



First Capital

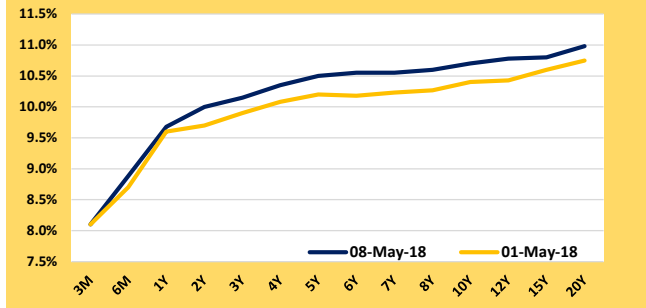
DAILY MARKET WATCH

First Capital Research

May 8, 2018

FIXED INCOME

YIELD CURVE BASED ON MID RATES & MARKET COMMENTARY



The secondary market yield curve shifted upwards with selling interest stemming from foreign parties mainly on the 2019 maturities; 01.07.19 changed hands at 9.85% and 15.09.19 traded at 9.95% while activity on the 15.03.23 maturity was mainly dominated by local counterparties and traded at 10.45%. Overall market witnessed moderate volumes and market participants remained on the sideline ahead of Treasury 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	8.15%	8.05%	8.10%	8.10%	0
< 182 Days < 6M	9.00%	8.75%	8.88%	8.70%	18
< 364 Days < 1Y	9.70%	9.65%	9.68%	9.60%	8
01-May-20 < 2Y	10.05%	9.95%	10.00%	9.70%	30
01-Mar-21 < 3Y	10.20%	10.10%	10.15%	9.90%	25
01-Jul-22 < 4Y	10.40%	10.30%	10.35%	10.08%	27
15-Mar-23 < 5Y	10.55%	10.45%	10.50%	10.20%	30
01-Aug-24 < 6Y	10.60%	10.50%	10.55%	10.18%	37
01-Aug-25 < 7Y	10.60%	10.50%	10.55%	10.23%	32
01-Jun-26 < 8Y	10.65%	10.55%	10.60%	10.27%	33
01-Sep-28 < 10Y	10.75%	10.65%	10.70%	10.40%	30
15-May-30 < 12Y	10.85%	10.70%	10.78%	10.43%	35
15-Jan-33 < 15Y	10.90%	10.70%	10.80%	10.60%	20
15-Mar-35 < 20Y	11.20%	10.75%	10.98%	10.75%	23

PRIMARY AUCTION

T-BILL AUCTION

Tenor	Current	Previous	Change
	02-May-18	25-Apr-18	(bps)
91 days	N/A	8.10%	N/A
182 Days	N/A	N/A	N/A
364 Days	9.61%	9.59%	2
Date of Settlement	4-May-18		

WEEK ENDING 4-May-18

Offered	Bids	Accepted
LKR ('Mn)	LKR ('Mn)	LKR ('Mn)
4,000	9,828	0
5,000	11,920	0
19,000	55,293	28,000
28,000	77,041	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

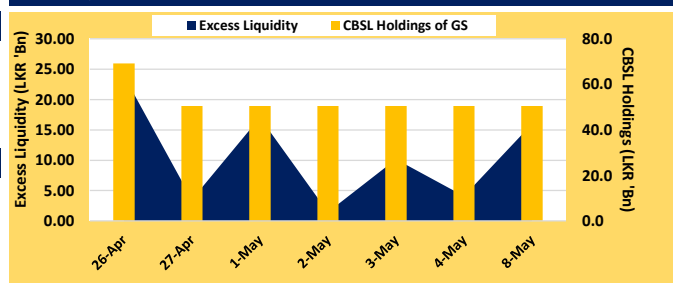
Type	LKR ('Mn)	USD ('Mn)
T-Bills	24,882	
T-Bonds	0	
T-Bond Interest	0	
SLDBs/Sovereign Bonds		0
TOTAL	24,882	0

LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

MARKET LIQUIDITY

8-May-18	Repo	Reverse Repo
Mid-day Auction	[LKR 'Bn]	[LKR 'Bn]
Offered	9.0	0.0
Bids	7.5	N/A
Accepted	7.5	N/A
Weighted Average Rate (%)	7.5%	N/A
Standing Facility	SDF	SLF
Rate	7.25%	8.50%
Value [LKR 'Bn]	14.3	5.9
O/N Surplus/(Deficit)		16.0
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 8-May-18	7.90%	7.85%	7.90%	15.3
Repo Rates 8-May-18	8.20%	7.84%	7.99%	20.4

OUTSTANDING STOCK

	2-May-18	Previous Week	Change (%)
T-Bills [LKR 'Mn]	875,000	887,303	-1.4%
T-Bonds [LKR 'Mn]	4,177,061	4,152,061	0.6%
TOTAL	5,052,060	5,039,364	0.3%
Foreign Holding [LKR 'Mn]	318,554	324,027	-1.7%
Foreign Holding (%)	6.3%	6.4%	

MARKET INTEREST RATES

	2-May-18	Last Month	Change (bps)
AWPLR	11.45%	11.32%	13
FD Ceiling Rate (1 Year)	1H2018 11.22%		

GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

US TREASURIES

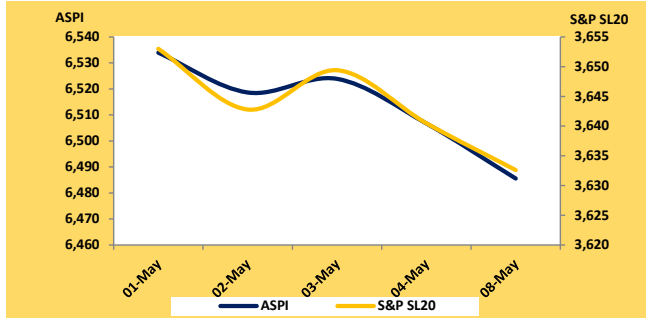
	4-May-18	27-Apr-18	Change (bps)	Last Month	Change (bps)
1 Year	2.24%	2.24%	0	2.24%	0
2 Year	2.51%	2.49%	2	2.49%	2
5 Year	2.78%	2.80%	-2	2.80%	-2
10 Year	2.95%	2.96%	-1	2.96%	-1
30 Year	3.12%	3.13%	-1	3.13%	-1

EXCHANGE RATES

	8-May-18	Last Month	Change (%)
USA Dollar	157.73	157.65	-0.1%
UK Pound	213.96	219.49	2.6%
EU Euro	188.08	190.91	1.5%
Japan Yen	1.45	1.44	-0.3%
Australia Dollar	118.41	119.09	0.6%

EQUITY

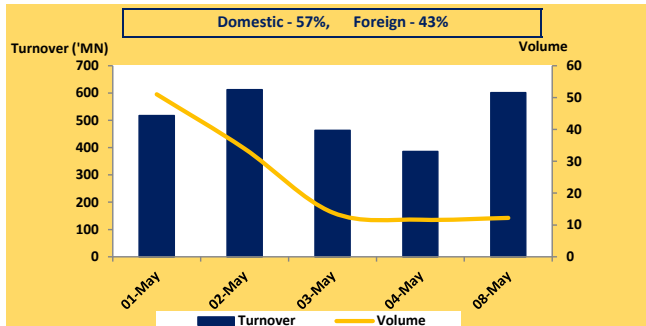
MARKET INDICES



MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	6,485.57	6,506.74	-0.33%
S&P SL20	3,632.61	3,640.48	-0.22%
Turnover (LKR 'Mn)	601.64	386.36	55.72%
Volume ('Mn)	12.21	11.65	4.85%
Market Cap. (LKR 'Bn)	3,028.01	3,037.90	-0.33%
Market Cap. (USD 'Bn)	19.20	19.26	-0.33%
Traded Companies	224	226	-0.88%
Foreign Purchases (LKR 'Mn)	308.24	201.35	53.09%
Foreign Sales (LKR 'Mn)	207.32	166.55	24.48%
Net Foreign flow (LKR 'Mn)	100.92	34.80	190.01%

MARKET TURNOVER & VOLUME



MTD Net Foreign Flow (LKR 'Mn)	451.63
YTD Net Foreign Flow (LKR 'Mn)	-487.00

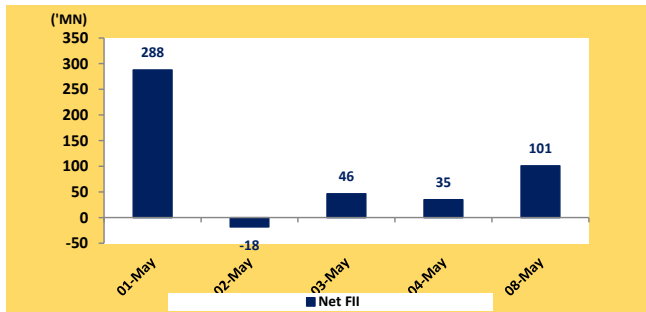
MARKET COMMENTARY

Market continued its negative momentum reaching a 3 week low heavily impacted by the dip in DIST though on thin volumes. ASPI had a volatile downtrend throughout the day reaching an intraday high of 6,512 and closed at 6,486 losing 21 points. Losses in the index were mainly contributed by DIST and JKH with 96 contributors losing ground. Both turnover and volumes have increased compared to Friday's market. A net foreign inflow was witnessed for the 3rd consecutive day with high foreign participation.

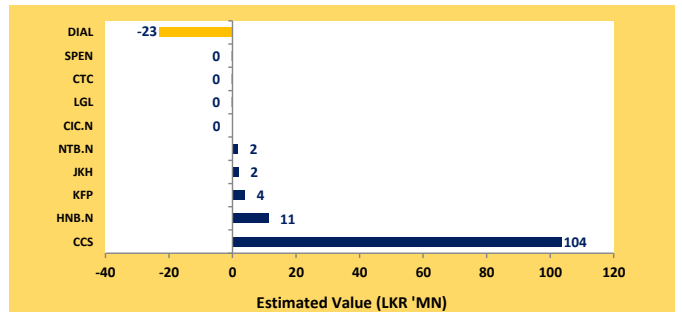
MAJOR CROSSINGS

Stock	No. of Crossings	Price [LKR]	Quantity	Total Crossings
JKH	3	163.00	1,072,742	8
HNB	1	241.00	200,000	

NET FOREIGN FLOW



ESTIMATED LARGEST FOREIGN FLOW



TOP 5 GAINERS

	Today	Previous	Change (%)
S M B LEASING [X]	0.30	0.20	50.00%
BRAC LNKA FNANCE	43.10	34.50	24.93%
S M B LEASING	0.60	0.50	20.00%
LUCKY LANKA [X]	0.90	0.80	12.50%
COLOMBO TRUST	70.80	63.10	12.20%

TOP 5 LOSERS

	Today	Previous	Change (%)
BLUE DIAMONDS [X]	0.30	0.40	-25.00%
ADAM CAPITAL	0.50	0.60	-16.67%
BERUWALA RESORTS	0.80	0.90	-11.11%
BLUE DIAMONDS	0.80	0.90	-11.11%
PARAGON	45.30	50.60	-10.47%

TOP 5 TURNOVER

	Price	Volume ('Mn)	Turnover ('Mn)
JKH	163.00	1.4	226.27
COLD STORES	974.80	0.1	109.57
HNB	242.00	0.2	59.74
SAMPATH	297.90	0.1	39.20
DIALOG	14.50	2.2	31.76

TOP 5 VOLUME

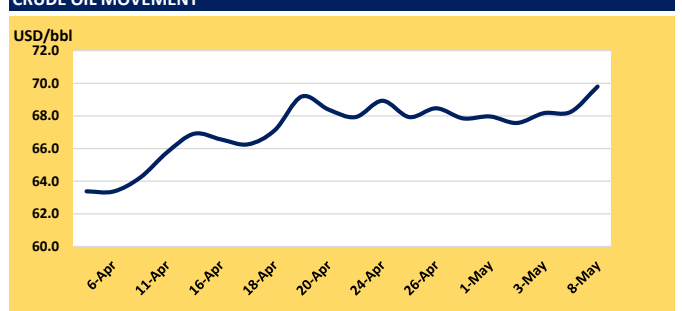
	Price	Volume ('Mn)	Turnover ('Mn)
DIALOG	14.50	2.2	31.76
JKH	163.00	1.4	226.27
SWARNAMAHAL FIN	2.40	1.2	3.08
BROWNS CAPITAL	4.20	1.0	4.12
SIERRA CABL	2.30	0.7	1.55

GLOBAL MARKETS & COMMODITIES

GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	69.8	67.8	2.9%
Gold USD/t oz	1,310.3	1,318.4	-0.6%
Copper USd/lb.	304.2	309.2	-1.6%
Cotton USd/lb.	86.3	84.5	2.0%

CRUDE OIL MOVEMENT



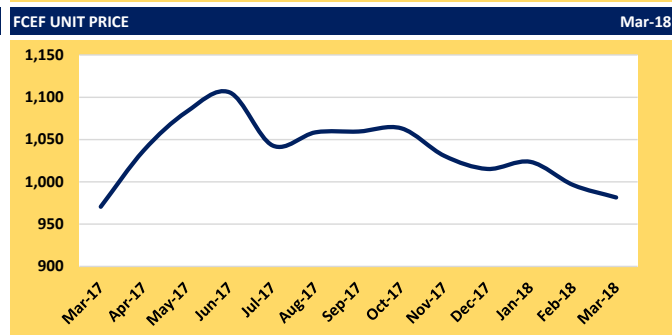
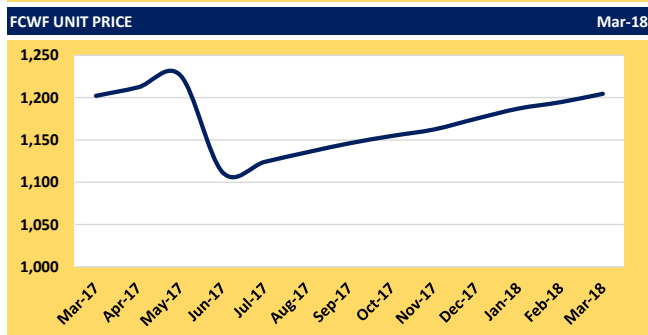
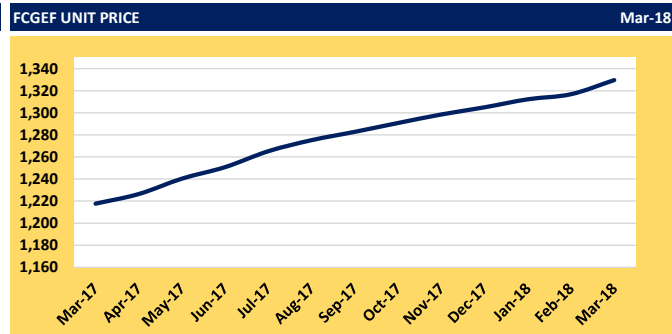
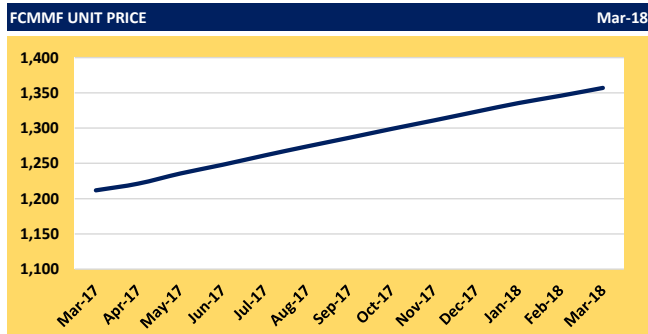
GLOBAL MARKETS

	Current	Last Month	Change (%)
DOW JONES	24,357.3	24,322.3	0.1%
EURO STOXX 50	3,547.0	3,511.3	1.0%
FTSE 100	7,575.9	7,463.7	1.5%
NIKKEI 225	22,508.7	22,467.9	0.2%

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	1,373.53	1,373.53	1,583	12.12%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,338.33	1,338.33	54	11.15%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,214.63	1,214.60	205	11.32%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	986.45	937.13	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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UNIT TRUST SALES

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