



First Capital

# DAILY MARKET WATCH

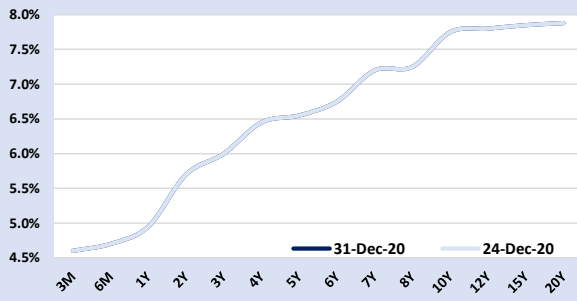
First Capital Research

December 31, 2020

## FIXED INCOME

## "Bonds end the year in grim"

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



The secondary bond market activities remained completely dry while overall market recorded ultra-thin 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	5.75%	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

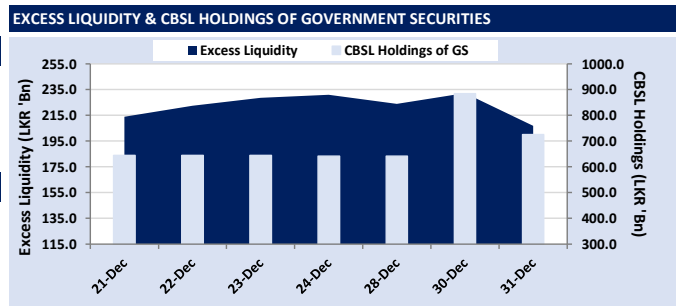
### PRIMARY AUCTION

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 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				
<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	31-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]		209.5	2.7
O/N Surplus/(Deficit)			206.8
CBSL Holdings of Government Securities [LKR 'Bn]			725.2



MONEY MARKET RATES				
	High	Low	W.Avg	Value [LKR 'Bn]
Call Money 31-Dec-20	4.55%	4.53%	4.55%	16.3
Repo Rates 31-Dec-20	4.75%	4.53%	4.57%	25.1

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%	

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

### GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

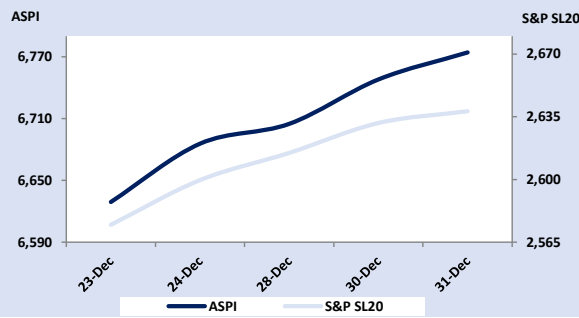
US TREASURIES					
	24-Dec-20	18-Dec-20	Change (bps)	Last Month	Change (bps)
1 Year	0.10%	0.09%	1	0.11%	-1
2 Year	0.13%	0.13%	0	0.16%	-3
5 Year	0.37%	0.39%	-2	0.36%	1
10 Year	0.94%	0.95%	-1	0.84%	10
30 Year	1.66%	1.70%	-4	1.58%	8

EXCHANGE RATES			31-Dec-20	Last Month	Change (%)
USA	Dollar		186.41	184.96	-0.8%
UK	Pound		254.35	246.71	-3.0%
EU	Euro		229.42	221.42	-3.5%
Japan	Yen		1.81	1.78	-1.5%
Australia	Dollar		143.66	136.78	-4.8%

# EQUITY

# "Bourse ends the year in green"

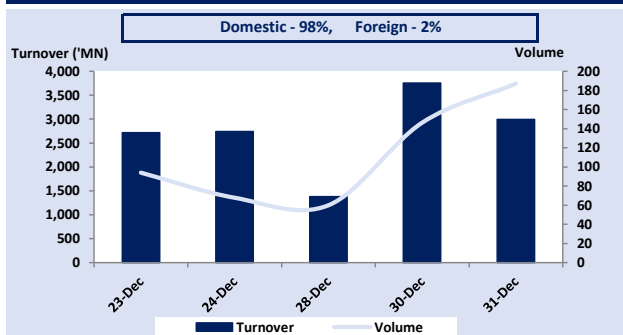
## MARKET INDICES



## MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	6,774.22	6,748.01	0.39%
S&P SL20	2,638.10	2,631.53	0.25%
Turnover (LKR 'Mn)	2,998.42	3,753.93	-20.13%
Volume ('Mn)	187.07	146.28	27.88%
Market Cap. (LKR 'Bn)	2,960.65	2,949.17	0.39%
Market Cap. (USD 'Bn)	15.88	15.82	0.39%
Traded Companies	268	270	-0.74%
Foreign Purchases (LKR 'Mn)	38.22	62.22	-38.57%
Foreign Sales (LKR 'Mn)	110.50	215.57	-48.74%
Net Foreign flow (LKR 'Mn)	-72.28	-153.35	52.87%

## MARKET TURNOVER & VOLUME



MTD Net Foreign Flow (LKR 'Mn)	-3,083.10
YTD Net Foreign Flow (LKR 'Mn)	-51,091.09

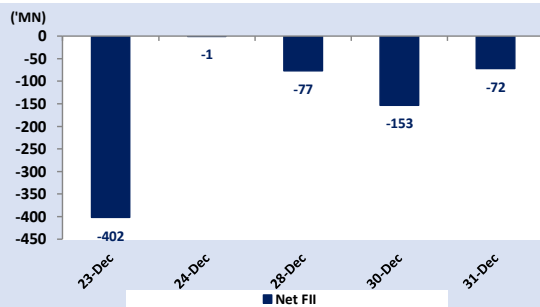
## MARKET COMMENTARY

Market closed on a positive note for the 4th consecutive session to end the year in green. Index spiked within the first few minutes of trading, thereafter market experienced a volatile sideways movement and closed at 6,774 with an advance of 26 points. Capital Goods sector continued to lead the turnover closely followed by Food and Beverage sector making a joint contribution of 48%. Market witnessed low foreign participation edged by the selling-side resulting in a net outflow.

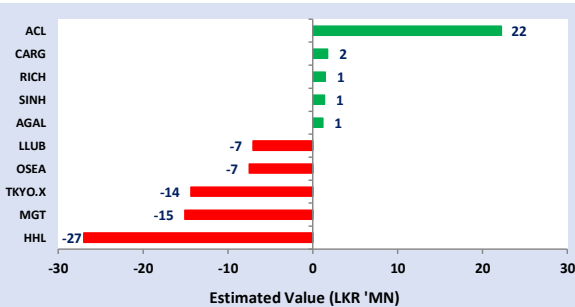
## MAJOR CROSSINGS

Stock	No. of Crossings	Price [LKR]	Quantity	Total Crossings
SDB	1	350.00	107,000	2
DIPD	1	56.60	702,550	

## NET FOREIGN FLOW



## ESTIMATED LARGEST FOREIGN FLOW



## TOP 5 GAINERS

	Today	Previous	Change (%)
INDUSTRIAL ASPH.	0.30	0.20	50.00%
BLUE DIAMONDS [ NON-VOTING]	0.40	0.30	33.33%
S M B LEASING [ NON-VOTING]	0.40	0.30	33.33%
MERC. SHIPPING	81.30	67.00	21.34%
S M B LEASING	0.70	0.60	16.67%

## TOP 5 LOSERS

	Today	Previous	Change (%)
TESS AGRO [ NON-VOTING]	0.50	0.60	-16.67%
PRIME FINANCE	13.30	14.50	-8.28%
LANKA ASHOK	854.50	909.30	-6.03%
AMANA LIFE	9.10	9.60	-5.21%
GUARDIAN CAPITAL	35.00	36.80	-4.89%

## TOP 5 TURNOVER

	Price	Volume ('Mn)	Turnover ('Mn)
BROWNS INVSTMNTS	4.30	113.9	488.50
EXPOLANKA	29.00	8.9	258.91
ASIRI	34.50	5.8	198.10
JKH	149.60	1.2	184.39
DIPPED PRODUCTS	347.30	0.5	166.18

## TOP 5 VOLUME

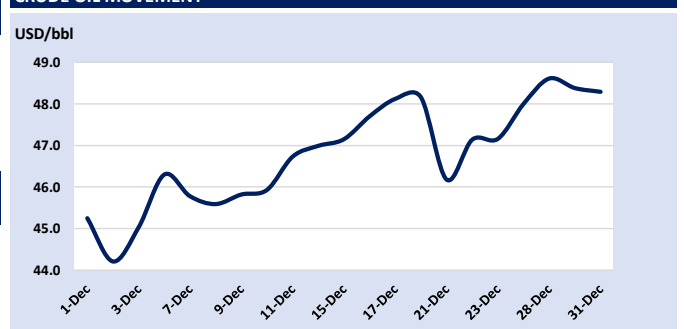
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BROWNS INVSTMNTS	4.30	113.9	488.50
EXPOLANKA	29.00	8.9	258.91
ASIRI	34.50	5.8	198.10
S M B LEASING	0.70	4.0	2.43
SINGHE HOSPITALS	3.30	3.8	12.29

## GLOBAL MARKETS & COMMODITIES

### GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	48.3	44.9	7.6%
Gold USD/t oz	1,898.8	1,773.5	7.1%
Copper USD/lb.	351.3	346.9	1.3%
Cotton USD/lb.	78.3	73.1	7.0%
Aluminum USD/MT	1,999.5	1,998.5	0.1%

### CRUDE OIL MOVEMENT



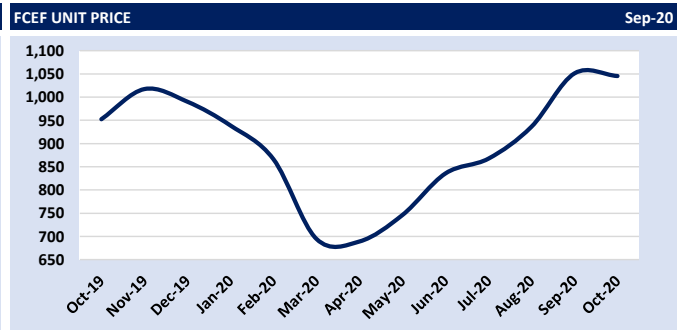
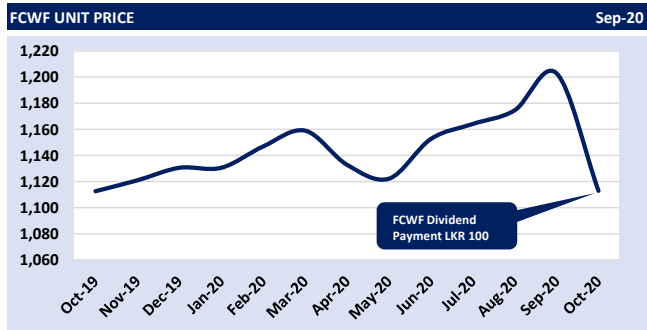
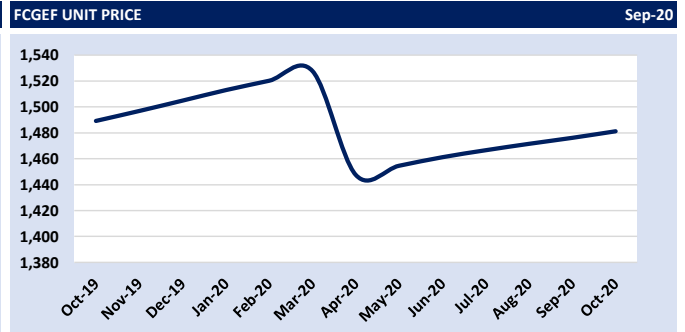
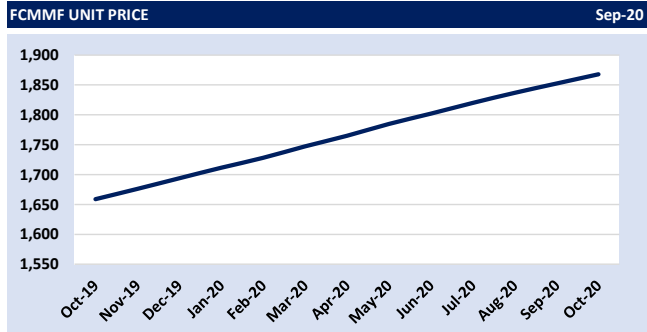
### GLOBAL MARKETS

	Current	Last Month	Change (%)
DOW JONES	30,409.6	29,910.4	1.7%
EURO STOXX 50	3,567.5	3,529.6	1.1%
FTSE 100	6,461.2	6,374.1	1.4%
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	1,896.45	1,896.45	12,599	9.59%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,489.99	1,489.99	53	-5.19%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,123.03	1,123.00	257	7.94%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	1,229.70	1,168.22	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>



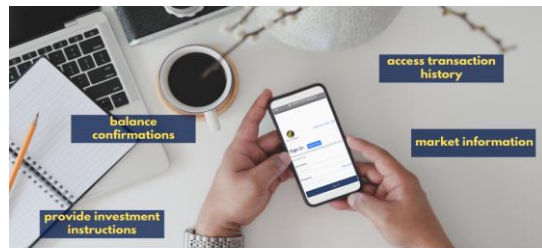
**9.28% P.A.**  
 Current yield as at 06/12/2020

**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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