



First Capital

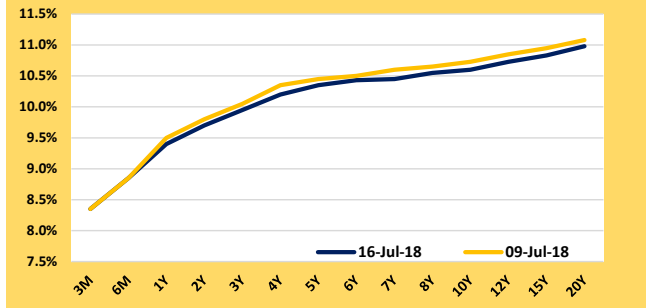
DAILY MARKET WATCH

First Capital Research

July 16, 2018

FIXED INCOME

YIELD CURVE BASED ON MID RATES & MARKET COMMENTARY



Secondary market witnessed moderate activity levels as the positive sentiment regained towards the latter part of last week was seen continuing. However, the overall yield curve remained broadly steady with market witnessing low volumes. Amidst the buying interest, considerable volumes of short to mid tenure maturities traded during the day. 01.07.19 was seen trading at 9.40% while 15.03.23 maturity traded at 10.37%-10.32% levels, prior to closing the day at 10.30/40.

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	9.45%	9.35%	9.40%	9.50%	-10
01-May-20 < 2Y	9.75%	9.65%	9.70%	9.80%	-10
01-May-21 < 3Y	10.00%	9.90%	9.95%	10.05%	-10
01-Jul-22 < 4Y	10.25%	10.15%	10.20%	10.35%	-15
15-Mar-23 < 5Y	10.40%	10.30%	10.35%	10.45%	-10
01-Aug-24 < 6Y	10.45%	10.40%	10.43%	10.50%	-7
01-Aug-25 < 7Y	10.50%	10.40%	10.45%	10.60%	-15
01-Jun-26 < 8Y	10.60%	10.50%	10.55%	10.65%	-10
01-Sep-28 < 10Y	10.65%	10.55%	10.60%	10.73%	-13
15-May-30 < 12Y	10.80%	10.65%	10.73%	10.85%	-12
15-Jan-33 < 15Y	10.90%	10.75%	10.83%	10.95%	-12
15-Mar-35 < 20Y	11.15%	10.80%	10.98%	11.08%	-10

PRIMARY AUCTION

T-BILL AUCTION

Tenor	Current	Previous	Change
	11-Jul-18	04-Jul-18	(bps)
91 days	8.37%	8.35%	2
182 Days	N/A	8.85%	N/A
364 Days	9.43%	9.43%	0
Date of Settlement	13-Jul-18		

WEEK ENDING 13-Jul-18

Offered	Bids	Accepted
LKR ('Mn)	LKR ('Mn)	LKR ('Mn)
3,000	8,374	5,111
4,000	5,520	N/A
7,000	32,247	8,889
14,000	46,141	14,000

T-BOND AUCTION

Bond Type	Yield	Offered	Bids	Accepted
10.35%2025'A'	10.53%	35,000	110,407	35,000
11.20%2033'A'	10.88%	45,000	115,032	45,000
TOTAL		80,000	225,439	80,000

MATURITY TABLE FOR NEXT WEEK

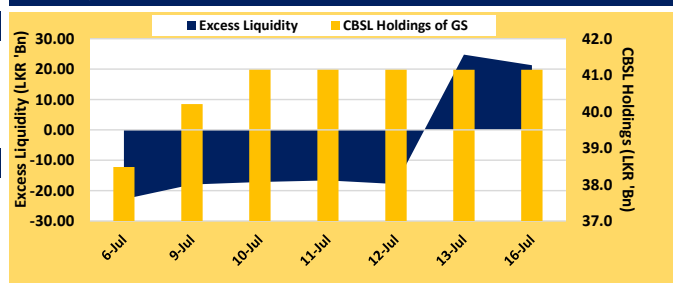
Type	LKR ('Mn)	USD ('Mn)
T-Bills	26,173	
T-Bonds	0	
T-Bond Interest	9,887	
SLDBs/Sovereign Bonds		0
TOTAL	36,060	0

LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

MARKET LIQUIDITY

16-Jul-18	Repo	Reverse Repo
Mid-day Auction	[LKR 'Bn]	[LKR 'Bn]
Offered	20.0	0.0
Bids	16.2	N/A
Accepted	16.2	N/A
Weighted Average Rate (%)	7.82%	N/A
Standing Facility	SDF	SLF
Rate	7.25%	8.50%
Value [LKR 'Bn]	5.3	0.3
O/N Surplus/(Deficit)		21.3
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	16-Jul-18	8.50%	8.45%	8.50%	31.6
Repo Rates	16-Jul-18	8.45%	8.25%	8.29%	11.3

OUTSTANDING STOCK

	11-Jul-18	Previous Week	Change (%)
T-Bills [LKR 'Mn]	824,159	837,088	-1.5%
T-Bonds [LKR 'Mn]	4,189,360	4,189,360	0.0%
TOTAL	5,013,519	5,026,448	-0.3%
Foreign Holding [LKR 'Mn]	294,665	294,674	0.0%
Foreign Holding (%)	5.9%	5.9%	

MARKET INTEREST RATES

	11-Jul-18	Last Month	Change (bps)
AWPLR	11.34%	11.33%	1
FD Ceiling Rate (1 Year)	2H2018	12.46%	

GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

US TREASURIES

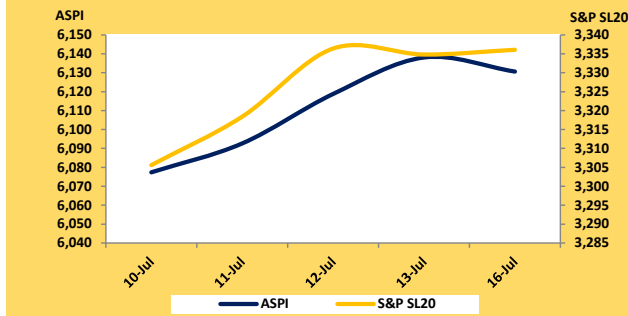
	13-Jul-18	6-Jul-18	Change (bps)	Last Month	Change (bps)
1 Year	2.37%	2.34%	3	2.33%	4
2 Year	2.59%	2.53%	6	2.52%	7
5 Year	2.73%	2.71%	2	2.73%	0
10 Year	2.83%	2.82%	1	2.85%	-2
30 Year	2.94%	2.94%	0	2.98%	-4

EXCHANGE RATES

	16-Jul-18	Last Month	Change (%)
USA Dollar	159.46	158.26	-0.8%
UK Pound	211.05	206.91	-2.0%
EU Euro	186.30	183.10	-1.7%
Japan Yen	1.42	1.43	1.0%
Australia Dollar	118.26	116.25	-1.7%

EQUITY

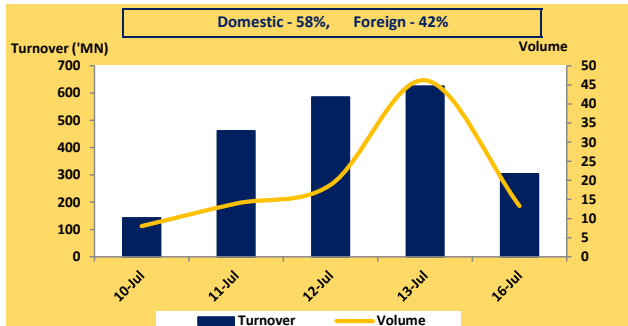
MARKET INDICES



MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	6,130.62	6,138.08	-0.12%
S&P SL20	3,336.07	3,334.82	0.04%
Turnover (LKR 'Mn)	304.09	626.02	-51.43%
Volume ('Mn)	13.30	46.20	-71.20%
Market Cap. (LKR 'Bn)	2,864.48	2,867.97	-0.12%
Market Cap. (USD 'Bn)	17.96	17.99	-0.12%
Traded Companies	216	234	-7.69%
Foreign Purchases (LKR 'Mn)	38.93	108.70	-64.18%
Foreign Sales (LKR 'Mn)	216.59	112.72	92.14%
Net Foreign flow (LKR 'Mn)	-177.65	-4.02	-4314.02%

MARKET TURNOVER & VOLUME



MTD Net Foreign Flow (LKR 'Mn)	-1,299.30
YTD Net Foreign Flow (LKR 'Mn)	-2,625.81

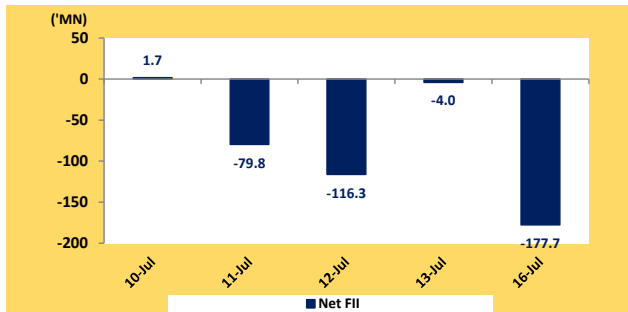
MARKET COMMENTARY

Bourse ended in red dragged down by CARG and COMB, negating the positive outlook witnessed throughout the last four days. ASPI witnessed a short lived hike at the beginning of trading reaching an intraday high of 6,148 followed by a downward trend reaching an intraday low of 6,126 and closing at 6,131 losing 7 points. Turnover has decreased more than half and nearly 65% was derived by JKH. A net foreign outflow was witnessed for the 4th consecutive day with high foreign participation.

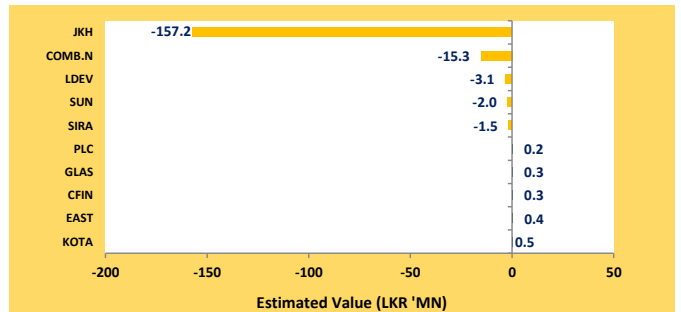
MAJOR CROSSINGS

Stock	No. of Crossings	Price [LKR]	Quantity	Total Crossings
JKH	4	142.00-142.50	965,309	4

NET FOREIGN FLOW



ESTIMATED LARGEST FOREIGN FLOW



TOP 5 GAINERS

	Today	Previous	Change (%)
AMANA TAKAFUL	0.90	0.70	28.57%
ADAM CAPITAL	0.60	0.50	20.00%
TESS AGRO	0.70	0.60	16.67%
PARAGON	65.90	58.00	13.62%
PRIME FINANCE	20.00	18.00	11.11%

TOP 5 LOSERS

	Today	Previous	Change (%)
BLUE DIAMONDS	0.60	0.70	-14.29%
MULTI FINANCE	11.50	13.00	-11.54%
AGSTAR PLC	3.50	3.90	-10.26%
BRAC LNKA FINANCE	43.50	47.90	-9.19%
ASIA ASSET	1.00	1.10	-9.09%

TOP 5 TURNOVER

	Price	Volume ('Mn)	Turnover ('Mn)
JKH	144.60	1.4	199.06
COMMERCIAL BANK	125.10	0.1	16.64
SAMPATH	295.10	0.0	14.47
HATTON	7.40	1.4	10.52
COLD STORES	920.20	0.0	4.61

TOP 5 VOLUME

	Price	Volume ('Mn)	Turnover ('Mn)
ADAM INVESTMENTS	0.30	2.2	0.67
AMANA TAKAFUL	0.90	1.7	1.32
HATTON	7.40	1.4	10.52
JKH	144.60	1.4	199.06
BROWNS CAPITAL	4.40	1.0	4.60

GLOBAL MARKETS & COMMODITIES

GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	69.9	73.2	-4.6%
Gold USD/t oz	1,243.6	1,252.8	-0.7%
Copper USd/lb.	275.8	298.4	-7.6%
Cotton USd/lb.	88.3	83.9	5.2%

CRUDE OIL MOVEMENT



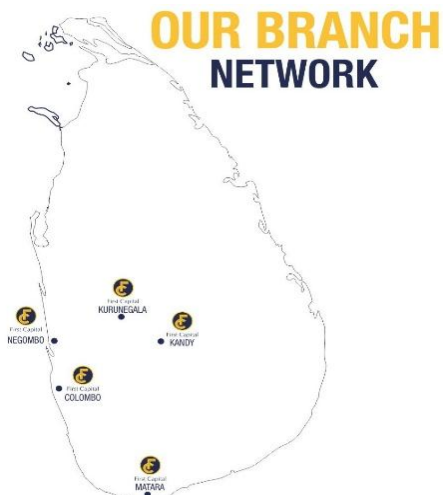
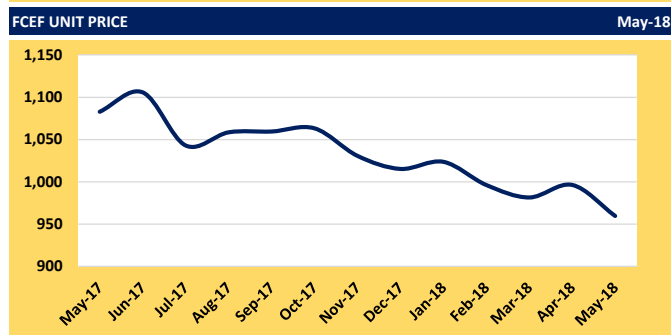
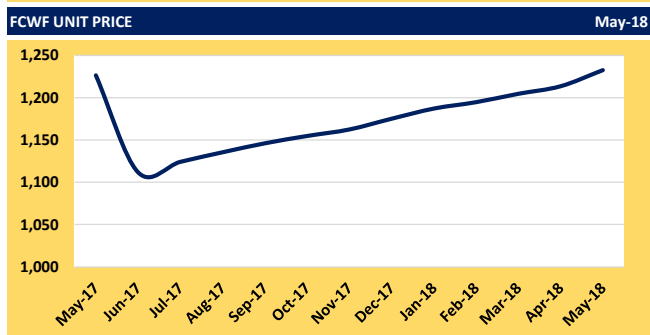
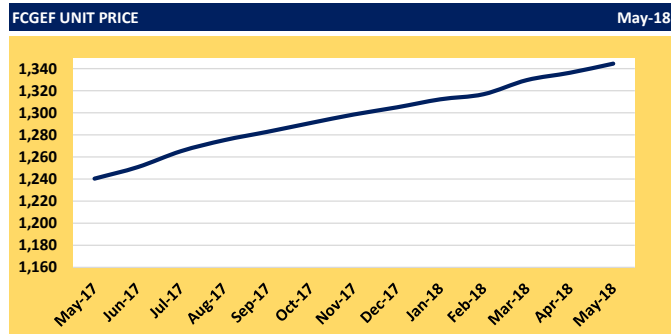
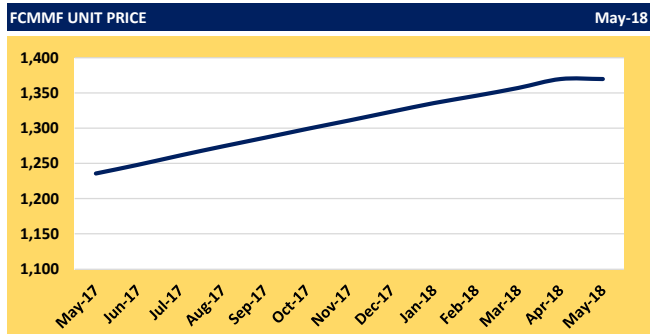
GLOBAL MARKETS

	Current	Last Month	Change (%)
DOW JONES	25,019.4	24,216.1	3.3%
EURO STOXX 50	3,453.4	3,412.7	1.2%
FTSE 100	7,612.7	7,674.6	-0.8%
NIKKEI 225	22,597.4	22,304.5	1.3%

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	1,401.93	1,401.93	790	11.07%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,356.07	1,356.07	57	0.00%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,064.86	1,064.83	626	9.38%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	916.20	870.39	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.

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Anushi Ranawaka	+94 77 3876 819		

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Nethalie De Mel	+94 11 2639 854

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Damian Le Grand		+94 70 2910 032		
Nishantha Mudalige		+94 70 2910 041		
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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

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