



First Capital

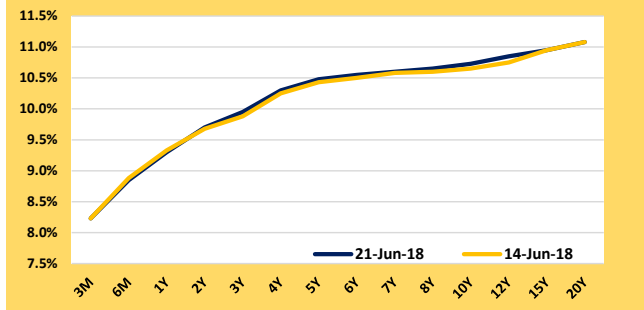
# DAILY MARKET WATCH

First Capital Research

June 21, 2018

## FIXED INCOME

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



Secondary market yield curve experienced marginal upward shift with overall market seeing low volumes. Buying interest was seen on 7M-9M maturities trading at 9.10%-9.20% levels while local buying interest was witnessed on 01.03.21 at 9.95%. During the day 01.10.22 maturity traded at 10.35% and 15.03.23 maturity traded at 10.45% amidst selling pressure stemmed from local counterparties.

### 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	8.90%	8.80%	8.85%	8.88%	-3
< 364 Days < 1Y	9.35%	9.25%	9.30%	9.33%	-3
01-May-20 < 2Y	9.75%	9.65%	9.70%	9.68%	2
01-Mar-21 < 3Y	10.00%	9.90%	9.95%	9.88%	7
01-Jul-22 < 4Y	10.35%	10.25%	10.30%	10.25%	5
15-Mar-23 < 5Y	10.50%	10.45%	10.48%	10.43%	5
01-Aug-24 < 6Y	10.60%	10.50%	10.55%	10.50%	5
01-Aug-25 < 7Y	10.65%	10.55%	10.60%	10.58%	2
01-Jun-26 < 8Y	10.70%	10.60%	10.65%	10.60%	5
01-Sep-28 < 10Y	10.80%	10.65%	10.73%	10.65%	8
15-May-30 < 12Y	10.90%	10.80%	10.85%	10.75%	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
	20-Jun-18	12-Jun-18	(bps)
91 days	8.32%	8.34%	-2
182 Days	8.85%	8.87%	-2
364 Days	9.37%	9.44%	-7
Date of Settlement	22-Jun-18		

WEEK ENDING 22-Jun-18		
Offered	Bids	Accepted
LKR ('Mn)	LKR ('Mn)	LKR ('Mn)
2,000	7,050	2,000
3,000	9,875	3,000
9,000	35,592	9,000
<b>14,000</b>	<b>52,517</b>	<b>14,000</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

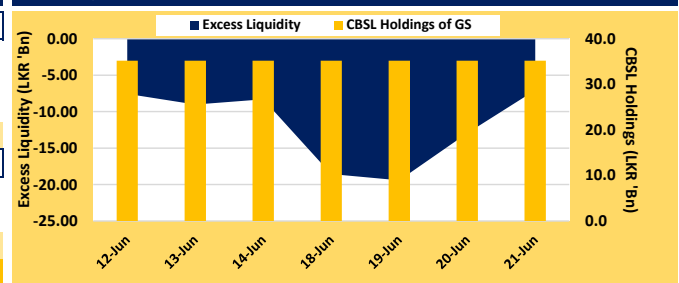
Type	LKR ('Mn)	USD ('Mn)
T-Bills	6,260	
T-Bonds	0	
T-Bond Interest	44,860	
SLDBs/Sovereign Bonds		805
<b>TOTAL</b>	<b>51,120</b>	<b>805</b>

### LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

#### MARKET LIQUIDITY

	21-Jun-18	Repo	Reverse Repo
Mid-day Auction		[LKR 'Bn]	[LKR 'Bn]
Offered		0.0	15.0
Bids		N/A	17.1
Accepted		N/A	15.0
Weighted Average Rate (%)		N/A	8.46%
Standing Facility		SDF	SLF
Rate		7.25%	8.50%
Value [LKR 'Bn]		14.9	7.0
O/N Surplus/(Deficit)			-7.1
<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 21-Jun-18	8.50%	8.35%	8.46%	23.1
Repo Rates 21-Jun-18	8.50%	8.40%	8.41%	14.5

#### OUTSTANDING STOCK

	12-Jun-18	Previous Week	Change (%)
T-Bills [LKR 'Mn]	849,832	856,284	-0.8%
T-Bonds [LKR 'Mn]	4,176,234	4,176,234	0.0%
<b>TOTAL</b>	<b>5,026,066</b>	<b>5,032,518</b>	<b>-0.1%</b>
<b>Foreign Holding [LKR 'Mn]</b>	<b>301,733</b>	<b>304,456</b>	<b>-0.9%</b>
Foreign Holding (%)	6.0%	6.0%	

#### MARKET INTEREST RATES

	12-Jun-18	Last Month	Change (bps)
AWPLR	11.33%	11.19%	14
FD Ceiling Rate (1 Year)	1H2018 11.22%		

### GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

#### US TREASURIES

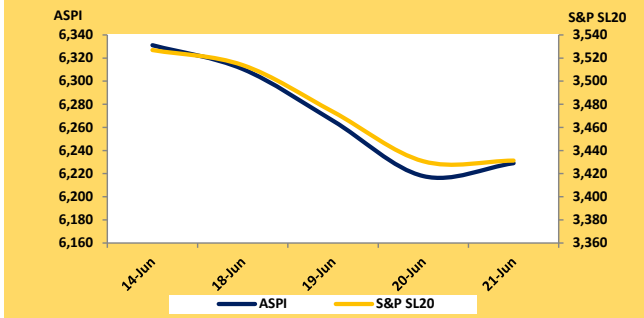
	14-Jun-18	08-Jun-18	Change (bps)	Last Month	Change (bps)
1 Year	2.35%	2.30%	5	2.23%	12
2 Year	2.59%	2.50%	9	2.40%	19
5 Year	2.81%	2.77%	4	2.68%	13
10 Year	2.94%	2.93%	1	2.83%	11
30 Year	3.05%	3.08%	-3	3.00%	5

#### EXCHANGE RATES

	21-Jun-18	Last Month	Change (%)
USA Dollar	160.03	158.09	-1.2%
UK Pound	210.78	210.24	-0.3%
EU Euro	185.24	184.30	-0.5%
Japan Yen	1.45	1.46	0.5%
Australia Dollar	118.09	119.52	1.2%

# EQUITY

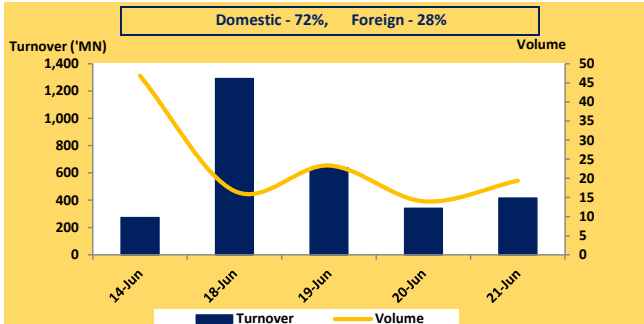
## MARKET INDICES



## MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	6,229.06	6,217.91	0.18%
S&P SL20	3,431.30	3,430.73	0.02%
Turnover (LKR 'Mn)	416.19	341.46	21.89%
Volume ('Mn)	19.40	14.01	38.50%
Market Cap. (LKR 'Bn)	2,909.85	2,904.64	0.18%
Market Cap. (USD 'Bn)	18.18	18.15	0.18%
Traded Companies	236	232	1.72%
Foreign Purchases (LKR 'Mn)	98.41	79.44	23.87%
Foreign Sales (LKR 'Mn)	132.37	110.89	19.37%
<b>Net Foreign flow (LKR 'Mn)</b>	<b>-33.96</b>	<b>-31.45</b>	<b>-7.99%</b>

## MARKET TURNOVER & VOLUME



<b>MTD Net Foreign Flow (LKR 'Mn)</b>	<b>515.23</b>
<b>YTD Net Foreign Flow (LKR 'Mn)</b>	<b>-861.59</b>

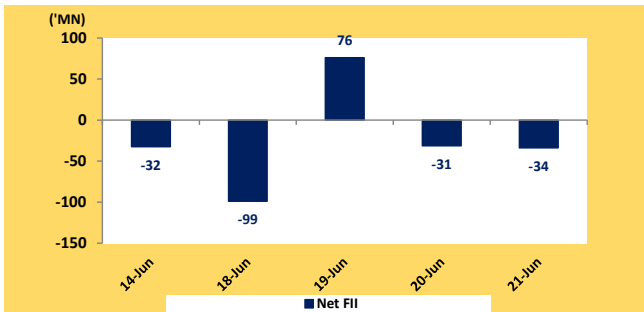
## MARKET COMMENTARY

Index was seen reaching intra-day high of 6,234 towards the latter part of the day prior to close in green, gaining 11 points to reverse the downward spiral witnessed for 10 consecutive days supported by price appreciation witnessed in big caps led by CTC and SLTL. Both volume and turnover improved during the day while a moderate foreign participation led to a marginal net foreign outflow from the market.

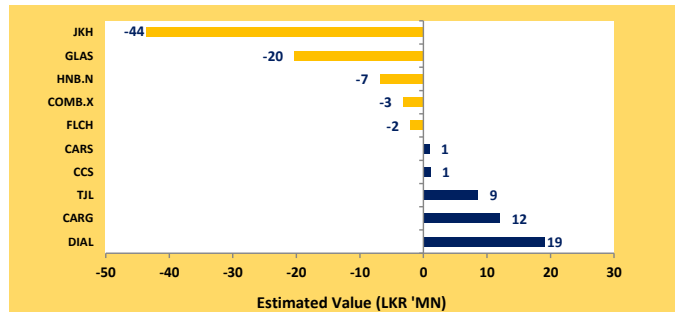
## MAJOR CROSSINGS

Stock	No. of Crossings	Price [LKR]	Quantity	Total Crossings
HNB.N	1	230.00	184,904	1

## 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%
ASIA ASSET	1.10	1.00	10.00%
BALANGODA	18.40	17.00	8.24%
PALM GARDEN HOTL	25.00	23.60	5.93%

## TOP 5 LOSERS

	Today	Previous	Change (%)
ADAM INVESTMENTS	0.10	0.20	-50.00%
TESS AGRO	0.60	0.70	-14.29%
HAPUGASTENNE	18.60	21.50	-13.49%
LOTUS HYDRO	4.50	5.00	-10.00%
SATHOSA MOTORS	420.00	464.40	-9.56%

## TOP 5 TURNOVER

	Price	Volume	Turnover
		('Mn)	('Mn)
NESTLE	1,720.00	0.0	63.78
JKH	150.00	0.4	62.58
HNB	230.00	0.2	49.43
SAMPATH	304.60	0.1	33.37
PIRAMAL GLASS	4.60	5.9	26.68

## TOP 5 VOLUME

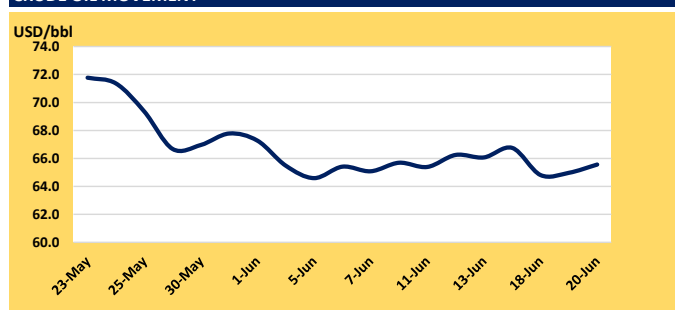
	Price	Volume	Turnover
		('Mn)	('Mn)
PIRAMAL GLASS	4.60	5.9	26.68
DIALOG	14.50	1.3	19.14
BROWNS CAPITAL	3.90	1.3	4.97
NATION LANKA	0.80	1.2	0.96
SOFTLOGIC	20.00	1.0	19.58

## GLOBAL MARKETS & COMMODITIES

### GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	64.8	67.8	-4.5%
Gold USD/t oz	1,264.7	1,309.0	-3.4%
Copper USd/lb.	304.8	306.7	-0.6%
Cotton USd/lb.	84.3	90.5	-6.9%

### CRUDE OIL MOVEMENT



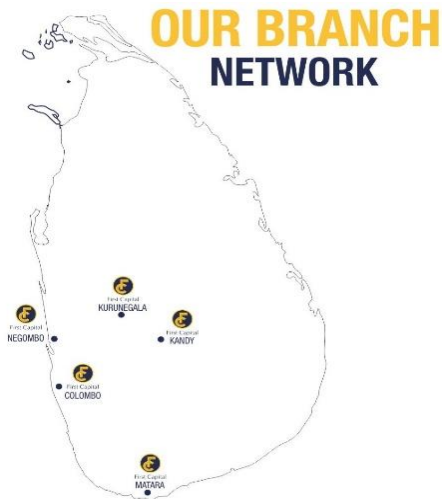
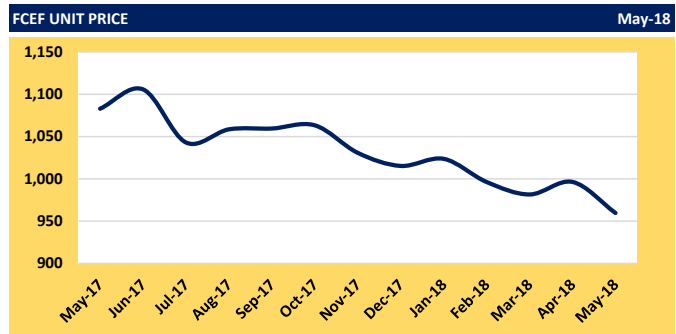
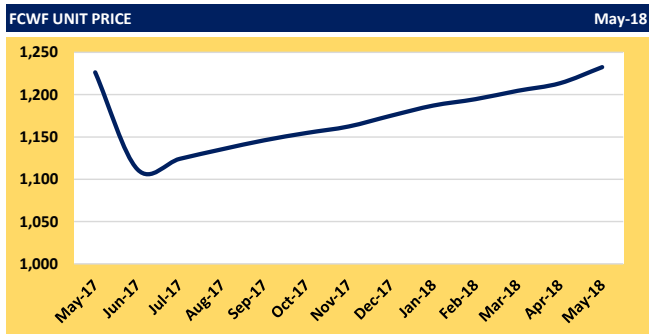
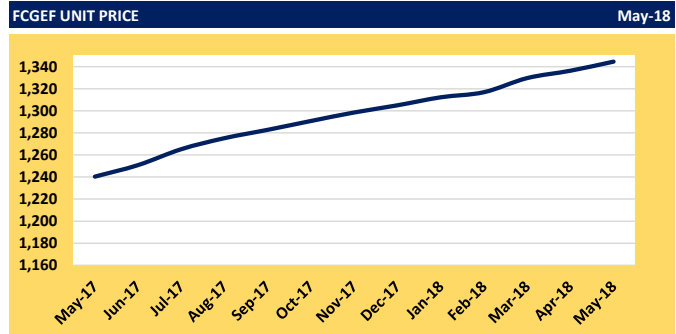
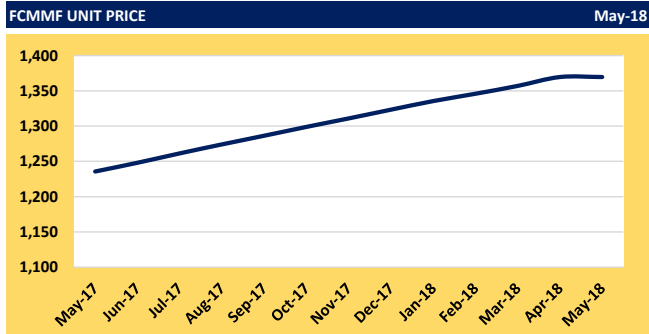
### GLOBAL MARKETS

	Current	Last Month	Change (%)
DOW JONES	24,657.8	24,667.8	0.0%
EURO STOXX 50	3,420.7	3,441.0	-0.6%
FTSE 100	7,628.3	7,703.5	-1.0%
NIKKEI 225	22,693.0	22,201.8	2.2%

# UNIT TRUSTS

	Sell Price	Buy Price	AUM LKR 'Mn	Avg. Yield	Information on Fees		
	LKR	LKR	As at May 2018		Mgmt Fee	Trustee fee	Performance Fee
First Capital Money Market Fund	1,391.41	1,391.41	790	11.07%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,349.47	1,349.47	57	0.00%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,232.27	1,232.24	626	9.38%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	895.88	851.09	62	N/A	1.00% p.a.	0.23% p.a.	25% over ASTRI

TRAILING RETURNS (%)							Performance as of	May-18
	YTD	2016/17	2015/16	2014/15	2013/14	2012/13	Since Inception	
<b>FIXED INCOME FUNDS</b>								
First Capital Money Market Fund	11.61%	11.92%	10.39%	7.92%	7.20%	N/A	11.13%	
First Capital Gilt Edge Fund	6.71%	9.14%	19.06%	4.17%	-3.46%	N/A	9.35%	
First Capital Wealth Fund	9.38%	11.32%	10.63%	4.90%	15.48%	17.60%	17.27%	
<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	-3.68%	-3.68%	-6.90%	-10.47%	N/A		-4.04%	
ASTRI*	-1.97%	-0.99%	-3.03%	-2.74%	N/A		-9.48%	
<b>Out/(Under) Performance</b>	<b>-1.71%</b>	<b>-2.69%</b>	<b>-3.87%</b>	<b>-7.73%</b>	<b>N/A</b>		<b>5.44%</b>	



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An alternative to your savings account from **First Capital Money Market Fund**

**11.06%** <sup>\* P.A</sup>

current yield as at 02/06/18

\* Flexibility to withdraw funds at anytime

\* The current yield is variable and subject to change. Past performance is not an indicator of future performance. Investors are advised to read and understand the contents of the Explanatory Memorandum before investing.

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