



First Capital

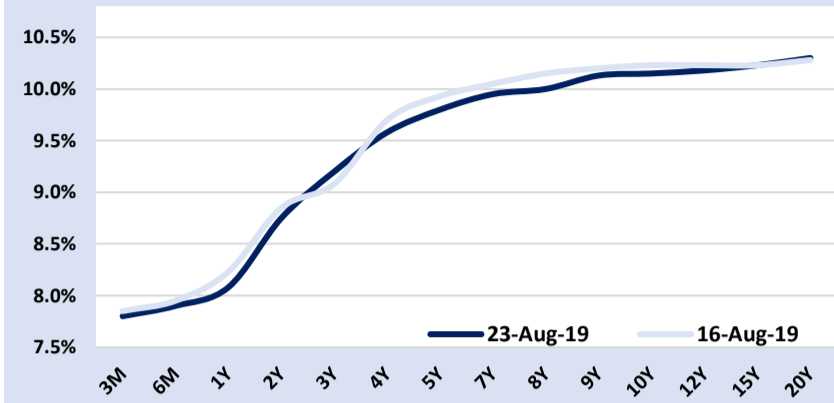
# DAILY MARKET WATCH

First Capital Research

August 23, 2019

## FIXED INCOME

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



With the announcement of surprise 50bps policy rate cut by CBSL, secondary market witnessed buying interest offsetting the continuous foreign selling thus resulting the overall yield curve shifting downwards. Amidst the buying interest, short tenor 01.08.21, 15.10.21 and 15.12.21 saw its yields trading in the range of 8.82%-8.75% while 01.07.22 and 01.10.22 traded in the range of 9.20%-9.15%. Moreover, yields of mid tenor 15.03.23, 15.07.23 and 15.12.23 traded between 9.67%-9.50%. 15.03.24 and 15.06.24 changed hands at 9.80%-9.75% levels with overall market witnessing high volumes during the day.

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

Tenure	Bid	Offer	Today	Last Week	Change (bps)
< 91 Days < 3M	7.90%	7.70%	7.80%	7.85%	-5
< 182 Days < 6M	8.00%	7.80%	7.90%	7.95%	-5
< 364 Days < 1Y	8.15%	8.00%	8.08%	8.23%	-15
01-Aug-21 < 2Y	8.80%	8.70%	8.75%	8.85%	-10
01-Oct-22 < 3Y	9.25%	9.15%	9.20%	9.08%	12
15-Jul-23 < 4Y	9.60%	9.55%	9.58%	9.70%	-12
15-Jun-24 < 5Y	9.85%	9.75%	9.80%	9.93%	-13
01-Aug-26 < 7Y	10.00%	9.90%	9.95%	10.05%	-10
15-Jun-27 < 8Y	10.05%	9.95%	10.00%	10.15%	-15
01-Sep-28 < 9Y	10.15%	10.10%	10.13%	10.20%	-7
01-May-29 < 10Y	10.20%	10.10%	10.15%	10.23%	-8
15-Mar-31 < 12Y	10.25%	10.10%	10.18%	10.23%	-5
15-Jan-33 < 15Y	10.30%	10.15%	10.23%	10.23%	0
15-Mar-35 < 20Y	10.40%	10.20%	10.30%	10.28%	2

### PRIMARY AUCTION

#### T-BILL AUCTION

Tenor	Current	Previous	Change
	21-Aug-19	13-Aug-19	(bps)
91 days	7.84%	7.80%	4
182 Days	7.89%	N/A	N/A
364 Days	8.31%	8.17%	14

Date of Settlement	23-Aug-19
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#### T-BOND AUCTION

Bond Type	Yield	Offered	Bids	Accepted
09.00%2028'B'	10.00%	5,000	22,495	5,000
10.50%2039'A'	10.29%	10,000	37,236	10,000
<b>TOTAL</b>		<b>15,000</b>	<b>59,731</b>	<b>15,000</b>

#### WEEK ENDING 23-Aug-19

Offered	Bids	Accepted
LKR ('Mn)	LKR ('Mn)	LKR ('Mn)
1,500	3,103	1,610
1,500	2,700	1,542
15,000	28,350	14,848
<b>18,000</b>	<b>34,153</b>	<b>18,000</b>

#### MATURITY TABLE FOR NEXT WEEK

Type	LKR ('Mn)	USD ('Mn)
T-Bills	12,164	
T-Bonds	0	
T-Bond Interest	22,712	
SLDBs/Sovereign Bonds		0
<b>TOTAL</b>	<b>34,876</b>	<b>0</b>

### LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

#### MARKET LIQUIDITY

23-Aug-19	Repo	Reverse Repo
[LKR 'Bn]	[LKR 'Bn]	[LKR 'Bn]
Offered	0.0	5.0
Bids	N/A	7.3
Accepted	N/A	5.0
Weighted Average Rate (%)	N/A	7.31%

#### Standing Facility

Rate	7.00%	8.00%
Value [LKR 'Bn]	31.0	0.0

#### O/N Surplus/(Deficit)

	26.0
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#### CBSL Holdings of Government Securities [LKR 'Bn]

	82.0
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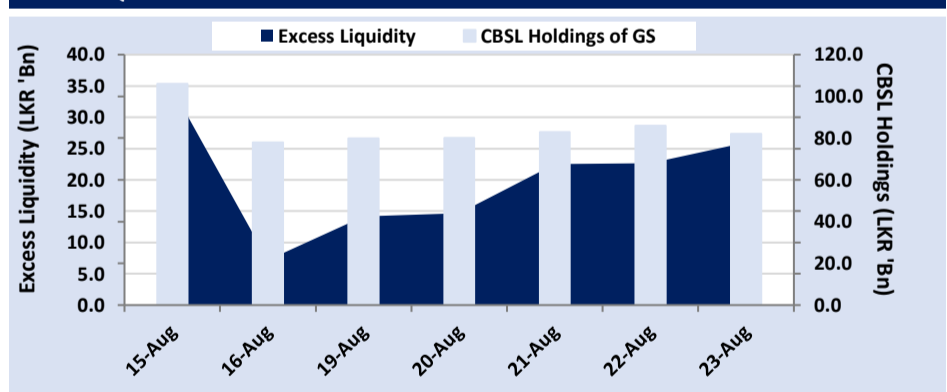
#### MONEY MARKET RATES

	High	Low	W.Avg	Value [LKR 'Bn]
Call Money 23-Aug-19	7.32%	7.10%	7.28%	10.7
Repo Rates 23-Aug-19	7.50%	7.20%	7.30%	8.8

#### MARKET INTEREST RATES

	13-Aug-19	Last Month	Change (bps)
AWPLR	10.77%	10.84%	-7
	<b>Banks</b>	<b>NBFIs</b>	
FD Ceiling Rate (1 Year) 3Q2019	9.83%	11.08%	

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



#### OUTSTANDING STOCK [GSEC]

	13-Aug-19	Previous Week	Change (%)
T-Bills [LKR 'Mn]	917,687	917,489	0.0%
T-Bonds [LKR 'Mn]	4,632,962	4,632,962	0.0%
<b>TOTAL</b>	<b>5,550,648</b>	<b>5,550,450</b>	<b>0.0%</b>

#### T-Bills & T-Bonds held by Foreigners

Foreign Holding [LKR 'Mn]	136,468	136,467	0.0%
Foreign Holding (%)	2.5%	2.5%	

### GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

#### US TREASURIES

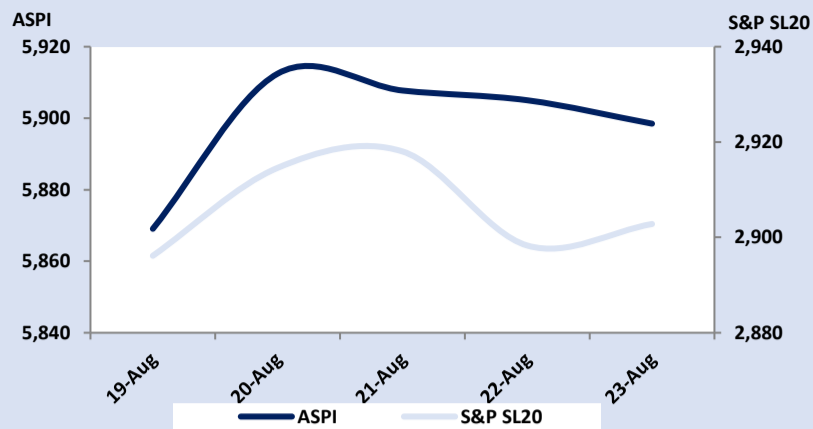
	16-Aug-19	9-Aug-19	Change (bps)	Last Month	Change (bps)
1 Year	1.71%	1.78%	-7	2.00%	-29
2 Year	1.48%	1.63%	-15	1.89%	-41
5 Year	1.42%	1.57%	-15	1.84%	-42
10 Year	1.55%	1.74%	-19	2.02%	-47
30 Year	2.01%	2.26%	-25	2.53%	-52

#### EXCHANGE RATES

	23-Aug-19	Last Month	Change (%)
USA Dollar	179.47	176.24	-1.8%
UK Pound	219.61	214.17	-2.5%
EU Euro	198.75	196.56	-1.1%
Japan Yen	1.68	1.62	-3.6%
Australia Dollar	121.30	121.26	0.0%

# EQUITY

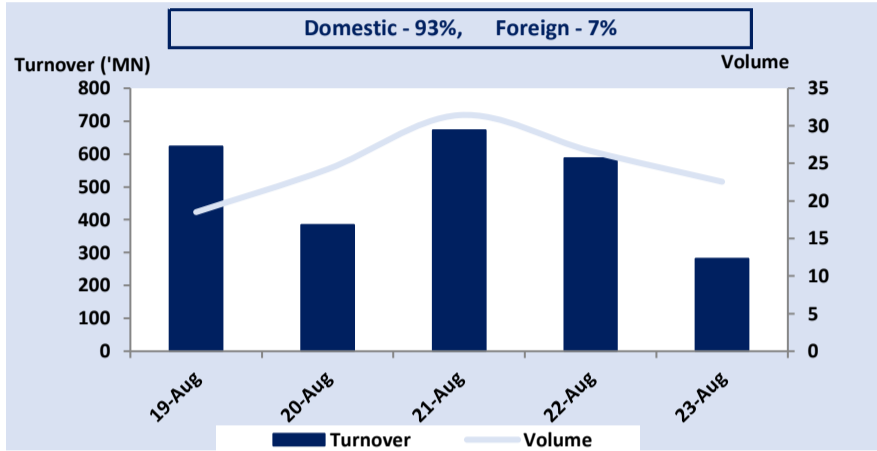
## MARKET INDICES



## MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	5,898.47	5,905.02	-0.11%
S&P SL20	2,902.80	2,898.29	0.16%
Turnover (LKR 'Mn)	280.99	586.56	-52.09%
Volume ('Mn)	22.56	26.64	-15.33%
Market Cap. (LKR 'Bn)	2,784.67	2,787.76	-0.11%
Market Cap. (USD 'Bn)	15.52	15.53	-0.11%
Traded Companies	223	220	1.36%
Foreign Purchases (LKR 'Mn)	19.62	144.65	-86.44%
Foreign Sales (LKR 'Mn)	19.08	170.78	-88.83%
Net Foreign flow (LKR 'Mn)	0.54	-26.13	102.06%

## MARKET TURNOVER & VOLUME



MTD Net Foreign Flow (LKR 'Mn)

-1,931.85

YTD Net Foreign Flow (LKR 'Mn)

-1,135.76

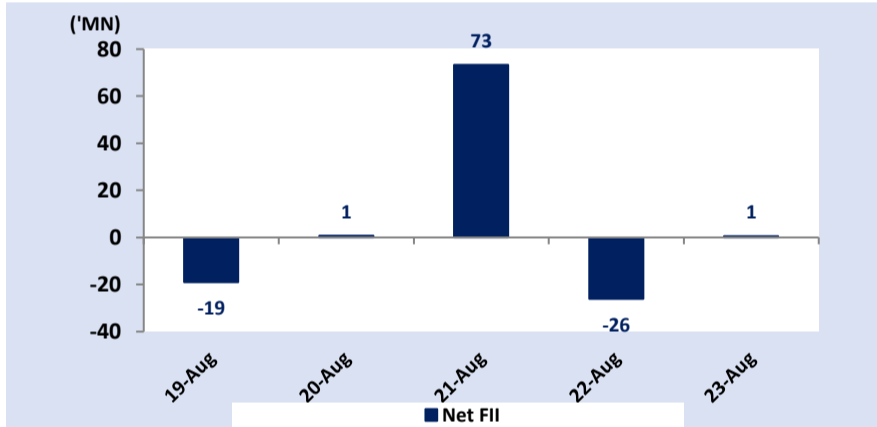
## MARKET COMMENTARY

The market continued the negative sentiment for the third consecutive day predominantly dragged down by CCS. ASPI witnessed an uptrend during the first hour of trading recording an intraday high of 5,920 followed by a downtrend closing the day at 5,898 losing 7 points. Turnover recorded over one month low while a marginal net foreign inflow was witnessed with low foreign participation.

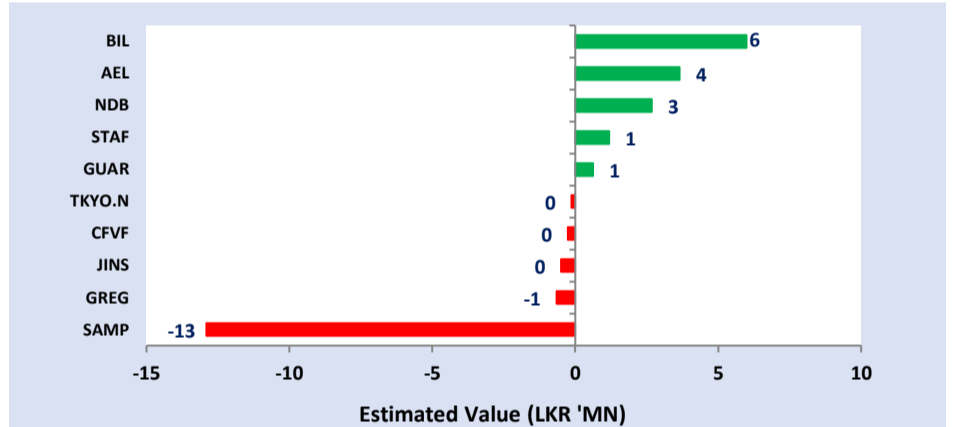
## MAJOR CROSSINGS

Stock	No. of Crossings	Price [LKR]	Quantity	Total Crossings
SAMP	1	166.00	200,000	1

## NET FOREIGN FLOW



## ESTIMATED LARGEST FOREIGN FLOW



## TOP 5 GAINERS

	Today	Previous	Change (%)
S M B LEASING [X]	0.30	0.20	50.00%
MACKWOODS ENERGY	2.40	2.20	9.09%
LUCKY LANKA	1.50	1.40	7.14%
LION BREWERY	599.40	570.00	5.16%
MAHAWELI REACH	14.60	13.90	5.04%

## TOP 5 LOSERS

	Today	Previous	Change (%)
TESS AGRO [X]	0.40	0.50	-20.00%
NATION LANKA	0.60	0.70	-14.29%
ANILANA HOTELS	0.90	1.00	-10.00%
LMF	99.10	109.90	-9.83%
ON'ALLY	33.70	36.20	-6.91%

## TOP 5 TURNOVER

	Price	Volume ('Mn)	Turnover ('Mn)
SAMPATH	166.20	0.4	73.04
BROWNS INVSTMNTS	3.40	13.5	45.88
ACCESS ENG SL	19.60	2.0	39.42
HAYLEYS FABRIC	14.90	1.1	16.53
COLD STORES	755.00	0.0	9.51

## TOP 5 VOLUME

	Price	Volume ('Mn)	Turnover ('Mn)
BROWNS INVSTMNTS	3.40	13.5	45.88
ACCESS ENG SL	19.60	2.0	39.42
HAYLEYS FABRIC	14.90	1.1	16.53
PANASIAN POWER	3.30	1.1	3.55
SAMPATH	166.20	0.4	73.04

## GLOBAL MARKETS & COMMODITIES

### GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	55.4	58.4	-5.2%
Gold USD/t oz	1,505.8	1,444.4	4.3%
Copper USD/lb.	257.6	268.6	-4.1%
Cotton USD/lb.	59.5	63.4	-6.2%
Aluminum USD/MT	1,766.0	1,803.0	-2.1%

### CRUDE OIL MOVEMENT



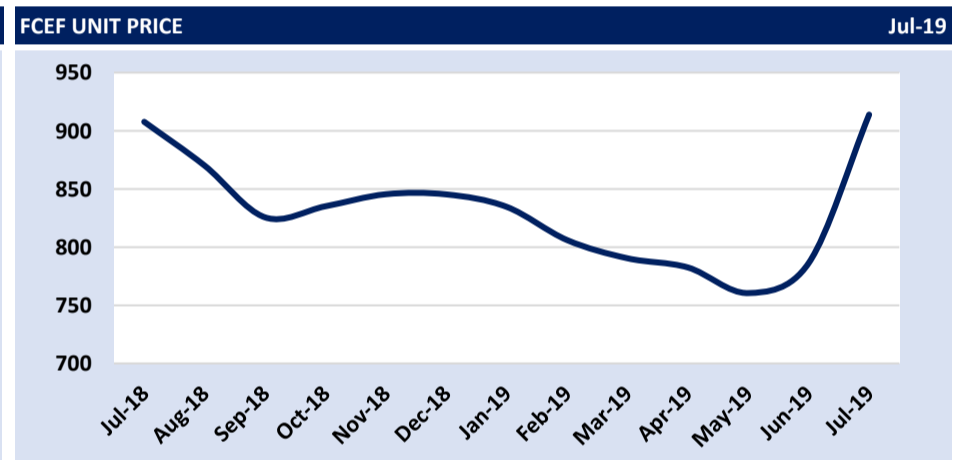
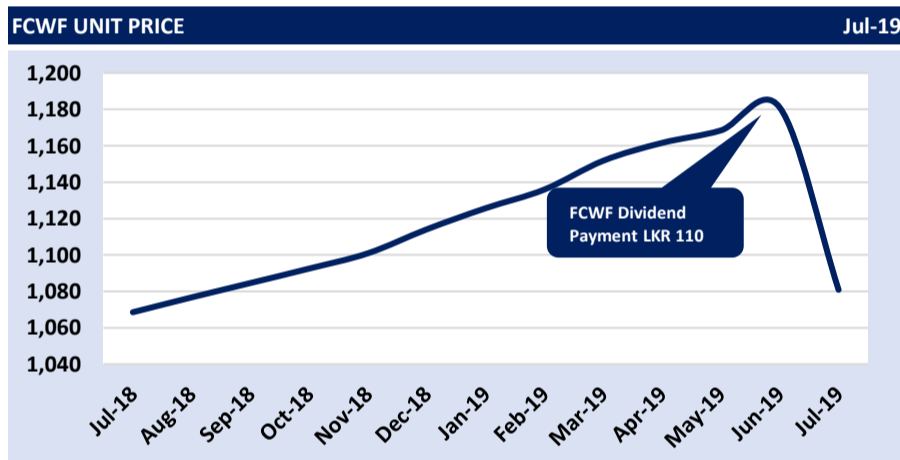
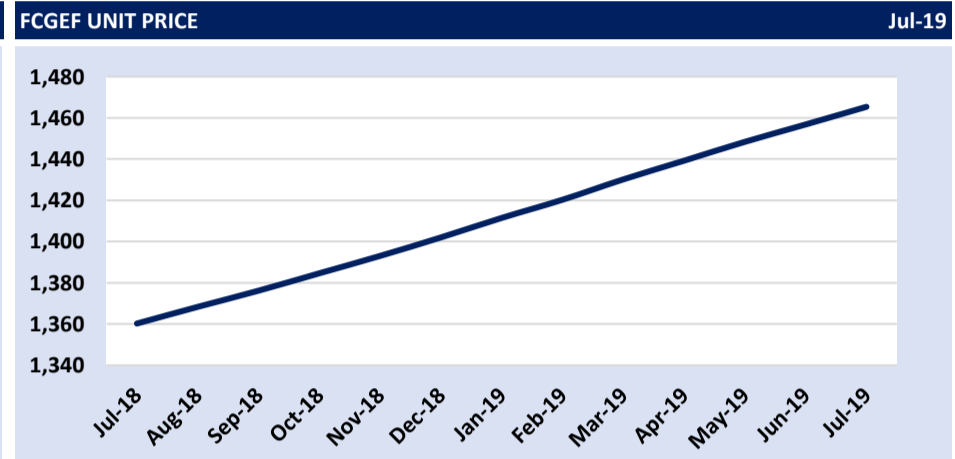
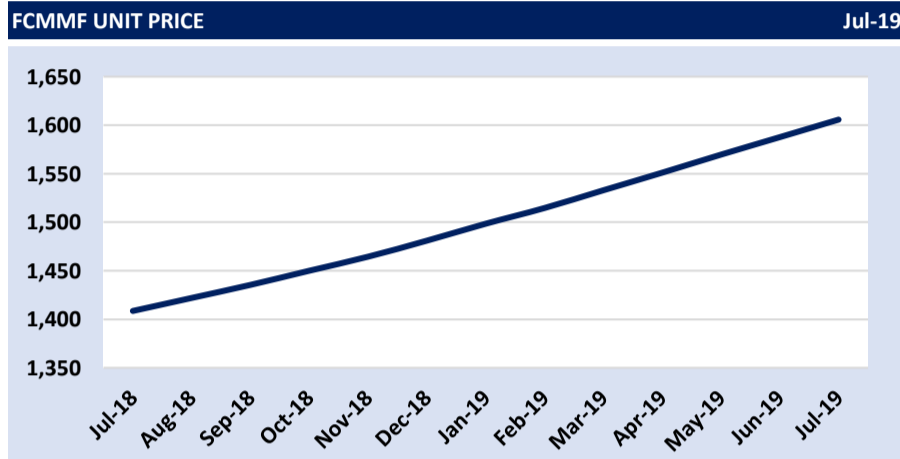
### GLOBAL MARKETS

	Current	Last Month	Change (%)
DOW JONES	26,252.2	27,198.0	-3.5%
EURO STOXX 50	3,393.0	3,462.7	-2.0%
FTSE 100	7,179.3	7,590.8	-5.4%
NIKKEI 225	20,710.9	21,521.5	-3.8%

# UNIT TRUSTS

	Sell Price	Buy Price	AUM LKR 'Mn	Avg. Yield	Information on Fees		
	LKR	LKR	As at Jul 2019		Mgmt Fee	Trustee fee	Performance Fee
First Capital Money Market Fund	1,618.38	1,618.38	5,704	12.99%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,471.19	1,471.19	52	6.59%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,087.28	1,087.25	598	10.14%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	899.38	854.41	55	N/A	1.00% p.a.	0.23% p.a.	25% over ASTRI

TRAILING RETURNS (%)							Performance as of	Jul-19
	YTD	2018/19	2017/18	2016/17	2015/16	2014/15	Since Inception	
<b>FIXED INCOME FUNDS</b>								
First Capital Money Market Fund	14.21%	12.96%	11.92%	10.39%	7.92%	7.20%	10.60%	
First Capital Gilt Edge Fund	7.37%	7.56%	9.14%	19.06%	4.17%	-3.46%	9.58%	
First Capital Wealth Fund	10.14%	11.40%	11.32%	10.63%	4.90%	15.48%	11.35%	
<b>BALANCED FUND</b>								
First Capital Equity Fund	6.99%	-1.37%	7.30%	0.33%	-14.94%	N/A	-23.67%	
ASTRI*	15.63%	-6.51%	0.96%	1.62%	-4.33%	N/A	-21.37%	
<b>Out/(Under) Performance</b>	<b>8.64%</b>	<b>-5.14%</b>	<b>-6.34%</b>	<b>1.30%</b>	<b>10.61%</b>		<b>2.30%</b>	



**Save**  
the non-traditional way  
**Money Market Fund**

\* Flexibility to withdraw funds at anytime

**13.09%** P.A.  
current yield as at 7/08/19

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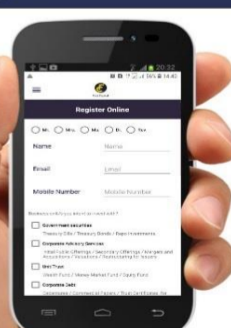
\* The current yield is variable and subject to change. Past performance is not an indicator of future performance. Investors are advised to read and understand the contents of the Explanatory Memorandum before investing.



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## BRANCHES

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<b>Manager: Salinda Samarakoon</b>	<b>Manager:</b>	<b>Manager: Rohana Jayakody</b>	<b>Manager:</b>
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