



First Capital

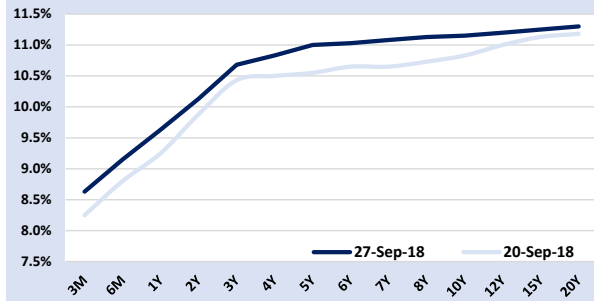
DAILY MARKET WATCH

First Capital Research

September 27, 2018

FIXED INCOME

YIELD CURVE BASED ON MID RATES & MARKET COMMENTARY



Ahead of the next week's monetary policy announcement and amidst liquidity shortage, the overall yield curve continued to move upwards across all maturities while overall market witnessed thin volumes. On the back of selling interest witnessed on mid tenure maturities, 15.07.23 and 01.08.24 traded at intraday high of 11.00% and 15.10.25 traded at an intraday high of 11.02% while buying interest witnessed on 01.09.28 at 11.03%.

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

Tenure	Bid	Offer	Today	Last Week	Change (bps)
< 91 Days < 3M	8.75%	8.50%	8.63%	8.25%	38
< 182 Days < 6M	9.30%	9.00%	9.15%	8.80%	35
< 364 Days < 1Y	9.75%	9.50%	9.63%	9.25%	38
01-May-20 < 2Y	10.25%	10.00%	10.13%	9.88%	25
15-Oct-21 < 3Y	10.75%	10.60%	10.68%	10.43%	25
01-Oct-22 < 4Y	10.90%	10.75%	10.83%	10.50%	33
15-Jul-23 < 5Y	11.10%	10.90%	11.00%	10.55%	45
01-Aug-24 < 6Y	11.15%	10.90%	11.03%	10.65%	38
01-Aug-25 < 7Y	11.20%	10.95%	11.08%	10.65%	43
01-Aug-26 < 8Y	11.25%	11.00%	11.13%	10.73%	40
01-Sep-28 < 10Y	11.30%	11.00%	11.15%	10.83%	32
15-May-30 < 12Y	11.40%	11.00%	11.20%	11.00%	20
15-Jan-33 < 15Y	11.50%	11.00%	11.25%	11.13%	12
15-Mar-35 < 20Y	11.60%	11.00%	11.30%	11.18%	12

PRIMARY AUCTION

T-BILL AUCTION

Tenor	Current	Previous	Change
	28-Sep-18	19-Sep-18	(bps)
91 days	8.56%	N/A	N/A
182 Days	N/A	N/A	N/A
364 Days	9.51%	N/A	N/A
Date of Settlement	21-Sep-18		

	WEEK ENDING 28-Sep-18		
	Offered	Bids	Accepted
	LKR ('Mn)	LKR ('Mn)	LKR ('Mn)
91 days	3,000	7,000	1,800
182 Days	N/A	N/A	N/A
364 Days	5,000	10,302	3,302
TOTAL	8,000	17,302	5,102

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

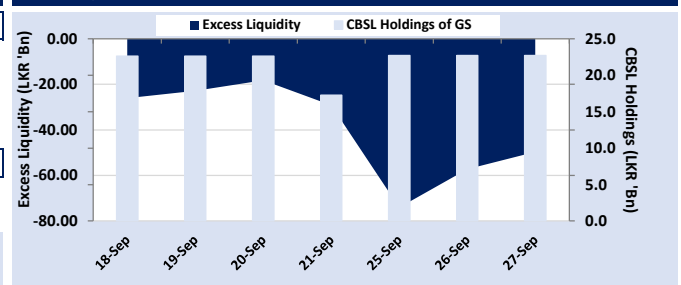
Type	LKR ('Mn)	USD ('Mn)
T-Bills	5,664	
T-Bonds	0	
T-Bond Interest	0	
SLDBs/Sovereign Bonds		0
TOTAL	5,664	0

LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

MARKET LIQUIDITY

	27-Sep-18	Repo	Reverse Repo
Mid-day Auction		[LKR 'Bn]	[LKR 'Bn]
Offered		0.0	50.0
Bids		N/A	43.9
Accepted		N/A	43.9
Weighted Average Rate (%)		N/A	8.18%
Standing Facility		SDF	SLF
Rate		7.25%	8.50%
Value [LKR 'Bn]		2.5	8.2
O/N Surplus/(Deficit)			-49.7
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	27-Sep-18 8.40%	8.30%	8.36%	15.1
Repo Rates	27-Sep-18 8.40%	8.20%	8.23%	9.7

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

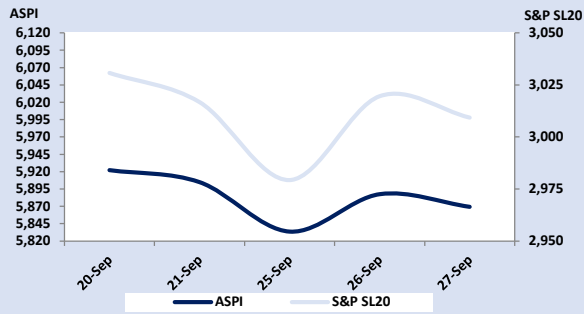
	21-Sep-18	14-Sep-18	Change (bps)	Last Month	Change (bps)
1 Year	2.58%	2.56%	2	2.46%	12
2 Year	2.81%	2.78%	3	2.62%	19
5 Year	2.95%	2.90%	5	2.74%	21
10 Year	3.07%	2.99%	8	2.86%	21
30 Year	3.20%	3.13%	7	3.02%	18

EXCHANGE RATES

	27-Sep-18	Last Month	Change (%)
USA Dollar	168.87	161.47	-4.4%
UK Pound	221.98	210.11	-5.3%
EU Euro	198.34	188.33	-5.0%
Japan Yen	1.50	1.46	-2.8%
Australia Dollar	122.46	117.07	-4.4%

EQUITY

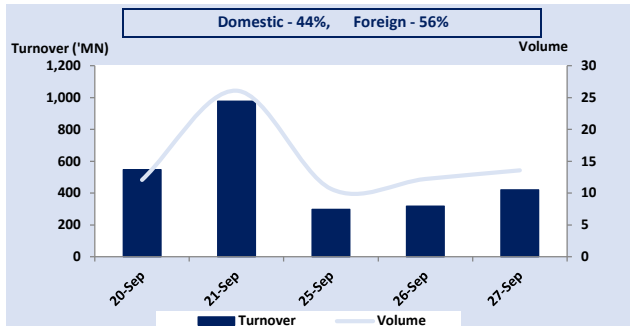
MARKET INDICES



MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	5,869.31	5,887.52	-0.31%
S&P SL20	3,009.31	3,019.58	-0.34%
Turnover (LKR 'Mn)	419.85	318.52	31.81%
Volume ('Mn)	13.58	12.22	11.11%
Market Cap. (LKR 'Bn)	2,756.21	2,764.84	-0.31%
Market Cap. (USD 'Bn)	16.32	16.37	-0.31%
Traded Companies	205	234	-12.39%
Foreign Purchases (LKR 'Mn)	181.23	77.28	134.52%
Foreign Sales (LKR 'Mn)	291.71	126.83	130.00%
Net Foreign flow (LKR 'Mn)	-110.48	-49.55	-122.95%

MARKET TURNOVER & VOLUME



MTD Net Foreign Flow (LKR 'Mn)

-1,592.26

YTD Net Foreign Flow (LKR 'Mn)

-5,772.26

MARKET COMMENTARY

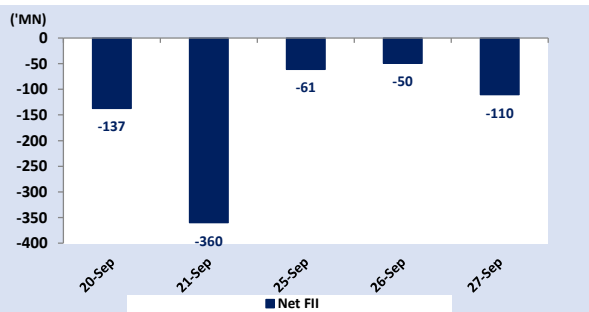
The bourse ended in red dragged down by NIFL and SLTL negating the positive sentiment witnessed yesterday. ASPI witnessed a surge during the first half of the trading reaching an intraday high of 5,891 followed by a continuous downtrend, closing at the day's low of 5,869 losing 18 points. Both turnover and volumes have increased and nearly 39% of the turnover was derived by GUAR and CINV. A net foreign outflow was witnessed for the seventh consecutive day with high foreign participation.

MAJOR CROSSINGS

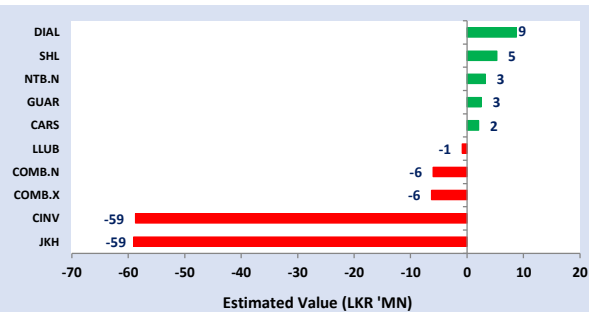
Total Crossings 0

Stock	No. of Crossings	Price [LKR]	Quantity
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NET FOREIGN FLOW



ESTIMATED LARGEST FOREIGN FLOW



TOP 5 GAINERS

	Today	Previous	Change (%)
BANSEI RESORTS	6.30	5.20	21.15%
LUCKY LANKA [X]	0.70	0.60	16.67%
BERUWALA RESORTS	0.70	0.60	16.67%
THE FINANCE CO. [X]	1.20	1.10	9.09%
SINGHE HOSPITALS	1.30	1.20	8.33%

TOP 5 LOSERS

	Today	Previous	Change (%)
ADAM CAPITAL	0.30	0.40	-25.00%
S M B LEASING	0.40	0.50	-20.00%
BRAC LNKA FNANCE	40.20	48.20	-16.60%
PRINTCARE PLC	26.10	30.80	-15.26%
LAXAPANA	10.80	12.00	-10.00%

TOP 5 TURNOVER

	Price	Volume ('Mn)	Turnover ('Mn)
CEYLON GUARDIAN	70.00	1.5	105.16
JKH	132.00	0.7	97.88
CEYLON INV.	37.50	1.6	58.81
DIALOG	11.80	2.7	31.29
SAMPATH	240.00	0.1	24.46

TOP 5 VOLUME

	Price	Volume ('Mn)	Turnover ('Mn)
DIALOG	11.80	2.7	31.29
CEYLON INV.	37.50	1.6	58.81
CEYLON GUARDIAN	70.00	1.5	105.16
NAT. DEV. BANK(RIGHTS)	0.40	1.0	0.53
ACCESS ENG SL	13.80	0.8	10.42

GLOBAL MARKETS & COMMODITIES

GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	72.4	69.7	3.8%
Gold USD/t oz	1,199.7	1,213.0	-1.1%
Copper USd/lb.	280.3	270.2	3.7%
Cotton USd/lb.	78.3	82.4	-5.0%
Aluminum USD/MT	2,065.0	2,132.0	-3.1%

CRUDE OIL MOVEMENT



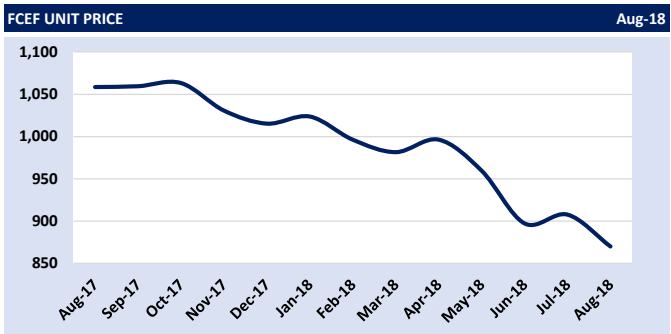
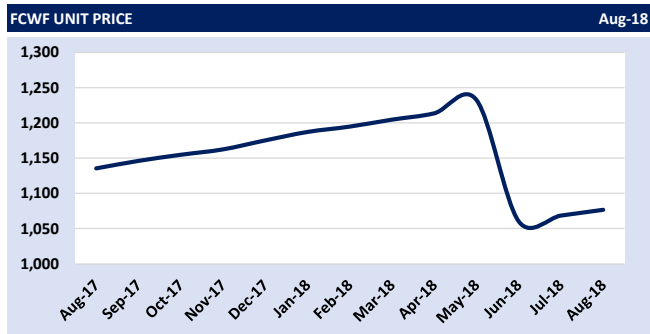
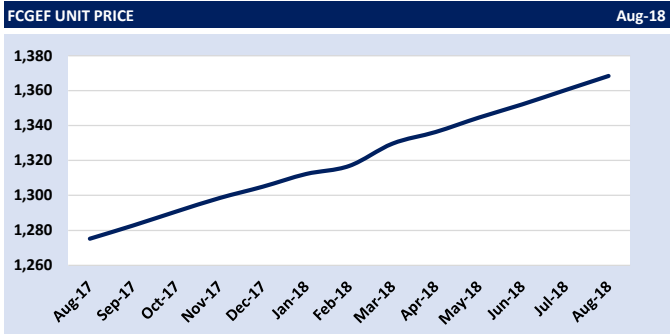
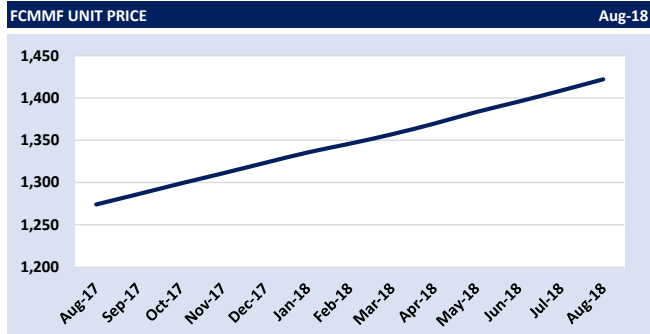
GLOBAL MARKETS

	Current	Last Month	Change (%)
DOW JONES	26,385.3	25,986.9	1.5%
EURO STOXX 50	3,421.0	3,395.6	0.7%
FTSE 100	7,518.9	7,483.7	0.5%
NIKKEI 225	23,796.7	22,865.2	4.1%

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	1,433.63	1,433.63	1,027	11.17%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,375.16	1,375.16	49	0.00%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,083.99	1,083.96	598	10.26%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	829.00	787.55	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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Anushka Dissanayake	+94 77 2220 021	Arun Kandasamy	+94 75 4861 506
Anushi Ranawaka	+94 77 3876 819		

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BRANCHES

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