



First Capital

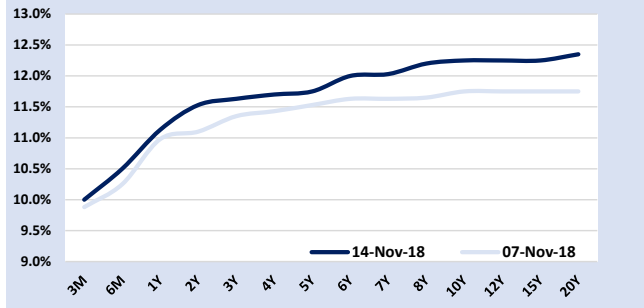
DAILY MARKET WATCH

First Capital Research

November 14, 2018

FIXED INCOME

YIELD CURVE BASED ON MID RATES & MARKET COMMENTARY



The surprise policy rate hike by the monetary board resulted in the secondary market yield curve experiencing a slight upward shift in the short end of the curve. Limited activity was witnessed in 15.06.27 maturity at 12.30% while intraday lowest was recorded at 12.24% on the back of buying interest. At the primary bill auction, 3M reached 10.07% spiking by 42bps and yield of 1-Yr bill moved beyond 11.00% after nearly 18 months to accept at 11.25% up by 36bps, while 6M bill was rejected despite being offered. Following the primary auction outcome, 15.06.27 saw its yield spiking to close the day at 12.30/40 levels while the overall market witnessed moderate volumes.

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

Tenure	Bid	Offer	Today	Last Week	Change (bps)
< 91 Days < 3M	10.25%	9.75%	10.00%	9.88%	12
< 182 Days < 6M	10.75%	10.25%	10.50%	10.25%	25
< 364 Days < 1Y	11.25%	11.00%	11.13%	10.98%	15
01-May-20 < 2Y	11.65%	11.40%	11.53%	11.10%	43
15-Oct-21 < 3Y	11.75%	11.50%	11.63%	11.35%	28
01-Oct-22 < 4Y	11.90%	11.50%	11.70%	11.43%	27
15-Jul-23 < 5Y	12.00%	11.50%	11.75%	11.53%	22
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
	14-Nov-18	07-Nov-18	(bps)
91 days	10.07%	9.65%	42
182 Days	N/A	9.99%	N/A
364 Days	11.25%	10.89%	36

WEEK ENDING 16-Nov-18		
Offered	Bids	Accepted
LKR ('Mn)	LKR ('Mn)	LKR ('Mn)
3,000	10,050	2,100
2,000	2,788	N/A
9,000	25,555	7,756
14,000	38,393	9,856

T-BOND AUCTION

Bond Type	Yield	Offered	Bids	Accepted
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

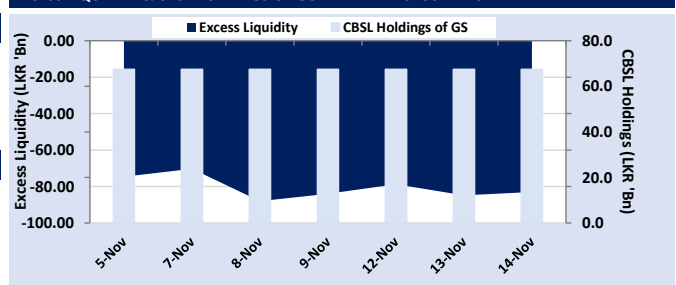
Type	LKR ('Mn)	USD ('Mn)
T-Bills	14,781	
T-Bonds	0	
T-Bond Interest	0	
SLDBs/Sovereign Bonds		0
TOTAL	14,781	0

LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

MARKET LIQUIDITY

	14-Nov-18	Repo	Reverse Repo
Mid-day Auction		[LKR 'Bn]	[LKR 'Bn]
Offered		0.0	85.0
Bids		N/A	31.5
Accepted		N/A	31.5
Weighted Average Rate (%)		N/A	8.74%
Standing Facility		SDF	SLF
Rate		8.00%	9.00%
Value [LKR 'Bn]		21.9	54.9
O/N Surplus/(Deficit)			-83.0
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	14-Nov-18	9.00%	8.90%	8.97%	13.5
Repo Rates	14-Nov-18	9.00%	8.95%	8.98%	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

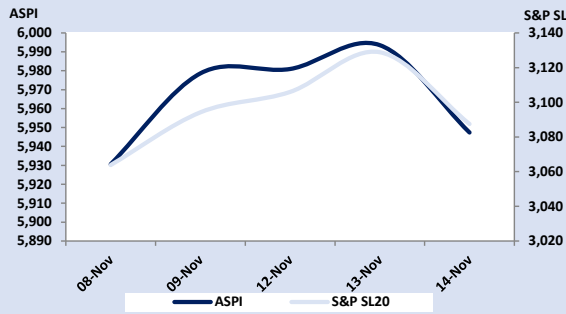
	9-Nov-18	2-Nov-18	Change (bps)	Last Month	Change (bps)
1 Year	2.73%	2.70%	3	2.63%	10
2 Year	2.94%	2.91%	3	2.81%	13
5 Year	3.05%	3.04%	1	2.91%	14
10 Year	3.19%	3.22%	-3	3.08%	11
30 Year	3.40%	3.46%	-6	3.32%	8

EXCHANGE RATES

	14-Nov-18	Last Month	Change (%)
USA Dollar	176.05	174.38	-1.0%
UK Pound	229.04	221.66	-3.2%
EU Euro	198.95	197.81	-0.6%
Japan Yen	1.55	1.54	-0.3%
Australia Dollar	127.07	125.25	-1.4%

EQUITY

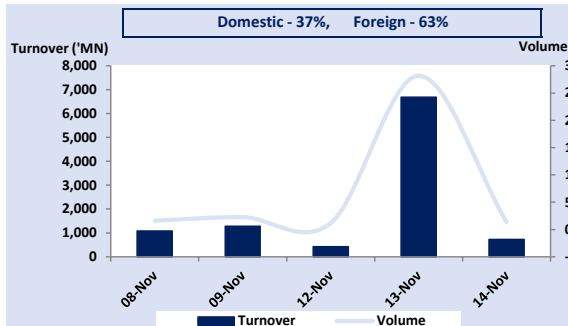
MARKET INDICES



MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	5,947.36	5,993.54	-0.77%
S&P SL20	3,087.48	3,128.87	-1.32%
Turnover (LKR 'Mn)	729.23	6,682.06	-89.09%
Volume ('Mn)	13.46	281.63	-95.22%
Market Cap. (LKR 'Bn)	2,790.18	2,811.85	-0.77%
Market Cap. (USD 'Bn)	15.85	15.97	-0.77%
Traded Companies	203	213	-4.69%
Foreign Purchases (LKR 'Mn)	473.01	134.56	251.52%
Foreign Sales (LKR 'Mn)	446.17	80.75	452.55%
Net Foreign flow (LKR 'Mn)	26.85	53.82	-50.11%

MARKET TURNOVER & VOLUME



MTD Net Foreign Flow (LKR 'Mn)

-4,263.80

YTD Net Foreign Flow (LKR 'Mn)

-17,074.34

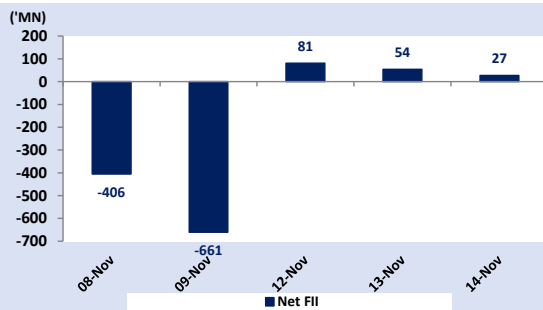
MARKET COMMENTARY

Bourse ended in red reverting the positive sentiment witnessed for the last three trading sessions dragged down by DIAL and LOLC. ASPI witnessed a volatile trend throughout the day reaching an intraday low of 5,931 and closing at 5,947, losing 46 points. Nearly 65% of turnover was derived from crossings while volume dipped compared to previous day. A net foreign inflow was witnessed for the third consecutive day amidst high foreign participation.

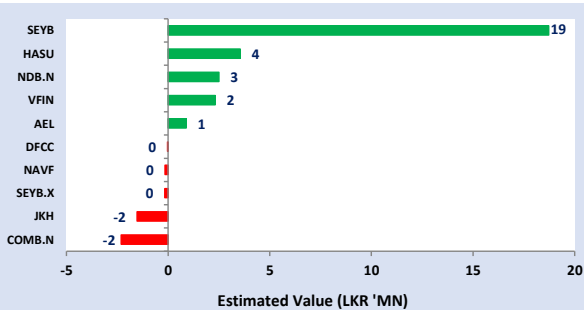
MAJOR CROSSINGS

Stock	No. of Crossings	Price [LKR]	Quantity	Total Crossings
CTC	2	1,400.00	276,285	4
TJL	1	33.00	1,672,470	4

NET FOREIGN FLOW



ESTIMATED LARGEST FOREIGN FLOW



TOP 5 GAINERS

	Today	Previous	Change (%)
ODEL PLC	29.20	26.00	12.31%
DIPPED PRODUCTS	88.00	80.00	10.00%
YORK ARCADE	86.60	80.10	8.11%
TALAWAKELLE	47.50	44.10	7.71%
COLOMBO LAND	16.80	15.60	7.69%

TOP 5 LOSERS

	Today	Previous	Change (%)
ADAM CAPITAL	0.30	0.40	-25.00%
MTD WALKERS	12.00	14.90	-19.46%
RADIANT GEMS	21.00	25.00	-16.00%
MULLERS	0.60	0.70	-14.29%
HUEJAY	22.10	25.50	-13.33%

TOP 5 TURNOVER

	Price	Volume ('Mn)	Turnover ('Mn)
CEYLON TOBACCO	1,424.00	0.3	386.80
NAT. DEV. BANK	100.30	0.8	80.01
TEEJAY LANKA	32.50	1.7	55.27
ACCESS ENG SL	15.80	2.3	37.53
SEYLAN BANK	70.00	0.5	34.63

TOP 5 VOLUME

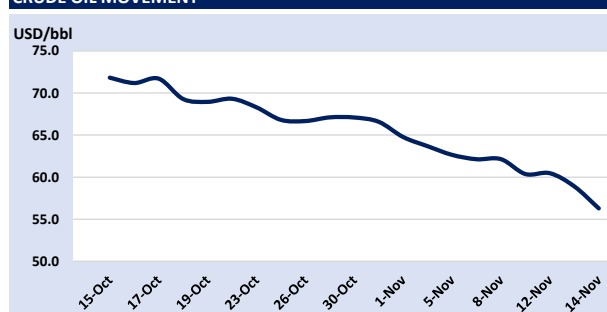
	Price	Volume ('Mn)	Turnover ('Mn)
ACCESS ENG SL	15.80	2.3	37.53
TEEJAY LANKA	32.50	1.7	55.27
PANASIAN POWER	3.10	0.9	2.61
NAT. DEV. BANK	100.30	0.8	80.01
MTD WALKERS	12.00	0.7	9.23

GLOBAL MARKETS & COMMODITIES

GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	56.3	66.6	-15.5%
Gold USD/t oz	1,198.7	1,217.7	-1.6%
Copper USd/lb.	267.7	266.9	0.3%
Cotton USd/lb.	78.2	76.6	2.1%
Aluminum USD/MT	1,935.5	1,967.0	-1.6%

CRUDE OIL MOVEMENT



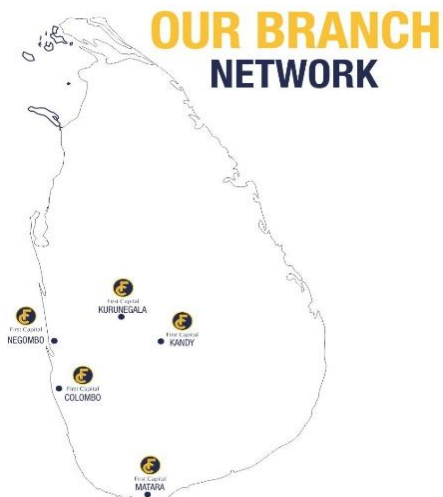
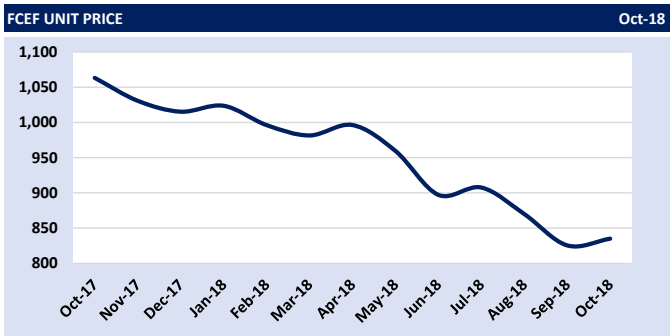
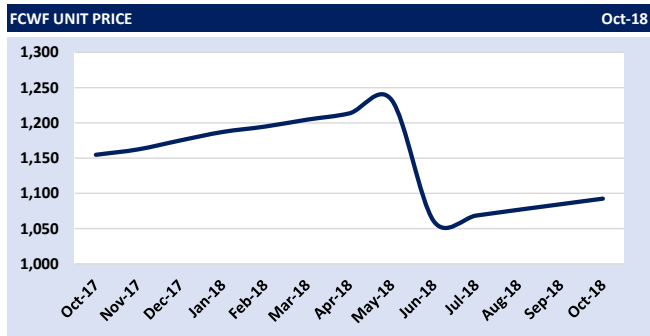
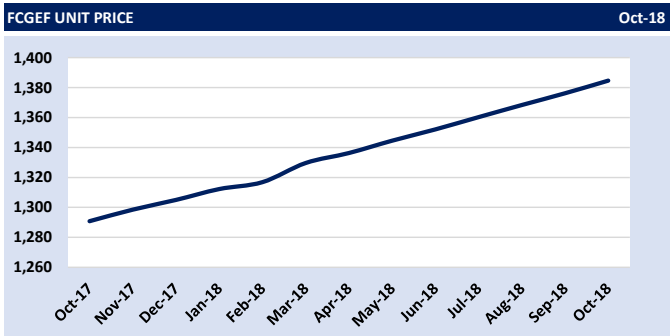
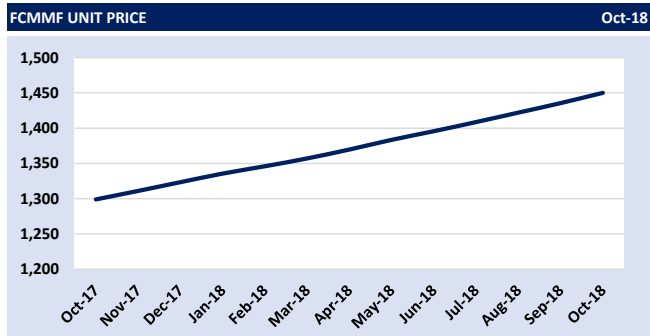
GLOBAL MARKETS

	Current	Last Month	Change (%)
DOW JONES	25,286.5	24,874.6	1.7%
EURO STOXX 50	3,194.1	3,201.7	-0.2%
FTSE 100	7,016.7	7,150.2	-1.9%
NIKKEI 225	21,846.5	21,920.5	-0.3%

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	1,456.18	1,456.18	1,334	12.18%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,388.28	1,388.28	50	0.00%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,096.37	1,096.34	606	10.26%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	849.76	807.27	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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