



First Capital

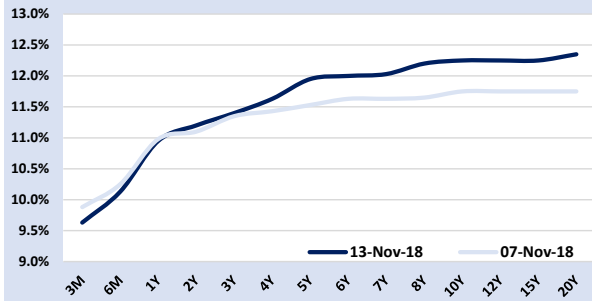
DAILY MARKET WATCH

First Capital Research

November 13, 2018

FIXED INCOME

YIELD CURVE BASED ON MID RATES & MARKET COMMENTARY



Secondary market yield curve shifted upwards, falling in line with the primary bond auction results. At the primary bond auction 15.06.27 and 01.05.29 were accepted at weighted average of 12.16% and 12.23% respectively. Secondary market was at an almost standstill, as market participants were seen remaining on the sideline on the back of continuing uncertainty in the political front. At tomorrow's primary bill auction, total of LKR 14Bn comprised of 3M, 6M and 1-Yr bills are on offer.

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

Tenure	Bid	Offer	Today	Last Week	Change (bps)
< 91 Days < 3M	9.75%	9.50%	9.63%	9.88%	-25
< 182 Days < 6M	10.25%	10.00%	10.13%	10.25%	-12
< 364 Days < 1Y	11.00%	10.90%	10.95%	10.98%	-3
01-May-20 < 2Y	11.40%	11.00%	11.20%	11.10%	10
15-Oct-21 < 3Y	11.60%	11.20%	11.40%	11.35%	5
01-Oct-22 < 4Y	11.75%	11.50%	11.63%	11.43%	20
15-Jul-23 < 5Y	12.10%	11.80%	11.95%	11.53%	42
01-Aug-24 < 6Y	12.20%	11.80%	12.00%	11.63%	37
15-Oct-25 < 7Y	12.25%	11.80%	12.03%	11.63%	40
01-Aug-26 < 8Y	12.40%	12.00%	12.20%	11.65%	55
01-Sep-28 < 10Y	12.50%	12.00%	12.25%	11.75%	50
15-May-30 < 12Y	12.50%	12.00%	12.25%	11.75%	50
15-Jan-33 < 15Y	12.50%	12.00%	12.25%	11.75%	50
15-Mar-35 < 20Y	12.60%	12.10%	12.35%	11.75%	60

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
TOTAL	26,566	15,366

T-BOND AUCTION

Bond Type	Yield	Offered	Bids	Accepted
				15-Nov-18
11.75%2027'A'	12.16%	50,000	100,570	50,000
13.00%2029'B'	12.23%	48,000	103,545	48,000
TOTAL		98,000	204,115	98,000

MATURITY TABLE FOR NEXT WEEK

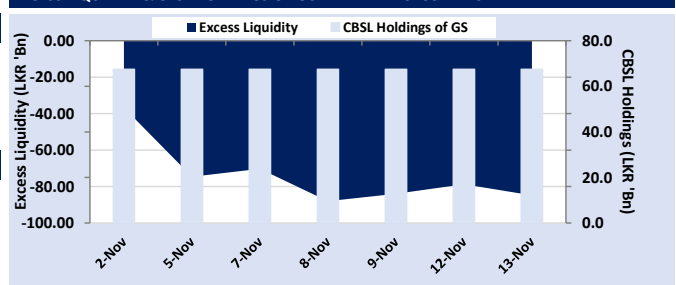
Type	LKR ('Mn)	USD ('Mn)
		WEEK ENDING 16-Nov-18
T-Bills	13,612	
T-Bonds	0	
T-Bond Interest	11,241	
SLDBs/Sovereign Bonds		0
TOTAL	24,853	0

LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

MARKET LIQUIDITY

	13-Nov-18	Repo	Reverse Repo
		[LKR 'Bn]	[LKR 'Bn]
Mid-day Auction			
Offered		0.0	50.0
Bids		N/A	32.2
Accepted		N/A	32.2
Weighted Average Rate (%)		N/A	8.43%
Standing Facility		SDF	SLF
Rate		7.25%	8.50%
Value [LKR 'Bn]		8.3	49.6
O/N Surplus/(Deficit)			-84.9
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 13-Nov-18	8.50%	8.48%	8.49%	18.6
Repo Rates 13-Nov-18	8.50%	8.49%	8.50%	1.0

OUTSTANDING STOCK

	7-Nov-18	Previous Week	Change (%)
T-Bills [LKR 'Mn]	790,524	790,193	0.0%
T-Bonds [LKR 'Mn]	4,242,267	4,242,267	0.0%
TOTAL	5,032,790	5,032,459	0.0%
Foreign Holding [LKR 'Mn]	211,140	221,134	-4.5%
Foreign Holding (%)	4.2%	4.4%	

MARKET INTEREST RATES

	7-Nov-18	Last Month	Change (bps)
AWPLR	11.95%	12.82%	-87
FD Ceiling Rate (1 Year)	2H2018 12.46%		

GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

US TREASURIES

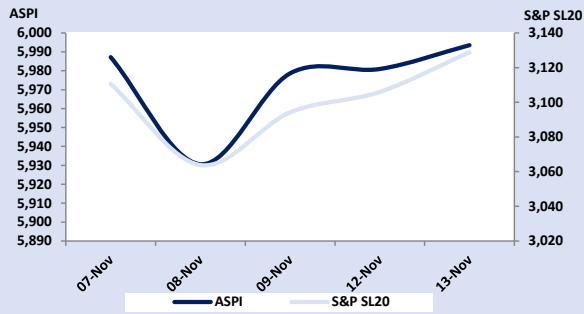
	9-Nov-18	2-Nov-18	Change (bps)	Last Month	Change (bps)
1 Year	2.73%	2.70%	3	2.63%	10
2 Year	2.94%	2.91%	3	2.81%	13
5 Year	3.05%	3.04%	1	2.91%	14
10 Year	3.19%	3.22%	-3	3.08%	11
30 Year	3.40%	3.46%	-6	3.32%	8

EXCHANGE RATES

		13-Nov-18	Last Month	Change (%)
USA	Dollar	175.59	174.38	-0.7%
UK	Pound	225.89	221.66	-1.9%
EU	Euro	197.23	197.81	0.3%
Japan	Yen	1.54	1.54	-0.2%
Australia	Dollar	126.10	125.25	-0.7%

EQUITY

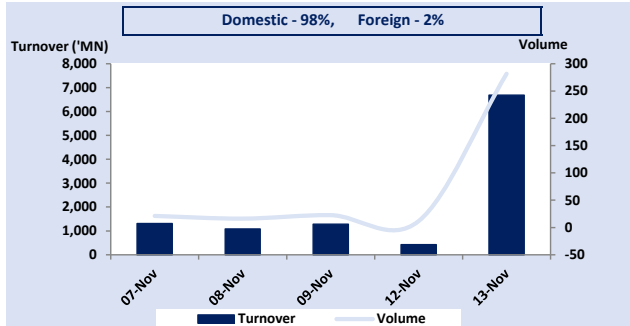
MARKET INDICES



MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	5,993.54	5,980.94	0.21%
S&P SL20	3,128.87	3,105.98	0.74%
Turnover (LKR 'Mn)	6,682.06	424.65	1473.54%
Volume ('Mn)	281.63	11.71	2305.08%
Market Cap. (LKR 'Bn)	2,811.85	2,805.93	0.21%
Market Cap. (USD 'Bn)	16.01	15.98	0.21%
Traded Companies	213	216	-1.39%
Foreign Purchases (LKR 'Mn)	134.56	134.03	0.39%
Foreign Sales (LKR 'Mn)	80.75	52.96	52.46%
Net Foreign flow (LKR 'Mn)	53.82	81.07	-33.62%

MARKET TURNOVER & VOLUME



MTD Net Foreign Flow (LKR 'Mn)

-4,290.65

YTD Net Foreign Flow (LKR 'Mn)

-17,101.18

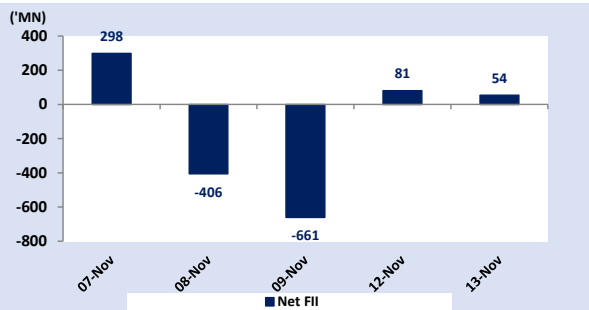
MARKET COMMENTARY

Market ended on a positive sentiment for the third consecutive day on the gains made by HNB.N and JKH. ASPI was on a volatile path trending down during the first half of the day reaching an intraday low of 5,974 followed by a continuous upward trend reaching an intraday high of 6,000 prior to closing for the day at 5,994, gaining 13 points. Turnover recorded a seven months high while 95% was derived from crossings. A net foreign inflow was witnessed with low foreign participation.

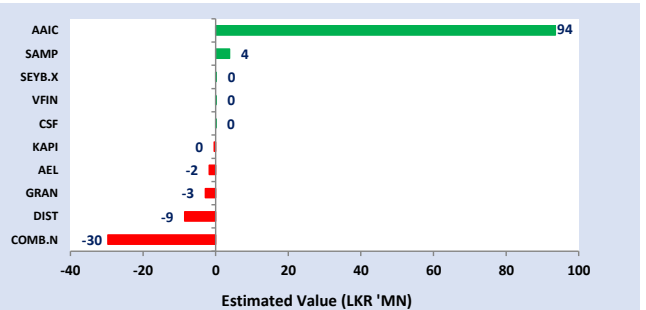
MAJOR CROSSINGS

Stock	No. of Crossings	Price [LKR]	Quantity	Total Crossings
ODEL	6	25.00	248,976,458	8
AAIC	1	33.00	1,855,462	

NET FOREIGN FLOW



ESTIMATED LARGEST FOREIGN FLOW



TOP 5 GAINERS

	Today	Previous	Change (%)
CONVENIENCE FOOD	481.50	385.20	25.00%
MTD WALKERS	14.90	13.20	12.88%
THE FINANCE CO. [X]	1.10	1.00	10.00%
RENUKA FOODS	13.90	12.80	8.59%
BROWNS BEACH	13.90	13.00	6.92%

TOP 5 LOSERS

	Today	Previous	Change (%)
RENUKA HOLDINGS	14.80	17.20	-13.95%
LEE HEDGES	61.00	68.70	-11.21%
CITRUS HIKKADUWA	5.00	5.50	-9.09%
BOGAWANTALAWA	10.00	10.80	-7.41%
REGNIS	70.20	74.40	-5.65%

TOP 5 TURNOVER

	Price	Volume ('Mn)	Turnover ('Mn)
ODEL PLC	26.00	249.3	6,231.60
Softlogic Life	33.00	2.9	94.78
BROWNS CAPITAL	3.80	20.7	74.65
ACCESS ENG SL	17.40	2.2	38.51
COMMERCIAL BANK	115.00	0.3	36.64

TOP 5 VOLUME

	Price	Volume ('Mn)	Turnover ('Mn)
ODEL PLC	26.00	249.3	6,231.60
BROWNS CAPITAL	3.80	20.7	74.65
Softlogic Life	33.00	2.9	94.78
ACCESS ENG SL	17.40	2.2	38.51
TEEJAY LANKA	32.90	1.1	35.05

GLOBAL MARKETS & COMMODITIES

GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	58.9	66.6	-11.5%
Gold USD/t oz	1,202.1	1,217.7	-1.3%
Copper USd/lb.	270.9	266.9	1.5%
Cotton USd/lb.	78.5	76.6	2.4%
Aluminum USD/MT	1,942.0	1,967.0	-1.3%

CRUDE OIL MOVEMENT



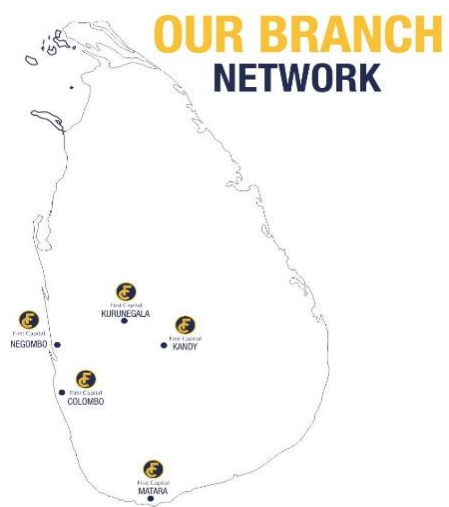
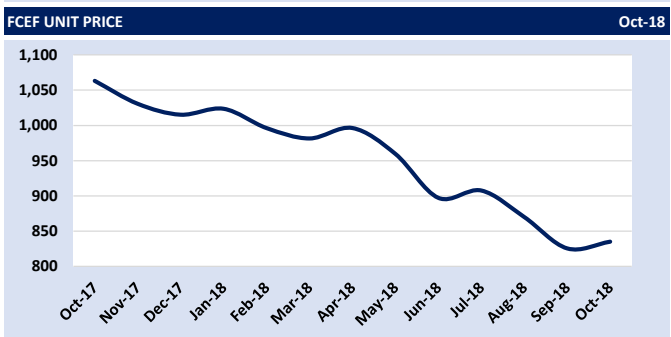
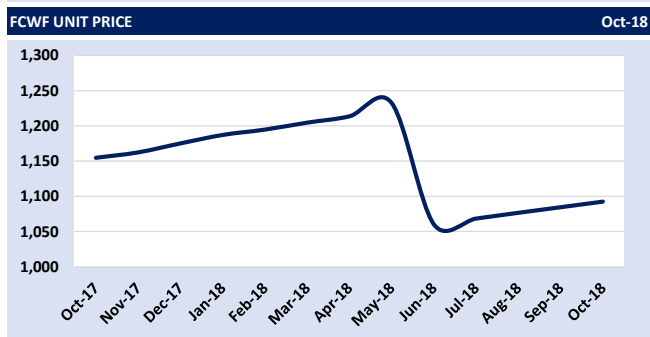
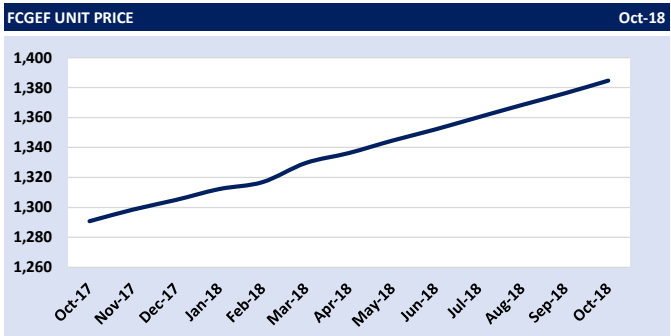
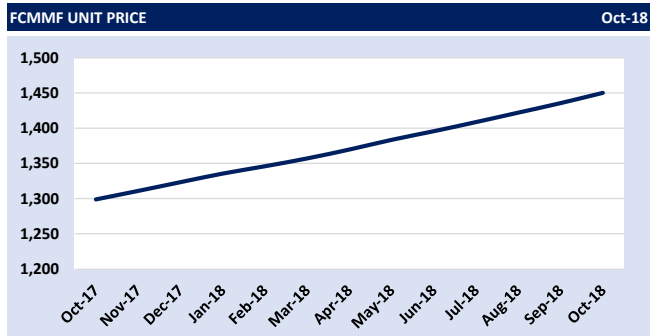
GLOBAL MARKETS

	Current	Last Month	Change (%)
DOW JONES	25,387.2	24,874.6	2.1%
EURO STOXX 50	3,216.0	3,201.7	0.4%
FTSE 100	7,090.0	7,150.2	-0.8%
NIKKEI 225	21,810.5	21,920.5	-0.5%

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	1,455.70	1,455.70	1,334	12.18%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,388.00	1,388.00	50	0.00%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,096.13	1,096.10	606	10.26%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	850.16	807.65	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%
Out/(Under) Performance	-0.41%	-4.88%	-7.48%	-11.77%	N/A				-0.80%



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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 Kathiriarachchi	+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

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