



First Capital

DAILY MARKET WATCH

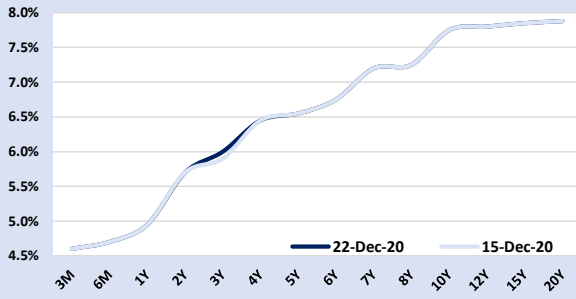
First Capital Research

December 22, 2020

FIXED INCOME

"Holiday season lulls market activities"

YIELD CURVE BASED ON MID RATES & MARKET COMMENTARY



The secondary market yield curve remained broadly steady while overall market witnessed ultra thin volumes. On the short end of the curve 15.12.22 traded at 5.74% and 15.07.23 traded at 6.00%. At the primarily T-bill auction held today, 3M and 6M bills were accepted at weighted averages of 4.67% and 4.78% respectively. The market favourite 1-Yr T-bill was accepted at 5.03%.

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

Tenure	Bid	Offer	Today	Last Week	Change (bps)
< 91 Days < 3M	4.65%	4.55%	4.60%	4.60%	0
< 182 Days < 6M	4.75%	4.65%	4.70%	4.70%	0
< 364 Days < 1Y	5.00%	4.90%	4.95%	4.95%	0
15-Dec-22 < 2Y	5.75%	5.65%	5.70%	5.70%	0
01-Sep-23 < 3Y	6.05%	5.95%	6.00%	5.90%	10
15-Sep-24 < 4Y	6.50%	6.40%	6.45%	6.45%	0
01-May-25 < 5Y	6.60%	6.50%	6.55%	6.55%	0
01-Feb-26 < 6Y	6.80%	6.70%	6.75%	6.75%	0
15-Oct-27 < 7Y	7.25%	7.15%	7.20%	7.20%	0
01-Sep-28 < 8Y	7.30%	7.20%	7.25%	7.25%	0
15-May-30 < 10Y	7.80%	7.70%	7.75%	7.75%	0
01-Jan-32 < 12Y	7.90%	7.70%	7.80%	7.80%	0
15-Sep-34 < 15Y	8.00%	7.70%	7.85%	7.85%	0
15-Aug-39 < 20Y	8.05%	7.70%	7.88%	7.88%	0

PRIMARY AUCTION

T-BILL AUCTION

Tenor	Current	Previous	Change
	22-Dec-20	16-Dec-20	(bps)
91 days	4.67%	4.67%	0
182 Days	4.78%	4.78%	0
364 Days	5.03%	5.01%	2

WEEK ENDING 24-Dec-20

Offered	Bids	Accepted
LKR ('Mn)	LKR ('Mn)	LKR ('Mn)
9,000	10,289	2,184
12,000	22,600	13,000
19,000	23,284	5,534
40,000	56,173	20,718

Date of Settlement 24-Dec-20

T-BOND AUCTION	Yield	Offered	Bids	Accepted
07.00%2023'A'	5.99%	40,000	48,346	39,346
05.35%2026'A'	6.79%	40,000	60,800	29,800
08.00%2032'A'	7.84%	20,000	33,800	15,300
TOTAL		100,000	142,946	84,446

MATURITY TABLE FOR NEXT WEEK

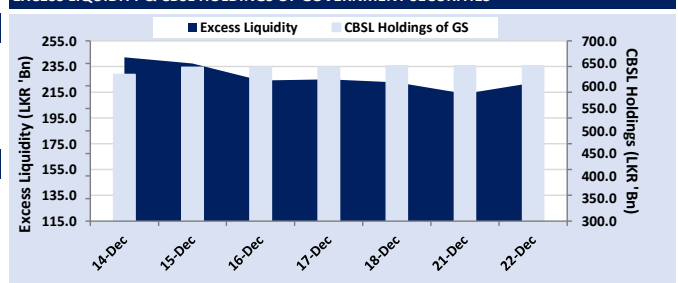
Type	LKR ('Mn)	USD ('Mn)
T-Bills	26,700	
T-Bonds	0	
T-Bond Interest	0	
SLDBs/Sovereign Bonds		0
TOTAL	26,700	0

LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

MARKET LIQUIDITY

22-Dec-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]	222.4	0.0
O/N Surplus/(Deficit)		222.4
CBSL Holdings of Government Securities [LKR 'Bn]		644.7

EXCESS LIQUIDITY & CBSL HOLDINGS OF GOVERNMENT SECURITIES



MONEY MARKET RATES

	High	Low	W.Avg	Value [LKR 'Bn]
Call Money	22-Dec-20 4.55%	4.53%	4.54%	1.4
Repo Rates	22-Dec-20 4.68%	4.53%	4.58%	7.8

OUTSTANDING STOCK [GSEC]

	16-Dec-20	Previous Week	Change (%)
T-Bills [LKR 'Mn]	1,524,406	1,502,949	1.4%
T-Bonds [LKR 'Mn]	5,470,711	5,412,975	1.1%
TOTAL	6,995,117	6,915,924	1.1%
Foreign Holding [LKR 'Mn]	6,833	7,583	-9.9%
Foreign Holding (%)	0.1%	0.1%	

MARKET INTEREST RATES

	18-Dec-20	Last Month	Change (bps)
AWPLR	5.70%	5.83%	-13
FD Ceiling Rate (1 Year)	4Q2020 6.88%		

GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

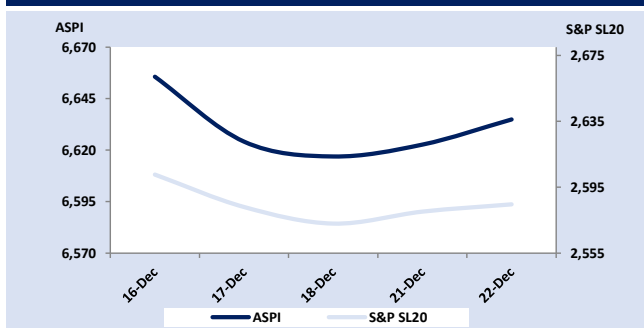
US TREASURIES	18-Dec-20	11-Dec-20	Change (bps)	Last Month	Change (bps)
1 Year	0.09%	0.10%	-1	0.11%	-2
2 Year	0.13%	0.11%	2	0.16%	-3
5 Year	0.39%	0.37%	2	0.36%	3
10 Year	0.95%	0.90%	5	0.84%	11
30 Year	1.70%	1.63%	7	1.58%	12

EXCHANGE RATES		22-Dec-20	Last Month	Change (%)
USA	Dollar	187.70	184.96	-1.5%
UK	Pound	251.85	246.71	-2.0%
EU	Euro	229.61	221.42	-3.6%
Japan	Yen	1.82	1.78	-1.9%
Australia	Dollar	142.11	136.78	-3.8%

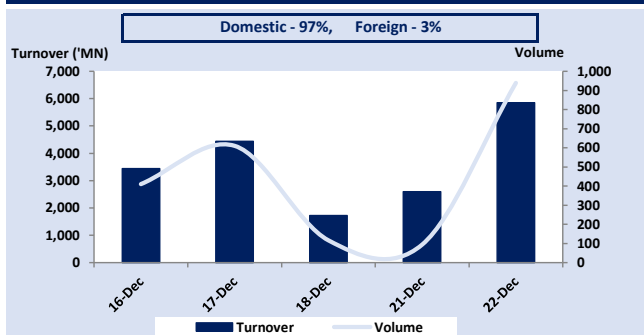
EQUITY

"Turnover at a 11 ½ month high"

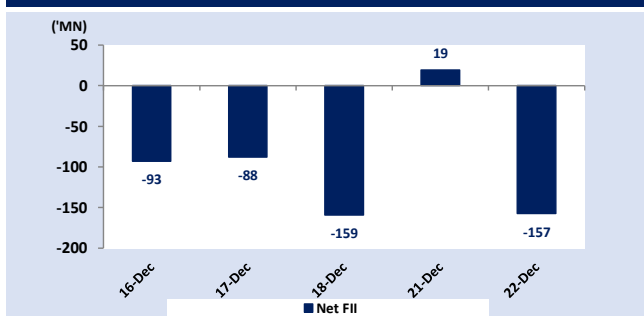
MARKET INDICES



MARKET TURNOVER & VOLUME



NET FOREIGN FLOW



TOP 5 GAINERS

Stock	Today	Previous	Change (%)
LANKA ALUMINIUM	97.00	77.60	25.00%
NATION LANKA	1.00	0.90	11.11%
BERUWALA RESORTS	1.10	1.00	10.00%
SWISSTEK	100.60	91.60	9.83%
PEOPLE'S MERCH	9.20	8.40	9.52%

TOP 5 TURNOVER

Stock	Price	Volume ('Mn)	Turnover ('Mn)
BROWNS INVSTMNTS	4.00	877.0	3,501.96
EXPOLANKA	27.50	13.4	367.28
TOKYO CEMENT [NON-VOTING]	69.20	4.2	286.52
TOKYO CEMENT	77.80	2.5	190.82
JKH	147.00	1.2	182.43

MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	6,634.92	6,622.71	0.18%
S&P SL20	2,584.63	2,580.21	0.17%
Turnover (LKR 'Mn)	5,844.64	2,595.20	125.21%
Volume ('Mn)	939.24	94.14	897.74%
Market Cap. (LKR 'Bn)	2,899.58	2,894.25	0.18%
Market Cap. (USD 'Bn)	15.45	15.42	0.18%
Traded Companies	254	249	2.01%
Foreign Purchases (LKR 'Mn)	115.38	123.48	-6.56%
Foreign Sales (LKR 'Mn)	272.73	104.28	161.53%
Net Foreign flow (LKR 'Mn)	-157.35	19.20	-919.55%

MTD Net Foreign Flow (LKR 'Mn)

-2,378.33

YTD Net Foreign Flow (LKR 'Mn)

-50,386.32

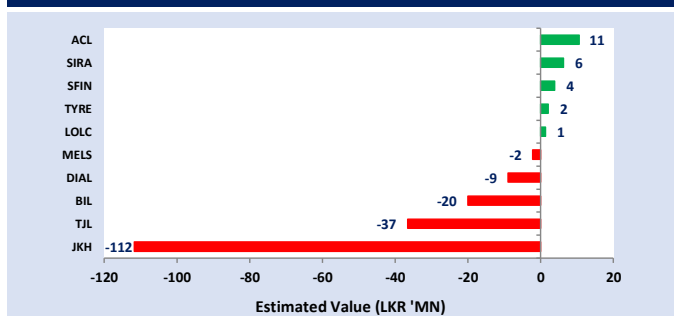
MARKET COMMENTARY

Market recorded a 11 ½ month high while sustaining the drive in the positive direction for the 2nd consecutive session. Index experienced a sideways movement within the early hour of trading followed by a spike during mid-day. Later market witnessed a volatile sideways movement once again before closing at 6,635 gaining 12 points. BIL dominated the 5Bn plus turnover contributing 60% while parcel trades in BIL added a substantial contribution to the turnover amounting to 51%. Market experienced a net foreign outflow while recording low participation.

MAJOR CROSSINGS

Stock	No. of Crossings	Price [LKR]	Quantity
BIL	2	4.00	740,000,000

ESTIMATED LARGEST FOREIGN FLOW



TOP 5 LOSERS

Stock	Today	Previous	Change (%)
BLUE DIAMONDS [NON-VOTING]	0.30	0.40	-25.00%
S M B LEASING [NON-VOTING]	0.30	0.40	-25.00%
TESS AGRO	0.60	0.70	-14.29%
DOLPHIN HOTELS	26.30	28.00	-6.07%
RENUKA HOTELS	72.00	75.90	-5.14%

TOP 5 VOLUME

Stock	Price	Volume ('Mn)	Turnover ('Mn)
BROWNS INVSTMNTS	4.00	877.0	3,501.96
EXPOLANKA	27.50	13.4	367.28
TOKYO CEMENT [NON-VOTING]	69.20	4.2	286.52
SIERRA CABL	6.30	3.4	21.06
IALOG	12.20	2.5	30.69

GLOBAL MARKETS & COMMODITIES

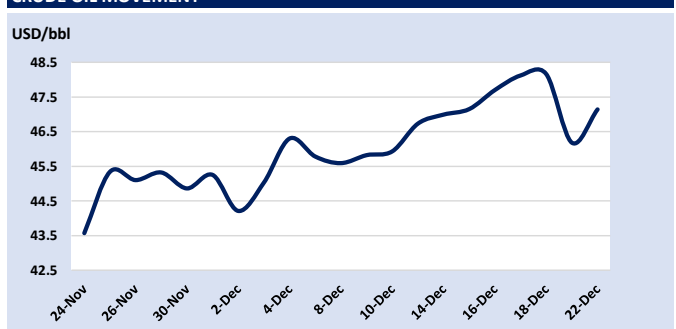
GLOBAL COMMODITY PRICES

Commodity	Unit	Current	Last Month	Change (%)
Crude Oil	USD/bbl	47.1	44.9	5.1%
Gold	USD/t oz	1,876.7	1,773.5	5.8%
Copper	USD/lb.	354.0	346.9	2.1%
Cotton	USD/lb.	74.6	73.1	1.9%
Aluminum	USD/MT	2,020.5	1,998.5	1.1%

GLOBAL MARKETS

Market	Current	Last Month	Change (%)
DOW JONES	30,216.5	29,910.4	1.0%
EURO STOXX 50	3,487.8	3,529.6	-1.2%
FTSE 100	6,414.1	6,374.1	0.6%
NIKKEI 225	26,436.4	26,433.6	0.0%

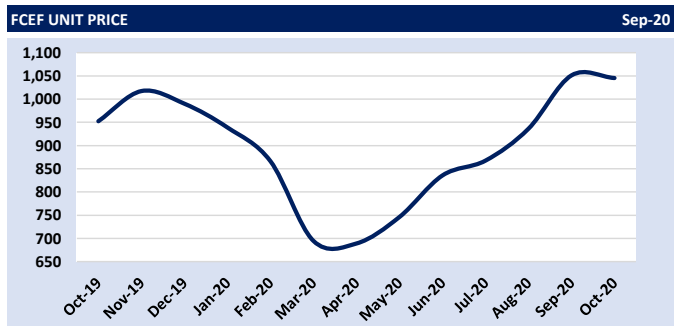
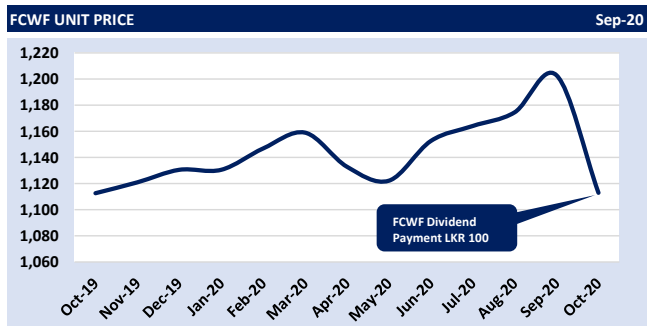
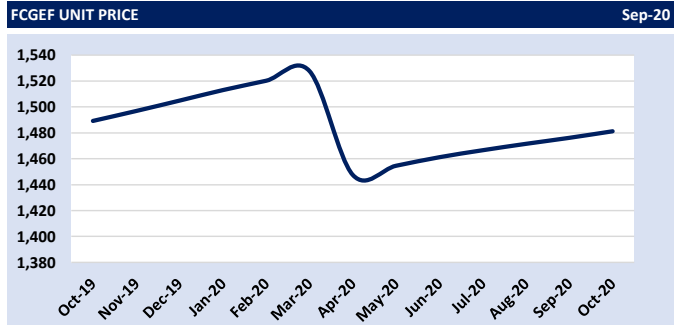
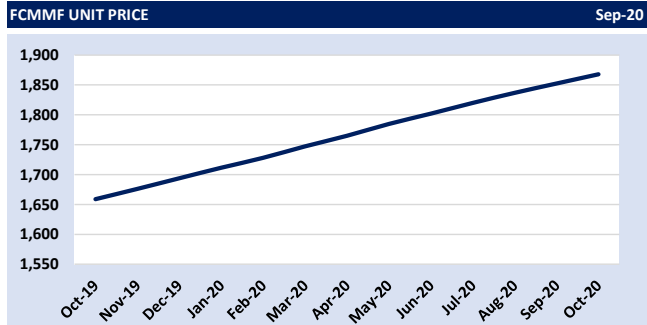
CRUDE OIL MOVEMENT



UNIT TRUSTS

	Sell Price	Buy Price	AUM LKR 'Mn	Avg. Yield	Information on Fees		
	LKR	LKR	As at Oct 2020		Mgmt Fee	Trustee fee	Performance Fee
First Capital Money Market Fund	1,892.43	1,892.43	12,599	9.59%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,488.80	1,488.80	53	-5.19%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,121.28	1,121.25	257	7.94%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	1,222.20	1,161.09	64	N/A	1.00% p.a.	0.23% p.a.	25% over ASTRI

TRAILING RETURNS (%)							Performance as of	Sep-20
	YTD	2018/19	2017/18	2016/17	2015/16	2014/15	Since Inception	
FIXED INCOME FUNDS								
First Capital Money Market Fund	11.78%	12.96%	11.92%	10.39%	7.92%	7.20%		11.10%
First Capital Gilt Edge Fund	-5.19%	7.56%	9.14%	19.06%	4.17%	-3.46%		7.88%
First Capital Wealth Fund	7.94%	11.40%	11.32%	10.63%	4.90%	15.48%		11.13%
BALANCED FUND								
First Capital Equity Fund	50.50%	-19.47%	0.96%	1.62%	-4.33%	0.00%		4.54%
ASTRI*	7.46%	-1.37%	7.30%	0.33%	-14.94%	0.00%		-18.44%
Out/(Under) Performance	43.04%	-18.10%	-6.34%	1.30%	10.61%			22.98%



9.28%^{*}

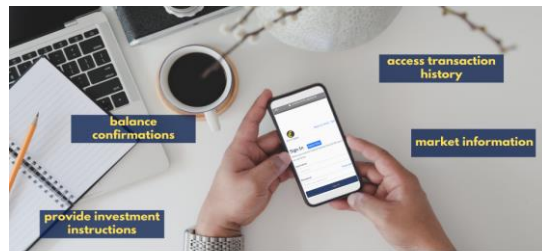
Current yield as at 06/12/2020

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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