



First Capital

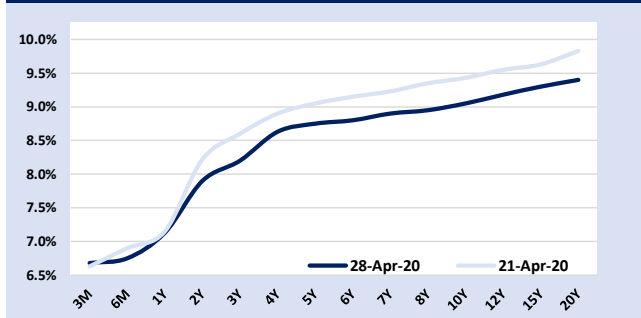
DAILY MARKET WATCH

First Capital Research

April 28, 2020

FIXED INCOME

YIELD CURVE BASED ON MID RATES & MARKET COMMENTARY



The secondary market yield curve witnessed a slight downward shift while recording low volumes during the day. In the shorter end of the yield curve, 01.10.22 maturity traded at 7.92% while 2023 maturities changed hands in the range of 8.30%-8.15%. Moreover, 2024 maturities traded in the range of 8.65%-8.60%. In the long end of the yield curve, 2027 maturities traded between 8.93%-8.87%. Meanwhile, at the bill auction held today, 3M, 6M and 1 Yr bills were accepted at same levels as the previous week.

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

Tenure	Bid	Offer	Today	Last Week	Change (bps)
< 91 Days < 3M	6.75%	6.60%	6.68%	6.63%	5
< 182 Days < 6M	6.80%	6.70%	6.75%	6.90%	-15
< 364 Days < 1Y	7.25%	7.00%	7.13%	7.15%	-2
01-Oct-22 < 2Y	7.95%	7.85%	7.90%	8.22%	-32
15-Jul-23 < 3Y	8.25%	8.15%	8.20%	8.60%	-40
15-Sep-24 < 4Y	8.65%	8.60%	8.63%	8.90%	-27
15-Mar-25 < 5Y	8.80%	8.70%	8.75%	9.05%	-30
01-Aug-26 < 6Y	8.85%	8.75%	8.80%	9.15%	-35
15-Oct-27 < 7Y	8.95%	8.85%	8.90%	9.23%	-33
01-Sep-28 < 8Y	9.00%	8.90%	8.95%	9.35%	-40
15-May-30 < 10Y	9.15%	8.95%	9.05%	9.43%	-38
01-Jan-32 < 12Y	9.25%	9.10%	9.18%	9.55%	-37
15-Sep-34 < 15Y	9.40%	9.20%	9.30%	9.63%	-33
15-Aug-39 < 20Y	9.50%	9.30%	9.40%	9.83%	-43

PRIMARY AUCTION

T-BILL AUCTION

Tenor	Current	Previous	Change
	28-Apr-20	22-Apr-20	(bps)
91 days	6.75%	6.75%	0
182 Days	6.80%	6.80%	0
364 Days	7.00%	7.00%	0

		WEEK ENDING 1-May-20	
	Offered	Bids	Accepted
	LKR ('Mn)	LKR ('Mn)	LKR ('Mn)
	7,500	21,915	17,000
	7,500	13,863	3,850
	15,000	20,750	2,500
TOTAL	30,000	56,528	23,350

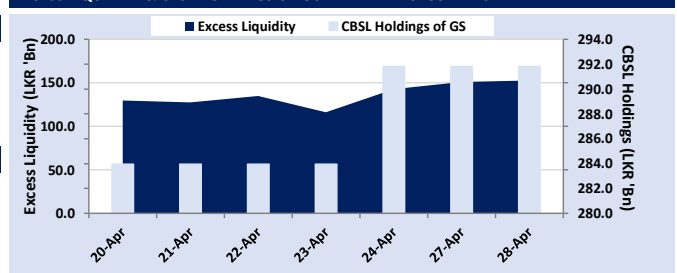
T-BOND AUCTION		WEEK ENDING 8-May-20	
Bond Type	Yield	Offered	Accepted
08.65%2023'A'		35,000	New Auction Announcement
09.00%2025'A'		35,000	New Auction Announcement
10.30%2027'A'		40,000	New Auction Announcement
TOTAL		110,000	N/A

MATURITY TABLE FOR NEXT WEEK		WEEK ENDING 1-May-20	
Type	LKR ('Mn)	USD ('Mn)	
T-Bills	24,807		
T-Bonds	110,089		
T-Bond Interest	21,703		
SLDBs/Sovereign Bonds		62	
TOTAL	156,599	62	

LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

MARKET LIQUIDITY	28-Apr-20	Repo	Reverse Repo
Mid-day Auction		[LKR 'Bn]	[LKR 'Bn]
Offered		0.0	0.0
Bids		N/A	N/A
Accepted		N/A	N/A
Weighted Average Rate (%)		N/A	N/A
Standing Facility		SDF	SLF
Rate		6.00%	7.00%
Value [LKR 'Bn]		152.7	0.0
O/N Surplus/(Deficit)			152.7
CBSL Holdings of Government Securities [LKR 'Bn]			291.8

EXCESS LIQUIDITY & CBSL HOLDINGS OF GOVERNMENT SECURITIES



MONEY MARKET RATES		High	Low	W.Avg	Value [LKR 'Bn]
Call Money	28-Apr-20	6.50%	6.40%	6.41%	16.9
Repo Rates	28-Apr-20	6.60%	6.45%	6.56%	5.6

OUTSTANDING STOCK [GSEC]	22-Apr-20	Previous Week	Change (%)
T-Bills [LKR 'Mn]	1,108,034	1,096,859	1.0%
T-Bonds [LKR 'Mn]	4,843,746	4,843,746	0.0%
TOTAL	5,951,779	5,940,604	0.2%

MARKET INTEREST RATES		22-Apr-20	Last Month	Change (bps)
AWPLR		9.31%	9.29%	2
		Banks	NBFIs	
FD Ceiling Rate (1 Year)	1Q2020	N/A	10.19%	

T-Bills & T-Bonds held by Foreigners		22-Apr-20	Previous Week	Change (%)
Foreign Holding [LKR 'Mn]		24,773	31,123	-20.4%
Foreign Holding (%)		0.4%	0.5%	

GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

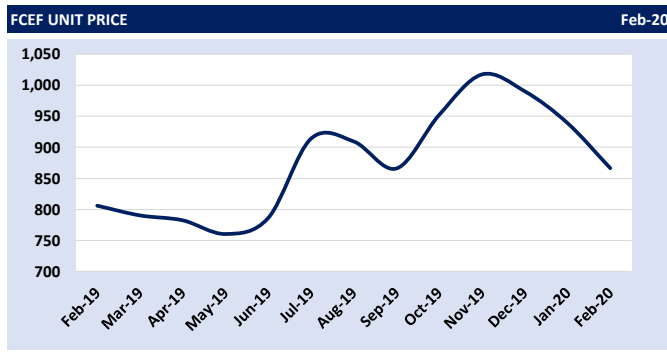
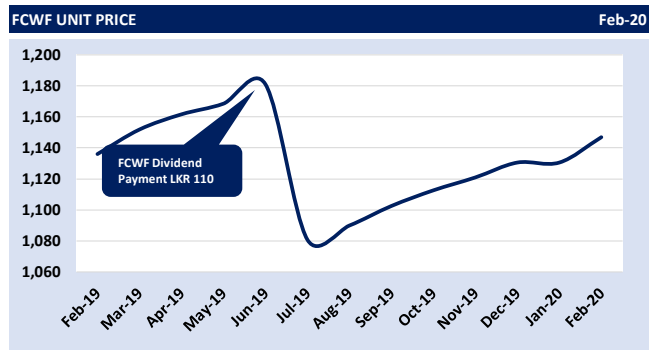
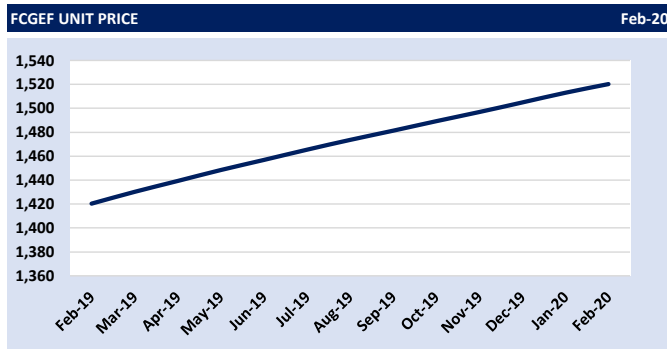
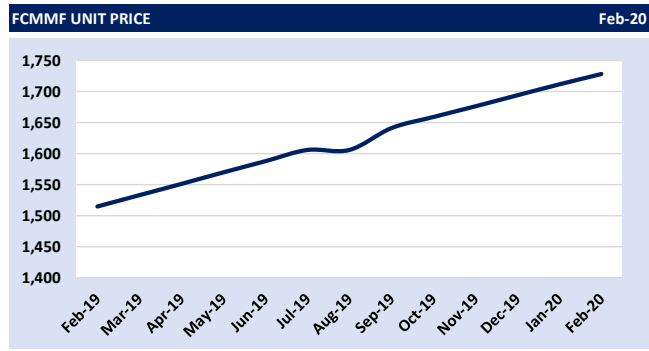
US TREASURIES	24-Apr-20	17-Apr-20	Change (bps)	Last Month	Change (bps)
1 Year	0.18%	0.16%	2	0.17%	1
2 Year	0.22%	0.20%	2	0.23%	-1
5 Year	0.36%	0.36%	0	0.37%	-1
10 Year	0.60%	0.65%	-5	0.70%	-10
30 Year	1.17%	1.27%	-10	1.35%	-18

EXCHANGE RATES		28-Apr-20	Last Month	Change (%)
USA	Dollar	192.50	188.62	-2.0%
UK	Pound	238.95	232.67	-2.6%
EU	Euro	208.35	207.96	-0.2%
Japan	Yen	1.79	1.74	-3.1%
Australia	Dollar	123.98	116.46	-6.1%

UNIT TRUSTS

	Sell Price	Buy Price	AUM LKR 'Mn	Avg. Yield	Information on Fees		
	LKR	LKR	As at Mar 2020		Mgmt Fee	Trustee fee	Performance Fee
First Capital Money Market Fund	1,762.60	1,762.60	8,431	12.07%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,446.59	1,446.59	54	6.86%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,131.81	1,131.78	615	10.57%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	688.98	654.53	53	N/A	1.00% p.a.	0.23% p.a.	25% over ASTRI

TRAILING RETURNS (%)							Performance as of	Feb-20
FIXED INCOME FUNDS	YTD	2018/19	2017/18	2016/17	2015/16	2014/15	Since Inception	
First Capital Money Market Fund	13.87%	12.96%	11.92%	10.39%	7.92%	7.20%		10.95%
First Capital Gilt Edge Fund	6.86%	7.56%	9.14%	19.06%	4.17%	-3.46%		9.57%
First Capital Wealth Fund	10.57%	11.40%	11.32%	10.63%	4.90%	15.48%		11.30%
BALANCED FUND	YTD	2018/19	2017/18	2016/17	2015/16	2014/15	Since Inception	
First Capital Equity Fund	7.48%	-6.51%	0.96%	1.62%	-4.33%	N/A		-13.36%
ASTRI*	-3.45%	-5.72%	7.30%	0.33%	-14.94%	N/A		-20.38%
Out/(Under) Performance	10.93%	-0.80%	-6.34%	1.30%	10.61%			7.02%



12.30%

Current yield as at 19/04/2020

THE FIRST CAPITAL MONEY MARKET FUND

AS ATTRACTIVE AS A FIXED DEPOSIT WITH THE FLEXIBILITY OF A SAVINGS ACCOUNT

*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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