

DAILY STOCK MARKET HIGHLIGHTS

Friday, 04 January 2019



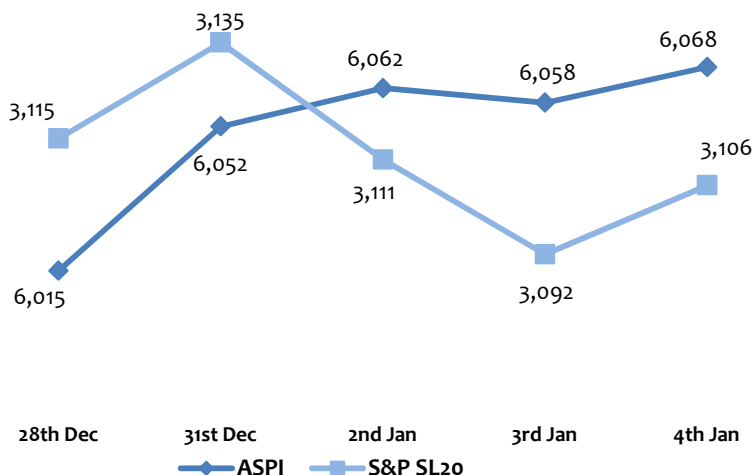
**ASHA PHILLIP
SECURITIES LTD**

Sri Lanka

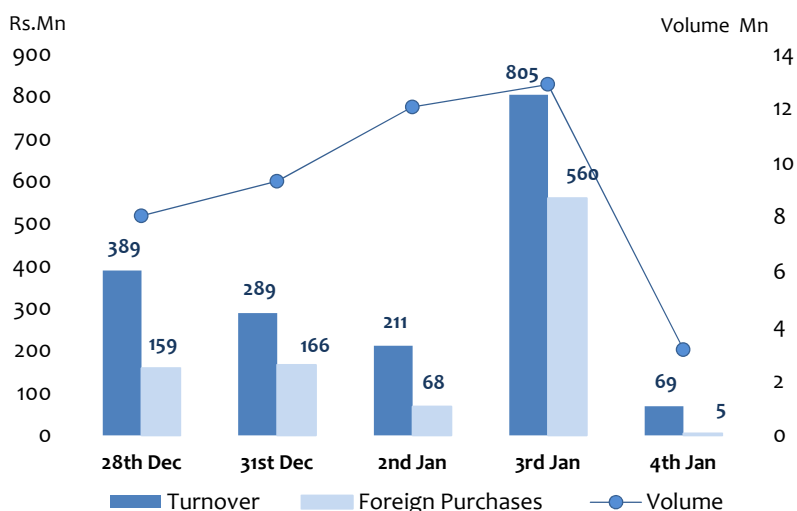
Daily Market Statistics

Index	4th Jan	3rd Jan	Change	% Change
ASPI	6,067.66	6,058.48	↑ 9.18	↑ 0.15%
S&P SL20	3,105.75	3,091.52	↑ 14.23	↑ 0.46%
Market Stats (LKR, Mn)		4th Jan	3rd Jan	% Change
Turnover		68.78	804.69	↓ -91.5%
Domestic Purchases		64.26	244.73	↓ -73.7%
Domestic Sales		64.93	82.19	↓ -21.0%
Foreign Purchases		4.52	559.96	↓ -99.2%
Foreign Sales		3.85	722.50	↓ -99.5%
Share Volume		3.15	12.89	↓ -75.6%
Market capitalization (Bn)		2,846.62	2,842.31	↑ 0.15%
PER		9.67	9.66	↑ 0.10%
PBV		1.18	1.18	↓ 0.00%

Market Indices



Turnover, Volume and Foreign Purchase



Performance of the Market

- Escalating worries over the country's political stability and the increasing trend of interest rates, restricts the investor participation along with the adverse global developments. Absence of foreign and institutional investors had created a vacuum for speculative trades (HUNA); price appreciation of large-caps made the Bourse to turn positive.
- Benchmark index ASPI moved between 6,050.40-6,067.80 points and settled the day at 6,067.66 with a gain of 9.18 points (+0.15%).
- Major contributors for the movement in ASPI were **DIST (+2.9)**, **HNB (+2.5)**, **DIAL (+1.7)**, **JKH (+1.5)**, **CLC (+1.4)**, **LOFC (-1.8)**, **MELS (-1)**, **AHPL (-0.9)**, **CFIN (-0.7)** & **BPPL (-0.6)**
- S&P SL20 index also followed a same trend and settled the day at 3,105.75 with a gain of 14.23 points (+0.46%).
- The day's turnover was recorded as LKR 68.78Mn (lowest after 28/04/2009 – LKR 64.28Mn), down by 91% from its previously recorded LKR 804.69Mn. Foreign investors turned net buyers for the day.
- The total market capitalization stood at LKR 2.85Tn, indicating an YTD gain of 0.25%.
- The market PER & PBV were at 9.67x & 1.18x respectively.

Top Contributors – Turnover

1. Hunas Falls Hotels PLC (HUNA) contributed 10% (7.06Mn) of the turnover. HUNA traded between LKR 111.90 & 137.40 and settled the day at LKR 131.80 with a gain of LKR 21.40 (+19.38%).
2. Sampath Bank PLC (SAMP) had contributed LKR 6.62Mn. SAMP traded between LKR 229.00 & 230.00 and settled the day at LKR 229.00 with a loss of LKR 0.90 (-0.39%).
3. Bairaha Farms PLC (BFL) contributed LKR 5.33Mn. BFL traded between LKR 127.10 & 130.0 and settled the day at LKR 129.40 with a gain of LKR 0.90 (+0.70%).

Top contributors - Traded Volume

1. Renuka Agri Foods PLC traded a total of 0.27Mn shares.
2. Asia Asset Finance PLC (0.22Mn shares)
3. TESS Agro PLC (0.2Mn shares).

Sectorial Overview

1. Bank Finance & Insurance (BFI) stood on top providing LKR 27.51Mn capturing 40% of the total turnover.
2. Manufacturing (MFG) provided LKR 12.59Mn to the daily aggregated turnover.
3. Hotels & Travels (H&T) provided LKR 8.56Mn

Daily Foreign Transactions

Net Foreign Purchases

Company Name	Avg Price	Net change in Qty	Net Foreign Inflow
SAMPATH (+)	229.00	10,075	2,307,175
GRAIN ELEVATORS (+)	60.90	14,950	910,455
HNB (+)	208.00	3,993	830,544
TEEJAY LANKA	33.80	5,492	185,630
CENTRAL FINANCE	88.20	1,233	108,751
ACCESS ENG SL	14.00	2,500	35,000
PEOPLES LEASING	15.9	1,500	23,850
ACL	36.00	500	18,000
PIRAMAL GLASS	3.70	3,000	11,100
SANASA DEV. BANK (+)	73.20	105	7,686

Net Foreign Sales

Company Name	Avg Price	Net change in Qty	Net Foreign Outflow
LANKA IOC	23.60	(76,137)	(1,796,833)
MELSTACORP	47.60	(21,504)	(1,023,590)
RENUKA AGRI	2.10	(219,826)	(461,635)
BAIRAHA FARMS	129.40	(2,133)	(276,010)
RENUKA FOODS[X.0000]	10.90	(14,063)	(153,287)
RENUKA HOLDINGS[X.00]	14.90	(4,000)	(59,600)
THREE ACRE FARMS (+)	109.10	(50)	(5,455)

- **Aggregate foreign buying** for the day totaled up to **LKR 4.52Mn**.
- **Foreign sales** for the day amounted to **LKR 3.85Mn**.
- **Net foreign inflow** for the day was **LKR 0.67Mn**, **YTD net foreign outflow** presently stands at **LKR 142.67Mn**.
- **SAMP** notched the “Top Net Purchasers” slot with a net inflow of **LKR 2.31Mn** whilst **LIOC** notched the “Top net Sellers” slot with a net outflow of **LKR 1.8Mn**.

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	10.33
JOHN KEELLS HOLDINGS PLC	JKH.No000	157.50	1,387,528,658	218,535,763,635	8.25
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	3.45
DIALOG AXIATA PLC	DIAL.No000	10.10	8,143,778,405	82,252,161,891	3.11
HATTON NATIONAL BANK PLC	HNB.No000	208.00	395,451,248	82,253,859,584	3.11
DISTILLERIES COMPANY OF SRI LANKA PLC	DIST.No000	16.50	4,600,000,000	75,900,000,000	2.87
CEYLON COLD STORES PLC	CCS.No000	729.80	95,040,000	69,360,192,000	2.62
SAMPATH BANK PLC	SAMP.No000	229.00	280,902,248	64,326,614,792	2.43
MELSTACORP PLC	MELS.No000	47.60	1,165,397,072	55,472,900,627	2.10

Highest Volume

Company Name	Turnover (Rs)	Share Vol.
RENUKA AGRI FOODS PLC	564,596	269,103
ASIA ASSET FINANCE PLC	175,472	216,850
TESS AGRO PLC	80,700	201,599
RAIGAM WAYAMBA SALTERNS PLC	394,802	189,596
MERCHANT BANK OF SRI LANKA & FINANCE PLC	1,850,545	186,140
PIRAMAL GLASS CEYLON PLC	600,368	162,231
ACCESS ENGINEERING PLC	1,907,584	135,724
LANKA IOC PLC	2,139,750	89,977
JANASHAKTHI INSURANCE COMPANY PLC	2,678,641	87,676
CEYLON GRAIN ELEVATORS PLC	4,017,898	65,856

Highest Turnover

Company Name	Share Vol.	Turnover (LKR)
HUNAS FALLS HOTELS PLC	55,242	7,061,135
SAMPATH BANK PLC	28,805	6,616,711
BAIRAHA FARMS PLC	41,127	5,325,436
COMMERCIAL BANK OF CEYLON PLC	43,066	4,946,781
CEYLON GRAIN ELEVATORS PLC	65,856	4,017,898
JANASHAKTHI INSURANCE COMPANY PLC	87,676	2,678,641
NATIONS TRUST BANK PLC	23,863	2,147,650
LANKA IOC PLC	89,977	2,139,750
RICHARD PIERIS EXPORTS PLC	9,195	1,976,068
HAYLEYS FIBRE PLC	24,576	1,919,433

Top Gainers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
HUNAS FALLS	131.80	21.40	19.38	7,061,135
CEYLON PRINTERS	73.80	8.80	13.54	10,258
KELSEY	33.50	3.10	10.20	11,892
RADIANT GEMS	22.60	2.00	9.71	13,869
AMANA LIFE	10.90	0.90	9.00	8,584
AGSTAR PLC	4.70	0.30	6.82	154,063
KANDY HOTELS	5.10	0.30	6.25	58,347
AGALAWATTE	14.30	0.80	5.93	1,684
BROWNS INVSTMNTS	1.90	0.10	5.56	5,150
HAYLEYS FIBRE	78.00	4.00	5.41	1,919,433

Top Losers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
S M B LEASING	0.40	(0.10)	(20.00)	4,600
TESS AGRO	0.40	(0.10)	(20.00)	80,700
BERUWALA RESORTS	0.60	(0.10)	(14.29)	2,004
ASIA ASSET	0.80	(0.10)	(11.11)	175,472
PRINTCARE PLC	27.30	(2.90)	(9.60)	2,730
RENUKA CITY HOT.	270.00	(28.40)	(9.52)	52,384
BPPL HOLDINGS	11.60	(0.90)	(7.20)	738,686
MILLENNIUM HOUSE	8.30	(0.50)	(5.68)	3,309
LOLC FINANCE	3.70	(0.20)	(5.13)	36,533
SIERRA CABL	2.10	(0.10)	(4.55)	58,069

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	16,474.18	16,455.67	27,508,245	892,890	760	5.40	0.90
BEVERAGE FOOD AND TOBACCO	24,794.09	24,728.08	8,518,671	568,332	394	18.10	6.10
CONSTRUCTION AND ENGINEERING	1,376.46	1,376.46	2,628,749	215,263	147	22.10	0.60
CHEMICALS AND PHARMACEUTICALS	5,250.54	5,252.98	69,437	65,373	20	5.80	0.70
DIVERSIFIED HOLDINGS	1,566.64	1,562.56	2,326,375	164,758	125	10.50	0.90
FOOTWEAR AND TEXTILE	970.21	964.16	208,812	22,333	31	77.70	1.00
HOTELS AND TRAVELS	2,669.93	2,675.03	8,555,112	137,422	563	64.60	1.70
HEALTH CARE	806.43	804.92	180,309	7,054	29	15.40	1.80
INVESTMENT TRUSTS	9,513.54	9,553.14	1,325,502	65,347	19	32.00	0.40
INFORMATION TECHNOLOGY	25.52	26.08	3,052	705	3	0.00	0.00
LAND AND PROPERTY	550.70	550.01	715,171	60,235	114	5.40	0.60
MANUFACTURING	2,855.64	2,851.05	12,587,508	470,805	574	7.70	0.90
MOTORS	12,971.50	12,971.50	85,745	141	20	12.10	0.50
OIL PALMS	49,942.23	49,942.23	18,659	37	10	28.40	1.00
POWER & ENERGY	105.03	106.01	2,712,453	197,561	124	77.80	1.30
PLANTATIONS	732.16	731.08	437,337	34,625	95	6.60	0.70
STORES SUPPLIES	28,408.28	28,408.28	33,094	47	9	13.10	0.50
SERVICES	16,162.18	16,071.40	450,569	16,123	40	11.20	1.20
TELECOMMUNICATIONS	142.44	141.73	303,446	23,215	46	8.10	0.90
TRADING	12,326.67	12,249.10	107,149	202,736	25	31.80	0.90

GICS Industry Group Statistics

Industry Group	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
Automobiles & Components	477.21	491.96	7,156	201	6	4.80	0.60
Banks	823.60	820.19	17,568,022	193,419	297	6.00	0.80
Capital Goods	850.90	848.10	5,259,889	361,969	295	11.00	0.80
Commercial & Professional Services	710.55	766.19	430,238	8,489	15	0.00	0.90
Consumer Durables & Apparel	812.56	797.83	3,078,714	86,030	179	26.00	1.10
Consumer Services	255.14	256.55	8,555,112	137,422	563	67.10	1.60
Diversified Financials	778.30	781.43	4,283,391	494,585	269	5.30	0.80
Energy	603.23	613.47	2,216,951	94,332	93	0.00	1.00
Food & Staples Retailing	1,241.01	1,241.50	80,900	201,600	9	15.10	2.20
Food, Beverage & Tobacco	948.34	946.08	14,151,533	715,855	684	15.80	2.50
Health Care Equipment & Services	866.56	865.17	222,934	72,865	44	15.60	1.80
Household & Personal Products	1,017.43	1,065.93	738,686	63,653	59	13.90	1.90
Insurance	2,166.73	2,166.21	6,144,363	218,895	235	4.40	1.70
Materials	544.92	542.73	4,244,530	235,044	199	7.10	0.90
Pharmaceuticals, Biotechnology & Life Sciences	1,807.58	1,807.58	17,525	30	3	4.70	1.40
Real Estate	749.69	749.56	567,358	33,373	72	5.10	0.60
Retailing	791.14	787.44	51,688	5,935	28	15.70	0.70
Technology Hardware & Equipment	0.00	-	0	0	0	0.00	0.00
Telecommunication Services	744.21	740.51	303,446	23,215	46	8.10	0.90
Transportation	702.71	702.71	212,450	53,059	10	20.30	0.70
Utilities	734.58	733.49	495,502	103,229	31	8.70	0.70

Economic Indicators & Other Statistics

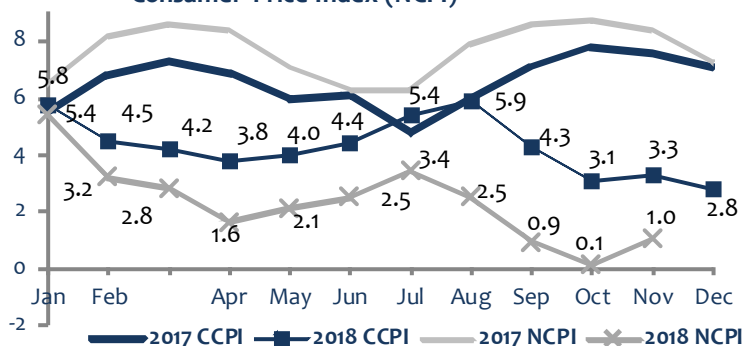
Exchange Rates

Currency	4th Jan		3rd Jan	
	Buying	Selling	Buying	Selling
Dollar (USA)	180.69	184.67	180.67	184.65
Pound (UK)	227.26	234.67	225.57	232.96
Euro (EU)	204.69	211.91	203.88	211.09
Dollar (Australia)	125.53	130.90	124.06	129.40
Dollar (Canada)	133.14	138.09	131.74	136.64
Franc (Switzerland)	181.87	188.69	181.72	188.53
Renminbi (China)	26.00	27.24	25.97	27.20
Yen (Japan)	1.6626	1.7236	1.6734	1.7348
Dollar (Singapore)	132.02	136.52	131.55	136.04

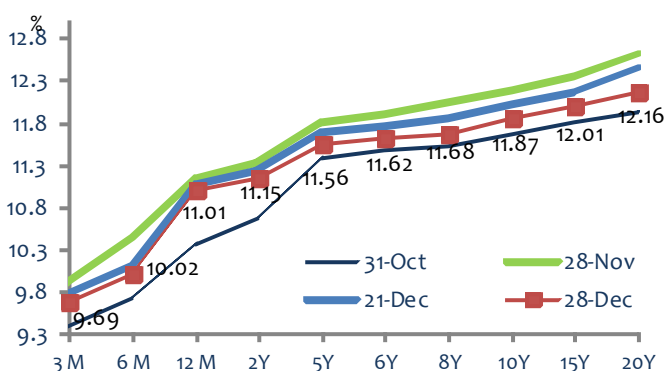
Indicative Rates

Currency	4th Jan	3rd Jan
	Ind: Value	Ind: Value
Yuan (Offshore)	26.6024	26.5832
Rupee (India)	2.6073	2.5833
Won (Korean)	0.1625	0.1625
Dinar (Kuwait)	602.8127	600.9689
Ringgit (Malay)	44.1788	43.5892
Rial (Oman)	475.0826	474.9651
Riyal (Qatar)	50.2240	50.2181
Riyal (KSA)	48.7565	48.7339
Dirham (UAE)	49.7879	49.7820

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



Government Securities - Secondary Market Yield



Central Bank's Policy Rates

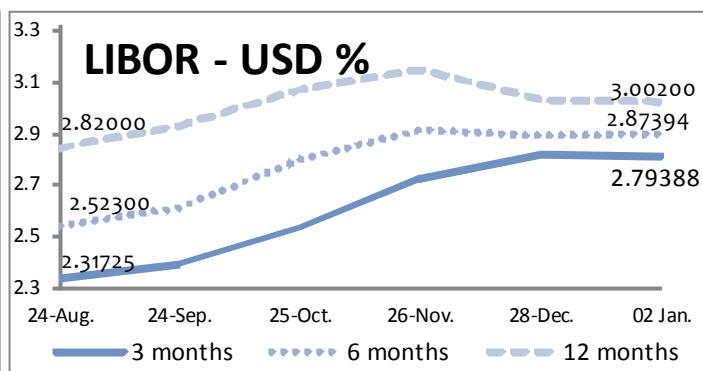
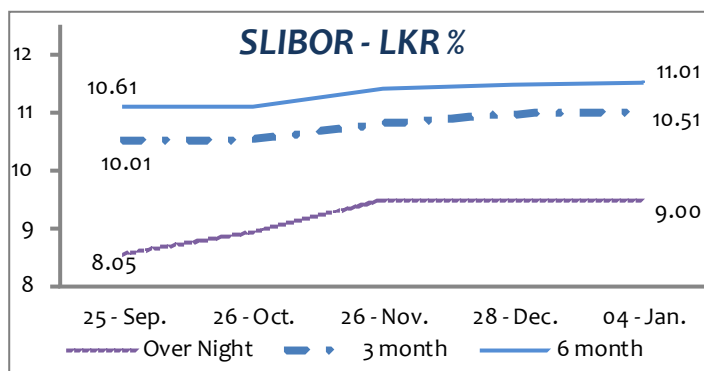
Description	Present	Previous		02.01.2019	19.12.2018	12.12.2018	05.12.2018
Standing Deposit Facility (SDF)	8.00%	7.25%	91 Days %	na	na	na	na
Standing Lending Facility (SLF)	9.00%	8.50%	182 Days %	9.95	9.99	10.03	10.01
Bank Rate	15.00%	15.00%	364 Days %	10.99	11.20	11.24	11.20
Statutory Reserve Ratio (SRR)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

Treasury Bill Issuance

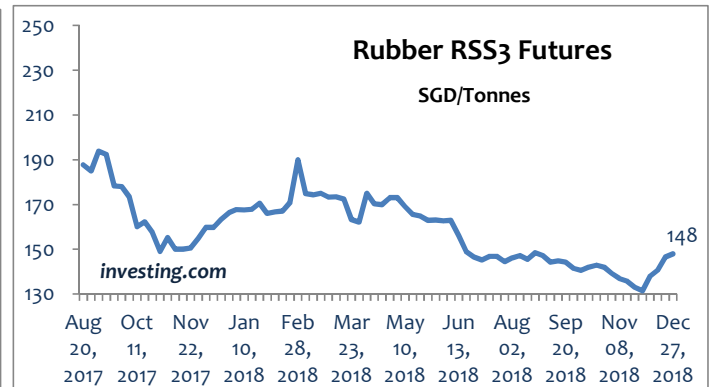
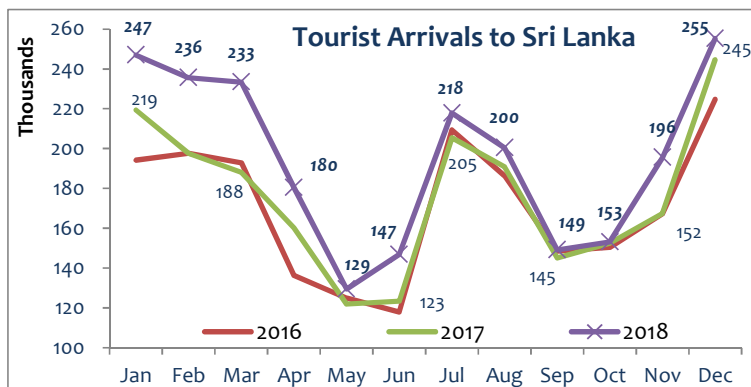
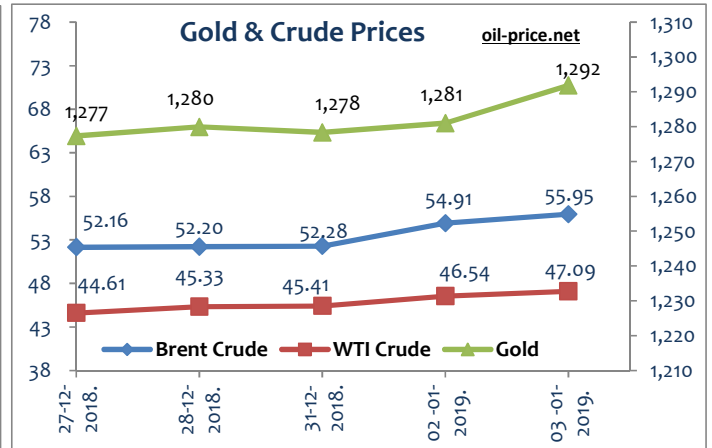
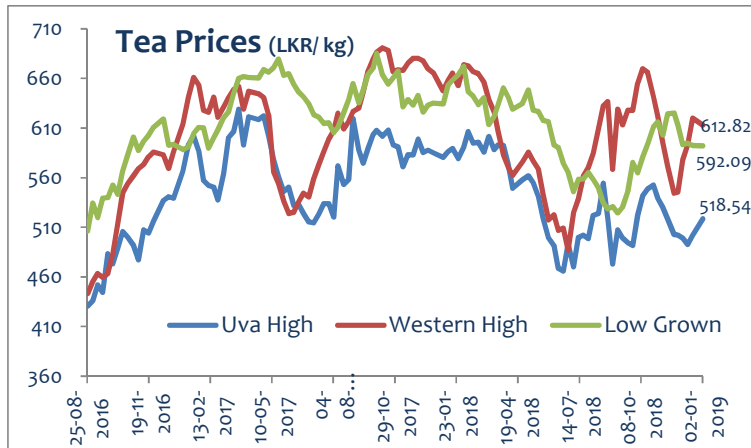
Date	13.12.2018	17.07.2016	15.10.2018	17.07.2016	17.09.2018	13.12.2018	15.08.2018	15.10.2018
Maturity	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	10 Years	15 Years
Current Yield	11.88	11.14	11.69	11.21	10.32	12.23	10.20	11.90
Previous Auction	17.09.2018	15.06.2017	15.08.2018	15.06.2017	16.07.2018	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 sets US \$ 20bn export target for 2019

The Export Development Board (EDB) has set an ambitious target of fetching US\$ 20Bn through merchandise and services exports in 2019, a goal that has been set following the export revenue moving towards a positive growth trajectory in the last couple of years. With the target of achieving US\$ 17.4Bn export revenue for the year 2018 likely to fall short by about US\$ 430Mn, the authorities are upbeat on Sri Lanka picking up pace and realizing export incomes for 2019 as expected. Data released by the Sri Lanka Customs showed that export income reached US\$ 14.7Bn during January – November 2018 period, and estimates based on past values of exports published by the Central Bank, the EDB forecasts 2018 to end with an export income of about US\$ 17Bn. Considering our exports were at just US \$ 13.4Mn in 2015 and has grown 27% since. (dailymirror.lk)

Biz confidence takes a tumble in December

The latest edition of LMD notes that the LMD-Nielsen Business Confidence Index (BCI) declined to 90 in December, following a jump of 25 basis points from 85 to 110 in the previous month. According to the leading business magazine, the results of the latest survey – which was conducted in the first week of December – can be attributed to factors such as the depreciation of the Sri Lankan Rupee, downgrading of Sri Lanka’s credit ratings by rating agencies and uncertainty that prevailed in Parliament at the time. Nielsen’s Managing Director Sharang Pant observes that while the country’s macroeconomic performance has been somewhat encouraging in recent months, “political instability is outweighing the positives amid question marks hanging over investments by local and foreign investors”. (ft.lk)

Japan soft loan for Sri Lanka LRT at low interest, 40-yr payback

ECONOMYNEXT - A 1.85 billion dollar equivalent loan offered by Japan to build a light rail transit system in Sri Lanka's capital Colombo is back on track with easy payment terms - an annual interest of 0.1 percent, a 12-year grace period and payback over 40 years. The finance ministry said Cabinet approval had been given for talks with Japan International Cooperation Agency (JICA) to sign an agreement for the first tranche of 260 million dollars of the loan.

Sri Lanka to bring shareholder limits for non-bank lenders

ECONOMYNEXT- Sri Lanka central bank is considering bringing shareholding limits to non-bank finance companies to improve governance, Governor Indrajit Coomaraswamy said, in the wake of several failures. "We will ... consider issuing directions on the ownership limits," Coomaraswamy said presenting a monetary policy roadmap for 2019. Capital buffers of the finance company sector fell to 11.1% by September 2018, from 13.2% a year earlier as bad loans increased from 7% from 5.7% of total loans according central bank data. Coomaraswamy said the central bank will be "brutal" in taking action when capital fell below the regulatory issue cease and desist orders on deposits and credit, cancellation of licenses and winding up of businesses.

Foreign News

Sino-U.S. trade talks a tonic as markets wager on Fed rate cut

Asian shares found a crumb of comfort on Friday as Beijing announced a new round of trade talks with Washington, though recession fears still had markets betting the next move in U.S. interest rates might be down. Despite past disappointments, investors cheered news the U.S. and China would hold vice-ministerial level talks next week on their year-long trade dispute. Chinese Premier Li Keqiang also flagged further policy easing and support for small business.

Shanghai blue chips .CSI300 swung 2.1 percent higher, while South Korea .KS11 bounced 0.6 percent. The overall mood was still fragile as Japan's Nikkei .N225 skidded 2.75 percent on its first trading day of the year, weighed by growth worries and the strength of the yen.

Fears that the Sino-U.S. trade war would sap world growth roiled risk-sensitive assets in 2018, driving a surge in volatility and sending major stock markets deep into the red. Analysts now expect the two economic giants to find some common ground in their dispute, with impetus possibly coming from weak stock markets on both sides.

Concerns about a U.S. recession had battered Wall Street overnight. The Dow .DJI shed 2.8 percent, while the S&P 500 .SPX lost 2.5 percent and the Nasdaq .IXIC 3 percent. The risk of a U.S. economic downturn, or even a recession, has caused a tectonic shift in expectations for interest rates with investors now pricing in the possibility of a cut.

Keeping with the risk-off theme, gold XAU= hit a 6-1/2-month peak of \$1,298.42 an ounce on Friday. Oil prices wavered either side of flat after another volatile week. U.S. light crude CLc1 added 19 cents to \$47.28 a barrel, while Brent LCOc1 rose 16 cents to \$56.11. (reuters.com)

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