



First Capital

DAILY MARKET WATCH

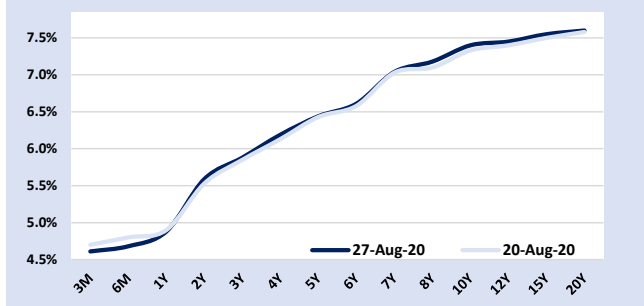
First Capital Research

August 27, 2020

FIXED INCOME

"Dreary sentiment persists"

YIELD CURVE BASED ON MID RATES & MARKET COMMENTARY



In the secondary bond market, yield curve was seen closing the day mostly unchanged as activity remained limited with low volumes. During the day, with the buying interest, 15.11.22, 15.12.22 and 15.01.23 maturities traded in the range of 5.58%-5.54% while in the belly end of the curve, 15.07.23 maturity traded at 5.80% and 01.08.24 changed hands at 6.21%. In the long end, 15.08.27 and 15.10.27 saw the yield hovering in the range of 6.97%-7.00%.

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

Tenure	Bid	Offer	Today	Last Week	Change (bps)
< 91 Days < 3M	4.60%	4.52%	4.56%	4.65%	-9
< 182 Days < 6M	4.68%	4.58%	4.63%	4.75%	-12
< 364 Days < 1Y	4.88%	4.78%	4.83%	4.85%	-2
15-Dec-22 < 2Y	5.55%	5.53%	5.54%	5.48%	6
01-Sep-23 < 3Y	5.85%	5.80%	5.83%	5.80%	3
15-Sep-24 < 4Y	6.15%	6.12%	6.14%	6.08%	6
01-May-25 < 5Y	6.40%	6.37%	6.39%	6.38%	1
01-Feb-26 < 6Y	6.57%	6.54%	6.56%	6.53%	3
15-Oct-27 < 7Y	7.02%	6.95%	6.99%	6.98%	1
01-Sep-28 < 8Y	7.20%	7.05%	7.13%	7.05%	8
15-May-30 < 10Y	7.40%	7.30%	7.35%	7.28%	7
01-Jan-32 < 12Y	7.45%	7.35%	7.40%	7.35%	5
15-Sep-34 < 15Y	7.60%	7.40%	7.50%	7.45%	5
15-Aug-39 < 20Y	7.60%	7.50%	7.55%	7.53%	2

PRIMARY AUCTION

T-BILL AUCTION

Tenor	Current	Previous	Change
	26-Aug-20	19-Aug-20	(bps)
91 days	4.56%	4.59%	-3
182 Days	4.68%	4.71%	-3
364 Days	4.89%	4.90%	-1

	Offered	Bids	Accepted
	LKR ('Mn)	LKR ('Mn)	LKR ('Mn)
	5,000	12,629	8,105
	15,000	39,976	20,895
	20,000	24,000	11,000
TOTAL	40,000	76,605	40,000

T-BOND AUCTION

Bond Type	Yield	Offered	Bids	Accepted
05.75%2022'A'	5.73%	45,000	63,460	38,210
09.00%2026'A'	6.50%	35,000	65,250	35,000
07.80%2027'A'	7.05%	30,000	53,200	30,000
TOTAL		110,000	181,910	103,210

MATURITY TABLE FOR NEXT WEEK

Type	LKR ('Mn)	USD ('Mn)
T-Bills	30,519	
T-Bonds	0	
T-Bond Interest	23,712	
SLDBs/Sovereign Bonds		0
TOTAL	54,231	0

LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

MARKET LIQUIDITY

	27-Aug-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		4.50%	5.50%
Value [LKR 'Bn]		201.1	0.0
O/N Surplus/(Deficit)			201.1
CBSL Holdings of Government Securities [LKR 'Bn]			302.9

EXCESS LIQUIDITY & CBSL HOLDINGS OF GOVERNMENT SECURITIES



MONEY MARKET RATES

	High	Low	W.Avg	Value [LKR 'Bn]	
Call Money	27-Aug-20	4.53%	4.53%	4.53%	1.5
Repo Rates	27-Aug-20	4.60%	4.53%	4.53%	10.0

OUTSTANDING STOCK [GSEC]

	19-Aug-20	Previous Week	Change (%)
T-Bills [LKR 'Mn]	1,141,348	1,141,678	0.0%
T-Bonds [LKR 'Mn]	5,161,353	5,161,353	0.0%
TOTAL	6,302,701	6,303,031	0.0%
Foreign Holding [LKR 'Mn]	12,814	12,810	0.0%
Foreign Holding (%)	0.2%	0.2%	

MARKET INTEREST RATES

	19-Aug-20	Last Month	Change (bps)
AWPLR	6.98%	7.47%	-49
FD Ceiling Rate (1 Year)	3Q2020 8.53%		

GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

US TREASURIES

	21-Aug-20	14-Aug-20	Change (bps)	Last Month	Change (bps)
1 Year	0.13%	0.13%	0	0.11%	2
2 Year	0.16%	0.14%	2	0.11%	5
5 Year	0.27%	0.29%	-2	0.21%	6
10 Year	0.64%	0.71%	-7	0.55%	9
30 Year	1.35%	1.45%	-10	1.20%	15

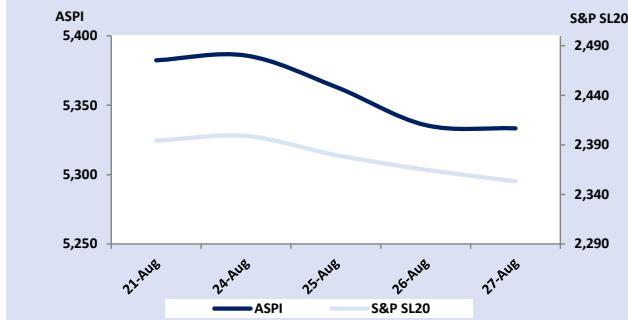
EXCHANGE RATES

	27-Aug-20	Last Month	Change (%)
USA Dollar	186.33	185.68	-0.3%
UK Pound	245.93	243.83	-0.9%
EU Euro	220.42	220.70	0.1%
Japan Yen	1.76	1.78	1.4%
Australia Dollar	134.74	133.86	-0.7%

EQUITY

"Retailers book profits as bourse lose"

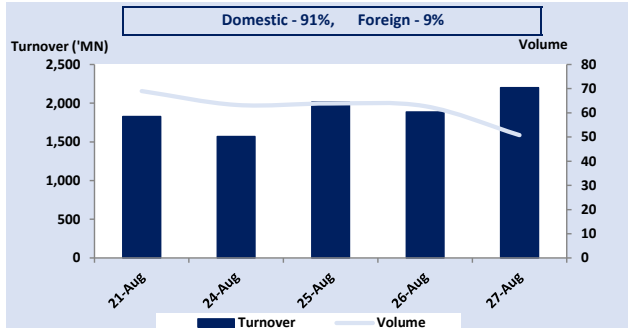
MARKET INDICES



MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	5,333.32	5,335.66	-0.04%
S&P SL20	2,353.27	2,364.91	-0.49%
Turnover (LKR 'Mn)	2,201.44	1,886.97	16.67%
Volume ('Mn)	50.78	62.76	-19.09%
Market Cap. (LKR 'Bn)	2,317.92	2,318.94	-0.04%
Market Cap. (USD 'Bn)	12.44	12.45	-0.04%
Traded Companies	234	229	2.18%
Foreign Purchases (LKR 'Mn)	16.05	17.65	-9.10%
Foreign Sales (LKR 'Mn)	373.53	851.88	-56.15%
Net Foreign flow (LKR 'Mn)	-357.48	-834.23	57.15%

MARKET TURNOVER & VOLUME



MTD Net Foreign Flow (LKR 'Mn)

-7,266.52

YTD Net Foreign Flow (LKR 'Mn)

-31,307.51

MARKET COMMENTARY

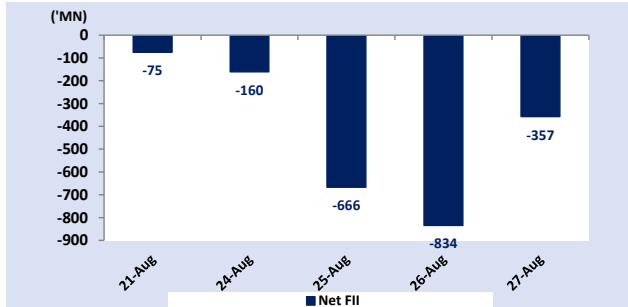
Panicked retailers book profits amidst substantial activities by institutional investors, fueling the downfall, preventing the bourse from eking a gain. ASPI plunged within the first 30 minutes of trading due to the selling pressure in COMB. Subsequently market recorded an uptrend during mid-day as it reached its intraday high of 5,346 before closing at 5,333 losing merely 2 points. COMB led the turnover contributing 49% sustaining the dominance of the Banking counters. Additionally, turnover was boosted by parcel trades amounting to 30% of total. Foreign investors continued to play the waiting game surpassing an YTD net outflow of 31Bn.

MAJOR CROSSINGS

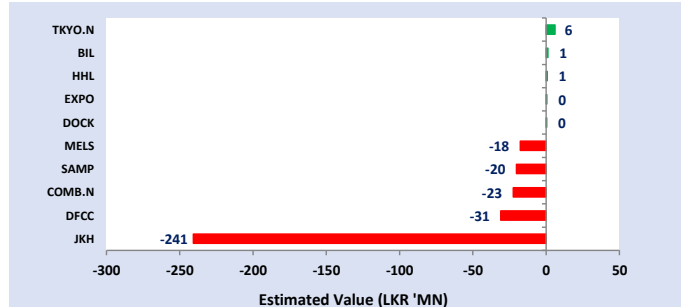
Total Crossings 8

Stock	No. of Crossings	Price [LKR]	Quantity
COMB.N	4	79.50/80.00	7,050,000
JKH	2	133.10	740,000

NET FOREIGN FLOW



ESTIMATED LARGEST FOREIGN FLOW



TOP 5 GAINERS

	Today	Previous	Change (%)
BLUE DIAMONDS [NON-VOTING]	0.30	0.20	50.00%
LAXAPANA	15.60	12.50	24.80%
KELSEY	34.80	30.50	14.10%
PEGASUS HOTELS	27.00	23.70	13.92%
HORANA	22.80	20.60	10.68%

TOP 5 LOSERS

	Today	Previous	Change (%)
BERUWALA RESORTS	0.70	0.80	-12.50%
R I L PROPERTY	4.20	4.40	-4.55%
AMANA BANK	2.30	2.40	-4.17%
DILMAH CEYLON	631.70	659.00	-4.14%
KELANI VALLEY	67.00	69.70	-3.87%

TOP 5 TURNOVER

	Price	Volume ('Mn)	Turnover ('Mn)
COMMERCIAL BANK	80.10	13.6	1,084.56
JKH	133.10	2.5	338.02
LOLC	140.20	1.0	133.65
SAMPATH	124.90	0.6	78.12
DFCC BANK PLC	68.00	1.0	69.45

TOP 5 VOLUME

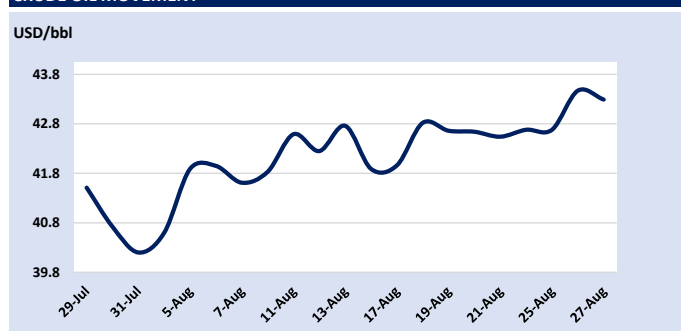
	Price	Volume ('Mn)	Turnover ('Mn)
COMMERCIAL BANK	80.10	13.6	1,084.56
INDUSTRIAL ASPH.	0.30	6.9	1.42
BROWNS INVSTMNTS	2.40	5.2	12.47
EXPOLANKA	5.20	2.6	13.16
JKH	133.10	2.5	338.02

GLOBAL MARKETS & COMMODITIES

GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	43.2	40.2	7.7%
Gold USD/t oz	1,948.9	1,995.5	-2.3%
Copper USd/lb.	297.5	290.7	2.3%
Cotton USd/lb.	65.4	62.8	4.3%
Aluminum USD/MT	1,780.0	1,720.0	3.5%

CRUDE OIL MOVEMENT



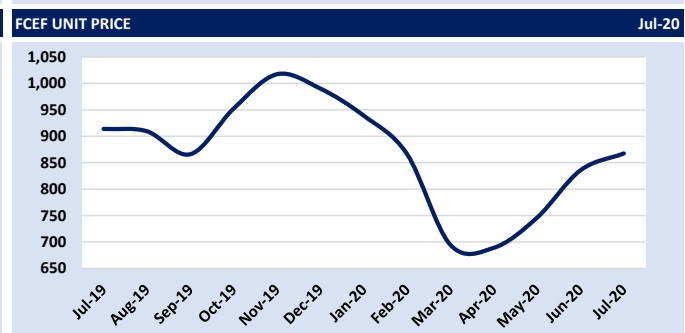
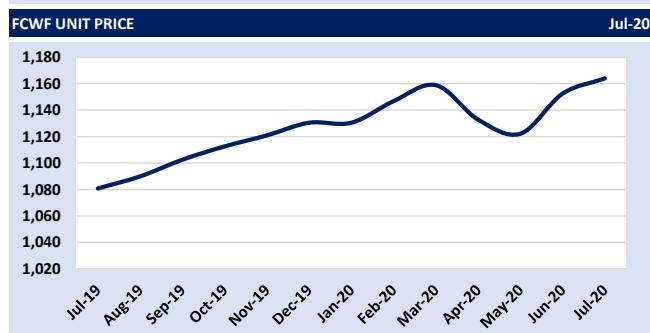
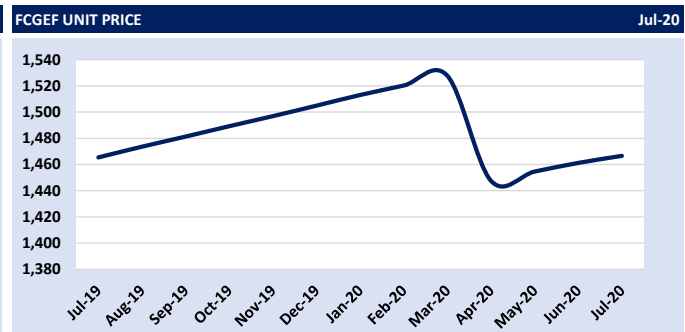
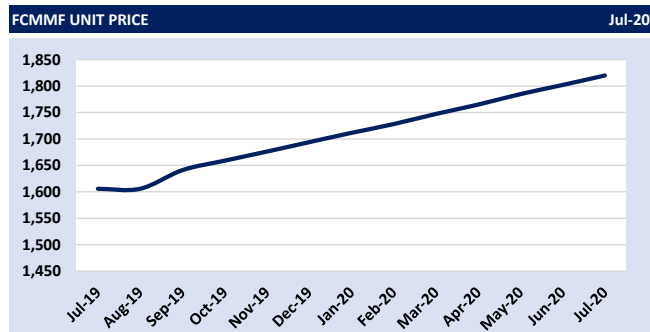
GLOBAL MARKETS

	Current	Last Month	Change (%)
DOW JONES	28,331.9	26,313.7	7.7%
EURO STOXX 50	3,327.9	3,221.5	3.3%
FTSE 100	6,015.1	5,994.3	0.3%
NIKKEI 225	23,208.9	21,710.0	6.9%

UNIT TRUSTS

	Sell Price	Buy Price	AUM LKR 'Mn	Avg. Yield	Information on Fees		
	LKR	LKR	As at Jul 2020		Mgmt Fee	Trustee fee	Performance Fee
First Capital Money Market Fund	1,834.23	1,834.23	9,122	11.34%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,470.75	1,470.75	52	-11.98%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,172.97	1,172.94	266	1.32%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	917.00	871.15	53	N/A	1.00% p.a.	0.23% p.a.	25% over ASTRI

TRAILING RETURNS (%)					Performance as of			Jul-20
	YTD	2018/19	2017/18	2016/17	2015/16	2014/15	Since Inception	
FIXED INCOME FUNDS								
First Capital Money Market Fund	12.46%	12.96%	11.92%	10.39%	7.92%	7.20%		11.11%
First Capital Gilt Edge Fund	-11.98%	7.56%	9.14%	19.06%	4.17%	-3.46%		7.97%
First Capital Wealth Fund	1.32%	11.40%	11.32%	10.63%	4.90%	15.48%		10.97%
BALANCED FUND								
First Capital Equity Fund	24.88%	-19.47%	0.96%	1.62%	-4.33%	0.00%		-13.25%
ASTRI*	5.74%	-1.37%	7.30%	0.33%	-14.94%	0.00%		-27.04%
Out/(Under) Performance	19.14%	-18.10%	-6.34%	1.30%	10.61%			13.78%



10.98%^{*}

P.A.

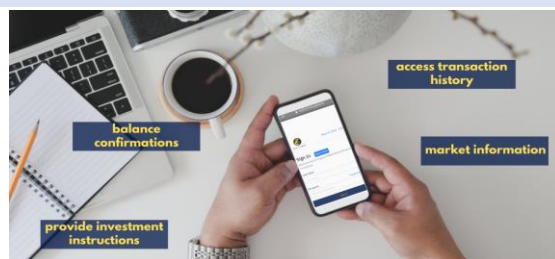
Current yield as at 23/08/2020

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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Anushka Dissanayake	+94 77 2220 021	Arun Kandasamy	+94 75 4861 506
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Colombo			Priyantha Wijesiri	+94 70 2910 036
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UNIT TRUST SALES

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BRANCHES

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