



First Capital

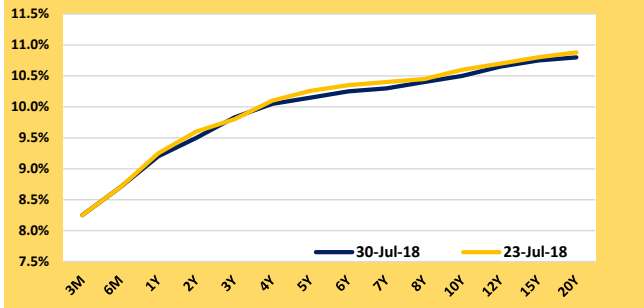
DAILY MARKET WATCH

First Capital Research

July 30, 2018

FIXED INCOME

YIELD CURVE BASED ON MID RATES & MARKET COMMENTARY



The secondary market yield curve remained mostly steady with overall market witnessing thin volumes, as market participants were seen remaining on the sideline. Limited activity was centered on mid tenure maturities with 01.08.21 trading at 9.85% and 15.03.23 at 10.16%-10.13% 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%	8.20%	8.25%	8.25%	0
< 182 Days < 6M	8.75%	8.65%	8.70%	8.70%	0
< 364 Days < 1Y	9.25%	9.15%	9.20%	9.25%	-5
01-May-20 < 2Y	9.55%	9.45%	9.50%	9.60%	-10
01-May-21 < 3Y	9.85%	9.80%	9.83%	9.80%	3
01-Jul-22 < 4Y	10.10%	10.00%	10.05%	10.10%	-5
15-Mar-23 < 5Y	10.20%	10.10%	10.15%	10.26%	-11
01-Aug-24 < 6Y	10.30%	10.20%	10.25%	10.35%	-10
01-Aug-25 < 7Y	10.35%	10.25%	10.30%	10.40%	-10
01-Jun-26 < 8Y	10.45%	10.35%	10.40%	10.45%	-5
01-Sep-28 < 10Y	10.55%	10.45%	10.50%	10.60%	-10
15-May-30 < 12Y	10.70%	10.60%	10.65%	10.70%	-5
15-Jan-33 < 15Y	10.80%	10.70%	10.75%	10.80%	-5
15-Mar-35 < 20Y	10.90%	10.70%	10.80%	10.88%	-8

PRIMARY AUCTION

T-BILL AUCTION

Tenor	Current	Previous	Change
	24-Jul-18	18-Jul-18	(bps)
91 days	8.24%	8.25%	-1
182 Days	8.74%	8.75%	-1
364 Days	9.27%	9.31%	-4
Date of Settlement	26-Jul-18		

WEEK ENDING 26-Jul-18

Offered	Bids	Accepted
LKR ('Mn)	LKR ('Mn)	LKR ('Mn)
6,000	12,500	300
6,000	9,993	2,693
12,000	53,898	21,007
24,000	76,391	24,000

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

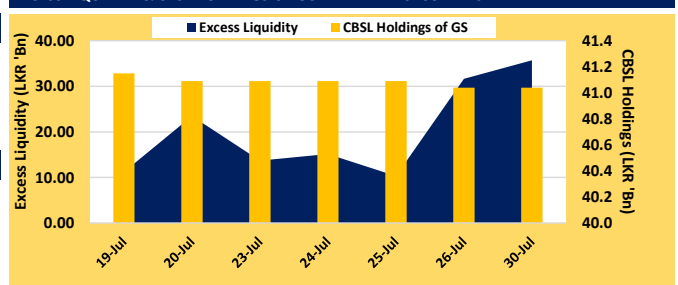
Type	LKR ('Mn)	USD ('Mn)
T-Bills	24,466	
T-Bonds	0	
T-Bond Interest	27,673	
SLDBs/Sovereign Bonds		0
TOTAL	52,139	0

LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

MARKET LIQUIDITY

30-Jul-18	Repo	Reverse Repo
Mid-day Auction	[LKR 'Bn]	[LKR 'Bn]
Offered	15.0	0.0
Bids	30.4	N/A
Accepted	15.0	N/A
Weighted Average Rate (%)	7.75%	N/A
Standing Facility	SDF	SLF
Rate	7.25%	8.50%
Value [LKR 'Bn]	21.4	0.7
O/N Surplus/(Deficit)		35.7
CBSL Holdings of Government Securities [LKR 'Bn]		41.0

EXCESS LIQUIDITY & CBSL HOLDINGS OF GOVERNMENT SECURITIES



MONEY MARKET RATES

	High	Low	W.Avg	Value [LKR 'Bn]
Call Money 30-Jul-18	8.50%	8.35%	8.49%	27.6
Repo Rates 30-Jul-18	8.50%	8.25%	8.34%	11.7

OUTSTANDING STOCK

	25-Jul-18	Previous Week	Change (%)
T-Bills [LKR 'Mn]	804,102	815,275	-1.4%
T-Bonds [LKR 'Mn]	4,178,644	4,178,644	0.0%
TOTAL	4,982,746	4,993,919	-0.2%
Foreign Holding [LKR 'Mn]	288,067	292,678	-1.6%
Foreign Holding (%)	5.8%	5.9%	

MARKET INTEREST RATES

	25-Jul-18	Last Month	Change (bps)
AWPLR	11.44%	11.33%	11
FD Ceiling Rate (1 Year)	2H2018 12.46%		

GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

US TREASURIES

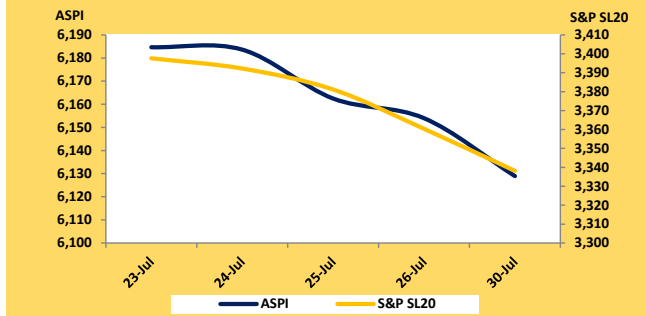
	27-Jul-18	20-Jul-18	Change (bps)	Last Month	Change (bps)
1 Year	2.43%	2.41%	2	2.33%	10
2 Year	2.67%	2.60%	7	2.52%	15
5 Year	2.84%	2.77%	7	2.73%	11
10 Year	2.96%	2.89%	7	2.85%	11
30 Year	3.09%	3.03%	6	2.98%	11

EXCHANGE RATES

	30-Jul-18	Last Month	Change (%)
USA Dollar	159.61	158.26	-0.8%
UK Pound	209.17	206.91	-1.1%
EU Euro	186.04	183.10	-1.6%
Japan Yen	1.44	1.43	-0.3%
Australia Dollar	117.99	116.25	-1.5%

EQUITY

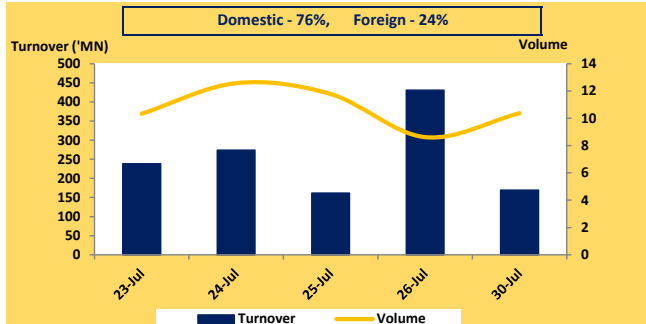
MARKET INDICES



MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	6,128.95	6,153.99	-0.41%
S&P SL20	3,338.15	3,360.37	-0.66%
Turnover (LKR 'Mn)	169.43	430.77	-60.67%
Volume ('Mn)	10.37	8.62	20.30%
Market Cap. (LKR 'Bn)	2,870.02	2,881.74	-0.41%
Market Cap. (USD 'Bn)	17.98	18.05	-0.41%
Traded Companies	227	212	7.08%
Foreign Purchases (LKR 'Mn)	40.69	137.31	-70.37%
Foreign Sales (LKR 'Mn)	39.30	306.89	-87.20%
Net Foreign flow (LKR 'Mn)	1.40	-169.57	100.82%

MARKET TURNOVER & VOLUME



MTD Net Foreign Flow (LKR 'Mn)	-1,201.64
YTD Net Foreign Flow (LKR 'Mn)	-2,528.16

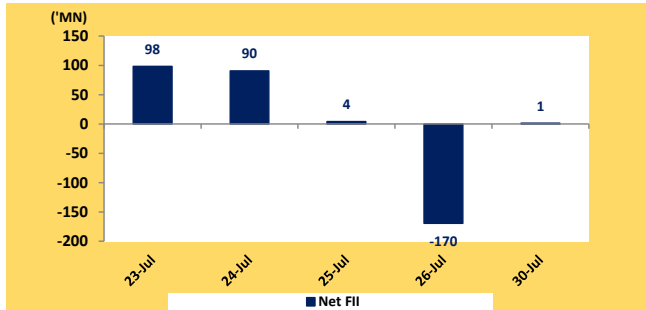
MARKET COMMENTARY

Market ended in red for the fifth straight session mainly dragged down by big cap JKH and DFCC. ASPI witnessed a volatile downward trend reaching an intraday low 6,126 and closed for the trading day at 6,129, losing 25 points. Turnover had dipped compared to Thursday's market however, volume had improved. A marginal net foreign inflow was witnessed amidst low foreign participation.

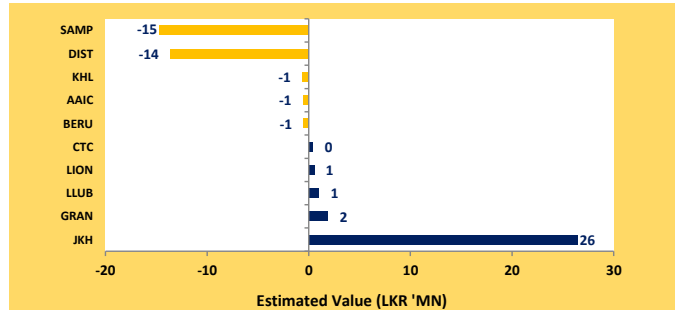
MAJOR CROSSINGS

Stock	No. of Crossings	Price [LKR]	Quantity	Total Crossings
				0

NET FOREIGN FLOW



ESTIMATED LARGEST FOREIGN FLOW



TOP 5 GAINERS

	Today	Previous	Change (%)
SATHOSA MOTORS	380.00	324.50	17.10%
ON'ALLY	90.00	78.90	14.07%
LANKA ALUMINIUM	68.20	62.10	9.82%
MULTI FINANCE	14.20	13.20	7.58%
DOLPHIN HOTELS	28.00	26.50	5.66%

TOP 5 LOSERS

	Today	Previous	Change (%)
ADAM INVESTMENTS	0.20	0.30	-33.33%
BLUE DIAMONDS [X]	0.30	0.40	-25.00%
LUCKY LANKA [X]	0.70	0.80	-12.50%
BERUWALA RESORTS	0.70	0.80	-12.50%
LANKEM CEYLON	29.00	32.90	-11.85%

TOP 5 TURNOVER

	Price	Volume	Turnover
		('Mn)	('Mn)
JKH	139.90	0.5	63.84
SAMPATH	295.00	0.1	17.70
DISTILLERIES	20.40	0.7	15.35
TEEJAY LANKA	32.50	0.2	7.51
SOFTLOGIC CAP	5.50	0.6	3.23

TOP 5 VOLUME

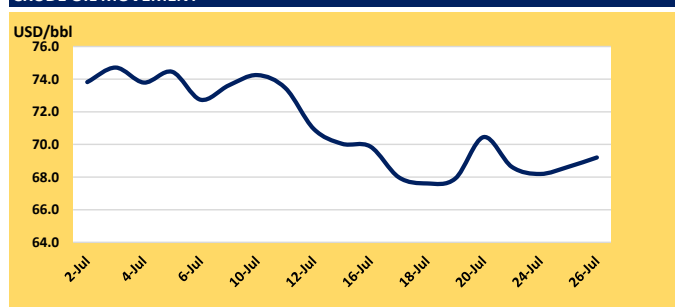
	Price	Volume	Turnover
		('Mn)	('Mn)
AMANA TAKAFUL	0.90	3.4	3.02
BERUWALA RESORTS	0.70	0.8	0.53
DISTILLERIES	20.40	0.7	15.35
S M B LEASING[NON-VOTING]	0.20	0.6	0.12
SOFTLOGIC CAP	5.50	0.6	3.23

GLOBAL MARKETS & COMMODITIES

GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	69.4	73.2	-5.2%
Gold USD/t oz	1,231.1	1,252.8	-1.7%
Copper USd/lb.	278.5	298.4	-6.7%
Cotton USd/lb.	88.8	83.9	5.8%

CRUDE OIL MOVEMENT



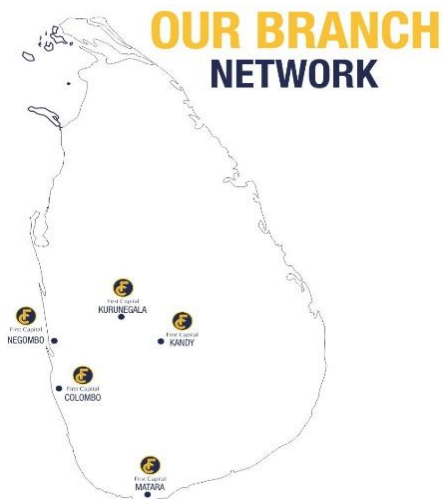
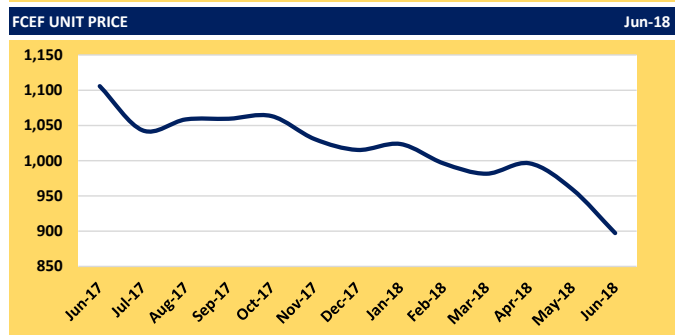
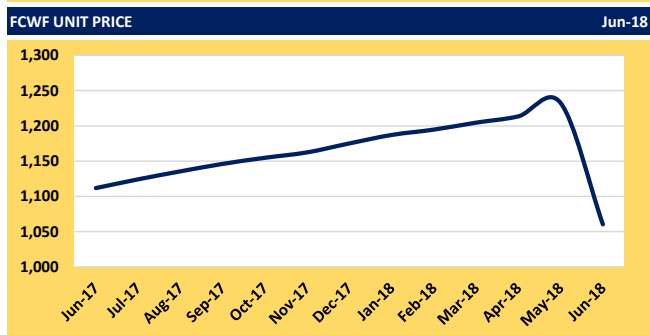
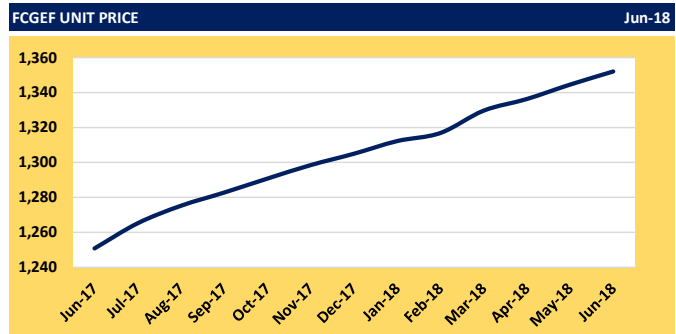
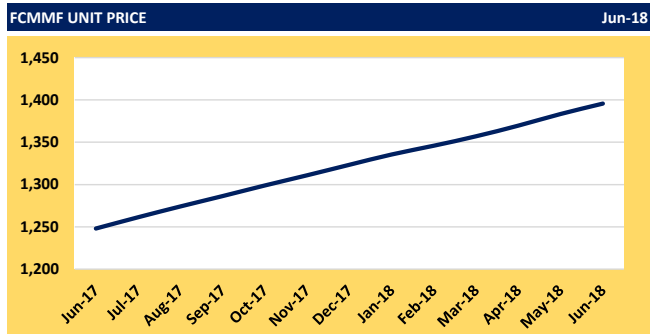
GLOBAL MARKETS

	Current	Last Month	Change (%)
DOW JONES	25,451.1	24,216.1	5.1%
EURO STOXX 50	3,515.9	3,412.7	3.0%
FTSE 100	7,682.0	7,674.6	0.1%
NIKKEI 225	22,544.8	22,304.5	1.1%

UNIT TRUSTS

	Sell Price	Buy Price	AUM LKR 'Mn	Avg. Yield	Information on Fees		
	LKR	LKR	As at June 2018		Mgmt Fee	Trustee fee	Performance Fee
First Capital Money Market Fund	1,407.81	1,407.81	773	11.12%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,359.75	1,359.75	55	0.00%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,067.96	1,067.93	618	10.26%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	912.89	867.25	13	N/A	1.00% p.a.	0.23% p.a.	25% over ASTRI

TRAILING RETURNS (%)							Performance as of	Jun-18
	YTD	2017/18	2016/17	2015/16	2014/15	2013/14	Since Inception	
FIXED INCOME FUNDS								
First Capital Money Market Fund	11.41%	11.92%	10.39%	7.92%	7.20%	N/A		11.13%
First Capital Gilt Edge Fund	6.77%	9.14%	19.06%	4.17%	-3.46%	N/A		9.35%
First Capital Wealth Fund	10.26%	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	-6.50%	-8.58%	-11.62%	-18.85%	N/A			-10.27%
ASTRI*	-3.17%	-4.27%	-2.50%	-7.82%	N/A			-12.34%
Out/(Under) Performance	-3.33%	-4.32%	-9.12%	-11.04%	N/A			2.07%



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Save the non-traditional way

Money Market Fund

* Flexibility to withdraw funds at anytime

10.93% PA

current yield as at 23/07/18

+94 11 2 639 841, +94 771 764 799

* 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.

First Capital

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UNIT TRUST SALES

Imali Abeygunawardena	+94 77 1764 799
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