



First Capital

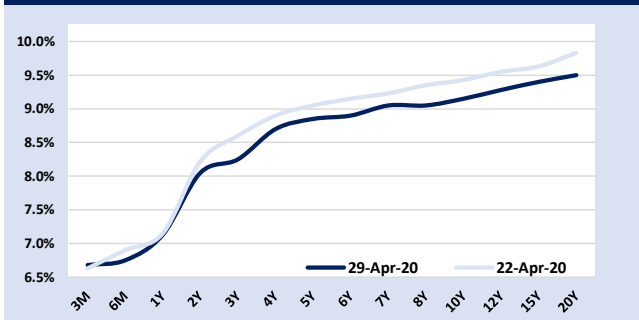
# DAILY MARKET WATCH

First Capital Research

April 29, 2020

## FIXED INCOME

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



The secondary market witnessed mixed activities while overall market witnessed high volumes. In the early hours of trading, buying interest was seen on 15.03.22 and 01.10.22 maturities trading in the range of 7.60%-7.85% levels while 2024 maturities (01.01.24, 15.03.24, 15.06.24 and 15.09.24) were seen trading at 8.40%, 8.50%, 8.53% and 8.50% respectively. Thereafter, at the primary treasury bond auction, 15.01.23, 01.05.25 and 15.10.27 bonds were accepted at weighted averages of 8.14%, 8.75% and 8.88% respectively. Post-auction, selling pressure was witnessed on 01.10.22 and 15.09.24 maturities trading at 8.00% and 8.62% respectively. In addition, the auction bond 01.05.25 traded at 8.85%.

### 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	8.10%	8.00%	8.05%	8.22%	-17
15-Jul-23 < 3Y	8.30%	8.20%	8.25%	8.60%	-35
15-Sep-24 < 4Y	8.75%	8.65%	8.70%	8.90%	-20
15-Mar-25 < 5Y	8.90%	8.80%	8.85%	9.05%	-20
01-Aug-26 < 6Y	8.95%	8.85%	8.90%	9.15%	-25
15-Oct-27 < 7Y	9.10%	9.00%	9.05%	9.23%	-18
01-Sep-28 < 8Y	9.10%	9.00%	9.05%	9.35%	-30
15-May-30 < 10Y	9.25%	9.05%	9.15%	9.43%	-28
01-Jan-32 < 12Y	9.35%	9.20%	9.28%	9.55%	-27
15-Sep-34 < 15Y	9.50%	9.30%	9.40%	9.63%	-23
15-Aug-39 < 20Y	9.60%	9.40%	9.50%	9.83%	-33

### 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
<b>30,000</b>	<b>56,528</b>	<b>23,350</b>

#### T-BOND AUCTION

Bond Type	Yield	Offered	Bids	8-May-20 Accepted
08.65%2023'A'	8.14%	35,000	66,650	35,000
09.00%2025'A'	8.75%	35,000	55,528	35,000
10.30%2027'A'	8.88%	40,000	63,618	27,268
<b>TOTAL</b>		<b>110,000</b>	<b>185,796</b>	<b>97,268</b>

#### MATURITY TABLE FOR NEXT WEEK

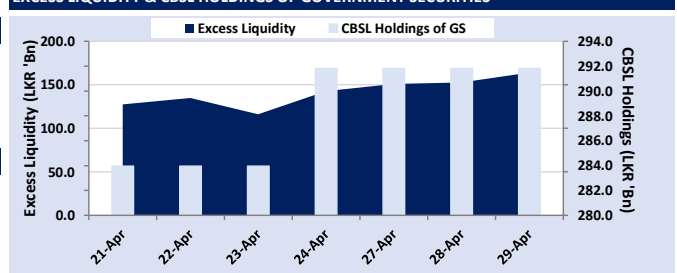
Type	LKR ('Mn)	USD ('Mn)
T-Bills	21,438	
T-Bonds	0	
T-Bond Interest	0	
SLDBs/Sovereign Bonds		0
<b>TOTAL</b>	<b>21,438</b>	<b>0</b>

### LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

#### MARKET LIQUIDITY

	29-Apr-20	Repo	Reverse Repo
<b>Mid-day Auction</b>		[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
<b>Standing Facility</b>		<b>SDF</b>	<b>SLF</b>
Rate		6.00%	7.00%
Value [LKR 'Bn]		164.1	0.0
<b>O/N Surplus/(Deficit)</b>			<b>164.1</b>
<b>CBSL Holdings of Government Securities [LKR 'Bn]</b>			<b>291.8</b>

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



#### MONEY MARKET RATES

	High	Low	W.Avg	Value [LKR 'Bn]
Call Money 29-Apr-20	6.45%	6.40%	6.41%	17.9
Repo Rates 29-Apr-20	6.60%	5.75%	6.43%	6.3

#### 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%
<b>TOTAL</b>	<b>5,951,779</b>	<b>5,940,604</b>	<b>0.2%</b>

#### MARKET INTEREST RATES

	22-Apr-20	Last Month	Change (bps)
AWPLR	9.31%	9.29%	2
	<b>Banks</b>	<b>NBFIs</b>	
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

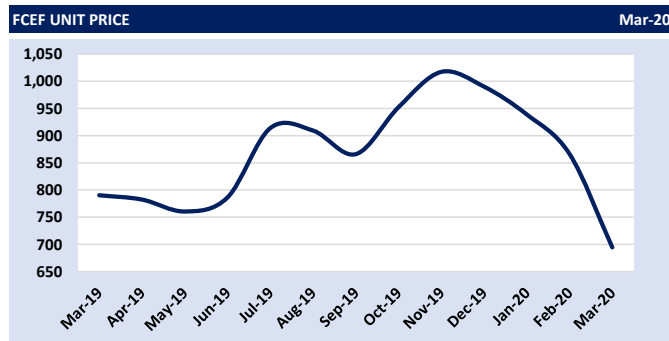
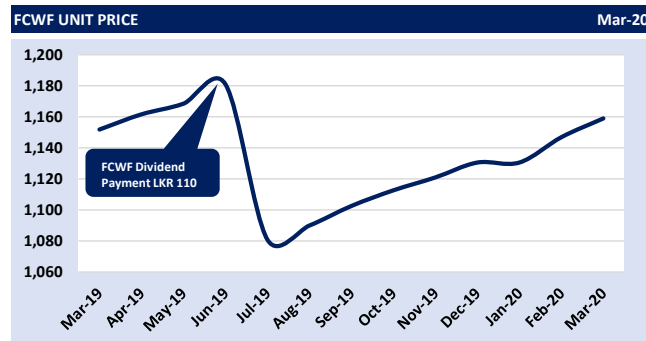
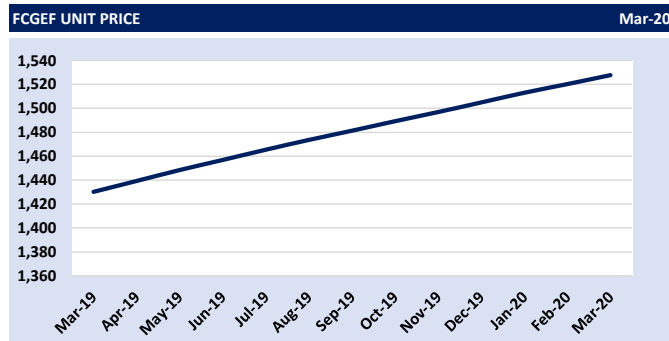
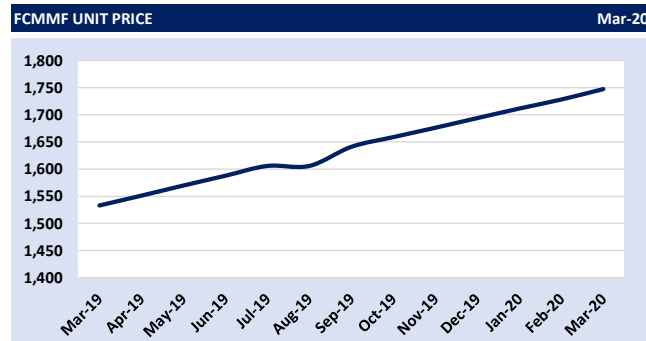
US TREASURIES	24-Apr-20	17-Apr-20	Change (bps)	Last Month	Change (bps)
1 Year	0.18%	0.16%	2	0.17%	1
2 Year	0.22%	0.20%	2	0.23%	-1
5 Year	0.36%	0.36%	0	0.37%	-1
10 Year	0.60%	0.65%	-5	0.70%	-10
30 Year	1.17%	1.27%	-10	1.35%	-18

EXCHANGE RATES		29-Apr-20	Last Month	Change (%)
USA	Dollar	192.77	188.62	-2.1%
UK	Pound	240.47	232.67	-3.2%
EU	Euro	209.21	207.96	-0.6%
Japan	Yen	1.81	1.74	-4.0%
Australia	Dollar	125.82	116.46	-7.4%

# 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	1,763.77	1,763.77	6,996	16.01%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,447.06	1,447.06	55	6.80%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,132.25	1,132.22	622	10.83%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	688.94	654.49	42	N/A	1.00% p.a.	0.23% p.a.	25% over ASTRI

TRAILING RETURNS (%)							Performance as of	Mar-20
FIXED INCOME FUNDS	YTD	2018/19	2017/18	2016/17	2015/16	2014/15	Since Inception	
First Capital Money Market Fund	13.94%	12.96%	11.92%	10.39%	7.92%	7.20%		11.00%
First Capital Gilt Edge Fund	6.80%	7.56%	9.14%	19.06%	4.17%	-3.46%		9.56%
First Capital Wealth Fund	10.83%	11.40%	11.32%	10.63%	4.90%	15.48%		11.32%
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%	0.00%		-30.54%
ASTRI*	-21.08%	-5.72%	7.30%	0.33%	-14.94%	0.00%		-34.92%
<b>Out/(Under) Performance</b>	<b>28.56%</b>	<b>-0.80%</b>	<b>-6.34%</b>	<b>1.30%</b>	<b>10.61%</b>			<b>4.38%</b>



# 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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