,054,837	5,057,060	0.0%
Foreign Holding [LKR 'Mn]	308,533	314,505	-1.9%
Foreign Holding (%)	6.1%	6.2%	

MARKET INTEREST RATES

	16-May-18	Last Month	Change (bps)
AWPLR	11.39%	11.32%	7
FD Ceiling Rate (1 Year)	1H2018 11.22%		

GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

US TREASURIES

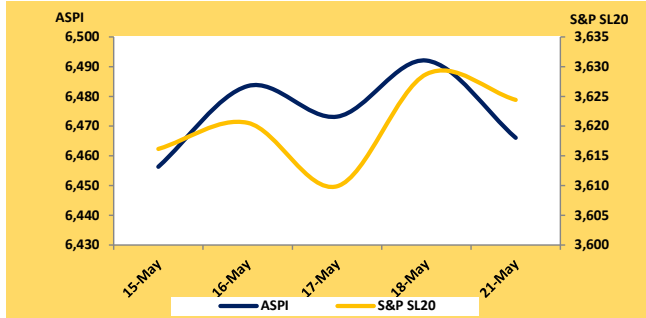
	18-May-18	11-May-18	Change (bps)	Last Month	Change (bps)
1 Year	2.32%	2.28%	4	2.24%	8
2 Year	2.55%	2.54%	1	2.49%	6
5 Year	2.90%	2.84%	6	2.80%	10
10 Year	3.06%	2.97%	9	2.96%	10
30 Year	3.20%	3.10%	10	3.13%	7

EXCHANGE RATES

	21-May-18	Last Month	Change (%)
USA Dollar	157.81	157.65	-0.1%
UK Pound	212.34	219.49	3.4%
EU Euro	185.52	190.91	2.9%
Japan Yen	1.42	1.44	1.6%
Australia Dollar	118.84	119.09	0.2%

EQUITY

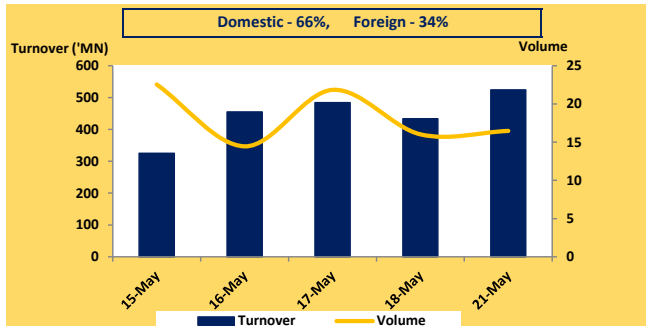
MARKET INDICES



MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	6,466.07	6,492.06	-0.40%
S&P SL20	3,624.41	3,628.74	-0.12%
Turnover (LKR 'Mn)	524.02	433.30	20.94%
Volume ('Mn)	16.48	16.02	2.82%
Market Cap. (LKR 'Bn)	3,020.01	3,032.14	-0.40%
Market Cap. (USD 'Bn)	19.14	19.21	-0.40%
Traded Companies	225	234	-3.85%
Foreign Purchases (LKR 'Mn)	256.48	188.25	36.25%
Foreign Sales (LKR 'Mn)	104.51	239.69	-56.40%
Net Foreign flow (LKR 'Mn)	151.97	-51.44	395.40%

MARKET TURNOVER & VOLUME



MTD Net Foreign Flow (LKR 'Mn)	291.81
YTD Net Foreign Flow (LKR 'Mn)	-646.82

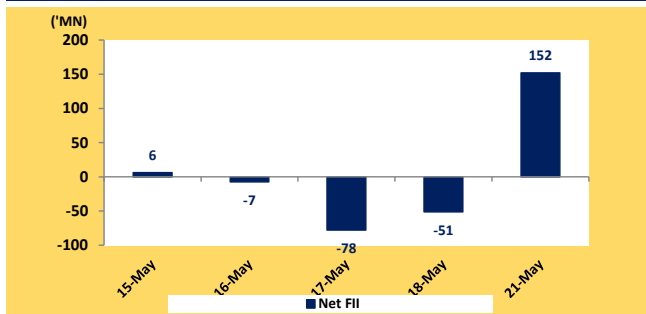
MARKET COMMENTARY

Market ended with a negative note mainly contributed by NIFL and CTC. ASPI witnessed an intraday high of 6,504 during the early hours of trading followed by a continuous downtrend to close at 6,466 losing 22 points. Turnover reached a one week high with nearly 45% of turnover derived from SAMP. A net foreign inflow was recorded after 3 consecutive days of outflows witnessed last week.

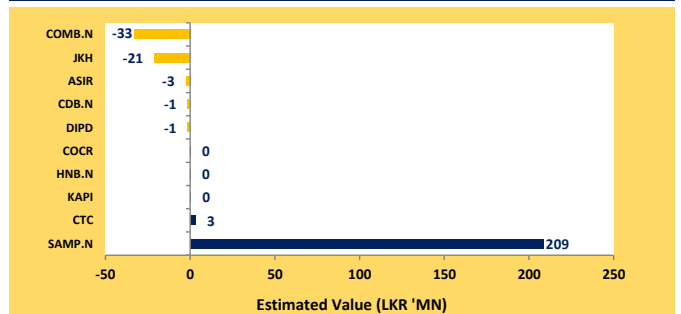
MAJOR CROSSINGS

Stock	No. of Crossings	Price [LKR]	Quantity	Total Crossings
SAMP	1	308.00	381,755	1

NET FOREIGN FLOW



ESTIMATED LARGEST FOREIGN FLOW



TOP 5 GAINERS

	Today	Previous	Change (%)
PRIME FINANCE	22.90	19.40	18.04%
BERUWALA RESORTS	0.90	0.80	12.50%
A I A INSURANCE	484.40	446.80	8.42%
NATIONS TRUST [X]	90.00	84.00	7.14%
AGALAWATTE	17.10	16.00	6.88%

TOP 5 LOSERS

	Today	Previous	Change (%)
BRAC LNKA FNANCE	41.10	52.00	-20.96%
S M B LEASING	0.50	0.60	-16.67%
ANILANA HOTELS	1.20	1.30	-7.69%
SINGER IND.	143.10	155.00	-7.68%
SWISSTEK	54.50	58.90	-7.47%

TOP 5 TURNOVER

	Price	Volume ('Mn)	Turnover ('Mn)
SAMPATH	308.00	0.8	237.83
JKH	160.90	0.4	69.33
COMMERCIAL BANK	132.20	0.3	43.68
NAT. DEV. BANK	137.00	0.1	19.25
VALLIBEL	7.40	2.2	16.57

TOP 5 VOLUME

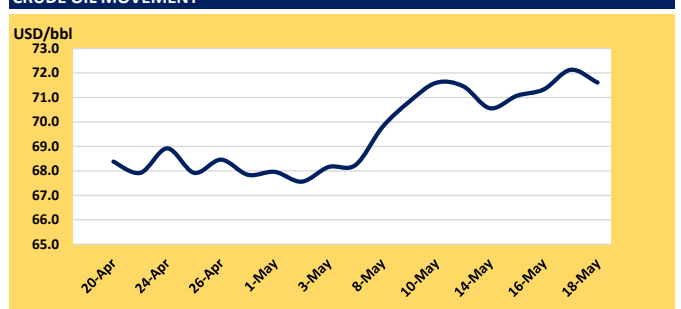
	Price	Volume ('Mn)	Turnover ('Mn)
ASIA ASSET	1.30	3.9	4.75
VALLIBEL	7.40	2.2	16.57
SWARNAMAHAL FIN	2.20	1.0	2.37
NATION LANKA	0.80	1.0	0.80
SAMPATH	308.00	0.8	237.83

GLOBAL MARKETS & COMMODITIES

GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	71.5	67.8	5.4%
Gold USD/t oz	1,283.9	1,318.4	-2.6%
Copper USd/lb.	309.1	309.2	0.0%
Cotton USd/lb.	88.5	84.5	4.7%

CRUDE OIL MOVEMENT



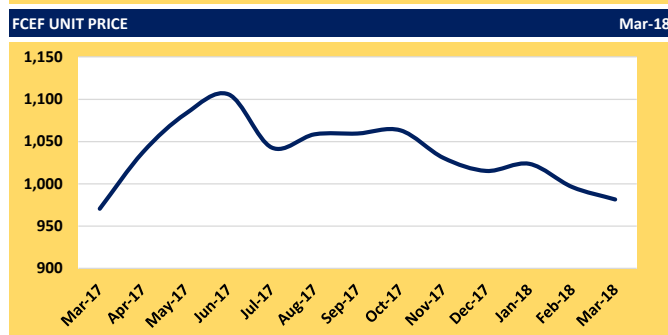
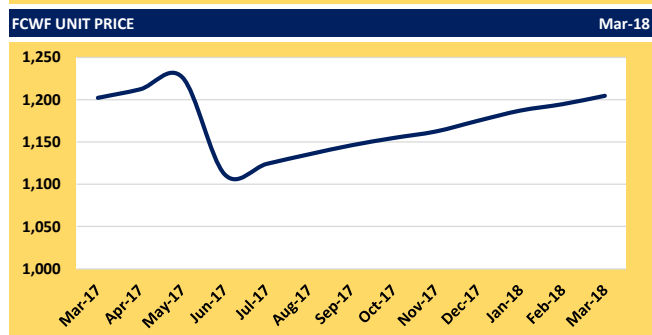
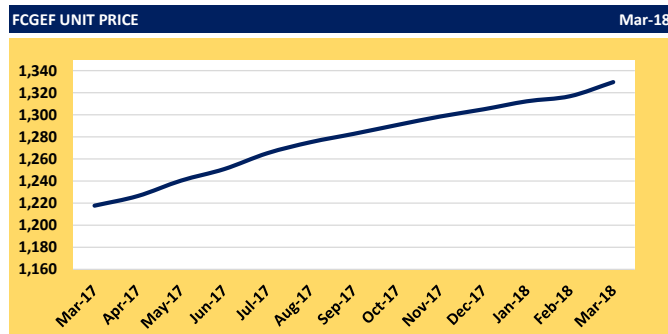
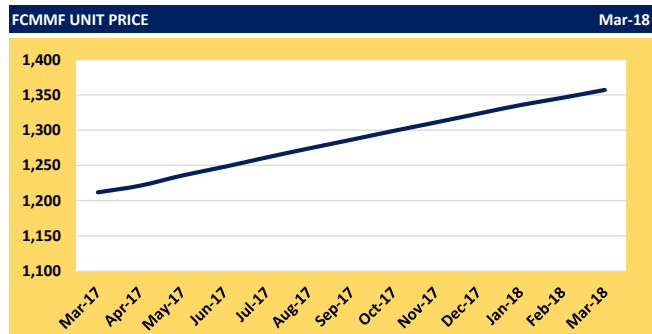
GLOBAL MARKETS

	Current	Last Month	Change (%)
DOW JONES	24,715.1	24,322.3	1.6%
EURO STOXX 50	3,582.4	3,511.3	2.0%
FTSE 100	7,848.4	7,463.7	5.2%
NIKKEI 225	23,002.4	22,467.9	2.4%

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	1,378.78	1,378.78	1,583	12.12%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,341.69	1,341.69	54	11.15%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,218.64	1,218.61	205	11.32%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	986.62	937.29	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%





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