

DAILY STOCK MARKET HIGHLIGHTS

Friday, 08 February 2019



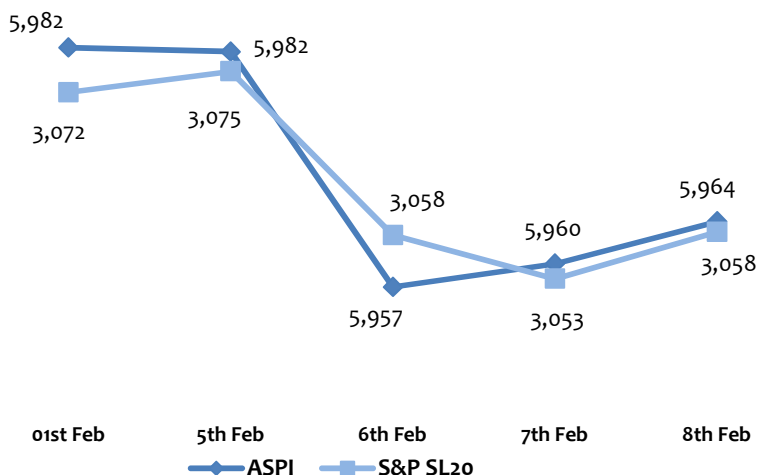
**ASHA PHILLIP
SECURITIES LTD**

Sri Lanka

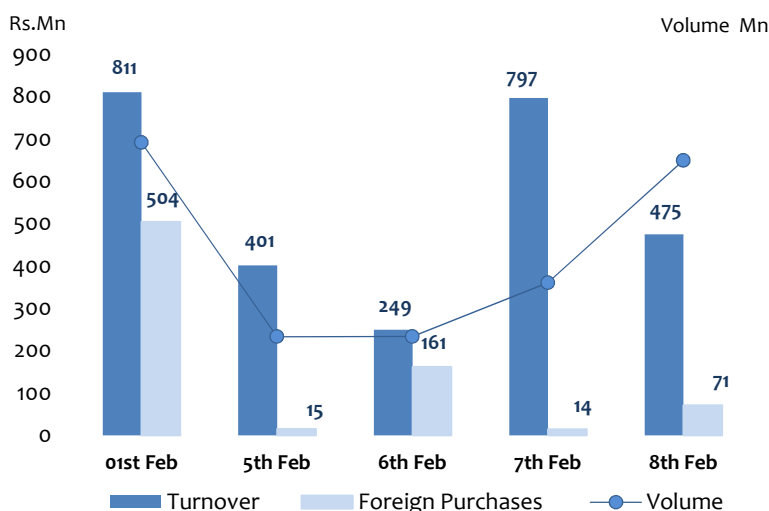
Daily Market Statistics

Index	8th Feb	7th Feb	Change	% Change
ASPI	5,964.14	5,959.79	↑ 4.35	↑ 0.07%
S&P SL20	3,058.07	3,053.25	↑ 4.82	↑ 0.16%
Market Stats (LKR, Mn)		8th Feb	7th Feb	% Change
Turnover		474.70	797.02	↓ -40.4%
Domestic Purchases		404.18	783.20	↓ -48.4%
Domestic Sales		455.98	98.09	↑ 364.9%
Foreign Purchases		70.52	13.82	↑ 410.3%
Foreign Sales		18.72	698.94	↓ -97.3%
Share Volume		18.03	10.01	↑ 80.2%
Market capitalization (Bn)		2,787.41	2,785.37	↑ 0.07%
PER		9.33	9.32	↑ 0.11%
PBV		1.17	1.17	↓ 0.00%

Market Indices



Turnover, Volume and Foreign Purchase



Performance of the Market

- Colombo bourse continued to close on green terrain with positive earnings results released by investor favorite counters AEL and TJL.
- Benchmark index ASPI moved between 5,953.76 - 5,965.79 points and settled the day at 5,964.14 with a gain of 4.35 points (+0.07%).
- Major contributors for the movement in ASPI were **SLTL (+3.5)**, **TJL (+1.5)**, **EXPO (+1.3)**, **HNB (+1.2)**, **VONE (+0.9)**, **DIST (-3.0)**, **CFIN (-0.9)**, **CSEC (-0.9)**, **COMB (-0.8)** & **BIL (-0.8)**
- S&P SL20 index also followed the same trend and settled the day at 3,058.07 with a gain of 4.82 points (+0.16%).
- The day's turnover was recorded as LKR 474.70Mn, down by 40% from its previously recorded LKR 797.02Mn. Foreign investors turned net buyers for the day.
- The total market capitalization stood at LKR 2.79Tn, indicating an YTD loss of 1.83%.
- The market PER & PBV were at 9.33x & 1.17x respectively.

Top Contributors - Turnover

1. Ceylinco Insurance PLC (CINS) contributed 20% (96.01Mn) of the turnover. CINS traded and settled the day at LKR 1,800.00 on par with its previous closing ; about 99.9% (96.0Mn) of its turnover was contributed through one off board trade of 50,000 shares negotiated at the prices of LKR 1,920.00
2. Teejay Lanka PLC (TJL) had contributed LKR 84.99Mn. TJL traded between LKR 34.10 & 35.20 and settled the day at LKR 35.00 with a gain of LKR 1.00 (+2.94%).
3. John Keells Holdings PLC (JKH) contributed LKR 78.55Mn. JKH traded between LKR 156.00 & 158.00 and settled the day at its previous closing of LKR 156.00.

Top contributors - Traded Volume

1. Union Bank of Colombo PLC traded a total of 5.66Mn shares.
2. Expolanka Holdings PLC (2.70Mn shares)
3. Teejay Lanka PLC (2.44Mn shares).

Sectorial Overview

1. Bank Finance & Insurance (BFI) sector stood on top providing LKR 241.61Mn capturing 51% of the total turnover.
2. Manufacturing (MFG) sector provided LKR 99.62Mn to the daily aggregated turnover.
3. Diversified Holdings (DIV) sector provided LKR 96.53Mn

Daily Foreign Transactions

Net Foreign Purchases

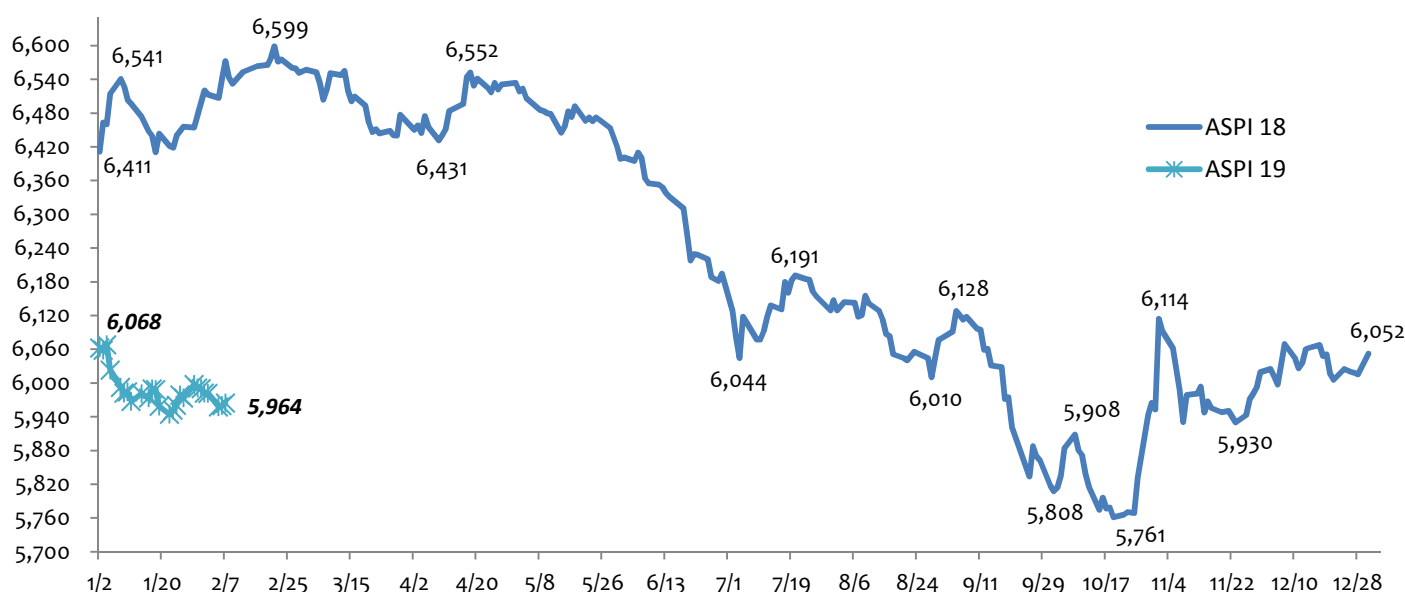
Company Name	Avg Price	Net change in Qty	Net Foreign Inflow
TEEJAY LANKA	35.00	1,789,183	62,621,405
GRAIN ELEVATORS (+)	55.00	32,470	1,785,850
MULTI FINANCE	19.50	56,871	1,108,985
LOLC FINANCE	3.70	20,000	74,000
SEYLAN BANK[X.0000] (+)	43.10	1,223	52,711
SEYLAN BANK (+)	72.00	500	36,000
OVERSEAS REALTY (+)	16.0	1,000	16,000
SANASA DEV. BANK (+)	71.70	200	14,340
RENUKA CAPITAL	4.10	300	1,230

Net Foreign Sales

Company Name	Avg Price	Net change in Qty	Net Foreign Outflow
COMMERCIAL BANK (+)	111.50	(60,865)	(6,786,448)
MELSTACORP	45.00	(108,109)	(4,864,905)
EXPOLANKA	4.40	(273,309)	(1,202,560)
EAST WEST	15.40	(38,103)	(586,786)
DIPPED PRODUCTS	90.00	(1,770)	(159,300)
DFCC BANK PLC	82.60	(1,260)	(104,076)
HNB[X.0000] (+)	161.30	(628)	(101,296)
MALWATTE (+)	8.70	(10,000)	(87,000)
MERCHANT BANK (+)	10.60	(6,001)	(63,611)

- **Aggregate foreign buying** for the day totaled up to **LKR 70.52Mn**.
- **Foreign sales** for the day amounted to **LKR 18.72Mn**.
- **Net foreign inflow** for the day was **LKR 51.80Mn**, **YTD net foreign outflow** presently stands at **LKR 3.39Bn**.
- **TJL** notched the “Top Net Purchasers” slot with a net inflow of **LKR 62.62Mn** whilst **COMB** notched the “Top net Sellers” slot with a net outflow of **LKR 6.79Mn**.

Year-to-Date ASPI Movement - 2018 & 2019



Key Announcements

- CSE Said, recently issued **Debentures** of Citizen Development Business Finance PLC (CDB) will be **listed** on **11th February 2019**.
- CSE has approved the listing of **BASEL III** compliant **debt securities** of **Sampath Bank PLC (SAMP)**. Subscription list will be opened from 20th February 2019 and Prospectus would be delivered on 11th February 2019.

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
ALUF	15-Feb-19	SEYB	7-Mar-19
NDB	18-Feb-19	FLCH	8-Mar-19
		BIL	8-Mar-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	VPEL	0.40	Interim	13.Feb.2019	22.Feb.2019
COMB	3.00	2nd Interim	06.Feb.2019	15.Feb.2019	CTEA	20.00	Interim	15.Feb.2019	25.Feb.2019
BPPL	0.24	2nd Interim	07.Feb.2019	18.Feb.2019	TJL	0.85	1st Interim	18.Feb.2019	28.Feb.2019
JKH	2.00	2nd Interim	12.Feb.2019	22.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

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	20 Feb 2019.	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	1,400.00	187,323,751	262,253,251,400	10.13
JOHN KEELLS HOLDINGS PLC	JKH.No000	156.00	1,318,152,225	205,631,747,100	7.94
COMMERCIAL BANK OF CEYLON PLC	COMB.No000	111.40	945,709,403	105,352,027,494	4.07
NESTLE LANKA PLC	NEST.No000	1,724.80	53,725,463	92,665,678,582	3.58
DIALOG AXIATA PLC	DIAL.No000	10.00	8,143,778,405	81,437,784,050	3.15
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	16.00	4,600,000,000	73,600,000,000	2.84
SAMPATH BANK PLC	SAMP.No000	237.50	280,902,248	66,714,283,900	2.58
CEYLON COLD STORES PLC	CCS.No000	626.90	95,040,000	59,580,576,000	2.30
AIA INSURANCE LANKA PLC	CTCE.No000	1,878.80	30,749,370	57,771,916,356	2.23

Highest Volume

Company Name	Turnover (Rs)	Share Vol.
UNION BANK OF COLOMBO PLC	61,163,959	5,662,465
EXPOLANKA HOLDINGS PLC	11,752,430	2,698,779
TEEJAY LANKA PLC	84,988,171	2,437,424
THE FINANCE COMPANY PLC [X]	605,187	986,819
ACCESS ENGINEERING PLC	13,899,777	986,268
EAST WEST PROPERTIES PLC	9,054,442	589,003
ANILANA HOTELS AND PROPERTIES PLC	571,169	570,159
JOHN KEELLS HOLDINGS PLC	78,548,687	503,488
MERCHANT BANK OF SRI LANKA & FINANCE PLC	3,336,512	321,326
PIRAMAL GLASS CEYLON PLC	912,727	247,314

Highest Turnover

Company Name	Share Vol.	Turnover (LKR)
CEYLINCO INSURANCE PLC	50,005	96,009,000
TEEJAY LANKA PLC	2,437,424	84,988,171
JOHN KEELLS HOLDINGS PLC	503,488	78,548,687
UNION BANK OF COLOMBO PLC	5,662,465	61,163,959
SAMPATH BANK PLC	228,134	54,295,042
ACCESS ENGINEERING PLC	986,268	13,899,777
COMMERCIAL BANK OF CEYLON PLC	118,202	13,175,488
EXPOLANKA HOLDINGS PLC	2,698,779	11,752,430
EAST WEST PROPERTIES PLC	589,003	9,054,442
CEYLON GRAIN ELEVATORS PLC	96,911	5,391,529

Top Gainers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
BLUE DIAMONDS	0.60	0.10	20.00	606
SINGER IND.	66.90	6.90	11.50	55,360
AUTODROME	75.40	6.20	8.96	7,545
LIGHTHOUSE HOTEL	34.30	2.40	7.52	4,634
EXPOLANKA	4.40	0.30	7.32	11,752,430
MERCHANT BANK	10.60	0.70	7.07	3,336,512
E - CHANNELLING	4.60	0.30	6.98	1,380
BALANGODA	15.50	0.90	6.16	2,370
MARAWILA RESORTS	1.80	0.10	5.88	390
HAPUGASTENNE	19.20	1.00	5.49	2,005

Top Losers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
THE FINANCE CO. [X]	0.60	(0.20)	(25.00)	605,187
OFFICE EQUIPMENT	69.80	(20.10)	(22.36)	14,300
TESS AGRO	0.40	(0.10)	(20.00)	72,014
THE FINANCE CO.	1.60	(0.30)	(15.79)	224,383
SWISSTEK	35.90	(3.70)	(9.34)	275,572
DUNAMIS CAPITAL	34.50	(3.50)	(9.21)	34,572
CITRUS WASKADUWA	2.40	(0.20)	(7.69)	2,400
ON'ALLY	105.00	(8.70)	(7.65)	22,266
PALM GARDEN HOTL	22.10	(1.80)	(7.53)	44,200
ROYAL PALMS	15.40	(0.90)	(5.52)	3,773

Crossings

Name	Symbol	Price	Trades	T.Volume	Turnover
Ceylinco Insurance PLC	CINS.No000	1,920.00	1	50,000	96,000,000.00
Union Bank Of Colombo PLC	UBC.No000	10.80	2	5,609,782	60,585,646.00
Sampath Bank PLC	SAMP.No000	238.00	1	142,000	33,796,000.00

Market Highlights & Statistics

Sector Wise Summary

Sector	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
BANK FINANCE AND INSURANCE	16,333.22	16,338.39	241,607,696	8,311,657	1,306	4.90	0.90
BEVERAGE FOOD AND TOBACCO	24,022.02	24,063.89	2,788,714	60,210	196	17.30	5.80
CONSTRUCTION AND ENGINEERING	1,438.90	1,420.94	15,155,511	1,076,083	440	15.90	0.60
CHEMICALS AND PHARMACEUTICALS	5,318.67	5,300.76	140,694	11,027	15	7.80	0.80
DIVERSIFIED HOLDINGS	1,536.80	1,534.63	96,532,290	3,507,212	416	10.80	0.90
FOOTWEAR AND TEXTILE	904.08	904.08	460,039	48,952	15	53.60	0.90
HOTELS AND TRAVELS	2,644.80	2,647.94	1,526,983	635,768	205	98.30	1.70
HEALTH CARE	816.09	815.22	123,257	8,100	17	16.60	1.80
INVESTMENT TRUSTS	9,269.68	9,343.67	553,241	14,817	27	0.00	0.40
INFORMATION TECHNOLOGY	27.19	25.52	1,380	300	1	0.00	0.00
LAND AND PROPERTY	549.58	543.21	11,460,463	784,237	436	5.50	0.60
MANUFACTURING	2,834.59	2,825.17	99,623,881	3,005,098	626	8.80	0.80
MOTORS	12,438.04	12,385.88	489,145	6,426	13	17.20	0.50
OIL PALMS	49,418.58	49,418.58	3,720	7	3	59.20	1.30
POWER & ENERGY	99.39	99.48	2,817,218	168,624	125	87.50	1.20
PLANTATIONS	783.57	782.45	351,838	43,830	100	26.20	0.80
STORES SUPPLIES	27,757.18	28,152.16	38,100	100	3	17.20	0.50
SERVICES	16,157.17	16,283.47	330,563	118,688	63	15.00	1.30
TELECOMMUNICATIONS	137.49	135.67	421,574	41,505	39	5.90	0.90
TRADING	11,435.86	11,327.49	274,752	187,652	29	52.50	0.70

GICS Industry Group Statistics

Industry Group	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
Automobiles & Components	467.83	462.47	249,910	7,158	5	4.80	0.60
Banks	809.15	807.98	131,634,400	6,046,715	247	5.50	0.70
Capital Goods	837.97	835.53	97,880,320	1,739,637	652	10.80	0.80
Commercial & Professional Services	794.79	794.79	38	1	1	0.00	1.00
Consumer Durables & Apparel	815.18	799.29	87,180,608	2,515,792	246	42.30	1.10
Consumer Services	248.21	249.08	1,526,983	635,768	205	104.20	1.70
Diversified Financials	771.51	775.30	12,299,429	2,196,524	944	5.40	1.00
Energy	545.53	545.32	2,546,341	126,575	66	0.00	0.90
Food & Staples Retailing	1,253.40	1,251.65	362,043	180,693	22	22.70	2.20
Food, Beverage & Tobacco	918.15	920.53	13,431,257	376,113	439	16.20	2.70
Health Care Equipment & Services	877.43	875.86	131,638	18,401	20	16.70	1.80
Household & Personal Products	952.76	958.15	20,827	2,001	7	13.00	1.80
Insurance	2,194.00	2,195.63	98,333,704	138,159	183	3.70	1.70
Materials	538.86	540.04	4,042,387	322,276	221	8.70	1.00
Pharmaceuticals, Biotechnology & Life Sciences	1,807.58	1,807.58	645	1	1	5.20	1.40
Real Estate	747.76	739.51	11,399,788	777,575	426	5.20	0.60
Retailing	757.75	752.83	888,282	72,470	50	17.30	0.70
Technology Hardware & Equipment	0.00	-	0	0	0	0.00	0.00
Telecommunication Services	718.36	708.87	421,574	41,505	40	5.90	0.90
Transportation	752.89	702.71	11,752,430	2,698,779	261	8.30	0.80
Utilities	738.33	740.05	270,877	42,049	59	10.40	0.80

Economic Indicators & Other Statistics

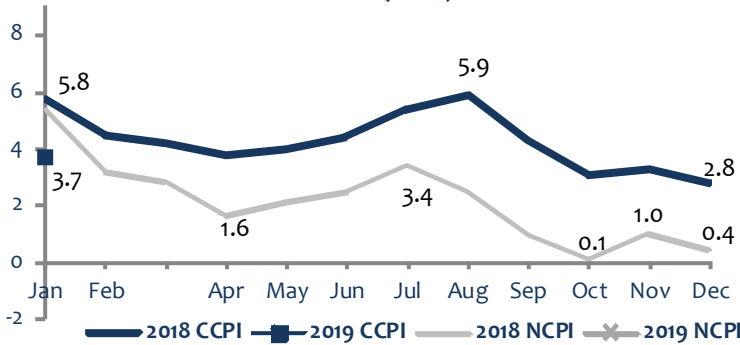
Exchange Rates

Currency	8th Feb		7th Feb	
	Buying	Selling	Buying	Selling
Dollar (USA)	175.66	179.52	175.75	179.61
Pound (UK)	226.36	233.73	226.15	233.51
Euro (EU)	197.88	204.91	198.36	205.41
Dollar (Australia)	123.02	128.29	123.67	128.96
Dollar (Canada)	131.10	135.99	131.91	136.84
Franc (Switzerland)	174.20	180.40	174.21	180.41
Renminbi (China)	25.70	26.94	25.72	26.96
Yen (Japan)	1.5901	1.6493	1.5896	1.6487
Dollar (Singapore)	128.83	133.25	129.00	133.43

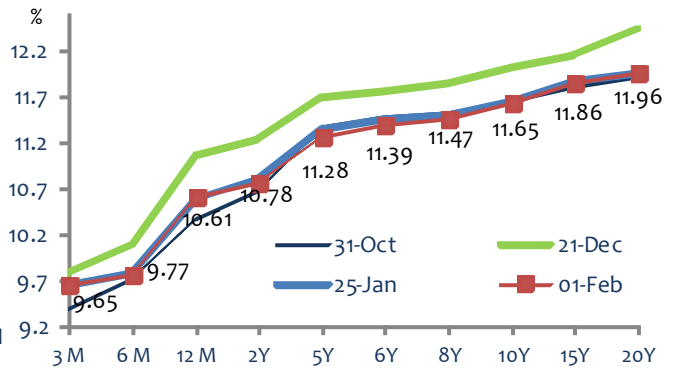
Indicative Rates

Currency	8th Feb	7th Feb
	Ind: Value	Ind: Value
Yuan (Offshore)	26.1440	26.2622
Rupee (India)	2.4905	2.4859
Won (Korean)	0.1579	0.1585
Dinar (Kuwait)	585.1501	586.8539
Ringgit (Malay)	43.6250	43.5586
Rial (Oman)	461.2351	462.4561
Riyal (Qatar)	48.7677	48.8968
Riyal (KSA)	47.3490	47.4744
Dirham (UAE)	48.3442	48.4722

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



Government Securities - Secondary Market Yield

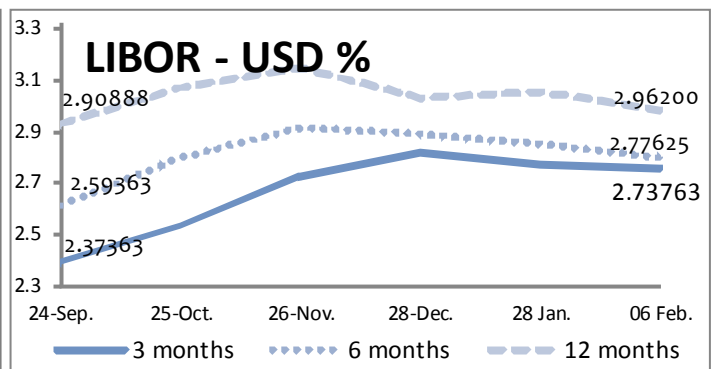
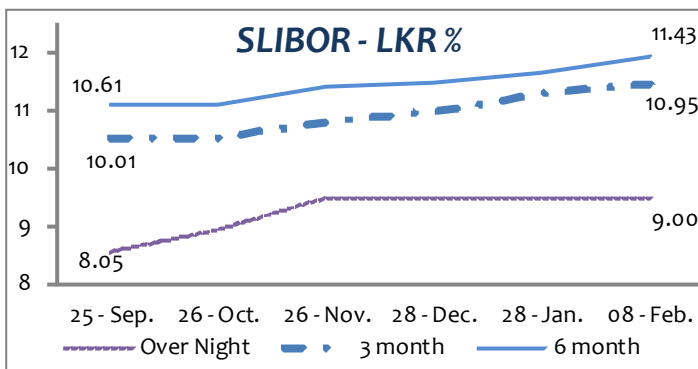


Central Bank's Policy Rates

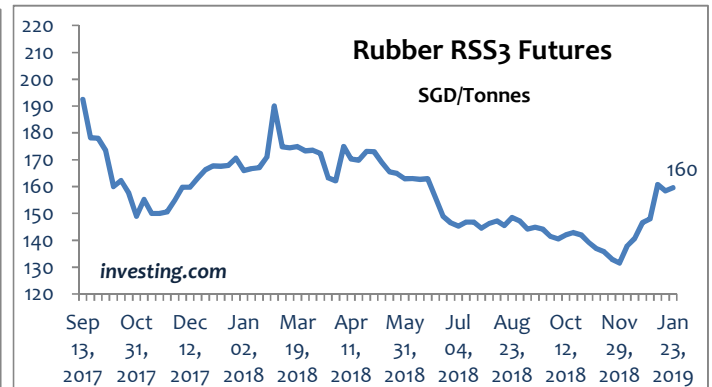
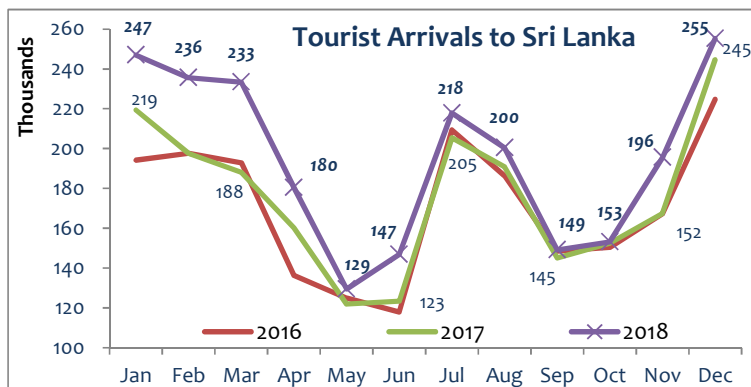
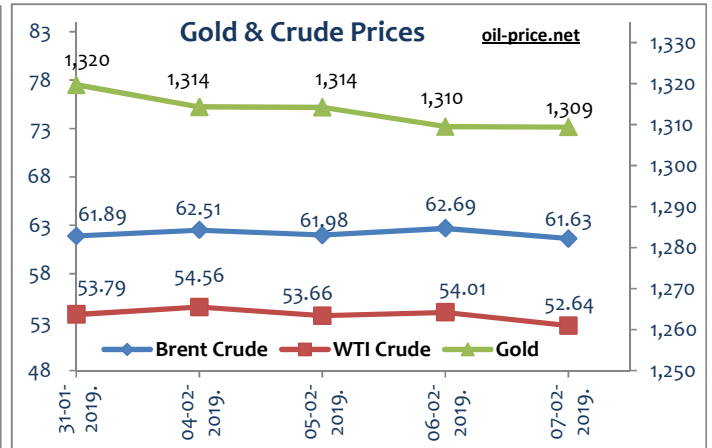
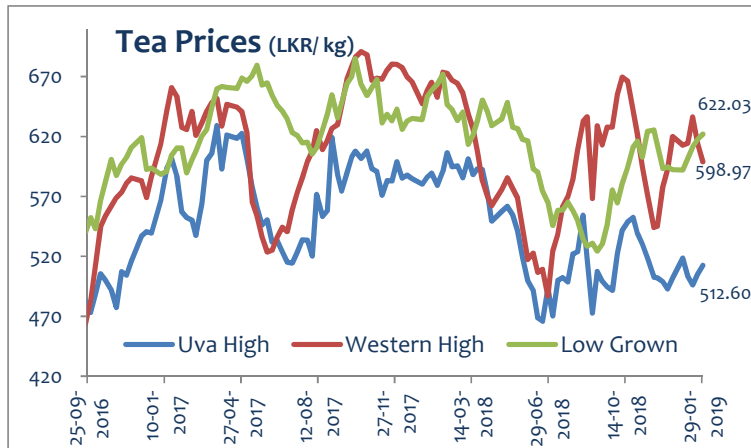
Description	Present	Previous		Treasury Bill Issuance			
				06.02.2019	30.01.2019	23.01.2019	16.01.2019
Standing Deposit Facility (SDF)	8.00%	7.25%	91 Days %	9.55	na	na	10.01
Standing Lending Facility (SLF)	9.00%	8.50%	182 Days %	9.87	na	9.87	9.87
Bank Rate	15.00%	15.00%	364 Days %	10.69	10.69	10.70	10.75
Statutory Reserve Ratio (SRR)	6.00%	7.50%	Amount	24Bn	21Bn	23.5Bn	26Bn

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

Biz confidence improves post-Supreme Court ruling

The LMD-Nielsen Business Confidence Index (BCI) climbed 11 notches to register 101 in January, according to the latest edition of LMD. This puts the index only one basis point shy of its average of 102 for the last 12 months. Nielsen’s Managing Director Sharang Pant explains: “Following two months of uncertainty, stability seems to be returning to the Sri Lankan political scenario. This has had a certain impact on [business] sentiment.” Furthermore, he notes that “the rupee continues to slide due to dollar pressure but inflation is under control. Sentiment regarding the tourism industry is positive as well – this despite the short-term impact on tourist arrivals late last year.” LMD reports that the economy, politics and corruption are considered to be among the main concerns for the nation. Meanwhile, the value of the rupee and inflation are the notable sensitivities in corporate circles. *(ft.lk)*

Banking sector grants record loans in 2018

Sri Lanka’s banks have granted a record amount of loans and their growth also picked up pace during 2018 despite higher interest rates and non-performing loans—though the latter’s rise showed some respite. The banks have granted a record Rs.1.3 trillion worth loans in 2018, recording a growth of 19.6 percent from 2017, data seen by Mirror Business showed. This is an increase from the 16 percent growth recorded for 2017.

Sri Lanka’s banking sector loan growth moderated after two years of rapid credit growth in 2015 and 2016, where 21 percent and 18 percent rates were recorded respectively. The growth in bank loans in 2018 was above expectations and in contrast with the overall performance of the country’s economy. During the fourth quarter alone, the banking sector granted Rs.400 billion worth loans. Meanwhile, the non-performing loans – the biggest issue facing Sri Lankan banks at the moment – showed some respite during the final four months of 2018. The reported gross non-performing loans of the banking sector dropped to 3.4 percent in December from the 3.6 percent in September. Although the non-performing loans have shown some deceleration, the sector is not still out of the woods. The ratio is still higher than 2.5 percent reported for 2017. Standard & Poor’s in their latest banking industry country risk assessment said they expect further rise in the banking system’s non-performing loans. Meanwhile, the total non-performing loans for 2018 stood at Rs.102 billion. *(dailymirror.lk)*

Teejay reports 9-month net profit of Rs 1.26Bn

Teejay Lanka PLC has achieved its fifth consecutive quarter of top and bottom line growth in the third quarter of 2018-19, demonstrating its resilience during a period of higher raw material and utility costs. Reporting revenue of Rs 23.0 billion for the nine months ending 31st December 2018, a growth of 26 per cent; and net profit of Rs 1.26 billion, an improvement of 16 per cent; Sri Lanka's only multinational textile manufacturer said this had been achieved by operating at optimal capacity. Elaborating on these results, Teejay Lanka Chairman Mr Bill Lam said the margin for the 3rd quarter had improved to 12.3 per cent as against 11.2 per cent on a quarter-on-quarter basis as a result of better loading and an improved mix via the Group's US and EU business units.

Additionally, improved capacity utilisation across the Group, mainly with Teejay India's expanded capacity exceeding expectations with optimum production and capacity utilisation, had contributed to the performance, he said. The **depreciating Rupee** and cost reduction initiatives also **helped to keep overhead** cost increases below revenue growth, Mr Lam explained. Looking ahead, he added: "While we continue to see growth opportunities for Teejay Group, we also see challenges, foremost among them sale mix and raw material price volatility and increases in utility costs. Despite the challenging market conditions, the Group is optimistic that with a strong order book, capacity optimisation and the **depreciation of the Rupee it will end the financial year on a strong footing.**" (*lbo.com*)

Foreign News

Asia stocks ease on anxiety over trade, growth risks

Asian stocks lost ground on Friday as investors worried about a broadening global economic slowdown, with sentiment not helped by the absence of any positive signs for a resolution in the U.S.-China trade row. Safe-haven government bonds benefited in the face of growing anxiety over the global outlook, with German and Japanese debt yields falling to their lowest in over two years.

Spreadbetters expected European stocks to open mixed, with Britain's FTSE inching up 0.1 percent, Germany's DAX retreating 0.05 percent and France's CAC starting flat. MSCI's broadest index of Asia-Pacific shares outside Japan shed 0.5 percent, easing back from a four-month peak touched the previous day. The index was down 0.1 percent on the week. Hong Kong's Hang Seng lost 0.25 percent and South Korea's KOSPI retreated 1.1 percent. Japan's Nikkei tumbled about 2 percent.

The European Commission on Thursday sharply cut its forecasts for euro zone economic growth this year and next, stoking fears a global slowdown is spreading to Europe as businesses and investors grapple with trade frictions.

Adding to the gloomy mood, U.S. President Donald Trump said he did not plan to meet with Chinese President Xi Jinping before a March 1 deadline to achieve a trade deal. Trump's stance rattled investors hoping for a resolution to the months-long trade dispute between the world's biggest economies. Wall Street shares slumped in response overnight, with the Dow falling 0.9 percent to pull back from a two-month peak scaled midweek on upbeat corporate results.

The 10-year U.S. Treasury yield extended its overnight decline to a one-week low of 2.643 percent. The 20-year Japanese government bond yield dropped to a 27-month trough of 0.400 percent.

The dollar was a shade lower at 109.750 yen, nudged off a high of 110.09 reached the previous day. The yen tends to attract demand in times of political tensions and market volatility due to its perceived safe-haven status. Yet, the U.S. currency was still headed for a small weekly gain of 0.3 percent against the yen, supported by the earlier rise in Treasury yields.

In commodities, U.S. crude futures slipped 0.7 percent to \$52.27 per barrel, extending losses after dropping 2.5 percent in the previous session. Brent crude was down 0.6 percent at \$61.26 per barrel. Oil fell as the market was hurt by concerns that global demand growth would lag in the coming year. (*reuters.com*)

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