



First Capital

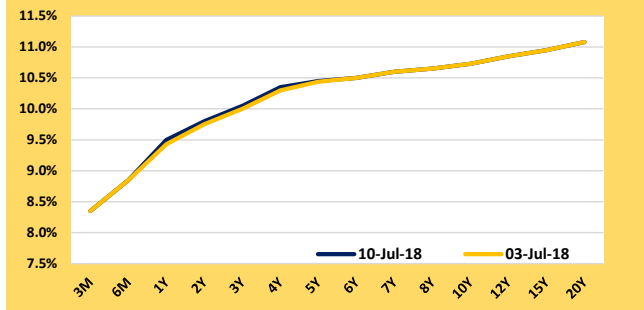
DAILY MARKET WATCH

First Capital Research

July 10, 2018

FIXED INCOME

YIELD CURVE BASED ON MID RATES & MARKET COMMENTARY



The secondary market yield curve remained unchanged with market witnessing ultra-thin volumes as overall market activity continued to remain sluggish. Market participants were seen adopting a wait and see approach ahead of tomorrow's Treasury bill auction and Thursday's bond auction.

T-BILLS & T-BONDS 2 WAY QUOTE AND CHANGE OVER LAST WEEK

Tenure	Bid	Offer	Today	Last Week	Change (bps)
< 91 Days < 3M	8.40%	8.30%	8.35%	8.35%	0
< 182 Days < 6M	8.90%	8.80%	8.85%	8.85%	0
< 364 Days < 1Y	9.55%	9.45%	9.50%	9.43%	7
01-May-20 < 2Y	9.85%	9.75%	9.80%	9.75%	5
01-May-21 < 3Y	10.10%	10.00%	10.05%	10.00%	5
01-Jul-22 < 4Y	10.40%	10.30%	10.35%	10.30%	5
15-Mar-23 < 5Y	10.50%	10.40%	10.45%	10.44%	1
01-Aug-24 < 6Y	10.55%	10.45%	10.50%	10.50%	0
01-Aug-25 < 7Y	10.65%	10.55%	10.60%	10.60%	0
01-Jun-26 < 8Y	10.70%	10.60%	10.65%	10.65%	0
01-Sep-28 < 10Y	10.80%	10.65%	10.73%	10.73%	0
15-May-30 < 12Y	10.90%	10.80%	10.85%	10.85%	0
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
	04-Jul-18	26-Jun-18	(bps)
91 days	8.35%	N/A	N/A
182 Days	8.85%	N/A	N/A
364 Days	9.43%	9.39%	4
Date of Settlement	6-Jul-18		

WEEK ENDING 6-Jul-18

Offered	Bids	Accepted
LKR ('Mn)	LKR ('Mn)	LKR ('Mn)
3,000	4,540	990
4,000	5,930	555
8,000	20,543	9,481
15,000	31,013	11,026

T-BOND AUCTION

Bond Type	Yield	Offered	Bids	Accepted
10.35%2025'A'		35,000	New Auction Announcement	
11.20%2033'A'		45,000	New Auction Announcement	
TOTAL		80,000	N/A	N/A

MATURITY TABLE FOR NEXT WEEK

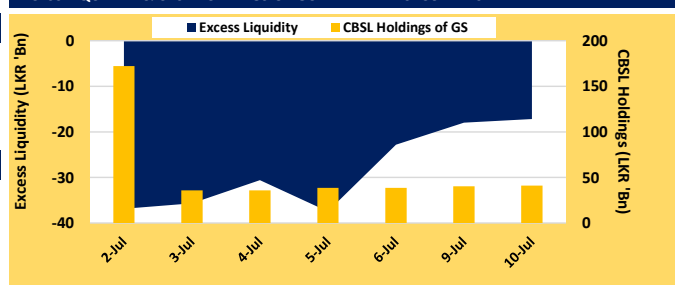
Type	LKR ('Mn)	USD ('Mn)
T-Bills	22,884	
T-Bonds	0	
T-Bond Interest		
SLDBs/Sovereign Bonds		0
TOTAL	22,884	0

LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

MARKET LIQUIDITY

10-Jul-18	Repo	Reverse Repo
	[LKR 'Bn]	[LKR 'Bn]
Mid-day Auction		
Offered	0.0	20.0
Bids	N/A	29.9
Accepted	N/A	20.0
Weighted Average Rate (%)	N/A	8.41%
Standing Facility	SDF	SLF
Rate	7.25%	8.50%
Value [LKR 'Bn]	9.2	6.4
O/N Surplus/(Deficit)		-17.2
CBSL Holdings of Government Securities [LKR 'Bn]		41.2

EXCESS LIQUIDITY & CBSL HOLDINGS OF GOVERNMENT SECURITIES



MONEY MARKET RATES

	High	Low	W.Avg	Value [LKR 'Bn]	
Call Money	10-Jul-18	8.50%	8.33%	8.48%	20.4
Repo Rates	10-Jul-18	8.50%	8.35%	8.38%	9.9

OUTSTANDING STOCK

	6-Jul-18	Previous Week	Change (%)
T-Bills [LKR 'Mn]	837,088	833,166	0.5%
T-Bonds [LKR 'Mn]	4,189,360	4,189,360	0.0%
TOTAL	5,026,448	5,022,526	0.1%
Foreign Holding [LKR 'Mn]	294,674	295,348	-0.2%
Foreign Holding (%)	5.9%	5.9%	

MARKET INTEREST RATES

	6-Jul-18	Last Month	Change (bps)
AWPLR	11.33%	11.33%	0
FD Ceiling Rate (1 Year)	2H2018 12.46%		

GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

US TREASURIES

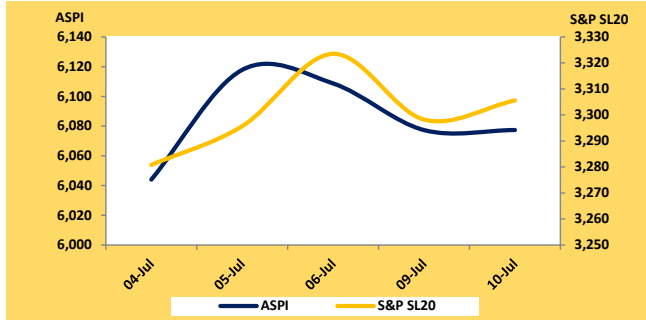
	6-Jul-18	29-Jun-18	Change (bps)	Last Month	Change (bps)
1 Year	2.34%	2.33%	1	2.33%	1
2 Year	2.53%	2.52%	1	2.52%	1
5 Year	2.71%	2.73%	-2	2.73%	-2
10 Year	2.82%	2.85%	-3	2.85%	-3
30 Year	2.94%	2.98%	-4	2.98%	-4

EXCHANGE RATES

	10-Jul-18	Last Month	Change (%)
USA Dollar	159.23	158.26	-0.6%
UK Pound	211.02	206.91	-1.9%
EU Euro	187.08	183.10	-2.1%
Japan Yen	1.43	1.43	-0.1%
Australia Dollar	119.02	116.25	-2.3%

EQUITY

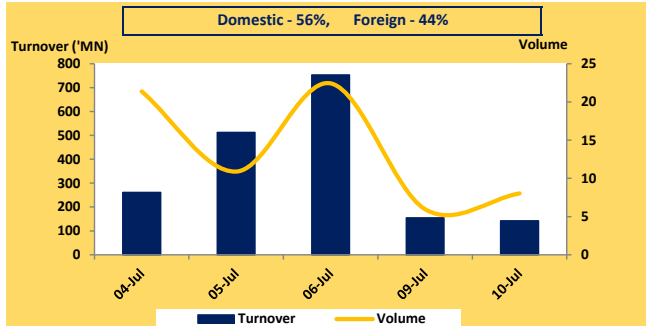
MARKET INDICES



MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	6,077.37	6,077.32	0.00%
S&P SL20	3,305.59	3,298.23	0.22%
Turnover (LKR 'Mn)	142.70	154.88	-7.87%
Volume ('Mn)	8.03	5.97	34.57%
Market Cap. (LKR 'Bn)	2,838.98	2,838.96	0.00%
Market Cap. (USD 'Bn)	17.83	17.83	0.00%
Traded Companies	212	213	-0.47%
Foreign Purchases (LKR 'Mn)	63.25	16.70	278.70%
Foreign Sales (LKR 'Mn)	61.51	39.60	55.32%
Net Foreign flow (LKR 'Mn)	1.75	-22.90	107.63%

MARKET TURNOVER & VOLUME



MTD Net Foreign Flow (LKR 'Mn)	-921.54
YTD Net Foreign Flow (LKR 'Mn)	-2,248.05

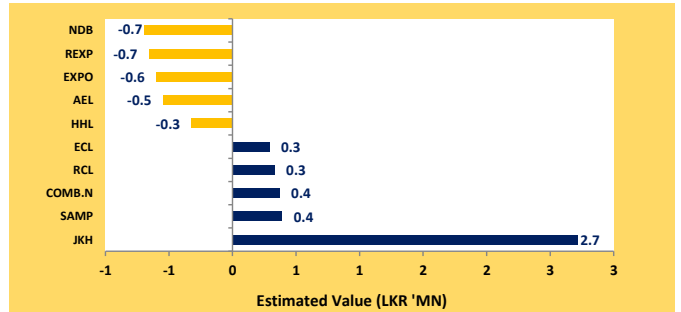
MARKET COMMENTARY

Bourse closed in green at yesterday's levels due to the gains made by DIST and CTC reversing the negative sentiment seen for two consecutive days, turnover recorded the lowest close since April 2018. ASPI witnessed a volatile uptrend throughout the greater part of the trading day, however plummeted during the last hour of trading reaching an intraday low of 6,072 and closing at 6,079. A marginal net foreign inflow was recorded retreating 13 straight sessions of outflows amidst high foreign participation.

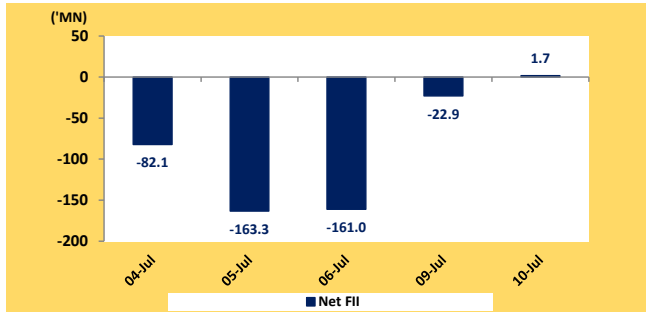
MAJOR CROSSINGS

Stock	No. of Crossings	Price [LKR]	Quantity	Total Crossings
HNB.N	1	220.00	96,752	1

ESTIMATED LARGEST FOREIGN FLOW



NET FOREIGN FLOW



TOP 5 GAINERS

	Today	Previous	Change (%)
TESS AGRO	0.70	0.60	16.67%
CEYLON PRINTERS	72.70	63.60	14.31%
PEOPLE'S MERCH	11.20	10.30	8.74%
UDAPUSSELLAWA	30.00	27.70	8.30%
CFI	55.20	51.00	8.24%

TOP 5 LOSERS

	Today	Previous	Change (%)
BLUE DIAMONDS [X]	0.20	0.30	-33.33%
S M B LEASING	0.40	0.50	-20.00%
TESS AGRO [X]	0.50	0.60	-16.67%
EQUITY TWO PLC	59.30	69.30	-14.43%
LUCKY LANKA [X]	0.70	0.80	-12.50%

TOP 5 TURNOVER

	Price	Volume	Turnover
		('Mn)	('Mn)
JKH	142.00	0.2	31.75
HNB	220.00	0.1	21.63
SANASA DEV. BANK	90.50	0.2	13.80
ACCESS ENG SL	16.00	0.7	10.73
EXPOLANKA	3.90	2.6	10.39

TOP 5 VOLUME

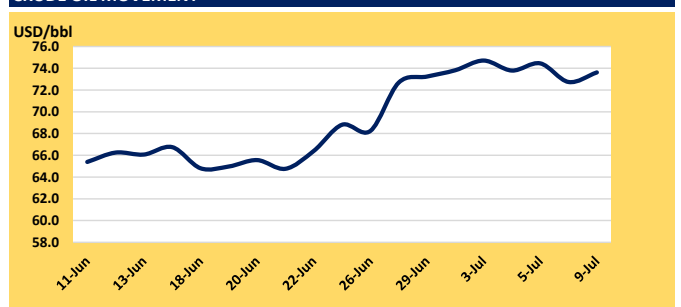
	Price	Volume	Turnover
		('Mn)	('Mn)
EXPOLANKA	3.90	2.6	10.39
AMANA BANK	3.30	0.7	2.24
ACCESS ENG SL	16.00	0.7	10.73
ASIA ASSET	1.00	0.5	0.46
BROWNS INVSTMNTS	2.40	0.3	0.80

GLOBAL MARKETS & COMMODITIES

GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	74.3	73.2	1.4%
Gold USD/t oz	1,257.4	1,252.8	0.4%
Copper USd/lb.	285.5	298.4	-4.3%
Cotton USd/lb.	85.3	83.9	1.7%

CRUDE OIL MOVEMENT



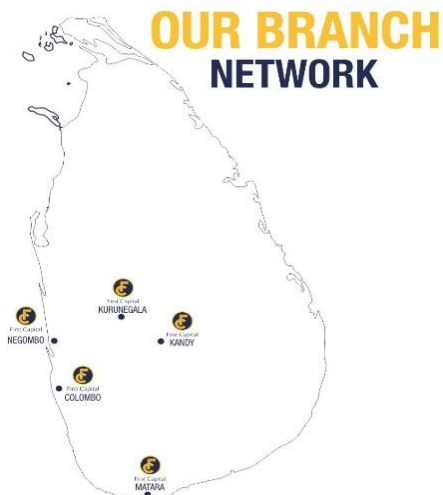
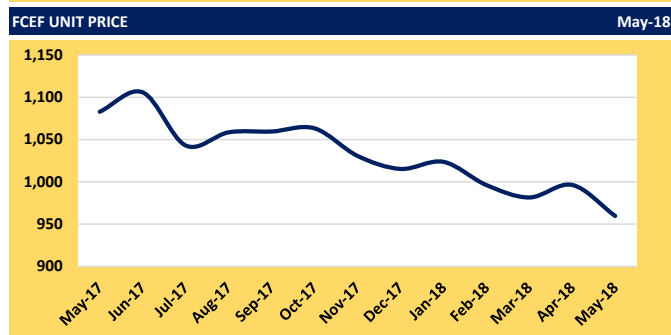
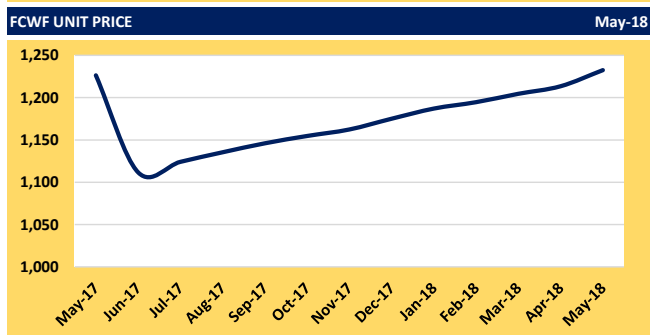
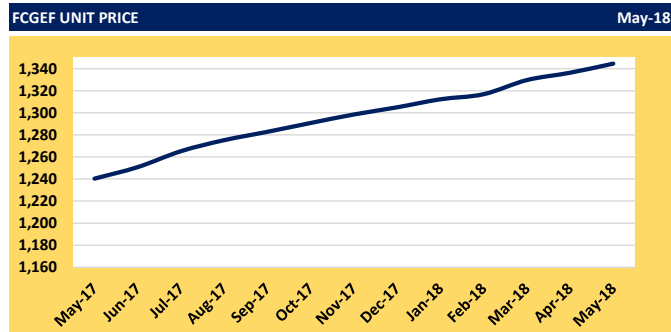
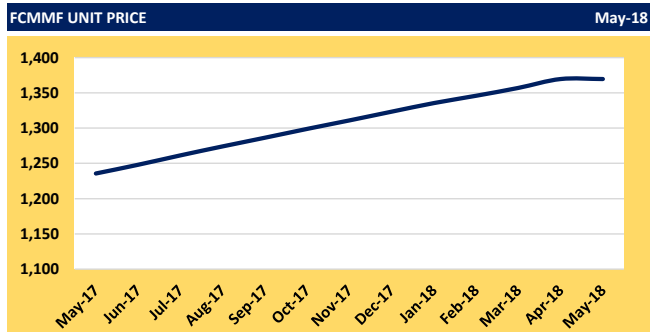
GLOBAL MARKETS

	Current	Last Month	Change (%)
DOW JONES	24,776.6	24,216.1	2.3%
EURO STOXX 50	3,465.7	3,412.7	1.6%
FTSE 100	7,698.6	7,674.6	0.3%
NIKKEI 225	22,196.9	22,304.5	-0.5%

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	1,399.44	1,399.44	790	11.07%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,354.47	1,354.47	57	0.00%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,063.24	1,063.21	626	9.38%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	904.01	858.81	62	N/A	1.00% p.a.	0.23% p.a.	25% over ASTRI

TRAILING RETURNS (%)							Performance as of	May-18
FIXED INCOME FUNDS	YTD	2016/17	2015/16	2014/15	2013/14	2012/13	Since Inception	
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%
BALANCED FUND	1 Month	3 Months	6 Months	12 Months	2 Years		Since Inception	
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%
Out/(Under) Performance	-1.71%	-2.69%	-3.87%	-7.73%	N/A			5.44%



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

11.12%* P.A.
current yield as at 30/06/18

* 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.

Call : +94 11 2 639 841 | +94 771 764 799

No. 02, Deal Place, Colombo 03, Sri Lanka. | Tel No: +94 11 2 639 896
Email: info@firstcapital.lk | Web: www.firstcapital.lk



First Capital

First Capital Holdings PLC

No.2, Deal Place,
Colombo 3

Tel: +94 11 2145 000
Fax: +94 11 2145 050

RESEARCH

Dimantha Mathew	+94 11 2639 853	Amanda Lokugamage	+94 11 2639 868
Atchuthan Srirangan	+94 11 2639 863	Nisansala Kuruppumudali	+94 11 2639 866

GOVERNMENT SECURITIES SALES

Anjelo Simmons	+94 77 3031 636	Neminda Jayawardena	+94 76 6644 080
Anushka Dissanayake	+94 77 2220 021	Arun Kandasamy	+94 75 4861 506
Anushi Ranawaka	+94 77 3876 819		

CORPORATE DEBT SALES

Sewwandi Kathriarachchi	+94 77 3461 734
Nethalie De Mel	+94 11 2639 854

EQUITY SALES

CEO	Jaliya Wijeratne	+94 70 2910 042	Negombo	
			Priyanka Anuruddha	+94 70 2910 035
Colombo			Priyantha Wijesiri	+94 70 2910 036
Damian Le Grand		+94 70 2910 032		
Nishantha Mudalige		+94 70 2910 041		
Isuru Jayawardana		+94 70 2910 034		
Ifadh Marikar		+94 77 9625 679		
Thushara Pathiraja		+94 70 2910 037		
Anushka Buddhika		+94 70 2910 030		
Gamini Hettiarachchi		+94 70 2910 039		

UNIT TRUST SALES

Imali Abeygunawardena	+94 77 1764 799
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BRANCHES

Kandy	Kurunegala	Matara	Negombo
2nd Floor, No.121 Kotugodella Veediya (E L Senanayake Veediya) Kandy 20000.	Ground Floor No. 42, Mihindu Mawatha, Kurunegala 60000.	2nd Floor, E.H. Cooray Building No: 24, 1/3, Anagarika Dharmapala Mawatha, Matara 81000.	1st Floor No: 163B, Colombo Road, Negombo 11500.
Manager: Salinda Samarakoon Tel: +94 81 2236 010	Manager: Menaka Wavegedara Tel: +94 37 2222 930	Manager: Rohana Jayakody Tel: +94 41 2222 988	Manager: Buddhika Edirisinghe Tel: +94 31 2233 299

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