



First Capital

# DAILY MARKET WATCH

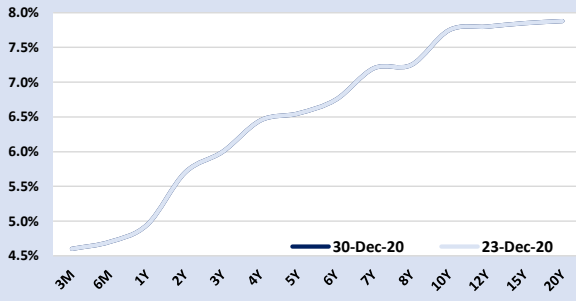
First Capital Research

December 30, 2020

## FIXED INCOME

## "Festive season keeps investors at bay"

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



The secondary market yield curve remained flat while overall market witnessed thin volumes. Limited activity was seen on 01.10.23 maturity trading at 5.98%-5.97% levels while 01.02.26 maturity traded at 6.75%. At the last weekly T-bill auction held for this year, 3M and 6M bills were accepted at weighted averages of 4.69% and 4.80% up by 2bps each. Moreover, the benchmark 1-Yr T-bill was accepted at 5.05% up by 2bps.

### 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%	6.00%	0
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

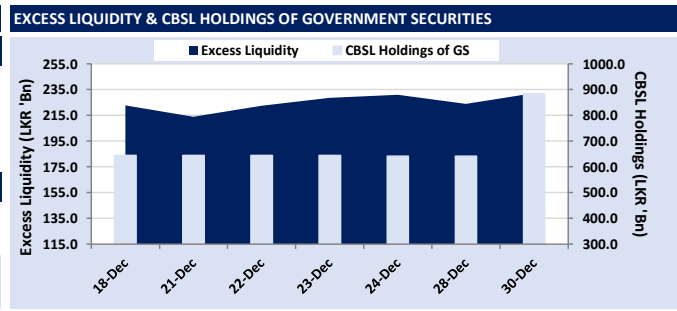
## PRIMARY AUCTION

T-BILL AUCTION				WEEK ENDING 1-Jan-21		
Tenor	Current	Previous	Change	Offered	Bids	Accepted
	30-Dec-20	22-Dec-20	(bps)	LKR ('Mn)	LKR ('Mn)	LKR ('Mn)
91 days	4.69%	4.67%	2	10,000	10,015	510
182 Days	4.80%	4.78%	2	11,000	17,083	9,783
364 Days	5.05%	5.03%	2	19,000	26,226	8,476
<b>Date of Settlement</b>	<b>1-Jan-21</b>			<b>40,000</b>	<b>53,324</b>	<b>18,769</b>

T-BOND AUCTION					WEEK ENDING 18-Dec-20			MATURITY TABLE FOR NEXT WEEK		
Bond Type	Yield	Offered	Bids	Accepted	Type	LKR ('Mn)	USD ('Mn)			
07.00%2023'A'	5.99%	40,000	48,346	39,346	T-Bills	34,865				
05.35%2026'A'	6.79%	40,000	60,800	29,800	T-Bonds	0				
08.00%2032'A'	7.84%	20,000	33,800	15,300	T-Bond Interest	0				
					SLDBs/Sovereign Bonds		0			
<b>TOTAL</b>		<b>100,000</b>	<b>142,946</b>	<b>84,446</b>	<b>TOTAL</b>	<b>34,865</b>	<b>0</b>			

## LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

MARKET LIQUIDITY	30-Dec-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		4.50%	5.50%
Value [LKR 'Bn]		232.3	0.0
<b>O/N Surplus/(Deficit)</b>			<b>232.3</b>
<b>CBSL Holdings of Government Securities [LKR 'Bn]</b>			<b>884.5</b>



MONEY MARKET RATES				
	High	Low	W.Avg	Value [LKR 'Bn]
Call Money	30-Dec-20 4.55%	4.53%	4.54%	1.1
Repo Rates	30-Dec-20 4.75%	4.53%	4.59%	12.2

MARKET INTEREST RATES			
	24-Dec-20	Last Month	Change (bps)
AWPLR	5.83%	5.83%	0
FD Ceiling Rate (1 Year)	4Q2020 6.88%		

OUTSTANDING STOCK [GSEC]			
	23-Dec-20	Previous Week	Change (%)
T-Bills [LKR 'Mn]	1,528,892	1,524,406	0.3%
T-Bonds [LKR 'Mn]	5,470,711	5,470,711	0.0%
<b>TOTAL</b>	<b>6,999,603</b>	<b>6,995,117</b>	<b>0.1%</b>
Foreign Holding [LKR 'Mn]	6,832	6,833	0.0%
Foreign Holding (%)	0.1%	0.1%	

## GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

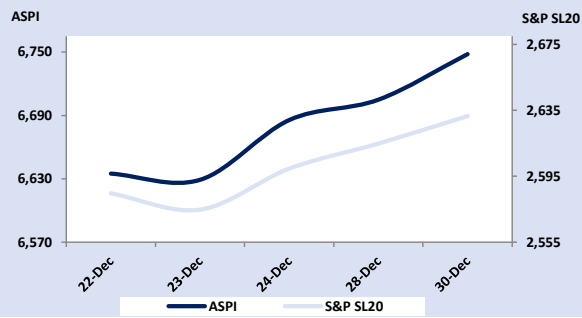
US TREASURIES					
	24-Dec-20	18-Dec-20	Change (bps)	Last Month	Change (bps)
1 Year	0.10%	0.09%	1	0.11%	-1
2 Year	0.13%	0.13%	0	0.16%	-3
5 Year	0.37%	0.39%	-2	0.36%	1
10 Year	0.94%	0.95%	-1	0.84%	10
30 Year	1.66%	1.70%	-4	1.58%	8

EXCHANGE RATES			30-Dec-20	Last Month	Change (%)
USA	Dollar		187.97	184.96	-1.6%
UK	Pound		254.34	246.71	-3.0%
EU	Euro		230.95	221.42	-4.1%
Japan	Yen		1.82	1.78	-2.1%
Australia	Dollar		143.54	136.78	-4.7%

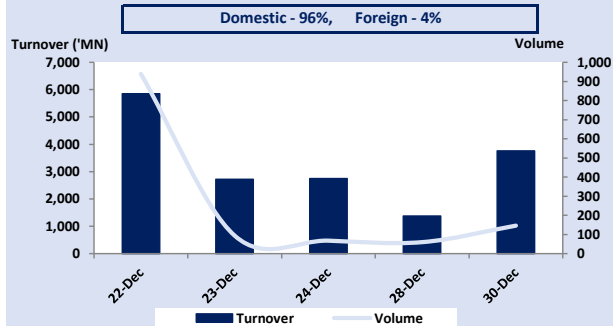
# EQUITY

# "Bourse on a near 3 ½ year high"

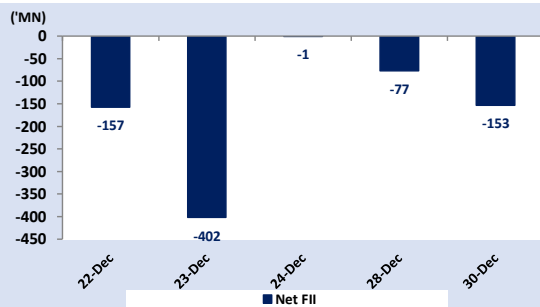
## MARKET INDICES



## MARKET TURNOVER & VOLUME



## NET FOREIGN FLOW



## MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	6,748.01	6,704.89	0.64%
S&P SL20	2,631.53	2,614.84	0.64%
Turnover (LKR 'Mn)	3,753.93	1,379.07	172.21%
Volume ('Mn)	146.28	59.94	144.04%
Market Cap. (LKR 'Bn)	2,949.17	2,930.32	0.64%
Market Cap. (USD 'Bn)	15.69	15.59	0.64%
Traded Companies	270	265	1.89%
Foreign Purchases (LKR 'Mn)	62.22	25.75	141.66%
Foreign Sales (LKR 'Mn)	215.57	102.37	110.58%
Net Foreign flow (LKR 'Mn)	-153.35	-76.62	-100.14%

## MTD Net Foreign Flow (LKR 'Mn)

-3,010.82

## YTD Net Foreign Flow (LKR 'Mn)

-51,018.81

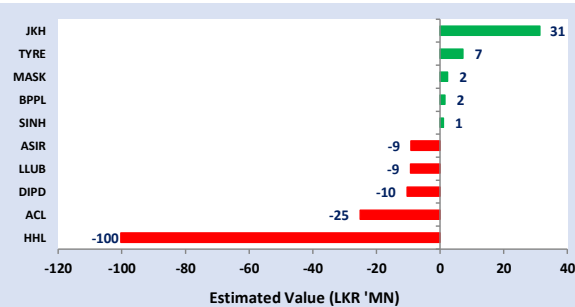
## MARKET COMMENTARY

Bourse witnessed a near 3 ½ years high while recording a 3Bn plus turnover, sustaining the drive in the positive direction for the 3rd consecutive session. Index spiked within the first few minutes of trading, thereafter experienced a downward movement till mid-day. Subsequently market bounced back and closed at 6,748 gaining 43 points. Capital Goods sector dominated the turnover for the session with a contribution of 42%. Morevoer, parcel trades in DIPD & HHL boosted the turnover amounting to 10%. Market experienced a net foreign outflow while recording low participation.

## MAJOR CROSSINGS

Stock	No. of Crossings	Price [LKR]	Quantity
DIPD	9	340.00	1,000,000
HHL	1	99.50	250,000

## ESTIMATED LARGEST FOREIGN FLOW



## TOP 5 GAINERS

	Today	Previous	Change (%)
AMANA TAKAFUL	10.30	8.80	17.05%
SATHOSA MOTORS	281.00	243.10	15.59%
CEYLINCO INS. [ NON-VOTING]	999.50	902.80	10.71%
RADIANT GEMS	33.10	30.20	9.60%
AGALAWATTE	27.20	25.30	7.51%

## TOP 5 LOSERS

	Today	Previous	Change (%)
INDUSTRIAL ASPH.	0.20	0.30	-33.33%
S M B LEASING [ NON-VOTING]	0.30	0.40	-25.00%
BLUE DIAMONDS	0.70	0.80	-12.50%
LIGHTHOUSE HOTEL	35.60	39.00	-8.72%
ANILANA HOTELS	1.40	1.50	-6.67%

## TOP 5 TURNOVER

	Price	Volume ('Mn)	Turnover ('Mn)
JKH	149.90	5.1	759.31
DIPPED PRODUCTS	345.10	1.4	472.70
EXPOLANKA	28.50	12.5	351.34
BROWNS INVSTMNTS	4.10	75.3	304.08
HEMAS HOLDINGS	100.80	2.7	269.29

## TOP 5 VOLUME

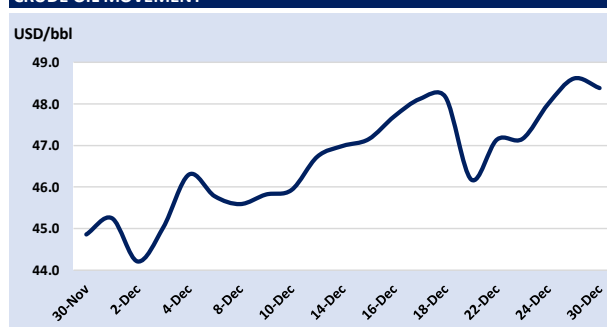
	Price	Volume ('Mn)	Turnover ('Mn)
BROWNS INVSTMNTS	4.10	75.3	304.08
EXPOLANKA	28.50	12.5	351.34
JKH	149.90	5.1	759.31
S M B LEASING	0.60	4.8	2.87
R I L PROPERTY	8.50	3.0	25.45

## GLOBAL MARKETS & COMMODITIES

### GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	48.4	44.9	7.8%
Gold USD/t oz	1,882.0	1,773.5	6.1%
Copper USD/lb.	355.7	346.9	2.5%
Cotton USD/lb.	77.2	73.1	5.5%
Aluminum USD/MT	1,991.0	1,998.5	-0.4%

### CRUDE OIL MOVEMENT



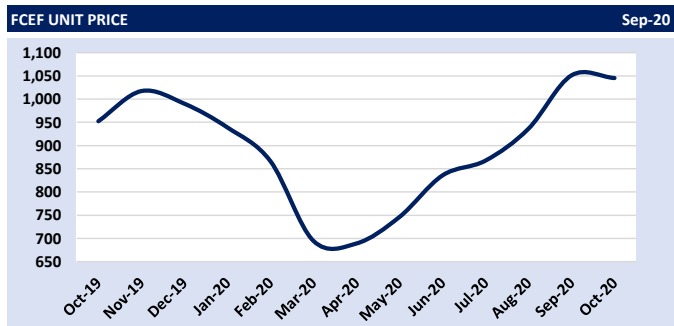
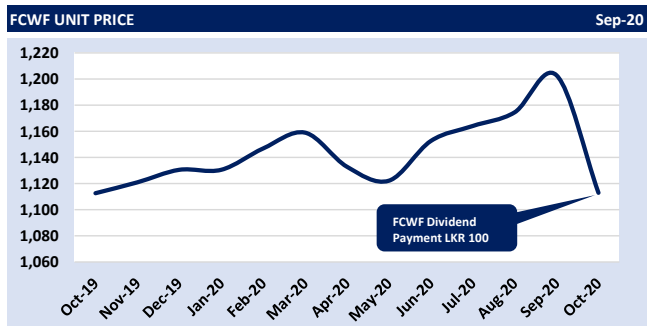
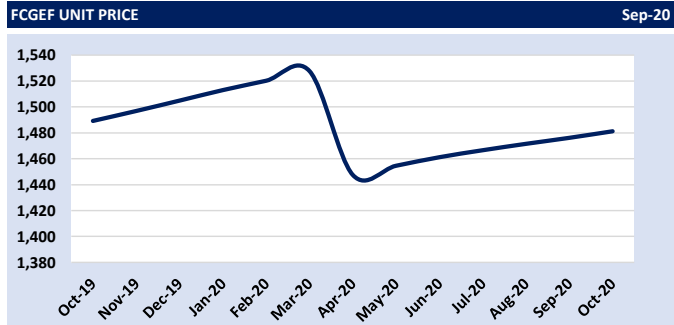
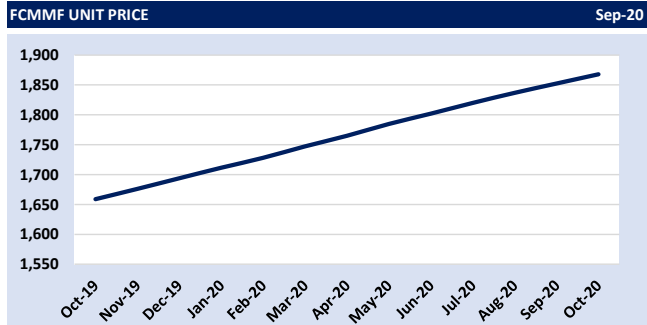
### GLOBAL MARKETS

	Current	Last Month	Change (%)
DOW JONES	30,355.7	29,910.4	1.5%
EURO STOXX 50	3,584.1	3,529.6	1.5%
FTSE 100	6,617.0	6,374.1	3.8%
NIKKEI 225	27,444.2	26,433.6	3.8%

# 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	1,896.01	1,896.01	12,599	9.59%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,489.86	1,489.86	53	-5.19%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,122.75	1,122.72	257	7.94%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	1,226.50	1,165.18	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	
<b>FIXED INCOME FUNDS</b>								
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%
<b>BALANCED FUND</b>								
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%
<b>Out/(Under) Performance</b>	<b>43.04%</b>	<b>-18.10%</b>	<b>-6.34%</b>	<b>1.30%</b>	<b>10.61%</b>			<b>22.98%</b>



9.28%<sup>\*</sup>

P.A.

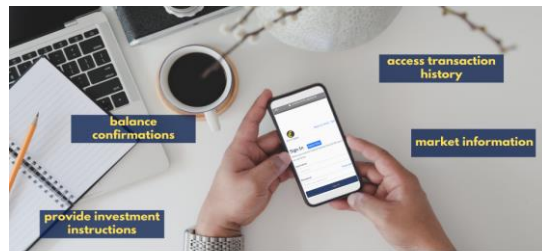
**Current yield as at 06/12/2020**

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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