



First Capital

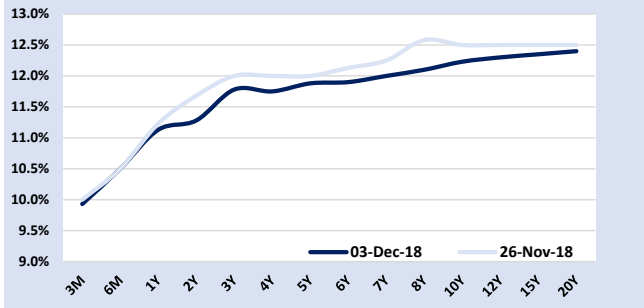
DAILY MARKET WATCH

First Capital Research

December 3, 2018

FIXED INCOME

YIELD CURVE BASED ON MID RATES & MARKET COMMENTARY



The secondary market yield curve remained mostly unchanged as market participants were seen remaining on the sideline amidst the prolonged uncertainty prevailing in the political front. Limited activity was witnessed on mid to long tenure maturities while the overall market witnessed thin volumes. Mid tenure maturities, 15.12.21 traded at 11.78% and two 2023 maturities (15.03.23 and 15.05.23) traded at 11.95% and long tenure, 01.08.26 and 15.06.27 at 12.25%. Rupee strengthened during the day with USD:LKR spot closing at 178.60/80 from opening levels of 178.80/30.

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

Tenure	Bid	Offer	Today	Last Week	Change (bps)
< 91 Days < 3M	10.10%	9.75%	9.93%	10.00%	-7
< 182 Days < 6M	10.75%	10.25%	10.50%	10.50%	0
< 364 Days < 1Y	11.15%	11.10%	11.13%	11.23%	-10
01-May-20 < 2Y	11.35%	11.20%	11.28%	11.68%	-40
15-Dec-21 < 3Y	11.80%	11.75%	11.78%	12.00%	-22
01-Oct-22 < 4Y	11.80%	11.70%	11.75%	12.00%	-25
15-Jul-23 < 5Y	11.90%	11.85%	11.88%	12.00%	-12
01-Aug-24 < 6Y	11.95%	11.85%	11.90%	12.13%	-23
15-Oct-25 < 7Y	12.10%	11.90%	12.00%	12.25%	-25
01-Aug-26 < 8Y	12.20%	12.00%	12.10%	12.58%	-48
01-Sep-28 < 10Y	12.30%	12.15%	12.23%	12.50%	-27
15-May-30 < 12Y	12.40%	12.20%	12.30%	12.50%	-20
15-Jan-33 < 15Y	12.50%	12.20%	12.35%	12.50%	-15
15-Mar-35 < 20Y	12.60%	12.20%	12.40%	12.50%	-10

PRIMARY AUCTION

T-BILL AUCTION

Tenor	Current	Previous	Change
	28-Nov-18	19-Nov-18	(bps)
91 days	N/A	10.01%	N/A
182 Days	N/A	N/A	N/A
364 Days	11.20%	11.21%	-1

	Offered	Bids	Accepted
	LKR ('Mn)	LKR ('Mn)	LKR ('Mn)
91 days	0	0	0
182 Days	8,000	23,788	0
364 Days	10,000	34,181	18,000
TOTAL	18,000	57,969	18,000

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

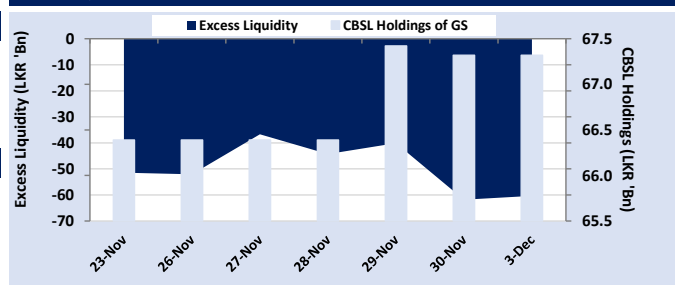
Type	LKR ('Mn)	USD ('Mn)
T-Bills	15,010	
T-Bonds	0	
T-Bond Interest	0	
SLDBs/Sovereign Bonds		0
TOTAL	15,010	0

LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

MARKET LIQUIDITY

	3-Dec-18	Repo	Reverse Repo
Mid-day Auction		[LKR 'Bn]	[LKR 'Bn]
Offered		0.0	35.0
Bids		N/A	30.8
Accepted		N/A	30.8
Weighted Average Rate (%)		N/A	8.54%
Standing Facility		SDF	SLF
Rate		8.00%	9.00%
Value [LKR 'Bn]		10.0	29.6
O/N Surplus/(Deficit)			-60.4
CBSL Holdings of Government Securities [LKR 'Bn]			67.3

EXCESS LIQUIDITY & CBSL HOLDINGS OF GOVERNMENT SECURITIES



MONEY MARKET RATES

	3-Dec-18	High	Low	W.Avg	Value [LKR 'Bn]
Call Money	3-Dec-18	9.00%	8.80%	8.94%	19.2
Repo Rates	3-Dec-18	9.00%	8.90%	8.93%	1.7

OUTSTANDING STOCK

	28-Nov-18	Previous Week	Change (%)
T-Bills [LKR 'Mn]	787,353	786,634	0.1%
T-Bonds [LKR 'Mn]	4,237,576	4,237,576	0.0%
TOTAL	5,024,928	5,024,209	0.0%
Foreign Holding [LKR 'Mn]	197,945	203,130	-2.6%
Foreign Holding (%)	3.9%	4.0%	

MARKET INTEREST RATES

	28-Nov-18	Last Month	Change (bps)
AWPLR	12.03%	12.03%	0
FD Ceiling Rate (1 Year)	2H2018 12.46%		

GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

US TREASURIES

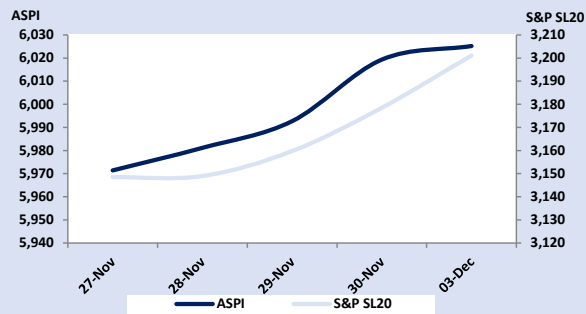
	30-Nov-18	23-Nov-18	Change (bps)	Last Month	Change (bps)
1 Year	2.70%	2.67%	3	2.70%	0
2 Year	2.80%	2.81%	-1	2.80%	0
5 Year	2.84%	2.88%	-4	2.84%	0
10 Year	3.01%	3.05%	-4	3.01%	0
30 Year	3.30%	3.31%	-1	3.30%	0

EXCHANGE RATES

	3-Dec-18	Last Month	Change (%)
USA Dollar	179.62	179.67	0.0%
UK Pound	229.41	229.65	0.1%
EU Euro	203.83	204.69	0.4%
Japan Yen	1.58	1.58	0.2%
Australia Dollar	132.18	131.50	-0.5%

EQUITY

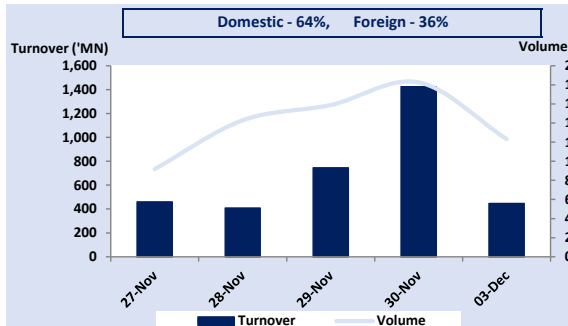
MARKET INDICES



MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	6,025.20	6,019.33	0.10%
S&P SL20	3,201.08	3,178.51	0.71%
Turnover (LKR 'Mn)	445.93	1,424.19	-68.69%
Volume ('Mn)	12.32	18.26	-32.51%
Market Cap. (LKR 'Bn)	2,826.70	2,823.95	0.10%
Market Cap. (USD 'Bn)	15.74	15.72	0.10%
Traded Companies	233	226	3.10%
Foreign Purchases (LKR 'Mn)	152.66	353.23	-56.78%
Foreign Sales (LKR 'Mn)	166.57	768.32	-78.32%
Net Foreign flow (LKR 'Mn)	-13.91	-415.10	96.65%

MARKET TURNOVER & VOLUME



MTD Net Foreign Flow (LKR 'Mn)

-13.91

YTD Net Foreign Flow (LKR 'Mn)

-18,104.51

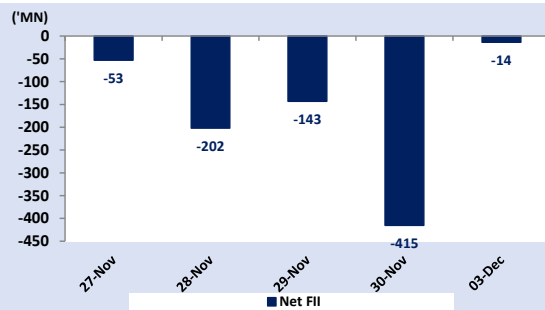
MARKET COMMENTARY

Bourse ended in green for the sixth consecutive session on the gains made by COMB.N and SUN.N. ASPI witnessed a volatile trend throughout the day reaching an intraday high of 6,035 prior to closing at 6,025, gaining 6 points. Turnover and volumes dipped compared to the previous day while 27% of turnover was derived from crossings. A net foreign outflow was witnessed for the fifth consecutive day with high foreign participation.

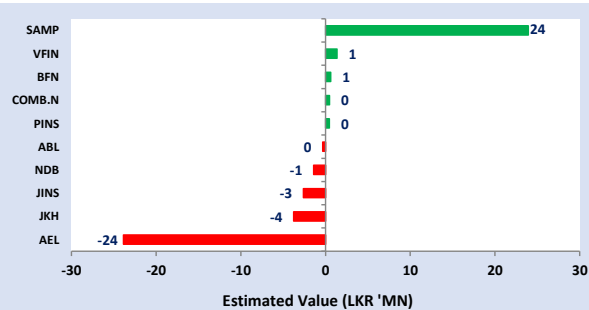
MAJOR CROSSINGS

Stock	No. of Crossings	Price [LKR]	Quantity	Total Crossings
HNB.N	1	216.00	438,611	2
SAMP	1	240.00	100,000	

NET FOREIGN FLOW



ESTIMATED LARGEST FOREIGN FLOW



TOP 5 GAINERS

	Today	Previous	Change (%)
TESS AGRO [X]	0.50	0.40	25.00%
S M B LEASING	0.50	0.40	25.00%
SUNSHINE HOLDING	53.80	46.30	16.20%
CHEMANEX	55.80	49.90	11.82%
FIRST CAPITAL	29.00	26.50	9.43%

TOP 5 LOSERS

	Today	Previous	Change (%)
ADAM INVESTMENTS	0.10	0.20	-50.00%
BLUE DIAMONDS [X]	0.20	0.30	-33.33%
HUNTERS	373.60	460.30	-18.84%
NATION LANKA	0.60	0.70	-14.29%
SINGHE HOSPITALS	1.20	1.40	-14.29%

TOP 5 TURNOVER

	Price	Volume ('Mn)	Turnover ('Mn)
JKH	160.80	0.9	139.43
HNB	216.40	0.5	116.04
SAMPATH	239.40	0.1	31.18
ACCESS ENG SL	16.00	1.8	29.20
JANASHAKTHI INS.	26.30	1.1	27.88

TOP 5 VOLUME

	Price	Volume ('Mn)	Turnover ('Mn)
ACCESS ENG SL	16.00	1.8	29.20
ANILANA HOTELS	1.10	1.4	1.51
JANASHAKTHI INS.	26.30	1.1	27.88
SOFTLOGIC CAP	6.00	1.0	5.94
JKH	160.80	0.9	139.43

GLOBAL MARKETS & COMMODITIES

GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	53.1	50.7	4.8%
Gold USD/t oz	1,236.2	1,227.0	0.7%
Copper USd/lb.	283.6	277.6	2.2%
Cotton USd/lb.	80.9	79.0	2.4%
Aluminum USD/MT	1,958.0	1,940.0	0.9%

CRUDE OIL MOVEMENT



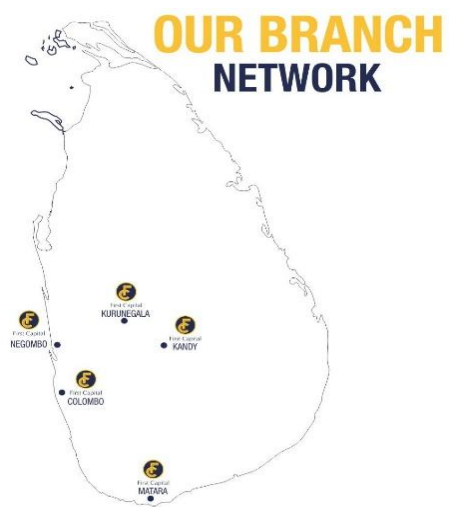
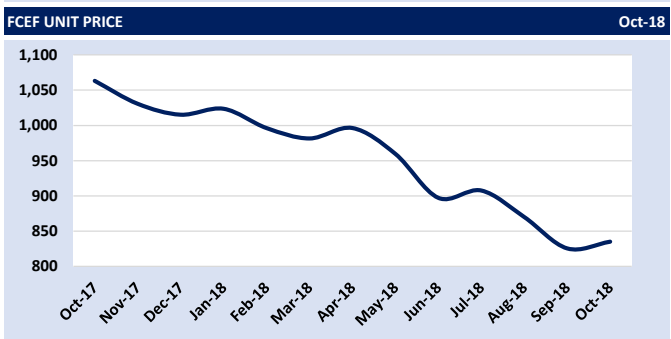
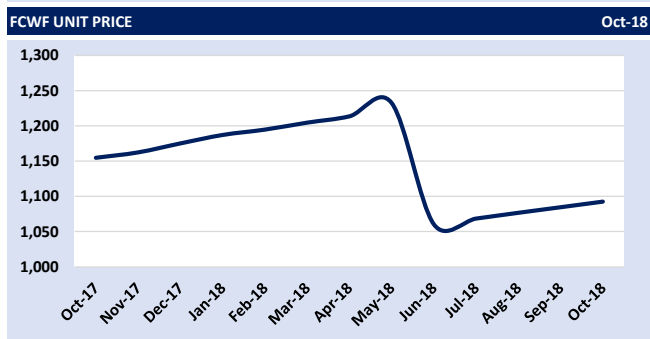
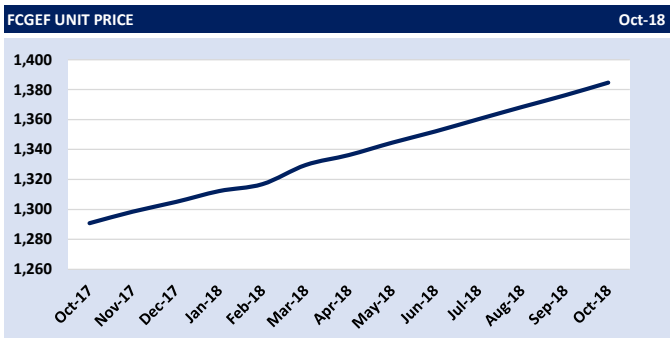
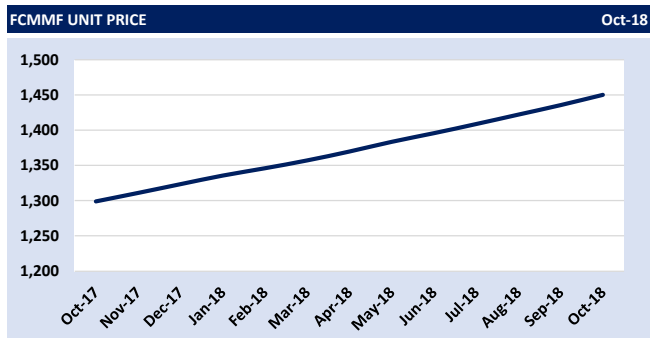
GLOBAL MARKETS

	Current	Last Month	Change (%)
DOW JONES	25,538.5	25,338.8	0.8%
EURO STOXX 50	3,240.8	3,165.9	2.4%
FTSE 100	7,138.8	6,995.8	2.0%
NIKKEI 225	22,574.8	22,351.1	1.0%

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	1,465.56	1,465.56	1,334	12.18%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,393.63	1,393.63	50	0.00%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,101.62	1,101.59	606	10.26%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	845.47	803.20	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%	





First Capital

Open an account in just 3 steps!

Step 1
Complete the Online Form @ www.firstcapital.lk

Step 2
Submit the SMS verification

Step 3
Select your preferred investment option / product

What you need to prepare



Identification



Address Verification



Initial Investment



Bank Account Details

Our Team will take care of the rest !

Got any questions? Feel free to contact us on +94 11 2 639 898



Download the

FC CAPITAL MARKET APP

Available on




Your complete insight into the Sri Lankan capital market



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.