



First Capital

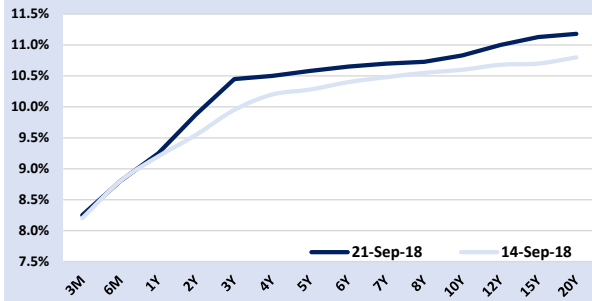
DAILY MARKET WATCH

First Capital Research

September 21, 2018

FIXED INCOME

YIELD CURVE BASED ON MID RATES & MARKET COMMENTARY



The secondary market yield curve shifted slightly upwards, while the overall market witnessed thin volumes on continued depreciation of the currency and low market liquidity. In the morning session, on the back of buying interest, maturities of 15.10.21, 15.03.23 and 15.07.23 saw its yields dipping to intraday lows of 10.40%, 10.54%, and 10.52% before closing the day at 10.50%-40%, 10.65%-55% and 10.65%-55%. Meanwhile 01.08.24 was changed hands at 10.60% and 15.03.25 and 15.10.25 at 10.75% respectively.

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%	8.20%	5
< 182 Days < 6M	8.90%	8.70%	8.80%	8.80%	0
< 364 Days < 1Y	9.30%	9.20%	9.25%	9.20%	5
01-May-20 < 2Y	10.00%	9.75%	9.88%	9.55%	33
15-Oct-21 < 3Y	10.50%	10.40%	10.45%	9.95%	50
01-Oct-22 < 4Y	10.55%	10.45%	10.50%	10.20%	30
15-Jul-23 < 5Y	10.60%	10.55%	10.58%	10.28%	30
01-Aug-24 < 6Y	10.70%	10.60%	10.65%	10.40%	25
01-Aug-25 < 7Y	10.75%	10.65%	10.70%	10.48%	22
01-Aug-26 < 8Y	10.80%	10.65%	10.73%	10.55%	18
01-Sep-28 < 10Y	10.90%	10.75%	10.83%	10.60%	23
15-May-30 < 12Y	11.10%	10.90%	11.00%	10.68%	32
15-Jan-33 < 15Y	11.25%	11.00%	11.13%	10.70%	43
15-Mar-35 < 20Y	11.35%	11.00%	11.18%	10.80%	38

PRIMARY AUCTION

T-BILL AUCTION

Tenor	Current	Previous	Change
	19-Sep-18	12-Sep-18	(bps)
91 days	N/A	8.07%	N/A
182 Days	N/A	N/A	N/A
364 Days	N/A	9.05%	N/A
Date of Settlement	21-Sep-18		

WEEK ENDING 21-Sep-18		
Offered	Bids	Accepted
LKR ('Mn)	LKR ('Mn)	LKR ('Mn)
4,000	6,800	N/A
1,500	3,742	N/A
12,000	18,453	N/A
17,500	28,995	0

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

MATURITY TABLE FOR NEXT WEEK

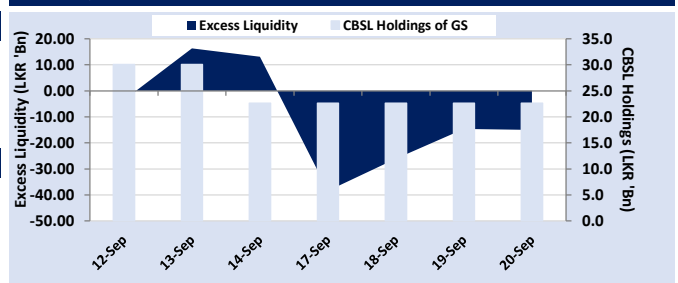
Type	LKR ('Mn)	USD ('Mn)
T-Bills	18,750	
T-Bonds	0	
T-Bond Interest	9,156	
SLDBs/Sovereign Bonds		0
TOTAL	27,906	0

LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

MARKET LIQUIDITY

	20-Sep-18	Repo	Reverse Repo
Mid-day Auction	[LKR 'Bn]		[LKR 'Bn]
Offered		0.0	10.0
Bids		N/A	21.6
Accepted		N/A	10.0
Weighted Average Rate (%)		N/A	8.06%
Standing Facility		SDF	SLF
Rate		7.25%	8.50%
Value [LKR 'Bn]		0.6	3.8
O/N Surplus/(Deficit)			-13.2
CBSL Holdings of Government Securities [LKR 'Bn]			22.6

EXCESS LIQUIDITY & CBSL HOLDINGS OF GOVERNMENT SECURITIES



MONEY MARKET RATES

		High	Low	W.Avg	Value [LKR 'Bn]
Call Money	20-Sep-18	8.25%	7.95%	8.02%	26.7
Repo Rates	20-Sep-18	8.15%	8.00%	8.01%	23.0

OUTSTANDING STOCK

	12-Sep-18	Previous Week	Change (%)
T-Bills [LKR 'Mn]	799,094	798,863	0.0%
T-Bonds [LKR 'Mn]	4,178,799	4,178,799	0.0%
TOTAL	4,977,893	4,977,662	0.0%
Foreign Holding [LKR 'Mn]	268,438	271,028	-1.0%
Foreign Holding (%)	5.4%	5.4%	

MARKET INTEREST RATES

	12-Sep-18	Last Month	Change (bps)
AWPLR	11.79%	11.67%	12
FD Ceiling Rate (1 Year)	2H2018 12.46%		

GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

US TREASURIES

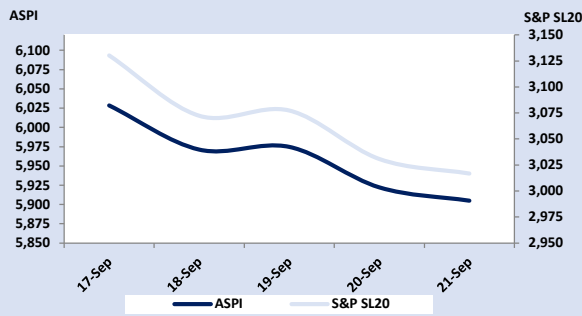
	14-Sep-18	7-Sep-18	Change (bps)	Last Month	Change (bps)
1 Year	2.56%	2.53%	3	2.46%	10
2 Year	2.78%	2.71%	7	2.62%	16
5 Year	2.90%	2.82%	8	2.74%	16
10 Year	2.99%	2.94%	5	2.86%	13
30 Year	3.13%	3.11%	2	3.02%	11

EXCHANGE RATES

	21-Sep-18	Last Month	Change (%)
USA Dollar	168.03	161.47	-3.9%
UK Pound	222.94	210.11	-5.8%
EU Euro	197.95	188.33	-4.9%
Japan Yen	1.49	1.46	-2.5%
Australia Dollar	122.47	117.07	-4.4%

EQUITY

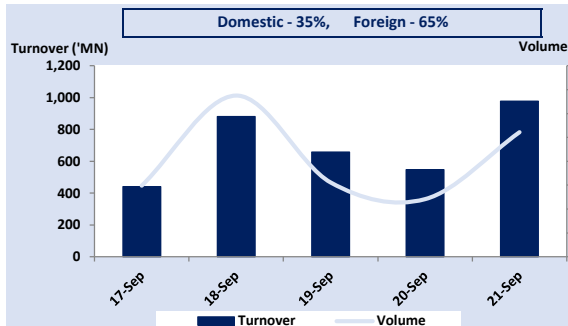
MARKET INDICES



MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	5,904.90	5,922.21	-0.29%
S&P SL20	3,016.76	3,030.77	-0.46%
Turnover (LKR 'Mn)	977.67	547.56	78.55%
Volume ('Mn)	26.09	12.07	116.08%
Market Cap. (LKR 'Bn)	2,773.00	2,781.13	-0.29%
Market Cap. (USD 'Bn)	16.50	16.55	-0.29%
Traded Companies	230	216	6.48%
Foreign Purchases (LKR 'Mn)	452.52	231.64	95.35%
Foreign Sales (LKR 'Mn)	812.43	368.62	120.40%
Net Foreign flow (LKR 'Mn)	-359.91	-136.98	-162.75%

MARKET TURNOVER & VOLUME



MTD Net Foreign Flow (LKR 'Mn)

-1,371.30

YTD Net Foreign Flow (LKR 'Mn)

-5,551.30

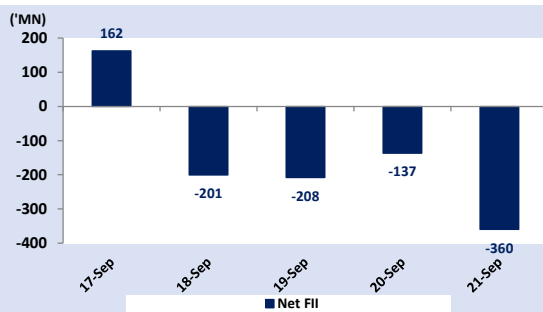
MARKET COMMENTARY

The bourse in red for the second consecutive session dragged down by SAMP and COMB. ASPI recorded a declining trend during the day and reached an intraday low of 5,888 level and recovered slightly towards the later part of the day to close at 5,905 losing 17 points. Both turnover and volume improved compared to the previous day while 65% of the turnover was derived from parcel trades took place pertaining to COMB, JKH, HNB and MELS. A net foreign outflow was witnessed for the fourth consecutive day with high foreign participation.

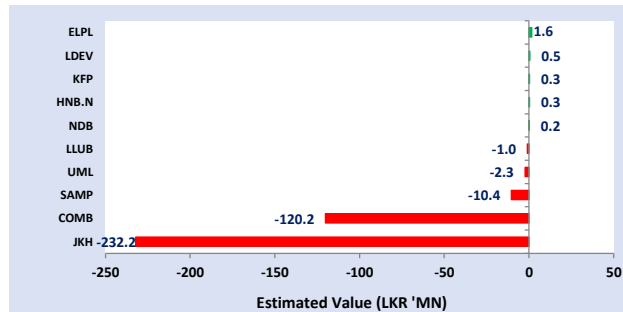
MAJOR CROSSINGS

Stock	No. of Crossings	Price [LKR]	Quantity	Total Crossings	11
MELS	2	50.30	5,348,747		
COMB	4	114.00	1,589,813		

NET FOREIGN FLOW



ESTIMATED LARGEST FOREIGN FLOW



TOP 5 GAINERS

	Today	Previous	Change (%)
S M B LEASING	0.50	0.40	25.00%
BPPL HOLDINGS	13.00	11.50	13.04%
NATION LANKA	0.90	0.80	12.50%
GESTETNER	110.00	101.10	8.80%
HAPUGASTENNE	20.00	18.60	7.53%

TOP 5 LOSERS

	Today	Previous	Change (%)
GOOD HOPE	902.60	1,172.00	-22.99%
TESS AGRO [X]	0.40	0.50	-20.00%
CIT	60.00	68.90	-12.92%
SINHAPUTHRA FIN [P]	5.00	5.50	-9.09%
RENUKA HOTELS	41.00	45.00	-8.89%

TOP 5 TURNOVER

	Price	Volume ('Mn)	Turnover ('Mn)
JKH	129.50	2.1	273.58
MELSTACORP	50.00	5.4	269.77
COMMERCIAL BANK	114.10	1.7	192.12
HNB	214.00	0.3	74.57
SAMPATH	238.60	0.2	40.69

TOP 5 VOLUME

	Price	Volume ('Mn)	Turnover ('Mn)
S M B LEASING[NON-VOTING]	0.20	8.6	1.72
MELSTACORP	50.00	5.4	269.77
JKH	129.50	2.1	273.58
COMMERCIAL BANK	114.10	1.7	192.12
BROWNS CAPITAL	3.60	0.8	2.75

GLOBAL MARKETS & COMMODITIES

GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	70.8	69.7	1.5%
Gold USD/t oz	1,210.8	1,213.0	-0.2%
Copper USd/lb.	279.4	270.2	3.4%
Cotton USd/lb.	78.2	82.4	-5.1%
Aluminum USD/MT	2,043.0	2,132.0	-4.2%

CRUDE OIL MOVEMENT



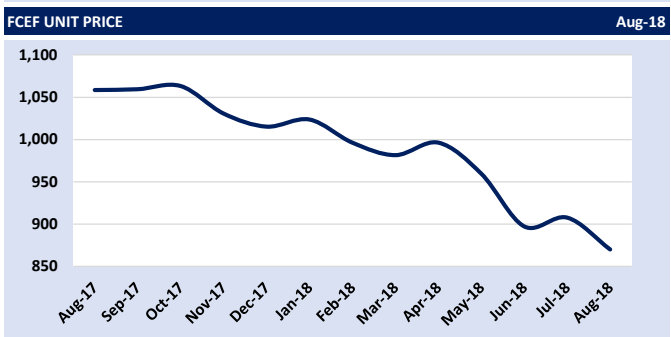
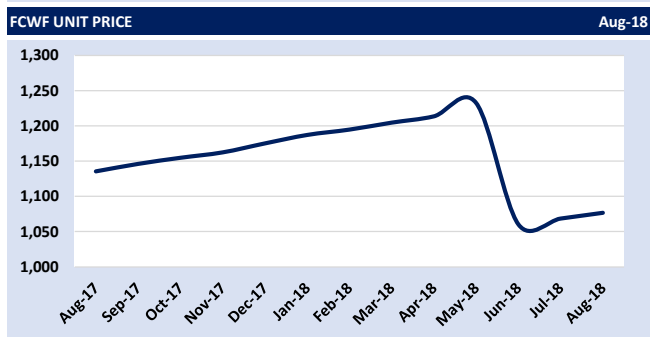
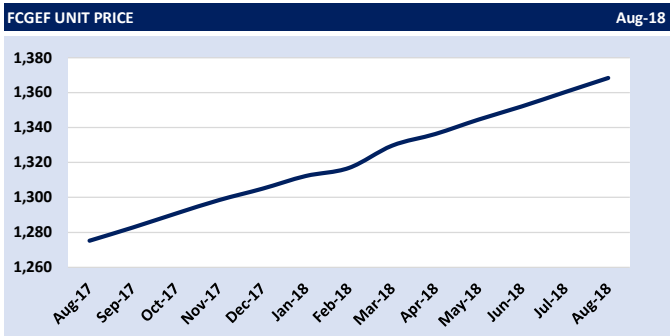
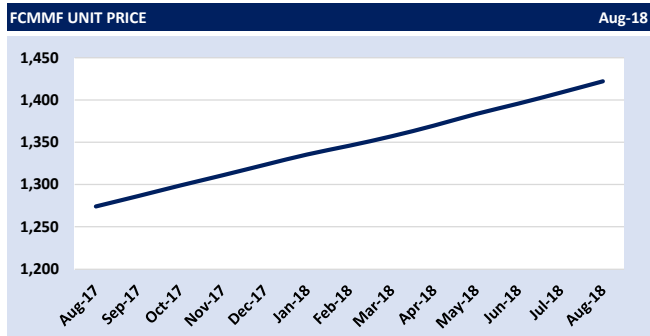
GLOBAL MARKETS

	Current	Last Month	Change (%)
DOW JONES	26,657.0	25,986.9	2.6%
EURO STOXX 50	3,426.7	3,395.6	0.9%
FTSE 100	7,445.0	7,483.7	-0.5%
NIKKEI 225	23,869.9	22,865.2	4.4%

UNIT TRUSTS

	Sell Price	Buy Price	AUM LKR 'Mn	Avg. Yield	Information on Fees		
	LKR	LKR	As at Aug 2018		Mgmt Fee	Trustee fee	Performance Fee
First Capital Money Market Fund	1,430.84	1,430.84	1,027	11.17%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,373.60	1,373.60	49	0.00%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,082.35	1,082.32	598	10.26%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	837.06	795.21	13	N/A	1.00% p.a.	0.23% p.a.	25% over ASTRI

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

No. 02, Deal Place, Colombo 03, Sri Lanka.



First Capital

First Capital Holdings PLC

No.2, Deal Place,
Colombo 3

Tel: +94 11 2145 000
Fax: +94 11 2145 050

RESEARCH

Dimantha Mathew	+94 11 2639 853	Hiruni Perera	+94 11 2639 864
Atchuthan Srirangan	+94 11 2639 863	Nisansala Kuruppumudali	+94 11 2639 866
Amanda Lokugamage	+94 11 2639 868		

GOVERNMENT SECURITIES SALES

Anjelo Simmons	+94 77 3031 636	Neminda Jayawardena	+94 76 6644 080
Anushka Dissanayake	+94 77 2220 021	Arun Kandasamy	+94 75 4861 506
Anushi Ranawaka	+94 77 3876 819		

CORPORATE DEBT SALES

Sewwandi Kathriarachchi	+94 77 3461 734	Mahesh Amarasinghe	+94 77 0073 684
Nethalie De Mel	+94 11 2639 854	Dharshanie Vasanthajothy	+94 77 9159 878

EQUITY SALES

CEO	Jaliya Wijeratne	+94 70 2910 042	Negombo	
			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

Kavin Karunamoorthy	+94 77 0328 060	Thiruni Gooneratne	+94 77 5077 695
Imali Abeygunawardena	+94 77 1764 799	Deepal Pathmaperuma	+94 77 9159 878

BRANCHES

Kandy	Kurunegala	Matara	Negombo
2nd Floor, No.121 Kotugodella Veediya (E L Senanayake Veediya) Kandy 20000.	Ground Floor No. 42, Mihindu Mawatha, Kurunegala 60000.	2nd Floor, E.H. Cooray Building No: 24, 1/3, Anagarika Dharmapala Mawatha, Matara 81000.	1st Floor No: 163B, Colombo Road, Negombo 11500.
Manager: Salinda Samarakoon Tel: +94 81 2236 010	Manager: Tel: +94 37 2222 930	Manager: Rohana Jayakody Tel: +94 41 2222 988	Manager: Buddhika Edirisinghe Tel: +94 31 2233 299

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