

DAILY STOCK MARKET HIGHLIGHTS

Monday, 07 January 2019



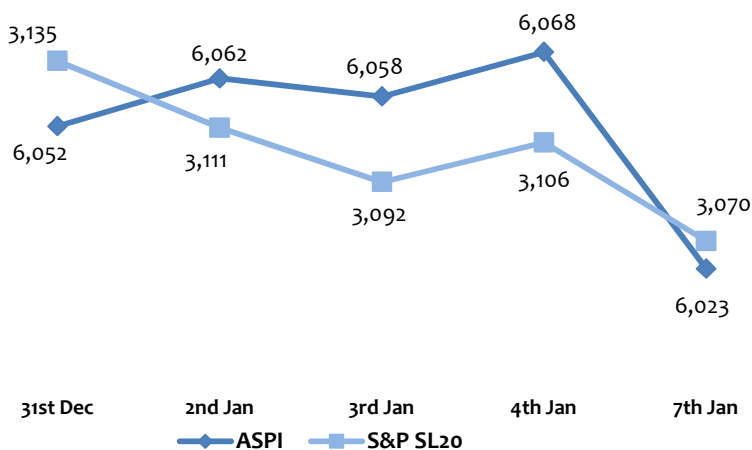
ASHA PHILLIP
SECURITIES LTD

Sri Lanka

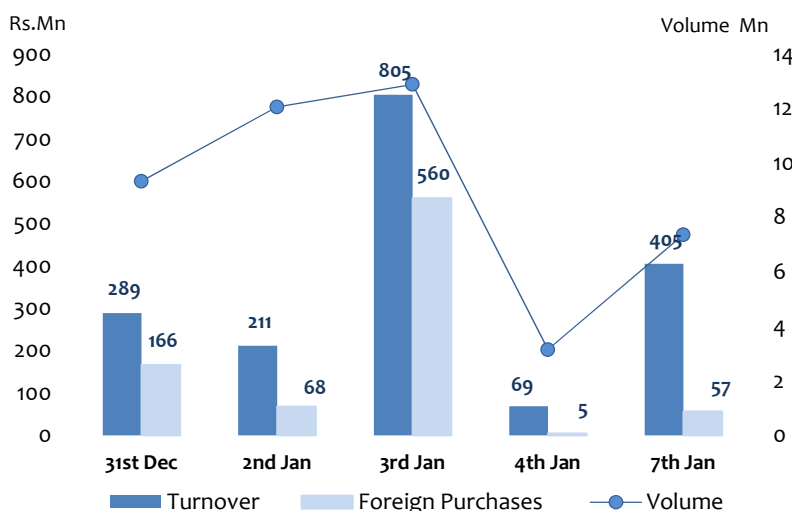
Daily Market Statistics

Index	7th Jan	4th Jan	Change	% Change
ASPI	6,022.99	6,067.66	↓ (44.67)	↓ -0.74%
S&P SL20	3,070.20	3,105.75	↓ (35.55)	↓ -1.14%
Market Stats (LKR, Mn)		7th Jan	4th Jan	% Change
Turnover		405.07	68.78	↑ 489.0%
Domestic Purchases		348.25	64.26	↑ 442.0%
Domestic Sales		142.33	64.93	↑ 119.2%
Foreign Purchases		56.81	4.52	↑ 1157.5%
Foreign Sales		262.74	3.85	↑ 6725.7%
Share Volume		7.37	3.15	↑ 134.3%
Market capitalization (Bn)		2,825.67	2,846.62	↓ -0.74%
PER		9.60	9.67	↓ -0.72%
PBV		1.17	1.18	↓ -0.85%

Market Indices



Turnover, Volume and Foreign Purchase



Performance of the Market

- Continuing downward pressure on large caps directed the Bourse to negative terrain. Recent reports on finance sector asset quality, proposed BASEL III and other normal debenture issues and the negative economic conditions prevailing in the country had triggered the interest rates. Stagnation of economic activities keeps investors on cautious stance.
- Benchmark index ASPI moved between 6,022.99-6,065.98 points and settled the day at 6,022.99 with a loss of 44.67 points (-0.74%).
- Major contributors for the movement in ASPI were DIST (+3.9), TILE (+0.4), AAIC (+0.3), HUNA (+0.3), HASU (+0.2), CTC (-11.9), JKH (-7.4), CTCE (-5.1), HHL (-3.6) & HNB (-2.5)
- S&P SL20 index also followed a same trend and settled the day at 3,070.20 with a loss of 35.55 points (-1.14%).
- The day's turnover was recorded as LKR 405.07Mn, up by 489% from its previously recorded LKR 68.78Mn. Foreign investors turned net sellers for the day.
- The total market capitalization stood at LKR 2.83Tn, indicating an YTD loss of 0.49%.
- The market PER & PBV were at 9.60x & 1.17x respectively.

Top Contributors – Turnover

1. John Keells Holdings PLC (JKH) contributed 49% (198.8Mn) of the turnover. JKH traded between LKR 155.00 & 157.00 and settled the day at LKR 155.00 with a loss of LKR 2.50 (-1.59%).
2. Hatton National Bank PLC (HNB) had contributed LKR 71.35Mn. SAMP traded between 205 & 210 and settled the day at LKR 205 with a loss of LKR 3 (-1.44%); about 88% (63.14Mn) of its turnover was contributed through an off board trade of 0.31Mn shares negotiated at the price of LKR 205.
3. Sampath Bank PLC (SAMP) contributed LKR 60.37Mn. SAMP traded between LKR 225.00 & 229.50 and settled the day at LKR 225.00 with a loss of LKR 4.00 (-1.75%).

Top contributors - Traded Volume

1. John Keells Holdings PLC traded a total of 1.28Mn shares.
2. Anilana Hotels and Properties PLC (1.28Mn shares)
3. Expolanka Holdings PLC (0.73Mn shares).

Sectorial Overview

1. Diversified Holdings (DIV) stood on top providing LKR 207.10Mn capturing 51% of the total turnover.
2. Bank Finance & Insurance (BFI) provided LKR 146.89Mn to the daily aggregated turnover.
3. Manufacturing (MFG) provided LKR 16.86Mn

Daily Foreign Transactions

Net Foreign Purchases

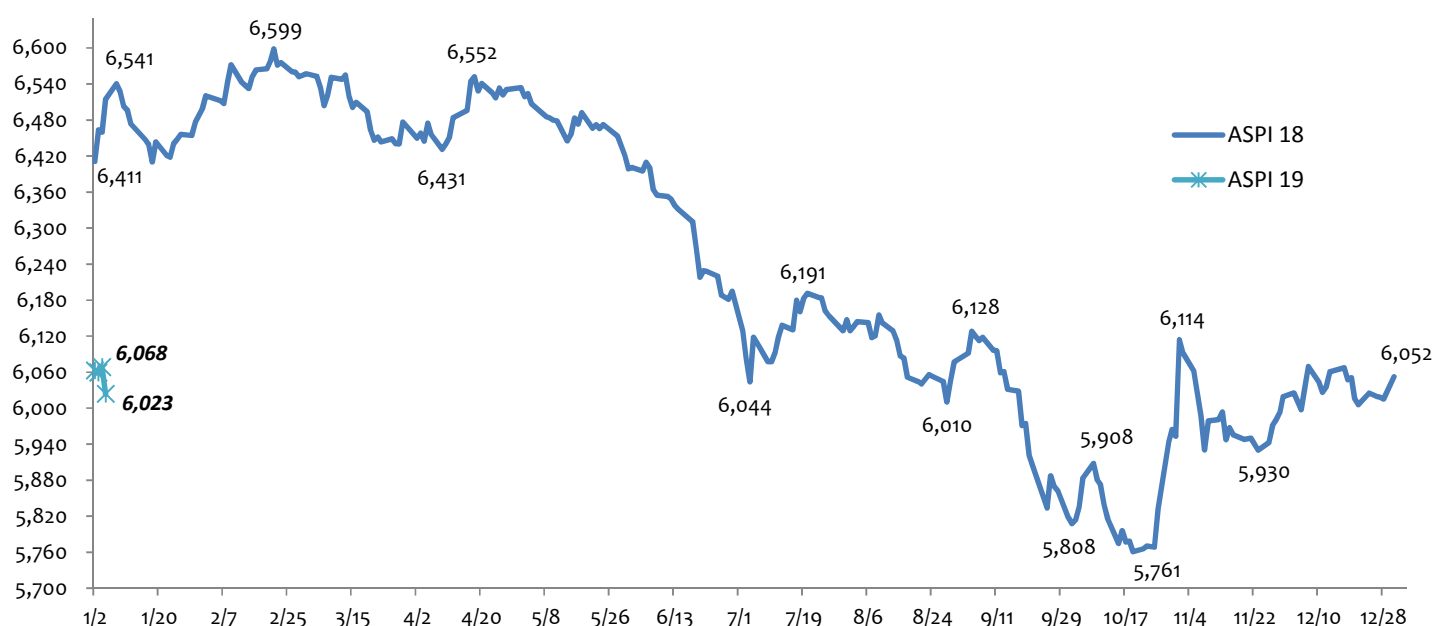
Company Name	Avg Price	Net change in Qty	Net Foreign Inflow
GRAIN ELEVATORS (+)	62.00	49,046	3,040,852
CEYLON TOBACCO (+)	1,430.00	2,028	2,900,040
RICHARD PIERIS	10.30	222,133	2,287,970
TEEJAY LANKA	33.60	11,850	398,160
SAMPATH (+)	225.00	1,500	337,500
TOKYO CEMENT[X.0000]	22.00	4,991	109,802
HUNTERS	400.0	99	39,600
RENUKA HOLDINGS[X.00	13.10	2,000	26,200
PEOPLES LEASING	15.50	1,500	23,250
ACCESS ENG SL	14.00	1,500	21,000

Net Foreign Sales

Company Name	Avg Price	Net change in Qty	Net Foreign Outflow
JKH	155.00	(980,613)	(151,995,015)
HNB (+)	205.00	(282,200)	(57,851,000)
LANKA IOC	23.50	(90,658)	(2,130,463)
MELSTACORP	47.10	(18,750)	(883,125)
RICH PIERIS EXP	219.50	(3,000)	(658,500)
BAIRAHA FARMS	131.80	(4,500)	(593,100)
AITKEN SPENCE	46.00	(11,600)	(533,600)
HUNAS FALLS	155.40	(2,627)	(408,236)
DISTILLERIES	16.90	(4,000)	(67,600)
LANKA TILES	76.60	(658)	(50,403)

- **Aggregate foreign buying** for the day totaled up to **LKR 56.81Mn**.
- **Foreign sales** for the day amounted to **LKR 262.74Mn**.
- **Net foreign outflow** for the day was **LKR 205.93Mn**, **YTD net foreign outflow** presently stands at **LKR 348.6Mn**.
- **GRAN** notched the “Top Net Purchasers” slot with a net inflow of **LKR 3.04Mn** whilst **JKH** notched the “Top net Sellers” slot with a net outflow of **LKR 152Mn**.

Year-to-Date ASPI Movement - 2018 & 2019



Key Announcements

- **Hunas Falls Hotels PLC (HUNA)** said, two of its major shareholders **Carbotels (Pvt) Ltd** and **Amaya Leisure PLC** have informed that they have been approached by a prospective buyer to purchase their total shareholding of 66.20% in HUNA, subject to a due diligence. Further developments of the discussions will be notified if necessary.
- Board of **Anilana Hotels and Properties PLC (ALHP)** through a resolution recommended **Rights Issue of 183.05Mn shares in two tranches**. **1st Tranche** - 91.5Mn shares at 1 new share for 11 existing shares at **LKR 2 per share** and **2nd Tranche** - 91.5Mn shares at 1 new share for 12 existing shares, post listing of the Tranche 1, at LKR 2 per share. Proceeds are to be used for the operational requirements of the company. Issue is subject to approvals and it might get affected if ALHP not resolves the matters giving rise to modified audit opinion within the given time.
- The **CSE has amended the Listing Rules** to facilitate the listing of shares by foreign companies on the **Multi Currency Board (MCB)** of the CSE, under the Alternate Market Segment. In this regard, the CSE has also amended the ATS Rules and the CDS Rules to facilitate the MCB.
As per the amended Listing Rules, a foreign entity may list its shares denominated in a currency approved by the Central Bank of Sri Lanka on the MCB of the CSE. Investing and trading in such shares will be permitted only to non-resident investors who operate through a Custodian Bank of the CDS.
The **amended Listing Rules** relating to the MCB are set out under **Section 10 of the CSE Listing Rules**. The amended ATS Rules and CDS Rules are included under the tab 'CSE Rules' on the CSE website www.cse.lk.

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
SAMP	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	15%, 15.5%	100.00	17 - Jan - 2019.	5Y (6M & 1Y int pay)	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	1,430.10	187,323,751	267,891,696,305	10.20
JOHN KEELLS HOLDINGS PLC	JKH.No000	155.00	1,387,528,658	215,066,941,990	8.19
COMMERCIAL BANK OF CEYLON PLC	COMB.No000	115.00	945,709,403	108,756,581,345	4.14
NESTLE LANKA PLC	NEST.No000	1,700.00	53,725,463	91,333,287,100	3.48
DIALOG AXIATA PLC	DIAL.No000	10.10	8,143,778,405	82,252,161,891	3.13
HATTON NATIONAL BANK PLC	HNB.No000	205.00	395,451,248	81,067,505,840	3.09
DISTILLERIES COMPANY OF SRI LANKA PLC	DIST.No000	16.90	4,600,000,000	77,740,000,000	2.96
CEYLON COLD STORES PLC	CCS.No000	729.80	95,040,000	69,360,192,000	2.64
SAMPATH BANK PLC	SAMP.No000	225.00	280,902,248	63,203,005,800	2.41
MELSTACORP PLC	MELS.No000	47.10	1,165,397,072	54,890,202,091	2.09

Highest Volume

Company Name	Turnover (Rs)	Share Vol.
JOHN KEELLS HOLDINGS PLC	198,795,653	1,282,390
ANILANA HOTELS AND PROPERTIES PLC	1,674,279	1,280,270
EXPOLANKA HOLDINGS PLC	2,931,701	732,708
NATION LANKA FINANCE PLC	239,201	398,665
HATTON NATIONAL BANK PLC	71,350,359	348,049
ASIRI HOSPITAL HOLDINGS PLC	6,407,705	291,250
SAMPATH BANK PLC	60,368,113	268,142
RICHARD PIERIS AND COMPANY PLC	2,439,358	236,863
HAYLEYS FABRIC PLC	1,772,836	187,026
AGSTAR PLC	482,850	117,757

Highest Turnover

Company Name	Share Vol.	Turnover (LKR)
JOHN KEELLS HOLDINGS PLC	1,282,390	198,795,653
HATTON NATIONAL BANK PLC	348,049	71,350,359
SAMPATH BANK PLC	268,142	60,368,113
ASIRI HOSPITAL HOLDINGS PLC	291,250	6,407,705
CEYLON GRAIN ELEVATORS PLC	85,212	5,271,527
HUNAS FALLS HOTELS PLC	32,434	5,008,060
BAIRAHA FARMS PLC	28,765	3,622,336
HAYLEYS FIBRE PLC	41,294	3,312,023
JANASHAKTHI INSURANCE COMPANY PLC	104,422	3,184,590
CEYLON TOBACCO COMPANY PLC	2,086	2,983,225

Top Gainers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
TESS AGRO	0.50	0.10	25.00	962
HUNAS FALLS	155.40	23.60	17.91	5,008,060
ASIA ASSET	0.90	0.10	12.50	9,632
SINHAPUTHRA FIN	8.70	0.50	6.10	1,714
BROWNS BEACH	13.00	0.70	5.69	44,650
LANKA TILES	76.60	3.30	4.50	50,403
HAYLEYS FIBRE	81.40	3.40	4.36	3,312,023
MAHAWELI REACH	13.50	0.50	3.85	78,153
BOGAWANTALAWA	10.20	0.30	3.03	1,145
DISTILLERIES	16.90	0.40	2.42	195,593

Top Losers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
BLUE DIAMONDS [X]	0.20	(0.10)	(33.33)	5,857
BLUE DIAMONDS	0.50	(0.10)	(16.67)	11,442
NATION LANKA	0.60	(0.10)	(14.29)	239,201
RENUKA HOLDINGS [X]	13.10	(1.80)	(12.08)	704,146
AGSTAR PLC	4.30	(0.40)	(8.51)	482,850
CITRUS WASKADUWA	2.60	(0.20)	(7.14)	783
LANKA ALUMINIUM	62.00	(3.90)	(5.92)	36,270
TAL LANKA	13.20	(0.80)	(5.71)	5,394
LAUGFS GAS	17.00	(1.00)	(5.56)	1,841,292
LANKA REALTY	20.40	(1.20)	(5.56)	14,080

Crossings

Name	Symbol	Price	Trades	T.Volume	Turnover
Hatton National Bank PLC	HNB.No000	205.00	1	308,000	63,140,000.00

Market Highlights & Statistics

Sector Wise Summary

Sector	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
BANK FINANCE AND INSURANCE	16,326.24	16,474.18	146,891,809	1,680,541	901	5.30	0.90
BEVERAGE FOOD AND TOBACCO	24,650.86	24,794.09	8,055,820	109,572	174	18.00	6.10
CONSTRUCTION AND ENGINEERING	1,373.87	1,376.46	1,961,380	220,466	159	22.00	0.60
CHEMICALS AND PHARMACEUTICALS	5,250.54	5,250.54	2,845	101	7	5.80	0.70
DIVERSIFIED HOLDINGS	1,543.65	1,566.64	207,098,642	2,385,893	325	10.30	0.90
FOOTWEAR AND TEXTILE	930.53	970.21	1,791,791	187,707	70	74.50	1.00
HOTELS AND TRAVELS	2,667.35	2,669.93	8,930,148	1,495,872	642	64.60	1.70
HEALTH CARE	801.35	806.43	6,557,553	314,790	64	15.30	1.80
INVESTMENT TRUSTS	9,448.54	9,513.54	926,646	62,324	29	31.80	0.40
INFORMATION TECHNOLOGY	25.52	25.52	0	0	0	0.00	0.00
LAND AND PROPERTY	548.53	550.70	497,944	38,555	55	5.40	0.60
MANUFACTURING	2,842.81	2,855.64	16,857,946	509,474	606	7.70	0.90
MOTORS	12,971.50	12,971.50	70,606	103	27	12.10	0.50
OIL PALMS	49,942.23	49,942.23	6,150	30	2	28.40	1.00
POWER & ENERGY	103.88	105.03	4,639,471	299,050	113	77.00	1.20
PLANTATIONS	732.32	732.16	410,938	38,171	74	6.60	0.70
STORES SUPPLIES	28,408.28	28,408.28	43,055	99	3	13.10	0.50
SERVICES	16,002.87	16,162.18	15,076	3,373	16	11.10	1.20
TELECOMMUNICATIONS	142.44	142.44	306,547	19,300	30	8.10	0.90
TRADING	12,342.14	12,326.67	2,192	1,965	8	31.90	0.90

GICS Industry Group Statistics

Industry Group	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
Automobiles & Components	482.57	477.21	15,586	433	3	4.80	0.60
Banks	816.66	823.60	135,462,000	778,063	369	5.90	0.80
Capital Goods	838.41	850.90	206,150,576	1,834,617	427	10.80	0.80
Commercial & Professional Services	710.55	710.55	111	2	1	0.00	0.90
Consumer Durables & Apparel	805.63	812.56	7,726,332	383,435	346	25.80	1.00
Consumer Services	254.43	255.14	8,930,148	1,495,872	643	67.00	1.60
Diversified Financials	773.72	778.30	4,317,018	749,863	267	5.30	0.80
Energy	591.92	603.23	4,349,020	215,065	86	0.00	0.90
Food & Staples Retailing	1,241.50	1,241.01	6,084	1,950	7	15.10	2.20
Food, Beverage & Tobacco	942.37	948.34	15,077,158	384,404	454	15.70	2.50
Health Care Equipment & Services	861.18	866.56	6,557,608	314,868	68	15.50	1.80
Household & Personal Products	1,017.43	1,017.43	286	24	3	13.90	1.90
Insurance	2,137.48	2,166.73	7,083,585	146,974	273	4.30	1.70
Materials	540.84	544.92	5,293,909	181,370	174	7.10	0.90
Pharmaceuticals, Biotechnology & Life Sciences	1,807.58	1,807.58	0	0	0	4.70	1.40
Real Estate	746.16	749.69	431,035	28,493	40	5.00	0.60
Retailing	782.55	791.14	86,959	4,093	28	15.50	0.70
Technology Hardware & Equipment	0.00	-	0	0	0	0.00	0.00
Telecommunication Services	744.21	744.21	306,547	19,300	30	8.10	0.90
Transportation	685.99	702.71	2,931,701	732,708	64	19.80	0.70
Utilities	734.58	734.58	290,451	83,985	27	8.70	0.70

Economic Indicators & Other Statistics

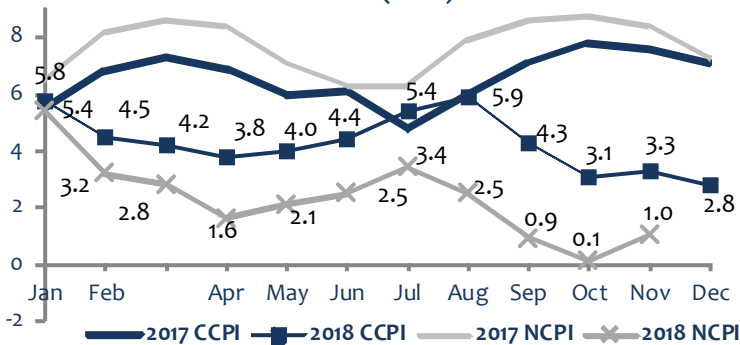
Exchange Rates

Currency	7th Jan		4th Jan	
	Buying	Selling	Buying	Selling
Dollar (USA)	180.52	184.50	180.69	184.67
Pound (UK)	228.94	236.41	227.26	234.67
Euro (EU)	204.85	212.07	204.69	211.91
Dollar (Australia)	127.40	132.83	125.53	130.90
Dollar (Canada)	134.23	139.21	133.14	138.09
Franc (Switzerland)	182.06	188.89	181.87	188.69
Renminbi (China)	26.05	27.29	26.00	27.24
Yen (Japan)	1.6567	1.7176	1.6626	1.7236
Dollar (Singapore)	132.33	136.85	132.02	136.52

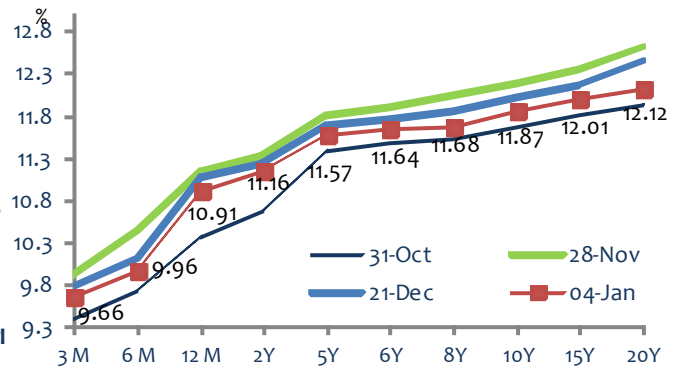
Indicative Rates

Currency	7th Jan	4th Jan
	Ind: Value	Ind: Value
Yuan (Offshore)	26.6725	26.6024
Rupee (India)	2.6298	2.6073
Won (Korean)	0.1637	0.1625
Dinar (Kuwait)	602.6959	602.8127
Ringgit (Malay)	44.4566	44.1788
Rial (Oman)	474.8836	475.0826
Riyal (Qatar)	50.2102	50.2240
Riyal (KSA)	48.7417	48.7565
Dirham (UAE)	49.7741	49.7879

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



Government Securities - Secondary Market Yield



Central Bank's Policy Rates

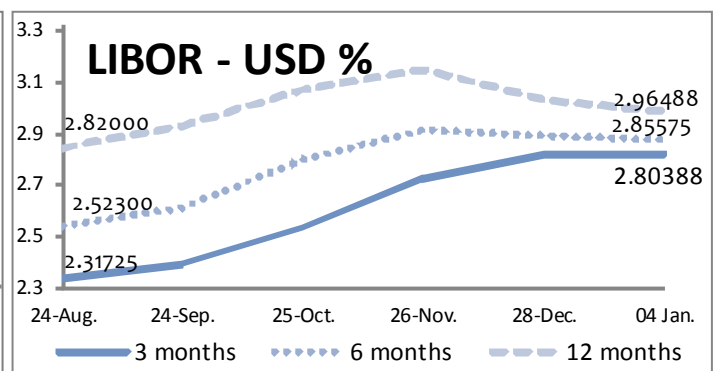
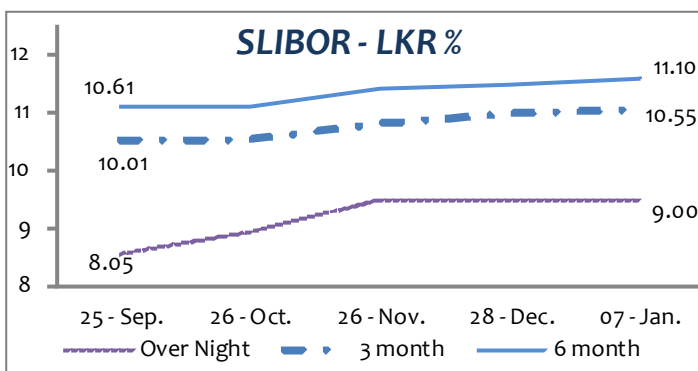
Description	Present	Previous		02.01.2019	19.12.2018	12.12.2018	05.12.2018
Standing Deposit Facility (SDF)	8.00%	7.25%	91 Days %	na	na	na	na
Standing Lending Facility (SLF)	9.00%	8.50%	182 Days %	9.95	9.99	10.03	10.01
Bank Rate	15.00%	15.00%	364 Days %	10.99	11.20	11.24	11.20
Statutory Reserve Ratio (SRR)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

Treasury Bill Issuance

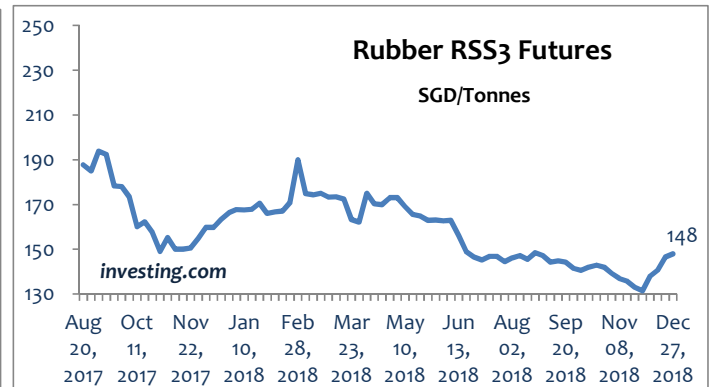
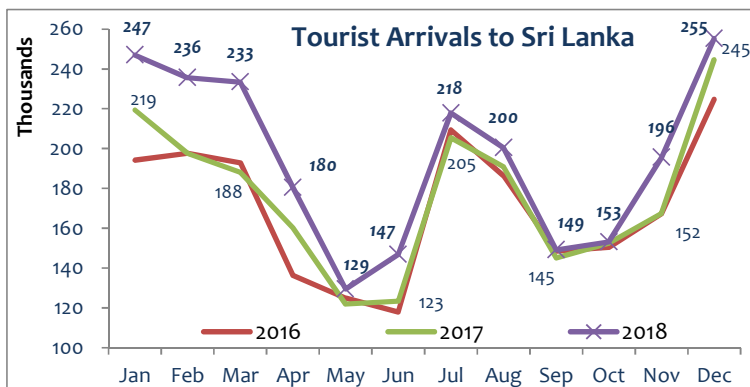
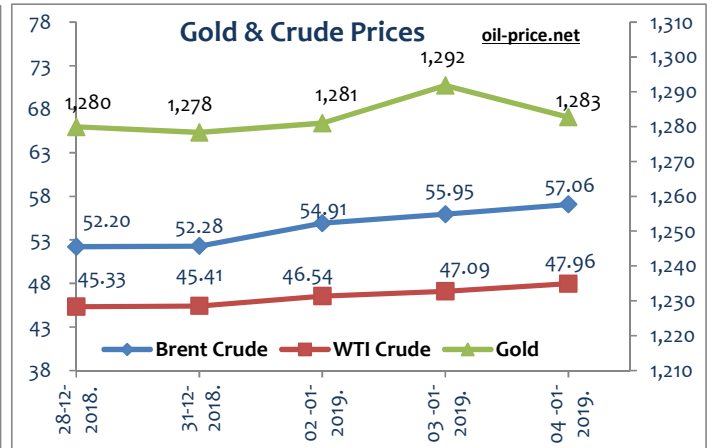
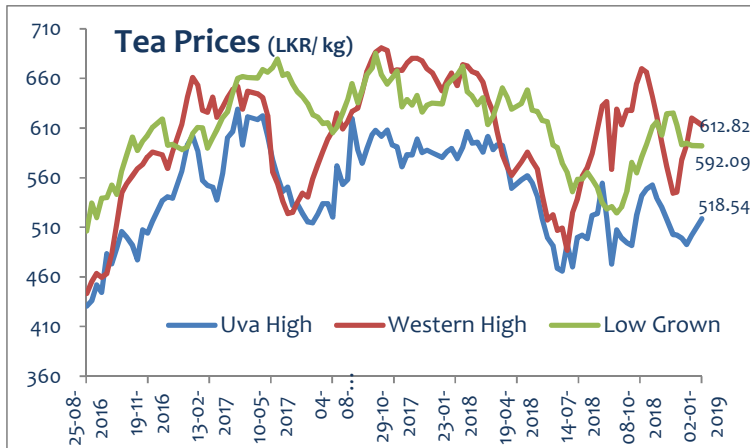
Date	13.12.2018	17.07.2016	15.10.2018	17.07.2016	17.09.2018	13.12.2018	15.08.2018	15.10.2018
Maturity	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	10 Years	15 Years
Current Yield	11.88	11.14	11.69	11.21	10.32	12.23	10.20	11.90
Previous Auction	17.09.2018	15.06.2017	15.08.2018	15.06.2017	16.07.2018	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
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Economic Indicators & Other Statistics



Local News

Sri Lanka hydro power up 87-pct amid rain

ECONOMYNEXT - Sri Lanka's hydro power output rose 87% from a year earlier to 3,428 GigaWatt hours in the nine months to September 2018, amid strong rainfall, official data showed. Total generation expanded 3.9% to 11,436 GWh, in the nine months, the central bank said. Electricity generated from coal fell 9.2% to 3,725 GWh, while power from fuel oil fell 22.9% to 1,518GWh. Purchases from the private sector fell 11% to 2,764 GWh. Private renewable power purchases, mostly mini hydro were up 23% to 1,256GWh as rains improved. President Maithripala Sirisena and Prime Minister Ranil Wickremesinghe cancelled a second coal plant which was about to be built, pushing up power costs and raising the possibility of power outages if rains reduce, though demand growth at 3.6% is weak. They are now attempts to build a liquefied natural gas plant, amid corruption charges.

SLPA tariff revision in New Year rattles exporters, importers

The Sri Lanka Ports Authority (SLPA) has landed an upward tariff revision on 1 January, increasing cost for exporters and importers allegedly without notifying the trade or the new Minister. Industry sources said the Port's wharfrage tariff for export containers and import containers and handling of their LCL (Less than Container Load) cargo has been exorbitantly increased by more than double, which is a dollar-based calculation. Additionally, demurrage free times have been reduced, too. The 20ft rate has been increased to \$35 from \$16, and 40ft price to \$70 from \$32. In addition, the LCL charges have been abolished and a box rate has been introduced, which is an increase with a new mechanism making small exporters' and importers' costs indirectly vulnerable for a greater increase than published. In 2017, SLPA recorded its highest profit of Rs. 13.1Bn whilst the figure for last year is pending. (ft.lk)

sl eyes GSP concessions on sourcing fabrics

Meanwhile, Cooray and Fernando revealed that in order to enhance the benefits of GSP Plus, the industry stakeholders had submitted reports to the government requesting to source fabrics from Indonesia and South Korea, last year. The Department of Commerce (DOC) has already commenced negotiations with relevant authorities in Indonesia and South Korea to enter into joint agreements with the EU to obtain GSP Plus for sourcing fabrics from these countries. Apparel manufacturers are currently eligible for GSP plus concessions on woven fabrics only from the EU, Sri Lanka and SAARC countries. “More or less, we are in the final stage now. Once we enter into agreements with the EU, our product will be more attractive to the EU importers. “We are buying a lot of fabrics from China, where GSP Plus is not applicable. If we shift to Indonesia or South Korea, we can get this advantage. We will look more competitive in the market,” Fernando pointed out. ([dailymirror.lk](#))

Apparel exports poised to top US \$ 5bn mark for first time

As the apparel export growth picked up pace in November last year, the apparel industry expects to surpass the US \$5Bn mark in 2018 for the first time, recording the best growth in apparel exports since 2013. According to the Joint Apparel Association Forum (JAAF), apparel exports increased 10.10% YoY to US \$ 447Mn in November 2018. The exports to the U.S. increased by 16.58% YoY while exports to the EU increased marginally by 3.01% YoY in the period. The total exports during the January-November period grew 4.92% YoY to US \$4.58Bn. “We expect over US \$5Bn in apparel exports alone. ([dailymirror.lk](#))

Foreign News

Stocks ride relief rally, Sino-U.S. trade a hurdle

(Reuters) - Asian shares sped ahead on Monday as a dovish turn by the Federal Reserve and startlingly strong U.S. jobs data soothed some of the market's worst fears about the global outlook.

Chinese stocks firmed after the country's central bank announced an easing in policy on Friday, with 100 basis points of cuts to bank reserve requirements freeing up around \$116Bn for new lending.

Chinese officials also meet their U.S. counterparts for trade negotiations starting later Monday, the first face-to-face talks of the year. U.S. President Donald Trump said on Sunday that the talks were going very well and that weakness in the Chinese economy gave Beijing a reason to work toward a deal.

Shanghai blue chips .CSI300 rose 0.4 percent, having already climbed over 2 percent on Friday. Japan's Nikkei .N225 shot up 2.8 percent, while South Korea .KS11 added 1.2 percent. E-Mini futures for the S&P 500 ES1 climbed another 0.4 percent.

Risk appetite got a huge boost on Friday when the U.S. payrolls report showed 312,000 net new jobs were created in December, while wages rose at a brisk annual pace of 3.2 percent. Despite the strength, Fed Chairman Jerome Powell sought to ease market concerns about the risk of a slowdown, saying the central bank would be patient and flexible in policy decisions this year.

The combination of a strong jobs report and a dovish Fed helped the Dow .DJI end Friday with gains of 3.29 percent, while the S&P 500 .SPX jumped 3.43 percent and the Nasdaq .IXIC 4.26 percent. Analysts at Bank of America Merrill Lynch noted global equity markets had lost \$19.9 trillion since January last year, and a record \$84 billion had flowed out of stocks in just the past six weeks.

Gold benefited from the diminished risk of U.S. rate hikes and held at \$1,288.81 XAU=, just off a six-month top. Oil prices firmed after Brent bounced about 9.3 percent last week, while WTI rose 5.8 percent. The crude benchmark LCO1 rose 71 cents on Monday to \$57.75 a barrel, while U.S. crude futures CL1 gained 70 cents to \$48.66. ([reuters.com](#))

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