DAILY MARKET WATCH

First Capital

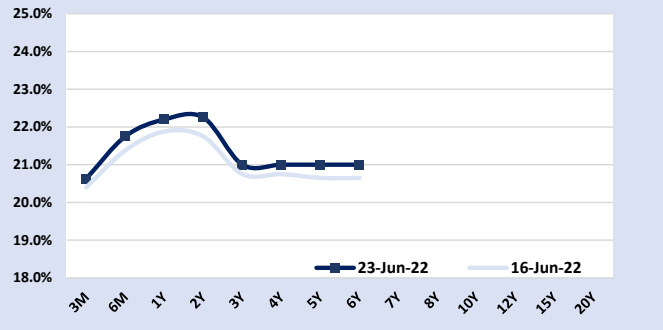
First Capital Research

June 23, 2022

FIXED INCOME

"Yields held broadly steady amidst limited activities"

YIELD CURVE BASED ON MID RATES & MARKET COMMENTARY



The secondary bond market saw mixed activities during the day although overall market witnessed limited activities as the market participants remained on the sidelines. In the midst of thin trading, 01.06.25 maturity changes hands within a range of 21.00%-21.25%. Meanwhile, CBSL announced an issue of LKR 150.0Bn T-bonds through an auction to be held on 28th Jun 2022.

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

Tenure	Bid	Offer	Today	Last Week	Change (bps)
< 91 Days < 3M	20.75%	20.50%	20.63%	20.40%	23
< 182 Days < 6M	22.00%	21.50%	21.75%	21.38%	37
< 364 Days < 1Y	22.40%	22.00%	22.20%	21.88%	32
15-Mar-24 < 2Y	22.50%	22.00%	22.25%	21.75%	50
01-Jun-25 < 3Y	21.25%	20.75%	21.00%	20.75%	25
01-Feb-26 < 4Y	21.25%	20.75%	21.00%	20.75%	25
15-Jan-27 < 5Y	21.25%	20.75%	21.00%	20.65%	35
15-Jan-28 < 6Y	21.25%	20.75%	21.00%	20.65%	35
01-Jan-29 < 7Y	N/A	N/A	N/A	N/A	N/A
15-May-30 < 8Y	N/A	N/A	N/A	N/A	N/A
01-Oct-32 < 10Y	N/A	N/A	N/A	N/A	N/A
01-Jan-34 < 12Y	N/A	N/A	N/A	N/A	N/A
15-Mar-35 < 15Y	N/A	N/A	N/A	N/A	N/A
01-Jan-41 < 20Y	N/A	N/A	N/A	N/A	N/A

PRIMARY AUCTION

T-BILL AUCTION — WEEK ENDING 24-Jun-22

Tenor	Current 22-Jun-22	Previous 15-Jun-22	Change (bps)	Offered LKR ('Mn)	Bids LKR ('Mn)	Accepted LKR ('Mn)
91 days	20.73%	20.73%	0	40,000	61,042	19,883
182 Days	21.90%	21.90%	0	25,000	30,200	5,759
364 Days	22.04%	22.04%	0	28,000	38,660	5,137
Date of Settlement			24-Jun-22	93,000	129,902	30,779

T-BOND AUCTION — WEEK ENDING 1-Jul-22

Bond Type	Yield	Offered	Bids	Accepted
17.00%2025'A'		60,000	New Auction Announcement	
18.00%2028'A'		30,000	New Auction Announcement	
18.00%2031'A'		60,000	New Auction Announcement	
TOTAL		150,000	N/A	N/A

MATURITY TABLE FOR NEXT WEEK — WEEK ENDING 1-Jul-22

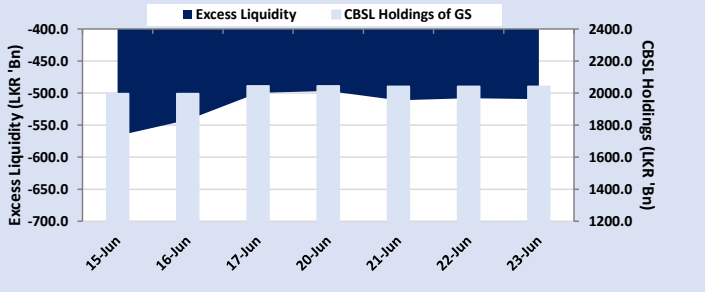
Type	LKR ('Mn)	USD ('Mn)
T-Bills	169,157	
T-Bonds		
T-Bond Interest	45,221	
SLDBs/Sovereign Bonds		0
TOTAL	214,378	0

LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

MARKET LIQUIDITY 23-Jun-22

Mid-day Auction	Repo [LKR 'Bn]	Reverse Repo [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	13.50%	14.50%
Value [LKR 'Bn]	202.1	711.5
O/N Surplus/(Deficit)		-509.4
CBSL Holdings of Government Securities [LKR 'Bn]		2,043.0

EXCESS LIQUIDITY & CBSL HOLDINGS OF GOVERNMENT SECURITIES



MONEY MARKET RATES

		High	Low	W.Avg	Value [LKR 'Bn]
Call Money	23-Jun-22	14.50%	14.50%	14.50%	4.5
Repo Rates	23-Jun-22	14.50%	14.50%	14.50%	3.0

MARKET INTEREST RATES

	17-Jun-22	Last Month	Change (bps)
AWPLR	21.27%	21.12%	15
FD Ceiling Rate (1 Year)	24.74%		

OUTSTANDING STOCK [GSEC]

	15-Jun-22	Previous Week	Change (%)
T-Bills [LKR 'Mn]	2,967,456	2,927,757	1.4%
T-Bonds [LKR 'Mn]	8,063,451	8,003,451	0.7%
TOTAL	11,030,907	10,931,209	0.9%
Foreign Holding [LKR 'Mn]	2,871	2,816	1.9%
Foreign Holding (%)	0.0%	0.0%	

GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

US TREASURIES

	17-Jun-22	10-Jun-22	Change (bps)	Last Month	Change (bps)
1 Year	2.86%	2.58%	28	2.08%	78
2 Year	3.17%	3.06%	11	2.53%	64
5 Year	3.34%	3.25%	9	2.81%	53
10 Year	3.25%	3.15%	10	2.85%	40
30 Year	3.30%	3.20%	10	3.07%	23

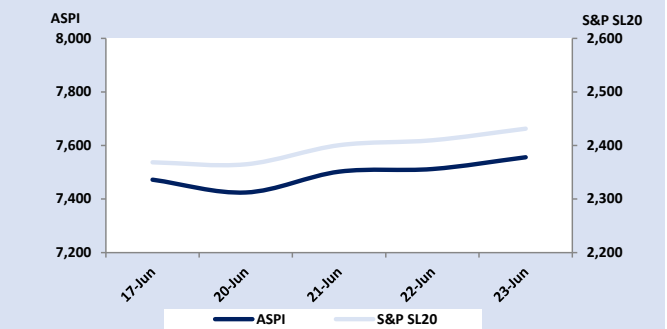
EXCHANGE RATES

		23-Jun-22	Last Month	Change (%)
USA	Dollar	360.90	360.76	0.0%
UK	Pound	441.60	455.28	3.1%
EU	Euro	381.00	387.74	1.8%
Japan	Yen	2.66	2.82	6.0%
Australia	Dollar	248.64	259.08	4.2%

EQUITY

"Expolanka lifts ASPI up"

MARKET INDICES

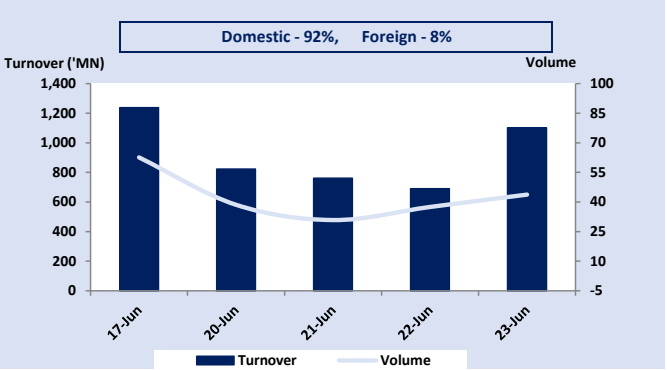


MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	7,556.09	7,512.15	0.58%
S&P SL20	2,431.44	2,409.81	0.90%
Turnover (LKR 'Mn)	1,102.19	690.48	59.63%
Volume ('Mn)	43.74	37.49	16.67%
Market Cap. (LKR 'Bn)	3,286.41	3,247.00	1.21%
Market Cap. (USD 'Bn)	9.11	9.00	1.21%
Traded Companies	222	225	-1.33%
Foreign Purchases (LKR 'Mn)	7.49	10.88	-31.17%
Foreign Sales (LKR 'Mn)	171.41	10.68	1504.28%
Net Foreign flow (LKR 'Mn)	-163.92	0.19	-85205.15%

MTD Net Foreign Flow (LKR 'Mn)	*-45.90*
YTD Net Foreign Flow (LKR 'Mn)	*-1,209.76*

MARKET TURNOVER & VOLUME



MARKET COMMENTARY

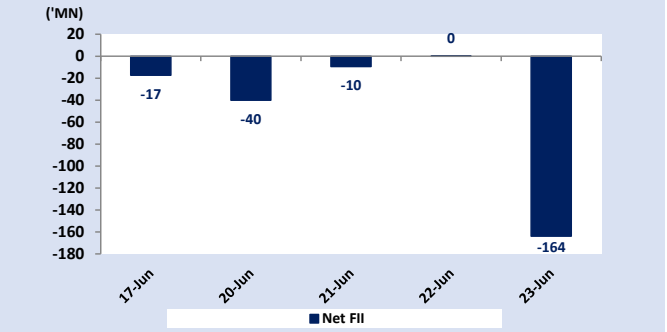
Bourse recorded gains for the third straight session as investors instilled a bullish sentiment on the market, predominantly with buying interest on EXPO following its dividend announcement. Index shot up as the market commenced and followed a sideways drift till the latter part of the session and eventually gained a bit of upward momentum as retail buying built up in counters such as BIL and LIOC before closing for the day at 7,556 gaining 44 points. Further, RCL too contributed to the ASPI hike with business tycoon Dhammika Perera taking oaths as a MP. Turnover improved compared to previous sessions and recorded at LKR 1.1Bn led by a sole contribution of 35% from the Transportation sector while 20% was accounted from the Banking sector following the crossing transactions of COMB and HNB. Meanwhile, foreign investors turned net sellers while recording moderate participation.

MAJOR CROSSINGS

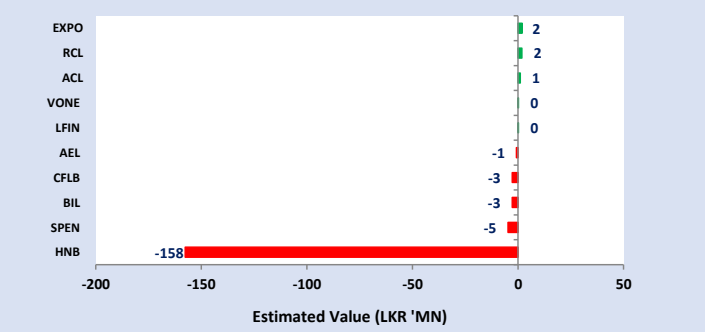
Total Crossings: 2

Stock	No. of Crossings	Price [LKR]	Quantity
COMB	1	50.00	980,000
HNB	1	80.00	502,000

NET FOREIGN FLOW



ESTIMATED LARGEST FOREIGN FLOW



TOP 5 GAINERS

	Today	Previous	Change (%)
MALWATTE [NON-VOTING]	21.40	17.20	24.42%
HNB FINANCE [NON-VOTING]	6.00	4.90	22.45%
ROYAL PALMS	19.40	16.60	16.87%
SINGER IND.	33.90	30.10	12.62%
HOTELS CORP.	10.50	9.40	11.70%

TOP 5 LOSERS

	Today	Previous	Change (%)
AUTODROME	86.00	100.00	-14.00%
CITRUS WASKADUWA	1.40	1.60	-12.50%
ON'ALLY	24.00	26.00	-7.69%
KANDY HOTELS	5.50	5.90	-6.78%
AMF CO LTD	7.50	8.00	-6.25%

TOP 5 TURNOVER

	Price	Volume ('Mn)	Turnover ('Mn)
EXPOLANKA	185.75	2.1	386.51
HNB	80.00	2.0	157.82
BROWNS INVSTMNTS	8.40	16.9	141.16
ROYAL CERAMIC	27.90	3.4	93.85
COMMERCIAL BANK	50.50	1.1	54.92

TOP 5 VOLUME

	Price	Volume ('Mn)	Turnover ('Mn)
BROWNS INVSTMNTS	8.40	16.9	141.16
ROYAL CERAMIC	27.90	3.4	93.85
LOLC FINANCE	7.00	2.7	18.81
EXPOLANKA	185.75	2.1	386.51
HNB	80.00	2.0	157.82

GLOBAL MARKETS & COMMODITIES

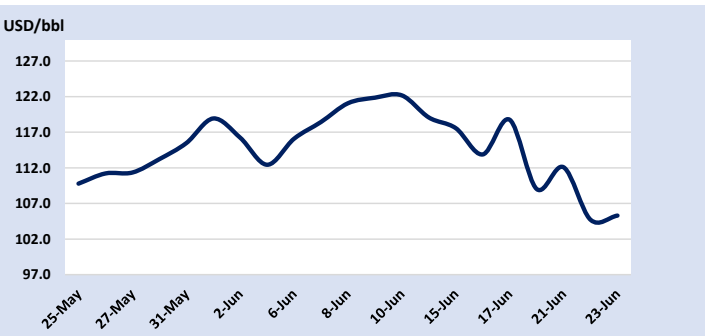
GLOBAL COMMODITY PRICES

		Current	Last Month	Change (%)
Crude Oil	USD/bbl	105.3	118.9	-11.5%
Gold	USD/t oz	1,830.6	1,851.8	-1.1%
Copper	USd/lb.	387.0	434.0	-10.8%
Cotton	USd/lb.	104.4	123.1	-15.2%
Aluminum	USD/MT	2,479.5	2,888.5	-14.2%

GLOBAL MARKETS

	Current	Last Month	Change (%)
DOW JONES	30,483.1	33,213.0	-8.2%
EURO STOXX 50	3,460.2	3,810.5	-9.2%
FTSE 100	7,103.3	7,618.5	-6.8%
NIKKEI 225	26,171.3	27,279.8	-4.1%

CRUDE OIL MOVEMENT



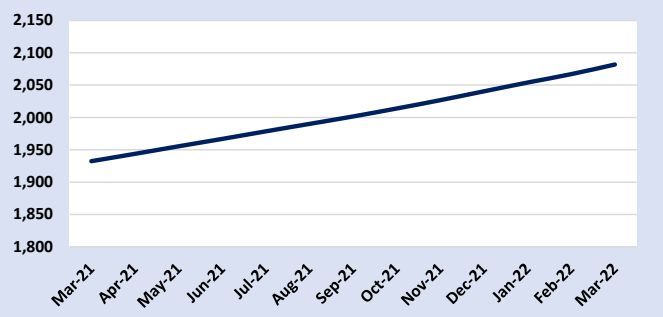
UNIT TRUSTS

	Sell Price	Buy Price	AUM LKR 'Mn	Avg. Yield	Information on Fees		
	LKR	LKR	As at Mar 2022		Mgmt Fee	Trustee fee	Performance Fee
First Capital Money Market Fund	2,122.70	2,122.70	15,470	8.98%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,633.83	1,633.83	56	4.86%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,023.72	1,023.69	257	6.27%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	1,370.95	1,302.40	92	N/A	1.00% p.a.	0.23% p.a.	25% over ASTRI

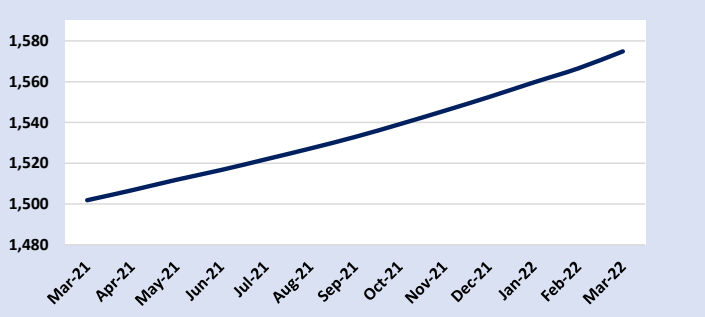
TRAILING RETURNS (%) — Performance as of Mar-22

FIXED INCOME FUNDS	YTD	2020/21	2019/20	2018/19	2017/18	2016/17	Since Inception
First Capital Money Market Fund	7.74%	10.60%	13.94%	12.96%	11.92%	10.39%	10.50%
First Capital Gilt Edge Fund	4.86%	-1.69%	6.80%	7.56%	9.14%	19.06%	7.64%
First Capital Wealth Fund	6.27%	7.29%	10.83%	11.40%	11.32%	10.63%	10.52%
BALANCED FUND	**YTD**	**2020/21**	**2019/20**	**2018/19**	**2017/18**	**2016/17**	**Since Inception**
First Capital Equity Fund	14.34%	95.65%	-12.12%	-19.47%	0.96%	1.62%	55.38%
ASTRI*	25.24%	56.00%	9.80%	-1.37%	7.30%	0.33%	27.15%
Out/(Under) Performance	**-10.90%**	**-21.91%**	**-18.10%**	**-6.34%**	**1.30%**		**28.23%**

FCMMF UNIT PRICE Mar-22

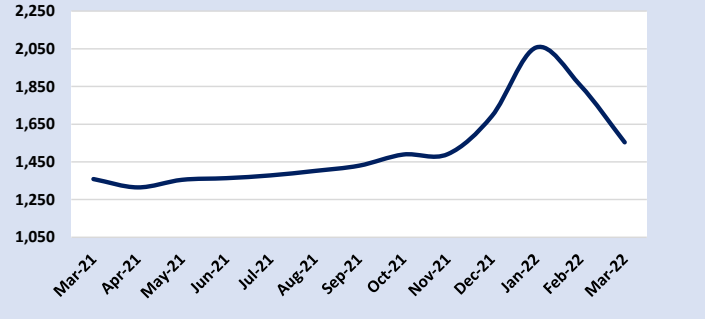


FCGEF UNIT PRICE Mar-22



FCWF UNIT PRICE Mar-22

FCEF UNIT PRICE Mar-22



First Capital Holdings PLC

No.2, Deal Place,
Colombo 3

Tel: +94 11 2145 000
Fax: +94 11 2145 050

RESEARCH

Dimantha Mathew	+94 11 2639 853	Vidushika Perera	+94 11 2639 865
Hiruni Perera	+94 11 2639 864	Tharusha Ashokgar	+94 11 2639 866
Ranjan Ranatunga	+94 11 2639 863	Zaeema Jihan	+94 11 2639 868

GOVERNMENT SECURITIES SALES

Anjelo Simmons	+94 77 3031 636	Neminda Jayawardena	+94 76 6644 080
Anushka Dissanayake	+94 77 2220 021	Arun Kandasamy	+94 75 4861 506
Anushi Ranawaka	+94 77 3876 819		

CORPORATE DEBT SALES

Tharusha Ekanayake	+ 94 77 7 809 154

EQUITY SALES

CEO	Jaliya Wijeratne	+94 70 2910 042	**Negombo**	
			Priyanka Anuruddha	+94 70 2910 035
Colombo			Priyantha Wijesiri	+94 70 2910 036
Rasika Indra Kumara		+94 77 7072 698		
Isuru Jayawardena		+94 76 7084 953		
Nishantha Mudalige		+94 70 2910 041		
Ifadh Marikar		+94 77 9625 679		
Anushka Buddhika		+94 71 4310 600		
Thushara Pathiraja		+94 70 2910 037		
Chandika Jayawardana		+94 77 3940 070		

UNIT TRUST SALES

Kavin Karunamoorthy	+94 77 0328 060	Imali Abeygunawardena	+94 77 1764 799

BRANCHES

Kandy	**Kurunegala**	**Matara**	**Negombo**
CSE Branch Office,	No.174/B2,	CSE Branch Office,	Colombo Stock Exchange
No. 88,	Negombo Road,	1 st Floor, E.H.Cooray Tower,	Negombo Branch Office,
Dalada Veediya,	Kurunegala.	No.24, Anagarika Dharmapala Mawatha,	No. 72 A, 2/1, Old Chilaw Road,
Kandy 20000.	Kurunegala 60000.	Matara 81000.	Negombo 11500.
Manager: Salinda Samarakoon	**Manager:**	**Manager: Rohana Jayakody**	**Manager:**
Tel: +94 81 2236 010	Tel: +94 37 2222 930	Tel: +94 41 2222 988	Tel: +94 31 4937 072

Disclaimer:

This Review is prepared and issued by First Capital Holdings PLC based on information in the public domain, internally developed and other sources, believed to be correct. Although all reasonable care has been taken to ensure the contents of the Review are accurate, First Capital Holdings PLC and/or its Directors, employees, are not responsible for the accuracy, usefulness, reliability of same. First Capital Holdings PLC may act as a Broker in the investments which are the subject of this document or related investments and may have acted on or used the information contained in this document, or the research or analysis on which it is based, before its publication. First Capital Holdings PLC and/or a connected person or associated person may also have a position or be otherwise interested in the investments referred to in this document. This is not an offer to sell or buy the investments referred to in this document. This Review may contain data which are inaccurate and unreliable. You hereby waive irrevocably any rights or remedies in law or equity you have or may have against First Capital Holdings PLC with respect to the Review and agree to indemnify and hold First Capital Holdings PLC and/or its principal, their respective directors and employees harmless to the fullest extent allowed by law regarding all matters related to your use of this Review. No part of this document may be reproduced, distributed or published in whole or in part by any means to any other person for any purpose without prior permission.

About us:

This report providing a snapshot of fixed income, equity and unit trust is composed and circulated by First Capital Holdings PLC an investment bank in Sri Lanka. The company operates in the capital market of Sri Lanka with operations in government securities - treasury bills and bonds, stock brokering and share market investments, asset management, private wealth management, retirement planning, personal financial planning, unit trust, margin trading, capital market research, trustee services, corporate finance advisory services including corporate debt structuring (debentures, trust certificates, commercial papers), valuations, restructuring, mergers and acquisitions, initial public offerings (IPOs) and project advisory. The First Capital Group consists of First Capital Treasuries PLC, First Capital Limited, First Capital Markets Limited, First Capital Asset Management Limited and First Capital Equities (Private) Limited covering Colombo, Negombo, Matara, Kandy and Kurunegala.