



First Capital

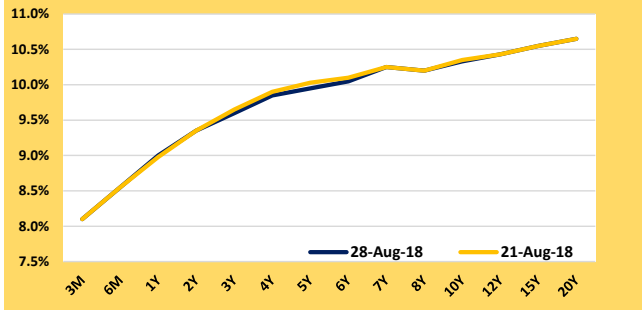
DAILY MARKET WATCH

First Capital Research

August 28, 2018

FIXED INCOME

YIELD CURVE BASED ON MID RATES & MARKET COMMENTARY



Secondary market yield curve remained unchanged at yesterday's levels while overall market witnessed moderate volumes. Ahead of tomorrow's primary bill auction, activity was centered on liquid short to mid tenure maturities with 15.10.18 trading at 8.10%, 01.03.21 at 9.55% and 15.07.23 at 9.95%.

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

Tenure	Bid	Offer	Today	Last Week	Change (bps)
< 91 Days < 3M	8.15%	8.05%	8.10%	8.10%	0
< 182 Days < 6M	8.60%	8.50%	8.55%	8.55%	0
< 364 Days < 1Y	9.05%	8.95%	9.00%	8.98%	2
01-May-20 < 2Y	9.40%	9.30%	9.35%	9.35%	0
01-Aug-21 < 3Y	9.65%	9.55%	9.60%	9.65%	-5
01-Jul-22 < 4Y	9.90%	9.80%	9.85%	9.90%	-5
15-Jul-23 < 5Y	9.97%	9.92%	9.95%	10.03%	-8
01-Aug-24 < 6Y	10.10%	10.00%	10.05%	10.10%	-5
01-Aug-25 < 7Y	10.30%	10.20%	10.25%	10.25%	0
01-Jun-26 < 8Y	10.25%	10.15%	10.20%	10.20%	0
01-Sep-28 < 10Y	10.40%	10.25%	10.33%	10.35%	-2
15-May-30 < 12Y	10.50%	10.35%	10.43%	10.43%	0
15-Jan-33 < 15Y	10.60%	10.50%	10.55%	10.55%	0
15-Mar-35 < 20Y	10.80%	10.50%	10.65%	10.65%	0

PRIMARY AUCTION

T-BILL AUCTION

Tenor	Current	Previous	Change
	21-Aug-18	15-Aug-18	(bps)
91 days	8.09%	8.10%	-1
182 Days	8.60%	8.62%	-2
364 Days	9.00%	9.00%	0

Date of Settlement: 24-Aug-18

WEEK ENDING 24-Aug-18

Offered	Bids	Accepted
LKR ('Mn)	LKR ('Mn)	LKR ('Mn)
4,000	11,988	4,000
2,000	10,740	2,000
12,000	28,875	12,000
18,000	51,603	18,000

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				

MATURITY TABLE FOR NEXT WEEK

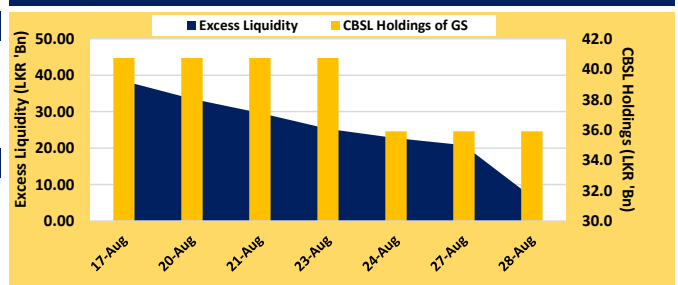
Type	LKR ('Mn)	USD ('Mn)
T-Bills	12,500	
T-Bonds	0	
T-Bond Interest	19,837	
SLDBs/Sovereign Bonds		0
TOTAL	32,337	0

LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

MARKET LIQUIDITY

	28-Aug-18	Repo	Reverse Repo
		[LKR 'Bn]	[LKR 'Bn]
Offered		0.0	0.0
Bids		N/A	N/A
Accepted		N/A	N/A
Weighted Average Rate (%)		N/A	N/A
Standing Facility		SDF	SLF
Rate		7.25%	8.50%
Value [LKR 'Bn]		5.5	2.4
O/N Surplus/(Deficit)			6.6
CBSL Holdings of Government Securities [LKR 'Bn]			35.9

EXCESS LIQUIDITY & CBSL HOLDINGS OF GOVERNMENT SECURITIES



MONEY MARKET RATES

	High	Low	W.Avg	Value [LKR 'Bn]	
Call Money	28-Aug-18	8.20%	7.65%	7.79%	13.8
Repo Rates	28-Aug-18	8.12%	7.60%	7.68%	17.9

OUTSTANDING STOCK

	21-Aug-18	Previous Week	Change (%)
T-Bills [LKR 'Mn]	798,619	798,259	0.0%
T-Bonds [LKR 'Mn]	4,178,799	4,178,799	0.0%
TOTAL	4,977,418	4,977,058	0.0%
Foreign Holding [LKR 'Mn]	276,885	284,432	-2.7%
Foreign Holding (%)	5.6%	5.7%	

MARKET INTEREST RATES

	21-Aug-18	Last Month	Change (bps)
AWPLR	11.91%	11.44%	47
FD Ceiling Rate (1 Year)	2H2018	12.46%	

GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

US TREASURIES

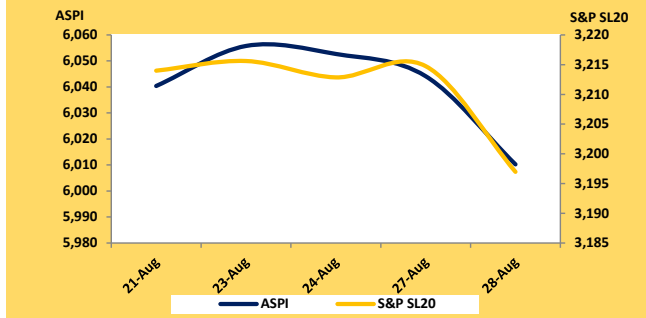
	24-Aug-18	17-Aug-18	Change (bps)	Last Month	Change (bps)
1 Year	2.44%	2.44%	0	2.44%	0
2 Year	2.63%	2.61%	2	2.67%	-4
5 Year	2.72%	2.75%	-3	2.85%	-13
10 Year	2.82%	2.87%	-5	2.96%	-14
30 Year	2.97%	3.03%	-6	3.08%	-11

EXCHANGE RATES

	28-Aug-18	Last Month	Change (%)
USA Dollar	161.09	159.71	-0.9%
UK Pound	207.43	209.55	1.0%
EU Euro	188.05	186.98	-0.6%
Japan Yen	1.45	1.44	-0.3%
Australia Dollar	118.14	116.65	-1.3%

EQUITY

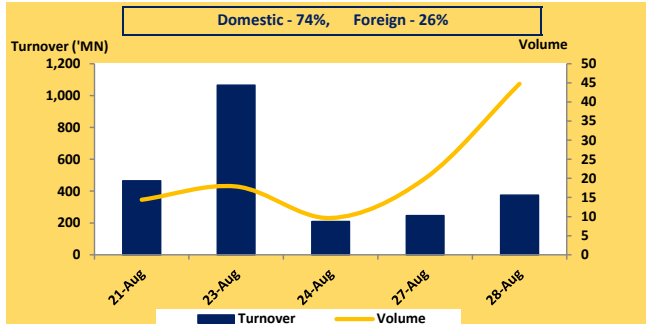
MARKET INDICES



MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	6,010.23	6,044.14	-0.56%
S&P SL20	3,196.97	3,214.75	-0.55%
Turnover (LKR 'Mn)	374.82	246.21	52.24%
Volume ('Mn)	44.76	19.99	123.89%
Market Cap. (LKR 'Bn)	2,815.71	2,831.60	-0.56%
Market Cap. (USD 'Bn)	17.48	17.58	-0.56%
Traded Companies	220	229	-3.93%
Foreign Purchases (LKR 'Mn)	86.27	73.72	17.03%
Foreign Sales (LKR 'Mn)	110.54	53.10	108.17%
Net Foreign flow (LKR 'Mn)	-24.27	20.62	-217.71%

MARKET TURNOVER & VOLUME



MTD Net Foreign Flow (LKR 'Mn)	-884.14
YTD Net Foreign Flow (LKR 'Mn)	-3,413.02

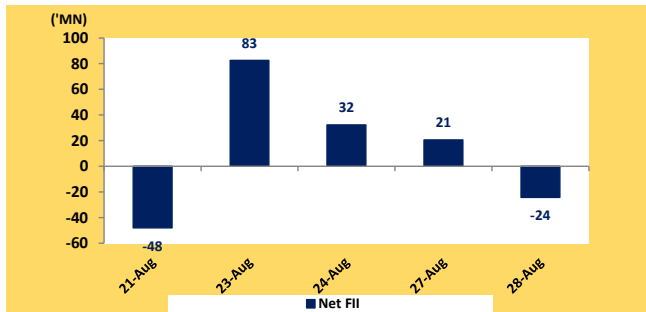
MARKET COMMENTARY

Bourse ended in red to close at a 17 month low of 6,010 losing 34 points, dragged down by big cap CTC and DIAL. ASPI witnessed a downward trend throughout the day recording the largest dip in near two months. Turnover increased with nearly 59% being derived from parcel trades in ATL and MELS. A net foreign outflow was witnessed reversing the 3 consecutive days of inflows amidst moderate foreign participation.

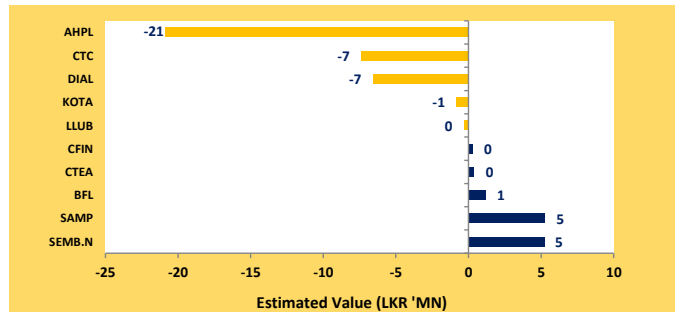
MAJOR CROSSINGS

Stock	No. of Crossings	Price [LKR]	Quantity	Total Crossings
ATL	3	8.00	18,750,000	4
MELS	1	50.00-50.20	1,417,810	

NET FOREIGN FLOW



ESTIMATED LARGEST FOREIGN FLOW



TOP 5 GAINERS

	Today	Previous	Change (%)
NATION LANKA	0.80	0.70	14.29%
MULLERS	0.80	0.70	14.29%
ASIA ASSET	1.00	0.90	11.11%
ALUFAB	19.00	17.20	10.47%
LAUGFS GAS	18.00	16.30	10.43%

TOP 5 LOSERS

	Today	Previous	Change (%)
S M B LEASING [X]	0.20	0.30	-33.33%
THE FINANCE CO. [X]	1.20	1.30	-7.69%
MTD WALKERS	7.50	8.10	-7.41%
RENUKA FOODS	13.20	14.10	-6.38%
CITY HOUSING	4.50	4.80	-6.25%

TOP 5 TURNOVER

	Price	Volume ('Mn)	Turnover ('Mn)
AMANA TAKAFUL	7.80	18.8	150.01
MELSTACORP	51.00	1.4	72.41
AHOT PROPERTIES	35.50	0.6	22.12
SAMPATH	278.90	0.1	20.92
KEELLS HOTELS	8.00	1.6	12.46

TOP 5 VOLUME

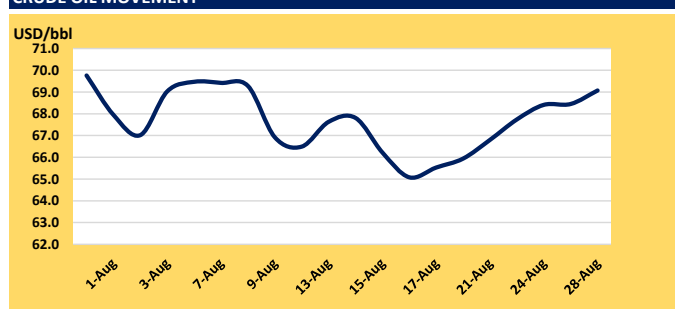
	Price	Volume ('Mn)	Turnover ('Mn)
AMANA TAKAFUL	7.80	18.8	150.01
S M B LEASING	0.50	13.1	6.54
ASIA ASSET	1.00	3.1	3.04
KEELLS HOTELS	8.00	1.6	12.46
MELSTACORP	51.00	1.4	72.41

GLOBAL MARKETS & COMMODITIES

GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	69.1	69.8	-1.0%
Gold USD/t oz	1,219.3	1,227.7	-0.7%
Copper USd/lb.	275.5	278.1	-0.9%
Cotton USd/lb.	83.2	89.5	-7.0%

CRUDE OIL MOVEMENT



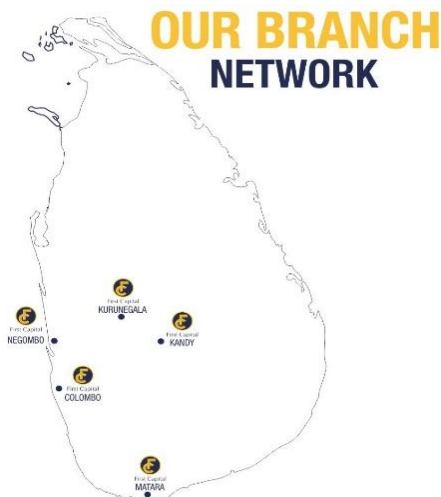
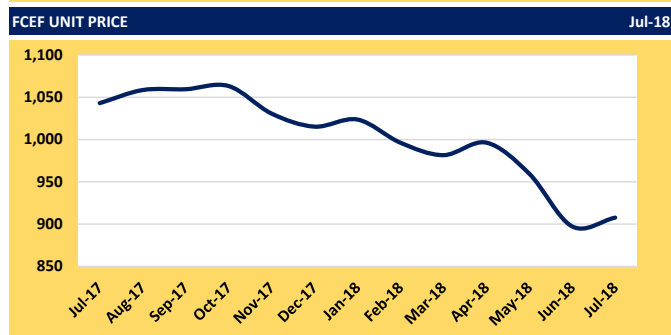
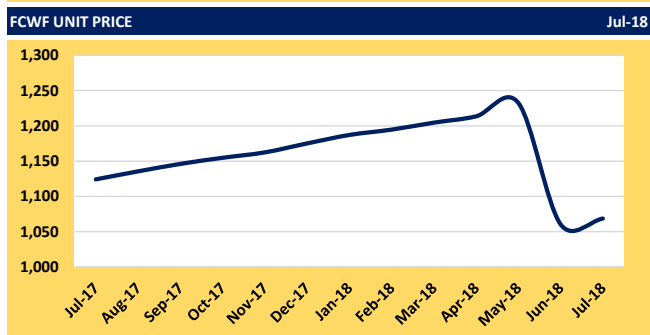
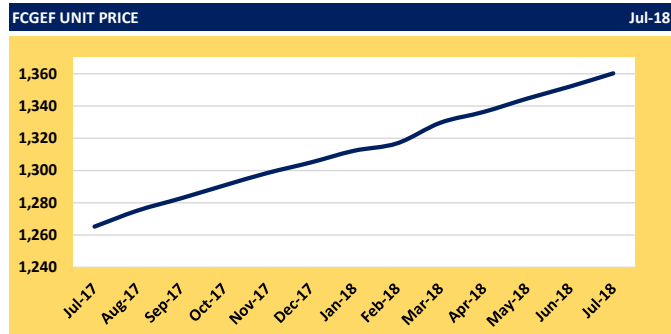
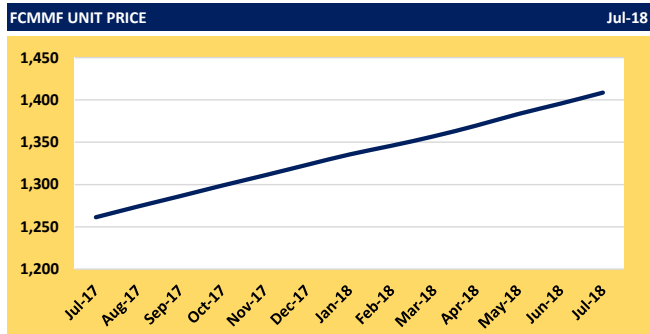
GLOBAL MARKETS

	Current	Last Month	Change (%)
DOW JONES	26,049.6	25,306.8	2.9%
EURO STOXX 50	3,454.9	3,516.9	-1.8%
FTSE 100	7,606.8	7,710.0	-1.3%
NIKKEI 225	22,813.5	22,553.7	1.2%

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	1,420.29	1,420.29	727	10.79%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,367.30	1,367.30	46	0.00%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,075.59	1,075.56	576	10.26%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	859.27	816.31	13	N/A	1.00% p.a.	0.23% p.a.	25% over ASTRI

TRAILING RETURNS (%)							Performance as of	Jul-18
	YTD	2017/18	2016/17	2015/16	2014/15	2013/14	Since Inception	
FIXED INCOME FUNDS								
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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