



First Capital

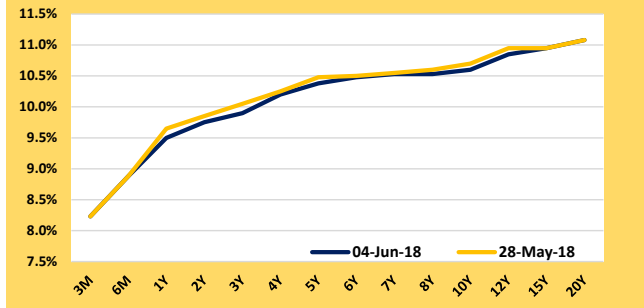
# DAILY MARKET WATCH

First Capital Research

June 4, 2018

## FIXED INCOME

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



Secondary market yield curve remained broadly steady at previous week's closing levels as overall market saw thin volumes. Buying interest was witnessed primarily on short tenure maturities with active quoting seen on 15.09.19 maturity at 9.62%, 01.05.20 traded at 9.75% while profit taking was witnessed on 01.05.21 maturity at 9.90%-9.95% levels.

### 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%	8.23%	0
< 182 Days < 6M	9.00%	8.75%	8.88%	8.88%	0
< 364 Days < 1Y	9.55%	9.45%	9.50%	9.65%	-15
01-May-20 < 2Y	9.80%	9.70%	9.75%	9.85%	-10
01-Mar-21 < 3Y	9.95%	9.85%	9.90%	10.05%	-15
01-Jul-22 < 4Y	10.25%	10.15%	10.20%	10.25%	-5
15-Mar-23 < 5Y	10.40%	10.35%	10.38%	10.48%	-10
01-Aug-24 < 6Y	10.50%	10.45%	10.48%	10.50%	-2
01-Aug-25 < 7Y	10.55%	10.50%	10.53%	10.55%	-2
01-Jun-26 < 8Y	10.55%	10.50%	10.53%	10.60%	-7
01-Sep-28 < 10Y	10.65%	10.55%	10.60%	10.70%	-10
15-May-30 < 12Y	10.90%	10.80%	10.85%	10.95%	-10
15-Jan-33 < 15Y	11.00%	10.90%	10.95%	10.95%	0
15-Mar-35 < 20Y	11.25%	10.90%	11.08%	11.08%	0

### PRIMARY AUCTION

#### T-BILL AUCTION

Tenor	Current	Previous	Change
	30-May-18	23-May-18	(bps)
91 days	8.34%	8.37%	-3
182 Days	8.93%	8.94%	-1
364 Days	9.62%	9.73%	-11
Date of Settlement	25-May-18		

WEEK ENDING 1-Jun-18		
Offered	Bids	Accepted
LKR ('Mn)	LKR ('Mn)	LKR ('Mn)
3,000	9,000	2,500
4,000	10,035	1,066
5,000	47,262	8,434
<b>12,000</b>	<b>66,297</b>	<b>12,000</b>

#### T-BOND AUCTION

Bond Type	Yield	Offered	Bids	Accepted
10.00%2023'A'	10.51%	50,000	111,477	50,000
10.75%2028'A'	10.72%	40,000	106,905	40,000
<b>TOTAL</b>		<b>90,000</b>	<b>218,382</b>	<b>90,000</b>

#### MATURITY TABLE FOR NEXT WEEK

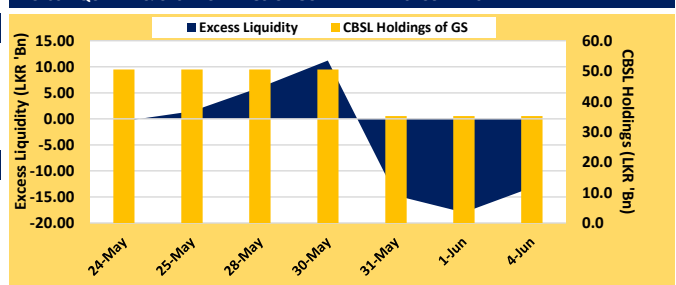
Type	LKR ('Mn)	USD ('Mn)
T-Bills	16,452	
T-Bonds	0	
T-Bond Interest	0	
SLDBs/Sovereign Bonds		0
<b>TOTAL</b>	<b>16,452</b>	<b>0</b>

### LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

#### MARKET LIQUIDITY 4-Jun-18

	Repo	Reverse Repo
Mid-day Auction	[LKR 'Bn]	[LKR 'Bn]
Offered	0.0	8.0
Bids	N/A	32.2
Accepted	N/A	8.0
Weighted Average Rate (%)	N/A	8.5%
Standing Facility	SDF	SLF
Rate	7.25%	8.50%
Value [LKR 'Bn]	17.4	22.6
O/N Surplus/(Deficit)		-13.2
<b>CBSL Holdings of Government Securities [LKR 'Bn]</b>		<b>35.2</b>

#### EXCESS LIQUIDITY & CBSL HOLDINGS OF GOVERNMENT SECURITIES



#### MONEY MARKET RATES

	High	Low	W.Avg	Value [LKR 'Bn]
Call Money 4-Jun-18	7.95%	7.90%	7.95%	12.2
Repo Rates 4-Jun-18	8.25%	7.85%	7.96%	12.4

#### OUTSTANDING STOCK

	30-May-18	Previous Week	Change (%)
T-Bills [LKR 'Mn]	878,600	877,819	0.1%
T-Bonds [LKR 'Mn]	4,177,061	4,177,061	0.0%
<b>TOTAL</b>	<b>5,055,660</b>	<b>5,054,879</b>	<b>0.0%</b>
<b>Foreign Holding [LKR 'Mn]</b>	<b>307,289</b>	<b>308,076</b>	<b>-0.3%</b>
<b>Foreign Holding (%)</b>	<b>6.1%</b>	<b>6.1%</b>	

#### MARKET INTEREST RATES

	30-May-18	Last Month	Change (bps)
AWPLR	11.42%	11.19%	23
FD Ceiling Rate (1 Year)	1H2018 11.22%		

### GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

#### US TREASURIES

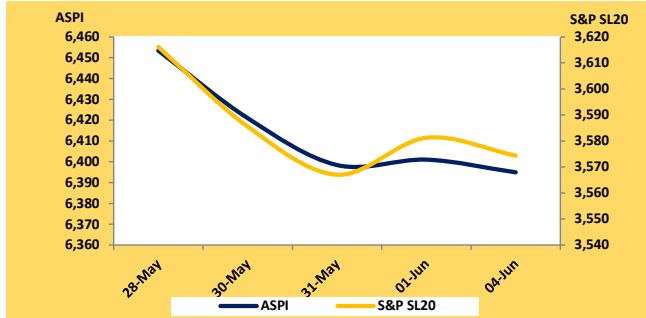
	1-Jun-18	25-May-18	Change (bps)	Last Month	Change (bps)
1 Year	2.28%	2.27%	1	2.23%	5
2 Year	2.47%	2.48%	-1	2.40%	7
5 Year	2.74%	2.76%	-2	2.68%	6
10 Year	2.89%	2.93%	-4	2.83%	6
30 Year	3.04%	3.09%	-5	3.00%	4

#### EXCHANGE RATES

	4-Jun-18	Last Month	Change (%)
USA Dollar	158.59	158.09	-0.3%
UK Pound	212.05	210.24	-0.9%
EU Euro	185.33	184.30	-0.6%
Japan Yen	1.45	1.46	0.6%
Australia Dollar	120.53	119.52	-0.8%

# EQUITY

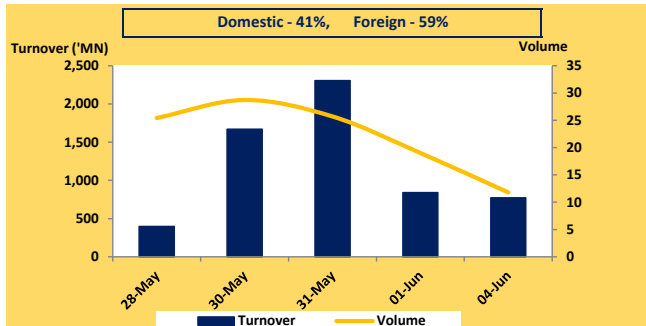
## MARKET INDICES



## MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	6,394.93	6,401.03	-0.10%
S&P SL20	3,574.37	3,581.23	-0.19%
Turnover (LKR 'Mn)	771.84	839.67	-8.08%
Volume ('Mn)	11.80	19.02	-37.98%
Market Cap. (LKR 'Bn)	2,986.38	2,989.24	-0.10%
Market Cap. (USD 'Bn)	18.83	18.85	-0.10%
Traded Companies	238	213	11.74%
Foreign Purchases (LKR 'Mn)	612.38	591.56	3.52%
Foreign Sales (LKR 'Mn)	294.17	356.98	-17.59%
<b>Net Foreign flow (LKR 'Mn)</b>	<b>318.20</b>	<b>234.58</b>	<b>35.65%</b>

## MARKET TURNOVER & VOLUME



<b>MTD Net Foreign Flow (LKR 'Mn)</b>	<b>552.79</b>
<b>YTD Net Foreign Flow (LKR 'Mn)</b>	<b>-824.03</b>

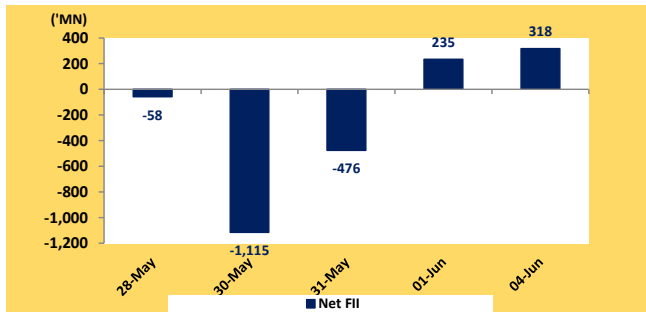
## MARKET COMMENTARY

With the negative sentiment created by DIAL and HHL, market dipped to a 5 month low. ASPI witnessed volatile movements throughout the day reaching an intraday low of 6,391 and an intraday high of 6,406 during the latter part of the trading, before closing at 6,395 losing 6 points. Almost 72% of turnover was derived from crossings and a net foreign inflow was witnessed for the 2nd consecutive day with high foreign participation.

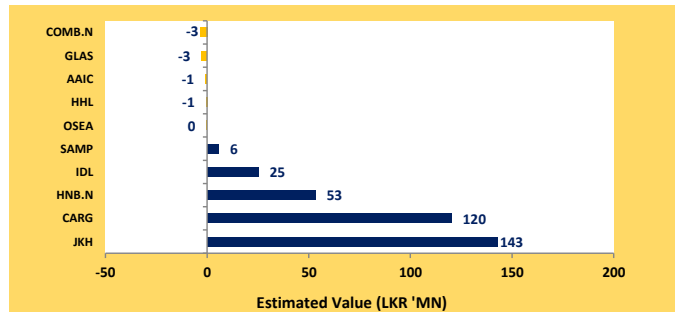
## MAJOR CROSSINGS

Stock	No. of Crossings	Price [LKR]	Quantity	Total Crossings
JKH	4	155.90 - 156.0	2,427,700	8
CARG	2	200.00	475,259	

## NET FOREIGN FLOW



## ESTIMATED LARGEST FOREIGN FLOW



## TOP 5 GAINERS

	Today	Previous	Change (%)
S M B LEASING [X]	0.30	0.20	50.00%
S M B LEASING	0.60	0.50	20.00%
COLOMBO TRUST	48.20	40.70	18.43%
TESS AGRO [X]	0.80	0.70	14.29%
AMANA TAKAFUL	0.90	0.80	12.50%

## TOP 5 LOSERS

	Today	Previous	Change (%)
ADAM INVESTMENTS	0.20	0.30	-33.33%
ADAM CAPITAL	0.60	0.70	-14.29%
NATION LANKA	0.70	0.80	-12.50%
LUCKY LANKA [X]	0.80	0.90	-11.11%
SWARNAMAHAL FIN	1.70	1.90	-10.53%

## TOP 5 TURNOVER

	Price	Volume	Turnover
		('Mn)	('Mn)
JKH	156.00	2.6	408.04
CARGILLS	199.80	0.6	123.09
HNB	242.50	0.2	53.14
SAMPATH	311.00	0.1	43.62
UNION ASSURANCE	225.70	0.1	30.36

## TOP 5 VOLUME

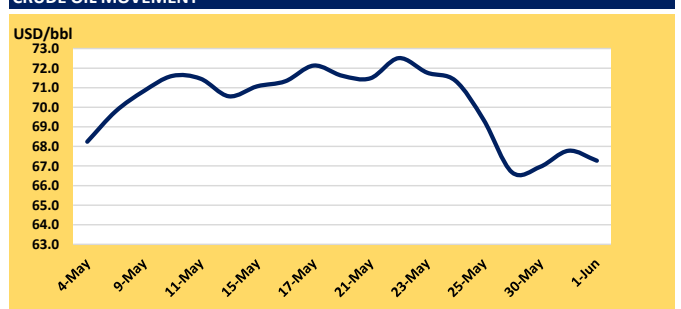
	Price	Volume	Turnover
		('Mn)	('Mn)
PIRAMAL GLASS	5.30	3.9	20.41
JKH	156.00	2.6	408.04
RAIGAM SALTERNS	2.40	0.9	2.10
CARGILLS	199.80	0.6	123.09
HNB	242.50	0.2	53.14

## GLOBAL MARKETS & COMMODITIES

### GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	65.5	67.8	-3.4%
Gold USD/t oz	1,298.0	1,309.0	-0.8%
Copper USd/lb.	311.5	306.7	1.6%
Cotton USd/lb.	91.7	90.5	1.3%

### CRUDE OIL MOVEMENT



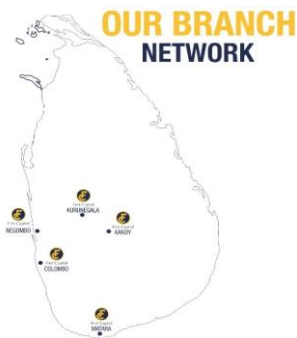
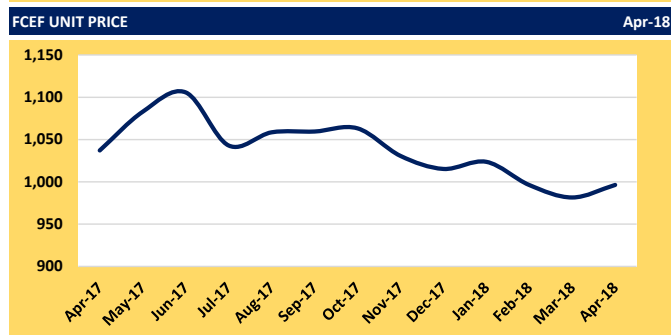
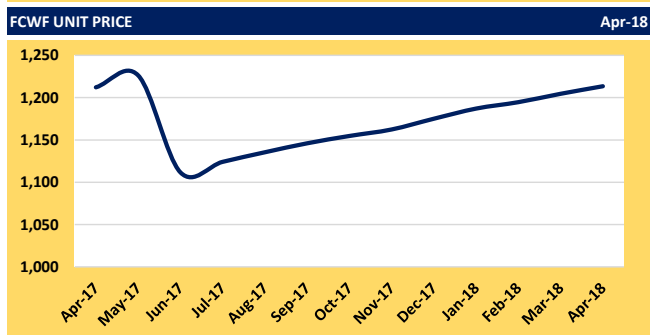
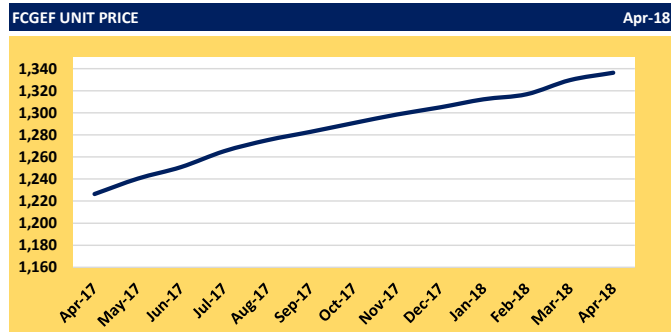
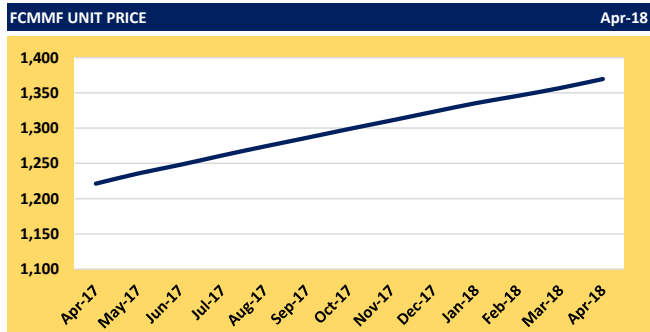
### GLOBAL MARKETS

	Current	Last Month	Change (%)
DOW JONES	24,635.2	24,667.8	-0.1%
EURO STOXX 50	3,475.2	3,441.0	1.0%
FTSE 100	7,758.9	7,703.5	0.7%
NIKKEI 225	22,475.9	22,201.8	1.2%

# 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	1,384.62	1,384.62	997	11.03%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,345.32	1,345.32	57	11.15%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,233.60	1,233.57	653	9.02%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	951.04	903.49	65	N/A	1.00% p.a.	0.23% p.a.	25% over ASTRI

TRAILING RETURNS (%)							Performance as of	Apr-18
	YTD	2016/17	2015/16	2014/15	2013/14	2012/13	Since Inception	
<b>FIXED INCOME FUNDS</b>								
First Capital Money Market Fund	11.30%	11.92%	10.39%	7.92%	7.20%	N/A		11.01%
First Capital Gilt Edge Fund	6.10%	9.14%	19.06%	4.17%	-3.46%	N/A		9.34%
First Capital Wealth Fund	9.02%	11.32%	10.63%	4.90%	15.48%	17.60%		16.99%
<b>BALANCED FUND</b>	<b>1 Month</b>	<b>3 Months</b>	<b>6 Months</b>	<b>12 Months</b>	<b>2 Years</b>		<b>Since Inception</b>	
First Capital Equity Fund	1.51%	-2.67%	-6.29%	-5.28%	N/A			-0.37%
ASTRI*	0.85%	1.00%	-1.08%	-0.79%	N/A			-7.65%
<b>Out/(Under) Performance</b>	<b>0.66%</b>	<b>-3.67%</b>	<b>-5.21%</b>	<b>-4.49%</b>	<b>N/A</b>			<b>7.28%</b>



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## UNIT TRUST SALES

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