

DAILY STOCK MARKET HIGHLIGHTS

Thursday, 03 January 2019



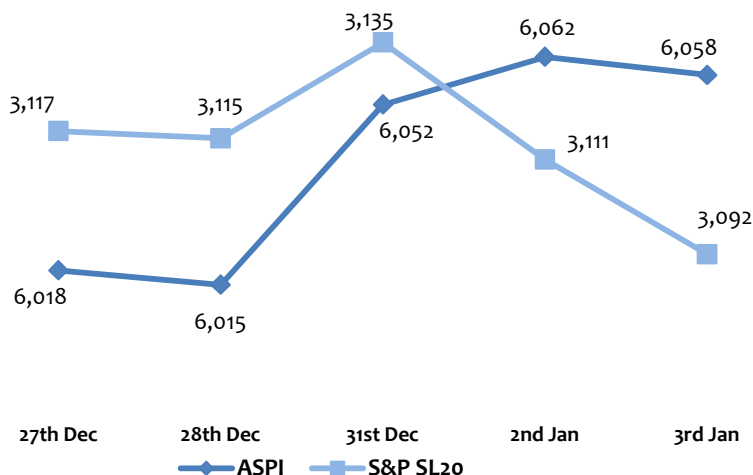
**ASHA PHILLIP
SECURITIES LTD**

Sri Lanka

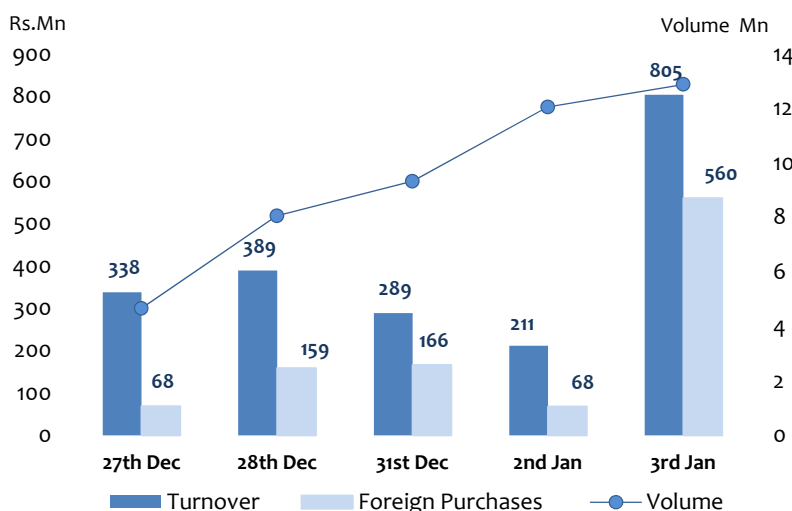
Daily Market Statistics

| Index | 3rd Jan | 2nd Jan | Change | % Change |
|----------------------------|----------|----------|-----------|-----------|
| ASPI | 6,058.48 | 6,062.20 | ↓ (3.72) | ↓ -0.06% |
| S&P SL20 | 3,091.52 | 3,111.07 | ↓ (19.55) | ↓ -0.63% |
| Market Stats (LKR, Mn) | | 3rd Jan | 2nd Jan | % Change |
| Turnover | | 804.69 | 211.50 | ↑ 280.5% |
| Domestic Purchases | | 244.73 | 143.84 | ↑ 70.1% |
| Domestic Sales | | 82.19 | 163.04 | ↓ -49.6% |
| Foreign Purchases | | 559.96 | 67.66 | ↑ 727.6% |
| Foreign Sales | | 722.50 | 48.46 | ↑ 1390.9% |
| Share Volume | | 12.89 | 12.06 | ↑ 6.9% |
| Market capitalization (Bn) | | 2,842.31 | 2,844.06 | ↓ -0.06% |
| PER | | 9.66 | 9.66 | ↓ 0.00% |
| PBV | | 1.18 | 1.18 | ↓ 0.00% |

Market Indices



Turnover, Volume and Foreign Purchase



Performance of the Market

- Colombo Bourse continued on volatile trend; HNB, SAMP and DFCC banks witnessed selling pressure for the 2nd consecutive day. Foreign to foreign transactions on HHL had lifted the day's turnover; fluctuations on DIAL and JKH weighed on the indices. Delay in rebuilding the foreign reserves and re-establishing the confidence on economy affects the investor sentiments.
- Benchmark index ASPI moved between 6,048.07 - 6,072.80 points and settled the day at 6,058.48 with a loss of 3.72 points (-0.06%).
- Major contributors for the movement in ASPI were **CLC (+5.4)**, **LOFC (+3.6)**, **SLTL (+2.3)**, **AHUN (+1.2)**, **DIST (+1)**, **DIAL (-5.2)**, **JKH (-3)**, **HNB (-3)**, **AAIC (-1.6)** & **DFCC (-1.1)**
- S&P SL20 index also followed a same trend and settled the day at 3,091.52 with a loss of 19.55 points (-0.63%).
- The day's turnover was recorded as LKR 804.69Mn, up by 280% from its previously recorded LKR 211.50Mn. Foreign investors turned net sellers for the day.
- The total market capitalization stood at LKR 2.84Tn, indicating an YTD gain of 0.10%.
- The market PER & PBV were at 9.66x & 1.18x respectively.

Top Contributors - Turnover

1. Hemas Holdings PLC (HHL) contributed 57% (458.39Mn) of the turnover. HHL traded between LKR 87.60 & 88.50 and settled the day at LKR 87.60 with a loss of LKR 0.90 (-1.02%).
2. John Keells Holdings PLC (JKH) had contributed LKR 159.6Mn. JKH traded between LKR 157.00 & 158.00 and settled the day at LKR 157.00 with a loss of LKR 1.00 (-0.63%).
3. Hatton National Bank PLC (HNB) contributed LKR 96.09Mn. HNB traded between LKR 205.00 & 209.00 and settled the day at LKR 205.00 with a loss of LKR 1.00 (-1.68%).

Top contributors - Traded Volume

1. Hemas Holdings PLC traded a total of 5.23Mn shares.
2. LOLC Finance PLC (1.47Mn shares)
3. John Keells Holdings PLC (1.02Mn shares).

Sectorial Overview

1. Diversified Holdings (DIV) stood on top providing LKR 621.49Mn capturing 77% of the total turnover.
2. Bank Finance & Insurance (BFI) provided LKR 138.62Mn to the daily aggregated turnover.
3. Manufacturing (MFG) provided LKR 14.36Mn

Daily Foreign Transactions

Net Foreign Purchases

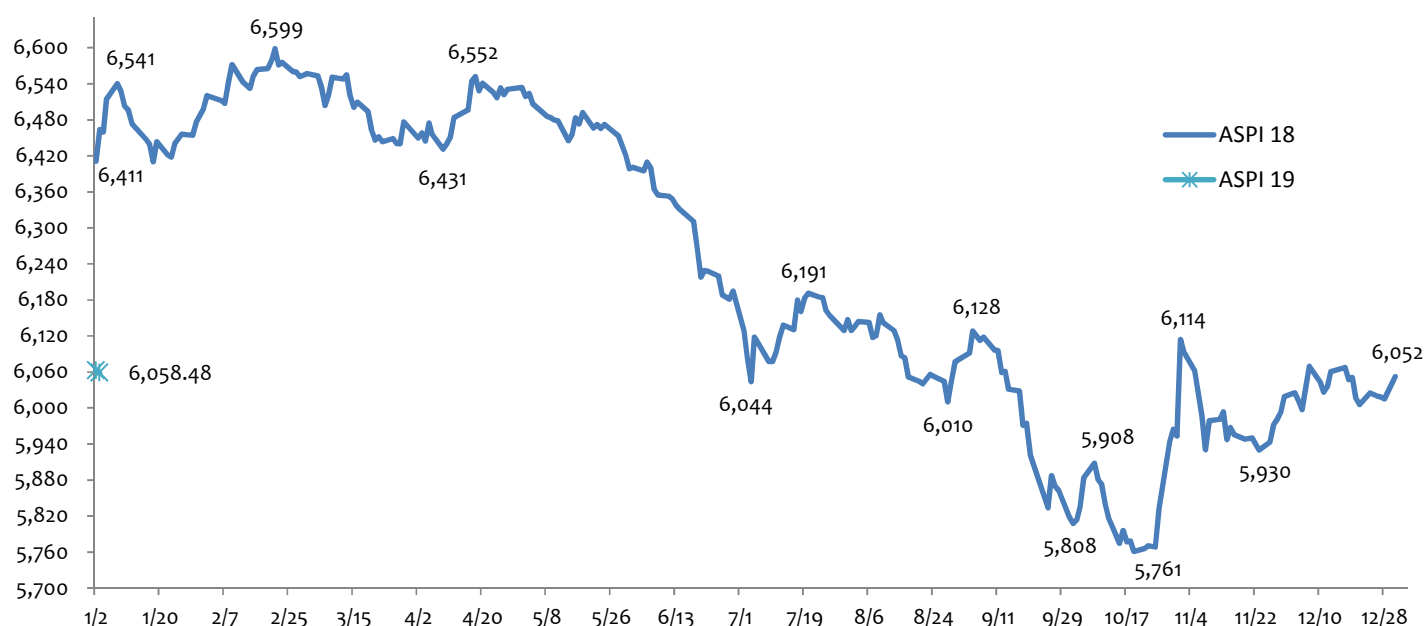
| Company Name | Avg Price | Net change in Qty | Net Foreign Inflow |
|----------------------|-----------|-------------------|--------------------|
| TEEJAY LANKA | 33.00 | 228,250 | 7,532,250 |
| TOKYO CEMENT[X.0000] | 22.10 | 2,509 | 55,449 |
| KEELLS HOTELS | 7.80 | 6,242 | 48,688 |
| BROWNS INVSTMNTS | 1.80 | 20,000 | 36,000 |
| R I L PROPERTY | 6.60 | 5,000 | 33,000 |
| VALLIBEL | 6.40 | 5,000 | 32,000 |
| OVERSEAS REALTY (+) | 16.3 | 1,377 | 22,445 |
| MELSTACORP | 48.00 | 290 | 13,920 |
| ALUMEX PLC | 13.70 | 500 | 6,850 |
| DANKOTUWA PORCEL | 6.20 | 1,000 | 6,200 |

Net Foreign Sales

| Company Name | Avg Price | Net change in Qty | Net Foreign Outflow |
|---------------------|-----------|-------------------|---------------------|
| JKH | 157.00 | (1,006,434) | (158,010,138) |
| DIALOG (+) | 10.00 | (691,588) | (6,915,880) |
| COMMERCIAL BANK (+) | 115.00 | (26,757) | (3,077,055) |
| LANKA IOC | 23.90 | (73,540) | (1,757,606) |
| MERCHANT BANK (+) | 10.20 | (36,524) | (372,545) |
| HEMAS HOLDINGS | 87.60 | (1,577) | (138,145) |
| SLT (+) | 25.10 | (643) | (16,139) |
| HNB (+) | 205.00 | (32) | (6,560) |
| A.SPEN.HOT.HOLD. | 28.00 | (200) | (5,600) |

- **Aggregate foreign buying** for the day totaled up to **LKR 559.96Mn**.
- **Foreign sales** for the day amounted to **LKR 722.50Mn**.
- **Net foreign outflow** for the day was **LKR 162.54Mn**, **YTD net foreign outflow** presently stands at **LKR 143.34Mn**.
- **TJL** notched the “Top Net Purchasers” slot with a net inflow of **LKR 7.53Mn** whilst **JKH** notched the “Top net Sellers” slot with a net outflow of **LKR 158.01Mn**.

Year-to-Date ASPI Movement - 2018 & 2019



Key Announcements

Companies under Trading Suspension

| Company | MIRA | CIFL | ESL | PCH | PCP | SING | CIFL | SFS |
|---------|-----------------------------|------------|---------------|-----------------------------------|-----|------|-----------|---------------|
| From | 26-Feb-15 | 23-Nov-17 | 5-Jan-16 | 2-Apr-18 | | | 23-Nov-17 | 2-July 18. |
| Reason | SEC Directive | status | Weak position | as per CSE Listing Rules | | | CBSL | Listing Rules |
| Company | LCEM | MEL | HUEJ | AINV | CFT | LLMP | PCHH | |
| From | 7-Sep 18. | 25-Sep 18. | 26-Nov-18. | 10-Dec-2018 for Non-submission of | | | | |
| Reason | Auditor's Qualified Opinion | | *** | Non-submission of Annual Reports | | | | |

***Non-submission of Interim Financial Statements 30th Jun 2018

Companies on WATCH LIST

| Non Submission of Annual Reports, Financial Statements | | | | | | | | | Default Board |
|--|------|------|------|------|------|------|------|------|---------------|
| MIRA | LCEM | CIFL | PCH | PCP | SING | HDEV | LLMP | PCHH | SFS |
| SINH | LLMP | CFT | SFL | | | | | | |
| Qualified Opinion in the Independent Auditor's Report | | | | | | | | | |
| AINV | ESL | RGEM | MEL | JANA | HVA | PMB | MBSL | ALHP | TFC |
| SIRA | MSL | CHOU | EAST | | | | | | |
| Non-compliance of CSE Listing Rules, minimum public holding & Corporate Governance | | | | | | | | | |
| HUEJ | LOFC | ACAP | ARPI | ASPH | BBH | COMD | CPRT | DIST | CLC |
| ASPM | GOOD | HPFL | INDO | KAPI | LAMB | MADU | MORI | OFEQ | NIFL |
| PARA | PDL | SELI | MERC | SHAL | LHCL | SLND | AFSL | AMCL | ODEL |
| SFCL | TAP | MERC | TFIL | | | | | | |

Annual general Meetings (AGMs)

| Company | Date |
|---------|-----------|
| EAST | 17-Jan-19 |
| BLUE | 28-Jan-19 |
| RGEM | 29-Jan-19 |

| Company | Date |
|---------|-----------|
| COMB | 28-Mar-19 |
| DFCC | 28-Mar-19 |
| SEYB | 28-Mar-19 |

| Company | Date |
|---------|-----------|
| HASU | 28-Mar-19 |
| HNB | 29-Mar-19 |

| Company | Date |
|---------|-----------|
| SAMP | 29-Mar-19 |
| PABC | 29-Mar-19 |

EGMs

| Company | Date |
|---------|-----------|
| HPWR | 18-Jan-19 |
| AAIC | 25-Jan-19 |

Key Announcements

Cash Dividends

| CODE | DIVIDEND PER SHARE (LKR) | TYPE | XD DATE | PAYMENT DATE | CODE | DIVIDEND PER SHARE (LKR) | TYPE | XD DATE | PAYMENT DATE |
|------|--------------------------|-------------------------|--------------|--------------|------|--------------------------|---------|-------------|--------------|
| KHL | 0.15 | Interim | 21. Dec.2018 | 03.Jan.2019 | HAYC | 2.00 | Interim | 14.Jan.2019 | 23.Jan.2019 |
| CFIN | 2.00 | Interim | 27.Dec.2018 | 01.Jan.2019 | HEXP | 3.00 | Interim | 14.Jan.2019 | 23.Jan.2019 |
| PLC | 0.75 | Interim | 02.Jan.2019 | 11.Jan.2019 | DIPD | 1.00 | Interim | 14.Jan.2019 | 23.Jan.2019 |
| CTC | 19.00 | 4 th Interim | 10.Jan.2019 | 22.Jan.2019 | | | | | |

Capitalization of Reserves

| Company | Proportion | EGM / Allotment | XC Date | Consideration (RS.) |
|-----------------------------------|------------|-----------------|----------------|---------------------|
| Ceylon & Foreign Trades PLC (CFT) | 1 for 1 | To be notified | To be notified | 4.00 |

Amalgamation [A]

| Transferee | Transferor | Proportion | Offer Closing Date |
|----------------------------------|---------------------------|------------------------|--------------------|
| [A] Browns investments PLC (BIL) | Browns Capital PLC (FLCH) | 2 BIL for every 1 FLCH | To be notified |

Consolidation of Shares

| Company | Proportion | EGM & Entitlement Date | Dealings Suspension | Trading start |
|--------------------------------|------------|------------------------|---------------------|----------------|
| Asia Asset Finance PLC (AAF.N) | 10 into 1 | To be notified | To be notified | To be notified |

Repurchase of Shares

| Company | Price | Proportion | Entitle | Offer Open | Offer closing | Payment |
|--------------------------------|------------|------------|--------------|--------------|---------------|--------------|
| John Keells Holdings PLC (JKH) | LKR 160.00 | 1 for 20 | 03 Dec 2018. | 14 Dec 2018. | 10 Jan 2019. | 25 Jan 2019. |

Rights Issues with pending dates

| Company, | Issue Price | Proportion | Company, | Issue Price | Proportion |
|---------------------------------------|-------------|------------|---------------------------------------|-------------|------------|
| Agalawatte Plantations (AGAL) | LKR 15.3 | 21 for 4 | Adam Investments PLC (AINV) | LKR 1.00 | 01 for 01 |
| Adam Capital PLC (PCHH) | LKR 1.50 | 02 for 01 | Blue Diamonds Jewellery (BLUE) | LKR 1.00 | 01 for 04 |
| Asia Asset Finance PLC (AAF.N) - TR-1 | LKR 10.00 | 03 for 10 | Asia Asset Finance PLC (AAF.N) - TR-2 | LKR 10.00 | 02 for 10 |

Upcoming Listings

| Company | Issue Size | Coupon Rate | Price | Issue Opening | Tenure | Nature |
|--------------------------------------|------------|----------------|--------|------------------|----------------|-----------|
| Citizens Development Business (CDB) | LKR 1.25Bn | To be notified | 100.00 | 17 - Jan - 2019. | 5 Years | Normal |
| Commercial Bank of Ceylon PLC (COMB) | LKR 15Bn | To be notified | 100.00 | To be Notified | 5 - 10 Years | BASEL III |
| National Development Bank (NDB) | LKR 6.5Bn | To be notified | 100.00 | To be Notified | 5 Years | BASEL III |
| Seylan Bank PLC (SEYB) | LKR 5Bn | To be notified | 100.00 | To be Notified | 5 Years | BASEL III |
| Sampath Bank PLC (SAMP) | LKR 7Bn | To be notified | 100.00 | To be Notified | 5 Years | BASEL III |
| Bogawantalawa Tea Estates (BOPL) | LKR 0.85Bn | To be notified | 85.00 | To be notified | 5, 6 & 7 Years | Normal |

Market Highlights & Statistics

Market Capitalisation

| Company Name | Symbol | Price | Issued Quantity | Market Capitalisation | (as a % of MKT Cap.) |
|---------------------------------------|------------|----------|-----------------|-----------------------|----------------------|
| CEYLON TOBACCO COMPANY PLC | CTC.No000 | 1,460.00 | 187,323,751 | 273,492,676,460 | 10.35 |
| JOHN KEELLS HOLDINGS PLC | JKH.No000 | 157.00 | 1,387,528,658 | 217,841,999,306 | 8.24 |
| COMMERCIAL BANK OF CEYLON PLC | COMB.No000 | 115.00 | 945,709,403 | 108,756,581,345 | 4.11 |
| NESTLE LANKA PLC | NEST.No000 | 1,700.00 | 53,725,463 | 91,333,287,100 | 3.46 |
| DIALOG AXIATA PLC | DIAL.No000 | 10.00 | 8,143,778,405 | 81,437,784,050 | 3.08 |
| HATTON NATIONAL BANK PLC | HNB.No000 | 205.00 | 395,451,248 | 81,067,505,840 | 3.07 |
| DISTILLERIES COMPANY OF SRI LANKA PLC | DIST.No000 | 16.20 | 4,600,000,000 | 74,520,000,000 | 2.82 |
| CEYLON COLD STORES PLC | CCS.No000 | 729.80 | 95,040,000 | 69,360,192,000 | 2.62 |
| SAMPATH BANK PLC | SAMP.No000 | 229.90 | 280,902,248 | 64,579,426,815 | 2.44 |
| MELSTACORP PLC | MELS.No000 | 48.00 | 1,165,397,072 | 55,939,059,456 | 2.12 |

Highest Volume

| Company Name | Turnover (Rs) | Share Vol. |
|--|---------------|------------|
| HEMAS HOLDINGS PLC | 458,391,869 | 5,232,772 |
| LOLC FINANCE PLC | 5,552,861 | 1,470,177 |
| JOHN KEELLS HOLDINGS PLC | 159,598,849 | 1,016,548 |
| DIALOG AXIATA PLC | 9,683,185 | 967,571 |
| HATTON NATIONAL BANK PLC | 96,094,032 | 470,011 |
| MERCHANT BANK OF SRI LANKA & FINANCE PLC | 3,962,489 | 381,133 |
| PEOPLE'S INSURANCE PLC | 6,306,331 | 314,859 |
| COMMERCIAL LEASING & FINANCE PLC | 902,465 | 308,557 |
| EXPOLANKA HOLDINGS PLC | 1,241,335 | 302,667 |
| TEEJAY LANKA PLC | 7,780,175 | 235,660 |

Highest Turnover

| Company Name | Share Vol. | Turnover (LKR) |
|-------------------------------|------------|----------------|
| HEMAS HOLDINGS PLC | 5,232,772 | 458,391,869 |
| JOHN KEELLS HOLDINGS PLC | 1,016,548 | 159,598,849 |
| HATTON NATIONAL BANK PLC | 470,011 | 96,094,032 |
| DIALOG AXIATA PLC | 967,571 | 9,683,185 |
| TEEJAY LANKA PLC | 235,660 | 7,780,175 |
| COMMERCIAL BANK OF CEYLON PLC | 65,499 | 7,532,338 |
| PEOPLE'S INSURANCE PLC | 314,859 | 6,306,331 |
| LOLC FINANCE PLC | 1,470,177 | 5,552,861 |
| SAMPATH BANK PLC | 20,612 | 4,740,703 |
| BAIRAHA FARMS PLC | 30,983 | 3,968,829 |

Top Gainers

| Company Name | VWA Days Close | Change (LKR) | Change % | Turnover (LKR) |
|------------------|----------------|--------------|----------|----------------|
| HUNAS FALLS | 110.40 | 18.60 | 20.26 | 1,878,556 |
| COMM LEASE & FIN | 2.90 | 0.40 | 16.00 | 902,465 |
| LOLC FINANCE | 3.90 | 0.40 | 11.43 | 5,552,861 |
| AGSTAR PLC | 4.40 | 0.40 | 10.00 | 20,208 |
| THE FINANCE CO. | 2.20 | 0.20 | 10.00 | 220 |
| REGNIS | 74.90 | 4.80 | 6.85 | 99,013 |
| FORTRESS RESORTS | 9.60 | 0.60 | 6.67 | 101,619 |
| A.SPEN.HOT.HOLD. | 28.00 | 1.70 | 6.46 | 10,860 |
| CIC | 42.10 | 2.50 | 6.31 | 70,473 |
| RAMBODA FALLS | 18.40 | 0.90 | 5.14 | 16,483 |

Top Losers

| Company Name | VWA Days Close | Change (LKR) | Change % | Turnover (LKR) |
|-----------------|----------------|--------------|----------|----------------|
| HARISCHANDRA | 1252.30 | (247.20) | (16.49) | 510,473 |
| RADIANT GEMS | 20.60 | (3.40) | (14.17) | 9,818 |
| SERENDIB HOTELS | 15.00 | (2.00) | (11.76) | 32,250 |
| SWISSTEK | 38.10 | (2.90) | (7.07) | 296,845 |
| RENUKA FOODS | 13.00 | (0.90) | (6.47) | 9,750 |
| KELANI CABLES | 71.00 | (4.80) | (6.33) | 21,300 |
| BOGAWANTALAWA | 9.40 | (0.50) | (5.05) | 28,919 |
| MALWATTE [X] | 4.00 | (0.20) | (4.76) | 182,360 |
| RENUKA AGRI | 2.00 | (0.10) | (4.76) | 22,955 |
| NAMUNUKULA | 61.00 | (2.80) | (4.39) | 103,734 |

Crossings

| Name | Symbol | Price | Trades | T.Volume | Turnover |
|------|--------|-------|--------|----------|----------|
| Nil | | | | | |

Market Highlights & Statistics

Sector Wise Summary

| Sector | Price Index | | Turnover | | | Sector | |
|-------------------------------|-------------|-----------|-------------|-----------|--------|--------|------|
| | Today | Previous | Value (Rs) | Volume | Trades | P/E | PBV |
| BANK FINANCE AND INSURANCE | 16,455.67 | 16,442.60 | 138,624,670 | 3,727,710 | 1,228 | 5.40 | 0.90 |
| BEVERAGE FOOD AND TOBACCO | 24,728.08 | 24,730.64 | 8,524,150 | 78,546 | 168 | 18.10 | 6.10 |
| CONSTRUCTION AND ENGINEERING | 1,376.46 | 1,375.97 | 1,609,855 | 132,423 | 100 | 22.10 | 0.60 |
| CHEMICALS AND PHARMACEUTICALS | 5,252.98 | 5,191.95 | 618,793 | 20,424 | 32 | 5.80 | 0.70 |
| DIVERSIFIED HOLDINGS | 1,562.56 | 1,568.82 | 621,493,618 | 6,824,778 | 177 | 10.50 | 0.90 |
| FOOTWEAR AND TEXTILE | 964.16 | 950.93 | 188,293 | 19,765 | 24 | 77.20 | 1.00 |
| HOTELS AND TRAVELS | 2,675.03 | 2,664.98 | 2,999,064 | 158,185 | 398 | 64.80 | 1.70 |
| HEALTH CARE | 804.92 | 803.19 | 572,395 | 25,221 | 34 | 15.40 | 1.80 |
| INVESTMENT TRUSTS | 9,553.14 | 9,512.94 | 105,620 | 6,327 | 13 | 32.20 | 0.40 |
| INFORMATION TECHNOLOGY | 26.08 | 25.52 | 1,100 | 250 | 2 | 0.00 | 0.00 |
| LAND AND PROPERTY | 550.01 | 554.50 | 1,290,348 | 134,538 | 108 | 5.40 | 0.60 |
| MANUFACTURING | 2,851.05 | 2,837.23 | 14,355,727 | 440,192 | 307 | 7.70 | 0.90 |
| MOTORS | 12,971.50 | 12,998.95 | 376,305 | 1,970 | 17 | 12.10 | 0.50 |
| OIL PALMS | 49,942.23 | 49,942.23 | 2,010 | 10 | 1 | 28.40 | 1.00 |
| POWER & ENERGY | 106.01 | 106.46 | 2,791,666 | 138,596 | 127 | 78.60 | 1.30 |
| PLANTATIONS | 731.08 | 736.20 | 516,480 | 65,073 | 82 | 6.60 | 0.70 |
| STORES SUPPLIES | 28,408.28 | 28,408.28 | 67,123 | 113 | 4 | 13.10 | 0.50 |
| SERVICES | 16,071.40 | 16,266.12 | 246,750 | 84,570 | 26 | 11.20 | 1.20 |
| TELECOMMUNICATIONS | 141.73 | 143.25 | 10,213,537 | 988,837 | 263 | 8.00 | 0.90 |
| TRADING | 12,249.10 | 12,334.19 | 72,931 | 43,171 | 35 | 31.60 | 0.90 |

GICS Industry Group Statistics

| Industry Group | Price Index | | Turnover | | | Sector | |
|--|-------------|----------|-------------|-----------|--------|--------|------|
| | Today | Previous | Value (Rs) | Volume | Trades | P/E | PBV |
| Automobiles & Components | 491.96 | 481.23 | 9,187 | 250 | 3 | 4.90 | 0.60 |
| Banks | 820.19 | 826.06 | 111,390,712 | 596,172 | 235 | 5.90 | 0.80 |
| Capital Goods | 848.10 | 851.86 | 621,817,540 | 6,455,107 | 211 | 10.90 | 0.80 |
| Commercial & Professional Services | 766.19 | 766.19 | 3,223 | 35 | 4 | 0.00 | 1.00 |
| Consumer Durables & Apparel | 797.83 | 789.61 | 8,643,323 | 289,489 | 115 | 25.60 | 1.00 |
| Consumer Services | 256.55 | 253.78 | 2,999,064 | 158,185 | 399 | 67.20 | 1.70 |
| Diversified Financials | 781.43 | 767.38 | 12,180,232 | 2,576,181 | 513 | 5.40 | 0.80 |
| Energy | 613.47 | 617.20 | 2,604,266 | 109,166 | 100 | 0.00 | 1.00 |
| Food & Staples Retailing | 1,241.50 | 1,241.50 | 19,444 | 40,888 | 18 | 15.10 | 2.20 |
| Food, Beverage & Tobacco | 946.08 | 946.43 | 13,075,723 | 444,469 | 403 | 15.80 | 2.50 |
| Health Care Equipment & Services | 865.17 | 863.13 | 578,995 | 33,471 | 40 | 15.50 | 1.80 |
| Household & Personal Products | 1,065.93 | 1,065.93 | 0 | 0 | 0 | 14.60 | 2.00 |
| Insurance | 2,166.21 | 2,181.00 | 15,145,472 | 585,153 | 504 | 4.40 | 1.70 |
| Materials | 542.73 | 540.58 | 2,623,125 | 79,288 | 149 | 7.10 | 0.90 |
| Pharmaceuticals, Biotechnology & Life Sciences | 1,807.58 | 1,807.58 | 14,740 | 27 | 2 | 4.70 | 1.40 |
| Real Estate | 749.56 | 755.29 | 1,286,209 | 123,630 | 105 | 5.10 | 0.60 |
| Retailing | 787.44 | 790.20 | 564,968 | 58,278 | 37 | 15.60 | 0.70 |
| Technology Hardware & Equipment | 0.00 | - | 0 | 0 | 0 | 0.00 | 0.00 |
| Telecommunication Services | 740.51 | 748.46 | 10,213,537 | 988,837 | 264 | 8.10 | 0.90 |
| Transportation | 702.71 | 702.71 | 1,243,336 | 302,696 | 27 | 20.30 | 0.70 |
| Utilities | 733.49 | 734.58 | 187,400 | 29,430 | 29 | 8.70 | 0.70 |

Economic Indicators & Other Statistics

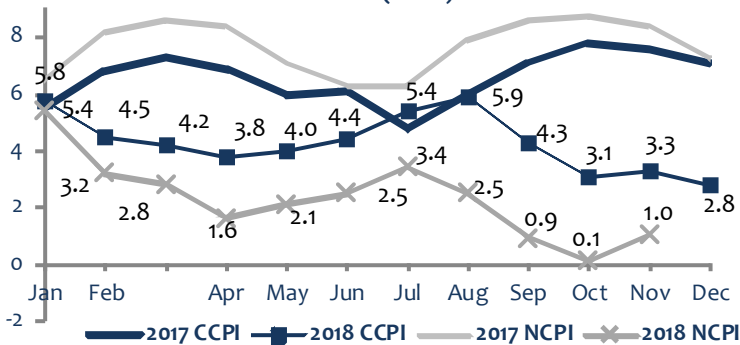
Exchange Rates

| Currency | 3rd Jan | | 2nd Jan | |
|---------------------|---------|---------|---------|---------|
| | Buying | Selling | Buying | Selling |
| Dollar (USA) | 180.67 | 184.65 | 180.57 | 184.55 |
| Pound (UK) | 225.57 | 232.96 | 228.86 | 236.33 |
| Euro (EU) | 203.88 | 211.09 | 205.42 | 212.66 |
| Dollar (Australia) | 124.06 | 129.40 | 125.45 | 130.83 |
| Dollar (Canada) | 131.74 | 136.64 | 131.54 | 136.43 |
| Franc (Switzerland) | 181.72 | 188.53 | 182.28 | 189.11 |
| Renminbi (China) | 25.97 | 27.20 | 26.00 | 27.25 |
| Yen (Japan) | 1.6734 | 1.7348 | 1.6393 | 1.6995 |
| Dollar (Singapore) | 131.55 | 136.04 | 131.61 | 136.10 |

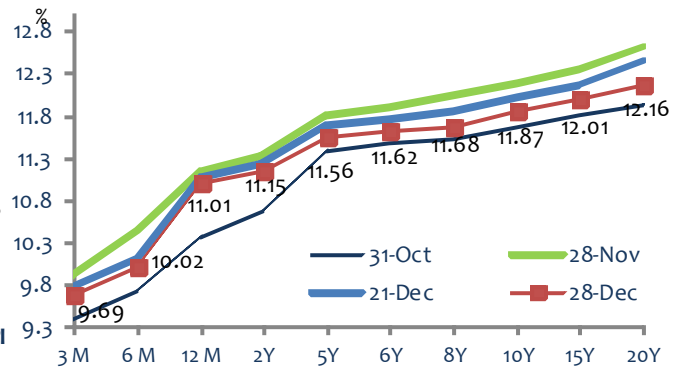
Indicative Rates

| Currency | 3rd Jan | 2nd Jan |
|-----------------|------------|------------|
| | Ind: Value | Ind: Value |
| Yuan (Offshore) | 26.5832 | 26.5640 |
| Rupee (India) | 2.5833 | 2.6283 |
| Won (Korean) | 0.1625 | 0.1631 |
| Dinar (Kuwait) | 600.9689 | 601.7286 |
| Ringgit (Malay) | 43.5892 | 44.0827 |
| Rial (Oman) | 474.9651 | 474.1588 |
| Riyal (Qatar) | 50.2181 | 50.1288 |
| Riyal (KSA) | 48.7339 | 48.6615 |
| Dirham (UAE) | 49.7820 | 49.6975 |

Inflation Colombo Consumers' Price Index (CCPI) & National Consumer Price Index (NCPI)



Government Securities - Secondary Market Yield



Central Bank's Policy Rates

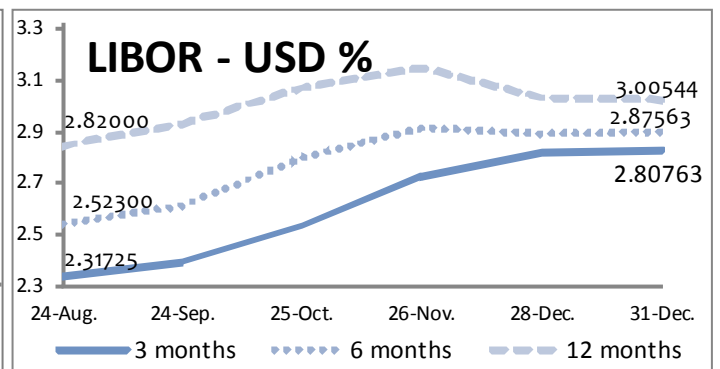
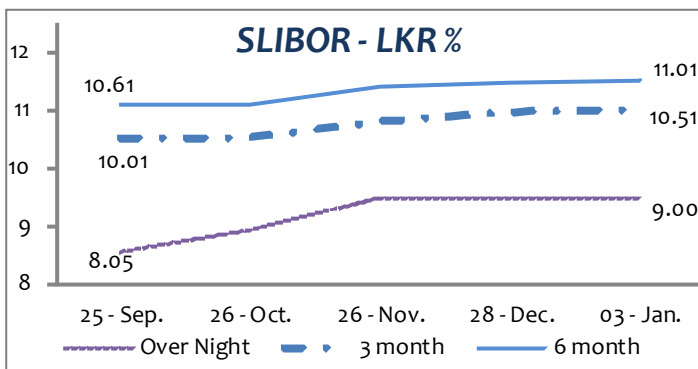
| Description | Present | Previous | | 02.01.2019 | 19.12.2018 | 12.12.2018 | 05.12.2018 |
|---------------------------------|---------|----------|------------|------------|------------|------------|------------|
| Standing Deposit Facility (SDF) | 8.00% | 7.25% | 91 Days % | na | na | na | na |
| Standing Lending Facility (SLF) | 9.00% | 8.50% | 182 Days % | 9.95 | 9.99 | 10.03 | 10.01 |
| Bank Rate | 15.00% | 15.00% | 364 Days % | 10.99 | 11.20 | 11.24 | 11.20 |
| Statutory Reserve Ratio (SRR) | 6.00% | 7.50% | Amount | 18Bn | 18Bn | 23Bn | 19Bn |

Treasury Bill Issuance

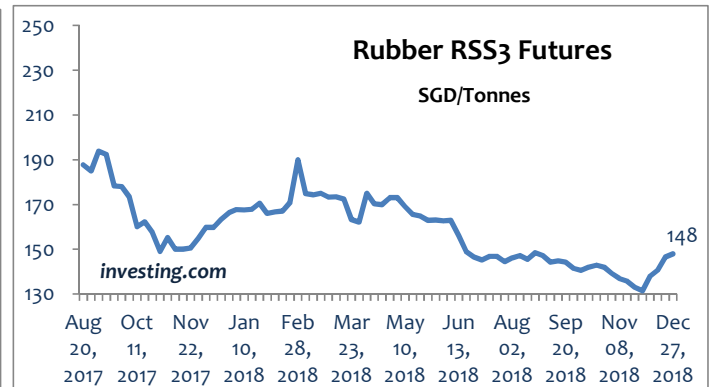
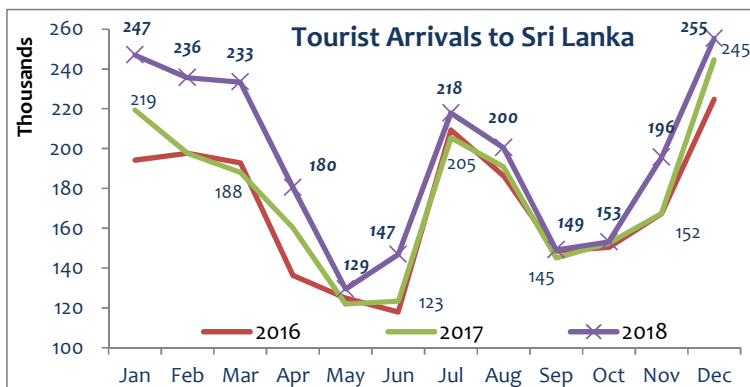
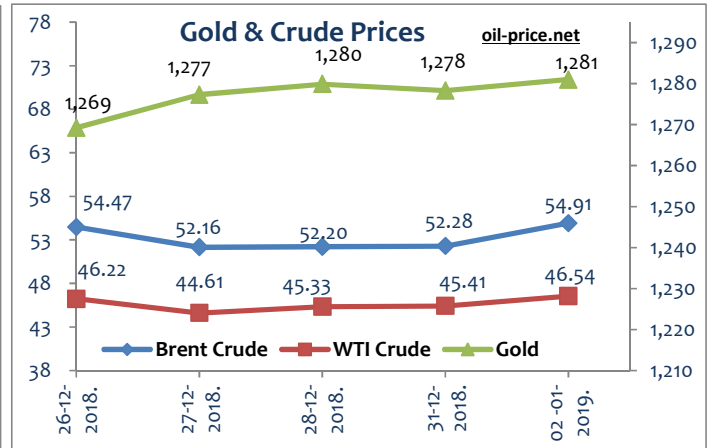
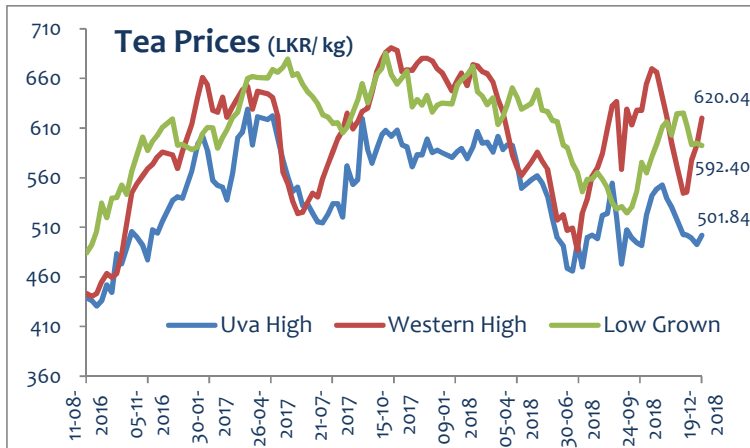
| Date | 13.12.2018 | 17.07.2016 | 15.10.2018 | 17.07.2016 | 17.09.2018 | 13.12.2018 | 15.08.2018 | 15.10.2018 |
|------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Maturity | 3 Years | 4 Years | 5 Years | 6 Years | 7 Years | 8 Years | 10 Years | 15 Years |
| Current Yield | 11.88 | 11.14 | 11.69 | 11.21 | 10.32 | 12.23 | 10.20 | 11.90 |
| Previous Auction | 17.09.2018 | 15.06.2017 | 15.08.2018 | 15.06.2017 | 16.07.2018 | 02.01.2018 | 01.06.2018 | 16.07.2018 |
| Previous Yield | 10.03 | 11.37 | 9.91 | 11.38 | 10.53 | 10.06 | 10.72 | 10.88 |

Treasury Bond Issuance

| Date | 13.12.2018 | 17.07.2016 | 15.10.2018 | 17.07.2016 | 17.09.2018 | 13.12.2018 | 15.08.2018 | 15.10.2018 |
|------------------|------------|------------|------------|------------|------------|------------|------------|------------|
| Maturity | 3 Years | 4 Years | 5 Years | 6 Years | 7 Years | 8 Years | 10 Years | 15 Years |
| Current Yield | 11.88 | 11.14 | 11.69 | 11.21 | 10.32 | 12.23 | 10.20 | 11.90 |
| Previous Auction | 17.09.2018 | 15.06.2017 | 15.08.2018 | 15.06.2017 | 16.07.2018 | 02.01.2018 | 01.06.2018 | 16.07.2018 |
| Previous Yield | 10.03 | 11.37 | 9.91 | 11.38 | 10.53 | 10.06 | 10.72 | 10.88 |



Economic Indicators & Other Statistics



Local News

Sri Lanka expecting US\$400mn India swap line shortly: CB Governor

ECONOMYNEXT - Sri Lanka is expecting to get a 400Mn dollars swap line from India shortly, Central Bank Governor Indrajit Coomaraswamy said, as the country has lost 1.1Bn US dollars in forex reserves over three months and money was printed after intervening. Sri Lanka has been negotiating with the Reserve Bank of India to get a 400Mn dollar swap line from a facility made available to countries in the South Asia Association for Regional Co-operation (SAARC). "We are hoping to get that quickly," Governor Coomaraswamy said. Minister Harsha de Silva said in a twitter.com message that Sri Lanka was hoping to get up to a billion US dollars in swap lines.

Sri Lanka to sign loan agreement with Japan for light rail

ECONOMYNEXT – Sri Lanka’s government is to sign an agreement with the Japanese aid agency, Japan International Cooperation Agency (JICA), for a 200Bn yen (347Bn rupees) soft loan to build a light rail transit (LRT) system. A government statement said the Cabinet of ministers had approved a proposal by Finance Minister Mangala Samaraweera to enter into negotiations with JICA for the loan. The loan is to fund the first 17 kilometer track of the LRT connecting Colombo’s city centre with suburbs. It will cost 247Bn yen of which JICA will fund 200Bn yen with the balance provided by Sri Lanka.

Sri Lanka monetary policy now focused on soft-peg

ECONOMYNEXT- Sri Lanka is keeping its policy interest rate at 9.0% despite low inflation and weak growth to counter pressure on the rupee and foreign reserves, Central Bank Governor Indrajit Coomaraswamy said. "There's pressure on our reserves and exchange rates," Governor Coomaraswamy said after delivering the central bank monetary policy roadmap for 2019. "To reduce rates at this point can be counterproductive," he said. He said some macroeconomic indicators pointed to rate cuts, while others call for rate hikes. "Right now the pressure on the external sector is most urgent and we have to take that into account and the monetary board placed significant weight on it."

Budget on 5 March

Finance Minister Mangala Samaraweera will present the Appropriation Bill for 2019 to Parliament on 5 February, while the Budget will be presented on 5 March. (dailymirror.lk)

I think we are understating Sri Lanka's GDP under new methodology: CB Governor

(LBO) – Sri Lanka's Central Bank Governor on Wednesday pointed out that the authorities need to look at carefully whether they are recording the GDP of the country accurately. According to Coomaraswamy's own view, the growth in 2018 should be somewhere between 3.5% and 4%. "I don't think this is a 3% growth economy, the IMF said 3.5%, the World Bank said 4% and we thought it was about 3.8%," he said. Coomaraswamy was speaking at a press conference held at the Central Bank just after announcing the road map for 2019. "My own view is that we are understating GDP. Not that anybody doing it intentionally, it's just the process of going into a new methodology that needs to support with the certain amount of surveys."

Sri Lanka to complete IMF programme in 2019; reserves at USD6.9bn

(LBO) – Sri Lanka's Central Bank Governor remained optimistic that the staff level agreement reached in principle with the IMF on the fifth review will proceed to the next level with the successful completion of the IMF EFF programme this year. Sri Lanka obtained a three-year Extended Fund Facility (EFF) from the IMF, in 2015, and already received five tranches of this facility. "Sri Lanka continued to receive the assistance under the EFF and we received the fifth tranche of the programme in June 2018. We look forward to the successful completion of the IMF EFF programme in 2019," Coomaraswamy said. Governor Coomaraswamy said Sri Lanka's foreign reserves were at 6.94 billion US dollars by the end of last year. "As far as the sovereign bond repayment is concerned there is a carryover of about 650Mn dollars. There is 350Mn more to find and we have found pretty much all of that. But we have to clear other obligations during the course of this year."

Tourist arrivals grow 10.3% to 2.33mn in 2018

Tourist arrivals to Sri Lanka grew 10.3% to 2,333,796 from the previous year with December seeing the arrival of the highest number of tourists for a month despite the political turmoil that rocked the island nation from October 26 to the mid part of December. Tourist arrivals in December 2018 rose 4.4% to 255,221 over the previous year, the data released by the Sri Lanka Tourism Development Authority (SLTDA) showed. However, Sri Lanka missed the 2.5Mn arrival target originally set for 2018. Tourism earnings in the first 10 months of 2018 rose 10.6% from a year ago to US \$ 3.5Bn, the Central Bank data showed. The government had set a US \$ 4.5Bn earnings target for 2018. (*dailymirror.lk*)

Foreign News

Apple, China worries pummel Asian shares; 'flash crash' jolts currencies

U.S. stock futures fell and Asian shares stumbled on Thursday after a rare revenue warning from Apple Inc added to worries about slowing global growth and weaker earnings and jolted currency markets. Apple blamed fewer iPhone upgrades and slowing sales in China in its most recent quarter, its first such warning since 2007. Its shares (AAPL.O) tumbled in after-hours trade.

The news sparked a 'flash crash' in holiday-thinned currency markets as investors rushed to less risky assets, with the Japanese yen soaring against most major currencies in a matter of seconds. Japanese markets were closed for holidays but Nikkei futures NK1 dropped 2.2 percent.

Shares in China .CSI300 and Hong Kong .HSE see-sawed between gains and losses as investors waited for Beijing to roll out fresh support measures for the cooling Chinese economy.

The volatile day for Asia followed swings on Wall Street overnight, where shares slid in early trade on growth worries before clawing back losses as surging oil prices drove gains in energy shares.

Adding to the sour mood, a meeting between U.S. President Donald Trump and congressional leaders produced no agreement to end a partial government shutdown. Trump's demand for \$5Bn in funding for a wall along the U.S.-Mexico border triggered the shutdown affecting about a quarter of the federal government and 800,000 federal workers.

The dollar was last 1.9% weaker against the yen JPY= at 106.85, having earlier fallen as low as 104.96, its lowest level since March 2018. The Australian dollar at one point hit levels against the Japanese yen not seen since 2011.

U.S. crude CL1 fell 2.1% to \$45.57 a barrel, and Brent crude LCO1 was down 1.2% at \$54.24. Slowing global growth is expected to coincide with an increase in crude supply, depressing prices. Gold was higher as the dollar weakened, with spot gold XAU= trading up 0.5% at \$1,290.91 per ounce. (*reuters.com*)

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