



First Capital

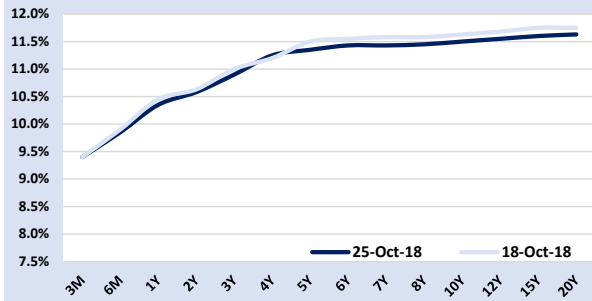
DAILY MARKET WATCH

First Capital Research

October 25, 2018

FIXED INCOME

YIELD CURVE BASED ON MID RATES & MARKET COMMENTARY



The secondary market yield curve remained broadly steady while the overall market witnessed thin volumes. During the morning hours 15.03.23 traded at 11.30% and 15.07.23 at 11.33% prior to closing the day at intraday highs of 11.35% and 11.37% respectively. On the back of selling interest short tenure 2021 maturities reached intraday highs with 01.03.21 at 10.85%, 01.05.21, 15.10.21 and 15.12.21 at 10.90%.

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%	9.40%	0
< 182 Days < 6M	10.00%	9.70%	9.85%	9.90%	-5
< 364 Days < 1Y	10.40%	10.30%	10.35%	10.45%	-10
01-May-20 < 2Y	10.65%	10.50%	10.58%	10.63%	-5
15-Oct-21 < 3Y	10.95%	10.85%	10.90%	11.00%	-10
01-Oct-22 < 4Y	11.35%	11.15%	11.25%	11.20%	5
15-Jul-23 < 5Y	11.40%	11.30%	11.35%	11.50%	-15
01-Aug-24 < 6Y	11.50%	11.35%	11.43%	11.55%	-12
15-Oct-25 < 7Y	11.50%	11.35%	11.43%	11.58%	-15
01-Aug-26 < 8Y	11.50%	11.40%	11.45%	11.58%	-13
01-Sep-28 < 10Y	11.60%	11.40%	11.50%	11.63%	-13
15-May-30 < 12Y	11.65%	11.45%	11.55%	11.68%	-13
15-Jan-33 < 15Y	11.75%	11.45%	11.60%	11.75%	-15
15-Mar-35 < 20Y	11.75%	11.50%	11.63%	11.75%	-12

PRIMARY AUCTION

T-BILL AUCTION

Tenor	Current	Previous	Change
	23-Oct-18	17-Oct-18	(bps)
91 days	N/A	9.48%	N/A
182 Days	N/A	9.75%	N/A
364 Days	10.39%	10.44%	-5
Date of Settlement	26-Oct-18		

WEEK ENDING 26-Oct-18		
Offered	Bids	Accepted
LKR ('Mn)	LKR ('Mn)	LKR ('Mn)
3,500	8,100	0
0	0	0
4,000	26,193	7,500
7,500	34,293	7,500

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

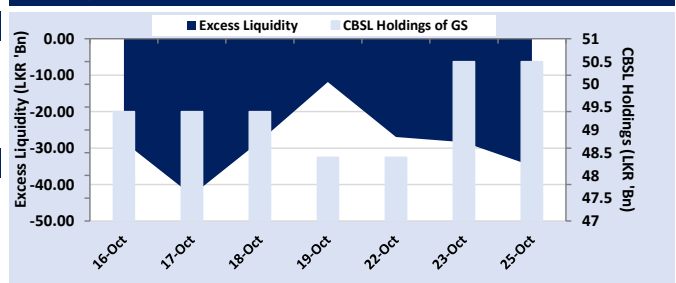
Type	LKR ('Mn)	USD ('Mn)
T-Bills	12,669	
T-Bonds	0	
T-Bond Interest	26,093	
SLDBs/Sovereign Bonds		0
TOTAL	38,762	0

LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

MARKET LIQUIDITY

	25-Oct-18	Repo	Reverse Repo
Mid-day Auction	[LKR 'Bn]	[LKR 'Bn]	[LKR 'Bn]
Offered		0.0	12.0
Bids		N/A	14.9
Accepted		N/A	12.0
Weighted Average Rate (%)		N/A	8.42%
Standing Facility		SDF	SLF
Rate		7.25%	8.50%
Value [LKR 'Bn]		9.7	17.9
O/N Surplus/(Deficit)			-34.9
CBSL Holdings of Government Securities [LKR 'Bn]			50.5

EXCESS LIQUIDITY & CBSL HOLDINGS OF GOVERNMENT SECURITIES



MONEY MARKET RATES

	High	Low	W.Avg	Value [LKR 'Bn]
Call Money 25-Oct-18	8.45%	8.40%	8.44%	13.6
Repo Rates 25-Oct-18	8.49%	8.45%	8.46%	10.9

OUTSTANDING STOCK

	17-Oct-18	Previous Week	Change (%)
T-Bills [LKR 'Mn]	789,541	789,357	0.0%
T-Bonds [LKR 'Mn]	4,242,267	4,238,799	0.1%
TOTAL	5,031,807	5,028,155	0.1%
Foreign Holding [LKR 'Mn]	236,053	241,346	-2.2%
Foreign Holding (%)	4.7%	4.8%	

MARKET INTEREST RATES

	17-Oct-18	Last Month	Change (bps)
AWPLR	12.41%	11.74%	67
FD Ceiling Rate (1 Year)	2H2018 12.46%		

GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

US TREASURIES

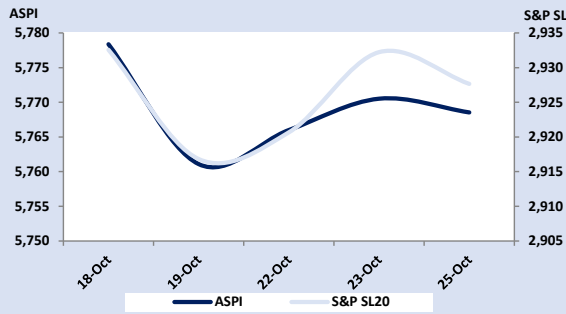
	19-Oct-18	12-Oct-18	Change (bps)	Last Month	Change (bps)
1 Year	2.67%	2.66%	1	2.59%	8
2 Year	2.92%	2.85%	7	2.81%	11
5 Year	3.05%	3.00%	5	2.94%	11
10 Year	3.20%	3.15%	5	3.05%	15
30 Year	3.38%	3.32%	6	3.19%	19

EXCHANGE RATES

	25-Oct-18	Last Month	Change (%)
USA Dollar	172.73	169.24	-2.0%
UK Pound	222.63	221.36	-0.6%
EU Euro	197.10	197.09	0.0%
Japan Yen	1.54	1.49	-3.3%
Australia Dollar	122.29	122.09	-0.2%

EQUITY

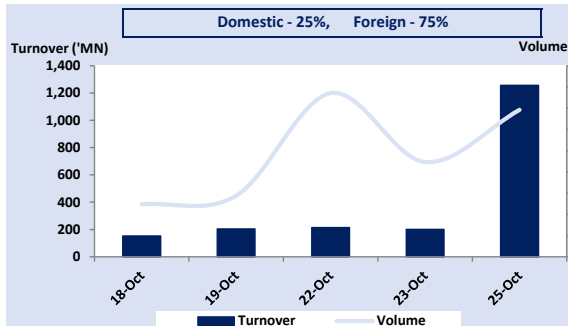
MARKET INDICES



MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	5,768.54	5,770.52	-0.03%
S&P SL20	2,927.65	2,932.23	-0.16%
Turnover (LKR 'Mn)	1,257.13	200.98	525.49%
Volume ('Mn)	13.85	8.93	55.11%
Market Cap. (LKR 'Bn)	2,706.28	2,709.82	-0.13%
Market Cap. (USD 'Bn)	15.67	15.69	-0.13%
Traded Companies	202	194	4.12%
Foreign Purchases (LKR 'Mn)	803.61	65.74	1122.43%
Foreign Sales (LKR 'Mn)	1,081.14	125.08	764.39%
Net Foreign flow (LKR 'Mn)	-277.53	-59.34	-367.72%

MARKET TURNOVER & VOLUME



MTD Net Foreign Flow (LKR 'Mn)

-3,573.37

YTD Net Foreign Flow (LKR 'Mn)

-9,403.73

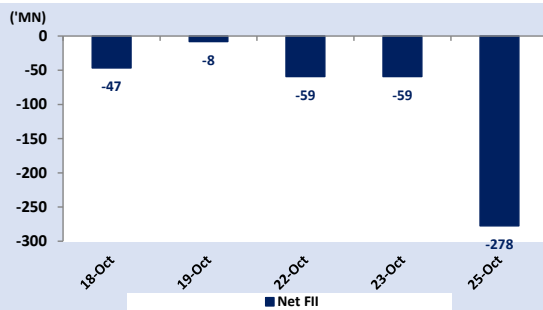
MARKET COMMENTARY

The bourse ended in red dragged down by CARG and HNB.N negating the positive sentiment recorded for last couple of days. ASPI witnessed a downtrend during the first half of the trading reaching an intraday low of 5,758 and followed by an upward trend to close the day at 5,769 losing mere two points. Turnover crossed LKR 1Bn mark while 90% was derived from crossings. A net foreign outflow was witnessed with high foreign participation.

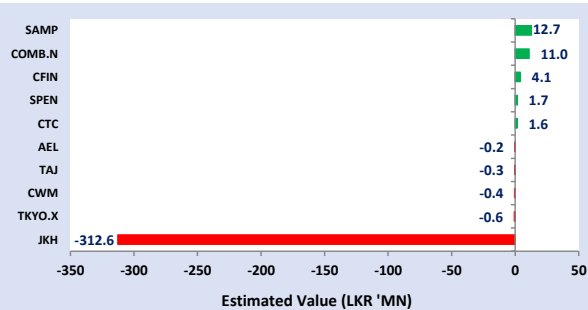
MAJOR CROSSINGS

Stock	No. of Crossings	Price [LKR]	Quantity	Total Crossings
JKH	11	133.70-135.00	7,964,493	11

NET FOREIGN FLOW



ESTIMATED LARGEST FOREIGN FLOW



TOP 5 GAINERS

	Today	Previous	Change (%)
ADAM INVESTMENTS	0.20	0.10	100.00%
BERUWALA RESORTS	0.70	0.60	16.67%
LANKA REALTY	22.50	19.70	14.21%
INDUSTRIAL ASPH.	374.80	340.00	10.24%
HOTEL SIGIRIYA	51.90	47.20	9.96%

TOP 5 LOSERS

	Today	Previous	Change (%)
BLUE DIAMONDS [X]	0.20	0.30	-33.33%
S M B LEASING [X]	0.20	0.30	-33.33%
YORK ARCADE	78.30	90.00	-13.00%
CHEMANEX	51.30	56.70	-9.52%
CITY HOUSING	4.40	4.80	-8.33%

TOP 5 TURNOVER

	Price	Volume ('Mn)	Turnover ('Mn)
JKH	135.50	8.5	1,134.57
TOKYO CEMENT[NON-VOTING]	21.00	1.2	23.58
COMMERCIAL BANK	107.80	0.1	15.57
ACCESS ENG SL	13.80	1.0	13.53
SAMPATH	222.50	0.1	13.44

TOP 5 VOLUME

	Price	Volume ('Mn)	Turnover ('Mn)
JKH	135.50	8.5	1,134.57
TOKYO CEMENT[NON-VOTING]	21.00	1.2	23.58
ACCESS ENG SL	13.80	1.0	13.53
TESS AGRO	0.50	0.4	0.22
BROWNS CAPITAL	3.60	0.3	0.95

GLOBAL MARKETS & COMMODITIES

GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	66.8	72.1	-7.4%
Gold USD/t oz	1,234.6	1,186.7	4.0%
Copper USd/lb.	276.2	277.6	-0.5%
Cotton USd/lb.	76.9	77.4	-0.7%
Aluminum USD/MT	1,997.0	2,030.0	-1.6%

CRUDE OIL MOVEMENT



GLOBAL MARKETS

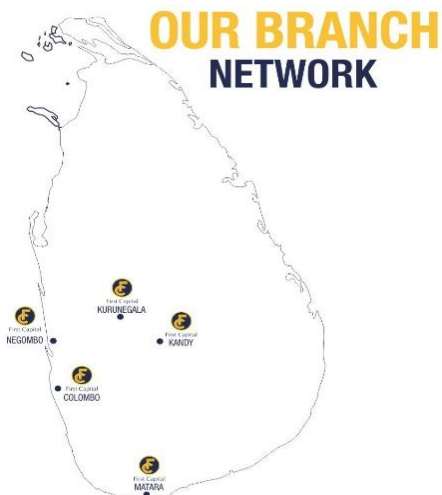
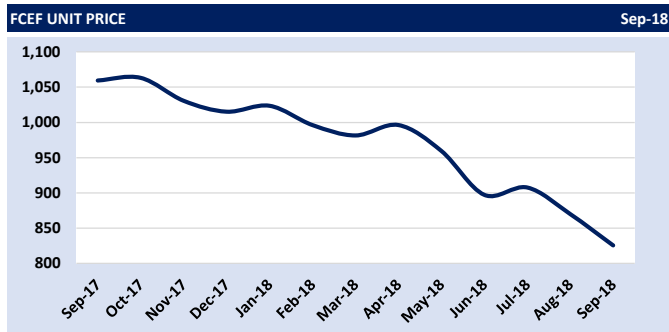
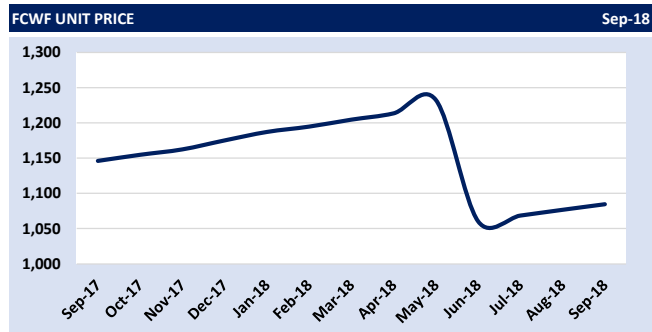
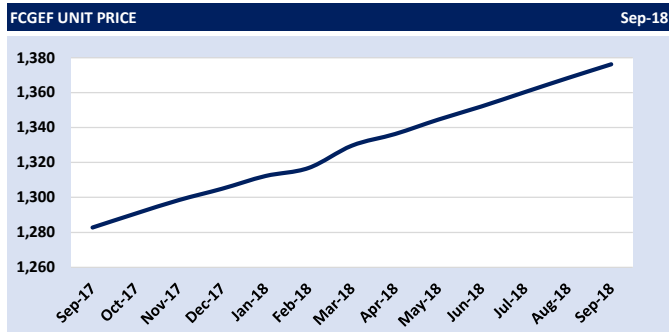
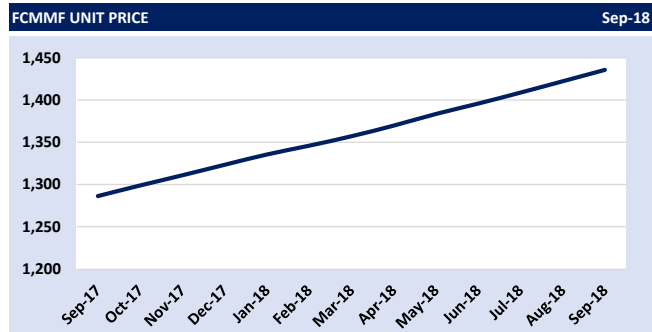
	Current	Last Month	Change (%)
DOW JONES	24,583.4	26,439.9	-7.0%
EURO STOXX 50	3,155.8	3,404.9	-7.3%
FTSE 100	6,971.2	7,497.3	-7.0%
NIKKEI 225	21,268.7	24,120.0	-11.8%

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	1,446.66	1,446.66	1,244	11.87%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,382.64	1,382.64	46	0.00%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,091.29	1,091.26	601	10.26%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	798.43	758.51	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%



Download the **FC CAPITAL MARKET APP**

Your complete insight into the Sri Lankan capital market

Available on Google Play and the App Store.

An alternative to your savings account from First Capital Money Market Fund

11.36%*

* Flexibility to withdraw funds at anytime

Call : +94 11 2 639 841 / +94 771 764 799

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

Disclaimer:

This Review is prepared and issued by First Capital Holdings PLC based on information in the public domain, internally developed and other sources, believed to be correct. Although all reasonable care has been taken to ensure the contents of the Review are accurate, First Capital Holdings PLC and/or its Directors, employees, are not responsible for the correctness, usefulness, reliability of same. First Capital Holdings PLC may act as a Broker in the investments which are the subject of this document or related investments and may have acted on or used the information contained in this document, or the research or analysis on which it is based, before its publication. First Capital Holdings PLC and/or its principal, their respective Directors, or Employees may also have a position or be otherwise interested in the investments referred to in this document. This is not an offer to sell or buy the investments referred to in this document. This Review may contain data which are inaccurate and unreliable. You hereby waive irrevocably any rights or remedies in law or equity you have or may have against First Capital Holdings PLC with respect to the Review and agree to indemnify and hold First Capital Holdings PLC and/or its principal, their respective directors and employees harmless to the fullest extent allowed by law regarding all matters related to your use of this Review. No part of this document may be reproduced, distributed or published in whole or in part by any means to any other person for any purpose without prior permission.

About us:

This report providing a snapshot of fixed income, equity and unit trust is composed and circulated by First Capital Holdings PLC an investment bank in Sri Lanka. The company operates in the capital market of Sri Lanka with operations in government securities - treasury bills and bonds, stock brokering and share market investments, asset management, private wealth management, retirement planning, personal financial planning, unit trust, margin trading, capital market research, trustee services, corporate finance advisory services including corporate debt structuring (debentures, trust certificates, commercial papers), valuations, restructuring, mergers and acquisitions, initial public offerings (IPOs) and project advisory. The First Capital Group consists of First Capital Treasuries PLC, First Capital Limited, First Capital Markets Limited, First Capital Asset Management Limited and First Capital Equities (Private) Limited covering Colombo, Negombo, Matara, Kandy and Kurunegala.