



First Capital

# DAILY MARKET WATCH

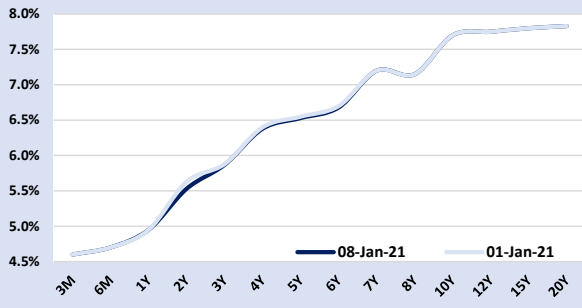
First Capital Research

January 8, 2021

## FIXED INCOME

## "Buying centered on shorter tenors"

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



The secondary market yield curve shifted slightly downwards on the back of buying interest predominantly centered on the shorter end of the curve. Buying interest was seen on 01.10.22, 15.11.22, 15.12.22 and 15.01.23 maturities trading in the range of 5.65%-5.50% levels. Moreover, 01.10.23 traded at 5.90% and 01.12.24 traded at 6.38% while overall market witnessed moderate volumes.

### 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	5.55%	5.50%	5.53%	5.63%	-10
01-Oct-23 < 3Y	5.89%	5.85%	5.87%	5.88%	-1
15-Sep-24 < 4Y	6.40%	6.35%	6.38%	6.40%	-2
01-May-25 < 5Y	6.55%	6.50%	6.53%	6.55%	-2
01-Feb-26 < 6Y	6.70%	6.65%	6.68%	6.70%	-2
15-Oct-27 < 7Y	7.25%	7.15%	7.20%	7.20%	0
01-Sep-28 < 8Y	7.20%	7.10%	7.15%	7.15%	0
15-May-30 < 10Y	7.75%	7.65%	7.70%	7.70%	0
01-Jan-32 < 12Y	7.85%	7.65%	7.75%	7.75%	0
15-Sep-34 < 15Y	7.95%	7.65%	7.80%	7.80%	0
15-Aug-39 < 20Y	8.00%	7.65%	7.83%	7.83%	0

### PRIMARY AUCTION

#### T-BILL AUCTION

Tenor	Current	Previous	Change
	6-Jan-21	30-Dec-20	(bps)
91 days	4.71%	4.69%	2
182 Days	4.80%	4.80%	0
364 Days	5.05%	5.05%	0
Date of Settlement	8-Jan-21		

WEEK ENDING 8-Jan-21	
Offered	Bids
LKR ('Mn)	LKR ('Mn)
10,000	21,302
5,000	25,304
25,000	39,718
<b>40,000</b>	<b>86,324</b>
Accepted	LKR ('Mn)
	10,000
	5,000
	25,000
	<b>40,000</b>

#### T-BOND AUCTION

Bond Type	Yield	Offered	Bids	Accepted
06.00%2024'A'		40,000	New Auction Announcement	
06.75%2026'A'		40,000	New Auction Announcement	
09.00%2028'B'		20,000	New Auction Announcement	
<b>TOTAL</b>		<b>100,000</b>	<b>N/A</b>	<b>N/A</b>

#### MATURITY TABLE FOR NEXT WEEK

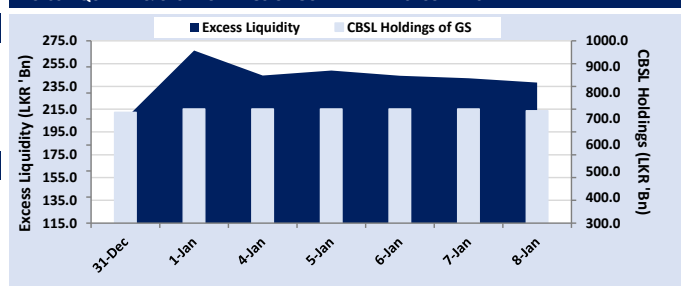
Type	LKR ('Mn)	USD ('Mn)
T-Bills	27,245	
T-Bonds	0	
T-Bond Interest	15,131	
SLDBs/Sovereign Bonds		0
<b>TOTAL</b>	<b>42,376</b>	<b>0</b>

### LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

#### MARKET LIQUIDITY

8-Jan-21	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]	238.4	0.0
O/N Surplus/(Deficit)		238.4
CBSL Holdings of Government Securities [LKR 'Bn]		731.3

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



#### MONEY MARKET RATES

	High	Low	W.Avg	Value [LKR 'Bn]
Call Money	8-Jan-21 4.55%	4.53%	4.54%	26.3
Repo Rates	8-Jan-21 4.65%	4.53%	4.55%	15.0

#### MARKET INTEREST RATES

	1-Jan-21	Last Month	Change (bps)
AWPLR	5.81%	5.83%	-2
FD Ceiling Rate (1 Year)	1Q2021 7.01%		

#### OUTSTANDING STOCK [GSEC]

	30-Dec-20	Previous Week	Change (%)
T-Bills [LKR 'Mn]	1,780,729	1,528,892	16.5%
T-Bonds [LKR 'Mn]	5,719,504	5,470,711	4.5%
<b>TOTAL</b>	<b>7,500,233</b>	<b>6,999,603</b>	<b>7.2%</b>
Foreign Holding [LKR 'Mn]	6,875	6,832	0.6%
Foreign Holding (%)	0.1%	0.1%	

### GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

#### US TREASURIES

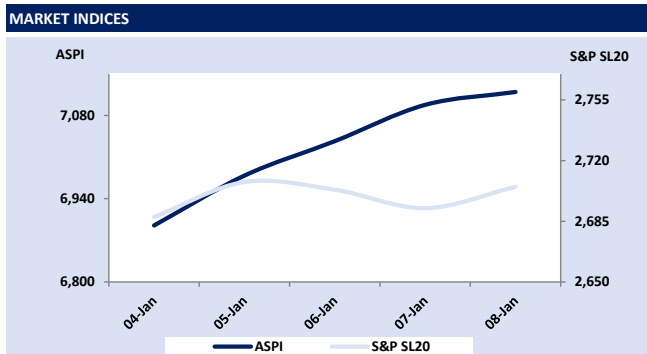
	31-Dec-20	24-Dec-20	Change (bps)	Last Month	Change (bps)
1 Year	0.10%	0.10%	0	0.10%	0
2 Year	0.13%	0.13%	0	0.13%	0
5 Year	0.36%	0.37%	-1	0.36%	0
10 Year	0.93%	0.94%	-1	0.93%	0
30 Year	1.65%	1.66%	-1	1.65%	0

#### EXCHANGE RATES

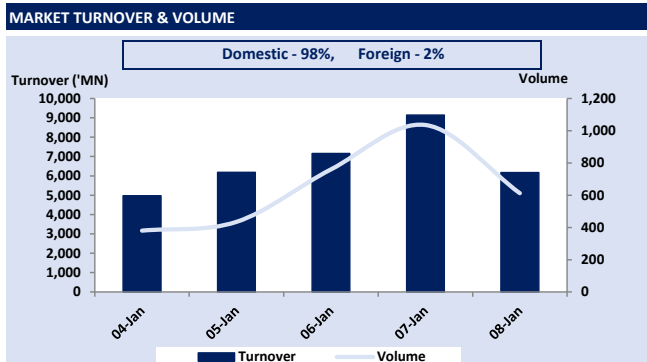
	8-Jan-21	Last Month	Change (%)
USA Dollar	185.50	186.41	0.5%
UK Pound	251.51	254.35	1.1%
EU Euro	227.94	229.42	0.7%
Japan Yen	1.79	1.81	1.2%
Australia Dollar	143.90	143.66	-0.2%

# EQUITY

# "Stock market bulls conquer another week"



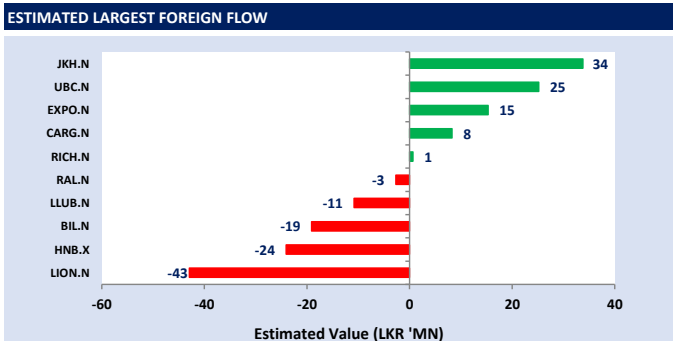
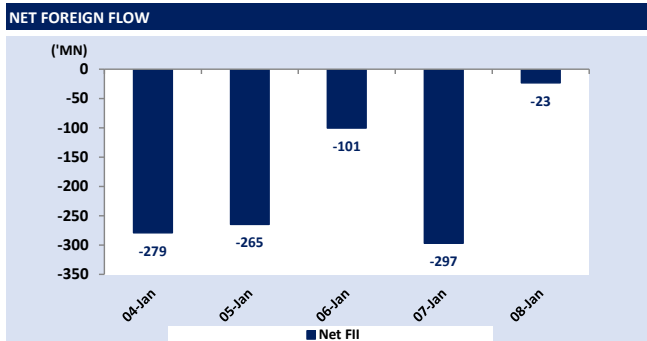
MARKET PERFORMANCE	Today	Previous	Change (%)
ASPI	7,119.53	7,097.84	0.31%
S&P SL20	2,704.87	2,692.56	0.46%
Turnover (LKR 'Mn)	6,169.58	9,140.00	-32.50%
Volume ('Mn)	612.34	1,035.47	-40.86%
Market Cap. (LKR 'Bn)	3,112.20	3,102.72	0.31%
Market Cap. (USD 'Bn)	16.78	16.73	0.31%
Traded Companies	250	268	-6.72%
Foreign Purchases (LKR 'Mn)	92.54	77.61	19.25%
Foreign Sales (LKR 'Mn)	115.70	374.71	-69.12%
Net Foreign flow (LKR 'Mn)	-23.16	-297.10	92.20%



MTD Net Foreign Flow (LKR 'Mn)	-964.66
YTD Net Foreign Flow (LKR 'Mn)	-964.66

**MARKET COMMENTARY**  
Wrapping up the week, market ended the day recording the positive sentiment for the 09th consecutive day driven by high retail participation. BIL topped the turnover contributing 47% while EXPO followed suit with the second highest contribution of 15%. Index experienced a volatile movement till the mid of the day and thereafter recorded a gradual uptrend to close at 7,120 with an increase of 22 points. Meanwhile, parcel trades of the day merely contributed 3% to the turnover. Foreigners continued to be on the selling side with low participation.

MAJOR CROSSINGS	Total Crossings	3
Stock	No. of Crossings	Price [LKR]
CARG	1	215.00
JKH	1	148.50



TOP 5 GAINERS	Today	Previous	Change (%)
BLUE DIAMONDS [ NON-VOTING]	0.40	0.30	33.33%
UNION BANK	15.70	13.50	16.30%
LOLC FINANCE	4.90	4.40	11.36%
NATION LANKA	1.00	0.90	11.11%
EXPOLANKA	34.30	31.00	10.65%

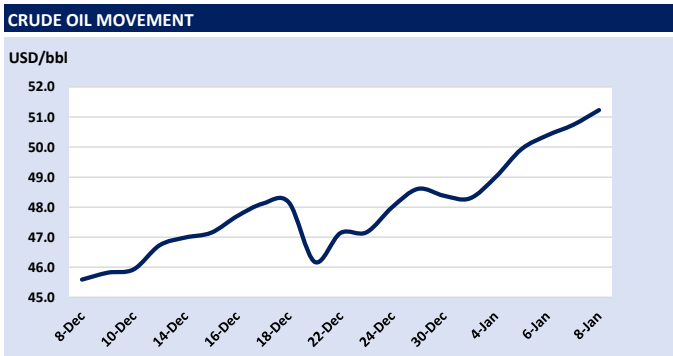
TOP 5 LOSERS	Today	Previous	Change (%)
TESS AGRO [ NON-VOTING]	0.50	0.60	-16.67%
TEA SMALLHOLDER	34.60	40.80	-15.20%
S M B LEASING	0.60	0.70	-14.29%
TESS AGRO	0.60	0.70	-14.29%
BLUE DIAMONDS	0.70	0.80	-12.50%

TOP 5 TURNOVER	Price	Volume ('Mn)	Turnover ('Mn)
BROWNS INVSTMNTS	6.50	442.5	2,930.44
EXPOLANKA	34.30	27.5	926.74
UNION BANK	15.70	20.9	305.24
LOLC	155.00	1.2	190.08
CARGILLS	215.00	0.7	142.36

TOP 5 VOLUME	Price	Volume ('Mn)	Turnover ('Mn)
BROWNS INVSTMNTS	6.50	442.5	2,930.44
INDUSTRIAL ASPH.	0.40	27.8	11.04
EXPOLANKA	34.30	27.5	926.74
UNION BANK	15.70	20.9	305.24
LOLC FINANCE	4.90	20.1	99.41

## GLOBAL MARKETS & COMMODITIES

GLOBAL COMMODITY PRICES		Current	Last Month	Change (%)
Crude Oil	USD/bbl	51.2	48.3	6.1%
Gold	USD/t oz	1,890.4	1,898.8	-0.4%
Copper	USd/lb.	370.3	351.3	5.4%
Cotton	USd/lb.	80.1	78.3	2.3%
Aluminum	USD/MT	2,036.5	1,999.5	1.9%

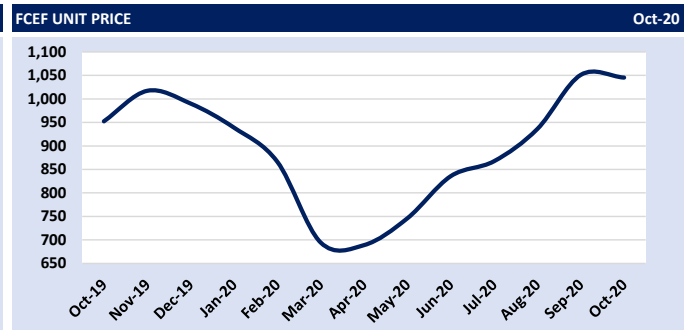
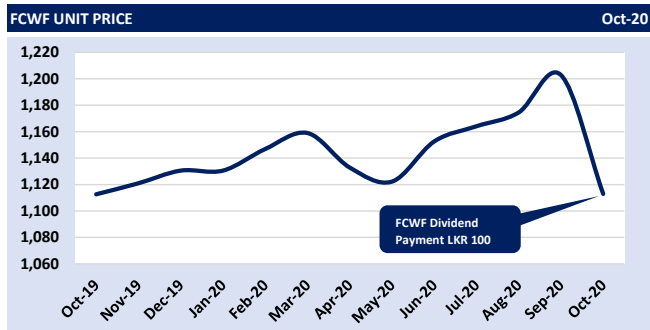
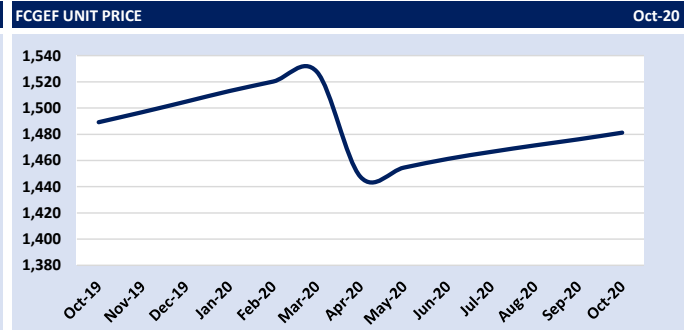
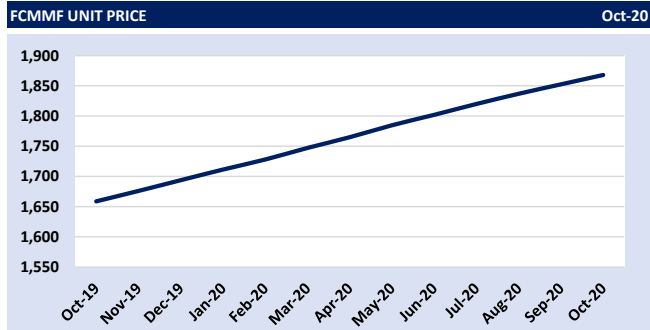


GLOBAL MARKETS		Current	Last Month	Change (%)
DOW JONES		31,041.1	30,409.6	2.1%
EURO STOXX 50		3,647.4	3,567.5	2.2%
FTSE 100		6,869.0	6,461.2	6.3%
NIKKEI 225		28,139.0	27,444.2	2.5%

# 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	1,899.85	1,899.85	12,599	9.59%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,491.06	1,491.06	53	-5.19%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,125.39	1,125.36	257	7.94%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	1,256.40	1,193.58	64	N/A	1.00% p.a.	0.23% p.a.	25% over ASTRI

TRAILING RETURNS (%)							Performance as of	Oct-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>	



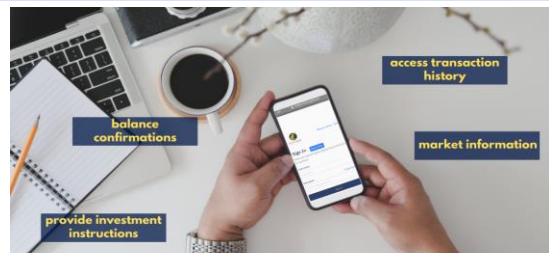
**8.34% P.A.**  
Current yield as at 03/01/2021

**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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