



First Capital

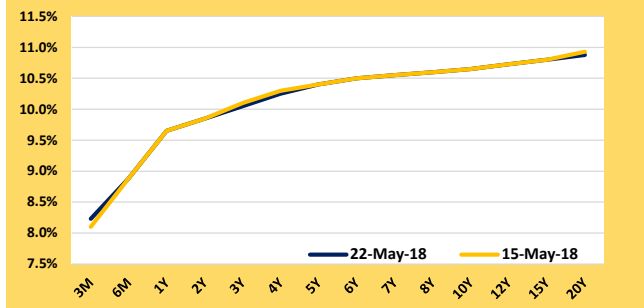
DAILY MARKET WATCH

First Capital Research

May 22, 2018

FIXED INCOME

YIELD CURVE BASED ON MID RATES & MARKET COMMENTARY



Secondary market yield curve shifted slightly downwards with buying interest seen on the 2021 maturities (i.e. 01.03.21, 01.05.21 and 15.02.21) trading at 10.05%, 10.05% and 10.10% levels respectively with thin volumes while the 15.05.23 maturity changed hands at 10.40%. Market participants remained on the sideline ahead of the primary T-bill auction tomorrow.

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%	9.85%	0
01-Mar-21 < 3Y	10.10%	10.00%	10.05%	10.10%	-5
01-Jul-22 < 4Y	10.30%	10.20%	10.25%	10.30%	-5
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%	10.60%	0
01-Sep-28 < 10Y	10.70%	10.60%	10.65%	10.65%	0
15-May-30 < 12Y	10.80%	10.65%	10.73%	10.73%	0
15-Jan-33 < 15Y	10.90%	10.70%	10.80%	10.80%	0
15-Mar-35 < 20Y	11.00%	10.75%	10.88%	10.93%	-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
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

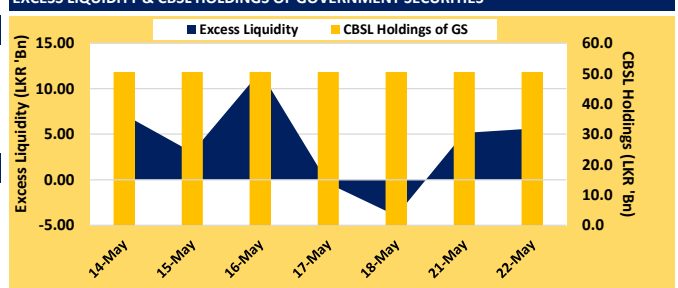
Type	LKR ('Mn)	USD ('Mn)
T-Bills	27,862	
T-Bonds	0	
T-Bond Interest	0	
SLDBs/Sovereign Bonds		0
TOTAL	27,862	0

LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

MARKET LIQUIDITY

22-May-18	Repo	Reverse Repo
Mid-day Auction	[LKR 'Bn]	[LKR 'Bn]
Offered	8.0	0.0
Bids	8.2	N/A
Accepted	8.0	N/A
Weighted Average Rate (%)	7.35%	N/A
Standing Facility	SDF	SLF
Rate	7.25%	8.50%
Value [LKR 'Bn]	6.1	8.5
O/N Surplus/(Deficit)		5.6
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 22-May-18	7.95%	7.90%	7.92%	17.0
Repo Rates 22-May-18	8.20%	7.85%	7.93%	17.9

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%		

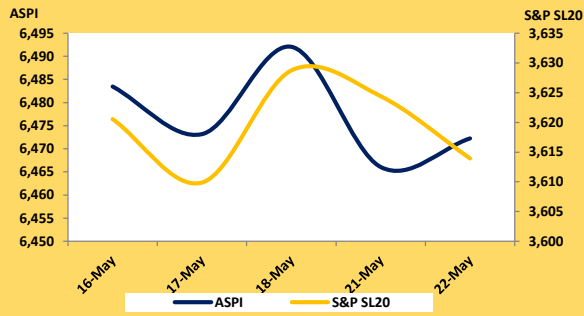
GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

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	22-May-18	Last Month	Change (%)
USA Dollar	157.84	157.65	-0.1%
UK Pound	211.79	219.49	3.6%
EU Euro	185.96	190.91	2.7%
Japan Yen	1.42	1.44	1.5%
Australia Dollar	119.66	119.09	-0.5%

EQUITY

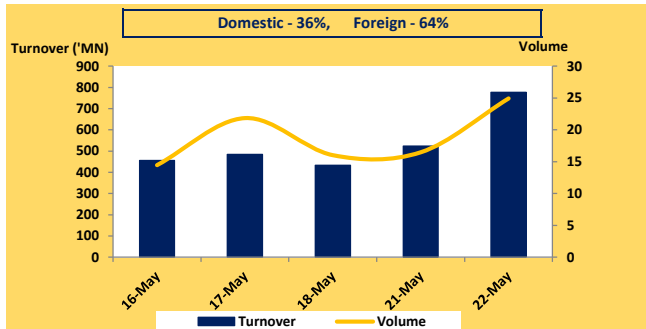
MARKET INDICES



MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	6,472.25	6,466.07	0.10%
S&P SL20	3,613.94	3,624.41	-0.29%
Turnover (LKR 'Mn)	777.38	524.02	48.35%
Volume ('Mn)	24.93	16.48	51.32%
Market Cap. (LKR 'Bn)	3,022.89	3,020.01	0.10%
Market Cap. (USD 'Bn)	19.15	19.13	0.10%
Traded Companies	246	225	9.33%
Foreign Purchases (LKR 'Mn)	531.87	256.48	107.38%
Foreign Sales (LKR 'Mn)	458.57	104.51	338.77%
Net Foreign flow (LKR 'Mn)	73.30	151.97	-51.76%

MARKET TURNOVER & VOLUME



MTD Net Foreign Flow (LKR 'Mn) **365.11**

YTD Net Foreign Flow (LKR 'Mn) **-573.52**

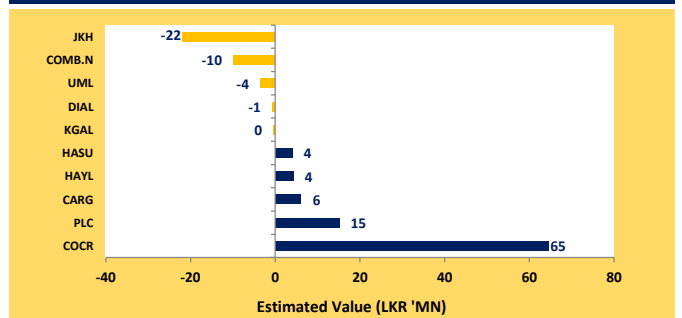
MARKET COMMENTARY

Market ended with a positive note mainly contributed by DIAL and CTCE and closed 6,472 gaining 6 points. ASPI witnessed a hike during the early hours of the trading reaching an intraday high of 6,477 before dipping to an intraday low of 6,458 and continued with a volatile uptrend in the last two hours of trading. Turnover reached a one week high with nearly 50% derived from crossings and a net foreign inflow was recorded with high foreign participation.

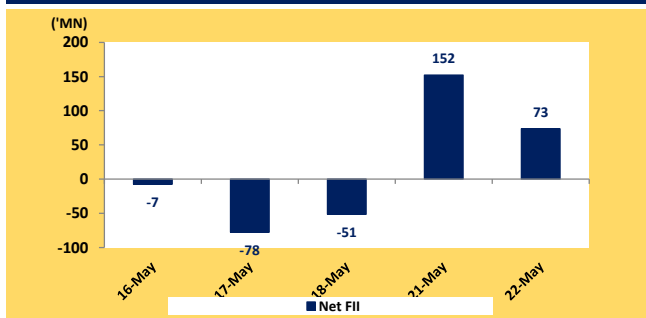
MAJOR CROSSINGS

Stock	No. of Crossings	Price [LKR]	Quantity	Total Crossings
COCR	1	48.00	1,500,000	8
HNB	1	242.30	245,451	

ESTIMATED LARGEST FOREIGN FLOW



NET FOREIGN FLOW



TOP 5 GAINERS

	Today	Previous	Change (%)
TESS AGRO [X]	0.80	0.70	14.29%
AMANA TAKAFUL	0.90	0.80	12.50%
A I A INSURANCE	526.70	484.40	8.73%
SWISSTEK	58.90	54.50	8.07%
PEOPLE'S MERCH	12.90	12.10	6.61%

TOP 5 LOSERS

	Today	Previous	Change (%)
BERUWALA RESORTS	0.80	0.90	-11.11%
MALWATTE	8.20	9.00	-8.89%
ANILANA HOTELS	1.10	1.20	-8.33%
RADIANT GEMS	20.60	22.40	-8.04%
ASIA ASSET	1.20	1.30	-7.69%

TOP 5 TURNOVER

	Price	Volume ('Mn)	Turnover ('Mn)
JKH	160.00	1.1	168.28
COM.CREDIT	43.00	1.5	72.00
HNB	242.30	0.3	66.47
PEOPLES LEASING	15.70	4.0	62.67
ACCESS ENG SL	18.90	3.1	58.71

TOP 5 VOLUME

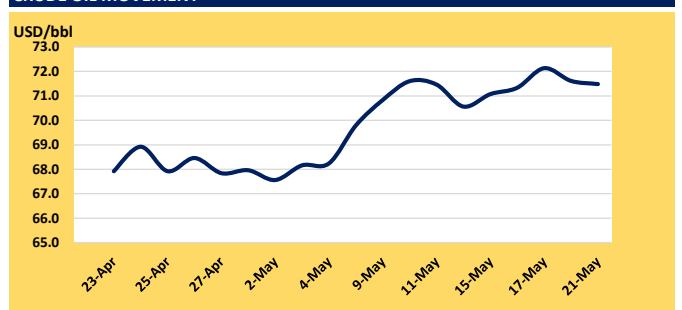
	Price	Volume ('Mn)	Turnover ('Mn)
PEOPLES LEASING	15.70	4.0	62.67
ACCESS ENG SL	18.90	3.1	58.71
DIALOG	14.50	2.7	38.88
VALLIBEL	7.30	2.0	14.63
TEEJAY LANKA	30.40	1.8	54.33

GLOBAL MARKETS & COMMODITIES

GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	72.5	67.8	6.9%
Gold USD/t oz	1,294.0	1,318.4	-1.9%
Copper USd/lb.	312.2	309.2	1.0%
Cotton USd/lb.	88.6	84.5	4.8%

CRUDE OIL MOVEMENT



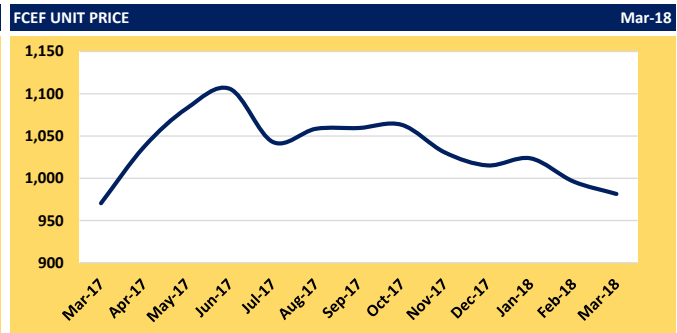
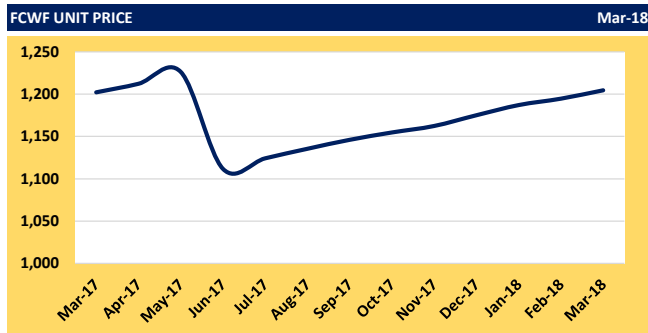
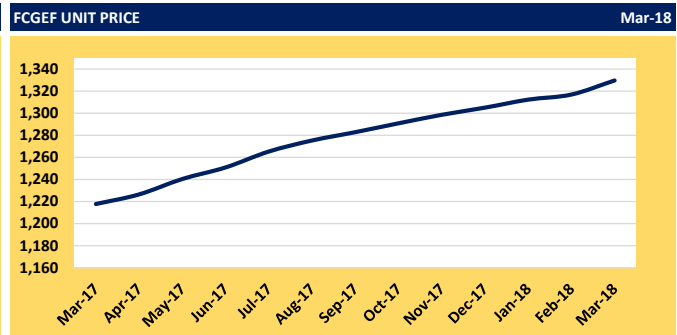
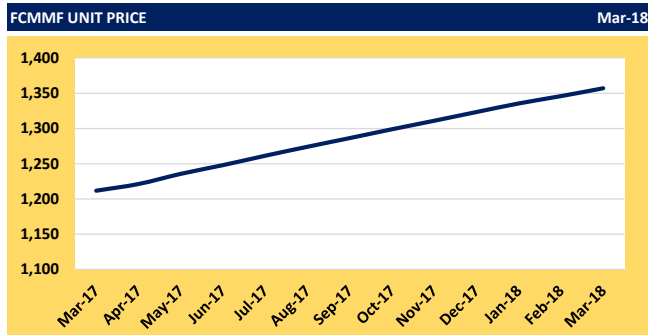
GLOBAL MARKETS

	Current	Last Month	Change (%)
DOW JONES	25,013.3	24,322.3	2.8%
EURO STOXX 50	3,578.3	3,511.3	1.9%
FTSE 100	7,874.9	7,463.7	5.5%
NIKKEI 225	22,960.3	22,467.9	2.2%

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	1,379.19	1,379.19	1,583	12.12%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,341.94	1,341.94	54	11.15%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,219.87	1,219.84	205	11.32%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	980.60	931.57	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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Anushi Ranawaka	+94 77 3876 819		

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UNIT TRUST SALES

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