



First Capital

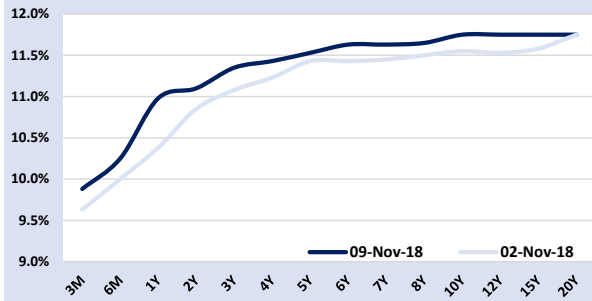
# DAILY MARKET WATCH

First Capital Research

November 9, 2018

## FIXED INCOME

### YIELD CURVE BASED ON MID RATES & MARKET COMMENTARY



Secondary market yield curve remained unchanged ahead of the next week's primary bond auction and with the continuing political uncertainty. The overall market witnessed ultra-thin volumes as market participants continued to remain on the sideline adopting a wait and see approach.

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

Tenure	Bid	Offer	Today	Last Week	Change (bps)
< 91 Days < 3M	10.00%	9.75%	9.88%	9.63%	25
< 182 Days < 6M	10.50%	10.00%	10.25%	10.00%	25
< 364 Days < 1Y	11.05%	10.90%	10.98%	10.38%	60
01-May-20 < 2Y	11.20%	11.00%	11.10%	10.85%	25
15-Oct-21 < 3Y	11.50%	11.20%	11.35%	11.08%	27
01-Oct-22 < 4Y	11.55%	11.30%	11.43%	11.23%	20
15-Jul-23 < 5Y	11.60%	11.45%	11.53%	11.43%	10
01-Aug-24 < 6Y	11.75%	11.50%	11.63%	11.43%	20
15-Oct-25 < 7Y	11.75%	11.50%	11.63%	11.45%	18
01-Aug-26 < 8Y	11.80%	11.50%	11.65%	11.50%	15
01-Sep-28 < 10Y	12.00%	11.50%	11.75%	11.55%	20
15-May-30 < 12Y	12.00%	11.50%	11.75%	11.53%	22
15-Jan-33 < 15Y	12.00%	11.50%	11.75%	11.58%	17
15-Mar-35 < 20Y	12.00%	11.50%	11.75%	11.75%	0

### PRIMARY AUCTION

#### T-BILL AUCTION

Tenor	Current	Previous	Change
	07-Nov-18	31-Oct-18	(bps)
91 days	9.65%	N/A	N/A
182 Days	9.99%	N/A	N/A
364 Days	10.89%	N/A	N/A
Date of Settlement	9-Nov-18		

WEEK ENDING 9-Nov-18		
Offered	Bids	Accepted
LKR ('Mn)	LKR ('Mn)	LKR ('Mn)
2,000	4,196	3,296
2,000	2,450	500
12,000	19,920	11,570
<b>TOTAL</b>	<b>26,566</b>	<b>15,366</b>

#### T-BOND AUCTION

Bond Type	Yield	Offered	Bids	Accepted
11.75%2027'A'		50,000	New Auction Announcement	
13.00%2029'B'		48,000	New Auction Announcement	
<b>TOTAL</b>		<b>98,000</b>	<b>N/A</b>	<b>N/A</b>

#### MATURITY TABLE FOR NEXT WEEK

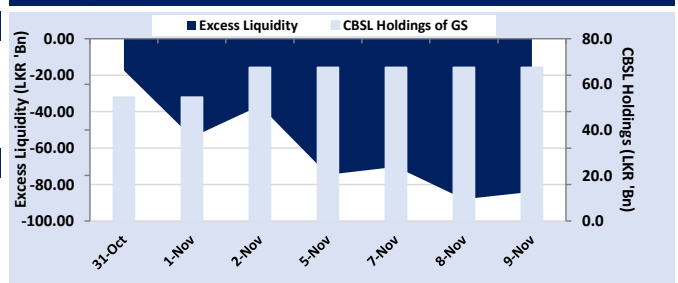
Type	LKR ('Mn)	USD ('Mn)
T-Bills	13,612	
T-Bonds	0	
T-Bond Interest	11,241	
SLDBs/Sovereign Bonds		0
<b>TOTAL</b>	<b>24,853</b>	<b>0</b>

### LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

#### MARKET LIQUIDITY

	9-Nov-18	Repo	Reverse Repo
Mid-day Auction		[LKR 'Bn]	[LKR 'Bn]
Offered		0.0	60.0
Bids		N/A	26.2
Accepted		N/A	26.2
Weighted Average Rate (%)		N/A	8.46%
Standing Facility		SDF	SLF
Rate		7.25%	8.50%
Value [LKR 'Bn]		6.1	44.6
O/N Surplus/(Deficit)			-83.9
CBSL Holdings of Government Securities [LKR 'Bn]			67.4

#### EXCESS LIQUIDITY & CBSL HOLDINGS OF GOVERNMENT SECURITIES



#### MONEY MARKET RATES

	High	Low	W.Avg	Value [LKR 'Bn]
Call Money 9-Nov-18	8.50%	8.45%	8.49%	16.0
Repo Rates 9-Nov-18	8.49%	8.49%	8.49%	0.7

#### OUTSTANDING STOCK

	31-Oct-18	Previous Week	Change (%)
T-Bills [LKR 'Mn]	790,193	789,691	0.1%
T-Bonds [LKR 'Mn]	4,242,267	4,242,267	0.0%
<b>TOTAL</b>	<b>5,032,459</b>	<b>5,031,957</b>	<b>0.0%</b>
Foreign Holding [LKR 'Mn]	221,134	232,105	-4.7%
Foreign Holding (%)	4.4%	4.6%	

#### MARKET INTEREST RATES

	31-Oct-18	Last Month	Change (bps)
AWPLR	12.25%	12.82%	-57
FD Ceiling Rate (1 Year)	2H2018 12.46%		

### GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

#### US TREASURIES

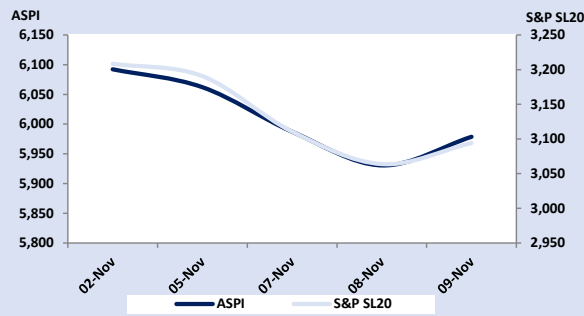
	2-Nov-18	26-Oct-18	Change (bps)	Last Month	Change (bps)
1 Year	2.70%	2.63%	7	2.63%	7
2 Year	2.91%	2.81%	10	2.81%	10
5 Year	3.04%	2.91%	13	2.91%	13
10 Year	3.22%	3.08%	14	3.08%	14
30 Year	3.46%	3.32%	14	3.32%	14

#### EXCHANGE RATES

	9-Nov-18	Last Month	Change (%)
USA Dollar	175.14	174.38	-0.4%
UK Pound	228.65	221.66	-3.1%
EU Euro	198.83	197.81	-0.5%
Japan Yen	1.54	1.54	0.3%
Australia Dollar	126.95	125.25	-1.3%

# EQUITY

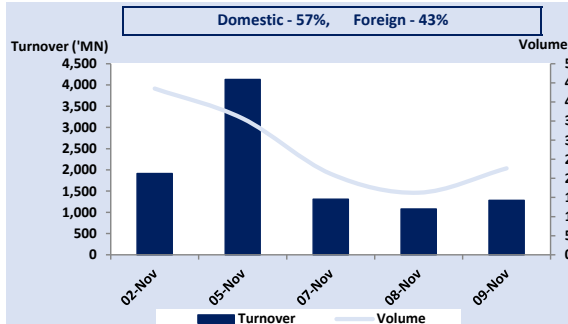
## MARKET INDICES



## MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	5,978.63	5,930.59	0.81%
S&P SL20	3,094.21	3,063.82	0.99%
Turnover (LKR 'Mn)	1,284.72	1,078.84	19.08%
Volume ('Mn)	22.63	16.25	39.24%
Market Cap. (LKR 'Bn)	2,804.85	2,782.31	0.81%
Market Cap. (USD 'Bn)	16.02	15.89	0.81%
Traded Companies	242	227	6.61%
Foreign Purchases (LKR 'Mn)	219.41	462.15	-52.52%
Foreign Sales (LKR 'Mn)	880.20	868.00	1.41%
Net Foreign flow (LKR 'Mn)	-660.79	-405.85	-62.82%

## MARKET TURNOVER & VOLUME



MTD Net Foreign Flow (LKR 'Mn)	-4,425.54
YTD Net Foreign Flow (LKR 'Mn)	-17,236.07

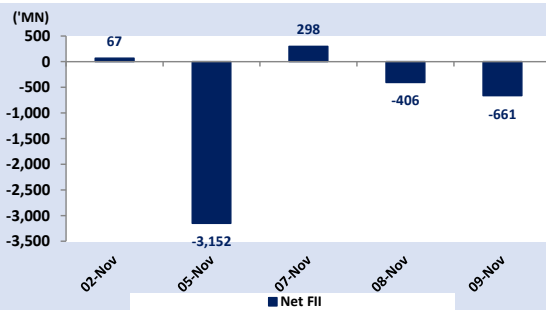
## MARKET COMMENTARY

Bourse ended in green reversing the negative sentiment witnessed for the last four trading sessions on gains made by JKH and CTC. ASPI had a downward trend during the first hour of the day reaching an intraday low of 5,922 followed by a continuous uptrend reaching an intraday high of 5,994, prior to closing at 5,979, gaining 48 points. Both turnover and volumes have increased while nearly 41% of turnover was derived from JKH. A net foreign outflow was witnessed with high foreign participation.

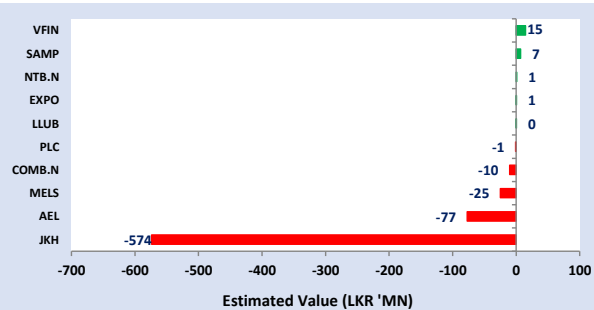
## MAJOR CROSSINGS

Stock	No. of Crossings	Price [LKR]	Quantity	Total Crossings
LLUB	4	70.00	1,993,326	8
NDB	3	100.00	1,200,000	

## NET FOREIGN FLOW



## ESTIMATED LARGEST FOREIGN FLOW



## TOP 5 GAINERS

	Today	Previous	Change (%)
S M B LEASING [X]	0.30	0.20	50.00%
ADAM CAPITAL	0.40	0.30	33.33%
BERUWALA RESORTS	0.70	0.60	16.67%
NATION LANKA	0.70	0.60	16.67%
MTD WALKERS	13.00	11.20	16.07%

## TOP 5 LOSERS

	Today	Previous	Change (%)
EDEN HOTEL LANKA	12.10	14.00	-13.57%
MULLERS	0.70	0.80	-12.50%
TRANS ASIA	75.60	83.80	-9.79%
RENUKA AGRI	1.90	2.00	-5.00%
RENUKA CAPITAL	3.80	4.00	-5.00%

## TOP 5 TURNOVER

	Price	Volume ('Mn)	Turnover ('Mn)
JKH	145.00	4.4	635.66
NAT. DEV. BANK	100.00	1.8	184.78
CHEVRON	70.10	2.0	140.29
ACCESS ENG SL	17.00	6.2	103.40
SAMPATH	230.00	0.3	74.85

## TOP 5 VOLUME

	Price	Volume ('Mn)	Turnover ('Mn)
ACCESS ENG SL	17.00	6.2	103.40
JKH	145.00	4.4	635.66
CHEVRON	70.10	2.0	140.29
NAT. DEV. BANK	100.00	1.8	184.78
EXPOLANKA	4.10	0.8	3.23

## GLOBAL MARKETS & COMMODITIES

### GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	60.4	66.6	-9.3%
Gold USD/t oz	1,221.8	1,217.7	0.3%
Copper USd/lb.	269.8	266.9	1.1%
Cotton USd/lb.	80.3	76.6	4.8%
Aluminum USD/MT	1,990.0	1,967.0	1.2%

### CRUDE OIL MOVEMENT



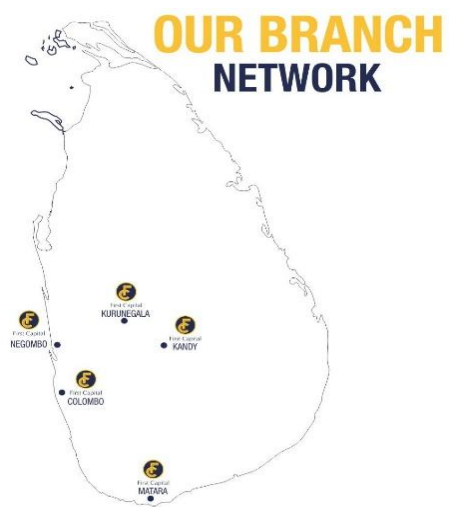
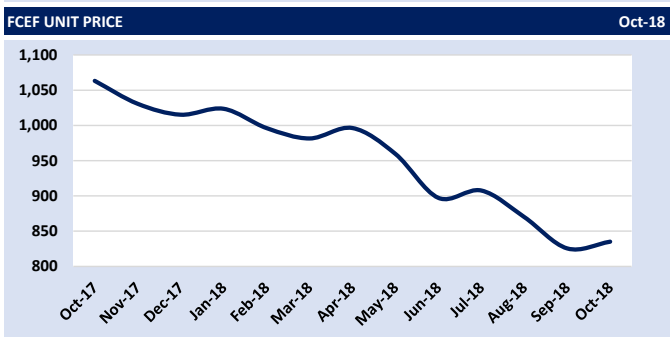
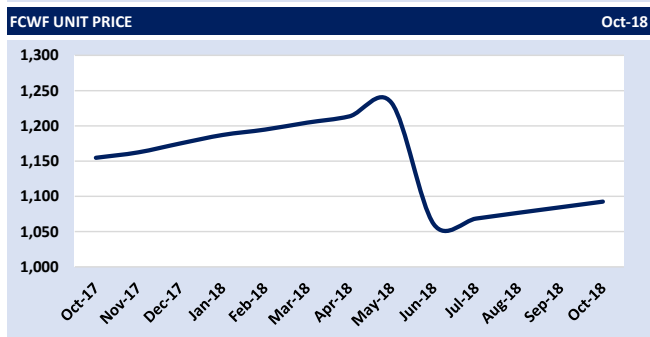
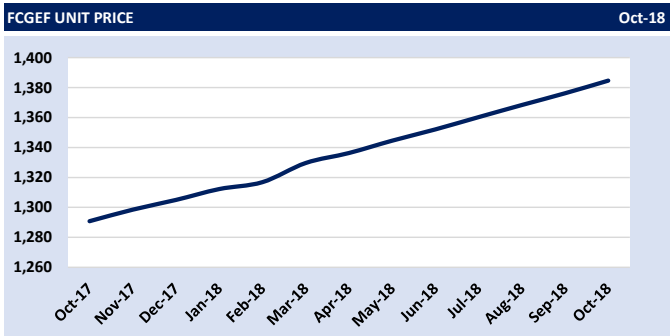
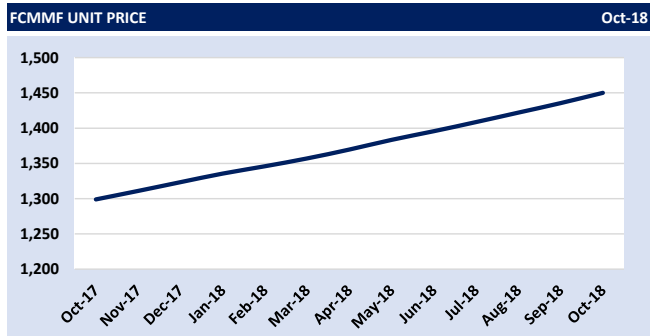
### GLOBAL MARKETS

	Current	Last Month	Change (%)
DOW JONES	26,191.2	24,874.6	5.3%
EURO STOXX 50	3,209.6	3,201.7	0.2%
FTSE 100	7,096.4	7,150.2	-0.8%
NIKKEI 225	22,250.3	21,920.5	1.5%

# UNIT TRUSTS

	Sell Price	Buy Price	AUM LKR 'Mn	Avg. Yield	Information on Fees		
	LKR	LKR	As at Oct 2018		Mgmt Fee	Trustee fee	Performance Fee
First Capital Money Market Fund	1,453.80	1,453.80	1,334	12.18%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,386.88	1,386.88	50	0.00%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,094.92	1,094.89	606	10.26%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	837.57	795.69	53	N/A	1.00% p.a.	0.23% p.a.	25% over ASTRI

TRAILING RETURNS (%)								Performance as of	Oct-18
FIXED INCOME FUNDS	YTD	2017/18	2016/17	2015/16	2014/15	2013/14	Since Inception		
First Capital Money Market Fund	11.69%	11.92%	10.39%	7.92%	7.20%	N/A			11.65%
First Capital Gilt Edge Fund	7.06%	9.14%	19.06%	4.17%	-3.46%	N/A			9.37%
First Capital Wealth Fund	9.67%	11.32%	10.63%	4.90%	15.48%	17.60%			17.30%
BALANCED FUND	1 Month	3 Months	6 Months	12 Months	2 Years		Since Inception		
First Capital Equity Fund	1.15%	-8.00%	-16.18%	-21.46%	N/A				-16.49%
ASTRI*	1.56%	-3.11%	-8.70%	-9.69%	N/A				-15.69%
<b>Out/(Under) Performance</b>	<b>-0.41%</b>	<b>-4.88%</b>	<b>-7.48%</b>	<b>-11.77%</b>	<b>N/A</b>				<b>-0.80%</b>



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- Step 2**  
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First Capital

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