

# DAILY STOCK MARKET HIGHLIGHTS

Thursday, 10 January 2019



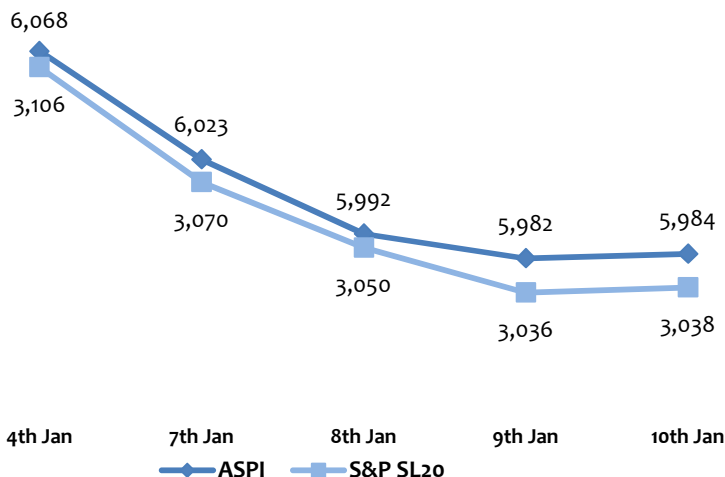
**ASHA PHILLIP  
SECURITIES LTD**

Sri Lanka

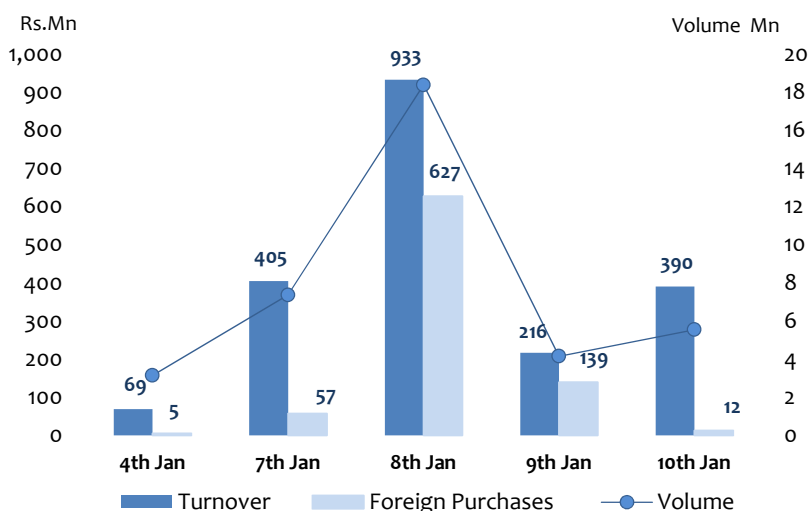
## Daily Market Statistics

Index	10th Jan	9th Jan	Change	% Change
ASPI	5,984.05	5,982.19	↑ 1.86	↑ 0.03%
S&P SL20	3,037.63	3,036.09	↑ 1.54	↑ 0.05%
Market Stats (LKR, Mn)		10th Jan	9th Jan	% Change
Turnover		390.06	216.42	↑ 80.2%
Domestic Purchases		377.86	77.46	↑ 387.8%
Domestic Sales		103.85	73.15	↑ 42.0%
Foreign Purchases		12.20	138.96	↓ -91.2%
Foreign Sales		286.22	143.27	↑ 99.8%
Share Volume		5.55	4.15	↑ 33.8%
Market capitalization (Bn)		2,807.39	2,806.52	↑ 0.03%
PER		9.54	9.51	↑ 0.32%
PBV		1.16	1.15	↑ 0.87%

## Market Indices



## Turnover, Volume and Foreign Purchase



## Performance of the Market

- Cautious investor participation weighed on the Bourse; sentiments signaled slight improvements on par with the economy. Both indices turned positive after three sessions.
- Benchmark index ASPI moved between 5,980.24-5,999.00 points and settled the day at 5,984.05 with a gain of 1.86 points (+0.03%).
- Major contributors for the movement in ASPI were **CCS (+7.8)**, **DIAL (+1.7)**, **COMB (+1.6)**, **CTHR (+1.5)**, **OSEA (+1.3)**, **MELS (-3.2)**, **SLTL (-3.1)**, **CTCE (-2.2)**, **PLC (-1.7)** & **UAL (-1.2)**
- S&P SL20 index also followed a same trend and settled the day at 3,037.63 with a gain of 1.54 points (+0.05%).
- The day's turnover was recorded as LKR 390.06Mn, up by 80% from its previously recorded LKR 216.42Mn. Foreign investors remained net sellers for the day.
- The total market capitalization stood at LKR 2.81Tn, indicating an YTD loss of 1.13%.
- The market PER & PBV were at 9.54x & 1.16x respectively.

## Top Contributors – Turnover

1. John Keells Holdings PLC (JKH) contributed 55% (214.07Mn) of the turnover. JKH traded between LKR 152.00 & 154.00 and settled the day at LKR 153.00 with a loss of LKR 0.10 (-0.07%).
2. Sampath Bank PLC (SAMP) had contributed LKR 96.05Mn. SAMP traded between LKR 217.30 & 219.80 and settled the day at LKR 218.00 with a loss of LKR 1.10 (-0.50%); about 45% (42.76Mn) of its turnover was contributed through two off board trades of 0.2Mn shares negotiated at the price of LKR 217.50 & 219.00
3. Amaya Leisure PLC (CONN) contributed LKR 7.23Mn. CONN traded between LKR 51.00 & 60.00 and settled the day at LKR 52.40 with a gain of LKR 2.40 (+4.80%)

## Top contributors - Traded Volume

1. John Keells Holdings PLC (1.4Mn shares)
2. Sampath Bank PLC (0.44Mn shares)
3. Raigam Wayamba Saltens PLC (0.41Mn shares).

### Sectorial Overview

1. Diversified Holdings (DIV) stood on top providing LKR 224.22Mn capturing 57% of the total turnover.
2. Bank Finance & Insurance (BFI) provided LKR 129.81Mn to the daily aggregated turnover.
3. Manufacturing (MFG) provided LKR 12.39Mn

### Daily Foreign Transactions

#### Net Foreign Purchases

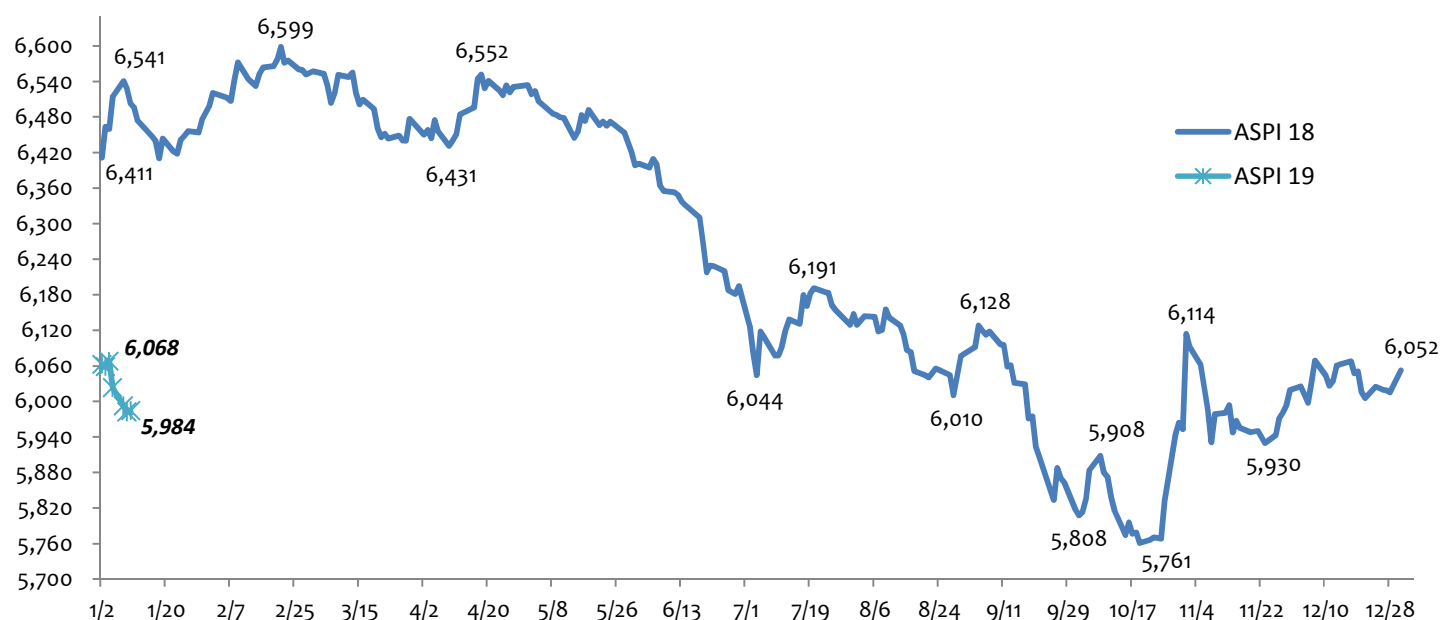
Company Name	Avg Price	Net change in Qty	Net Foreign Inflow
TEEJAY LANKA	34.00	20,360	692,240
GRAIN ELEVATORS (+)	59.00	4,010	236,590
PEOPLES LEASING	15.00	15,235	228,525
CARSONS	172.00	1,032	177,504
PEOPLE'S INS (+)	19.50	9,055	176,573
REGNIS (+)	70.00	1,700	119,000
OVERSEAS REALTY (+)	16.8	5,000	84,000
ROYAL PALMS	16.10	4,400	70,840
ALUMEX PLC	12.60	5,200	65,520
SIGIRIYA VILLAGE	41.00	1,480	60,680

#### Net Foreign Sales

Company Name	Avg Price	Net change in Qty	Net Foreign Outflow
JKH	153.00	(1,381,729)	(211,404,537)
SAMPATH (+)	218.00	(273,798)	(59,687,964)
COMMERCIAL BANK (+)	114.00	(15,295)	(1,743,630)
DIPPED PRODUCTS	85.00	(15,768)	(1,340,280)
SEYLAN BANK[X.0000] (+)	43.50	(24,897)	(1,083,020)
HNB (+)	204.00	(2,530)	(516,120)
CENTRAL FINANCE	88.00	(1,075)	(94,600)
BAIRAHA FARMS	130.00	(709)	(92,170)
AMAYA LEISURE	52.40	(786)	(41,186)
SLT (+)	23.10	(1)	(23)

- **Aggregate foreign buying** for the day totaled up to **LKR 12.2Mn**.
- **Foreign sales** for the day amounted to **LKR 286.22Mn**.
- **Net foreign outflow** for the day was **LKR 274.01Mn**, **YTD net foreign outflow** presently stands at **LKR 751.7Mn**.
- **TJL** notched the “Top Net Purchasers” slot with a net inflow of **LKR 0.69Mn** whilst **JKH** notched the “Top net Sellers” slot with a net outflow of **LKR 211.4Mn**.

### Year-to-Date ASPI Movement - 2018 & 2019



## Key Announcements

- Board of **Dialog Finance PLC (CALF)** resolved to issue 19.1Mn shares by way of **Rights Issue** at a proportion of **32 new Shares** for every **121 existing Shares held**, for a consideration of LKR 40.00 per share to raise LKR 764Mn. The objective of this issue is to increase the core capital.
- **People's Leasing & Finance PLC (PLC)** said, "Board of **People's Merchant Finance PLC (PMB)** has resolved to proceed with a capital infusion by way of a Private Placement and Rights Issue of shares". Accordingly, **proposed amalgamation** of PLC and PMB as disclosed under several prior announcements **will not materialize**.

## 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	Company	Date	Company	Date	Company	Date
EAST	17-Jan-19	COMB	28-Mar-19	HASU	28-Mar-19	SAMP	29-Mar-19
BLUE	28-Jan-19	DFCC	28-Mar-19	HNB	29-Mar-19	PABC	29-Mar-19
RGEM	29-Jan-19	SEYB	29-Mar-19				

## EGMs

Company	Date
HPWR	18-Jan-19
AAIC	25-Jan-19
SAMP	25-Jan-19
SINH	31-Jan-19

## Cash Dividends

CODE	DIVIDEND PER SHARE (LKR)	TYPE	XD DATE	PAYMENT DATE	CODE	DIVIDEND PER SHARE (LKR)	TYPE	XD DATE	PAYMENT DATE
PLC	0.75	Interim	02.Jan.2019	11.Jan.2019	HEXP	3.00	Interim	14.Jan.2019	23.Jan.2019
CTC	19.00	4 <sup>th</sup> Interim	10.Jan.2019	22.Jan.2019	DIPD	1.00	Interim	14.Jan.2019	23.Jan.2019
HAYC	2.00	Interim	14.Jan.2019	23.Jan.2019					

## Key Announcements

### 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.	<b>10 Jan 2019.</b>	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



Extracted from the  
**Lubricant Market Report  
Third Quarter – 2018**

Published by the  
Public Utilities Commission of  
Sri Lanka

Company	2018 (Q3)		2017 (Q3)	
	kL	%	kL	%
Chevron Ceylon Limited	6,127.00	37.23	6,498.00	38.38
Indian Oil Corporation Limited	2,961.48	17.99	2,897.33	17.11
Laugfs Holdings Limited	1,484.11	9.02	1,613.12	9.53
ExxonMobil Asia Pacific Pte. Limited	1,155.01	7.02	851.03	5.03
Ceylon Petroleum Corporation	984.70	5.98	1,364.20	8.06
Bharat Petroleum Corporation Limited	970.00	5.89	906.00	5.35
Shell Markets (Middle East) Limited	658.78	4.00	520.43	3.07
Toyota Tsusho Corporation	610.92	3.71	524.00	3.10
Lubricant Company Sinopec Corporation	562.00	3.41	567.00	3.35
Valvoline LLC	401.07	2.44	558.06	3.30
BP Middle East LLC	370.66	2.25	422.03	2.49
Total Oil India Private Limited	139.84	0.85	168.70	1.00
Motul	32.84	0.20	39.63	0.23
<b>Total</b>	<b>16,458.41</b>	<b>100.00</b>	<b>16,929.53</b>	<b>100.00</b>

## 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	10.27
JOHN KEELLS HOLDINGS PLC	JKH.No000	153.00	1,387,528,658	212,291,884,674	8.14
COMMERCIAL BANK OF CEYLON PLC	COMB.No000	114.00	945,709,403	107,810,871,942	4.13
NESTLE LANKA PLC	NEST.No000	1,700.00	53,725,463	91,333,287,100	3.50
DIALOG AXIATA PLC	DIAL.No000	10.10	8,143,778,405	82,252,161,891	3.15
HATTON NATIONAL BANK PLC	HNB.No000	204.00	395,451,248	80,672,054,592	3.09
DISTILLERIES COMPANY OF SRI LANKA PLC	DIST.No000	16.40	4,600,000,000	75,440,000,000	2.89
CEYLON COLD STORES PLC	CCS.No000	768.30	95,040,000	73,019,232,000	2.80
SAMPATH BANK PLC	SAMP.No000	218.00	280,902,248	61,236,690,064	2.35
MELSTACORP PLC	MELS.No000	47.00	1,165,397,072	54,773,662,384	2.10

### Highest Volume

Company Name	Turnover (Rs)	Share Vol.
JOHN KEELLS HOLDINGS PLC	214,070,563	1,399,242
SAMPATH BANK PLC	96,047,844	440,665
RAIGAM WAYAMBA SALTERNS PLC	855,080	407,150
RICHARD PIERIS AND COMPANY PLC	4,075,164	395,647
LVL ENERGY FUND PLC	2,517,085	321,890
AMAYA LEISURE PLC	7,232,951	131,699
THE FINANCE COMPANY PLC [X]	118,305	131,451
LANKEM DEVELOPMENTS PLC	401,169	106,522
PEOPLE'S LEASING & FINANCE PLC	1,471,195	97,718
SANASA DEVELOPMENT BANK PLC	5,941,376	82,067

### Highest Turnover

Company Name	Share Vol.	Turnover (LKR)
JOHN KEELLS HOLDINGS PLC	1,399,242	214,070,563
SAMPATH BANK PLC	440,665	96,047,844
AMAYA LEISURE PLC	131,699	7,232,951
HATTON NATIONAL BANK PLC	34,868	6,951,424
SANASA DEVELOPMENT BANK PLC	82,067	5,941,376
RICHARD PIERIS AND COMPANY PLC	395,647	4,075,164
CENTRAL FINANCE COMPANY PLC	37,079	3,262,952
COMMERCIAL BANK OF CEYLON PLC	27,143	3,094,302
TEEJAY LANKA PLC	80,852	2,745,962
LVL ENERGY FUND PLC	321,890	2,517,085

### Top Gainers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
TESS AGRO [X]	0.50	0.10	25.00	1,000
S M B LEASING	0.50	0.10	25.00	664
MULLERS	0.70	0.10	16.67	4,946
ANILANA HOTELS	1.30	0.10	8.33	13,137
KEELLS FOOD	147.00	11.00	8.09	14,700
DIALOG FINANCE	46.90	3.20	7.32	214,375
BANSEI RESORTS	6.00	0.40	7.14	1,734
GALADARI	6.90	0.40	6.15	79,083
COLD STORES	768.30	38.50	5.28	603,084
THE FINANCE CO.	2.00	0.10	5.26	123,356

### Top Losers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
BLUE DIAMONDS	0.50	(0.10)	(16.67)	12,000
ASIA ASSET	0.80	(0.10)	(11.11)	81
RADIANT GEMS	20.60	(2.00)	(8.85)	42,466
ALUMEX PLC	12.60	(1.10)	(8.03)	680,830
SOFTLOGIC FIN	25.00	(2.00)	(7.41)	25,103
BROWNS BEACH	12.30	(0.70)	(5.38)	46,700
SWISSTEK	37.00	(2.00)	(5.13)	648,647
ASIA CAPITAL	6.10	(0.30)	(4.69)	84,415
PEGASUS HOTELS	23.00	(1.00)	(4.17)	2,300
LVL ENERGY	8.00	(0.30)	(3.61)	2,517,085

### Crossings

Name	Symbol	Price	Trades	T.Volume	Turnover
Sampath Bank PLC	SAMP.No000	217.50	2	195,886	42,755,205.00

## Market Highlights & Statistics

### Sector Wise Summary

Sector	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
BANK FINANCE AND INSURANCE	16,175.02	16,189.31	129,808,079	1,384,291	932	5.20	0.90
BEVERAGE FOOD AND TOBACCO	24,634.81	24,516.52	4,014,756	499,056	88	17.30	6.20
CONSTRUCTION AND ENGINEERING	1,346.02	1,350.06	1,387,313	184,280	135	16.00	0.50
CHEMICALS AND PHARMACEUTICALS	5,214.50	5,204.03	987,453	14,597	20	5.70	0.70
DIVERSIFIED HOLDINGS	1,535.96	1,536.76	224,218,955	2,080,781	258	10.70	0.90
FOOTWEAR AND TEXTILE	878.25	884.17	175,797	18,005	13	84.70	0.90
HOTELS AND TRAVELS	2,664.27	2,662.11	10,356,330	283,359	557	80.30	1.70
HEALTH CARE	799.80	799.80	572,805	27,945	17	16.30	1.80
INVESTMENT TRUSTS	9,480.91	9,469.63	191,052	15,653	18	30.70	0.40
INFORMATION TECHNOLOGY	25.52	25.52	5,412	1,255	7	0.00	0.00
LAND AND PROPERTY	552.32	547.88	1,022,186	69,407	73	5.50	0.60
MANUFACTURING	2,820.60	2,838.64	12,389,290	418,898	368	7.70	0.90
MOTORS	12,873.44	12,873.44	114,339	1,171	16	12.00	0.50
OIL PALMS	49,335.27	49,942.23	22,201	111	3	28.10	0.90
POWER & ENERGY	102.71	103.03	3,377,615	435,259	186	77.20	1.20
PLANTATIONS	730.55	728.87	733,743	38,525	70	10.00	0.70
STORES SUPPLIES	28,408.28	28,408.28	2,190	4	2	13.10	0.50
SERVICES	15,863.76	15,788.07	1,939	510	10	11.00	1.20
TELECOMMUNICATIONS	138.60	139.31	620,794	61,396	36	7.40	0.90
TRADING	11,683.81	11,683.72	61,486	12,490	27	28.80	0.80

### GICS Industry Group Statistics

Industry Group	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
Automobiles & Components	478.55	478.55	14,173	397	5	4.80	0.60
Banks	806.97	804.51	115,042,384	700,054	363	5.70	0.80
Capital Goods	828.08	828.03	221,868,160	1,955,368	302	10.70	0.80
Commercial & Professional Services	710.55	710.55	247	4	4	0.00	0.90
Consumer Durables & Apparel	806.54	802.27	5,352,482	237,809	158	38.50	1.10
Consumer Services	253.58	252.99	10,356,330	283,359	558	84.10	1.60
Diversified Financials	770.47	770.23	9,915,496	606,123	397	5.30	0.80
Energy	583.90	582.00	426,079	19,855	43	0.00	0.90
Food & Staples Retailing	1,244.28	1,234.05	2,415,304	23,951	12	15.10	2.20
Food, Beverage & Tobacco	941.46	940.04	6,595,326	727,915	259	15.80	2.50
Health Care Equipment & Services	859.54	859.04	583,163	36,276	27	16.40	1.80
Household & Personal Products	1,006.65	1,017.43	6,739	590	8	13.80	1.80
Insurance	2,119.36	2,143.61	5,089,012	84,186	229	4.30	1.70
Materials	533.64	540.64	7,264,894	198,373	201	7.00	1.00
Pharmaceuticals, Biotechnology & Life Sciences	1,807.58	1,807.58	5,850	10	2	4.70	1.40
Real Estate	750.79	745.08	917,140	54,181	60	5.10	0.60
Retailing	768.69	770.20	111,570	2,263	17	15.20	0.70
Technology Hardware & Equipment	0.00	-	0	0	0	0.00	0.00
Telecommunication Services	724.18	727.85	620,794	61,396	36	7.40	0.90
Transportation	702.71	685.99	307,872	75,011	5	20.30	0.70
Utilities	729.20	737.14	2,951,536	415,404	143	8.60	0.70

## Economic Indicators & Other Statistics

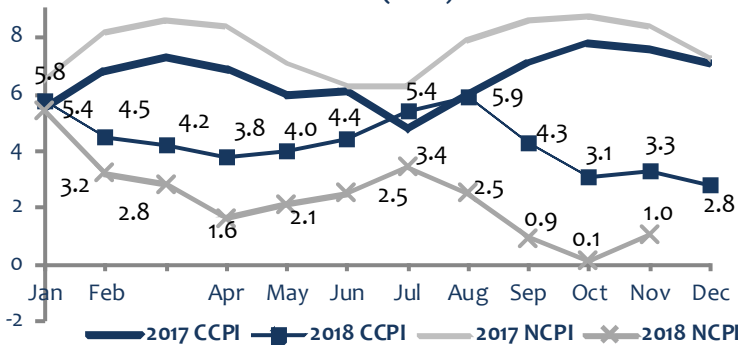
### Exchange Rates

Currency	10th Jan		9th Jan	
	Buying	Selling	Buying	Selling
Dollar (USA)	180.18	184.16	180.37	184.35
Pound (UK)	229.27	236.74	228.65	236.11
Euro (EU)	206.92	214.20	205.31	212.55
Dollar (Australia)	127.82	133.26	127.87	133.33
Dollar (Canada)	135.28	140.31	135.40	140.44
Franc (Switzerland)	183.91	190.82	182.53	189.38
Renminbi (China)	26.16	27.40	26.06	27.30
Yen (Japan)	1.6592	1.7202	1.6464	1.7069
Dollar (Singapore)	132.54	137.06	132.30	136.82

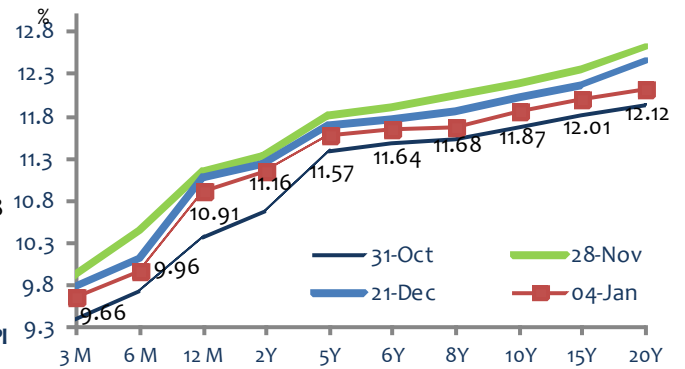
### Indicative Rates

Currency	10th Jan	9th Jan
	Ind: Value	Ind: Value
Yuan (Offshore)	26.8012	26.6647
Rupee (India)	2.5890	2.6024
Won (Korean)	0.1629	0.1628
Dinar (Kuwait)	603.1932	602.0642
Ringgit (Malay)	44.4832	44.3313
Rial (Oman)	474.3650	473.8926
Riyal (Qatar)	50.1547	50.1181
Riyal (KSA)	48.6853	48.6431
Dirham (UAE)	49.7191	49.6761

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



### Government Securities - Secondary Market Yield



### Central Bank's Policy Rates

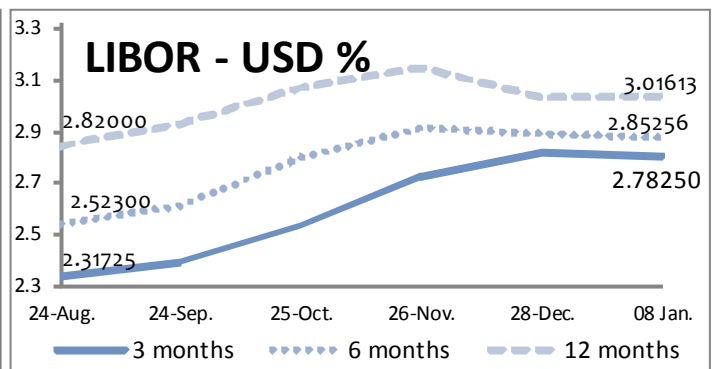
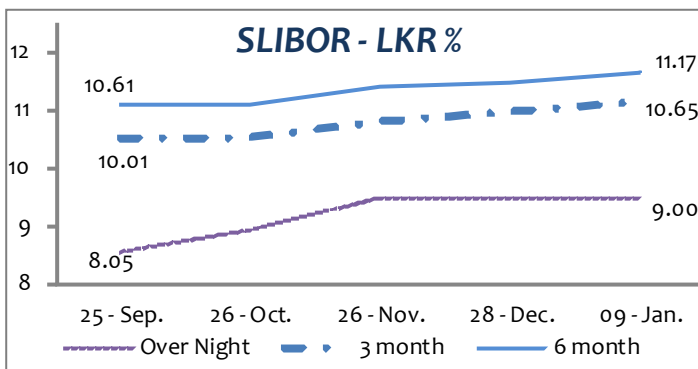
Description	Present	Previous		09.01.2019	02.01.2019	19.12.2018	12.12.2018
Standing Deposit Facility (SDF)	8.00%	7.25%	91 Days %	na	na	na	na
Standing Lending Facility (SLF)	9.00%	8.50%	182 Days %	9.94	9.95	9.99	10.03
Bank Rate	15.00%	15.00%	364 Days %	10.85	10.99	11.20	11.24
Statutory Reserve Ratio (SRR)	6.00%	7.50%	Amount	20Bn	18Bn	18Bn	23Bn

### Treasury Bill Issuance

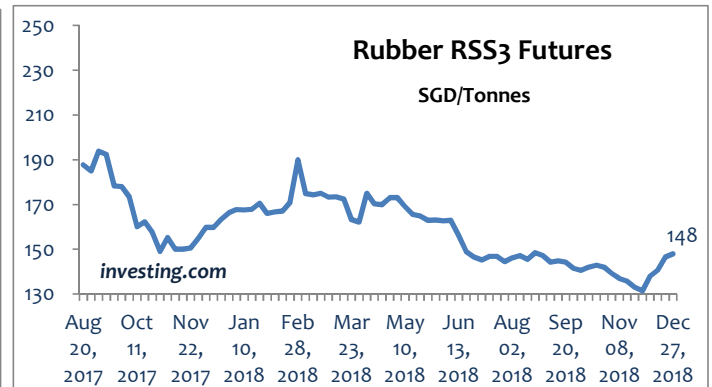
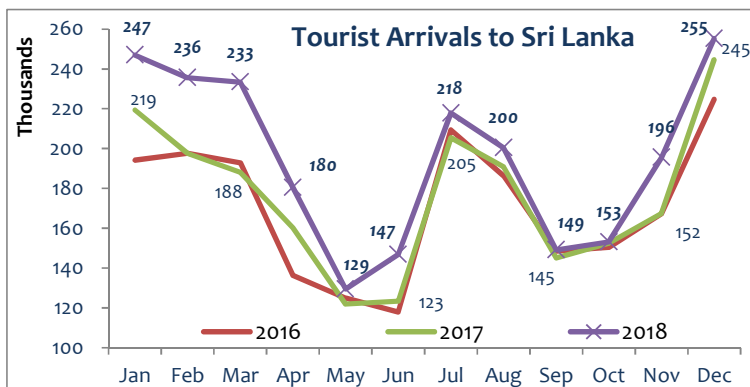
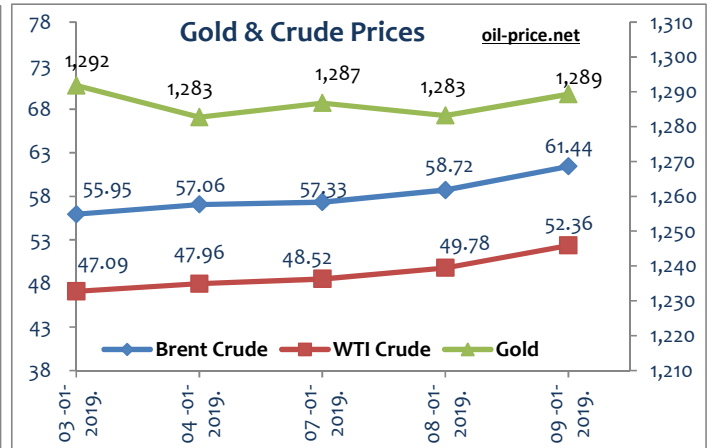
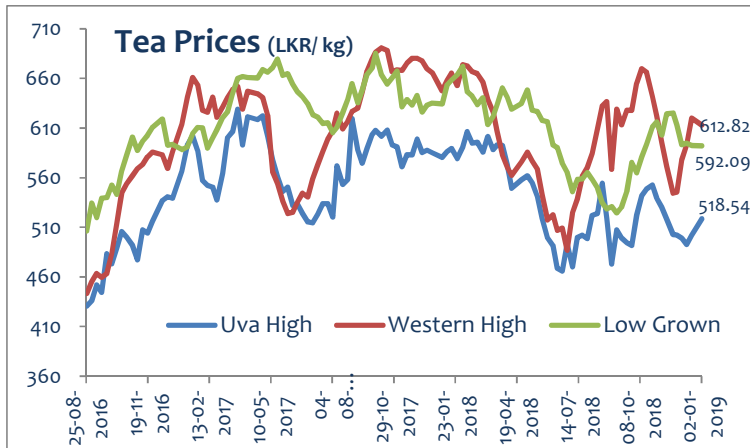
Date	13.12.2018	17.07.2016	15.10.2018	17.07.2016	17.09.2018	13.12.2018	15.08.2018	15.10.2018
Maturity	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	10 Years	15 Years
Current Yield	11.88	11.14	11.69	11.21	10.32	12.23	10.20	11.90
Previous Auction	17.09.2018	15.06.2017	15.08.2018	15.06.2017	16.07.2018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

### World Bank expects economy to grow 4% this year

The World Bank (WB) forecasts Sri Lanka's gross domestic product (GDP) growth to accelerate marginally to 4% this year, below the projected growth in South Asia, while the GDP growth for 2018 is estimated at 3.9%. The World Bank expects that the domestic demand will support the economic growth this year, as the country continues its recovery from the adverse weather conditions. However, the development lender has downgraded Sri Lanka's earlier GDP growth projections by 0.5% for this year and by 0.9% for 2018. "In Sri Lanka, activity accelerated to an estimated 3.9% in 2018 on the back of a recovery in the agriculture and services sectors. Last year's recovery from adverse weather conditions is expected to continue in 2019, with 4.0% GDP growth. Activity will be supported by robust domestic demand as consumption rebounds following natural disasters and investment is boosted by infrastructure projects," the World Bank stated in its latest report titled 'Global Economic Prospects: Darkening Skies'. ([dailymirror.lk](http://dailymirror.lk))

### Sri Lanka to cut withholding tax on interest, rent, royalties

ECONOMYNEXT - Sri Lanka will cut withholding tax on rent from 10% to 5% and exempt royalties from withholding tax for up to 50,000 rupees a month, under tax changes proposed by Finance Minister Mangala Samaraweera approved by the cabinet of ministers. The exemption on royalty payments will be subject to a total of 500,000 rupees a month. Sri Lanka will also exempt interest children's deposits from withholding tax. Interest income of up to 50,000 rupees on deposits at banks by individuals and joint accounts will be exempt from withholding tax up to a limit of 500,000 a year. Senior citizens will be exempt on interest income up to 3.0Mn rupee a year from the current 1.5Mn rupees. Exempt interest income will not be subject to income tax. Above the exempt limit a 5% withholding tax will be charged, which will be a final tax. Interest income from non-resident and resident foreign currency accounts (NRFC and RFC) has also been exempt from tax.

### FM to meet IMF Managing Director in Washington on IMF Fund Facility

(LBO) – Minister Mangala Samaraweera will leave for Washington on Friday, to get the IMF External Fund Facility (EFF) back on track, the Finance Ministry said. The ministry said in a statement that the minister will be meeting Christine Lagarde, Managing Director, Mitsuhiro Furusawa, Deputy Managing Director, Chanyong Rhee, Director, Asia Pacific Department, Manuel Goretti, Team Leader and other members of the IMF Sri Lanka Team.



**Sri Lanka bonds steady ahead of Rs98bn auction, rupee opens firmer**

ECONOMYNEXT - Sri Lanka's bond yields were steady in mid-morning trade Thursday ahead of a 98Bn rupee auction a day later, dealers said, while the rupee opened slightly firmer, dealers said. The rupee was quoted at 182.25/50 to the US dollar in the spot market, slightly firmer from yesterday's close of 182.40/50 to the US dollar. Call money was 8.90/9.00% and gilt backed repos were around 8.95/9.00%. Twelve month bills were quoted around 10.75/90% Thursday after the auction weighted average fell 14 basis points to 10.85 on Wednesday from a week earlier.

On Friday a 98Bn rupee bond auction has been announced for settlement on January 16. An estimated 80Bn rupees of bonds and 8Bn rupees of coupons are due to mature on January 15. The debt office is offering 48Bn rupees of bond maturing on 15.12.2023, which is a new maturity, other 50Bn rupees of 01.09.2028 bonds will be issued. The bond was quoted wide at 11.80/12.20% in the market, dealers said.

## Foreign News

**Most Asia shares inch up as signals on trade talks awaited**

(Reuters) - Asian shares edged up on Thursday on a weaker dollar and hopes of more economic stimulus in China, but many stocks seesawed as markets awaited some details on this week's U.S.-China trade talks amid hopes an all-out trade war can be averted. Japan's Nikkei closed 1.3 percent lower.

Wall Street's S&P 500 rose 0.41 percent on Wednesday, extending its gains from 20-month lows touched around Christmas to more than 10 percent. Weak Chinese inflation data raised the prospect of further government stimulus but China's blue-chip CSI 300 went back into the red, losing 0.2 percent, and Hong Kong's Hang Seng struggled to maintain a small gain.

Figures out of China on Thursday showed the country's consumer prices and factory-gate inflation both increased less than expected in December, with the latter rising at the slowest pace in over two years. The pace of month-on-month increases in factory-gate inflation declined for a second straight time.

**Oil** also caught investors' attention after U.S. crude and Brent jumped overnight, helped by optimism that Sino-U.S. trade tensions are easing, while OPEC-led crude output cuts also provided support. U.S. West Texas Intermediate crude futures on Wednesday gained almost 5.2%, while Brent crude futures rose more than 4.6%, extending a rally that has pushed futures up about 14% this year. Both benchmarks gave up some of their recent gains on Thursday. U.S. crude was last trading 59 cents lower at \$51.76 a barrel, down 1.15%. Brent lost 57 cents to \$60.87, off 0.93%.

The dollar remained on the defensive after hitting its lowest level since mid-October amid the signs Fed policymakers are becoming more cautious about future rate hikes and as investors unwound safe-haven bets due to optimism over the trade talks. Against a basket of six major rivals, the dollar briefly dipped to 95.029, its lowest since Oct. 16, and was last down 0.1 percent.

In commodity markets, spot gold was 0.2 percent higher at \$1,296.40, edging towards a near seven-month peak of \$1,298,60 scaled on Friday. ([reuters.com](http://reuters.com))

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