



First Capital

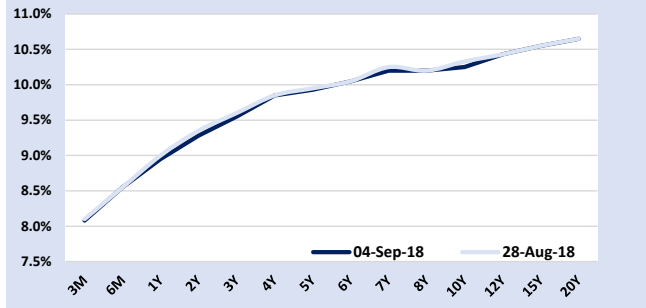
DAILY MARKET WATCH

First Capital Research

September 4, 2018

FIXED INCOME

YIELD CURVE BASED ON MID RATES & MARKET COMMENTARY



Secondary market activity levels moderated while overall yield curve remained broadly steady at yesterday's levels, ahead of tomorrow's primary bill auction. Activity was centered on liquid short to mid tenure maturities with buying interest witnessing on 2019 maturities at 8.50-9.00% levels while on the back of selling interest 01.03.21 traded at 9.50% and activity witnessed on 15.12.21 at 9.65% and 01.10.22 at 9.85%. Considerable volumes traded in 15.07.23 at 9.95%, and 01.08.24 at 10.15%-10.10% levels.

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

Tenure	Bid	Offer	Today	Last Week	Change (bps)
< 91 Days < 3M	8.10%	8.05%	8.08%	8.10%	-2
< 182 Days < 6M	8.60%	8.50%	8.55%	8.55%	0
< 364 Days < 1Y	9.00%	8.90%	8.95%	9.00%	-5
01-May-20 < 2Y	9.30%	9.25%	9.28%	9.35%	-7
01-Aug-21 < 3Y	9.60%	9.50%	9.55%	9.60%	-5
01-Oct-22 < 4Y	9.90%	9.80%	9.85%	9.85%	0
15-Jul-23 < 5Y	9.95%	9.90%	9.93%	9.95%	-2
01-Aug-24 < 6Y	10.10%	10.00%	10.05%	10.05%	0
01-Aug-25 < 7Y	10.25%	10.15%	10.20%	10.25%	-5
01-Aug-26 < 8Y	10.25%	10.15%	10.20%	10.20%	0
01-Sep-28 < 10Y	10.30%	10.20%	10.25%	10.33%	-8
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
	29-Aug-18	21-Aug-18	(bps)
91 days	8.03%	8.09%	-6
182 Days	N/A	8.60%	N/A
364 Days	8.99%	9.00%	-1
Date of Settlement	31-Aug-18		

	Offered	Bids	Accepted
	LKR ('Mn)	LKR ('Mn)	LKR ('Mn)
91 days	5,000	11,520	5,000
182 Days	N/A	N/A	N/A
364 Days	7,500	25,655	7,500
TOTAL	12,500	37,175	12,500

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

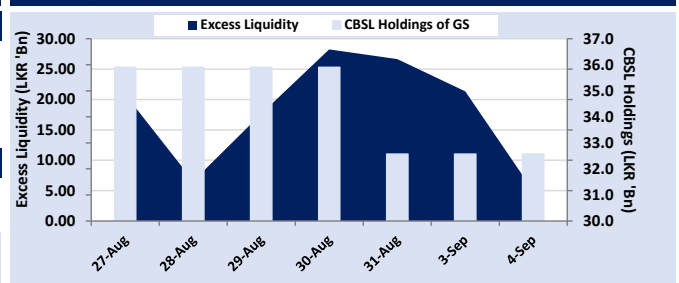
Type	LKR ('Mn)	USD ('Mn)
T-Bills	10,457	
T-Bonds	0	
T-Bond Interest	19,837	
SLDBs/Sovereign Bonds		0
TOTAL	30,294	0

LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

MARKET LIQUIDITY

	4-Sep-18	Repo	Reverse Repo
Mid-day Auction		[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]		7.9	2.9
O/N Surplus/(Deficit)			5.0
CBSL Holdings of Government Securities [LKR 'Bn]			32.6

EXCESS LIQUIDITY & CBSL HOLDINGS OF GOVERNMENT SECURITIES



MONEY MARKET RATES

	High	Low	W.Avg	Value [LKR 'Bn]
Call Money	4-Sep-18 8.15%	7.80%	7.89%	18.5
Repo Rates	4-Sep-18 8.35%	7.95%	8.00%	21.7

OUTSTANDING STOCK

	29-Aug-18	Previous Week	Change (%)
T-Bills [LKR 'Mn]	798,619	798,619	0.0%
T-Bonds [LKR 'Mn]	4,178,799	4,178,799	0.0%
TOTAL	4,977,418	4,977,418	0.0%
Foreign Holding [LKR 'Mn]	277,463	276,885	0.2%
Foreign Holding (%)	5.6%	5.6%	

MARKET INTEREST RATES

	29-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

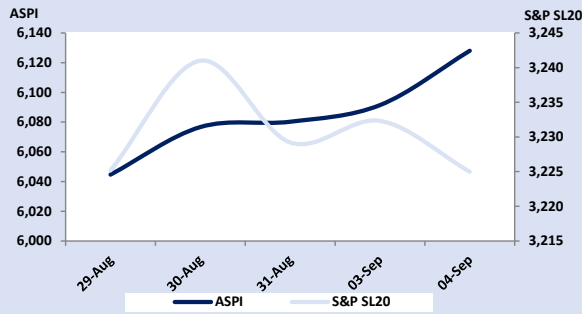
	31-Aug-18	24-Aug-18	Change (bps)	Last Month	Change (bps)
1 Year	2.46%	2.44%	2	2.46%	0
2 Year	2.62%	2.63%	-1	2.62%	0
5 Year	2.74%	2.72%	2	2.74%	0
10 Year	2.86%	2.82%	4	2.86%	0
30 Year	3.02%	2.97%	5	3.02%	0

EXCHANGE RATES

	4-Sep-18	Last Month	Change (%)
USA Dollar	161.57	161.47	-0.1%
UK Pound	207.79	210.11	1.1%
EU Euro	187.43	188.33	0.5%
Japan Yen	1.45	1.46	0.1%
Australia Dollar	116.19	117.07	0.8%

EQUITY

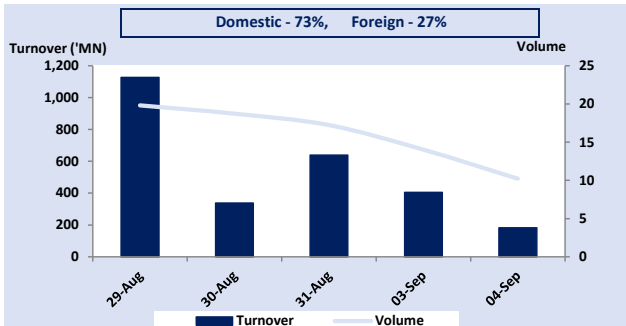
MARKET INDICES



MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	6,128.00	6,091.45	0.60%
S&P SL20	3,224.98	3,232.32	-0.23%
Turnover (LKR 'Mn)	181.94	404.19	-54.99%
Volume ('Mn)	10.22	14.02	-27.11%
Market Cap. (LKR 'Bn)	2,870.89	2,853.76	0.60%
Market Cap. (USD 'Bn)	17.77	17.66	0.60%
Traded Companies	225	228	-1.32%
Foreign Purchases (LKR 'Mn)	33.96	267.25	-87.29%
Foreign Sales (LKR 'Mn)	65.25	272.24	-76.03%
Net Foreign flow (LKR 'Mn)	-31.29	-4.98	-527.77%

MARKET TURNOVER & VOLUME



MTD Net Foreign Flow (LKR 'Mn)

-36.27

YTD Net Foreign Flow (LKR 'Mn)

-4,216.27

MARKET COMMENTARY

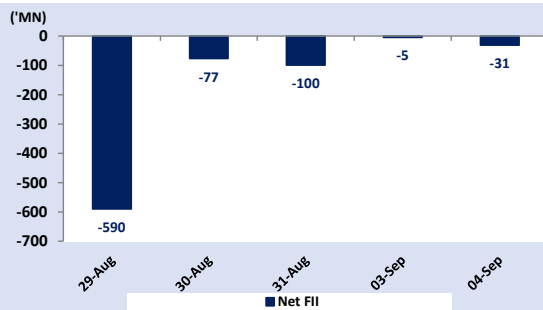
Market continued to be in the positive territory for the fifth consecutive day, mainly supported by the price appreciations in CTCE and CTC. ASPI witnessed a continuous upward trend during the day reaching an intraday high of 6128 and closing at the same gaining 37 points. However, Turnover recorded the nearly one month low amidst less activities seen in the market. A net foreign outflow was witnessed for the sixth consecutive day with less foreign participation.

MAJOR CROSSINGS

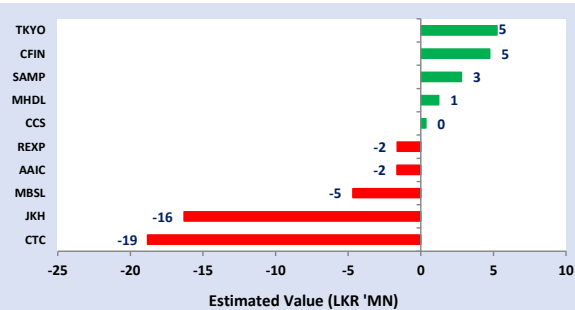
Total Crossings 0

Stock	No. of Crossings	Price [LKR]	Quantity

NET FOREIGN FLOW



ESTIMATED LARGEST FOREIGN FLOW



TOP 5 GAINERS

	Today	Previous	Change (%)
A I A INSURANCE	955.80	525.20	81.99%
S M B LEASING	0.50	0.40	25.00%
LAUGFS GAS [X]	16.90	14.50	16.55%
KELSEY	35.20	30.30	16.17%
MERCHANT BANK	9.90	8.70	13.79%

TOP 5 LOSERS

	Today	Previous	Change (%)
LVL ENERGY	7.30	7.90	-7.59%
BANSEI RESORTS	5.00	5.40	-7.41%
ROYAL PALMS	16.50	17.80	-7.30%
DUNAMIS CAPITAL	18.60	20.00	-7.00%
BOGAWANTALAWA	10.10	10.70	-5.61%

TOP 5 TURNOVER

	Price	Volume ('Mn)	Turnover ('Mn)
JKH	137.90	0.3	38.44
CEYLON TOBACCO	1,375.00	0.0	19.00
MTD WALKERS	13.80	1.0	14.32
MERCHANT BANK	9.90	1.4	14.17
SAMPATH	280.00	0.0	9.52

TOP 5 VOLUME

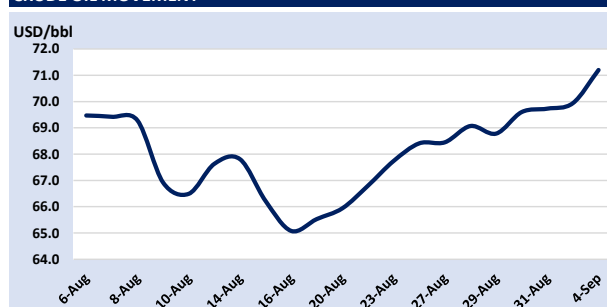
	Price	Volume ('Mn)	Turnover ('Mn)
MERCHANT BANK	9.90	1.4	14.17
MTD WALKERS	13.80	1.0	14.32
KEELLS HOTELS	8.00	1.0	7.71
EXPOLANKA	4.00	0.8	3.08
SIERRA CABL	2.10	0.7	1.57

GLOBAL MARKETS & COMMODITIES

GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	71.2	69.7	2.1%
Gold USD/t oz	1,199.5	1,213.0	-1.1%
Copper USd/lb.	260.5	270.2	-3.6%
Cotton USd/lb.	82.3	82.4	-0.1%
Aluminum USD/MT	2,097.0	2,132.0	-1.6%

CRUDE OIL MOVEMENT



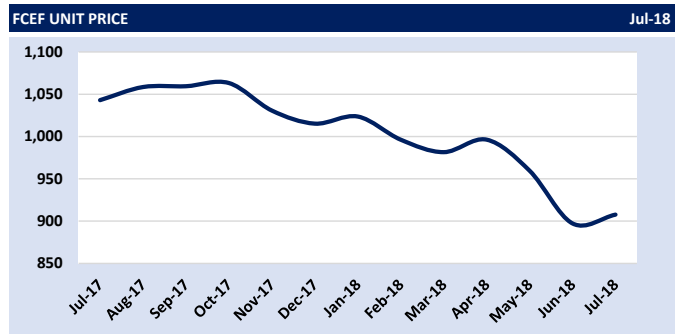
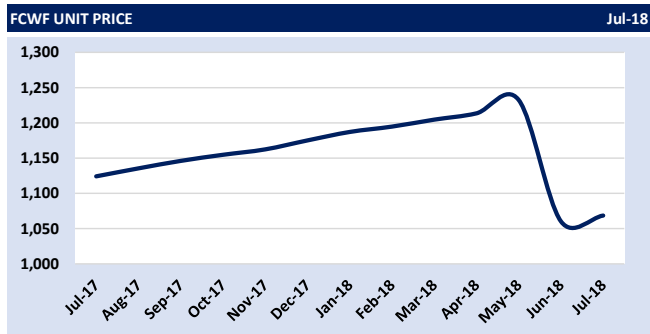
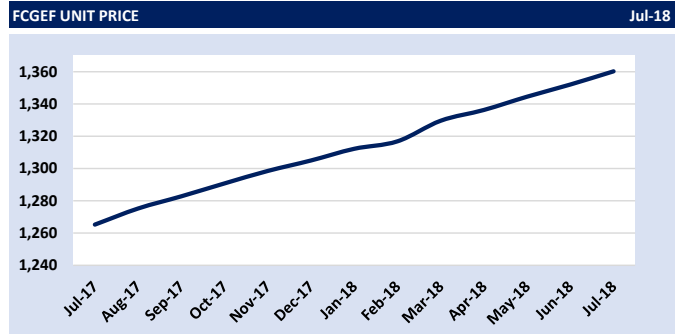
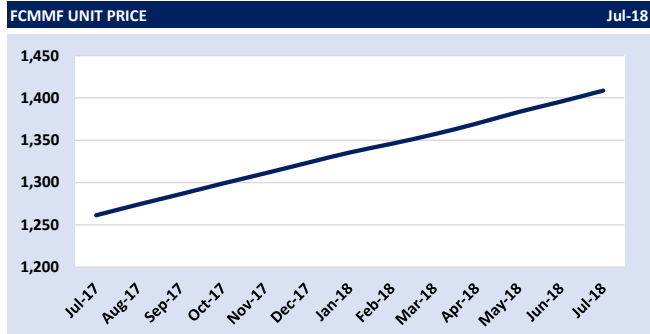
GLOBAL MARKETS

	Current	Last Month	Change (%)
DOW JONES	25,964.8	25,986.9	-0.1%
EURO STOXX 50	3,366.3	3,395.6	-0.9%
FTSE 100	7,480.8	7,483.7	0.0%
NIKKEI 225	22,696.9	22,865.2	-0.7%

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	1,423.23	1,423.23	727	10.79%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,369.14	1,369.14	46	0.00%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,077.50	1,077.47	576	10.26%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	871.63	828.05	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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11.09% P.A.
current yield as at 12/08/18

* 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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Anushka Dissanayake	+94 77 2220 021	Arun Kandasamy	+94 75 4861 506
Anushi Ranawaka	+94 77 3876 819		

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Nethalie De Mel	+94 11 2639 854	Dharshanie Vasanthajothy	+94 77 9159 878

EQUITY SALES

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			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

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Imali Abeygunawardena	+94 77 1764 799	Deepal Pathmaperuma	+94 77 9159 878

BRANCHES

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