



First Capital

DAILY MARKET WATCH

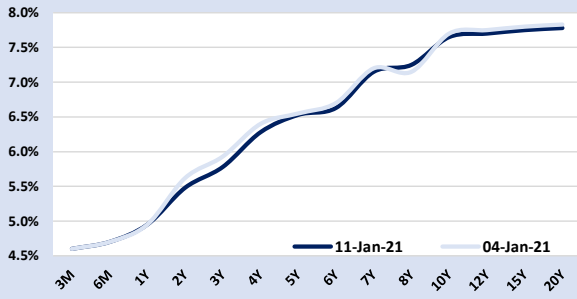
First Capital Research

January 11, 2021

FIXED INCOME

"Bond Auction meets with strong reception"

YIELD CURVE BASED ON MID RATES & MARKET COMMENTARY



The secondary bond market continued to witness buying interest mainly centered on the short to mid tenor maturities, resulting in a downward shift in the yield curve, while recording high volumes during the day. In the short end of the yield curve, 15.03.22 maturity changed hands at 5.25%-5.20% while 01.07.22 at 5.30%. Moreover, 15.11.22 and 15.12.22 saw yields hovering in the range of 5.55%-5.45%. 01.10.23 traded between 5.85%-5.80%, 15.09.24 between 6.37%-6.32%, 01.12.24 in the range of 6.37%-6.33%. Furthermore, 01.02.26 traded at 6.65% and 15.08.27 at 7.18%. Meanwhile at the bond auction held today, total offered amount of LKR 100.0Bn was fully accepted.

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	5.50%	5.45%	5.48%	5.62%	-14
01-Oct-23 < 3Y	5.80%	5.75%	5.78%	5.93%	-15
15-Sep-24 < 4Y	6.30%	6.25%	6.28%	6.40%	-12
01-May-25 < 5Y	6.55%	6.50%	6.53%	6.55%	-2
01-Feb-26 < 6Y	6.65%	6.60%	6.63%	6.70%	-7
15-Oct-27 < 7Y	7.20%	7.10%	7.15%	7.20%	-5
01-Sep-28 < 8Y	7.30%	7.20%	7.25%	7.15%	10
15-May-30 < 10Y	7.70%	7.60%	7.65%	7.70%	-5
01-Jan-32 < 12Y	7.80%	7.60%	7.70%	7.75%	-5
15-Sep-34 < 15Y	7.90%	7.60%	7.75%	7.80%	-5
15-Aug-39 < 20Y	7.95%	7.60%	7.78%	7.83%	-5

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

WEEK ENDING 8-Jan-21

Offered	Bids	Accepted
LKR ('Mn)	LKR ('Mn)	LKR ('Mn)
10,000	21,302	10,000
5,000	25,304	5,000
25,000	39,718	25,000
40,000	86,324	40,000

T-BOND AUCTION

Bond Type	Yield	Offered	Bids	Accepted
06.00%2024'A'	6.38%	40,000	63,093	40,000
06.75%2026'A'	6.72%	40,000	74,430	40,000
09.00%2028'B'	7.39%	20,000	61,575	20,000
TOTAL		100,000	199,098	100,000

MATURITY TABLE FOR NEXT WEEK

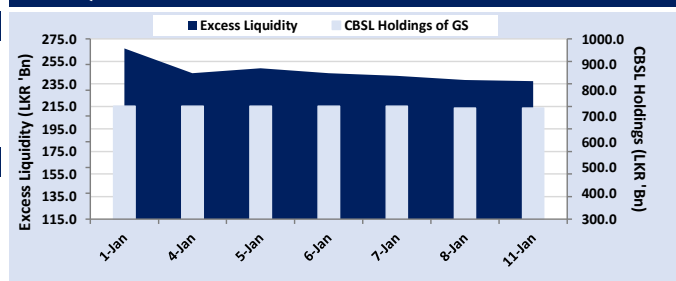
Type	LKR ('Mn)	USD ('Mn)
T-Bills	27,245	
T-Bonds	0	
T-Bond Interest	15,131	
SLDBs/Sovereign Bonds		0
TOTAL	42,376	0

LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

MARKET LIQUIDITY

	11-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]		237.3	0.0
O/N Surplus/(Deficit)			237.3
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	11-Jan-21	4.55%	4.53%	4.54%	36.6
Repo Rates	11-Jan-21	4.65%	4.53%	4.55%	16.9

OUTSTANDING STOCK [GSEC]

	6-Jan-20	Previous Week	Change (%)
T-Bills [LKR 'Mn]	1,624,423	1,780,729	-8.8%
T-Bonds [LKR 'Mn]	5,719,504	5,719,504	0.0%
TOTAL	7,343,927	7,500,233	-2.1%
Foreign Holding [LKR 'Mn]	6,874	6,875	0.0%
Foreign Holding (%)	0.1%	0.1%	

MARKET INTEREST RATES

	8-Jan-21	Last Month	Change (bps)
AWPLR	5.75%	5.83%	-8
FD Ceiling Rate (1 Year)	1Q2021 7.01%		

GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

US TREASURIES

	8-Jan-21	31-Dec-20	Change (bps)	Last Month	Change (bps)
1 Year	0.10%	0.10%	0	0.10%	0
2 Year	0.14%	0.13%	1	0.13%	1
5 Year	0.49%	0.36%	13	0.36%	13
10 Year	1.13%	0.93%	20	0.93%	20
30 Year	1.87%	1.65%	22	1.65%	22

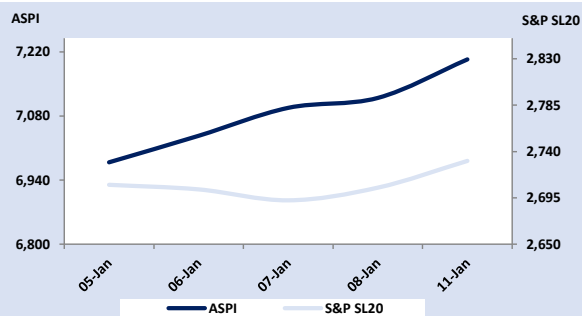
EXCHANGE RATES

	11-Jan-21	Last Month	Change (%)
USA Dollar	187.53	186.41	-0.6%
UK Pound	253.40	254.35	0.4%
EU Euro	228.36	229.42	0.5%
Japan Yen	1.81	1.81	0.0%
Australia Dollar	144.47	143.66	-0.6%

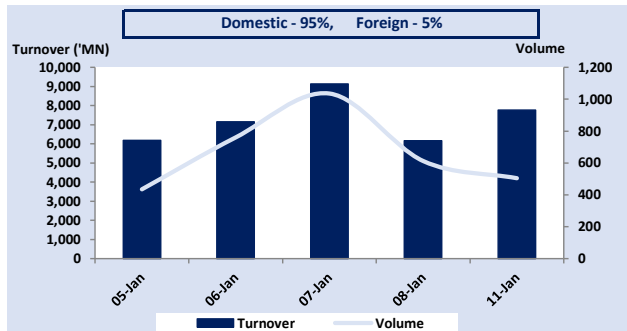
EQUITY

"LKR 2Bn plus turnover for nearly 2-weeks"

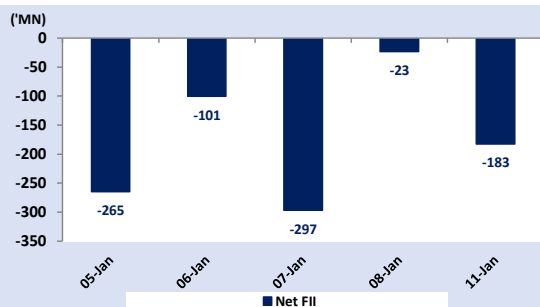
MARKET INDICES



MARKET TURNOVER & VOLUME



NET FOREIGN FLOW



MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	7,203.63	7,119.53	1.18%
S&P SL20	2,730.85	2,704.87	0.96%
Turnover (LKR 'Mn)	7,759.39	6,169.58	25.77%
Volume ('Mn)	504.31	612.34	-17.64%
Market Cap. (LKR 'Bn)	3,148.97	3,112.20	1.18%
Market Cap. (USD 'Bn)	16.79	16.60	1.18%
Traded Companies	267	250	6.80%
Foreign Purchases (LKR 'Mn)	311.98	92.54	237.12%
Foreign Sales (LKR 'Mn)	494.69	115.70	327.55%
Net Foreign flow (LKR 'Mn)	-182.72	-23.16	-688.92%

MTD Net Foreign Flow (LKR 'Mn)

-1,147.38

YTD Net Foreign Flow (LKR 'Mn)

-1,147.38

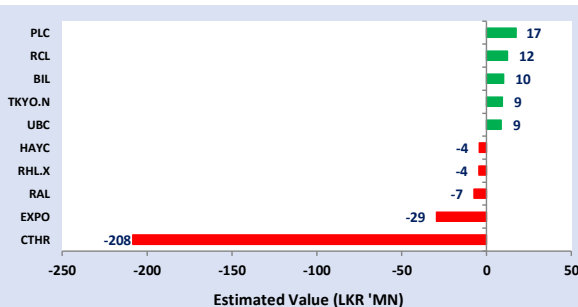
MARKET COMMENTARY

Bourse continued the drive in the positive direction for the 10th consecutive session sustaining the turnover above LKR 2Bn close to 2-weeks. Index experienced a continuous uptrend since the beginning of the session and closed at 7,204 with an advance of 84 points. Food & Beverage sector continued to dominate the turnover followed by Transportation sector making a joint contribution of 48%. Market experienced low foreign participation edged by the selling side resulting in a net outflow.

MAJOR CROSSINGS

Stock	No. of Crossings	Price [LKR]	Quantity
ACAP	2	7.50	21,329,995
CFLB	1	14.00	8,000,000

ESTIMATED LARGEST FOREIGN FLOW



TOP 5 GAINERS

	Today	Previous	Change (%)
TEA SMALLHOLDER	42.00	34.60	21.39%
TESS AGRO	0.70	0.60	16.67%
EXPOLANKA	38.60	34.30	12.54%
BROWNS INVSTMNTS	7.20	6.50	10.77%
HAYLEYS FABRIC	33.00	30.00	10.00%

TOP 5 LOSERS

	Today	Previous	Change (%)
INDUSTRIAL ASPH.	0.30	0.40	-25.00%
BLUE DIAMONDS [NON-VOTING]	0.30	0.40	-25.00%
MERC. SHIPPING	93.30	111.50	-16.32%
LOLC DEV FINANCE	48.40	54.00	-10.37%
NATION LANKA	0.90	1.00	-10.00%

TOP 5 TURNOVER

	Price	Volume ('Mn)	Turnover ('Mn)
BROWNS INVSTMNTS	7.20	296.4	2,064.12
EXPOLANKA	38.60	39.1	1,479.87
UNION BANK	16.00	21.1	337.92
HAYLEYS	425.75	0.7	304.78
HAYLEYS FABRIC	33.00	7.1	231.21

TOP 5 VOLUME

	Price	Volume ('Mn)	Turnover ('Mn)
BROWNS INVSTMNTS	7.20	296.4	2,064.12
EXPOLANKA	38.60	39.1	1,479.87
ASIA CAPITAL	7.00	22.1	165.63
UNION BANK	16.00	21.1	337.92
INDUSTRIAL ASPH.	0.30	15.1	5.88

GLOBAL MARKETS & COMMODITIES

GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	51.8	48.3	7.2%
Gold USD/t oz	1,848.6	1,898.8	-2.6%
Copper USD/lb.	362.0	351.3	3.0%
Cotton USD/lb.	79.1	78.3	1.1%
Aluminum USD/MT	2,021.5	1,999.5	1.1%

CRUDE OIL MOVEMENT



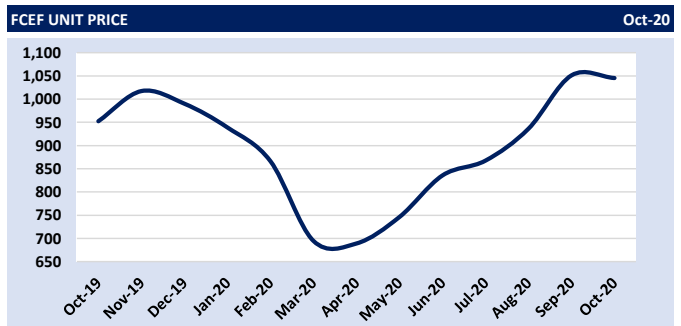
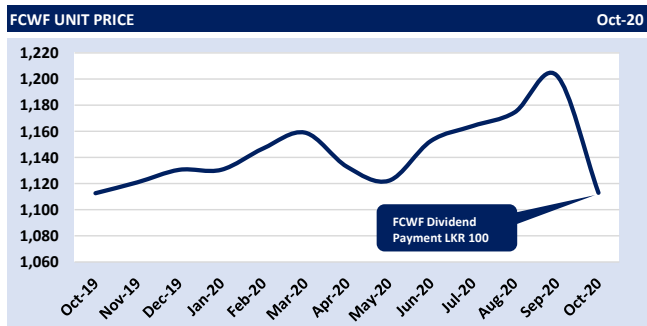
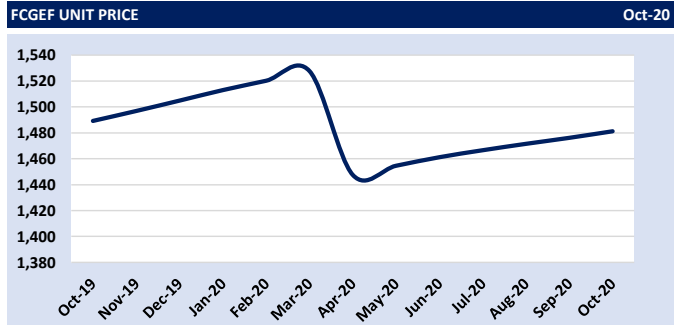
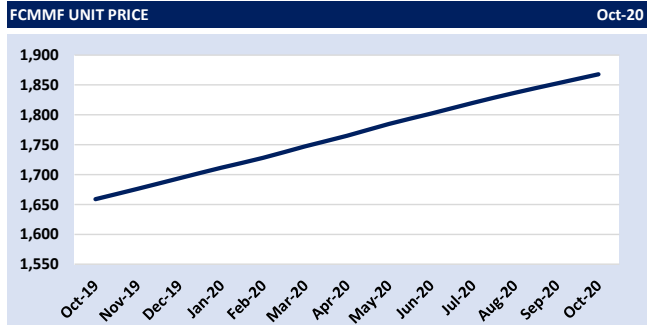
GLOBAL MARKETS

	Current	Last Month	Change (%)
DOW JONES	31,098.0	30,409.6	2.3%
EURO STOXX 50	3,630.3	3,567.5	1.8%
FTSE 100	6,842.8	6,461.2	5.9%
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	1,901.14	1,901.14	12,599	9.59%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,491.46	1,491.46	53	-5.19%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,126.14	1,126.11	257	7.94%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	1,255.14	1,192.38	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	
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%	



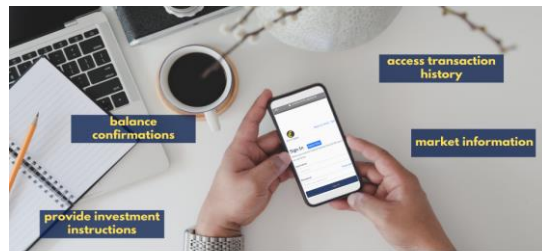
8.34% P.A.
 Current yield as at 03/01/2021

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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