

DAILY STOCK MARKET HIGHLIGHTS

Friday, 10 May 2019



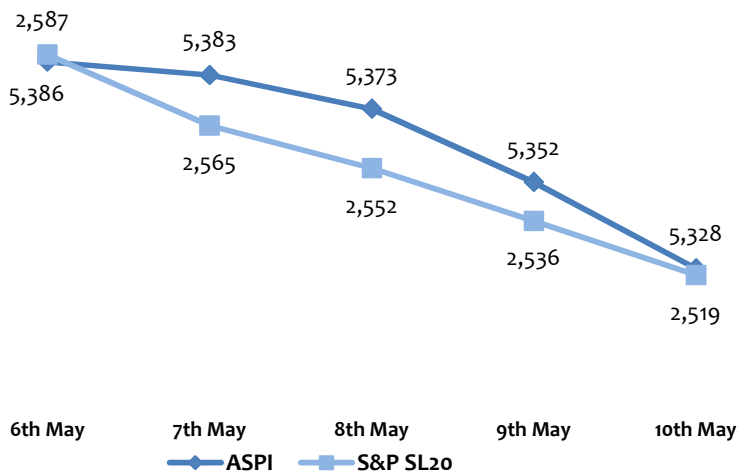
ASHA PHILLIP
SECURITIES LTD

Sri Lanka

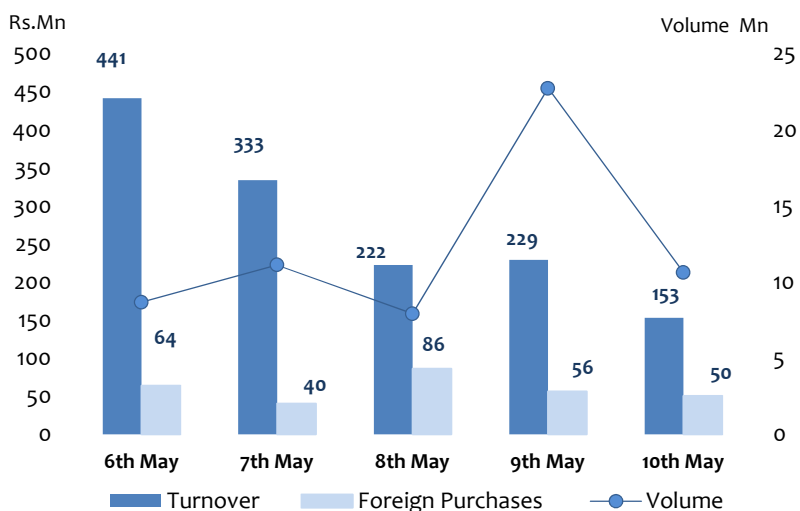
Daily Market Statistics

Index	10th May	9th May	Change	% Change
ASPI	5,327.68	5,352.20	↓ (24.52)	↓ -0.46%
S&P SL20	2,519.08	2,535.82	↓ (16.74)	↓ -0.66%
Market Stats (LKR, Mn)		10th May	9th May	% Change
Turnover		152.80	228.77	↓ -33.2%
Domestic Purchases		102.71	172.42	↓ -40.4%
Domestic Sales		122.53	203.24	↓ -39.7%
Foreign Purchases		50.09	56.35	↓ -11.1%
Foreign Sales		30.27	25.53	↑ 18.6%
Share Volume		10.62	22.71	↓ -53.3%
Trades (No.)		2,820.00	2,795	↑ 0.9%
Market capitalization (Bn)		2,501.97	2,513.48	↓ -0.5%
PER		8.38	8.42	↓ -0.48%
PBV		1.03	1.04	↓ -0.96%

Market Indices



Turnover, Volume and Foreign Purchase



Performance of the Market

- Continuing negative impression on country's security, political & economic environment makes retail investors to withdraw or mute their investments for a while; lower buying interest results steep decline in prices, even on liquid blue chips.
- Benchmark index ASPI moved between 5,315.69-5,365.87 points and settled the day at 5,327.68 with a loss of 24.52 points (-0.46%).
- Major contributors for the movement in ASPI were LION (+2.9), NIFL (+1.7), OSEA (+1.3), MEL (+1.2), LOLC (+0.9), CINS (-11.6), SLTL (-5.4), NDB (-2.3), HHL (-1.3) & DFCC (-1.2)
- S&P SL20 index also followed the same trend and settled the day at 2,519.08 with a loss of 16.74 points (-0.66%).
- The day's turnover was recorded as LKR 152.80Mn, down by 33% from its previously recorded LKR 228.77Mn. Foreign investors remained net buyers for the day.
- The total market capitalization stood at LKR 2.50Tn, indicating an YTD loss of 11.89%.
- The market PER & PBV were at 8.38x & 1.03x respectively.

Top Contributors – Turnover

1. John Keells Holdings PLC (JKH) contributed 22% (34.13Mn) of the turnover. JKH traded between LKR 136.90 & LKR 137.90 and settled the day at LKR 137.10 with a gain of LKR 0.10 (+0.07%).
2. Commercial Bank of Ceylon PLC (COMB) had contributed LKR 16.31Mn. COMB traded between LKR 89.90 & LKR 92.00 and settled the day at LKR 90.00 on par with its previous closing.
3. Dialog Axiata PLC (DIAL) contributed LKR 15.55Mn. DIAL traded between LKR 8.70 & LKR 8.90 and settled the day at LKR 8.80 on par with its previous closing.

Top contributors - Traded Volume

1. Piramal Glass Ceylon PLC traded a total of 3.09Mn shares.
2. Dialog Axiata PLC (1.77Mn shares).
3. SMB Leasing PLC [X] (0.99Mn shares).

Sectorial Overview

1. Bank Finance & Insurance (BFI) sector stood on top providing LKR 48.77Mn capturing 32% of the total turnover.
2. Diversified Holdings (DIV) sector provided LKR 44.25Mn to the daily aggregated turnover.
3. Telecommunications (TLE) provided LKR 15.61Mn.

Daily Foreign Transactions

Net Foreign Purchases

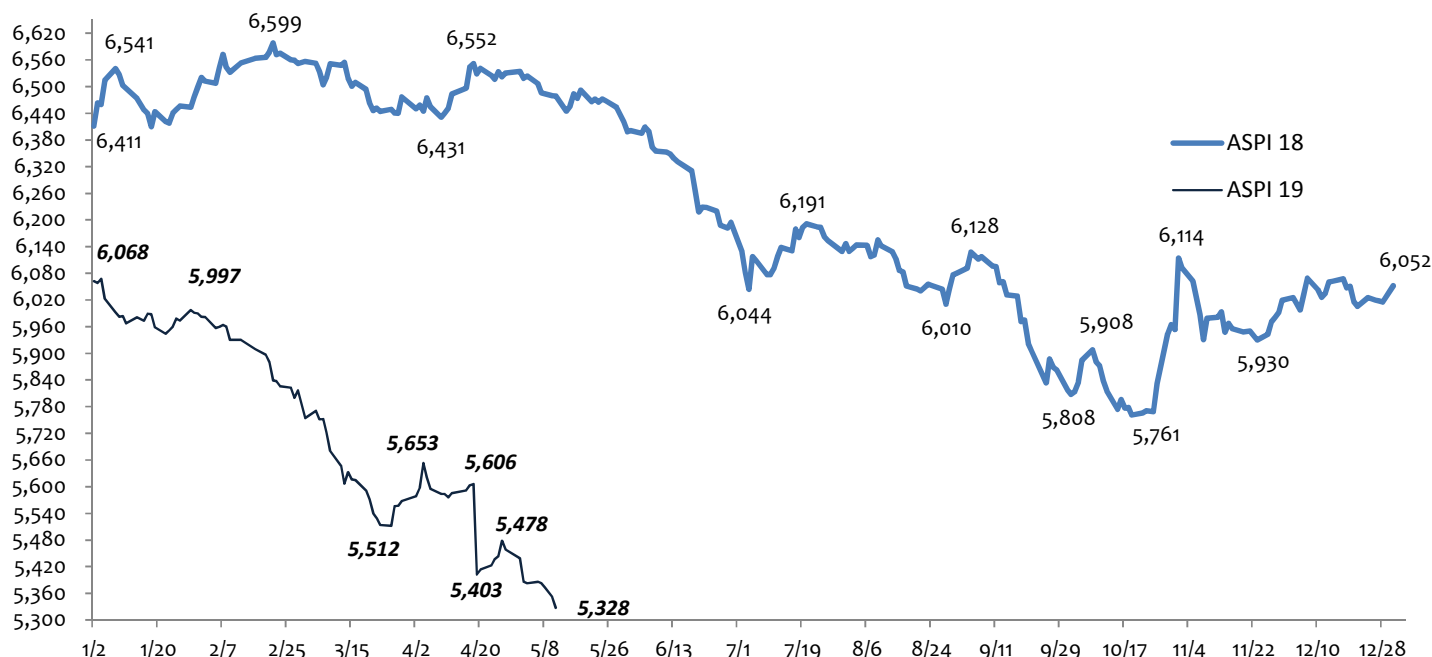
Company Name	Avg Price	Net change in Qty	Net Foreign Inflow
COMMERCIAL BANK (+)	90.00	163,963	14,756,670
JKH	137.10	16,761	2,297,933
VALLIBEL FINANCE	64.00	35,522	2,273,408
LB FINANCE	120.00	18,728	2,247,360
MELSTACORP	39.00	16,997	662,883
GRAIN ELEVATORS (+)	45.10	14,252	642,765
L O L C HOLDINGS	87.5	3,201	280,088
DISTILLERIES	14.40	17,121	246,542
E - CHANNELLING	3.90	15,000	58,500
CENTRAL FINANCE	84.00	600	50,400

Net Foreign Sales

Company Name	Avg Price	Net change in Qty	Net Foreign Outflow
EAST WEST	18.90	(108,000)	(2,041,200)
CHEVRON (+)	55.00	(14,319)	(787,545)
MERCHANT BANK (+)	8.80	(45,015)	(396,132)
UNION BANK (+)	11.50	(21,835)	(251,103)
TOKYO CEMENT	20.40	(11,924)	(243,250)
SOFTLOGIC	15.90	(10,900)	(173,310)
SAMPATH (+)	148.00	(1,157)	(171,236)
CEYLON INV.	33.10	(3,602)	(119,226)
VALLIBEL	5.80	(14,065)	(81,577)
CEYLON GUARDIAN	60.00	(995)	(59,700)

- **Aggregate foreign buying** for the day totaled up to **LKR 50.09Mn**.
- **Foreign sales** for the day amounted to **LKR 30.27Mn**.
- **Net foreign inflow** for the day was **LKR 19.82Mn**, **YTD net foreign outflow** presently stands at **LKR 4.39Bn**.
- **COMB** notched the “Top Net Purchasers” slot with a net inflow of **LKR 14.76Mn** whilst **EAST** notched the “Top net Sellers” slot with a net outflow of **LKR 2.04Mn**.

Year-to-Date ASPI Movement - 2018 & 2019



Key Announcements

- **Multi Finance PLC** has **cancelled the** previously announced **Private Placement**. Company was required to raise its core capital up to LKR 1.5Bn by 1st January 2019, as per CBSL direction. Furthermore, the required Core Capital as at January 2019 and January 2021 as per the directives is LKR 1.5Bn and LKR 2.5Bn respectively, and the Company is in the process of obtaining approval for the mechanism for the full capital infusion from CBSL.
- **AIA Insurance Lanka PLC** (CTCE) said, Securities and Exchange Commission of Sri Lanka (SEC) has granted approval on 9th May 2019 for the delisting of the shares of CTCE at an exit offer price of LKR 2,500/- per Share. CTCE confirms that it **shall shortly dispatch an Offer Document** from AIA Company Limited, Hong Kong to the rest of the Company's Shareholders **to purchase** their Shares at the Exit Offer Price, as required by the applicable rules.
- The 21.82Mn new shares of **Asia Asset Finance PLC** (AAF) issued via **Rights Issue - Tranche 2** and 126.53Mn new shares of **People's Merchant Finance PLC** (PMB) issued via **Rights Issue** will be listed on 13th May 2019.

Companies under Trading Suspension / Halt

Company	CIFL	CIFL	ESL	PCH	PCP	SING	SFS	CHOU	CTCE
From	23-Nov-17	23-Nov-17	5-Jan-16	2-Apr-18			2-July 18.	11 Mar 19.	1-Mar-19
Reason	CBSL	status	Weak position	as per CSE Listing Rules			CBSL	List rule	Voluntary Delist
Company	LCEM	MEL	HUEJ	AINV, CFT, PCHH		LLMP	FLCH	TFC	KAPI
From	7-Sep 18.	25-Sep 18.	26-Nov-18.	10-12-2018.			8-Mar-19	18-Feb-19.	14-Feb-19.
Reason	AQO	AQO	***	Non-submission of Annual Reports			Merger	AQO	For clarification

***Non-submission of Interim Financial Statements 30th Jun 2018

Auditor's Qualified Opinion (AQO)

Companies on WATCH LIST

Non Submission of Annual Reports, Financial Statements									Default Board
MIRA	LCEM	CIFL	PCH	PCP	SING	HDEV	LLMP	PCHH	SFS
SFL	CFT								
Qualified Opinion in the Independent Auditor's Report									
AINV	ESL	EAST	MEL	CHOU	MSL	PMB	MBSL	ALHP	TFC
SIRA	MSL								
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
CTC	14-May-19	SHAL	24-May-19	NEST	10-Jun-19	JKL	27-Jun-19
COMD	15-May-19	LHCL	24-May-19	KFP	11-Jun-19	TSML	27-Jun-19
INDO	24-May-19	PDL	29-May-19	CCS	14-Jun-19	KHL	28-Jun-19
SELI	24-May-19	SDB	30-May-19	TRAN	21-Jun-19	JKH	28-Jun-19
GOOD	24-May-19			AHPL	24-Jun-19		

EGMs

Company	Date
SAMP	15-May-19
ONAL	17-May-19
SDB	30-May-19
NEST	10-Jun-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
LLUB	2.25	Interim	6-May-19	15-May-19	SFIN	1.10	Interim	17.May.2019	28.May.2019
LHCL	1.00	Final	7-May-19	16-May-19	BFL	4.00	Interim	17.May.2019	29.May.2019
TAFL	4.50	First & Final	09.May.2019	17.May.2019	CHL	3.60	2nd Interim	21.May.2019	30.May.2019
GRAN	3.00	First & Final	09.May.2019	17.May.2019	PDL	3.75	First & Final	30.May.2019	10.Jun.2019
PAP	0.10	Interim	14.May.2019	23.May.2019	NEST	25.00	Final	11-Jun-19	19-Jun-19
CTC	15.77	Final	15.May.2019	24.May.2019	DIAL	0.37	Final	13.Jun.2019	21.Jun.2019
KFP	2.00	Final	16.May.2019	28.May.2019	UCAR	6.00	Final	21-Jun-19	1-Jul-19
COMD	3.50	Final	16.May.2019	27.May.2019	LIOC	0.75	1st & Final	24-Jun-19	2-Jul-19
EAST	8.50	Interim	16.May.2019	28.May.2019	AGST	0.20	Final	01.Jul.2019	09.Jul.2019

Amalgamation

Transferee	Transferor	Proportion	Effective Date
Browns investments PLC (BIL)	Browns Capital PLC (FLCH)	2 BIL for every 1 FLCH	29 Mar 19.

Mandatory Offer

Offeror	Offeree	Offer Closing	Offer Price per Share
Sterling Capital Investments (Pvt) limited	People's Merchant Finance PLC (PMB)	To be Notified	LKR 9.50

Sub-Division of Shares

Company	Proportion	EGM & Entitlement Date	Dealings Suspension	Trading start
On'ally Holdings PLC (ONAL)	1 for 5	17 May 2019.	21 - 23 May 2019	24th May 2019

Repurchase of Shares

Company	Price	Proportion	Entitle	Offer Open	Offer closing	Payment
Union Bank of Colombo PLC (UBC)	LKR 15.00	1 for 139	To be notified	27 Jun 2019.	11 Jul 2019.	To be notified

Rights Issues

T = Tranche

Company,	Issue Price	Issue Value	Proportion	XR Date	Letter Dispatch	Trading of Rights	Acceptance
Anilana Hotels (ALHP) LKR 2.00 Tranch 1	LKR 183Mn	01 for 11	24 Apr 2019.	23 Apr 2019.	29 Apr - 07 May.	08 May 19.	
Anilana Hotels (ALHP) LKR 2.00 Tranch 2	LKR 183Mn	01 for 12	22 May 2019.	21 May 2019.	27 May - 03 Jun.	04 Jun 19.	
Sampath Bank PLC (SAMP) LKR 136.00	LKR 12.1Bn	07 for 23	16 May 2019.	23 May 2019.	29 May - 06 Jun.	07 Jun 19.	
On'ally Holdings PLC (ONAL) LKR 19.00	LKR 183Mn	01 for 15	30 May 2019.	31 May 2019.	7 Jun - 14 Jun.	17 Jun 19.	
Citizens Development (CDB.N) LKR 77.00	LKR 891Mn	01 for 04	29 May 2019.	04 Jun 2019.	11 Jun - 18 Jun.	19 Jun 19.	
Citizens Development (CDB.X) LKR 64.00	LKR 128Mn	01 for 04	29 May 2019.	04 Jun 2019.	11 Jun - 18 Jun.	19 Jun 19.	

Rights Issues with pending dates

Company,	Issue Price	Proportion	Company,	Issue Price	Proportion
Agalawatte Plantations (AGAL)	LKR 15.30	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

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
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	1,350.00	187,323,751	252,887,063,850	11.30
JOHN KEELLS HOLDINGS PLC	JKH.No000	137.10	1,318,173,279	180,721,556,551	8.07
COMMERCIAL BANK OF CEYLON PLC	COMB.No000	90.00	961,252,317	86,512,708,530	3.87
NESTLE LANKA PLC	NEST.No000	1,590.00	53,725,463	85,423,486,170	3.82
DIALOG AXIATA PLC	DIAL.No000	8.80	8,143,778,405	71,665,249,964	3.20
DISTILLERIES COMPANY OF SRI LANKA PLC	DIST.No000	14.40	4,600,000,000	66,240,000,000	2.96
HATTON NATIONAL BANK PLC	HNB.No000	160.10	401,343,863	64,255,152,466	2.87
CEYLON COLD STORES PLC	CCS.No000	580.00	95,040,000	55,123,200,000	2.46
CARGILLS (CEYLON) PLC	CARG.No000	195.00	257,221,043	50,158,103,385	2.24
MELSTACORP PLC	MELS.No000	39.00	1,165,397,072	45,450,485,808	2.03

Highest Volume

Company Name	Turnover (Rs)	Share Vol.
PIRAMAL GLASS CEYLON PLC	10,189,237	3,087,605
DIALOG AXIATA PLC	15,545,445	1,767,603
SMB LEASING PLC [X]	198,500	992,500
EAST WEST PROPERTIES PLC	13,339,313	715,954
ACCESS ENGINEERING PLC	5,307,474	424,527
SMB LEASING PLC	121,662	304,205
JOHN KEELLS HOLDINGS PLC	34,133,490	248,437
AMANA BANK PLC	544,910	219,800
COMMERCIAL BANK OF CEYLON PLC	16,314,726	181,257
UNION BANK OF COLOMBO PLC	2,043,206	178,339

Highest Turnover

Company Name	Share Vol.	Turnover (LKR)
JOHN KEELLS HOLDINGS PLC	248,437	34,133,490
COMMERCIAL BANK OF CEYLON PLC	181,257	16,314,726
DIALOG AXIATA PLC	1,767,603	15,545,445
EAST WEST PROPERTIES PLC	715,954	13,339,313
PIRAMAL GLASS CEYLON PLC	3,087,605	10,189,237
CEYLINCO INSURANCE PLC	3,849	7,124,707
C T HOLDINGS PLC	34,111	5,457,770
ACCESS ENGINEERING PLC	424,527	5,307,474
SAMPATH BANK PLC	35,397	5,260,902
VALLIBEL FINANCE PLC	45,055	2,884,561

Top Gainers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
LUCKY LANKA [X]	0.60	0.10	20.00	304
MULLERS	0.60	0.10	20.00	7,947
FORT LAND	12.90	1.20	10.26	1,290
LOLC DEV FINANCE	40.00	3.40	9.29	9,600
EDEN HOTEL LANKA	10.90	0.70	6.86	3,375
KELANI TYRES	30.90	1.40	4.75	9,300
ODEL PLC	25.00	1.00	4.17	12,500
PDL	118.20	4.70	4.14	41,488
CEYLON TEA BRKRS	2.60	0.10	4.00	80,776
KEELLS FOOD	124.80	4.60	3.83	21,341

Top Losers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
SERENDIB HOTELS	12.00	(4.00)	(25.00)	17,842
CEYLON PRINTERS	55.00	(9.90)	(15.25)	22,620
CEYLINCO INS.	1850.10	(273.50)	(12.88)	7,124,707
AMAYA LEISURE	30.30	(4.20)	(12.17)	75,753
SIGIRIYA VILLAGE	38.10	(3.90)	(9.29)	49,557
LANKA TILES	64.20	(5.80)	(8.29)	19,170
ROYAL PALMS	14.00	(1.20)	(7.89)	18,900
SATHOSA MOTORS	280.50	(22.10)	(7.30)	61,158
SLT	20.90	(1.40)	(6.28)	62,430
SUNSHINE HOLDING	45.00	(3.00)	(6.25)	80,145

Crossings

Name	Symbol	Price	Trades	T.Volume	Turnover
Nil					

Market Highlights & Statistics

Sector Wise Summary

Sector	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
BANK FINANCE AND INSURANCE	13,828.45	13,991.60	48,769,643	2,470,654	966	4.20	0.80
BEVERAGE FOOD AND TOBACCO	22,638.76	22,603.97	3,976,355	169,501	124	16.60	5.50
CONSTRUCTION AND ENGINEERING	1,276.29	1,277.10	5,553,893	506,493	95	11.20	0.50
CHEMICALS AND PHARMACEUTICALS	4,847.17	4,827.20	35,670	16,426	22	7.60	0.60
DIVERSIFIED HOLDINGS	1,349.19	1,351.41	44,249,691	605,494	244	9.40	0.80
FOOTWEAR AND TEXTILE	830.98	802.50	41,925	4,003	9	49.20	0.80
HOTELS AND TRAVELS	2,501.01	2,504.93	1,423,059	263,275	176	91.60	1.60
HEALTH CARE	740.02	744.51	1,359,870	63,439	36	15.00	1.60
INVESTMENT TRUSTS	8,376.27	8,429.88	568,553	40,167	18	0.00	0.40
INFORMATION TECHNOLOGY	23.29	23.29	57,429	15,110	3	0.00	0.00
LAND AND PROPERTY	512.81	503.47	14,173,786	809,463	437	5.10	0.60
MANUFACTURING	2,379.70	2,391.25	14,814,455	3,495,303	300	7.40	0.70
MOTORS	10,329.32	10,421.74	723,424	23,419	28	15.20	0.40
OIL PALMS	48,818.35	48,818.35	0	0	0	37.90	0.90
POWER & ENERGY	90.01	90.51	358,946	77,391	56	79.30	1.10
PLANTATIONS	680.85	684.28	598,734	39,031	131	24.60	0.70
STORES SUPPLIES	27,128.48	27,128.48	891	3	2	16.80	0.50
SERVICES	14,762.54	14,726.73	119,887	37,081	46	13.70	1.10
TELECOMMUNICATIONS	122.32	125.15	15,607,875	1,769,595	56	5.20	0.80
TRADING	8,995.12	9,359.73	370,704	212,058	58	25.10	0.50

GICS Industry Group Statistics

Industry Group	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
Automobiles & Components	414.21	395.44	9,300	301	4	4.30	0.50
Banks	644.27	648.37	29,147,204	680,508	468	4.50	0.60
Capital Goods	722.17	725.46	43,576,580	940,972	330	9.20	0.70
Commercial & Professional Services	846.28	847.63	24,650	426	13	0.00	1.10
Consumer Durables & Apparel	701.36	701.73	833,093	284,113	70	35.50	0.90
Consumer Services	209.60	210.63	1,423,059	263,275	176	97.00	1.60
Diversified Financials	699.86	699.32	11,909,843	1,777,328	416	5.00	0.90
Energy	482.86	486.00	88,678	5,451	27	0.00	0.70
Food & Staples Retailing	1,192.03	1,192.03	5,551,623	232,370	23	25.10	2.10
Food, Beverage & Tobacco	858.06	856.99	7,620,461	455,499	377	15.00	2.30
Health Care Equipment & Services	794.96	799.21	1,425,247	94,361	48	15.10	1.60
Household & Personal Products	847.99	847.99	86,260	10,150	8	11.60	1.60
Insurance	1,902.74	1,983.58	7,840,098	19,378	91	3.20	1.50
Materials	449.16	450.82	12,389,736	3,190,993	156	7.40	0.70
Pharmaceuticals, Biotechnology & Life Sciences	1,634.78	1,634.78	0	0	0	4.70	1.30
Real Estate	709.56	694.92	14,067,393	771,165	441	4.90	0.50
Retailing	657.98	662.86	932,675	64,479	85	14.70	0.60
Technology Hardware & Equipment	0.00	-	0	0	0	0.00	0.00
Telecommunication Services	639.12	653.88	15,607,875	1,769,595	56	5.20	0.80
Transportation	662.76	662.76	22,598	5,792	6	7.30	0.70
Utilities	695.58	698.35	242,720	50,750	24	9.80	0.70

Economic Indicators & Other Statistics

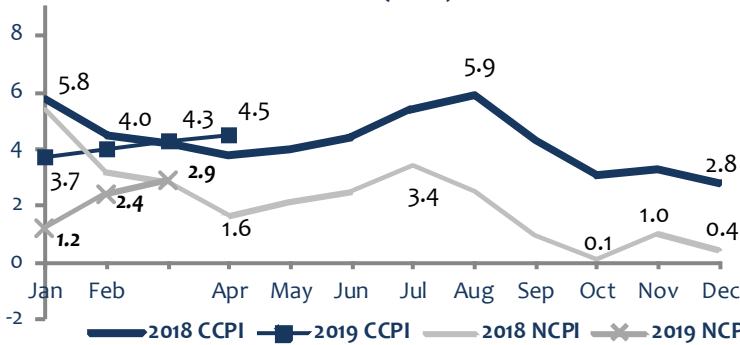
Exchange Rates

Currency	10th May		9th May	
	Buying	Selling	Buying	Selling
Dollar (USA)	173.70	177.65	172.90	176.85
Pound (UK)	224.99	232.49	223.83	231.31
Euro (EU)	193.78	200.84	192.24	199.26
Dollar (Australia)	120.45	125.73	119.38	124.63
Dollar (Canada)	128.27	133.15	127.42	132.27
Franc (Switzerland)	170.00	176.20	168.35	174.50
Renminbi (China)	25.19	26.43	25.11	26.35
Yen (Japan)	1.5703	1.6298	1.5626	1.6219
Dollar (Singapore)	126.80	131.27	126.22	130.67

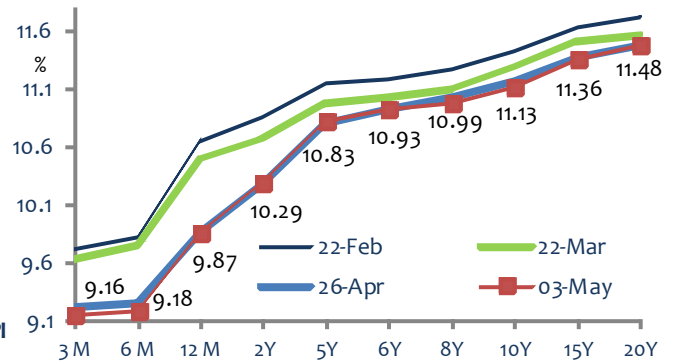
Indicative Rates

Currency	10th May	9th May
	Ind: Value	Ind: Value
Yuan (Offshore)	25.7148	25.8257
Rupee (India)	2.5069	2.5260
Won (Korean)	0.1488	0.1498
Dinar (Kuwait)	576.8477	578.9434
Ringgit (Malay)	42.2605	42.4293
Rial (Oman)	455.9195	457.4104
Riyal (Qatar)	48.2123	48.3633
Riyal (KSA)	46.8040	46.9577
Dirham (UAE)	47.7870	47.9433

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



Government Securities - Secondary Market Yield



Central Bank's Policy Rates

Description	22-02-2019.	14-11-2018.		08.05.2019	30.04.2019	24.04.2019	16.04.2019
Standing Deposit Facility (SDF)	8.00%	8.00%	91 Days %	8.51	8.89	8.94	9.00
Standing Lending Facility (SLF)	9.00%	9.00%	182 Days %	9.00	9.09	9.14	9.19
Bank Rate	15.00%	15.00%	364 Days %	9.44	9.81	9.91	9.91
Statutory Reserve Ratio (SRR)	5.00%	6.00%	Amount	22Bn	27Bn	25Bn	24Bn

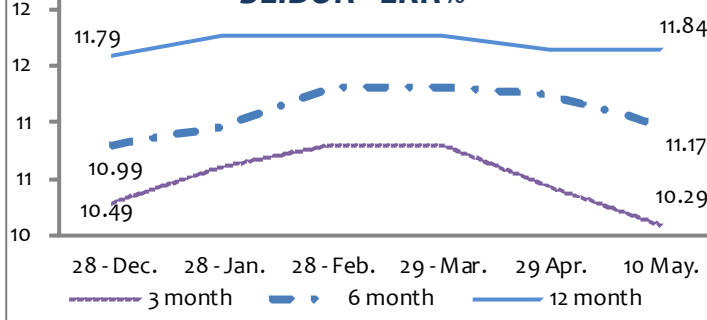
Treasury Bill Issuance

Date	02.04.2019	17.07.2016	12.03.2019	17.07.2016	17.09.2018	02.04.2019	12.03.2019	15.10.2018
Maturity	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	10 Years	15 Years
Current Yield	10.72	11.14	11.04	11.21	10.32	11.24	11.35	11.90
Previous Auction	05.02.2019	15.06.2017	11.01.2019	15.06.2017	16.07.2018	05.02.2019	11.01.2019	16.07.2018
Previous Yield	10.85	11.37	11.58	11.38	10.53	11.30	11.73	10.88

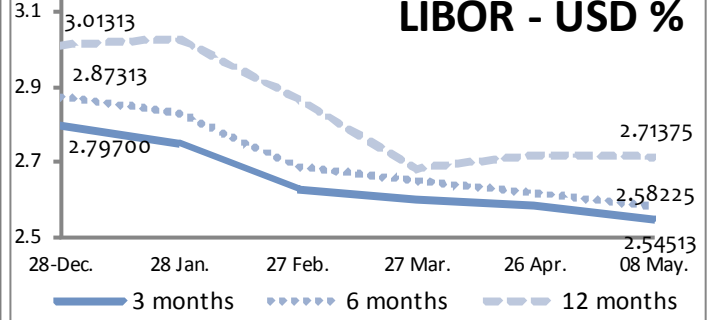
Treasury Bond Issuance

Date	02.04.2019	17.07.2016	12.03.2019	17.07.2016	17.09.2018	02.04.2019	12.03.2019	15.10.2018
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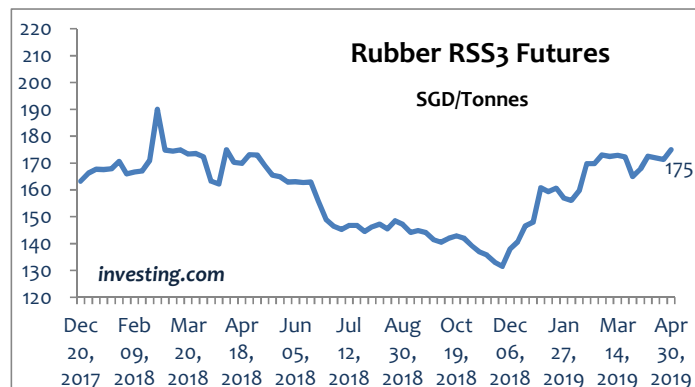
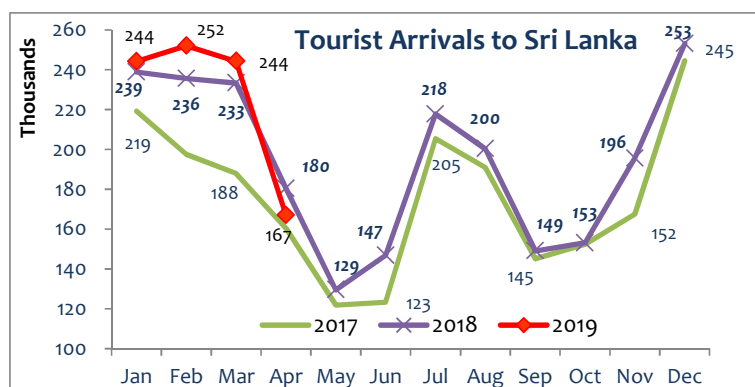
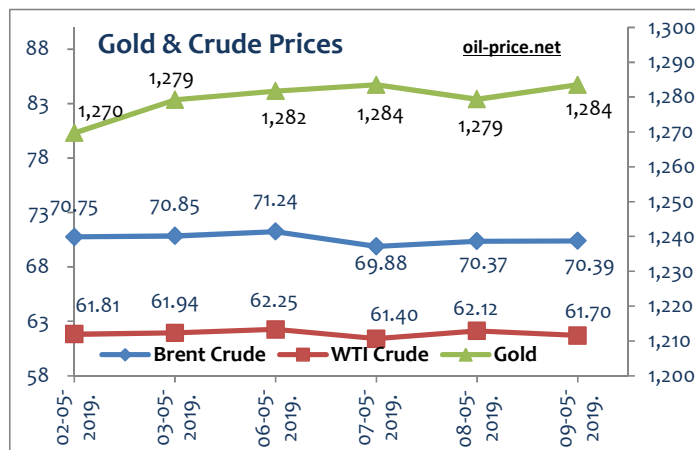
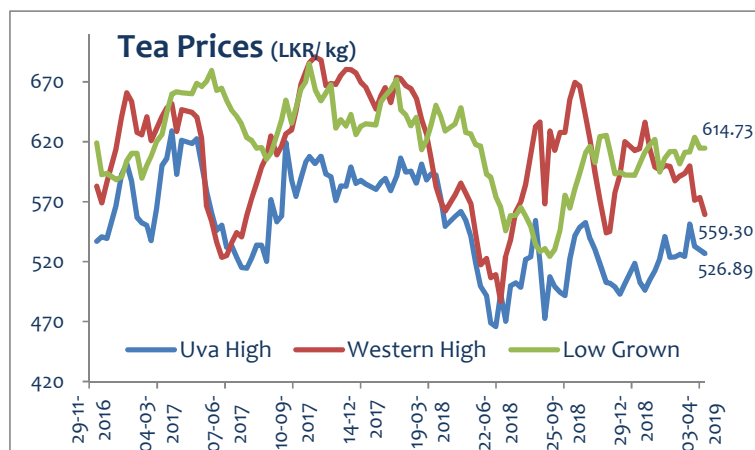
SLIBOR - LKR %



LIBOR - USD %



Economic Indicators & Other Statistics



Local News

Sri Lanka SOEs foreign borrowings requirement relaxed

ECONOMYNEXT - Sri Lanka state-owned enterprises, have been allowed to borrow from foreign sources without the lender opening an account inside the island, according to regulations approved by the parliament. Firms where the government owns more than 50 percent of shares have had practical difficulties in borrowing abroad due to current requirements, State Minister of Finance Eran Wickremeratne told parliament. Under a change to sector 29 of Sri Lanka's Foreign Exchange Act, an SOE could borrow abroad after getting approval of the line ministry without the proceeds coming through an Inward Investment Account of the lender. But all borrowings have to be reported by the Department of External Resources, Department of Public Enterprises, and the Department of National Budget, to the Department of Foreign Exchange within a month of the loans coming into Sri Lanka. Sri Lanka's SOE's like Ceylon Petroleum Corporation has large foreign borrowings, despite having rupee customers and are exposed to currency risk from the country's soft-pegged exchange rate.

Sri Lanka fiscal deficit seen widening after bombings

ECONOMYNEXT - Sri Lanka's fiscal deficit is expected to worsen in the coming months as the government gives tax breaks to businesses in tourism to recover after Easter Sunday's suicide bombings, economists and analysts said. "We anticipate that the fiscal impact would come from the revenue side as the government may not actively push on increasing revenues this year, given the dampened consumer and business sentiment – even though revenue has been a higher priority in recent years," said an analyst at Research Frontier. The attacks and resulting uncertainty and security measures are expected to slow consumer spending and investment. Sri Lanka has cut value added tax (VAT) on tourism to 5% from 15% until March next year. Last year, Sri Lanka had earned 18Bn rupees from value added tax on tourism.

Sri Lanka IMF deal to be reviewed on May 13

ECONOMYNEXT - The executive board of the International Monetary Fund is expected to review the resumption and extension of a program with Sri Lanka on May 13, which was stalled last year, as the country missed targets, partly due to operation of a soft-pegged exchange rate regime. The program will continue till June 2020, with a remaining 500Mn dollars to be spread over three revenues. IMF spokesman Gerry Rice said the "extension will provide additional time to the authorities to anchor macroeconomic stability and complete their reform agenda." Sri Lanka goes to the IMF frequently due to balance of payments troubles coming from the Central Bank targeting the interest rate (policy rate) and exchange rate (implicit and explicit convertibility undertakings) at the same time.

Construction industry hit hard by terror attacks

Sri Lanka's real estate and construction sector that was finally beginning to get on-track towards a fast-paced growth starting this year, has been hit hard by the Easter Sunday terror attacks, the economic impact of which the government is yet to quantify. The Chamber of Construction Industry Sri Lanka (CCI), the apex representative body of construction sector stakeholders, shared that sentiments have worsened and the effects of the attacks will continue to be felt in the short to medium-term if no comprehensive effort is taken to uplift the industry. "The current sentiment is very bad for the construction sector," said CCI Secretary General/ceo Nissanka N. Wijeratne while speaking to Mirror Business on the status of the country's construction landscape. (epaper.dailymirror.lk)

Foreign News

U.S. stock futures slip after tariff hike, Asia shares eke out gains

U.S. stock futures fell and Asian shares held onto earlier-earned gains on Friday after U.S. President Donald Trump's tariff hike on \$200 billion of Chinese goods took effect, raising tensions between the world's two biggest economies despite ongoing talks. E-mini futures for U.S. S&P500 slipped after the higher tariffs kicked in, and were last down 0.6% in choppy trade.

Chinese shares, even more volatile, dropped sharply when the tariffs took effect but then recovered, with the Shanghai composite index last 1.9 percent higher. Japan's Nikkei was off 0.3 percent. That stoked some optimism, helping U.S. shares cut losses on Thursday.

With no action taken by the Trump administration to reverse the increase the duty rate to 25 percent from the previous 10% by 0401 GMT, investors worried about further escalation in the trade war that has dogged the global economy for more than a year.

North Korea fired what appeared to be two short-range missiles on Thursday in its second such test in less than a week and the United States said it had seized a North Korean cargo ship.

On Iran, Trump said he could not rule out a military confrontation after Tehran relaxed restrictions on its nuclear program in response to U.S. sanctions imposed following Trump's withdrawal of the United States from the accord with a year ago.

The 10-year U.S. Treasuries yield stood at 2.449 percent near its lowest levels since late March. It stood just about two basis points above the three-month bill yields, which stood at 2.424 percent. A fall in the 10-year yield below the shorter three-month yields would likely spark worries about the U.S. economy, as in the past the phenomenon has signaled a recession.

Oil prices erased gains that were made after Trump's comments on Xi's letter raised hopes for a deal. Brent was down 0.1% to \$70.30 a barrel while U.S. West Texas Intermediate (WTI) crude fell 0.1% to \$61.67. Gold ticked up 0.2 percent to \$1,286.3 per ounce. (reuters.com)

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