



First Capital

DAILY MARKET WATCH

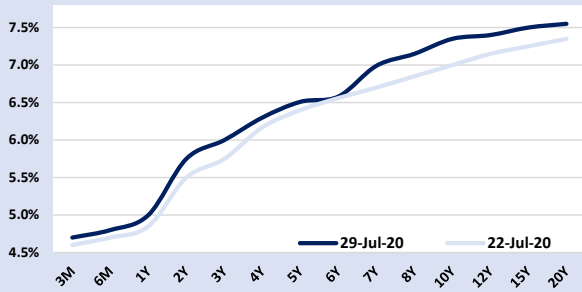
First Capital Research

July 29, 2020

FIXED INCOME

"Weekly T-Bill auction undersubscribed after 7 weeks"

YIELD CURVE BASED ON MID RATES & MARKET COMMENTARY



At the primary treasury bill auction held today, only LKR 11.9Bn was accepted out of the total offered amount of LKR 39.5Bn, whereas 3M and 6M bills were accepted at weighted averages of 4.59% and 4.68%, dipping by 1bps each, respectively. In addition, the benchmark 1-Yr T-bill was accepted at the same rate of 4.86%. Furthermore, the overall secondary market yield curve witnessed mixed activities amidst moderate volumes. On the short end of the curve 15.12.22 and 15.01.23 maturities traded at 5.70% and 5.75%, respectively, while buying interest was seen on 15.06.24 at 6.25%-6.20% levels, 01.05.25 at 6.48%-6.45% levels, 01.02.26 at 6.52%, 01.06.26 at 6.65%, 01.08.26 at 6.67% and 15.05.30 traded in the range of 7.33%-7.29% levels.

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

Tenure	Bid	Offer	Today	Last Week	Change (bps)
< 91 Days < 3M	4.70%	4.60%	4.65%	4.55%	10
< 182 Days < 6M	4.80%	4.70%	4.75%	4.65%	10
< 364 Days < 1Y	5.00%	4.90%	4.95%	4.80%	15
15-Dec-22 < 2Y	5.75%	5.65%	5.70%	5.45%	25
15-Jul-23 < 3Y	6.00%	5.90%	5.95%	5.70%	25
15-Sep-24 < 4Y	6.30%	6.20%	6.25%	6.12%	13
01-May-25 < 5Y	6.48%	6.43%	6.46%	6.35%	11
01-Feb-26 < 6Y	6.55%	6.50%	6.53%	6.51%	2
15-Oct-27 < 7Y	6.98%	6.90%	6.94%	6.65%	29
01-Sep-28 < 8Y	7.15%	7.05%	7.10%	6.80%	30
15-May-30 < 10Y	7.35%	7.25%	7.30%	6.95%	35
01-Jan-32 < 12Y	7.45%	7.25%	7.35%	7.10%	25
15-Sep-34 < 15Y	7.55%	7.35%	7.45%	7.20%	25
15-Aug-39 < 20Y	7.65%	7.35%	7.50%	7.30%	20

PRIMARY AUCTION

T-BILL AUCTION

Tenor	Current	Previous	Change
	29-Jul-20	22-Jul-20	(bps)
91 days	4.59%	4.60%	-1
182 Days	4.68%	4.69%	-1
364 Days	4.86%	4.86%	0

Date of Settlement 31-Jul-20

T-BOND AUCTION

Bond Type	Yield	Offered	Bids	Accepted
05.75%2022'A'		45,000	New Auction Announcement	
09.00%2026'A'		35,000	New Auction Announcement	
07.80%2027'A'		30,000	New Auction Announcement	
TOTAL		110,000	N/A	N/A

WEEK ENDING 29-Jul-20

Offered	Bids	Accepted
LKR ('Mn)	LKR ('Mn)	LKR ('Mn)
9,000	12,275	5,875
6,000	6,679	2,179
24,500	28,009	3,909
39,500	46,963	11,963

MATURITY TABLE FOR NEXT WEEK

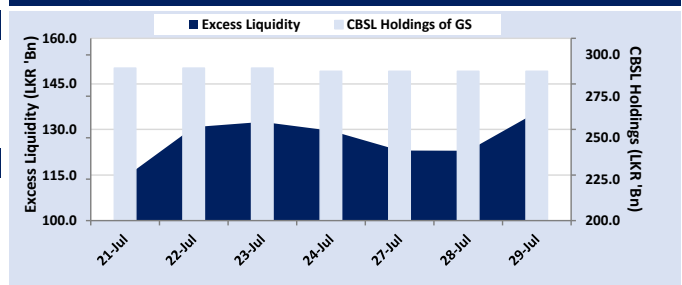
Type	LKR ('Mn)	USD ('Mn)
T-Bills	32,835	
T-Bonds	0	
T-Bond Interest	0	
SLDBs/Sovereign Bonds		128
TOTAL	32,835	128

LIQUIDITY, CBSL HOLDINGS & MARKET INTEREST RATES

MARKET LIQUIDITY

	29-Jul-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]		135.7	0.0
O/N Surplus/(Deficit)			135.7
CBSL Holdings of Government Securities [LKR 'Bn]			290.1

EXCESS LIQUIDITY & CBSL HOLDINGS OF GOVERNMENT SECURITIES



MONEY MARKET RATES

	High	Low	W.Avg	Value [LKR 'Bn]
Call Money 29-Jul-20	4.55%	4.53%	4.53%	1.2
Repo Rates 29-Jul-20	4.70%	4.53%	4.57%	23.9

MARKET INTEREST RATES

	22-Jul-20	Last Month	Change (bps)
AWPLR	7.63%	8.65%	-102
	Banks	NBFIs	
FD Ceiling Rate (1 Year) 1Q2020	N/A	8.53%	

OUTSTANDING STOCK [GSEC]

	22-Jul-20	Previous Week	Change (%)
T-Bills [LKR 'Mn]	1,151,691	1,149,063	0.2%
T-Bonds [LKR 'Mn]	5,129,659	5,129,659	0.0%
TOTAL	6,281,350	6,278,722	0.0%

T-Bills & T-Bonds held by Foreigners

	22-Jul-20	Previous Week	Change (%)
Foreign Holding [LKR 'Mn]	12,823	16,272	-21.2%
Foreign Holding (%)	0.2%	0.3%	

GLOBAL OUTLOOK FOR INTEREST RATES AND EXCHANGE RATES

US TREASURIES

	24-Jul-20	17-Jul-20	Change (bps)	Last Month	Change (bps)
1 Year	0.16%	0.14%	2	0.16%	0
2 Year	0.14%	0.14%	0	0.16%	-2
5 Year	0.27%	0.29%	-2	0.29%	-2
10 Year	0.59%	0.64%	-5	0.66%	-7
30 Year	1.23%	1.33%	-10	1.41%	-18

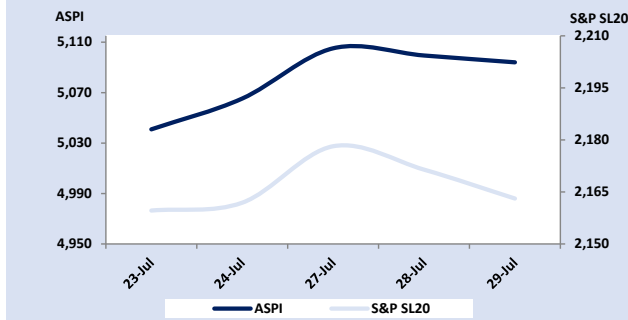
EXCHANGE RATES

	29-Jul-20	Last Month	Change (%)
USA Dollar	185.76	186.23	0.3%
UK Pound	239.98	229.18	-4.5%
EU Euro	217.77	209.41	-3.8%
Japan Yen	1.77	1.73	-2.2%
Australia Dollar	133.09	128.12	-3.7%

EQUITY

"Negative sentiment continues"

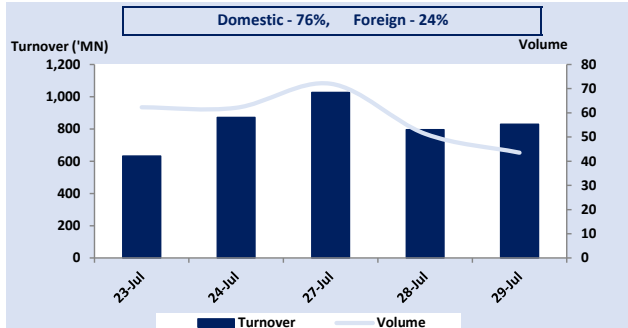
MARKET INDICES



MARKET PERFORMANCE

	Today	Previous	Change (%)
ASPI	5,094.00	5,099.42	-0.11%
S&P SL20	2,163.09	2,171.43	-0.38%
Turnover (LKR 'Mn)	829.73	794.98	4.37%
Volume ('Mn)	43.52	51.35	-15.24%
Market Cap. (LKR 'Bn)	2,397.42	2,399.98	-0.11%
Market Cap. (USD 'Bn)	12.91	12.92	-0.11%
Traded Companies	231	251	-7.97%
Foreign Purchases (LKR 'Mn)	102.58	86.43	18.69%
Foreign Sales (LKR 'Mn)	303.79	269.57	12.69%
Net Foreign flow (LKR 'Mn)	-201.20	-183.13	-9.87%

MARKET TURNOVER & VOLUME



MTD Net Foreign Flow (LKR 'Mn)

YTD Net Foreign Flow (LKR 'Mn)

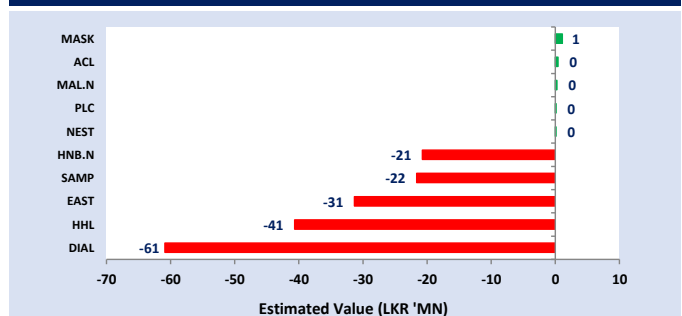
MARKET COMMENTARY

Mixed activities by the retailers and HNWI's drove the market to the negative zone for the 2nd consecutive session. After experiencing a slight dip within the first 30 minutes of trading market witnessed a sideways volatile movement during mid-day. Within the last 15 minutes of trading market recorded a drop due to the selling pressure in CTHR and closed at 5,094 losing 5 points. Parcel trades boosted the turnover contributing 18%, while the Banking counters continued its dominating stance. Market recorded moderate foreign participation dominated by the selling side resulting in a net outflow.

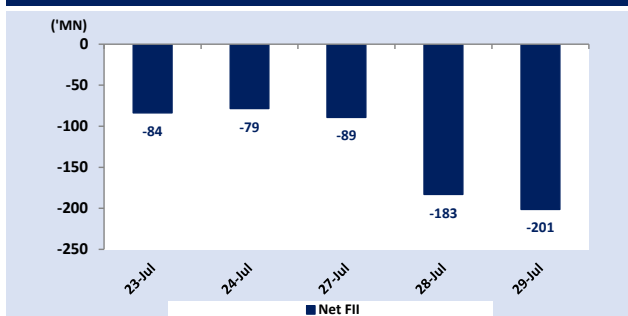
MAJOR CROSSINGS

Stock	No. of Crossings	Price [LKR]	Quantity
HHL	1	58.00	688,193
COMB	1	73.50	537,203

ESTIMATED LARGEST FOREIGN FLOW



NET FOREIGN FLOW



TOP 5 GAINERS

	Today	Previous	Change (%)
HORANA	19.60	16.40	19.51%
E - CHANNELLING	5.40	4.70	14.89%
MULLERS	0.80	0.70	14.29%
BERUWALA RESORTS	0.90	0.80	12.50%
ANILANA HOTELS	1.00	0.90	11.11%

TOP 5 LOSERS

	Today	Previous	Change (%)
UNION CHEMICALS	448.00	530.60	-15.57%
NATION LANKA	0.80	0.90	-11.11%
C T HOLDINGS	139.30	155.00	-10.13%
MARAWILA RESORTS	1.50	1.60	-6.25%
CARGO BOAT	40.10	42.50	-5.65%

TOP 5 TURNOVER

	Price	Volume ('Mn)	Turnover ('Mn)
SAMPATH	121.40	1.0	121.93
COMMERCIAL BANK	73.50	0.9	64.73
LOLC	126.20	0.5	62.50
DIALOG	11.10	5.5	61.39
EAST WEST	12.90	4.0	51.73

TOP 5 VOLUME

	Price	Volume ('Mn)	Turnover ('Mn)
DIALOG	11.10	5.5	61.39
EAST WEST	12.90	4.0	51.73
EXPOLANKA	3.70	3.7	13.71
INDUSTRIAL ASPH.	0.20	2.9	0.58
BROWNS INVSTMNTS	2.20	2.6	5.73

GLOBAL MARKETS & COMMODITIES

GLOBAL COMMODITY PRICES

	Current	Last Month	Change (%)
Crude Oil USD/bbl	41.5	39.2	5.7%
Gold USD/t oz	1,972.4	1,782.5	10.7%
Copper USd/lb.	292.8	271.9	7.7%
Cotton USd/lb.	61.8	59.5	3.9%
Aluminum USD/MT	1,724.0	1,609.0	7.1%

CRUDE OIL MOVEMENT



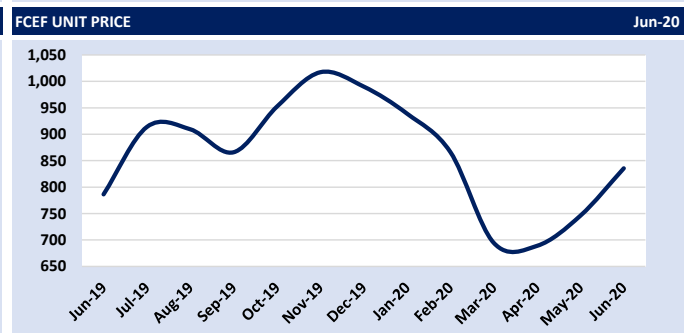
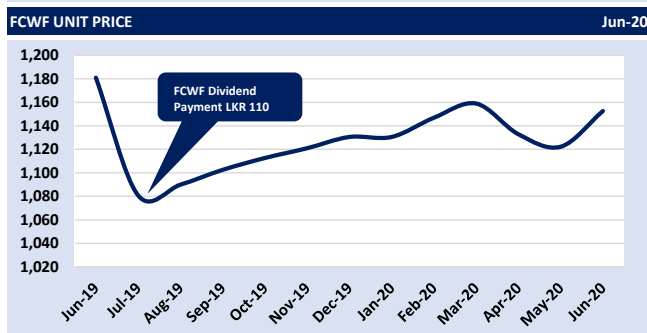
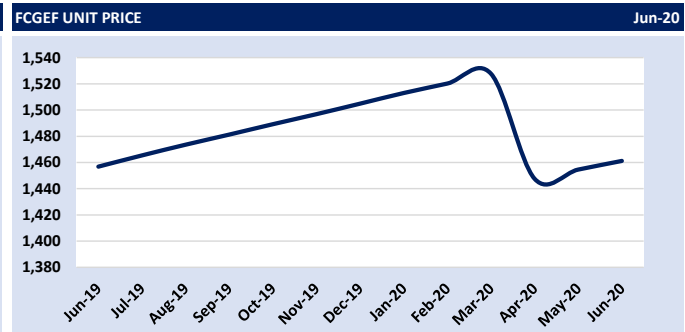
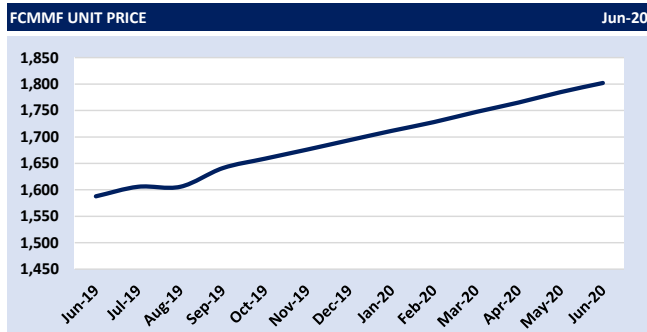
GLOBAL MARKETS

	Current	Last Month	Change (%)
DOW JONES	26,379.3	25,595.8	3.1%
EURO STOXX 50	3,305.6	3,235.0	2.2%
FTSE 100	6,147.6	6,199.4	-0.8%
NIKKEI 225	22,397.1	22,288.1	0.5%

UNIT TRUSTS

	Sell Price	Buy Price	AUM LKR 'Mn	Avg. Yield	Information on Fees		
	LKR	LKR	As at Jun 2020		Mgmt Fee	Trustee fee	Performance Fee
First Capital Money Market Fund	1,818.31	1,818.31	7,559	11.45%	0.50% p.a.	0.15% p.a.	N/A
First Capital Gilt Edge Fund	1,466.09	1,466.09	52	-17.47%	0.50% p.a.	0.15% p.a.	N/A
First Capital Wealth Fund	1,163.16	1,163.13	263	-2.21%	1.10% p.a.	0.225% p.a.	N/A
First Capital Equity Fund	863.09	819.94	51	N/A	1.00% p.a.	0.23% p.a.	25% over ASTRI

TRAILING RETURNS (%)								Performance as of	Jun-20
	YTD	2018/19	2017/18	2016/17	2015/16	2014/15	Since Inception		
FIXED INCOME FUNDS									
First Capital Money Market Fund	12.57%	12.96%	11.92%	10.39%	7.92%	7.20%			11.09%
First Capital Gilt Edge Fund	-28.64%	7.56%	9.14%	19.06%	4.17%	-3.46%			7.99%
First Capital Wealth Fund	-2.21%	11.40%	11.32%	10.63%	4.90%	15.48%			10.95%
BALANCED FUND									
First Capital Equity Fund	20.29%	-19.47%	0.96%	1.62%	-4.33%	0.00%			-16.44%
ASTRI*	12.64%	-1.37%	7.30%	0.33%	-14.94%	0.00%			-26.69%
Out/(Under) Performance	7.65%	-18.10%	-6.34%	1.30%	10.61%				10.25%

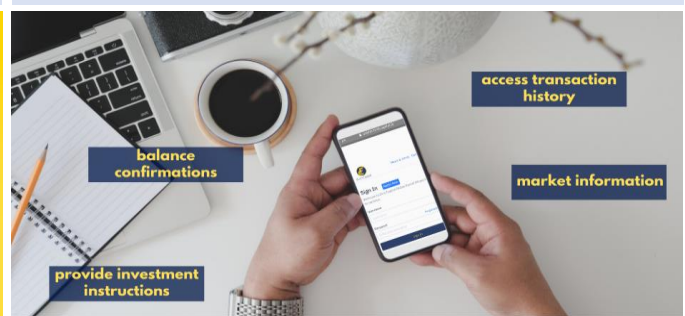


12.08% P.A.
Current yield as at 12/07/2020

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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First Capital

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UNIT TRUST SALES

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BRANCHES

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