

DAILY STOCK MARKET HIGHLIGHTS

Thursday, 02 March 2017



**ASHA PHILLIP
SECURITIES LTD**

Sri Lanka

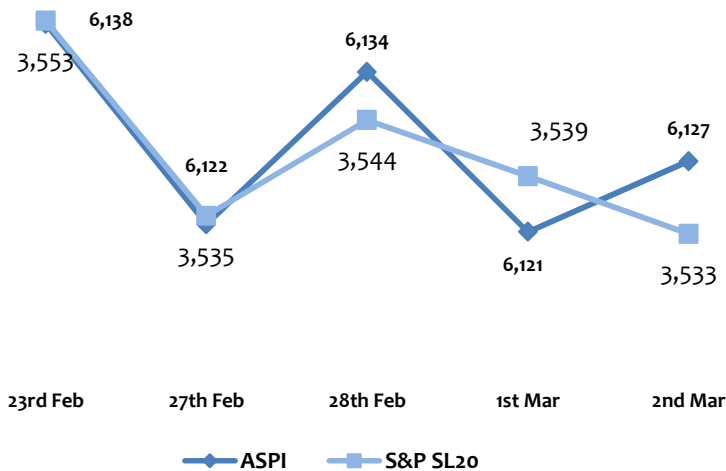
Daily Market Statistics

| Index | 2nd Mar | 1st Mar | Change | % Change |
|--------------------------|----------|-------------|-------------|----------|
| ASPI | 6,127.11 | 6,121.43 | ↑ 5.68 | ↑ 0.09% |
| S&P SL20 | 3,533.14 | 3,538.55 | ↓ (5.41) | ↓ -0.15% |
| Market Statistics | | 2nd Mar | 1st Mar | |
| Value of Turnover(Rs.) | | 783,941,246 | 382,169,983 | |
| Domestic Purchases | | 439,582,835 | 141,309,979 | |
| Domestic Sales | | 732,204,915 | 253,242,133 | |
| Foreign Purchases | | 344,358,411 | 240,860,004 | |
| Foreign Sales | | 51,736,332 | 128,927,851 | |
| Volume of Turnover (No.) | | 73,091,185 | 12,878,291 | |
| PER | | 11.99 | 12.00 | |
| PBV | | 1.37 | 1.37 | |

Performance of the Market

- Increased trading on high market cap Telco counters (DIAL & SLTL) impressed Colombo Bourse to end the session in positive terrain amid surged market volatility. The benchmark index ASPI moved between 6,113.42 - 6,127.64 points and settled the day at 6,127.11 with a gain of 5.68 points (+0.09%)
- Substantial losses of banking sector counters caused by rising trend of government treasury yields overweighed the gains elsewhere and dragged the Blue-Chip S&P SL20 index towards negative terrain to settle at 3,533.14 with a loss of 5.41 points (-0.15%).
- The day's turnover was recorded as LKR 783.94Mn, up by 105% from its previously recorded LKR 382.17Mn. Foreign investors remained net buyers for the day.
- The total market capitalization stood at LKR 2.69Tn, indicating an YTD drop of 2.00%.
- The market PER & PBV settled at 11.99x & 1.37x respectively.

Market Indices

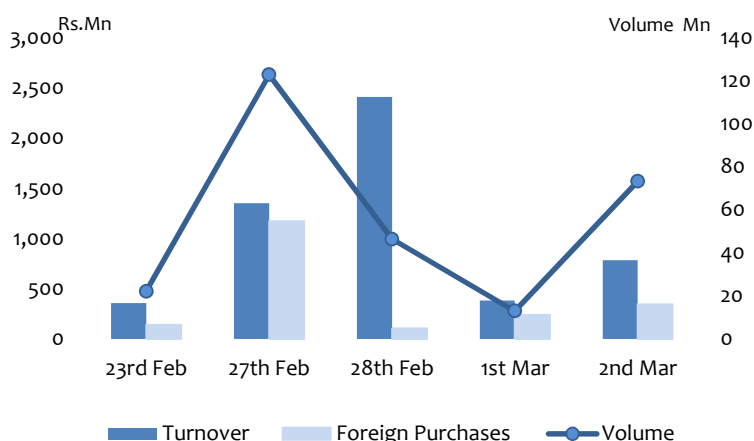


Top Contributors

Turnover

- Vidullanka PLC (VLL) topped the turnover list with 38% (LKR 300Mn) contribution to the day's total turnover. Entire turnover was contributed through an off board trade where 55.56Mn shares were negotiated at a price of LKR 5.40
- John Keells Holdings PLC (JKH) stood second by adding LKR 175.56Mn to the day's total turnover. JKH traded between LKR 141.70 & LKR 142.50 and settled the day at LKR 141.70 with a loss of LKR 0.30 (-0.21%).
- Dialog Axiata PLC (DIAL) contributed LKR 100.01Mn to the turnover and secured the third slot. DIAL traded between LKR 10.90 & LKR 11.50 and settled the day at LKR 11.50 with a gain of LKR 0.50 (+4.55%); About 49% (LKR 49.45Mn) of its turnover was contributed through two off board trades where 4.3Mn shares were negotiated at a price of LKR 11.50

Turnover, Volume and Foreign Purchase



Traded Volume

- Vidullanka PLC traded a total of 55.56Mn shares dominating the traded volumes.
- Dialog Axiata PLC (8.7Mn shares) and John Keells Holdings PLC (1.24Mn shares) were next in line under the top contributors to the daily volumes

Sectorial Overview

- Power & Energy (P&E) sector stood on top providing LKR 302.22Mn capturing 39% of the day's total turnover.
- Diversified Holdings (DIV) and Telecommunications (TLE) sectors provided LKR 199.23Mn and LKR 100.17Mn respectively to the daily aggregated turnover.

Foreign Participation

- **Aggregate foreign buying** for the day totaled up to **LKR 344.36Mn**.
- **Foreign sales** for the day amounted to **LKR 51.74Mn**
- **Net foreign inflow** for the day was **LKR 292.62Mn**, YTD net foreign inflow presently stands at **LKR 892.28Mn**
- **JKH** notched the “**Top Net Purchasers**” slot with a net inflow of **LKR 140.26Mn** whilst **NDB** notched the “**Top net Sellers**” slot with a net outflow of **LKR 1.47Mn**

SELECTED STOCK INFORMATION : Financial Performance

| SRI LANKA TELECOM PLC (SLTL.N) | | | | Sector: Telecommunications | | | | |
|--------------------------------|------------------|------------|----------------------|----------------------------|-------------------|----------------|-----------------------|-------------------|
| | Q4 FY 2016 | Q4 FY 2015 | Change to Q4 FY 2015 | Q3 FY 2016 | Q2 FY 16 | FY 2016 | FY 15 | Change to FY 2015 |
| Revenue | 18,133.00 | 17,182.00 | 5.5% | 18,980.00 | 18,283.00 | 73,801.00 | 68,022.00 | 8.5% |
| Operating costs | 13,957.00 | 13,593.00 | 2.7% | 13,558.00 | 13,384.00 | 53,611.00 | 48,014.00 | 11.7% |
| Other income | 428.00 | 64.00 | 568.8% | 358.00 | 98.00 | 988.00 | 280.00 | 252.9% |
| Foreign exchange loss | 455.00 | 360.00 | 26.4% | (48.00) | 265.00 | 979.00 | 2,128.00 | -54.0% |
| Interest income | 253.00 | 98.00 | 158.2% | 252.00 | 240.00 | 948.00 | 844.00 | 12.3% |
| Profit before tax | 431.00 | 105.00 | 310.5% | 2,415.00 | 1,436.00 | 6,497.00 | 5,515.00 | 17.8% |
| Income tax expenses | 307.00 | 488.00 | -37.1% | 572.00 | 338.00 | 1,707.00 | 1,791.00 | -4.7% |
| Profit for the Period | 124.00 | (383.00) | 132.4% | 1,843.00 | 1,098.00 | 4,790.00 | 3,724.00 | 28.6% |
| Earnings per share (LKR) | 0.07 | (0.21) | | 1.02 | 0.61 | 2.65 | 2.06 | |
| CMP (LKR) | NAV (LKR) | | EPS | P/E (x) | Sector P/E | PBV (x) | Sector PBV (x) | |
| 34.90 | 38.05 | | 2.65 | 13.17 | 12.30 | 0.92 | 1.30 | |

| CEYLON TOBACCO COMPANY PLC (CTC.N) | | | | Sector: Beverage Food & Tobacco | | | | |
|------------------------------------|------------------|------------|----------------------|---------------------------------|-------------------|----------------|-----------------------|-------------------|
| | Q4 FY 2016 | Q4 FY 2015 | Change to Q4 FY 2015 | Q3 FY 2016 | Q2 FY 16 | FY 2016 | FY 2015 | Change to FY 2015 |
| Government Levies | 17,156.03 | 17,743.97 | -3.3% | 30,249.00 | 22,511.00 | 89,777.49 | 80,391.10 | 11.7% |
| Net Revenue | 7,560.66 | 5,956.04 | 26.9% | 9,232.00 | 7,560.00 | 31,747.37 | 26,099.49 | 21.6% |
| Raw material used | 469.30 | 633.95 | -26.0% | 1,103.00 | 923.00 | 3,274.38 | 2,976.87 | 10.0% |
| Employee benefit expense | 549.15 | 524.86 | 4.6% | 298.00 | 275.00 | 1,400.15 | 1,418.41 | -1.3% |
| Other operating expenses | 3,328.79 | 1,623.80 | 105.0% | 687.00 | 1,368.00 | 6,509.59 | 3,996.01 | 62.9% |
| Net interest income | 255.44 | 160.66 | 59.0% | 271.00 | 186.00 | 850.39 | 561.25 | 51.5% |
| Income tax expense | 1,436.46 | 1,445.43 | -0.6% | 2,887.00 | 2,084.00 | 8,659.88 | 7,443.98 | 16.3% |
| Profit for the period | 1,981.14 | 1,834.22 | 8.0% | 4,472.00 | 3,050.00 | 12,559.46 | 10,634.33 | 18.1% |
| EPS (LKR) | 10.58 | 9.79 | | 23.87 | 16.28 | 67.05 | 56.77 | |
| CMP (LKR) | NAV (LKR) | | EPS | P/E (x) | Sector P/E | PBV (x) | Sector PBV (x) | |
| 820.00 | 18.60 | | 67.05 | 12.23 | 15.00 | 44.09 | 3.30 | |

Key Announcements

Cash Dividends

| CODE | DIVIDEND PER SHARE (LKR) | TYPE | XD DATE | PAYMENT DATE | CODE | DIVIDEND PER SHARE (LKR) | TYPE | XD DATE | PAYMENT DATE |
|------|--------------------------|----------------|-------------|--------------|------|--------------------------|-----------------|----------------------|--------------|
| LWL | 5.50 | Second Interim | 23.Feb.2017 | 07.Mar.2017 | INDO | 21.63 | Second Interim | 08.Mar.2017 | 16.Mar.2017 |
| SMOT | 15.00 | Interim | 27.Feb.2017 | 08.Mar.2017 | SHAL | 8.20 | Second Interim | 08.Mar.2017 | 15.Mar.2017 |
| CCS | 14.00 | Second Interim | 01.Mar.2017 | 10.Mar.2017 | UAL | 10.50 | First and Final | 08.Mar.2017 | 17.Mar.2017 |
| DFCC | 4.50 | First & Final | 02.Mar.2017 | 13.Mar.2017 | NTB | 2.10 | First and Final | 08.Mar.2017 | 17.Mar.2017 |
| COMD | 2.50 | Second Interim | 03.Mar.2017 | 14.Mar.2017 | CARE | 0.40 | Second Interim | 10.Mar.2017 | 20.Mar.2017 |
| NEST | 40.00 | Interim | 03.Mar.2017 | 14.Mar.2017 | CTCE | 2.00 | Final | 28.Mar.2017 | 05.Apr.2017 |
| NDB | 2.00 | Final | 06.Mar.2017 | 15.Mar.2017 | HASU | 5.00 | Final | 30.Mar.2017 | 07.Apr.2017 |
| NEH | 30.00 | Interim | 07.Mar.2017 | 16.Mar.2017 | HNB | 3.50 | Final | 31.Mar.2017 | 11.Apr.2017 |
| CERA | 8.00 | Interim | 07.Mar.2017 | 16.Mar.2017 | SAMP | 4.75 | Second & Final | 03.Apr.2017 | 12.Apr.2017 |
| PINS | 0.75 | Second Interim | 07.Mar.2017 | 16.Mar.2017 | SEYB | 1.00 | First & Final | 03.Apr.2017 | 12.Apr.2017 |
| REG | 18.50 | Final | 07.Mar.2017 | 16.Mar.2017 | CINS | 27.50 | First and Final | 24.Apr.2017 | 02.May.2017 |
| SINI | 6.50 | Final | 07.Mar.2017 | 16.Mar.2017 | CTC | 6.00 | Final | 26.Apr.2017 | 05.May.2017 |
| SINS | 8.80 | Final | 07.Mar.2017 | 16.Mar.2017 | NEST | 40.00 | Final | 08.May.2017 | 18.May.2017 |
| UBC | 0.10 | Final | 07.Mar.2017 | 16.Mar.2017 | DIAL | 0.39 | Final | Dates To Be Notified | |
| SELI | 73.36 | First Interim | 07.Mar.2017 | 15.Mar.2017 | OSEA | 1.25 | First & Final | Dates To Be Notified | |
| LHL | 2.00 | Interim | 08.Mar.2017 | 16.Mar.2017 | COMD | 0.50 | Final | Dates To Be Notified | |

Scrip Dividends

| CODE | Proportion | XD DATE |
|------|--|----------------|
| SAMP | 1 new for every 19.21739786 shares | 01.Mar.2017 |
| NDB | 1 new for every 26.219093 shares | 06.Mar.2017 |
| COMB | COMB.N :- 1 new for every 79.389 & COMB.X:- 1 new for every 63.333 shares | To be Notified |
| SEYB | SEYB.N :- 1 new for every 48.395 & SEYB.X:- 1 new for every 28.8395 shares | To be Notified |
| HNB | HNB.N :- 1 new for every 73.333 & HNB.X:- 1 new for every 63.492 shares | To be Notified |

Sub Division Of Shares

| Company | Proportion | Sub Division based on shareholding as at | Period of Dealings Suspension | Trading commencement |
|----------------------|-------------------|--|-------------------------------|----------------------|
| Singer Sri Lanka PLC | Existing 1 into 3 | 31-03-2017. | To be Notified | |

Mandatory / Voluntary Offers

| Offeror | Offeree | Offer Closing Date | Offer Price per Share |
|-----------------------------|-------------------------------|--------------------|-----------------------|
| Sunshine Holdings PLC (SUN) | Lamurep Investments Limited | 09-03-2017. | LKR 47.50 |
| Summit Finance PLC (GSF) | Prime Lands (Private) Limited | 14-03-2017. | LKR 30.00 |

Market Highlights & Statistics

Market Capitalisation

| Company Name | Price | Issued Quantity | Market Capitalisation | (as a % of MKT Cap.) |
|-------------------------------|----------|-----------------|-----------------------|----------------------|
| JOHN KEELLS HOLDINGS PLC | 141.70 | 1,387,467,137 | 196,604,093,313 | 7.97 |
| CEYLON TOBACCO COMPANY PLC | 820.00 | 187,323,751 | 153,605,475,820 | 6.23 |
| COMMERCIAL BANK OF CEYLON PLC | 142.50 | 834,386,977 | 118,900,144,223 | 4.82 |
| NESTLE LANKA PLC | 2,040.00 | 53,725,463 | 109,599,944,520 | 4.44 |
| DIALOG AXIATA PLC | 11.50 | 8,143,778,405 | 93,653,451,658 | 3.80 |
| HATTON NATIONAL BANK PLC | 231.30 | 330,756,782 | 76,504,043,677 | 3.10 |
| MELSTACORP LIMITED | 63.50 | 1,165,397,072 | 74,002,714,072 | 3.00 |
| CEYLON COLD STORES PLC | 740.00 | 95,040,000 | 70,329,600,000 | 2.85 |
| SRI LANKA TELECOM PLC | 34.90 | 1,804,860,000 | 62,989,614,000 | 2.55 |
| HEMAS HOLDINGS PLC | 108.50 | 572,711,383 | 62,139,185,056 | 2.52 |

Highest Volume

| Company Name | Turnover (Rs) | Share Vol. |
|--------------------------------------|---------------|------------|
| VIDULLANKA PLC | 300,002,400 | 55,556,000 |
| DIALOG AXIATA PLC | 100,011,352 | 8,700,894 |
| JOHN KEELLS HOLDINGS PLC | 175,555,422 | 1,236,308 |
| RENUKA AGRI FOODS PLC | 1,984,466 | 708,738 |
| ADAM INVESTMENTS PLC | 342,200 | 488,500 |
| TOKYO CEMENT COMPANY (LANKA) PLC [X] | 23,243,288 | 430,472 |
| PIRAMAL GLASS CEYLON PLC | 1,722,600 | 313,200 |
| BROWNS CAPITAL PLC | 309,725 | 310,350 |
| SMB LEASING PLC | 137,000 | 282,200 |
| ASIA ASSET FINANCE PLC | 364,651 | 280,501 |

Highest Turnover

| Company Name | Share Vol. | Turnover (Rs) |
|--------------------------------------|------------|---------------|
| VIDULLANKA PLC | 55,556,000 | 300,002,400 |
| JOHN KEELLS HOLDINGS PLC | 1,236,308 | 175,555,422 |
| DIALOG AXIATA PLC | 8,700,894 | 100,011,352 |
| HATTON NATIONAL BANK PLC | 144,091 | 33,295,869 |
| TOKYO CEMENT COMPANY (LANKA) PLC [X] | 430,472 | 23,243,288 |
| COLOMBO DOCKYARD PLC | 276,805 | 19,709,162 |
| HEMAS HOLDINGS PLC | 136,600 | 14,767,610 |
| TOKYO CEMENT COMPANY (LANKA) PLC | 237,282 | 14,711,484 |
| SEYLAN BANK PLC [X] | 201,632 | 11,291,129 |
| HATTON NATIONAL BANK PLC [X] | 36,518 | 7,120,655 |

Top Gainers

| Company Name | VWA Prev | VWA Days | Change | Change | High | Low | No. of | Turnover |
|-------------------|----------|----------|--------|--------|-------|-------|---------|-----------|
| | Close | Close | (Rs.) | % | (Rs.) | (Rs.) | Shares | (Rs.) |
| S M B LEASING [X] | 0.20 | 0.30 | 0.10 | 50.00 | 0.30 | 0.20 | 175,000 | 45,000.00 |
| EQUITY TWO PLC | 50.00 | 58.50 | 8.50 | 17.00 | 60.00 | 58.00 | 491 | 28,910.50 |
| AMANA TAKAFUL | 0.60 | 0.70 | 0.10 | 16.67 | 0.70 | 0.60 | 10,515 | 7,350.50 |
| ARPICO INSURANCE | 11.40 | 12.80 | 1.40 | 12.28 | 12.90 | 12.70 | 1,494 | 19,054.70 |
| BERUWALA RESORTS | 1.00 | 1.10 | 0.10 | 10.00 | 1.10 | 1.00 | 36,200 | 39,620.00 |

Top Losers

| Company Name | VWA Prev | VWA Days | Change | Change | High | Low | No. of | Turnover |
|------------------|----------|----------|--------|---------|-------|-------|---------|------------|
| | Close | Close | (Rs.) | % | (Rs.) | (Rs.) | Shares | (Rs.) |
| ADAM INVESTMENTS | 0.80 | 0.70 | (0.10) | (12.50) | 0.80 | 0.70 | 488,500 | 342,200.00 |
| ON'ALLY | 56.80 | 50.20 | (6.60) | (11.62) | 50.20 | 50.20 | 100 | 5,020.00 |
| LEE HEDGES | 73.00 | 64.80 | (8.20) | (11.23) | 75.00 | 64.50 | 2,011 | 130,275.00 |
| BLUE DIAMONDS | 1.00 | 0.90 | (0.10) | (10.00) | 1.00 | 0.90 | 70,178 | 64,061.20 |
| BROWNS CAPITAL | 1.00 | 0.90 | (0.10) | (10.00) | 1.00 | 0.90 | 310,350 | 309,725.00 |

Crossings

| Name | Symbol | Price | Trades | T.Volume | Turnover |
|-------------------|------------|-------|--------|------------|-------------|
| Vidullanka PLC | VLL.N0000 | 5.40 | 1 | 55,556,000 | 300,002,400 |
| Dialog Axiata PLC | DIAL.N0000 | 11.50 | 2 | 4,300,000 | 49,450,000 |

Market Highlights & Statistics

Sector Wise Summary

| Sector | Price Index | | Turnover | | | Sector | |
|-------------------------------|-------------|-----------|-------------|------------|--------|--------|------|
| | Today | Previous | Value (Rs) | Volume | Trades | P/E | PBV |
| BANK FINANCE AND INSURANCE | 15,277.88 | 15,295.26 | 73,816,638 | 2,051,753 | 704 | 6.40 | 1.10 |
| BEVERAGE FOOD AND TOBACCO | 21,207.46 | 21,241.13 | 16,876,271 | 858,264 | 167 | 15.00 | 3.30 |
| CONSTRUCTION AND ENGINEERING | 2,478.83 | 2,495.33 | 23,433,468 | 430,582 | 226 | 43.40 | 1.00 |
| CHEMICALS AND PHARMACEUTICALS | 6,279.99 | 6,279.99 | 2,730 | 51 | 3 | 10.80 | 0.70 |
| DIVERSIFIED HOLDINGS | 1,546.04 | 1,551.61 | 199,229,665 | 2,923,196 | 365 | 20.50 | 1.20 |
| FOOTWEAR AND TEXTILE | 852.28 | 853.42 | 402,502 | 24,374 | 12 | 16.00 | 0.90 |
| HOTELS AND TRAVELS | 2,935.66 | 2,933.21 | 4,339,297 | 351,207 | 218 | 64.30 | 1.90 |
| HEALTH CARE | 982.72 | 991.20 | 1,091,065 | 120,135 | 40 | 18.20 | 2.60 |
| INVESTMENT TRUSTS | 11,175.87 | 11,297.92 | 1,035,308 | 78,899 | 47 | 30.30 | 0.50 |
| INFORMATION TECHNOLOGY | 39.45 | 37.78 | 3,448 | 510 | 3 | 0.00 | 0.00 |
| LAND AND PROPERTY | 598.27 | 598.13 | 1,012,665 | 55,248 | 59 | 9.50 | 0.90 |
| MANUFACTURING | 4,283.44 | 4,274.41 | 58,461,501 | 1,506,979 | 399 | 7.80 | 1.40 |
| MOTORS | 14,568.78 | 14,584.77 | 66,650 | 649 | 14 | 6.20 | 0.70 |
| OIL PALMS | 65,543.82 | 65,543.82 | 2,870 | 5 | 2 | 33.40 | 1.00 |
| POWER & ENERGY | 133.69 | 132.75 | 302,222,305 | 55,810,301 | 105 | 5.80 | 1.10 |
| PLANTATIONS | 674.62 | 673.09 | 809,556 | 55,539 | 52 | 0.00 | 0.60 |
| STORES SUPPLIES | 26,340.10 | 26,340.10 | 0 | 0 | 0 | 14.60 | 0.70 |
| SERVICES | 16,735.12 | 17,025.66 | 60,498 | 7,723 | 7 | 0.00 | 1.50 |
| TELECOMMUNICATIONS | 175.17 | 167.99 | 100,165,620 | 8,705,322 | 69 | 12.30 | 1.30 |
| TRADING | 16,803.97 | 17,041.73 | 893,809 | 110,269 | 27 | 14.10 | 0.90 |

GICS Industry Group Statistics

| Industry Group | Price Index | | Turnover | | | Sector | |
|--|-------------|----------|-------------|------------|--------|--------|-------|
| | Today | Previous | Value (Rs) | Volume | Trades | P/E | PBV |
| Automobiles & Components | 752.01 | 753.35 | 62,485 | 1,114 | 5 | 5.10 | 1.20 |
| Banks | 955.75 | 959.60 | 45,237,148 | 292,008 | 206 | 7.20 | 1.00 |
| Capital Goods | 898.22 | 899.35 | 225,344,768 | 2,588,197 | 622 | 13.10 | 1.00 |
| Commercial & Professional Services | 803.97 | 803.97 | 8,123 | 36 | 5 | 12.20 | 1.10 |
| Consumer Durables & Apparel | 953.90 | 956.77 | 8,203,028 | 305,235 | 137 | 35.60 | 1.40 |
| Consumer Services | 335.70 | 334.95 | 4,338,387 | 351,157 | 219 | 64.30 | 1.90 |
| Diversified Financials | 745.19 | 744.08 | 7,500,577 | 1,659,855 | 309 | 6.10 | 1.00 |
| Energy | 766.51 | 756.78 | 798,806 | 27,169 | 29 | 5.10 | 0.90 |
| Food & Staples Retailing | 1,022.26 | 1,015.83 | 2,652,532 | 92,679 | 46 | 18.70 | 2.00 |
| Food, Beverage & Tobacco | 851.97 | 855.46 | 19,563,870 | 1,056,091 | 263 | 19.10 | 2.30 |
| Health Care Equipment & Services | 1,060.21 | 1,068.54 | 989,440 | 119,144 | 40 | 18.00 | 2.60 |
| Household & Personal Products | 1,000.00 | 1,000.00 | 87,511 | 7 | 4 | 0.00 | 12.70 |
| Insurance | 986.48 | 980.50 | 2,733,794 | 154,379 | 89 | 5.90 | 1.50 |
| Materials | 970.49 | 968.25 | 20,230,840 | 634,591 | 112 | 9.60 | 1.60 |
| Pharmaceuticals, Biotechnology & Life Sciences | 868.42 | 868.42 | 0 | 0 | 0 | 5.20 | 0.70 |
| Real Estate | 837.20 | 840.70 | 1,232,793 | 61,118 | 65 | 8.60 | 0.80 |
| Retailing | 910.96 | 918.65 | 839,865 | 16,122 | 34 | 8.40 | 0.90 |
| Technology Hardware & Equipment | 0.00 | - | 0 | 0 | 0 | 0.00 | 0.00 |
| Telecommunication Services | 915.23 | 877.73 | 100,165,624 | 8,705,322 | 69 | 12.30 | 1.30 |
| Transportation | 768.64 | 768.64 | 0 | 0 | 0 | 13.20 | 0.00 |
| Utilities | 836.07 | 839.47 | 300,838,656 | 55,745,023 | 42 | 7.60 | 0.00 |

Economic Indicators & Other Statistics

Exchange Rates

| Currency | 2-Mar-17 | | 1-Mar-17 | |
|---------------------|----------|---------|----------|---------|
| | Buying | Selling | Buying | Selling |
| Dollar (USA) | 149.34 | 153.21 | 149.44 | 153.31 |
| Pound (UK) | 182.67 | 189.08 | 184.34 | 190.78 |
| Euro (EU) | 156.31 | 162.41 | 156.99 | 163.11 |
| Franc (Switzerland) | 146.86 | 152.81 | 147.43 | 153.40 |
| Dollar (Canada) | 111.13 | 115.63 | 111.59 | 116.11 |
| Dollar (Australia) | 113.33 | 118.51 | 113.64 | 118.82 |
| Dollar (Singapore) | 105.43 | 109.37 | 105.90 | 109.85 |
| Yen (Japan) | 1.30 | 1.35 | 1.32 | 1.37 |
| Renminbi (China) | 21.46 | 22.53 | 21.51 | 22.58 |

Indicative Rates

| Currency | 02-Mar-17 | 01-Mar-17 |
|-----------------|------------|------------|
| | Ind: Value | Ind: Value |
| Yuan (China) | 21.99 | 22.06 |
| Rupee (India) | 2.26 | 2.27 |
| Won (Korean) | 0.13 | 0.13 |
| Dinar (Kuwait) | 495.00 | 495.33 |
| Ringgit (Malay) | 33.98 | 34.02 |
| Rial (Oman) | 392.85 | 392.86 |
| Riyal (Qatar) | 41.54 | 41.54 |
| Riyal (KSA) | 40.33 | 40.33 |
| Dirham (UAE) | 41.18 | 41.18 |

Central Bank's Policy Rates

| Description | Rate (Per Annum) | | Treasury Bill | | |
|---------------------------------|-------------------|----------|---------------|------------|------------|
| | | | 01.03.2017 | 21.02.2017 | 15.02.2017 |
| Standing Deposit Facility (SDF) | 7.00 | 91 Days | 9.38 | 9.32 | 9.22 |
| Standing Lending Facility (SLF) | 8.50 | 182 Days | 10.27 | 10.19 | 10.12 |
| Bank Rate | 15.00 | 364 Days | 10.66 | 10.58 | 10.55 |
| Statutory Reserve Ratio (SRR) | 7.50 | | | | |

AWPLR

| | AWPLR | | | | | AWDR | | |
|----------|------------|------------|------------|------------|----------|------------|------------|------------|
| | 23.02.2017 | 27.01.2017 | 30.12.2016 | 02.12.2016 | | 28.02.2017 | 31.01.2017 | 30.12.2016 |
| Weekly | 11.36 | 11.22 | 11.52 | 11.82 | Monthly | 8.66 | 8.42 | 8.17 |
| Monthly | 11.48 | 11.73 | 11.73 | 11.98 | 6 Months | 8.10 | 7.88 | 7.66 |
| 6 Months | 11.92 | 11.81 | 11.81 | 11.61 | AWFDR | 11.15 | 10.84 | 10.46 |

Colombo Consumers' Price Index (CCPI)

| Description | 2016/17. | | | 2015/16. | | |
|---------------------------|----------|-------|-------|----------|-------|-------|
| | Nov | Dec | Jan | Nov | Dec | Jan |
| Year on Year (Pt. to Pt.) | 4.00% | 4.50% | 5.50% | 4.40% | 4.60% | 1.70% |
| 12 Month Moving Average | 4.00% | 4.00% | 4.30% | | 2.20% | 2.10% |

Treasury Bond

| Date | 01.03.2017 | 01.07.2016 | 02.01.2017 | 01.03.2017 | 15.07.2016 | 16.01.2017 | 01.03.2017 | 16.01.2017 |
|---------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Maturity | 2 Years | 3 Years | 4 Years | 5 Years | 7 Years | 8 Years | 9 Years | 10 Years |
| Current Rate | 12.10 | 11.55 | 11.94 | 12.89 | 12.89 | 12.16 | 12.91 | 12.21 |
| Previous Rate | 11.41 | 11.51 | 10.61 | 12.19 | 12.39 | 11.98 | 12.08 | 12.11 |

SLIBOR & LIBOR

| Description | Over Night | 7 Days | 1 M | 3 M | 6 M | 12 M |
|---------------------------|------------|-----------|-----------|-----------|-----------|-----------|
| SLIBOR (02 Mar 2017) (%) | 8.50 | 9.51 | 10.50 | 10.98 | 11.52 | 12.00 |
| LIBOR - GBP (28 Feb 2017) | 0.22375 % | 0.24125 % | 0.26038 % | 0.35650 % | 0.51375 % | 0.73506 % |
| LIBOR - USD (28 Feb 2017) | 0.68056 % | 0.71111 % | 0.78889 % | 1.06400 % | 1.37489 % | 1.75622 % |

cbsl.gov.lk, global-rates.com

Commodity Prices & Other Statistics

Rubber Prices (LKR/Kg)

| Grade | Price - 16 Feb | Price - 17 Jan |
|----------------|-----------------|-----------------|
| LC No.1X | Unq - Unq | 340.00 - Flat |
| LC No.1 | Unq - Unq | 340.00 - Flat |
| LC No.2 | Unq - Unq | 315.00 - 339.00 |
| LC No.3 | Unq - Unq | 320.00 - 338.00 |
| LC No.4 | 310.00 - Flat | 310.00 - 339.00 |
| SC (Br) No.1 | 305.00 - Nom | 310.00 - 330.00 |
| SC (Br) No.2 | Unq - Unq | Unq - Unq |
| SC (Br) No.3 | 310.00 - Flat | 300.00 - 302.00 |
| SC (Br) No.4 | 302.00 - 307.00 | 293.00 - 296.00 |
| Flat Bark | Unq - Unq | Unq - Unq |
| Skim Crepe | Unq - Unq | 270.00 - 300.00 |
| R S Sheet No.1 | 355.00 - Flat | 340.00 - Flat |
| R S Sheet No.2 | 345.00 - 350.00 | 336.00 - 338.00 |

rubberdev.gov.lk

Tea Prices (LKR/Kg)

| Elevation | Week No : 09 | Week No : 08 |
|----------------|--------------|--------------|
| Uva High | 564.30 | 537.65 |
| Western High | 631.25 | 620.94 |
| Uva Medium | 575.96 | 551.34 |
| Western Medium | 561.35 | 543.88 |
| Low Grown | 620.39 | 607.92 |

pureceylontea.com

World Commodity Prices

| Commodity | 2-Mar-17 | 1-Mar-17 | 28-Feb-17 |
|-----------------|----------|----------|-----------|
| Brent Crude Oil | 55.60 | 55.59 | 55.93 |
| WTI Crude Oil | 53.83 | 54.01 | 54.05 |
| Gold | 1,248.90 | 1,252.60 | 1,257.40 |

Prices as at end-of- Previous trading day, oil-price.net

Tourist Arrivals to Sri Lanka

| Month | 2015 | 2016 | 2017 |
|--------------|------------------|------------------|----------------|
| January | 156,246 | 194,280 | 219,360 |
| February | 165,541 | 197,697 | |
| March | 157,051 | 192,841 | |
| April | 122,217 | 136,367 | |
| May | 113,529 | 125,044 | |
| June | 115,467 | 118,038 | |
| July | 175,804 | 209,351 | |
| August | 166,610 | 186,288 | |
| September | 143,374 | 148,499 | |
| October | 132,280 | 150,419 | |
| November | 144,147 | 167,216 | |
| December | 206,114 | 224,791 | |
| Total | 1,798,380 | 2,050,831 | 219,360 |

sltda.lk

Local Market News

Sri Lanka's 2017 fiscal target will be more challenging: Moody's

Sri Lanka's ambitious 2017 fiscal deficit target will be even more challenging to achieve as drought-related government spending will add to the challenge of achieving fiscal targets, Moody's said. Moody's said in a statement that although drought relief measures provide affected families with income, they will increase government spending at a time when Sri Lanka's fiscal strength is low. Moody's said drought-related government spending will add to the challenge of containing public expenditures as specified under Sri Lanka's current IMF Extended Fund Facility program. The government projects a 17.0 percent increase in overall spending this year, after a decline of 0.7 percent in 2016 and annual average increases of nearly 12.0 percent from 2010 to 2015." Moody's said. "The increase in planned spending this year largely reflects higher growth-enhancing infrastructure outlays, leaving limited room to cut current expenditures." (lbo.lk)

Sri Lanka govt to call bids for 100MW floating solar power plant

Sri Lanka's government will call international competitive bids to build a 100 megawatt floating solar power plant in the Maduru Oya reservoir and allocate funds for a training project for prototype manufacturing of solar panels. The solar power plant will cover four percent of the surface area of the reservoir which is spread over an area of 500 acres, the latest statement of cabinet decisions said. (lbo.lk)

Sri Lanka approves \$180 mln vessel deal for Colombo Dockyard

Sri Lanka's cabinet has approved the awarding of a \$180 million deal for three offshore patrol vessels for the country's coast guard to Colombo Dockyard, a government document said on Wednesday. Colombo Dockyard has agreed to arrange a loan for the deal, with 40 percent provided by the Japanese Funding Institution of JBIC, another 40 percent from Bank of Tokyo Mitsubishi UFJ, and the rest from a tied commercial term loan facility, the document said. Dockyard, located in Colombo port, is Sri Lanka's largest engineering facility in the business of ship repair, shipbuilding, heavy engineering and offshore engineering. (reuters.com)

Foreign Market News

'Long shadow' of financial crisis hits incomes

Typical household incomes in the UK will not grow for the next two years due to the "long shadow" of the financial crisis, a report suggests. In five years' time, median income will be 4% higher than it is now, the Institute for Fiscal Studies predicts. The recession and tepid recovery mean that from the start of the crisis to 2021, households will suffer the worst income squeeze for 60 years, it says. They will be £5,000 a year worse off than they might have expected.

The IFS has produced a report on living standards for the Joseph Rowntree Foundation, which campaigns to reduce poverty. It suggests, based on official forecasts produced for the government by the Office for Budget Responsibility, that long-term income growth is a relatively slow 2% a year. "If the OBR's forecast for earnings growth is correct, average incomes will not increase at all over the next two years," said Tom Waters, an author of the report. "Even if earnings do much better than expected over the next few years, the long shadow cast by the financial crisis will not have receded." This was generally the result of small increases in wages, low productivity levels, tax and benefit policies and the state of the UK economy. The squeeze would be felt worst by low-income households with children, he said, owing primarily to the four-year freeze in working-age benefits. (bbc.com)

China February factory growth beats expectations as global demand improves

China's factory activity expanded faster than expected in February as domestic and export demand picked up, adding to signs that the global economy is regaining momentum even as fears grow of a surge in trade protectionism. Growth in both output and orders accelerated last month, according to official and private factory surveys on Wednesday, giving the government more room to focus on tackling financial risks to the economy as debt continues to rise.

Facing growing risks from explosive growth in debt, China's central bank has cautiously shifted its stance in recent months to a tightening bias after years of super-loose policy to stave off the risk of a hard landing for the world's second-largest economy.

Policy sources have told Reuters that China's leaders will accept a lower economic growth target of around 6.5 percent in 2017, and target a less aggressive expansion of money supply, as the focus slowly shifts from growth to pushing reforms to contain debt and housing risks. China's industrial sector has benefited from a construction boom since the middle of last year that has spurred demand and prices for building materials from cement to steel, boosting sales and profits.

The official Purchasing Managers' Index (PMI) released on Wednesday rose to a three-month high of 51.6 in February, compared with the previous month's 51.3, and above the 50-point mark that separates growth from contraction on a monthly basis. For now, China's consumer inflation remains well within the central bank's comfort zone, but expectations of upward pressure could keep the central bank on a gradual tightening path. (reuters.com)

Asian shares advance, dollar supported by March rate hike bets

Asian shares rose on Thursday as investors were encouraged by President Donald Trump's less combative tone in his first speech to Congress, which sent Wall Street stocks sharply higher, while growing bets on a U.S. rate hike this month buoyed the dollar. MSCI's broadest index of Asia-Pacific shares outside Japan rose 0.5 percent while Japan's Nikkei rose 1.3 percent to a 14-month high. On Wall Street, the Dow Jones Industrial Average blasted through the 21,000-point mark for the first time. Both the Dow and the S&P 500 rallied around 1.4 percent.

Trump pledged to deliver "massive" tax relief to the middle class and corporate tax cuts, to spend heavily on infrastructure and to ease regulations - steps that have helped to push U.S. stocks higher since his election victory in November. While Trump gave few new details on his tax or spending plans, investors were encouraged by what they saw as a less confrontational tone as he tries to push his growth agenda through a Congress reluctant to widen the government's budget deficit. More to the point, his stimulus plan comes as the global economy is picking up momentum.

U.S. Treasuries yield jumped, with the two-year yield rising to as high as 1.308 percent, its highest since August 2009. In the currency market, the dollar benefited from rising expectations of a Fed rate hike. The dollar's index against a basket of six major rivals rose to its highest level in seven weeks.

Oil prices loitered within a familiar range, as record high U.S. crude supplies tempered support from evidence that OPEC producers are complying with an agreement to cut production. Brent futures were unchanged at \$56.36 per barrel while U.S. crude futures ticked down 0.1 percent to \$53.76 a barrel. (reuters.com)

Contact Information

Research

Visahan Arumainayaham
Nishani Ruwanpathirana
Sandun Kulathunga

visahan@ashaphillip.net
nishani@ashaphillip.net
sandun@ashaphillip.net

+94112429139
+94 112429137
+94 112429129

Sales

Thakshila Hulangamuwa
Upul Priyantha
Shanmugam Sudhagar
Vasantha Wicramasinghe

thakshi@ashaphillip.net
upul@ashaphillip.net
sudha@ashaphillip.net
vasantha@ashaphillip.net

+94 11 2429108
+94 11 2429106
+94 11 2429107
+94 11 2429114

Regional Offices

Colombo (H/O)

321, Lakshmans Building, 2nd Floor,
Galle Road, Colombo 03.
Tel - 94 112429100
Fax - 94 112429199
www.ashaphillip.net
Email - research@ashaphillip.net

Matara

#24-1/3A,
E.H. Cooray Tower, 2nd Floor,
Anagarika Dharmapala Mw,
Matara.
Tel: 041 2235191-5

Jaffna

#147, 2/3
K.K.S. Road,
Jaffna.
Tel: 021 2221614

Kiribathgoda

#94, Udeshi City Shopping Complex,
2nd Floor, #2/12, Makola Road,
Kiribathgoda.
Tel. 011 2908511

Embilipitiya

#62, Sampath Bank Building,
Main Street,
Embilipitiya.
Tel. 047 2261950

Kandy

88, Ceybank House,
Dalada Vidiya,
Kandy.
Tel. 081 2204750

Anuradhapura

2nd floor, 488/8/2,
Town hall place,
Maithreepala senanayaka mawatha,
Anuradhapura
Tel. 025 2234705

Negombo

#72 A 2/1,
Old Chilaw Road,
Negombo.
Tel. 031 2227474

Gampaha

#107,
Sanasa Ideal Complex,
Buddhaloka Mawatha,
Gampaha.
Tel. 033 2234888

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