



First Capital

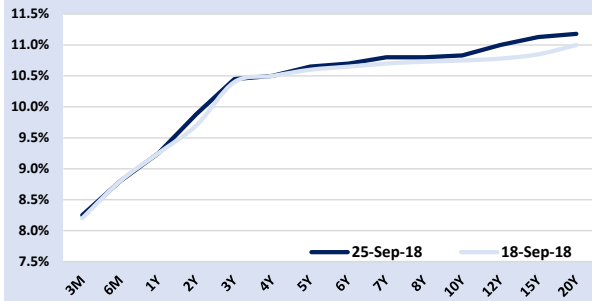
DAILY MARKET WATCH

First Capital Research

September 25, 2018

FIXED INCOME

YIELD CURVE BASED ON MID RATES & MARKET COMMENTARY



Secondary market yield curve remained almost unchanged ahead of tomorrow's T-bill auction while overall market witnessed thin volumes. Selling interest was witnessed on the short end of the curve with 15.11.18 reaching an intraday high of 9.05% while foreign selling was seen on the three 2021 maturities (01.05.21, 01.08.21 and 15.10.21) at 10.45%-10.60% levels.

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

Tenure	Bid	Offer	Today	Last Week	Change (bps)
< 91 Days < 3M	8.30%	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%	9.25%	0
01-May-20 < 2Y	10.00%	9.75%	9.88%	9.70%	18
15-Oct-21 < 3Y	10.50%	10.40%	10.45%	10.40%	5
01-Oct-22 < 4Y	10.55%	10.45%	10.50%	10.50%	0
15-Jul-23 < 5Y	10.70%	10.60%	10.65%	10.60%	5
01-Aug-24 < 6Y	10.75%	10.65%	10.70%	10.65%	5
01-Aug-25 < 7Y	10.85%	10.75%	10.80%	10.70%	10
01-Aug-26 < 8Y	10.85%	10.75%	10.80%	10.73%	7
01-Sep-28 < 10Y	10.90%	10.75%	10.83%	10.75%	8
15-May-30 < 12Y	11.10%	10.90%	11.00%	10.78%	22
15-Jan-33 < 15Y	11.25%	11.00%	11.13%	10.85%	28
15-Mar-35 < 20Y	11.35%	11.00%	11.18%	11.00%	18

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		

	Offered	Bids	Accepted
	LKR ('Mn)	LKR ('Mn)	LKR ('Mn)
91 days	4,000	6,800	N/A
182 Days	1,500	3,742	N/A
364 Days	12,000	18,453	N/A
TOTAL	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

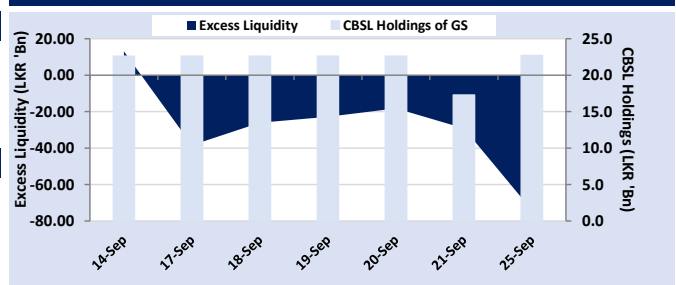
Type	LKR ('Mn)	USD ('Mn)
T-Bills	18,750	
T-Bonds	0	
T-Bond Interest	9,156	
SLDBs/Sovereign Bonds		0
TOTAL	27,906	0

LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

MARKET LIQUIDITY

	25-Sep-18	Repo	Reverse Repo
		[LKR 'Bn]	[LKR 'Bn]
Mid-day Auction			
Offered		0.0	38.0
Bids		N/A	29.2
Accepted		N/A	29.2
Weighted Average Rate (%)		N/A	8.1%
Standing Facility		SDF	SLF
Rate		7.25%	8.50%
Value [LKR 'Bn]		1.6	16.5
O/N Surplus/(Deficit)			-74.1
CBSL Holdings of Government Securities [LKR 'Bn]			22.7

EXCESS LIQUIDITY & CBSL HOLDINGS OF GOVERNMENT SECURITIES



MONEY MARKET RATES

	High	Low	W.Avg	Value [LKR 'Bn]
Call Money	24-Sep-18 8.25%	7.95%	8.09%	16.2
Repo Rates	24-Sep-18 8.30%	8.05%	8.08%	22.3

OUTSTANDING STOCK

	19-Sep-18	Previous Week	Change (%)
T-Bills [LKR 'Mn]	799,170	799,094	0.0%
T-Bonds [LKR 'Mn]	4,238,799	4,178,799	1.4%
TOTAL	5,037,969	4,977,893	1.2%
Foreign Holding [LKR 'Mn]	259,626	268,438	-3.3%
Foreign Holding (%)	5.2%	5.4%	

MARKET INTEREST RATES

	19-Sep-18	Last Month	Change (bps)
AWPLR	11.83%	11.67%	16
FD Ceiling Rate (1 Year)	2H2018 12.46%		

GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

US TREASURIES

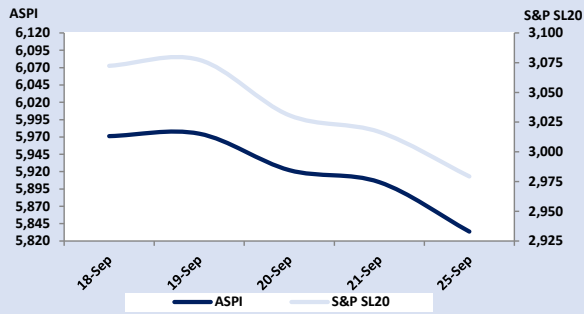
	21-Sep-18	14-Sep-18	Change (bps)	Last Month	Change (bps)
1 Year	2.58%	2.56%	2	2.46%	12
2 Year	2.81%	2.78%	3	2.62%	19
5 Year	2.95%	2.90%	5	2.74%	21
10 Year	3.07%	2.99%	8	2.86%	21
30 Year	3.20%	3.13%	7	3.02%	18

EXCHANGE RATES

	25-Sep-18	Last Month	Change (%)
USA Dollar	168.64	161.47	-4.3%
UK Pound	221.02	210.11	-4.9%
EU Euro	197.88	188.33	-4.8%
Japan Yen	1.49	1.46	-2.6%
Australia Dollar	122.07	117.07	-4.1%

EQUITY

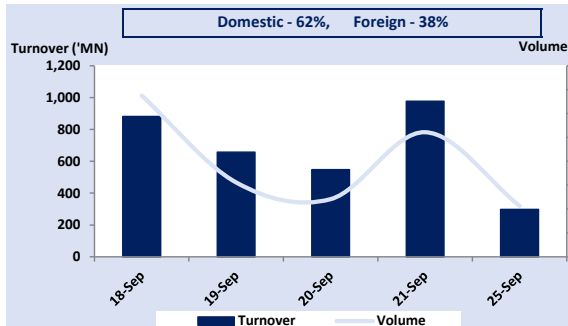
MARKET INDICES



MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	5,833.58	5,904.90	-1.21%
S&P SL20	2,979.29	3,016.76	-1.24%
Turnover (LKR 'Mn)	297.57	977.67	-69.56%
Volume ('Mn)	10.67	26.09	-59.09%
Market Cap. (LKR 'Bn)	2,739.51	2,773.00	-1.21%
Market Cap. (USD 'Bn)	16.24	16.44	-1.21%
Traded Companies	236	230	2.61%
Foreign Purchases (LKR 'Mn)	82.83	452.52	-81.70%
Foreign Sales (LKR 'Mn)	143.75	812.43	-82.31%
Net Foreign flow (LKR 'Mn)	-60.92	-359.91	83.07%

MARKET TURNOVER & VOLUME



MTD Net Foreign Flow (LKR 'Mn)

-1,432.22

YTD Net Foreign Flow (LKR 'Mn)

-5,612.22

MARKET COMMENTARY

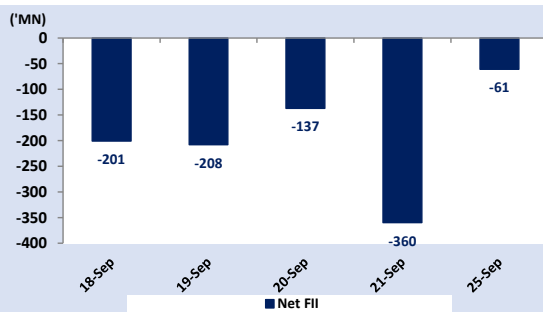
The bourse ended in red for the third consecutive day dragged down by CTC and HHL, recording the largest dip for the year and lowest closing in 55 months. ASPI witnessed a downtrend throughout the day and closed at the day's low of 5,834 losing 71 points. Both volume and turnover have decreased more than half and nearly 32% of turnover was derived by SAMP. A net foreign outflow was witnessed for the fifth consecutive day with high foreign participation.

MAJOR CROSSINGS

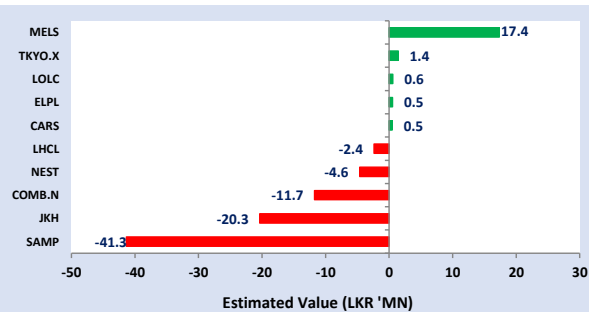
Total Crossings 1

Stock	No. of Crossings	Price [LKR]	Quantity
SAMP	1	238.00	150,000

NET FOREIGN FLOW



ESTIMATED LARGEST FOREIGN FLOW



TOP 5 GAINERS

	Today	Previous	Change (%)
S M B LEASING [X]	0.30	0.20	50.00%
TESS AGRO	0.50	0.40	25.00%
KELANI CABLES	84.10	69.70	20.66%
HUNTERS	463.80	415.20	11.71%
ELPITIYA	21.00	19.00	10.53%

TOP 5 LOSERS

	Today	Previous	Change (%)
ADAM CAPITAL	0.40	0.50	-20.00%
HUEJAY	20.50	24.60	-16.67%
MTD WALKERS	8.00	9.60	-16.67%
AGSTAR PLC	3.20	3.80	-15.79%
BANSEI RESORTS	5.20	6.10	-14.75%

TOP 5 TURNOVER

	Price	Volume ('Mn)	Turnover ('Mn)
SAMPATH	237.00	0.4	94.06
JKH	128.10	0.3	43.10
LMF	147.10	0.2	26.77
MELSTACORP	50.00	0.4	18.59
COMMERCIAL BANK	114.00	0.1	13.67

TOP 5 VOLUME

	Price	Volume ('Mn)	Turnover ('Mn)
ANILANA HOTELS	1.20	1.0	1.17
LOLC FINANCE	3.70	0.6	2.33
BROWNS INVSTMNTS	1.90	0.5	0.99
SIERRA CABL	2.00	0.5	0.91
SAMPATH	237.00	0.4	94.06

GLOBAL MARKETS & COMMODITIES

GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	72.5	69.7	4.0%
Gold USD/t oz	1,204.1	1,213.0	-0.7%
Copper USd/lb.	282.3	270.2	4.5%
Cotton USd/lb.	78.3	82.4	-4.9%
Aluminum USD/MT	2,060.0	2,132.0	-3.4%

CRUDE OIL MOVEMENT



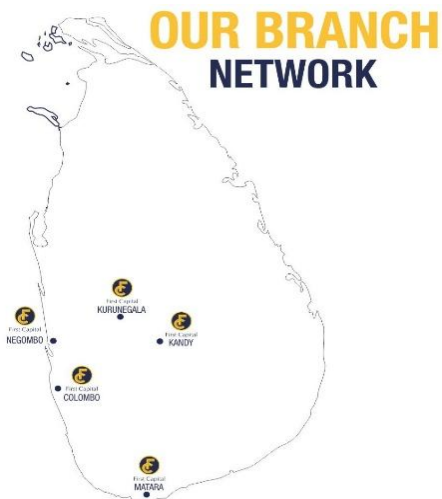
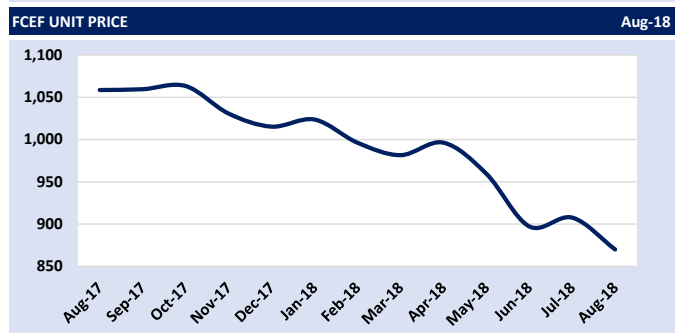
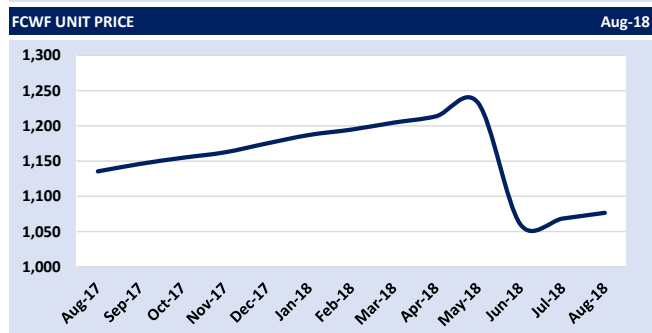
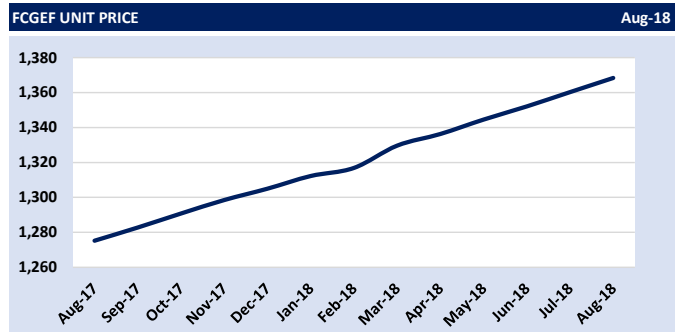
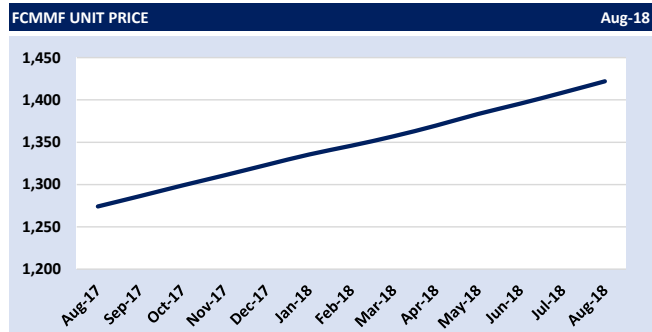
GLOBAL MARKETS

	Current	Last Month	Change (%)
DOW JONES	26,562.1	25,986.9	2.2%
EURO STOXX 50	3,414.5	3,395.6	0.6%
FTSE 100	7,466.0	7,483.7	-0.2%
NIKKEI 225	23,940.3	22,865.2	4.7%

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	1,432.70	1,432.70	1,027	11.17%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,374.64	1,374.64	49	0.00%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,083.48	1,083.45	598	10.26%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	836.07	794.27	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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Anushi Ranawaka	+94 77 3876 819		

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