



First Capital

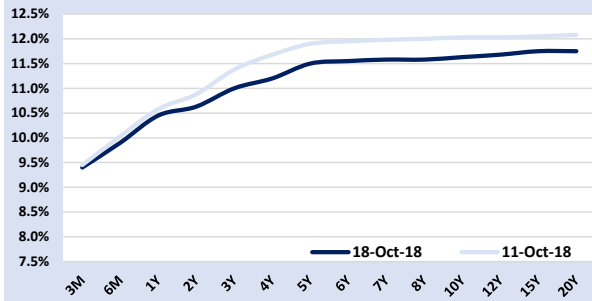
DAILY MARKET WATCH

First Capital Research

October 18, 2018

FIXED INCOME

YIELD CURVE BASED ON MID RATES & MARKET COMMENTARY



On the back of selling pressure stemmed from foreign parties during the morning session, 15.03.23 and 15.07.23 reached intraday highs of 11.47% and 11.55% respectively, while activity was seen on the same maturities at 11.45% and 11.50%. However, with the buying interest from local counterparties, 15.03.23 and 15.07.23 yields dipped to close the day at 11.40-45% and 11.45-55% levels. The secondary market yield curve remained steady at yesterday's levels with the overall market witnessing thin volumes.

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

Tenure	Bid	Offer	Today	Last Week	Change (bps)
< 91 Days < 3M	9.50%	9.30%	9.40%	9.45%	-5
< 182 Days < 6M	10.10%	9.70%	9.90%	10.03%	-13
< 364 Days < 1Y	10.50%	10.40%	10.45%	10.58%	-13
01-May-20 < 2Y	10.75%	10.50%	10.63%	10.88%	-25
15-Oct-21 < 3Y	11.10%	10.90%	11.00%	11.38%	-38
01-Oct-22 < 4Y	11.30%	11.10%	11.20%	11.68%	-48
15-Jul-23 < 5Y	11.55%	11.45%	11.50%	11.90%	-40
01-Aug-24 < 6Y	11.60%	11.50%	11.55%	11.95%	-40
15-Oct-25 < 7Y	11.65%	11.50%	11.58%	11.98%	-40
01-Aug-26 < 8Y	11.65%	11.50%	11.58%	12.00%	-42
01-Sep-28 < 10Y	11.70%	11.55%	11.63%	12.03%	-40
15-May-30 < 12Y	11.80%	11.55%	11.68%	12.03%	-35
15-Jan-33 < 15Y	11.90%	11.60%	11.75%	12.05%	-30
15-Mar-35 < 20Y	11.90%	11.60%	11.75%	12.08%	-33

PRIMARY AUCTION

T-BILL AUCTION

Tenor	Current	Previous	Change
	17-Oct-18	10-Oct-18	(bps)
91 days	9.48%	9.28%	20
182 Days	9.75%	N/A	N/A
364 Days	10.44%	10.19%	25

	WEEK ENDING 19-Oct-18	
	Offered	Bids
	LKR ('Mn)	LKR ('Mn)
Accepted		
LKR ('Mn)		
91 days	2,000	5,323
182 Days	1,000	2,950
364 Days	5,000	19,192
TOTAL	8,000	27,465

T-BOND AUCTION

Bond Type	Yield	Offered	Bids	Accepted
10.20%2023'A'	11.69%	20,000	48,625	20,000
11.20%2033'A'	11.90%	20,000	55,049	20,000
TOTAL		40,000	103,674	40,000

MATURITY TABLE FOR NEXT WEEK

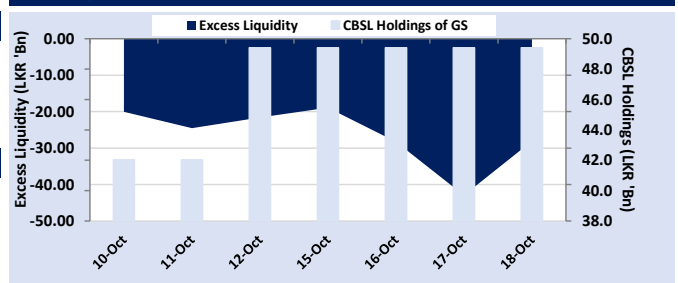
Type	LKR ('Mn)	USD ('Mn)
T-Bills	5,498	
T-Bonds	0	
T-Bond Interest	0	
SLDBs/Sovereign Bonds		0
TOTAL	5,498	0

LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

MARKET LIQUIDITY

	18-Oct-18	Repo	Reverse Repo
Mid-day Auction		[LKR 'Bn]	[LKR 'Bn]
Offered		0.0	12.0
Bids		N/A	14.0
Accepted		N/A	12.0
Weighted Average Rate (%)		N/A	8.36%
Standing Facility		SDF	SLF
Rate		7.25%	8.50%
Value [LKR 'Bn]		9.7	15.7
O/N Surplus/(Deficit)			-28.1
CBSL Holdings of Government Securities [LKR 'Bn]			49.4

EXCESS LIQUIDITY & CBSL HOLDINGS OF GOVERNMENT SECURITIES



MONEY MARKET RATES

	High	Low	W.Avg	Value [LKR 'Bn]	
Call Money	18-Oct-18	8.50%	8.40%	8.46%	10.2
Repo Rates	18-Oct-18	8.49%	8.35%	8.42%	7.3

OUTSTANDING STOCK

	10-Oct-18	Previous Week	Change (%)
T-Bills [LKR 'Mn]	789,357	789,357	0.0%
T-Bonds [LKR 'Mn]	4,238,799	4,238,799	0.0%
TOTAL	5,028,155	5,028,155	0.0%
Foreign Holding [LKR 'Mn]	241,346	247,623	-2.5%
Foreign Holding (%)	4.8%	4.9%	

MARKET INTEREST RATES

	10-Oct-18	Last Month	Change (bps)
AWPLR	12.34%	11.74%	60
FD Ceiling Rate (1 Year)	2H2018 12.46%		

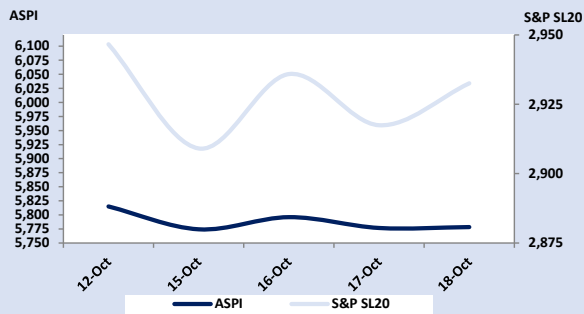
GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

US TREASURIES	12-Oct-18	5-Oct-18	Change (bps)	Last Month	Change (bps)
1 Year	2.66%	2.64%	2	2.59%	7
2 Year	2.85%	2.88%	-3	2.81%	4
5 Year	3.00%	3.07%	-7	2.94%	6
10 Year	3.15%	3.23%	-8	3.05%	10
30 Year	3.32%	3.40%	-8	3.19%	13

EXCHANGE RATES	18-Oct-18	Last Month	Change (%)
USA Dollar	170.93	169.24	-1.0%
UK Pound	223.86	221.36	-1.1%
EU Euro	196.55	197.09	0.3%
Japan Yen	1.52	1.49	-1.9%
Australia Dollar	121.80	122.09	0.2%

EQUITY

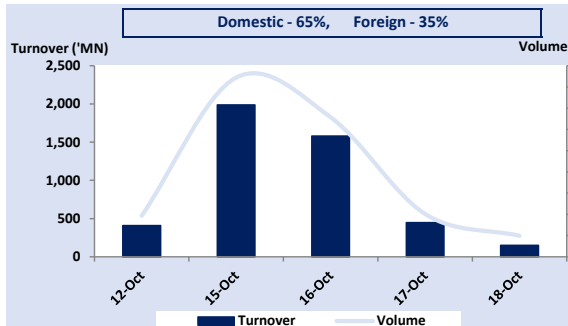
MARKET INDICES



MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	5,778.37	5,776.75	0.03%
S&P SL20	2,932.56	2,917.45	0.52%
Turnover (LKR 'Mn)	151.81	448.34	-66.14%
Volume ('Mn)	4.95	10.09	-50.97%
Market Cap. (LKR 'Bn)	2,713.51	2,712.75	0.03%
Market Cap. (USD 'Bn)	15.87	15.87	0.03%
Traded Companies	223	221	0.90%
Foreign Purchases (LKR 'Mn)	29.31	153.30	-80.88%
Foreign Sales (LKR 'Mn)	75.85	263.73	-71.24%
Net Foreign flow (LKR 'Mn)	-46.54	-110.43	57.85%

MARKET TURNOVER & VOLUME



MTD Net Foreign Flow (LKR 'Mn)

MTD Net Foreign Flow (LKR 'Mn)	-3,169.18
YTD Net Foreign Flow (LKR 'Mn)	-8,999.54

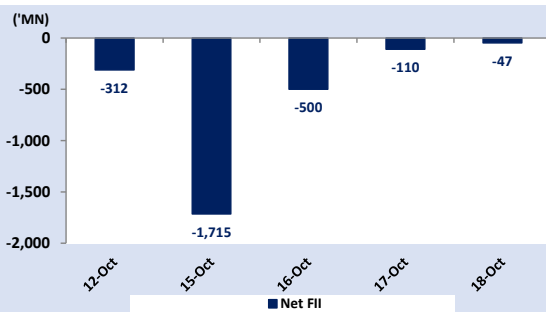
MARKET COMMENTARY

Market saw a slight recovery today, with price appreciations witnessed in blue chip counters such as JKH and SAMP, amidst pressure on Rupee seen stabilizing due to Sri Lanka being able to secure foreign financing facilities through CBSL. ASPI witnessed a sideways volatile trend during the day, reaching an intra-day high of 5,792 and low of 5,778 towards the end prior to closing at the same levels, gaining 2 points. A net foreign outflow was witnessed for the sixth consecutive day with high foreign participation.

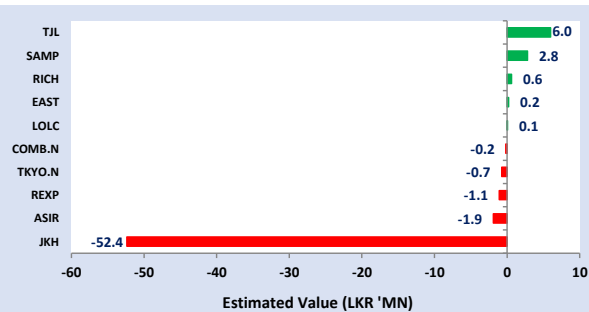
MAJOR CROSSINGS

Stock	No. of Crossings	Price [LKR]	Quantity	Total Crossings
				0

NET FOREIGN FLOW



ESTIMATED LARGEST FOREIGN FLOW



TOP 5 GAINERS

	Today	Previous	Change (%)
TESS AGRO [X]	0.50	0.40	25.00%
MULLERS	0.70	0.60	16.67%
SATHOSA MOTORS	475.60	413.70	14.96%
THE FINANCE CO. [X]	1.20	1.10	9.09%
AGSTAR PLC	3.60	3.40	5.88%

TOP 5 LOSERS

	Today	Previous	Change (%)
SINGHE HOSPITALS	1.20	1.50	-20.00%
OFFICE EQUIPMENT	68.00	84.70	-19.72%
HOTEL SIGIRIYA	50.00	58.50	-14.53%
ANILANA HOTELS	1.20	1.30	-7.69%
SERENDIB HOTELS [X]	11.50	12.40	-7.26%

TOP 5 TURNOVER

	Price	Volume ('Mn)	Turnover ('Mn)
JKH	131.00	0.6	72.37
TEEJAY LANKA	30.00	0.5	15.34
SAMPATH	224.80	0.1	13.03
ACCESS ENG SL	14.00	0.6	7.79
RENUKA CITY HOT.	223.00	0.0	5.59

TOP 5 VOLUME

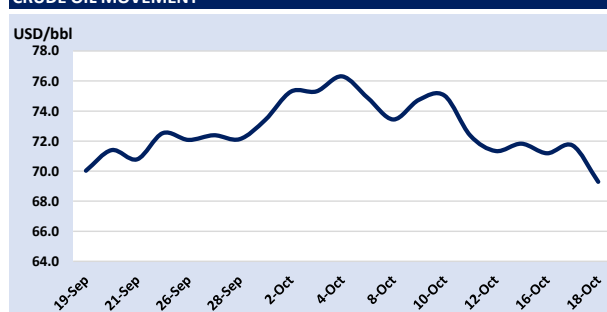
	Price	Volume ('Mn)	Turnover ('Mn)
ASIA ASSET	1.00	0.6	0.62
ACCESS ENG SL	14.00	0.6	7.79
JKH	131.00	0.6	72.37
TEEJAY LANKA	30.00	0.5	15.34
AMANA BANK	3.20	0.3	0.88

GLOBAL MARKETS & COMMODITIES

GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	69.3	72.1	-3.9%
Gold USD/t oz	1,226.3	1,186.7	3.3%
Copper USd/lb.	276.2	277.6	-0.5%
Cotton USd/lb.	77.7	77.4	0.4%
Aluminum USD/MT	2,022.0	2,030.0	-0.4%

CRUDE OIL MOVEMENT



GLOBAL MARKETS

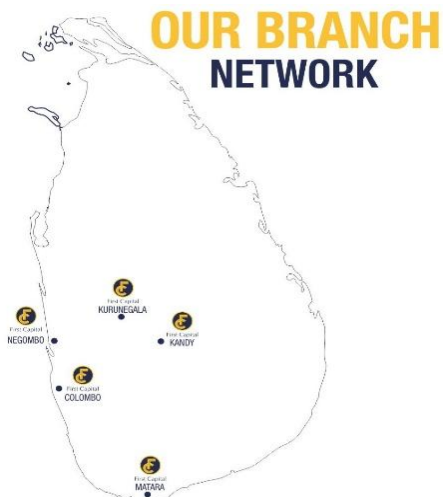
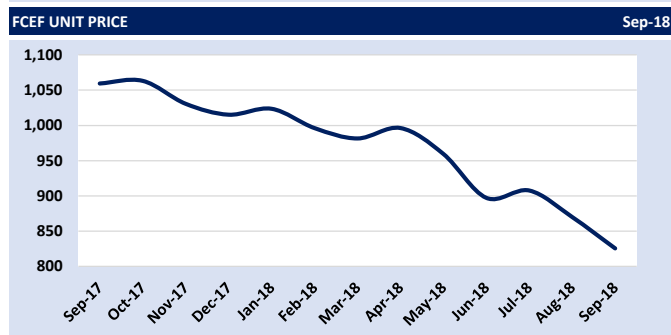
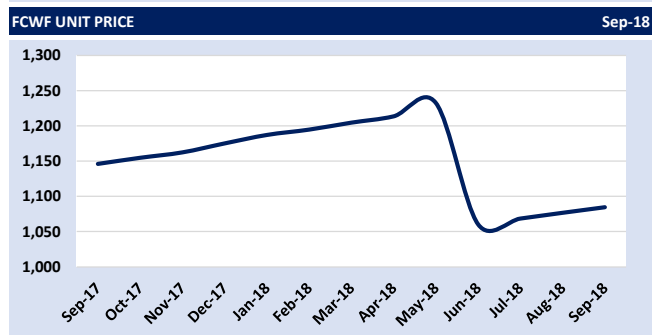
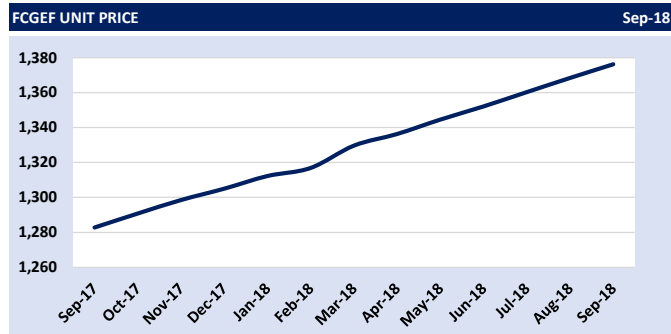
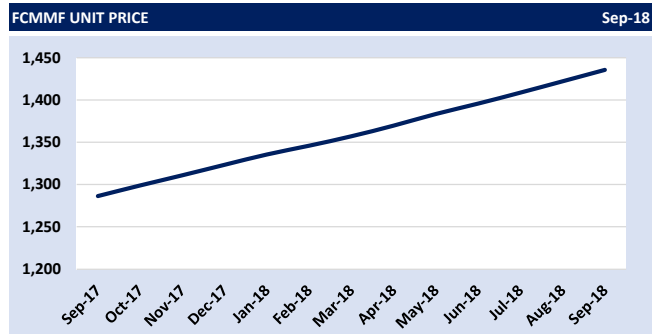
	Current	Last Month	Change (%)
DOW JONES	25,706.7	26,439.9	-2.8%
EURO STOXX 50	3,243.6	3,404.9	-4.7%
FTSE 100	7,065.7	7,497.3	-5.8%
NIKKEI 225	22,658.2	24,120.0	-6.1%

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	1,443.40	1,443.40	1,244	11.87%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,380.74	1,380.74	46	0.00%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,087.93	1,087.90	601	10.26%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	803.37	763.20	53	N/A	1.00% p.a.	0.23% p.a.	25% over ASTRI

TRAILING RETURNS (%)					Performance as of Sep-18		
FIXED INCOME FUNDS	YTD	2017/18	2016/17	2015/16	2014/15	2013/14	Since Inception
First Capital Money Market Fund	11.53%	11.92%	10.39%	7.92%	7.20%	N/A	11.53%
First Capital Gilt Edge Fund	6.98%	9.14%	19.06%	4.17%	-3.46%	N/A	9.36%
First Capital Wealth Fund	9.77%	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	-5.11%	-7.99%	-15.89%	-22.08%	N/A	-17.44%
ASTRI*	-3.58%	-5.30%	-9.34%	-8.59%	N/A	-16.99%
Out/(Under) Performance	-1.53%	-2.69%	-6.55%	-13.49%	N/A	-0.46%



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