



First Capital

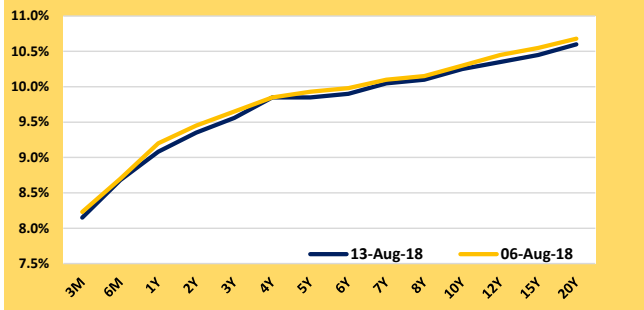
DAILY MARKET WATCH

First Capital Research

August 13, 2018

FIXED INCOME

YIELD CURVE BASED ON MID RATES & MARKET COMMENTARY



Secondary market witnessed yields of mid tenure maturities shifting slightly upwards to fall in line with the primary bond auction results. At the primary bond auction 15.07.23 and 15.03.28 accepted at weighted average of 9.91% and 10.20% respectively. Active quoting continued to center on liquid short to mid tenure maturities with 01.05.20 trading at 9.35%, .01.03.21 at 9.50%, 01.05.21 at 9.53% and 15.03.23 maturity traded at 9.85%. Following the auction, 5-Yr bond (15.07.23) issued at today's auction was seen trading at 9.95-9.90% levels while the overall market saw moderate volumes.

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

Tenure	Bid	Offer	Today	Last Week	Change (bps)
< 91 Days < 3M	8.20%	8.10%	8.15%	8.23%	-8
< 182 Days < 6M	8.70%	8.65%	8.68%	8.70%	-2
< 364 Days < 1Y	9.10%	9.05%	9.08%	9.20%	-12
01-May-20 < 2Y	9.40%	9.30%	9.35%	9.45%	-10
01-Aug-21 < 3Y	9.60%	9.52%	9.56%	9.65%	-9
01-Jul-22 < 4Y	9.90%	9.80%	9.85%	9.85%	0
15-Mar-23 < 5Y	9.90%	9.80%	9.85%	9.93%	-8
01-Aug-24 < 6Y	9.95%	9.85%	9.90%	9.98%	-8
01-Aug-25 < 7Y	10.10%	10.00%	10.05%	10.10%	-5
01-Jun-26 < 8Y	10.15%	10.05%	10.10%	10.15%	-5
01-Sep-28 < 10Y	10.30%	10.20%	10.25%	10.30%	-5
15-May-30 < 12Y	10.40%	10.30%	10.35%	10.45%	-10
15-Jan-33 < 15Y	10.50%	10.40%	10.45%	10.55%	-10
15-Mar-35 < 20Y	10.70%	10.50%	10.60%	10.68%	-8

PRIMARY AUCTION

T-BILL AUCTION

Tenor	Current	Previous	Change
	08-Aug-18	01-Aug-18	(bps)
91 days	8.16%	8.17%	-1
182 Days	8.70%	N/A	N/A
364 Days	9.16%	9.23%	-7
Date of Settlement	10-Aug-18		

WEEK ENDING 10-Aug-18

Offered	Bids	Accepted
LKR ('Mn)	LKR ('Mn)	LKR ('Mn)
5,000	13,600	5,000
3,000	6,620	2,620
12,500	62,615	12,880
TOTAL	82,835	20,500

T-BOND AUCTION

Bond Type	Yield	Offered	Bids	Accepted
10.20%2023'A'	9.91%	45,000	84,225	45,000
10.75%2028'A'	10.20%	53,000	131,698	53,000
TOTAL		98,000	215,923	98,000

MATURITY TABLE FOR NEXT WEEK

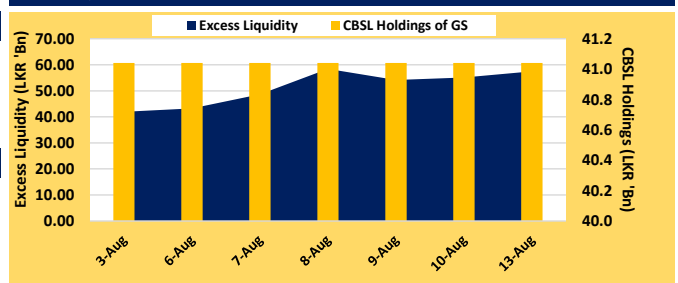
Type	LKR ('Mn)	USD ('Mn)
T-Bills	19,640	
T-Bonds	97,846	
T-Bond Interest	3,669	
SLDBs/Sovereign Bonds		0
TOTAL	121,155	0

LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

MARKET LIQUIDITY

13-Aug-18	Repo	Reverse Repo
Mid-day Auction	[LKR 'Bn]	[LKR 'Bn]
Offered	20.0	0.0
Bids	29.6	N/A
Accepted	20.0	N/A
Weighted Average Rate (%)	7.62%	N/A
Standing Facility	SDF	SLF
Rate	7.25%	8.50%
Value [LKR 'Bn]	37.5	0.0
O/N Surplus/(Deficit)		57.5
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	13-Aug-18	8.35%	7.95%	8.12%	11.9
Repo Rates	13-Aug-18	8.17%	7.95%	8.00%	10.8

OUTSTANDING STOCK

	8-Aug-18	Previous Week	Change (%)
T-Bills [LKR 'Mn]	797,938	797,904	0.0%
T-Bonds [LKR 'Mn]	4,178,644	4,178,644	0.0%
TOTAL	4,976,582	4,976,548	0.0%
Foreign Holding [LKR 'Mn]	285,250	287,807	-0.9%
Foreign Holding (%)	5.7%	5.8%	

MARKET INTEREST RATES

	8-Aug-18	Last Month	Change (bps)
AWPLR	11.41%	11.44%	-3
FD Ceiling Rate (1 Year)	2H2018	12.46%	

GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

US TREASURIES

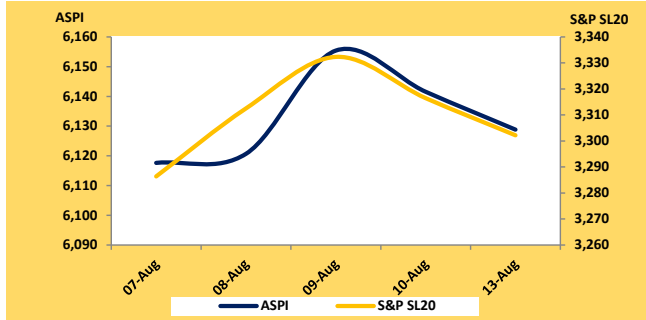
	10-Aug-18	3-Aug-18	Change (bps)	Last Month	Change (bps)
1 Year	2.42%	2.43%	-1	2.44%	-2
2 Year	2.61%	2.63%	-2	2.67%	-6
5 Year	2.75%	2.82%	-7	2.85%	-10
10 Year	2.87%	2.95%	-8	2.96%	-9
30 Year	3.03%	3.09%	-6	3.08%	-5

EXCHANGE RATES

	13-Aug-18	Last Month	Change (%)
USA Dollar	160.04	159.71	-0.2%
UK Pound	204.14	209.55	2.7%
EU Euro	182.15	186.98	2.6%
Japan Yen	1.45	1.44	-0.9%
Australia Dollar	116.44	118.49	1.8%

EQUITY

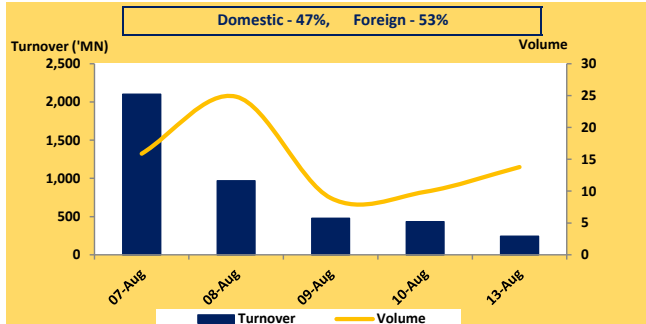
MARKET INDICES



MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	6,128.82	6,141.55	-0.21%
S&P SL20	3,302.19	3,316.47	-0.43%
Turnover (LKR 'Mn)	242.15	432.02	-43.95%
Volume ('Mn)	13.78	9.89	39.34%
Market Cap. (LKR 'Bn)	2,870.57	2,875.91	-0.19%
Market Cap. (USD 'Bn)	17.94	17.97	-0.19%
Traded Companies	207	219	-5.48%
Foreign Purchases (LKR 'Mn)	146.03	252.68	-42.21%
Foreign Sales (LKR 'Mn)	109.22	151.19	-27.76%
Net Foreign flow (LKR 'Mn)	36.81	101.50	-63.73%

MARKET TURNOVER & VOLUME



MTD Net Foreign Flow (LKR 'Mn)	-219.00
YTD Net Foreign Flow (LKR 'Mn)	-2,747.89

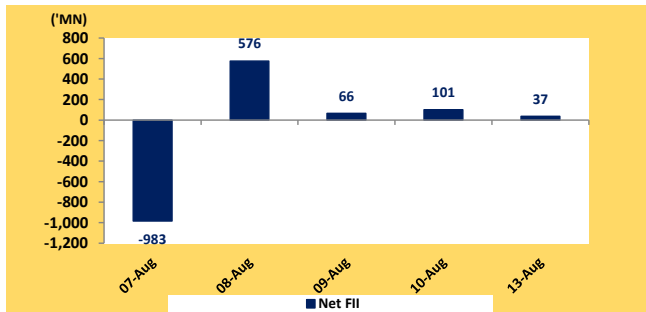
MARKET COMMENTARY

Bourse ended in red recording a negative sentiment for the second consecutive day mainly dragged down by JKH and DIAL. ASPI witnessed a continuous downtrend during the day reaching an intraday low of 6,117 and closed at 6,129, losing 13 points. Turnover recorded a one week low and 50% was derived by crossings. A net foreign inflow was recorded for the fourth consecutive day with high foreign participation.

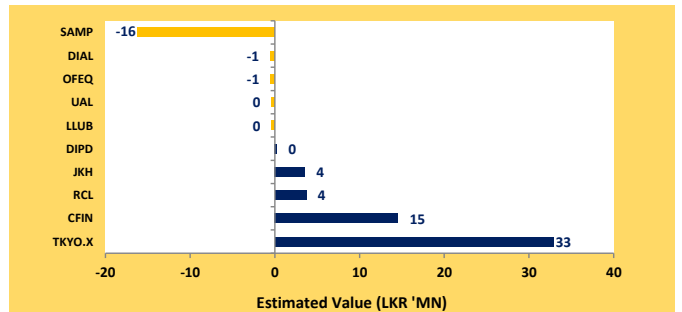
MAJOR CROSSINGS

Stock	No. of Crossings	Price [LKR]	Quantity	Total Crossings
TKYO.X	2	25.00	2,579,680	4
JKH	1	142.40	256,560	

NET FOREIGN FLOW



ESTIMATED LARGEST FOREIGN FLOW



TOP 5 GAINERS

	Today	Previous	Change (%)
ADAM INVESTMENTS	0.30	0.20	50.00%
TESS AGRO [X]	0.60	0.50	20.00%
ADAM CAPITAL	0.60	0.50	20.00%
BERUWALA RESORTS	0.70	0.60	16.67%
ELPITIYA	20.80	19.20	8.33%

TOP 5 LOSERS

	Today	Previous	Change (%)
BLUE DIAMONDS [X]	0.30	0.40	-25.00%
HUNTERS	406.00	460.20	-11.78%
NATION LANKA	0.80	0.90	-11.11%
MACKWOODS ENERGY	1.70	1.90	-10.53%
KINGSBURY	15.50	17.00	-8.82%

TOP 5 TURNOVER

	Price	Volume	Turnover
		('Mn)	('Mn)
TOKYO CEMENT[NON-VOTING]	25.00	3.3	81.41
JKH	141.90	0.4	53.01
OVERSEAS REALTY	16.00	1.4	23.17
SAMPATH	280.10	0.1	18.43
CENTRAL FINANCE	97.00	0.2	14.76

TOP 5 VOLUME

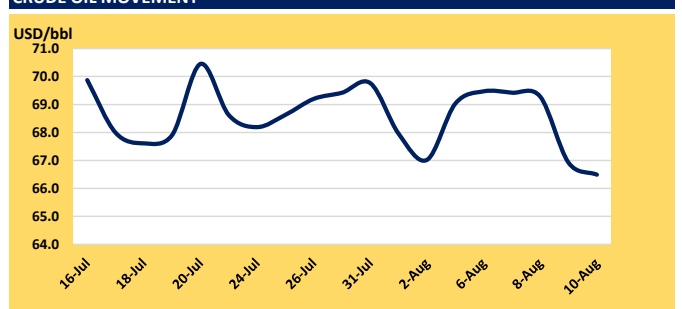
	Price	Volume	Turnover
		('Mn)	('Mn)
TOKYO CEMENT[NON-VOTING]	25.00	3.3	81.41
AMANA BANK	3.20	2.1	6.60
OVERSEAS REALTY	16.00	1.4	23.17
ANILANA HOTELS	1.20	1.2	1.46
TESS AGRO	0.50	0.8	0.38

GLOBAL MARKETS & COMMODITIES

GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	67.6	69.8	-3.1%
Gold USD/t oz	1,210.2	1,227.7	-1.4%
Copper USd/lb.	272.3	278.1	-2.1%
Cotton USd/lb.	84.6	89.5	-5.5%

CRUDE OIL MOVEMENT



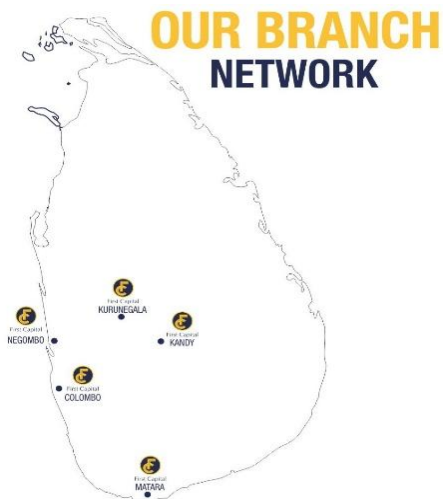
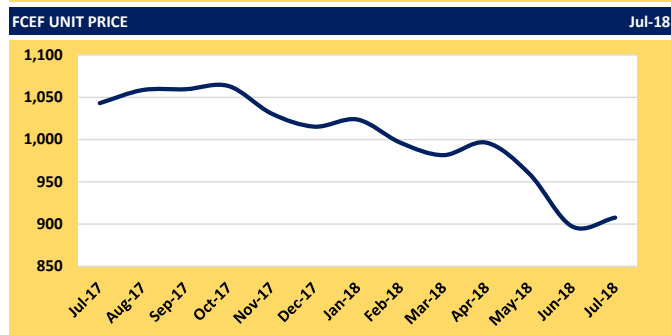
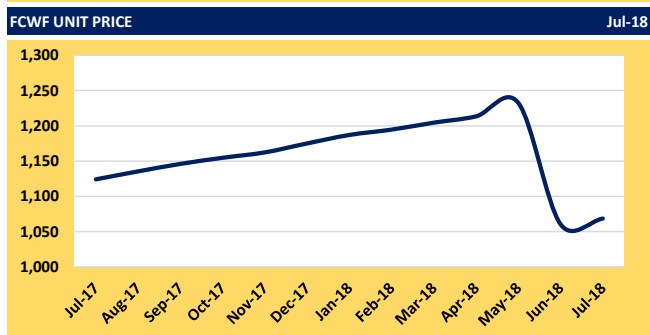
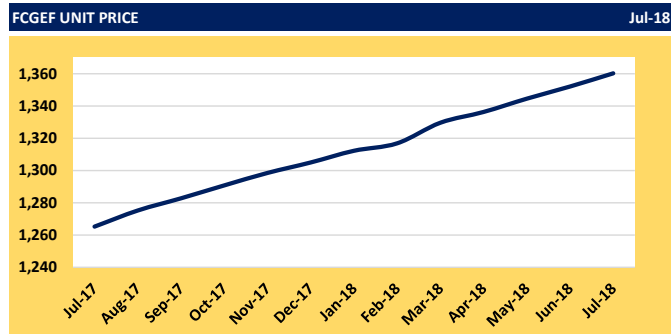
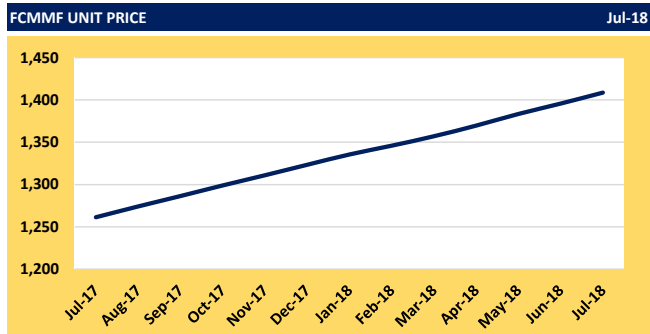
GLOBAL MARKETS

	Current	Last Month	Change (%)
DOW JONES	25,313.1	25,306.8	0.0%
EURO STOXX 50	3,405.3	3,516.9	-3.2%
FTSE 100	7,631.7	7,710.0	-1.0%
NIKKEI 225	21,857.4	22,553.7	-3.1%

UNIT TRUSTS

	Sell Price	Buy Price	AUM LKR 'Mn	Avg. Yield	Information on Fees		
	LKR	LKR	As at July 2018		Mgmt Fee	Trustee fee	Performance Fee
First Capital Money Market Fund	1,413.75	1,413.75	727	10.79%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,363.40	1,363.40	46	0.00%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,071.42	1,071.39	576	10.26%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	887.30	842.94	13	N/A	1.00% p.a.	0.23% p.a.	25% over ASTRI

TRAILING RETURNS (%)							Performance as of	Jul-18
FIXED INCOME FUNDS	YTD	2017/18	2016/17	2015/16	2014/15	2013/14	Since Inception	
First Capital Money Market Fund	11.37%	11.92%	10.39%	7.92%	7.20%	N/A		11.13%
First Capital Gilt Edge Fund	6.89%	9.14%	19.06%	4.17%	-3.46%	N/A		9.35%
First Capital Wealth Fund	10.01%	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	1.16%	-8.90%	-11.33%	-17.32%	N/A			-9.23%
ASTRI*	-0.73%	-5.77%	-4.83%	-7.02%	N/A			-12.98%
Out/(Under) Performance	1.89%	-3.13%	-6.50%	-10.30%	N/A			3.75%



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