



First Capital

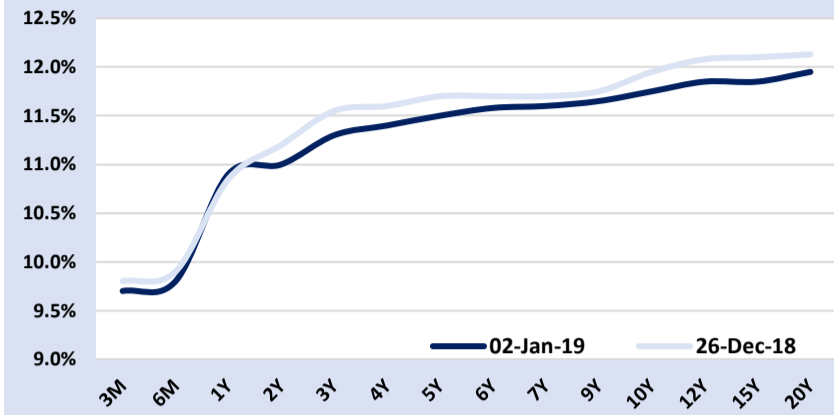
# DAILY MARKET WATCH

First Capital Research

January 2, 2019

## FIXED INCOME

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



The market witnessed continued buying interest, with the yield curve witnessing a downward shift across all maturities amidst moderate volumes. Following maturities traded at their intraday lows of; 01.05.20 at 11.00%, 01.03.21 at 11.25%, 01.08.21 at 11.33%, 15.12.21 at 11.25%, 15.05.23 at 11.55%, 15.03.25 at 11.58% 01.08.26 at 11.55% and 15.06.27 at 11.62%. At the today's primary bill auction, 6M and 1-Yr bills were accepted at 9.95% and 10.99% respectively while 3M was not offered.

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

Tenure	Bid	Offer	Today	Last Week	Change (bps)
< 91 Days < 3M	9.80%	9.60%	9.70%	9.80%	-10
< 182 Days < 6M	9.90%	9.70%	9.80%	9.90%	-10
< 364 Days < 1Y	10.95%	10.85%	10.90%	10.85%	5
15-Oct-20 < 2Y	11.10%	10.90%	11.00%	11.20%	-20
15-Dec-21 < 3Y	11.35%	11.25%	11.30%	11.55%	-25
01-Oct-22 < 4Y	11.45%	11.35%	11.40%	11.60%	-20
15-Jul-23 < 5Y	11.55%	11.45%	11.50%	11.70%	-20
01-Aug-24 < 6Y	11.60%	11.55%	11.58%	11.70%	-12
15-Oct-25 < 7Y	11.65%	11.55%	11.60%	11.70%	-10
15-Jun-27 < 9Y	11.70%	11.60%	11.65%	11.75%	-10
01-Sep-28 < 10Y	11.80%	11.70%	11.75%	11.95%	-20
15-May-30 < 12Y	12.00%	11.70%	11.85%	12.08%	-23
15-Jan-33 < 15Y	12.00%	11.70%	11.85%	12.10%	-25
15-Mar-35 < 20Y	12.10%	11.80%	11.95%	12.13%	-18

### PRIMARY AUCTION

#### T-BILL AUCTION

Tenor	Current	Previous	Change
	02-Jan-19	19-Dec-18	(bps)
91 days	N/A	N/A	N/A
182 Days	9.95%	9.99%	-4
364 Days	10.99%	11.20%	-21

Date of Settlement	4-Jan-19
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#### T-BOND AUCTION

Bond Type	Yield	Offered	Bids	Accepted
11.50%2021'A'	11.88%	25,000	69,515	25,000
11.50%2026'A'	12.23%	25,000	76,250	25,000

TOTAL	50,000	145,765	50,000
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#### WEEK ENDING 4-Jan-19

Offered	Bids	Accepted
LKR ('Mn)	LKR ('Mn)	LKR ('Mn)
N/A	N/A	N/A
7,000	14,500	4,705
8,500	51,000	10,795
15,500	65,500	15,500

#### MATURITY TABLE FOR NEXT WEEK

Type	LKR ('Mn)	USD ('Mn)
T-Bills	19,500	
T-Bonds	0	
T-Bond Interest	0	
SLDBs/Sovereign Bonds		0
TOTAL	19,500	0

### LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

#### MARKET LIQUIDITY

	2-Jan-19	Repo	Reverse Repo
		[LKR 'Bn]	[LKR 'Bn]
Mid-day Auction			
Offered		0.0	20.0
Bids		N/A	52.3
Accepted		N/A	20.0
Weighted Average Rate (%)		N/A	8.99%

#### Standing Facility

	SDF	SLF
Rate	8.00%	9.00%
Value [LKR 'Bn]	31.4	105.3

#### O/N Surplus/(Deficit)

O/N Surplus/(Deficit)	-103.9
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CBSL Holdings of Government Securities [LKR 'Bn]	70.8
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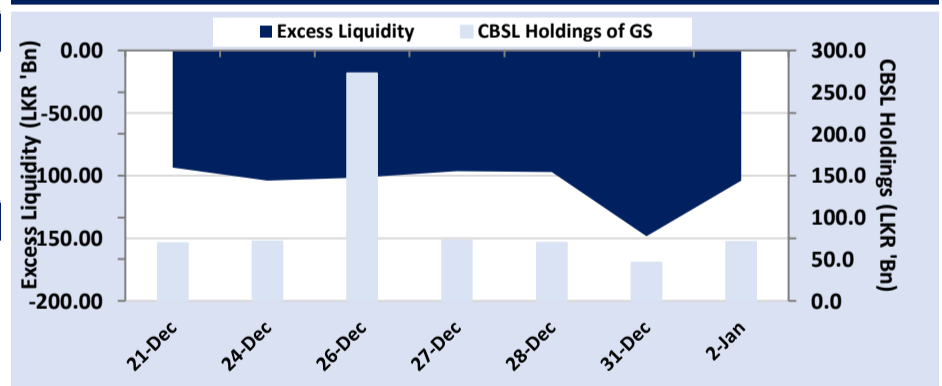
#### MONEY MARKET RATES

	High	Low	W.Avg	Value [LKR 'Bn]	
Call Money	2-Jan-19	9.00%	8.95%	8.98%	22.6
Repo Rates	2-Jan-19	N/A	N/A	N/A	N/A

#### MARKET INTEREST RATES

	26-Dec-18	Last Month	Change (bps)
AWPLR	12.09%	12.03%	6
FD Ceiling Rate (1 Year)	2H2018	12.46%	

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



#### OUTSTANDING STOCK

	26-Dec-18	Previous Week	Change (%)
T-Bills [LKR 'Mn]	998,609	796,472	25.4%
T-Bonds [LKR 'Mn]	4,287,576	4,287,576	0.0%
TOTAL	5,286,184	5,084,047	4.0%
Foreign Holding [LKR 'Mn]	164,509	175,440	-6.2%
Foreign Holding (%)	3.1%	3.5%	

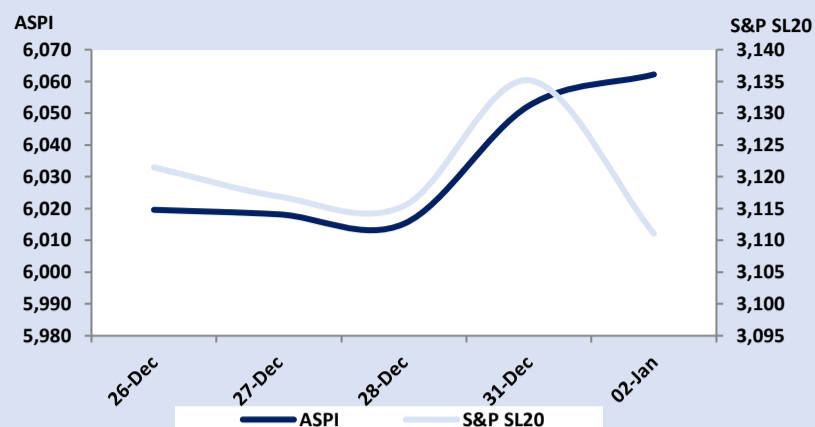
### GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

US TREASURIES	28-Dec-18	21-Dec-18	Change (bps)	Last Month	Change (bps)
1 Year	2.57%	2.62%	-5	2.70%	-13
2 Year	2.52%	2.63%	-11	2.80%	-28
5 Year	2.56%	2.64%	-8	2.84%	-28
10 Year	2.72%	2.79%	-7	3.01%	-29
30 Year	3.04%	3.03%	1	3.30%	-26

EXCHANGE RATES	2-Jan-19	Last Month	Change (%)
USA Dollar	182.55	182.75	0.1%
UK Pound	232.53	231.86	-0.3%
EU Euro	209.01	208.99	0.0%
Japan Yen	1.67	1.65	-0.8%
Australia Dollar	127.96	128.87	0.7%

# EQUITY

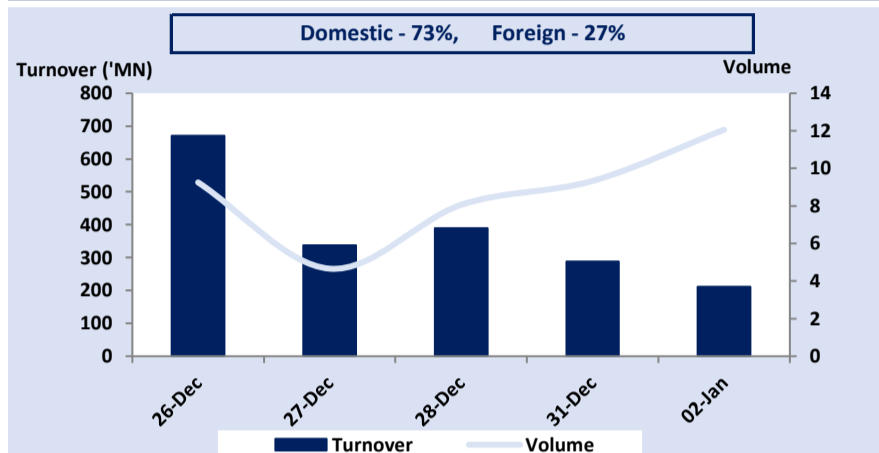
## MARKET INDICES



## MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	6,062.20	6,052.37	0.16%
S&P SL20	3,111.07	3,135.18	-0.77%
Turnover (LKR 'Mn)	211.50	288.52	-26.70%
Volume ('Mn)	12.06	9.33	29.25%
Market Cap. (LKR 'Bn)	2,844.06	2,839.45	0.16%
Market Cap. (USD 'Bn)	15.58	15.55	0.16%
Traded Companies	212	216	-1.85%
Foreign Purchases (LKR 'Mn)	67.66	166.04	-59.25%
Foreign Sales (LKR 'Mn)	48.46	130.47	-62.86%
Net Foreign flow (LKR 'Mn)	19.20	35.57	-46.03%

## MARKET TURNOVER & VOLUME



MTD Net Foreign Flow (LKR 'Mn)	19.20
YTD Net Foreign Flow (LKR 'Mn)	19.20

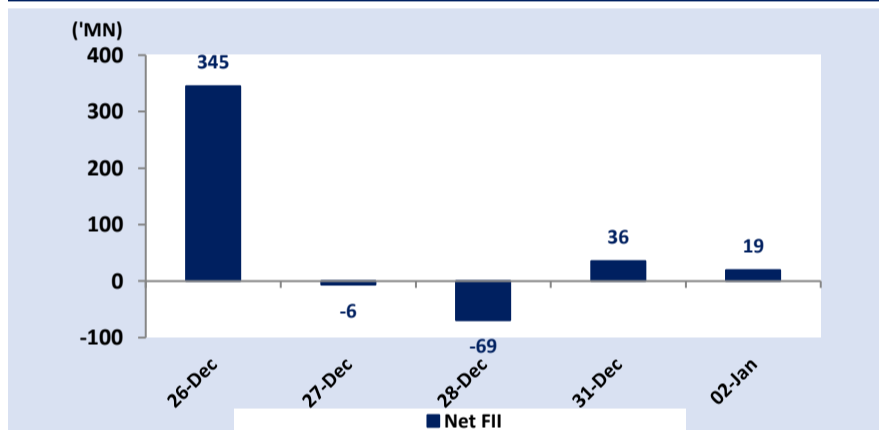
## MARKET COMMENTARY

Bourse ended in green for the second straight session on the gains made by CTC and LION. ASPI witnessed a volatile trend throughout the day reaching an intraday low of 6,037 prior to closing at 6,062, gaining 10 points. Turnover recorded a two week low while volume improved compared to the previous day. A net foreign inflow was witnessed for the second consecutive day amidst low foreign participation.

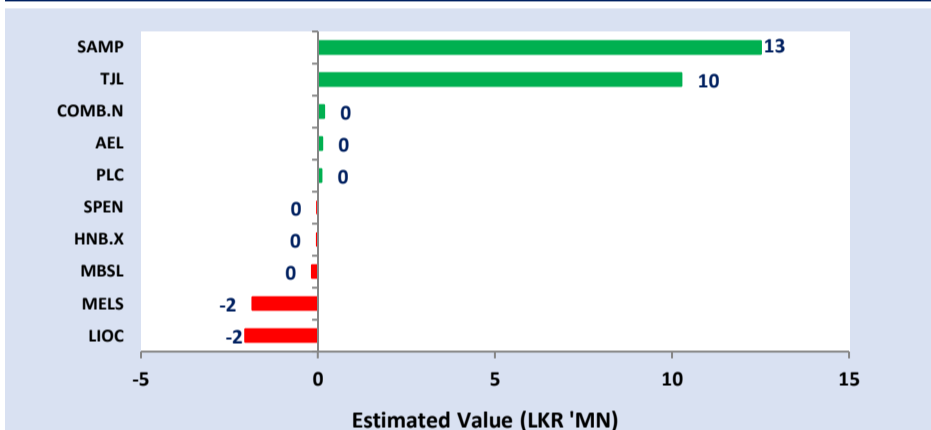
## MAJOR CROSSINGS

Stock	No. of Crossings	Price [LKR]	Quantity	Total Crossings
				0

## NET FOREIGN FLOW



## ESTIMATED LARGEST FOREIGN FLOW



## TOP 5 GAINERS

	Today	Previous	Change (%)
S M B LEASING [X]	0.30	0.20	50.00%
BLUE DIAMONDS	0.60	0.50	20.00%
RENUKA CITY HOT.	298.40	255.00	17.02%
MULLERS	0.70	0.60	16.67%
NATION LANKA	0.70	0.60	16.67%

## TOP 5 LOSERS

	Today	Previous	Change (%)
HAPUGASTENNE	15.00	16.30	-7.98%
SOFTLOGIC	20.00	21.50	-6.98%
KINGSBURY	14.20	15.20	-6.58%
TOKYO CEMENT [X]	21.50	23.00	-6.52%
NAWALOKA	4.40	4.70	-6.38%

## TOP 5 TURNOVER

	Price	Volume ('Mn)	Turnover ('Mn)
SAMPATH	230.00	0.2	45.73
HEMAS HOLDINGS	88.50	0.5	44.69
JANASHAKTHI INS.	31.00	1.3	39.19
TEEJAY LANKA	32.60	0.3	10.77
Softlogic Life	46.70	0.2	8.54

## TOP 5 VOLUME

	Price	Volume ('Mn)	Turnover ('Mn)
SAMPATH	230.00	0.2	45.73
HEMAS HOLDINGS	88.50	0.5	44.69
JANASHAKTHI INS.	31.00	1.3	39.19
TEEJAY LANKA	32.60	0.3	10.77
Softlogic Life	46.70	0.2	8.54

## GLOBAL MARKETS & COMMODITIES

### GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	45.0	45.8	-1.7%
Gold USD/t oz	1,289.4	1,286.4	0.2%
Copper USD/lb.	262.7	268.6	-2.2%
Cotton USD/lb.	72.6	72.4	0.2%
Aluminum USD/MT	1,846.0	1,845.0	0.1%

### CRUDE OIL MOVEMENT



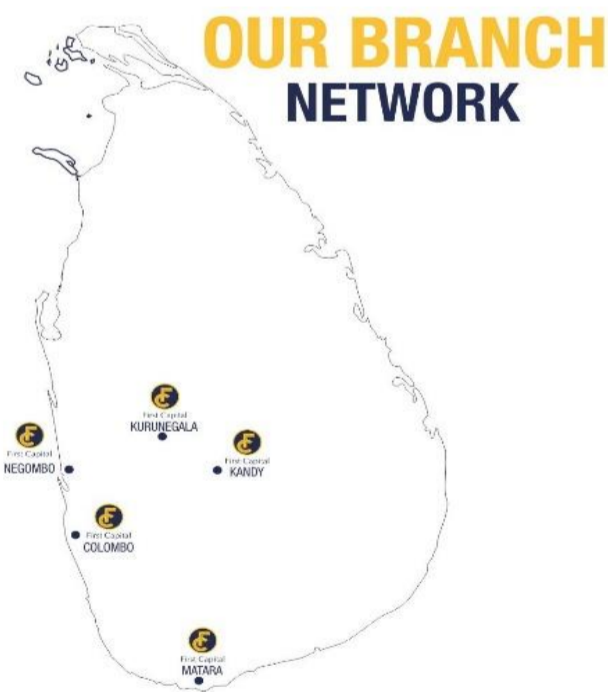
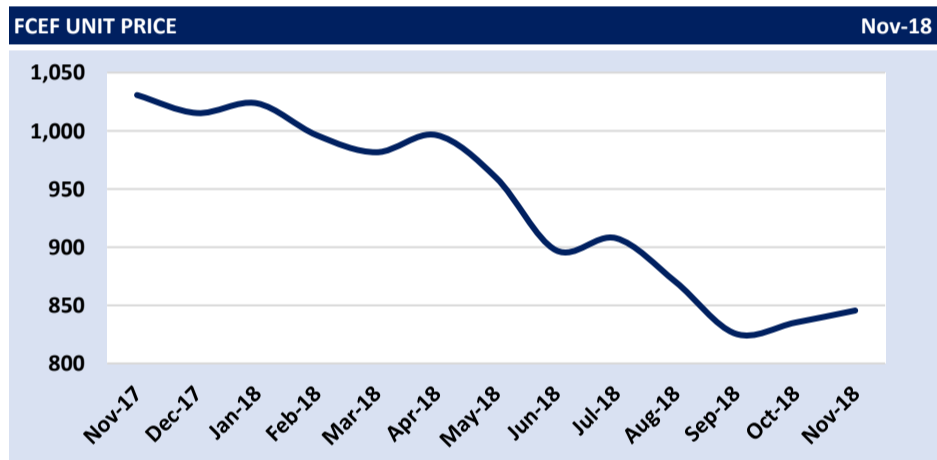
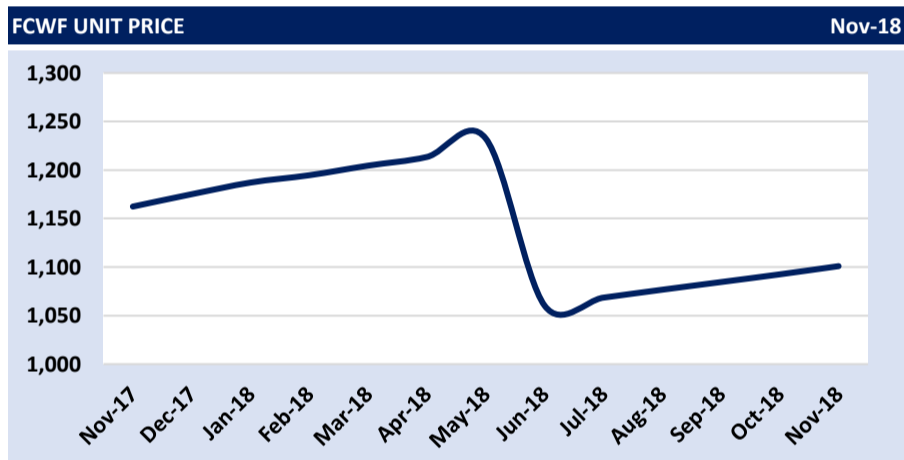
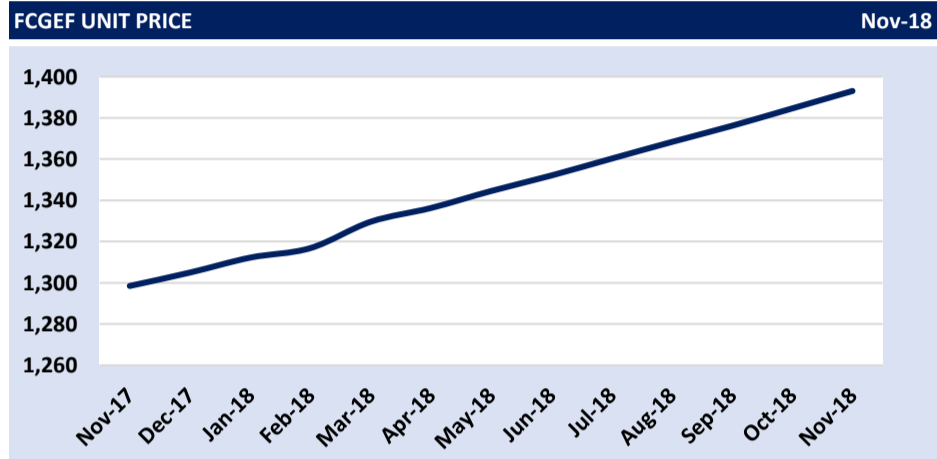
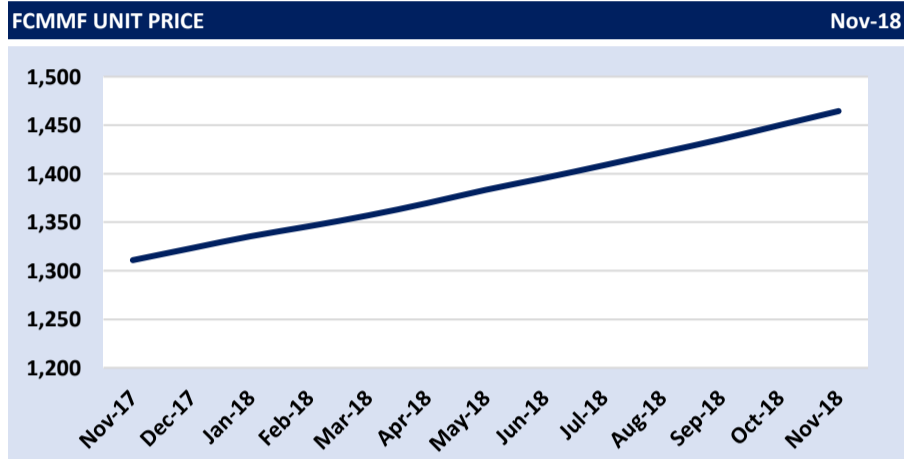
### GLOBAL MARKETS

	Current	Last Month	Change (%)
DOW JONES	23,327.5	23,062.4	1.1%
EURO STOXX 50	2,960.9	3,000.1	-1.3%
FTSE 100	6,651.1	6,739.5	-1.3%
NIKKEI 225	20,014.8	20,014.8	0.0%

# UNIT TRUSTS

	Sell Price	Buy Price	AUM LKR 'Mn	Avg. Yield	Information on Fees		
	LKR	LKR	As at Nov 2018		Mgmt Fee	Trustee fee	Performance Fee
First Capital Money Market Fund	1,481.61	1,481.61	1,245	12.56%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,402.32	1,402.32	50	7.42%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,114.43	1,114.40	611	9.70%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	845.32	803.05	55	N/A	1.00% p.a.	0.23% p.a.	25% over ASTRI

TRAILING RETURNS (%)							Performance as of	Nov-18
FIXED INCOME FUNDS	YTD	2017/18	2016/17	2015/16	2014/15	2013/14	Since Inception	
First Capital Money Market Fund	11.85%	11.92%	10.39%	7.92%	7.20%	N/A		11.78%
First Capital Gilt Edge Fund	7.14%	9.14%	19.06%	4.17%	-3.46%	N/A		9.39%
First Capital Wealth Fund	9.70%	11.32%	10.63%	4.90%	15.48%	17.60%		17.36%
BALANCED FUND	1 Month	3 Months	6 Months	12 Months	2 Years		Since Inception	
First Capital Equity Fund	1.24%	-2.83%	-11.90%	-17.97%	N/A			-15.46%
ASTRI*	1.15%	-0.94%	-5.79%	-5.75%	N/A			-14.72%
<b>Out/(Under) Performance</b>	<b>0.09%</b>	<b>-1.88%</b>	<b>-6.11%</b>	<b>-12.22%</b>	<b>N/A</b>			<b>-0.74%</b>



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

## 13.34%\*

P.A  
current yield as at 09/12/18

\* Flexibility to withdraw funds at anytime

\* The current yield is variable and subject to change. Past performance is not an indicator of future performance. Investors are advised to read and understand the contents of the Explanatory Memorandum before investing.

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