

DAILY STOCK MARKET HIGHLIGHTS

Tuesday, 05 February 2019



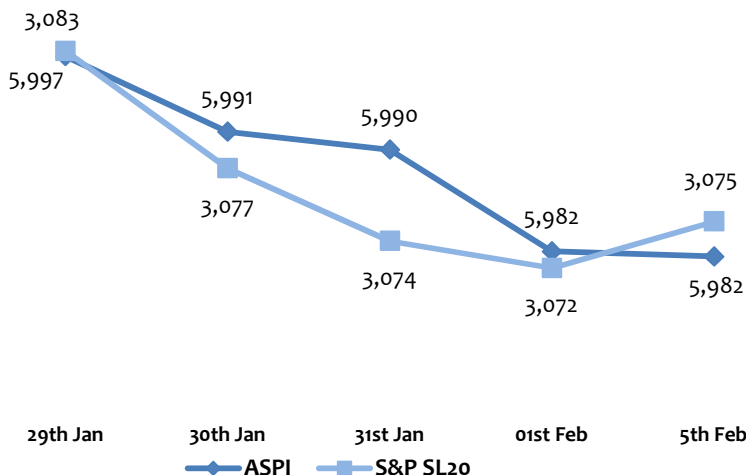
**ASHA PHILLIP
SECURITIES LTD**

Sri Lanka

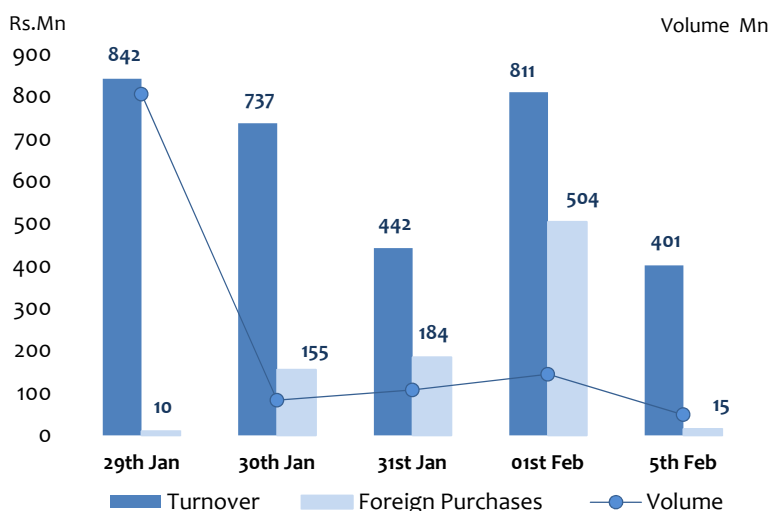
Daily Market Statistics

Index	5th Feb	01st Feb	Change	% Change
ASPI	5,981.65	5,982.05	↓ (0.40)	↓ -0.01%
S&P SL20	3,074.62	3,072.46	↑ 2.16	↑ 0.07%
Market Stats (LKR, Mn)		5th Feb	01st Feb	% Change
Turnover		401.50	810.58	↓ -50.5%
Domestic Purchases		386.72	306.10	↑ 26.3%
Domestic Sales		125.92	140.40	↓ -10.3%
Foreign Purchases		14.78	504.47	↓ -97.1%
Foreign Sales		275.58	670.17	↓ -58.9%
Share Volume		6.47	19.20	↓ -66.3%
Market capitalization (Bn)		2,795.59	2,795.73	↓ -0.01%
PER		9.36	9.36	↓ 0.00%
PBV		1.18	1.18	↓ 0.00%

Market Indices



Turnover, Volume and Foreign Purchase



Performance of the Market

- Volatile political environment downplayed the positive momentum created by the appreciating local currency. Investors remained cautious, waiting for the year-end earnings of Banks.
- Benchmark index ASPI moved between 5,981.65-5,988.00 points and settled the day at 5,981.65 with a loss of 0.40 points (-0.01%).
- Major contributors for the movement in ASPI were **HHL (+1.2)**, **AAIC (+1.1)**, **NTB (+1.0)**, **LFIN (+1.0)**, **SINS (+0.7)**, **DIST (-2)**, **DIAL (-1.7)**, **LOFC (-0.9)**, **SPEN (-0.9)** & **BIL (-0.8)**
- S&P SL20 index also followed a same trend and settled the day at 3,074.62 with a gain of 2.16 points (+0.07%).
- The day's turnover was recorded as LKR 401.5Mn, down by 50% from its previously recorded LKR 810.58Mn. Foreign investors remained net sellers for the day.
- The total market capitalization stood at LKR 2.80Tn, indicating an YTD loss of 1.54%.
- The market PER & PBV were at 9.36x & 1.18x respectively.

Top Contributors – Turnover

1. John Keells Holdings PLC (JKH) contributed 63% (254.02Mn) of the turnover. JKH traded between LKR 155.50 & 156.10 and settled the day at LKR 156.00 on par with the previous closing.
2. Commercial Bank of Ceylon PLC [X] (COMB.X) had contributed LKR 36.71Mn. COMB.X traded between LKR 96.50 & 98.90 and settled the day at LKR 97.80 on with a gain of LKR 0.90 (+0.93%); about 80% (29.34Mn) of its turnover was contributed through an off board trade of 0.3Mn shares negotiated at the prices of LKR 97.80
3. Sampath Bank PLC (SAMP) contributed LKR 24.76Mn. SAMP traded between LKR 237.50 & 239.80 and settled the day at LKR 239.00 with a gain of LKR 1.00 (+0.42%).

Top contributors - Traded Volume

1. John Keells Holdings PLC traded a total of 1.63Mn shares.
2. Lanka IOC PLC (1.02Mn shares)
3. SMB Leasing PLC [X] (0.41Mn shares).

Sectorial Overview

1. Diversified Holdings (DIV) sector stood on top providing LKR 274.61Mn capturing 68% of the total turnover.
2. Bank Finance & Insurance (BFI) sector provided LKR 85.75Mn to the daily aggregated turnover.
3. Power & Energy (P&E) sector provided LKR 23.45Mn

Daily Foreign Transactions

Net Foreign Purchases

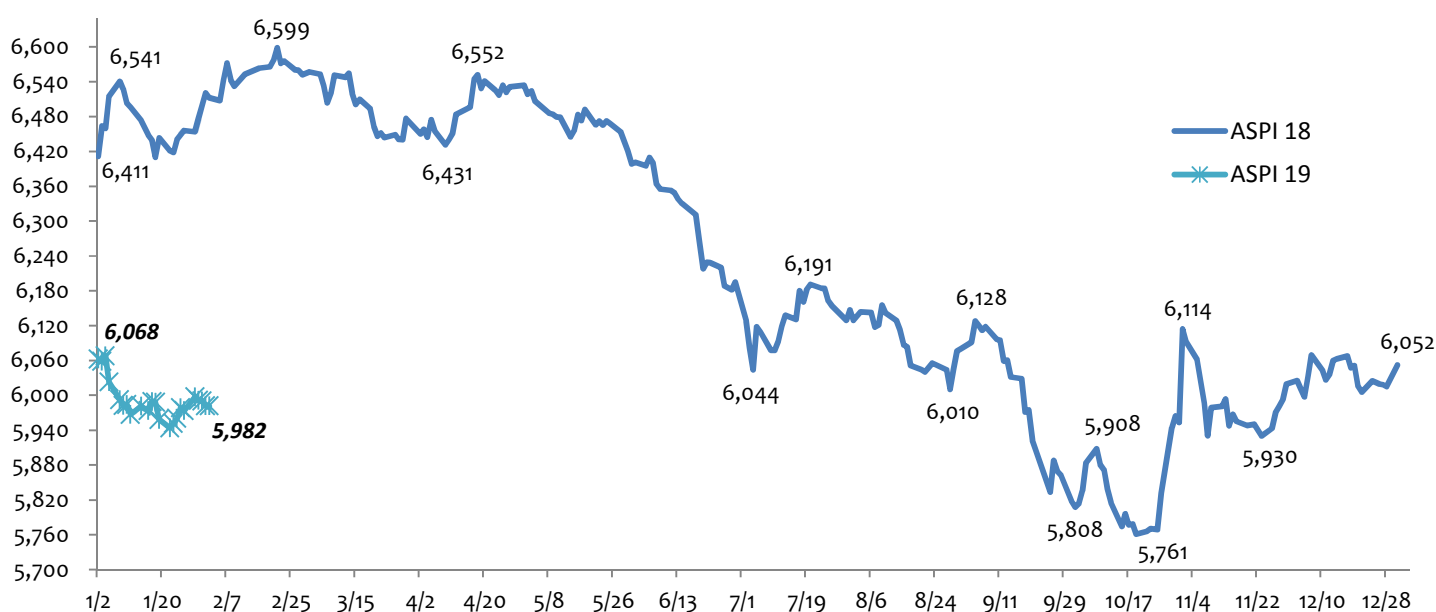
Company Name	Avg Price	Net change in Qty	Net Foreign Inflow
SAMPATH (+)	239.00	51,596	12,331,444
CHEVRON (+)	74.00	14,600	1,080,400
VALLIBEL FINANCE	71.50	4,138	295,867
BROWNS CAPITAL	3.40	59,135	201,059
RENUKA HOLDINGS	18.90	7,500	141,750
COMMERCIAL BANK[X.000]	97.80	800	78,240
HNB (+)	204.5	146	29,857
DURDANS[X.0000]	67.60	400	27,040
BPPL HOLDINGS	11.00	2,000	22,000
ALUMEX PLC	13.10	1,110	14,541

Net Foreign Sales

Company Name	Avg Price	Net change in Qty	Net Foreign Outflow
JKH	156.00	(1,625,967)	(253,650,852)
HEMAS HOLDINGS	86.00	(136,413)	(11,731,518)
COMMERCIAL BANK (+)	114.00	(50,595)	(5,767,830)
RENUKA FOODS	16.50	(68,275)	(1,126,538)
DIALOG (+)	10.00	(105,117)	(1,051,170)
MELSTACORP	45.10	(22,100)	(996,710)
MTD WALKERS	18.00	(18,170)	(327,060)
C T HOLDINGS	174.00	(1,187)	(206,538)
R I L PROPERTY	6.80	(13,000)	(88,400)
COLD STORES	622.20	(50)	(31,110)

- **Aggregate foreign buying** for the day totaled up to **LKR 14.78Mn**.
- **Foreign sales** for the day amounted to **LKR 275.58Mn**.
- **Net foreign outflow** for the day was **LKR 260.80Mn**, **YTD net foreign outflow** presently stands at **LKR 2.75Bn**.
- **SAMP** notched the “Top Net Purchasers” slot with a net inflow of **LKR 12.33Mn** whilst **JKH** notched the “Top net Sellers” slot with a net outflow of **LKR 253.65Mn**.

Year-to-Date ASPI Movement - 2018 & 2019



Key Announcements

- The **Sri Lanka Fund** is an **open ended fund** (in USD) incorporated in the Cayman Islands, which was relaunched in Aug 2010 under the management of **Guardian Fund Management Limited** (GFM) to attract foreign investors to CSE. **Ceylon Guardian Investment Trust PLC** (GUAR) and **Ceylon Investment PLC** (CINV) holds 1.27Mn units each (~43.34% each) of the participating shares of the fund. After much analysis and discussion, it has been **decided to consider options of winding it up**, as this investment vehicle is no longer an attractive structure. A further disclosure will be made upon completion of the above intention.

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	EAST	MEL	JANA	HVA	PMB	MBSL	ALHP	TFC
SIRA	MSL	CHOU							
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	Company	Date	Company	Date
COMB	28-Mar-19	UBC	28-Mar-19	SEYB	29-Mar-19
DFCC	28-Mar-19	HNB	29-Mar-19	SAMP	29-Mar-19
HASU	28-Mar-19	PABC	29-Mar-19		

EGMs

Company	Date	Company	Date
ASCO	8-Feb-19	FLCH	8-Mar-19
ALUF	15-Feb-19	BIL	8-Mar-19
NDB	18-Feb-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
SFCL	0.80	Interim	30.Jan.2019	11.Feb.2019	JKH	2.00	2nd Interim	12.Feb.2019	22.Feb.2019
COMB	3.00	2nd Interim	06.Feb.2019	15.Feb.2019	VPEL	0.40	Interim	13.Feb.2019	22.Feb.2019
BPPL	0.24	2nd Interim	07.Feb.2019	18.Feb.2019					

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	31 Jan 2019.	01 FEB to 06 FEB 2019	7th Feb 2019

Rights Issues

T = Tranche

Company,	Issue Price	Issue Value	Proportion	XR Date	Letter Dispatch	Trading of Rights	Acceptance
Asia Asset Finance (AAF) T-1 @ LKR 10.0		LKR 252Mn	03 for 10	14 Feb 2019.	20 Feb 2019.	26 Feb - 06 Mar.	07 Mar 19.
Asia Asset Finance (AAF) T-2 @ LKR 10.0		LKR 218Mn	02 for 10	3 Apr 2019.	8 Apr 2019.	12 Apr - 23 Apr.	24 Apr 19.

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
DFCC Bank PLC (DFCC)	LKR 72.00	02 for 05			

Upcoming Listings

Company	Issue Size	Coupon Rate	Price	Issue Opening	Tenure	Nature
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
Hatton National Bank PLC (HNB)	LKR 10Bn	To be notified	100.00	To be notified	5, 7 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	1,430.00	187,323,751	267,872,963,930	10.32
JOHN KEELLS HOLDINGS PLC	JKH.No000	156.00	1,318,152,225	205,631,747,100	7.92
COMMERCIAL BANK OF CEYLON PLC	COMB.No000	114.00	945,709,403	107,810,871,942	4.15
NESTLE LANKA PLC	NEST.No000	1,724.80	53,725,463	92,665,678,582	3.57
DIALOG AXIATA PLC	DIAL.No000	10.00	8,143,778,405	81,437,784,050	3.14
HATTON NATIONAL BANK PLC	HNB.No000	204.50	395,451,248	80,869,780,216	3.12
DISTILLERIES COMPANY OF SRI LANKA PLC	DIST.No000	15.80	4,600,000,000	72,680,000,000	2.80
SAMPATH BANK PLC	SAMP.No000	239.00	280,902,248	67,135,637,272	2.59
CEYLON COLD STORES PLC	CCS.No000	622.20	95,040,000	59,133,888,000	2.28
AIA INSURANCE LANKA PLC	CTCE.No000	1,845.80	30,749,370	56,757,187,146	2.19

Highest Volume

Company Name	Turnover (Rs)	Share Vol.
JOHN KEELLS HOLDINGS PLC	254,015,400	1,628,304
LANKA IOC PLC	20,629,024	1,016,213
SMB LEASING PLC [X]	81,472	407,311
COMMERCIAL BANK OF CEYLON PLC [X]	36,714,112	375,446
VALLIBEL POWER ERATHNA PLC	2,464,743	368,039
ORIENT FINANCE PLC	5,953,021	359,100
RENUKA AGRI FOODS PLC	367,020	159,550
HEMAS HOLDINGS PLC	11,878,064	138,117
BROWNS INVESTMENTS PLC	201,059	111,084
DIALOG AXIATA PLC	1,094,403	109,437

Highest Turnover

Company Name	Share Vol.	Turnover (LKR)
JOHN KEELLS HOLDINGS PLC	1,628,304	254,015,400
COMMERCIAL BANK OF CEYLON PLC [X]	375,446	36,714,112
SAMPATH BANK PLC	103,615	24,758,545
LANKA IOC PLC	1,016,213	20,629,024
HEMAS HOLDINGS PLC	138,117	11,878,064
COMMERCIAL BANK OF CEYLON PLC	56,620	6,455,476
C T HOLDINGS PLC	35,003	6,090,521
ORIENT FINANCE PLC	359,100	5,953,021
VALLIBEL POWER ERATHNA PLC	368,039	2,464,743
JANASHAKTHI INSURANCE COMPANY PLC	83,012	2,385,084

Top Gainers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
BLUE DIAMONDS	0.60	0.10	20.00	480
ON'ALLY	113.70	6.10	5.67	48,918
SWISSTEK	39.60	2.00	5.32	792,000
FORTRESS RESORTS	10.00	0.50	5.26	4,950
RENUKA CAPITAL	4.20	0.20	5.00	29,404
RAIGAM SALTERNS	2.20	0.10	4.76	11,213
KINGSBURY	14.90	0.60	4.20	7,787
TANGERINE	43.50	1.60	3.82	6,000
CEYLON TEA BRKRS	3.00	0.10	3.45	3,903
CENTRAL IND	29.70	0.90	3.13	12,588

Top Losers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
TESS AGRO	0.40	(0.10)	(20.00)	8,983
RENUKA FOODS [X]	11.70	(1.70)	(12.69)	11,332
AGALAWATTE	15.00	(1.50)	(9.09)	11,055
ACL PLASTICS	70.10	(6.40)	(8.37)	140,188
CIC [X]	28.50	(2.50)	(8.06)	14,250
HAYLEYS FIBRE	95.70	(6.30)	(6.18)	1,189,821
MARAWILA RESORTS	1.70	(0.10)	(5.56)	51,739
MALWATTE	9.00	(0.50)	(5.26)	36,000
BROWNS INVSTMNTS	1.80	(0.10)	(5.26)	201,059
RENUKA HOLDINGS [X]	14.00	(0.70)	(4.76)	28,350

Crossings

Name	Symbol	Price	Trades	T.Volume	Turnover
Commercial Bank Of Ceylon PLC (Non Voting)	COMB.Xo000	97.80	1	300,000	29,340,000.00

Market Highlights & Statistics

Sector Wise Summary

Sector	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
BANK FINANCE AND INSURANCE	16,377.83	16,354.97	85,748,395	1,627,784	902	4.90	0.90
BEVERAGE FOOD AND TOBACCO	24,175.36	24,199.73	2,719,018	299,476	160	17.40	5.90
CONSTRUCTION AND ENGINEERING	1,435.63	1,445.48	1,908,868	169,452	172	15.90	0.60
CHEMICALS AND PHARMACEUTICALS	5,265.12	5,283.43	64,575	51,146	20	7.70	0.80
DIVERSIFIED HOLDINGS	1,536.13	1,537.05	274,607,432	2,040,460	145	10.80	0.90
FOOTWEAR AND TEXTILE	907.35	907.35	622,203	66,849	24	53.80	0.90
HOTELS AND TRAVELS	2,658.88	2,658.74	870,296	180,477	137	98.90	1.70
HEALTH CARE	810.78	811.57	1,126,364	46,059	13	16.50	1.80
INVESTMENT TRUSTS	9,402.29	9,427.49	195,550	10,618	25	0.00	0.40
INFORMATION TECHNOLOGY	27.19	26.63	4,140	900	1	0.00	0.00
LAND AND PROPERTY	544.11	538.57	858,638	68,907	95	5.50	0.60
MANUFACTURING	2,850.87	2,854.78	7,320,514	198,172	389	8.80	0.90
MOTORS	12,441.41	12,406.04	150,000	2,000	1	17.20	0.50
OIL PALMS	49,418.58	49,418.58	0	0	0	59.20	1.30
POWER & ENERGY	100.22	99.54	23,449,670	1,473,934	134	88.30	1.20
PLANTATIONS	779.75	786.85	637,151	78,740	169	26.10	0.80
STORES SUPPLIES	28,152.16	28,152.16	0	0	0	17.40	0.50
SERVICES	16,207.77	16,000.37	74,848	21,184	28	15.10	1.30
TELECOMMUNICATIONS	137.49	138.40	1,094,403	109,437	29	5.90	0.90
TRADING	11,614.93	11,471.14	46,479	26,930	18	53.30	0.70

GICS Industry Group Statistics

Industry Group	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
Automobiles & Components	469.17	469.17	173,565	4,959	13	4.80	0.60
Banks	815.48	814.72	70,829,488	588,396	365	5.60	0.70
Capital Goods	837.80	838.80	269,177,280	1,922,450	345	10.80	0.80
Commercial & Professional Services	835.93	835.93	0	0	0	0.00	1.00
Consumer Durables & Apparel	813.72	812.76	2,255,686	104,863	153	42.20	1.10
Consumer Services	252.10	252.06	870,296	180,477	138	104.70	1.70
Diversified Financials	769.43	768.80	8,766,885	914,482	389	5.40	1.00
Energy	554.99	552.92	20,648,540	1,017,308	35	0.00	0.90
Food & Staples Retailing	1,251.16	1,250.49	6,099,504	57,452	13	22.70	2.20
Food, Beverage & Tobacco	923.43	924.98	5,216,951	587,785	391	16.30	2.80
Health Care Equipment & Services	871.80	872.42	1,165,974	97,559	27	16.60	1.80
Household & Personal Products	985.10	1,006.65	138,191	12,550	26	13.40	1.80
Insurance	2,196.21	2,187.63	6,224,103	144,971	185	3.70	1.70
Materials	538.70	539.59	4,816,800	132,902	182	8.70	1.00
Pharmaceuticals, Biotechnology & Life Sciences	1,807.58	1,807.58	11,647	23	3	5.20	1.40
Real Estate	740.62	733.53	735,723	55,501	73	5.10	0.60
Retailing	767.66	759.55	206,873	8,092	17	17.50	0.70
Technology Hardware & Equipment	0.00	-	0	0	0	0.00	0.00
Telecommunication Services	718.36	723.12	1,094,403	109,437	29	5.90	0.90
Transportation	719.44	702.71	27,508	6,692	8	7.90	0.70
Utilities	736.25	729.17	2,801,131	456,626	103	10.30	0.70

Economic Indicators & Other Statistics

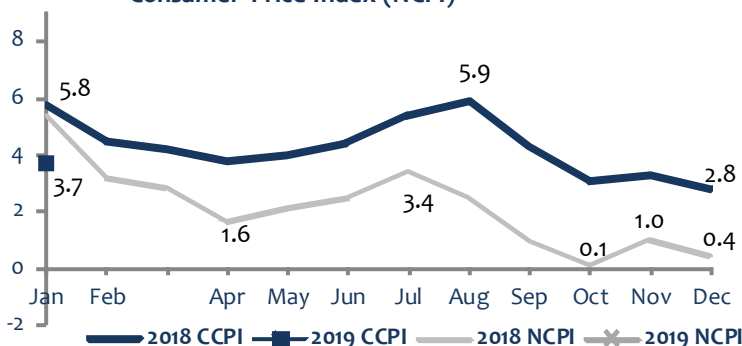
Exchange Rates

Currency	5th Feb		01st Feb	
	Buying	Selling	Buying	Selling
Dollar (USA)	174.98	178.84	176.34	180.20
Pound (UK)	227.13	234.48	229.90	237.31
Euro (EU)	198.88	205.91	200.50	207.54
Dollar (Australia)	124.90	130.23	126.53	131.88
Dollar (Canada)	132.55	137.49	133.44	138.39
Franc (Switzerland)	174.26	180.44	176.26	182.50
Renminbi (China)	25.62	26.85	25.90	27.13
Yen (Japan)	1.5811	1.6393	1.6101	1.6690
Dollar (Singapore)	128.76	133.17	130.17	134.59

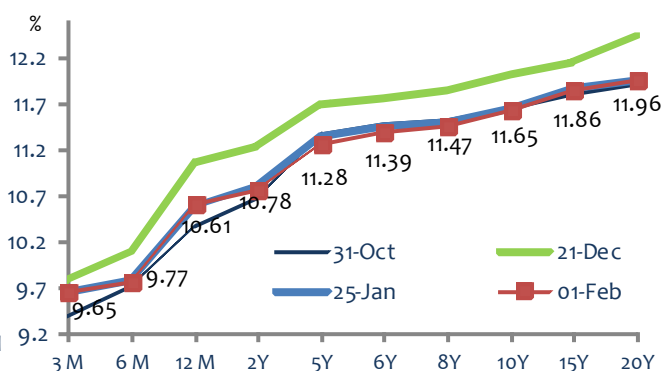
Indicative Rates

Currency	5th Feb	01st Feb
	Ind: Value	Ind: Value
Yuan (Offshore)	26.2411	26.5245
Rupee (India)	2.4767	2.5186
Won (Korean)	0.1582	0.1599
Dinar (Kuwait)	585.5475	589.6041
Ringgit (Malay)	43.3736	43.6330
Rial (Oman)	461.1681	464.2099
Riyal (Qatar)	48.7673	49.0823
Riyal (KSA)	47.3409	47.6506
Dirham (UAE)	48.3372	48.6560

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



Government Securities - Secondary Market Yield

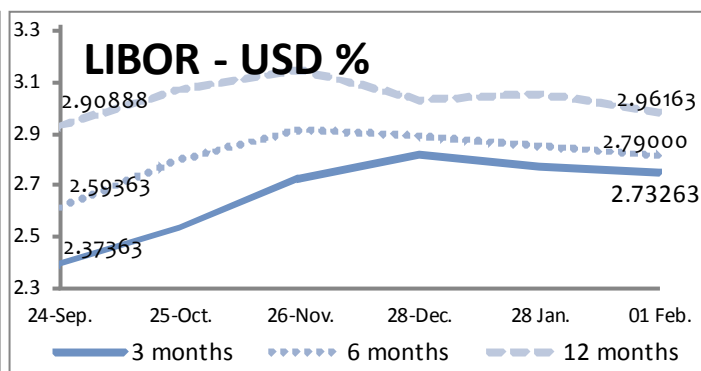
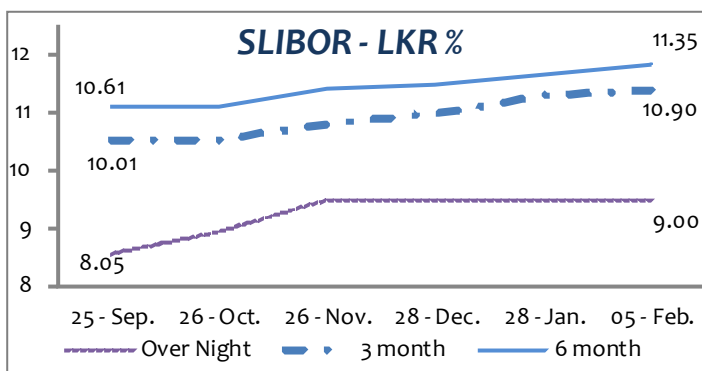


Central Bank's Policy Rates

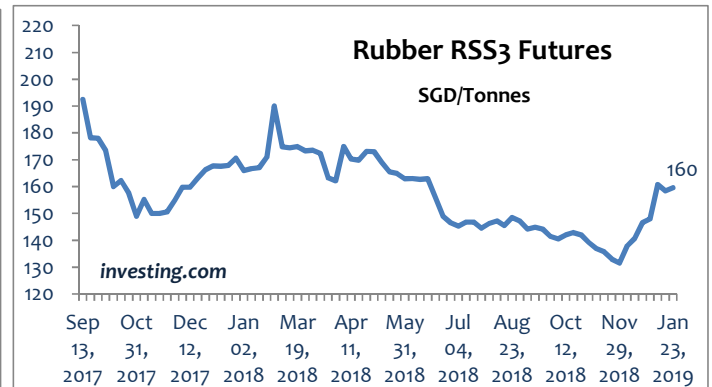
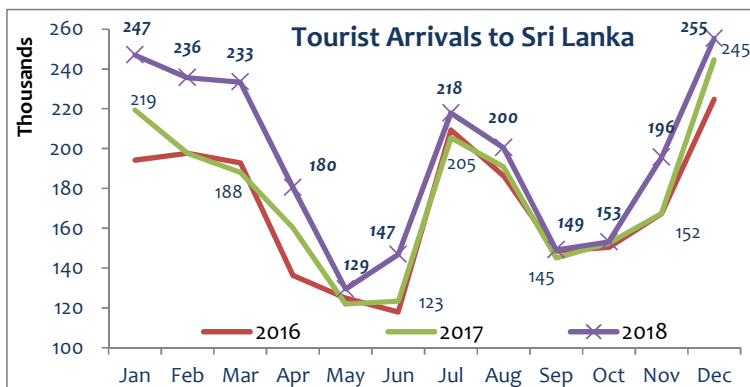
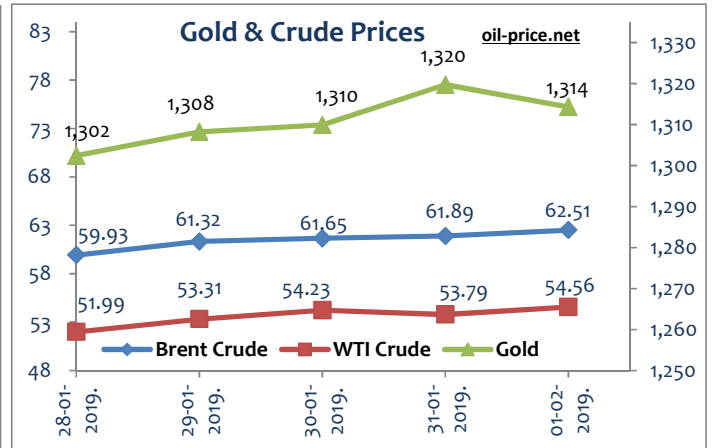
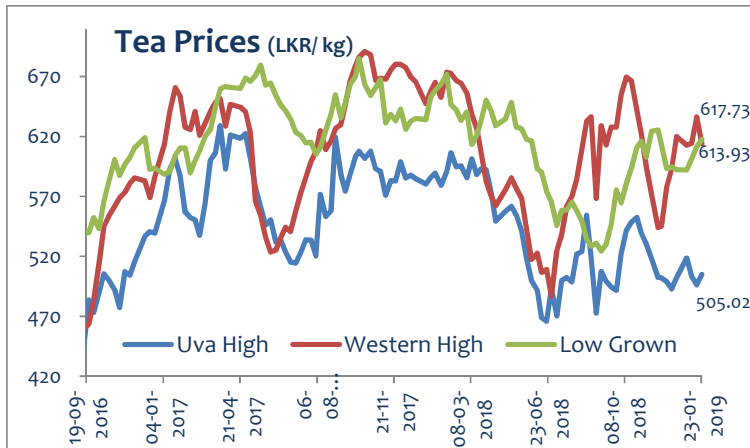
Description	Present	Previous		Treasury Bill Issuance			
				30.01.2019	23.01.2019	16.01.2019	09.01.2019
Standing Deposit Facility (SDF)	8.00%	7.25%	91 Days %	na	na	na	na
Standing Lending Facility (SLF)	9.00%	8.50%	182 Days %	na	9.87	9.87	9.94
Bank Rate	15.00%	15.00%	364 Days %	10.69	10.70	10.75	10.85
Statutory Reserve Ratio (SRR)	6.00%	7.50%	Amount	21Bn	23.5Bn	26Bn	20Bn

Treasury Bond Issuance

Date	13.12.2018	17.07.2016	11.01.2019	17.07.2016	17.09.2018	13.12.2018	11.01.2019	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	11.58	11.21	10.32	12.23	11.73	11.90
Previous Auction	17.09.2018	15.06.2017	15.10.2018	15.06.2017	16.07.2018	02.01.2018	15.08.2018	16.07.2018
Previous Yield	10.03	11.37	11.69	11.38	10.53	10.06	10.20	10.88



Economic Indicators & Other Statistics



Local News

China and Singapore to invest US \$ 1.1bn in cement and steel plants

Sri Lanka moves closer to secure US \$ 1.1 billion investments from Singapore and Chinese investors to set up a steel plant and cement plant as the government focuses on regaining the investor confidence that derailed during the political crisis. Development Strategies and International Trade Minister Malik Samarawickrama and Development Strategies and International Trade Deputy Minister Nalin Bandara revealed that a Singaporean investor would visit the country next month to set up the steel plant in Trincomalee, with an investment of US \$ 1Bn. “The steel plant is on the track. The Singaporean investor will visit Sri Lanka next month to finalise the agreement,” Samarawickrama said. Bandara said that the Development Strategies and International Trade Ministry is in the process of transferring a 500-700-acre land in Trincomalee, nearby the Trincomalee harbour, to the Board of Investment (BOI), in this regard. (dailymirror.lk)

Inflation in Sri Lankan capital Colombo rises to 3.7-pct in January

ECONOMYNEXT – Consumer inflation in Colombo rose to a four-month high of 3.7% in January 2019 from a year ago, according to data from the Department of Census and Statistics. The Colombo Consumer Price Index (CCPI) had risen 2.8% in December 2018. The CCPI index in January 2019 rose 0.9% to 127.4 compared with the month before, when the index was 126.3, the department said in a statement.

Sri Lanka hikes maize taxes, no plans yet to expand import quota

ECONOMYNEXT - Sri Lanka has no plans yet to expand an import quota for maize based on current reports of crop damage by an infestation of the Fall Armyworms, while officials said import duties are being hiked. Sri Lanka's Agricultural Minister P Harrison was quoted as saying that maize import taxes would be hiked to help local farmers. An official said that an existing 10 rupee per kilogram tax would be raised to 20 rupees. The gazette was to be effective from Sunday. Agriculture Ministry Secretary K D S Ruwanchandra said an import quota for 2019 is yet to be set, but based on the damage so far done by the worm, an increase in the import quota does not seem to be warranted.

Fitch expects fewer 'AAA(Ika)' rated Sri Lankan issuers after revision

ECONOMYNEXT – Fitch Ratings said it expects fewer 'AAA(Ika)' rated Sri Lankan issuers after its planned recalibration of Sri Lanka's national rating scale by end-February 2019 following the island's downgrade. The recalibration is meant to reflect changes in the relative creditworthiness among Sri Lankan issuers following the downgrade of the country's sovereign rating to 'B' from 'B+' on 3 December 2018, a statement said. "The recalibration will result in rating actions for some issuers with Sri Lankan national ratings," it said.

Foreign News

Asian stocks extend gains on firm Wall Street; dollar steady

Asian stocks extended gains on Tuesday as overnight strength on Wall Street and the Federal Reserve's cautious turn underpinned appetite for riskier assets, while the dollar held firm on last week's upbeat U.S. data.

Japan's Nikkei average marked its highest level in seven weeks at one point but finished the day down 0.2 percent. Australian shares jumped 2 percent, with long-battered financials surging on short-covering after a special government-appointed inquiry excoriated Australia's financial sector for misconduct but left the structure of the country's powerful banks in place.

Elsewhere in Asia, trade was light, with markets in greater China, Taiwan, South Korea, Singapore and Indonesia all closed for the Lunar New Year.

On Wall Street, the S&P 500 gained on Monday, with technology and industrials becoming the biggest winners as investors braced for another big week of fourth-quarter corporate earnings reports.

The Cboe Volatility Index, Wall Street's so-called "fear gauge," dropped to 15.60, its lowest level in four months, on Monday.

Fed Chairman Jerome Powell has signalled its three-year tightening drive may be coming to an end amid a suddenly cloudy outlook for the U.S. economy due to global growth concerns and the U.S.-China trade dispute.

The Fed said in a statement that Powell had told President Donald Trump and Treasury Secretary Steven Mnuchin late on Monday that "the path of policy will depend entirely on incoming economic information."

Data announced on Friday showed U.S. job growth surged in January while a key gauge of U.S. manufacturing sector showed surprising resilience after December's shocking fall, allaying fears the U.S. economy might be losing momentum quickly.

The dollar held on to recent gains against its major peers as investors continued to lap-up Friday's strong payrolls number and a manufacturing survey.

On Monday, sterling quickly erased brief gains following a newspaper report that goods shipped to Britain from the European Union could be waved through without checks in the event of a "no-deal" Brexit.

Trump told a White House event over the weekend that he might declare an emergency because it did not appear Democrats in Congress were moving toward a deal to provide wall money. Such a step likely would prompt a court challenge from Democrats.

In commodity markets, oil prices inched up, buoyed by expectations of tightening global supply amid U.S. sanctions on Venezuela and production cuts led by OPEC. U.S. West Texas Intermediate (WTI) crude futures rose 0.5 percent to \$54.82 a barrel, after hitting a 2-1/2-month high of \$55.75 in the previous session, while Brent crude futures were last up 0.3 percent at \$62.73. Gold prices held near one-week lows hit in the previous session, pressured by a firmer dollar and as investor appetite for riskier assets picked up. ([reuters.com](https://www.reuters.com))

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