



First Capital

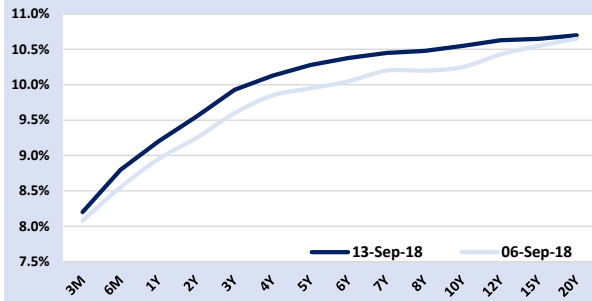
DAILY MARKET WATCH

First Capital Research

September 13, 2018

FIXED INCOME

YIELD CURVE BASED ON MID RATES & MARKET COMMENTARY



The secondary market yield curve was seen continuing the upward trend following the primary bond auction. At the primary bond auction 15.10.21 and 15.10.25 accepted at a weighted average of 10.03% and 10.32% respectively. Activity was centered on short to mid tenure maturities while overall market witnessed moderate volumes. On the back of selling interest 01.03.21 traded at 9.80%, 15.10.21 at 10.10%, 15.07.23 at 10.25%, 01.01.24 at 10.35% and 15.10.25 at 10.45%.

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%	8.10%	8.20%	8.08%	12
< 182 Days < 6M	8.90%	8.70%	8.80%	8.55%	25
< 364 Days < 1Y	9.25%	9.15%	9.20%	8.95%	25
01-May-20 < 2Y	9.60%	9.50%	9.55%	9.25%	30
01-Aug-21 < 3Y	10.00%	9.85%	9.93%	9.60%	33
01-Oct-22 < 4Y	10.20%	10.05%	10.13%	9.85%	28
15-Jul-23 < 5Y	10.35%	10.20%	10.28%	9.95%	33
01-Aug-24 < 6Y	10.45%	10.30%	10.38%	10.05%	33
01-Aug-25 < 7Y	10.50%	10.40%	10.45%	10.20%	25
01-Aug-26 < 8Y	10.55%	10.40%	10.48%	10.20%	28
01-Sep-28 < 10Y	10.65%	10.45%	10.55%	10.25%	30
15-May-30 < 12Y	10.75%	10.50%	10.63%	10.43%	20
15-Jan-33 < 15Y	10.80%	10.50%	10.65%	10.55%	10
15-Mar-35 < 20Y	10.90%	10.50%	10.70%	10.65%	5

PRIMARY AUCTION

T-BILL AUCTION

Tenor	Current	Previous	Change
	12-Sep-18	05-Sep-18	(bps)
91 days	8.07%	8.00%	7
182 Days	N/A	N/A	N/A
364 Days	9.05%	8.97%	8

Date of Settlement 14-Sep-18

T-BOND AUCTION

Bond Type	Yield	Offered	Bids	Accepted
9.45%2021'A'	10.03%	30,000	47,774	30,000
10.35%2025'A'	10.32%	30,000	63,957	30,000
TOTAL		60,000	111,731	60,000

WEEK ENDING 14-Sep-18

Offered	Bids	Accepted
LKR ('Mn)	LKR ('Mn)	LKR ('Mn)
4,000	8,400	4,000
N/A	N/A	N/A
12,500	21,199	12,500
16,500	29,599	16,500

MATURITY TABLE FOR NEXT WEEK

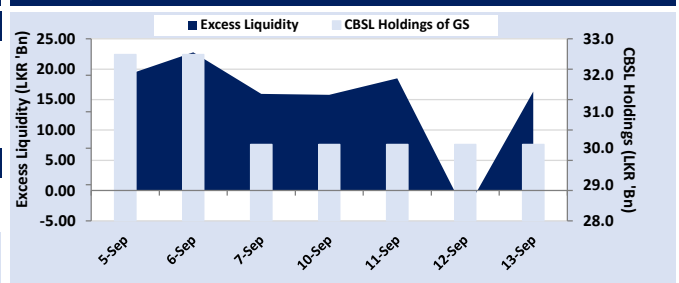
Type	LKR ('Mn)	USD ('Mn)
T-Bills	15,000	
T-Bonds	0	
T-Bond Interest	0	
SLDBs/Sovereign Bonds		375
TOTAL	15,000	375

LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

MARKET LIQUIDITY

	13-Sep-18	Repo	Reverse Repo
Mid-day Auction	[LKR 'Bn]	[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]		16.5	0.2
O/N Surplus/(Deficit)			16.3
CBSL Holdings of Government Securities [LKR 'Bn]			30.1

EXCESS LIQUIDITY & CBSL HOLDINGS OF GOVERNMENT SECURITIES



MONEY MARKET RATES

	High	Low	W.Avg	Value [LKR 'Bn]
Call Money 13-Sep-18	8.25%	7.95%	8.01%	23.8
Repo Rates 13-Sep-18	8.10%	7.90%	7.96%	9.8

MARKET INTEREST RATES

	5-Sep-18	Last Month	Change (bps)
AWPLR	11.53%	11.67%	-14
FD Ceiling Rate (1 Year)	2H2018 12.46%		

OUTSTANDING STOCK

	5-Sep-18	Previous Week	Change (%)
T-Bills [LKR 'Mn]	798,863	798,863	0.0%
T-Bonds [LKR 'Mn]	4,178,799	4,178,799	0.0%
TOTAL	4,977,662	4,977,662	0.0%
Foreign Holding [LKR 'Mn]	271,028	277,463	-2.3%
Foreign Holding (%)	5.4%	5.6%	

GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

US TREASURIES

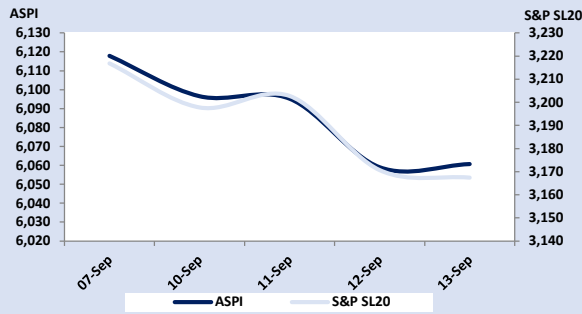
	7-Sep-18	31-Aug-18	Change (bps)	Last Month	Change (bps)
1 Year	2.53%	2.46%	7	2.46%	7
2 Year	2.71%	2.62%	9	2.62%	9
5 Year	2.82%	2.74%	8	2.74%	8
10 Year	2.94%	2.86%	8	2.86%	8
30 Year	3.11%	3.02%	9	3.02%	9

EXCHANGE RATES

	13-Sep-18	Last Month	Change (%)
USA Dollar	162.50	161.47	-0.6%
UK Pound	211.97	210.11	-0.9%
EU Euro	189.07	188.33	-0.4%
Japan Yen	1.46	1.46	-0.3%
Australia Dollar	116.79	117.07	0.2%

EQUITY

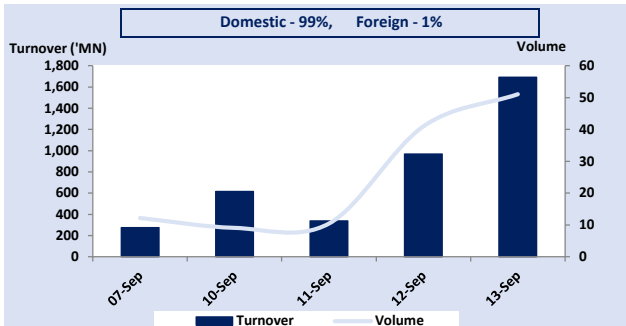
MARKET INDICES



MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	6,060.68	6,059.00	0.03%
S&P SL20	3,167.42	3,170.68	-0.10%
Turnover (LKR 'Mn)	1,691.05	967.75	74.74%
Volume ('Mn)	51.06	40.97	24.64%
Market Cap. (LKR 'Bn)	2,846.16	2,844.74	0.05%
Market Cap. (USD 'Bn)	17.51	17.51	0.05%
Traded Companies	222	225	-1.33%
Foreign Purchases (LKR 'Mn)	1.78	486.20	-99.63%
Foreign Sales (LKR 'Mn)	43.65	630.56	-93.08%
Net Foreign flow (LKR 'Mn)	-41.87	-144.36	70.99%

MARKET TURNOVER & VOLUME



MTD Net Foreign Flow (LKR 'Mn)	-287.52
YTD Net Foreign Flow (LKR 'Mn)	-4,467.52

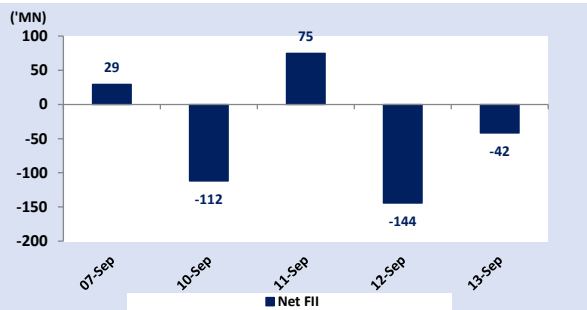
MARKET COMMENTARY

Market ended in green reversing the negative sentiment witnessed for last three days mainly contributed by CSEC and DIAL. ASPI witnessed a volatile trend during the day reaching an intraday high of 6,066 and an intraday low of 6,056, closing the day at 6,061 marginally gaining 2 points. Turnover has increased to cross 1Bn and nearly 85% was derived by CSEC. A net foreign outflow was witnessed for the second consecutive day with low foreign participation.

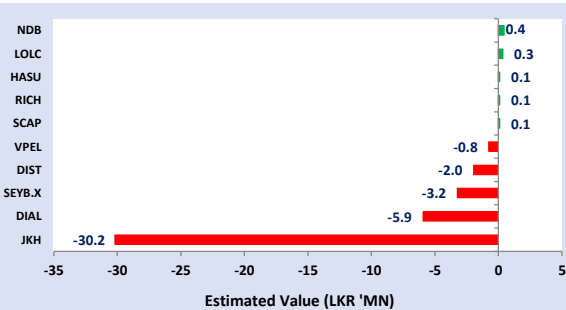
MAJOR CROSSINGS

Stock	No. of Crossings	Price [LKR]	Quantity	Total Crossings
CSEC	2	36.60	38,294,562	4
CTHR	1	182.00	275,000	

NET FOREIGN FLOW



ESTIMATED LARGEST FOREIGN FLOW



TOP 5 GAINERS

	Today	Previous	Change (%)
DUNAMIS CAPITAL	35.10	18.50	89.73%
S M B LEASING	0.50	0.40	25.00%
BERUWALA RESORTS	0.70	0.60	16.67%
MULLERS	0.80	0.70	14.29%
E - CHANNELLING	5.20	4.60	13.04%

TOP 5 LOSERS

	Today	Previous	Change (%)
TESS AGRO [X]	0.40	0.50	-20.00%
BLUE DIAMONDS	0.50	0.60	-16.67%
ASCOT HOLDINGS	21.03	23.60	-10.89%
PEOPLE'S MERCH	11.00	12.20	-9.84%
LUCKY LANKA	1.10	1.20	-8.33%

TOP 5 TURNOVER

	Price	Volume ('Mn)	Turnover ('Mn)
DUNAMIS CAPITAL	35.10	39.5	1,444.35
C T HOLDINGS	182.00	0.3	53.69
JKH	135.10	0.4	48.51
CARGILLS	205.00	0.2	39.40
UNION ASSURANCE	340.00	0.0	14.96

TOP 5 VOLUME

	Price	Volume ('Mn)	Turnover ('Mn)
DUNAMIS CAPITAL	35.10	39.5	1,444.35
LOLC FINANCE	3.60	2.2	7.76
ADAM CAPITAL	0.40	1.1	0.43
ADAM INVESTMENTS	0.20	0.8	0.08
NATION LANKA	0.90	0.7	0.63

GLOBAL MARKETS & COMMODITIES

GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	69.3	69.7	-0.6%
Gold USD/t oz	1,211.1	1,213.0	-0.2%
Copper USd/lb.	269.4	270.2	-0.3%
Cotton USd/lb.	82.1	82.4	-0.3%
Aluminum USD/MT	2,064.0	2,132.0	-3.2%

CRUDE OIL MOVEMENT



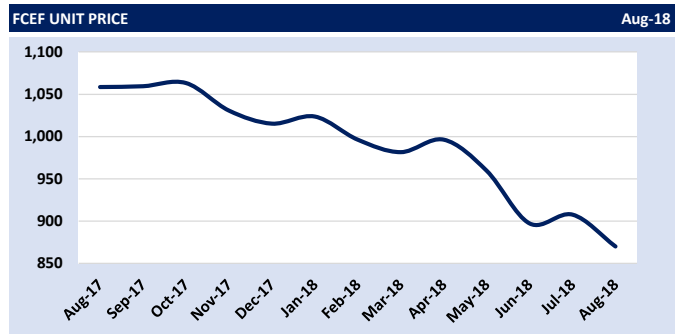
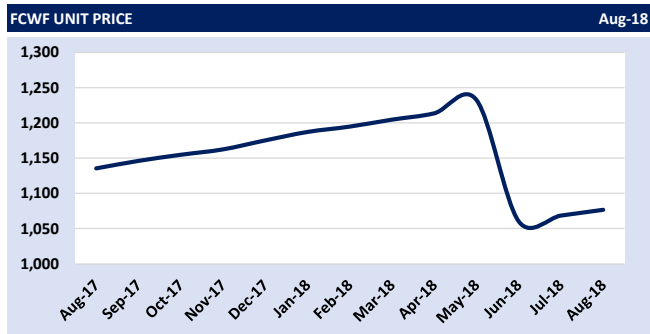
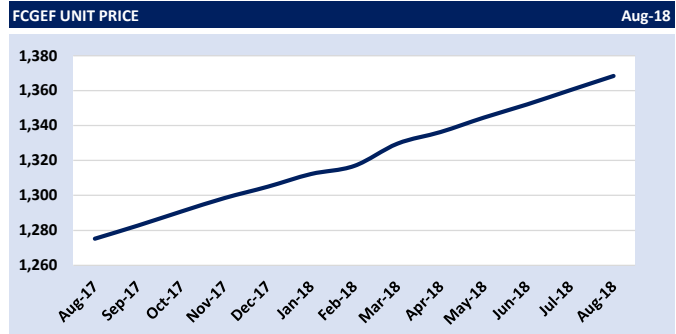
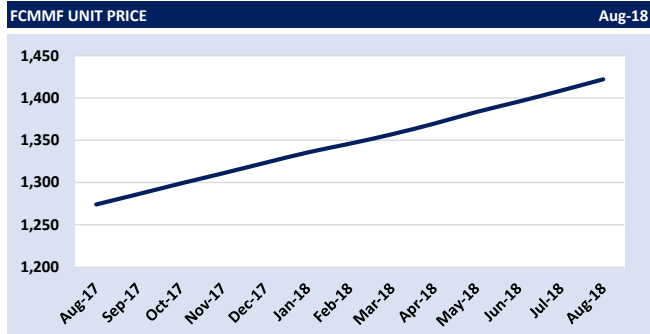
GLOBAL MARKETS

	Current	Last Month	Change (%)
DOW JONES	25,998.9	25,986.9	0.0%
EURO STOXX 50	3,331.5	3,395.6	-1.9%
FTSE 100	7,276.3	7,483.7	-2.8%
NIKKEI 225	22,821.3	22,865.2	-0.2%

UNIT TRUSTS

	Sell Price	Buy Price	AUM LKR 'Mn	Avg. Yield	Information on Fees		
	LKR	LKR	As at Sep 2018		Mgmt Fee	Trustee fee	Performance Fee
First Capital Money Market Fund	1,427.18	1,427.18	1,027	11.17%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,371.51	1,371.51	49	0.00%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,080.07	1,080.04	598	10.26%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	863.35	820.18	13	N/A	1.00% p.a.	0.23% p.a.	25% over ASTRI

TRAILING RETURNS (%)					Performance as of			Aug-18
	YTD	2017/18	2016/17	2015/16	2014/15	2013/14	Since Inception	
FIXED INCOME FUNDS								
First Capital Money Market Fund	11.42%	11.92%	10.39%	7.92%	7.20%	N/A	11.42%	
First Capital Gilt Edge Fund	6.95%	9.14%	19.06%	4.17%	-3.46%	N/A	9.36%	
First Capital Wealth Fund	9.87%	11.32%	10.63%	4.90%	15.48%	17.60%	17.23%	
BALANCED FUND	1 Month	3 Months	6 Months	12 Months	2 Years		Since Inception	
First Capital Equity Fund	-4.15%	-9.33%	-12.67%	-17.81%	N/A		-13.00%	
ASTRI*	-1.06%	-4.90%	-6.99%	-4.48%	N/A		-13.91%	
Out/(Under) Performance	-3.08%	-4.44%	-5.68%	-13.33%	N/A		0.91%	



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Anushi Ranawaka	+94 77 3876 819		

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