

DAILY STOCK MARKET HIGHLIGHTS

Monday, 14 January 2019



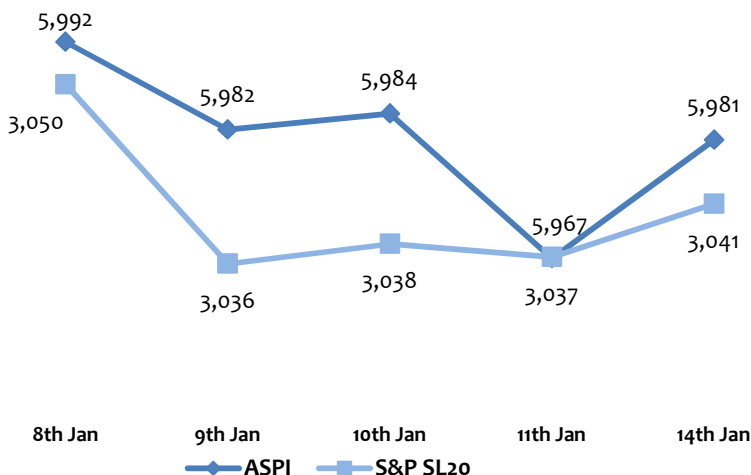
**ASHA PHILLIP
SECURITIES LTD**

Sri Lanka

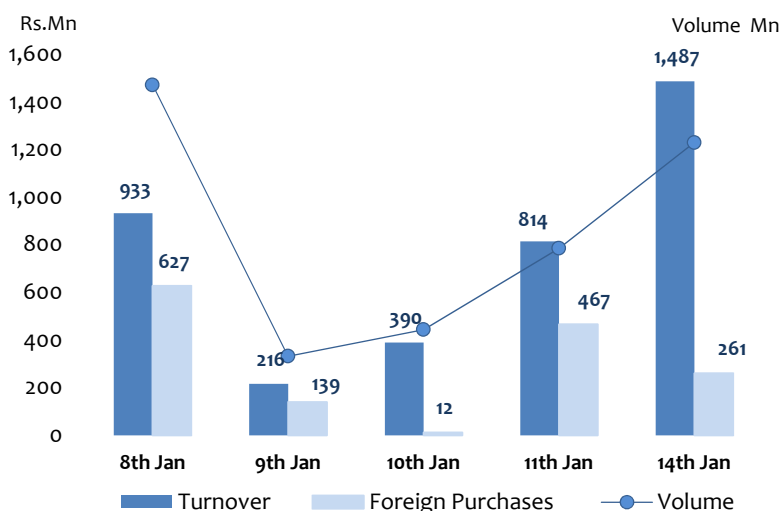
Daily Market Statistics

Index	14th Jan	11th Jan	Change	% Change
ASPI	5,981.02	5,967.27	↑ 13.75	↑ 0.23%
S&P SL20	3,040.73	3,036.61	↑ 4.12	↑ 0.14%
Market Stats (LKR, Mn)		14th Jan	11th Jan	% Change
Turnover		1,486.75	814.10	↑ 82.6%
Domestic Purchases		1,225.77	347.52	↑ 252.7%
Domestic Sales		806.82	204.28	↑ 295.0%
Foreign Purchases		260.98	466.58	↓ -44.1%
Foreign Sales		679.93	609.82	↑ 11.5%
Share Volume		15.37	9.81	↑ 56.6%
Market capitalization (Bn)		2,805.97	2,799.52	↑ 0.23%
PER		9.53	9.51	↑ 0.21%
PBV		1.16	1.16	↓ 0.00%

Market Indices



Turnover, Volume and Foreign Purchase



Performance of the Market

- Off board deals contributed 67% of the day's turnover; overall positive sentiments prevailed throughout the session.
- Benchmark index ASPI moved between 5,966.87 - 5,982.80 points and settled the day at 5,981.02 with a gain of 13.75 points (+0.23%).
- Major contributors for the movement in ASPI were **DIST (+2.9)**, **HHL (+2.5)**, **LION (+2.3)**, **AMF (+1.2)**, **SAMP (+1.1)**, **SAYB (-0.9)**, **OSEA (-0.8)**, **BIL (-0.8)**, **SPEN (-0.8)** & **TFIL (-0.7)**
- S&P SL20 index also followed a same trend and settled the day at 3,040.73 with a gain of 4.12 points (+0.14%).
- The day's turnover was recorded as LKR 1,486.75Mn, up by 83% from its previously recorded LKR 814.1Mn. Foreign investors remained net sellers for the day.
- The total market capitalization stood at LKR 2.81Tn, indicating an YTD loss of 1.18%.
- The market PER & PBV were at 9.53x & 1.16x respectively.

Top Contributors - Turnover

1. Hunas Falls Hotels PLC (HUNA) contributed 47% (703.26Mn) of the turnover. HUNA traded between LKR 175.00 & 182.00 and settled the day at LKR 178.00 with a gain of LKR 17.90 (+11.18%); about 99% (696.35Mn) of its turnover was contributed through 2 off board trades of 3.72Mn shares negotiated at the price of LKR 187.00
2. John Keells Holdings PLC (JKH) had contributed LKR 435.46Mn. JKH traded between LKR 152.30 & 155.00 and settled the day at LKR 153.00 on par with its previous closing; about 26% (114.54Mn) of its turnover was contributed through 2 off board trades of 0.75Mn shares negotiated at the price of LKR 152.50
3. Commercial Bank of Ceylon PLC (COMB) contributed LKR 157.81Mn. COMB traded between LKR 114.00 & 115.00 and settled the day at LKR 114.20 with a gain of LKR 0.20 (+0.18%); about 82% (128.78Mn) of its turnover was contributed through 3 off board trades of 1.13Mn shares negotiated at the price of LKR 114.00

Top contributors - Traded Volume

1. Hunas Falls Hotels PLC traded a total of 3.76Mn shares.
2. John Keells Holdings PLC (2.86Mn shares)
3. Commercial Bank of Ceylon PLC (1.38Mn shares).

Sectorial Overview

1. Hotels & Travels (H&T) stood on top providing LKR 712.89Mn capturing 48% of the total turnover.
2. Diversified Holdings (DIV) provided LKR 447.98Mn to the daily aggregated turnover.
3. Bank Finance & Insurance (BFI) provided LKR 199.23Mn

Daily Foreign Transactions

Net Foreign Purchases

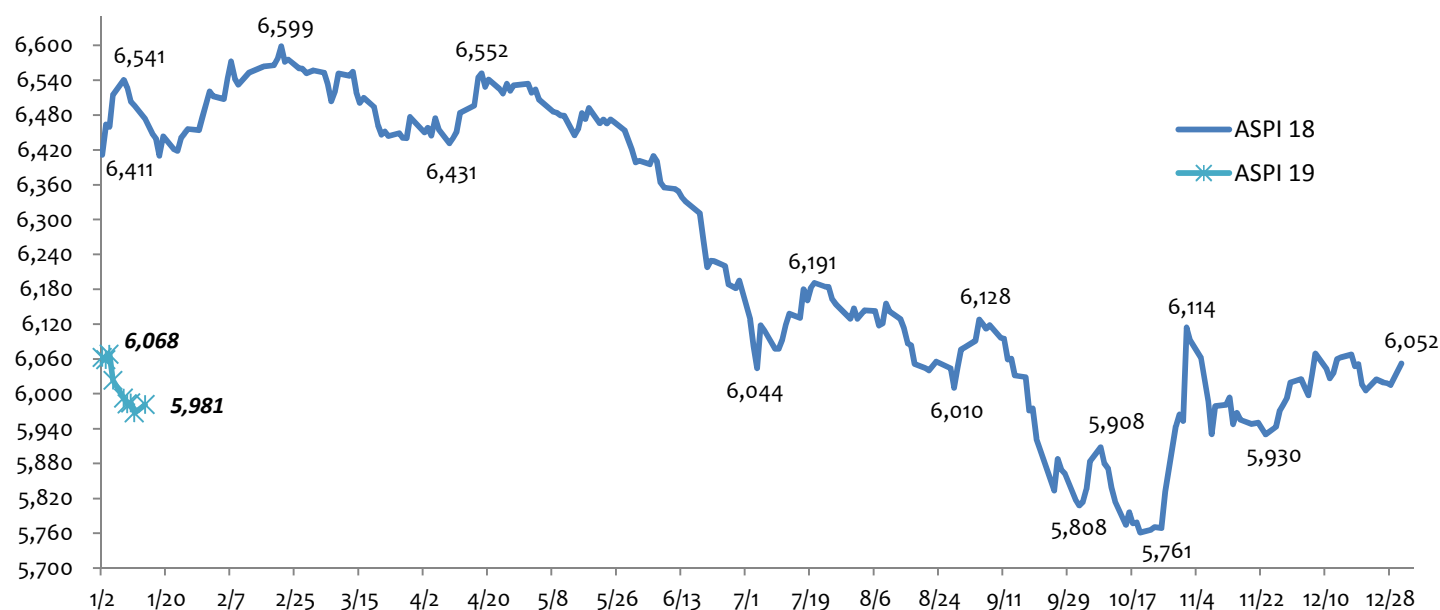
Company Name	Avg Price	Net change in Qty	Net Foreign Inflow
LION BREWERY	570.00	20,400	11,628,000
MULTI FINANCE	15.00	151,715	2,275,725
GRAIN ELEVATORS (+)	61.00	26,346	1,607,106
L O L C HOLDINGS	88.50	10,989	972,527
RICHARD PIERIS	10.20	34,060	347,412
CENTRAL FINANCE	87.00	1,482	128,934
E - CHANNELLING	4.3	8,207	35,290
KELANI CABLES	71.30	400	28,520
SEYLAN DEVTS (+)	10.70	2,000	21,400
VALLIBEL	6.40	3,000	19,200

Net Foreign Sales

Company Name	Avg Price	Net change in Qty	Net Foreign Outflow
JKH	152.50	(2,794,214)	(426,117,635)
AITKEN SPENCE	44.00	(76,355)	(3,359,620)
DIALOG (+)	10.00	(250,000)	(2,500,000)
BAIRAHA FARMS	130.00	(12,374)	(1,608,620)
C T HOLDINGS	174.00	(4,656)	(810,144)
AMAYA LEISURE	55.00	(12,639)	(695,145)
ANILANA HOTELS	1.10	(355,400)	(390,940)
RICH PIERIS EXP	218.10	(1,000)	(218,100)
HAYLEYS	187.00	(1,000)	(187,000)
ACL	36.70	(3,500)	(128,450)

- **Aggregate foreign buying** for the day totaled up to **LKR 260.98Mn**.
- **Foreign sales** for the day amounted to **LKR 679.93Mn**.
- **Net foreign outflow** for the day was **LKR 418.95Mn**, **YTD net foreign outflow** presently stands at **LKR 1.31Bn**.
- **LION** notched the “Top Net Purchasers” slot with a net inflow of **LKR 11.63Mn** whilst **JKH** notched the “Top net Sellers” slot with a net outflow of **LKR 426.12Mn**.

Year-to-Date ASPI Movement - 2018 & 2019



Key Announcements

- **Hayleys PLC** said, two of its subsidiaries namely **Carbotels (Pvt) Ltd** and **Amaya Leisure PLC** disposed their 66.20% shareholdings in **Hunas Falls Hotels PLC (HUNA)** today for a consideration of LKR 187.00 per share to **Serenity lake Leisure (Private) Limited**.

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

Key Announcements

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 th 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					

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	1,410.20	187,323,751	264,163,953,660	10.13
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	114.20	945,709,403	108,000,013,823	4.14
NESTLE LANKA PLC	NEST.No000	1,700.10	53,725,463	91,338,659,646	3.50
DIALOG AXIATA PLC	DIAL.No000	10.10	8,143,778,405	82,252,161,891	3.16
HATTON NATIONAL BANK PLC	HNB.No000	205.00	395,451,248	81,067,505,840	3.11
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	750.00	95,040,000	71,280,000,000	2.73
SAMPATH BANK PLC	SAMP.No000	220.00	280,902,248	61,798,494,560	2.37
MELSTACORP PLC	MELS.No000	47.00	1,165,397,072	54,773,662,384	2.10

Highest Volume

Company Name	Turnover (Rs)	Share Vol.
HUNAS FALLS HOTELS PLC	703,258,751	3,762,635
JOHN KEELLS HOLDINGS PLC	435,461,557	2,855,330
COMMERCIAL BANK OF CEYLON PLC	157,807,344	1,384,270
DIALOG AXIATA PLC	13,126,784	1,312,517
PANASIAN POWER PLC	3,333,456	1,111,152
SMB LEASING PLC [X]	182,814	914,069
JANASHAKTHI INSURANCE COMPANY PLC	16,319,046	543,886
ANILANA HOTELS AND PROPERTIES PLC	394,735	358,722
LVL ENERGY FUND PLC	2,064,430	261,315
EAST WEST PROPERTIES PLC	3,140,201	231,517

Highest Turnover

Company Name	Share Vol.	Turnover (LKR)
HUNAS FALLS HOTELS PLC	3,762,635	703,258,751
JOHN KEELLS HOLDINGS PLC	2,855,330	435,461,557
COMMERCIAL BANK OF CEYLON PLC	1,384,270	157,807,344
LION BREWERY CEYLON PLC	158,283	88,163,615
JANASHAKTHI INSURANCE COMPANY PLC	543,886	16,319,046
DIALOG AXIATA PLC	1,312,517	13,126,784
AITKEN SPENCE PLC	193,661	8,604,561
SAMPATH BANK PLC	36,702	8,073,677
HNB ASSURANCE PLC	50,956	7,133,695
AMAYA LEISURE PLC	129,271	6,736,392

Top Gainers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
BLUE DIAMONDS [X]	0.30	0.10	50.00	30
AMF CO LTD	500.00	100.00	25.00	92,987
NATION LANKA	0.70	0.10	16.67	70
HARISCHANDRA	1445.30	185.30	14.71	157,537
HUNAS FALLS	178.00	17.90	11.18	703,258,751
MTD WALKERS	11.10	1.10	11.00	836,891
SERENDIB ENG.GRP	7.40	0.60	8.82	124,074
EDEN HOTEL LANKA	14.10	1.10	8.46	101,520
MULTI FINANCE	15.00	1.10	7.91	2,587,893
RESUS ENERGY	22.50	1.50	7.14	382,725

Top Losers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
S M B LEASING [X]	0.20	(0.10)	(33.33)	182,814
TESS AGRO [X]	0.40	(0.10)	(20.00)	3,628
TESS AGRO	0.40	(0.10)	(20.00)	10,280
MULLERS	0.60	(0.10)	(14.29)	2,230
THE FINANCE CO. [X]	0.80	(0.10)	(11.11)	2,601
ASIA ASSET	0.80	(0.10)	(11.11)	2,540
LANKA ALUMINIUM	55.20	(6.80)	(10.97)	27,696
TRADE FINANCE	50.10	(5.90)	(10.54)	103,543
RENUKA FOODS	12.80	(1.30)	(9.22)	1,280
AMAYA LEISURE	46.20	(4.60)	(9.06)	6,736,392

Crossings

Name	Symbol	Price	Trades	T.Volume	Turnover
Hunas Falls Hotels PLC	HUNA.No000	187.00	2	3,723,820	696,354,340.00
Commercial Bank Of Ceylon PLC	COMB.No000	114.00	3	1,129,690	128,784,660.00
John Keells Holdings PLC	JKH.No000	152.50	2	751,100	114,542,750.00
Lion Brewery Ceylon PLC	LION.No000	555.00	1	95,057	52,756,635.00

Market Highlights & Statistics

Sector Wise Summary

Sector	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
BANK FINANCE AND INSURANCE	16,199.72	16,173.41	199,234,765	3,619,980	1,020	5.20	0.90
BEVERAGE FOOD AND TOBACCO	24,419.68	24,319.88	93,359,915	272,976	121	17.20	6.10
CONSTRUCTION AND ENGINEERING	1,363.58	1,335.41	1,583,189	135,286	159	16.20	0.50
CHEMICALS AND PHARMACEUTICALS	5,316.54	5,313.55	79,880	3,512	24	5.80	0.70
DIVERSIFIED HOLDINGS	1,535.22	1,532.43	447,979,556	3,400,223	215	10.70	0.90
FOOTWEAR AND TEXTILE	860.36	857.71	67,820	6,482	8	83.00	0.90
HOTELS AND TRAVELS	2,671.39	2,661.04	712,892,121	4,529,691	588	80.50	1.70
HEALTH CARE	801.60	802.95	374,737	18,192	32	16.30	1.80
INVESTMENT TRUSTS	9,505.36	9,480.91	343,646	21,526	22	30.80	0.40
INFORMATION TECHNOLOGY	25.52	25.52	37,440	8,707	5	0.00	0.00
LAND AND PROPERTY	549.59	551.50	3,840,153	274,604	117	5.50	0.60
MANUFACTURING	2,840.90	2,835.19	6,724,572	171,230	271	7.70	0.90
MOTORS	12,809.78	12,873.44	130,825	1,183	21	12.00	0.50
OIL PALMS	49,335.27	49,335.27	0	0	0	28.10	0.90
POWER & ENERGY	103.16	103.72	6,416,330	1,494,609	100	77.50	1.20
PLANTATIONS	733.50	731.60	459,967	40,186	69	10.00	0.70
STORES SUPPLIES	28,408.28	28,408.28	0	0	0	13.10	0.50
SERVICES	15,788.07	15,863.76	33,270	11,933	10	10.90	1.20
TELECOMMUNICATIONS	140.02	140.02	13,151,174	1,313,537	54	7.40	0.90
TRADING	11,723.99	11,635.41	72,706	43,046	37	28.90	0.80

GICS Industry Group Statistics

Industry Group	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
Automobiles & Components	495.98	495.98	1,167	31	2	4.90	0.60
Banks	809.63	808.32	167,605,600	1,456,061	222	5.70	0.80
Capital Goods	829.30	825.63	449,052,160	3,372,737	408	10.70	0.80
Commercial & Professional Services	763.45	763.45	350	7	1	0.00	1.00
Consumer Durables & Apparel	801.01	804.50	881,767	49,903	88	38.20	1.00
Consumer Services	255.55	252.69	712,862,080	4,529,524	618	84.30	1.70
Diversified Financials	768.77	768.06	7,384,581	1,541,613	563	5.30	0.80
Energy	588.68	593.21	50,078	2,661	12	0.00	0.90
Food & Staples Retailing	1,243.71	1,244.28	824,052	37,144	28	15.10	2.20
Food, Beverage & Tobacco	934.29	931.26	98,478,944	503,320	283	15.70	2.50
Health Care Equipment & Services	860.95	862.88	414,407	30,099	45	16.40	1.80
Household & Personal Products	1,012.04	1,012.04	0	0	0	13.80	1.90
Insurance	2,125.01	2,120.17	24,319,956	625,764	263	4.30	1.70
Materials	541.01	539.24	1,062,621	49,805	83	7.10	1.00
Pharmaceuticals, Biotechnology & Life Sciences	1,807.58	1,807.58	69,819	94	6	4.70	1.40
Real Estate	747.78	749.83	3,729,038	257,990	93	5.10	0.60
Retailing	764.37	765.15	188,062	22,197	32	15.10	0.70
Technology Hardware & Equipment	0.00	-	0	0	0	0.00	0.00
Telecommunication Services	731.56	731.56	13,151,174	1,313,537	63	7.40	0.90
Transportation	702.71	685.99	193,304	48,001	13	20.30	0.70
Utilities	728.65	730.16	6,366,252	1,491,948	90	8.60	0.70

Economic Indicators & Other Statistics

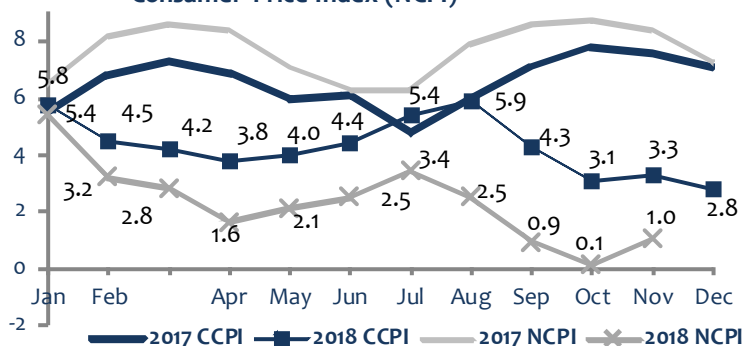
Exchange Rates

Currency	14th Jan		11th Jan	
	Buying	Selling	Buying	Selling
Dollar (USA)	179.81	183.76	179.87	183.84
Pound (UK)	230.00	237.49	228.36	235.81
Euro (EU)	204.98	212.22	205.91	213.17
Dollar (Australia)	128.10	133.57	128.15	133.62
Dollar (Canada)	134.62	139.62	135.35	140.39
Franc (Switzerland)	181.62	188.43	181.59	188.41
Renminbi (China)	26.33	27.58	26.27	27.53
Yen (Japan)	1.6526	1.7134	1.6503	1.7110
Dollar (Singapore)	132.27	136.78	132.38	136.91

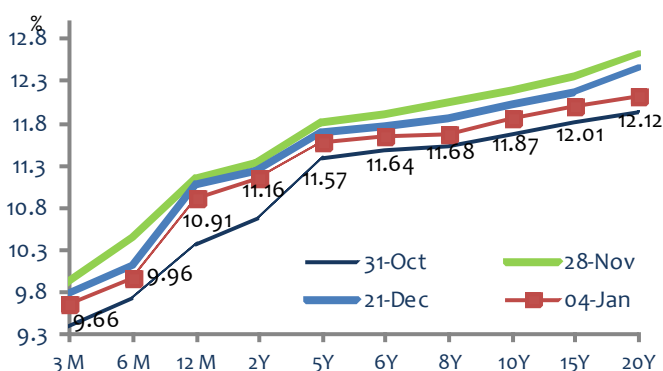
Indicative Rates

Currency	14th Jan	11th Jan
	Ind: Value	Ind: Value
Yuan (Offshore)	26.9384	26.9153
Rupee (India)	2.5844	2.5870
Won (Korean)	0.1623	0.1630
Dinar (Kuwait)	600.6462	602.2200
Ringgit (Malay)	44.3832	44.4832
Rial (Oman)	472.1993	473.4365
Riyal (Qatar)	49.9391	50.0630
Riyal (KSA)	48.4654	48.5924
Dirham (UAE)	49.4986	49.6282

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



Government Securities - Secondary Market Yield



Central Bank's Policy Rates

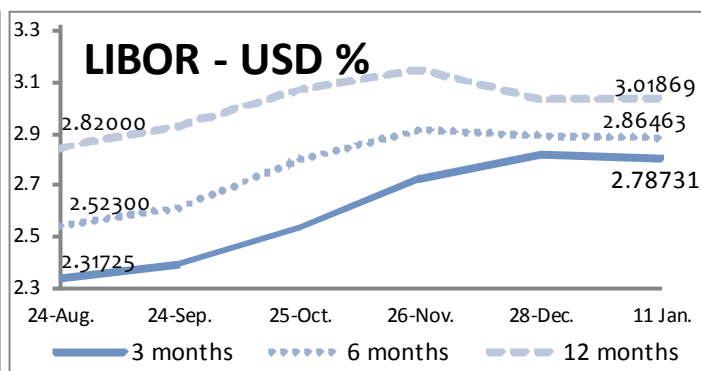
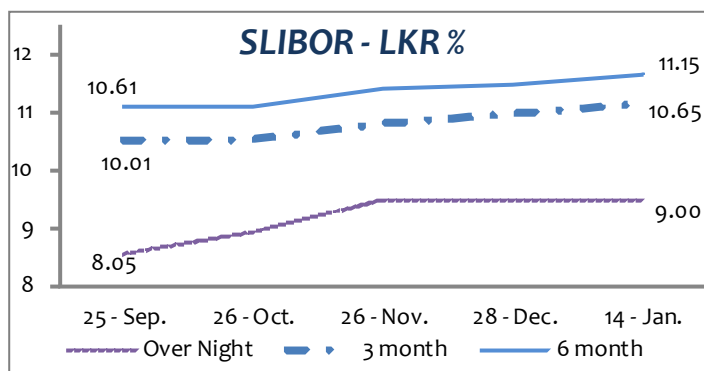
Description	Present	Previous		09.01.2019	02.01.2019	19.12.2018	12.12.2018
Standing Deposit Facility (SDF)	8.00%	7.25%	91 Days %	na	na	na	na
Standing Lending Facility (SLF)	9.00%	8.50%	182 Days %	9.94	9.95	9.99	10.03
Bank Rate	15.00%	15.00%	364 Days %	10.85	10.99	11.20	11.24
Statutory Reserve Ratio (SRR)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

Treasury Bill Issuance

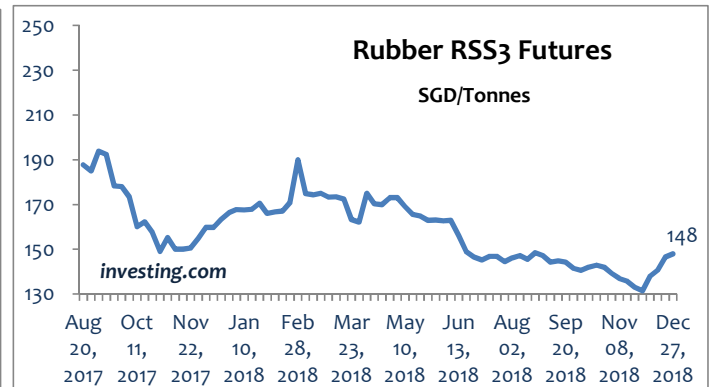
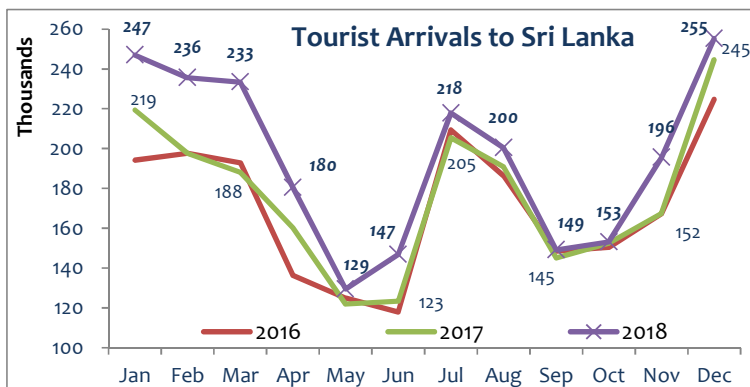
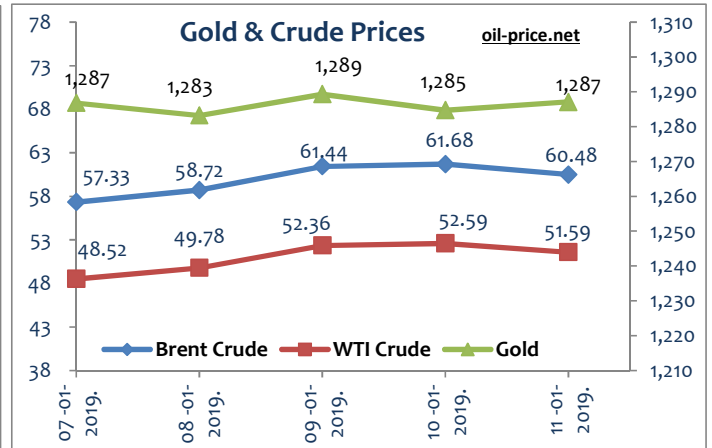
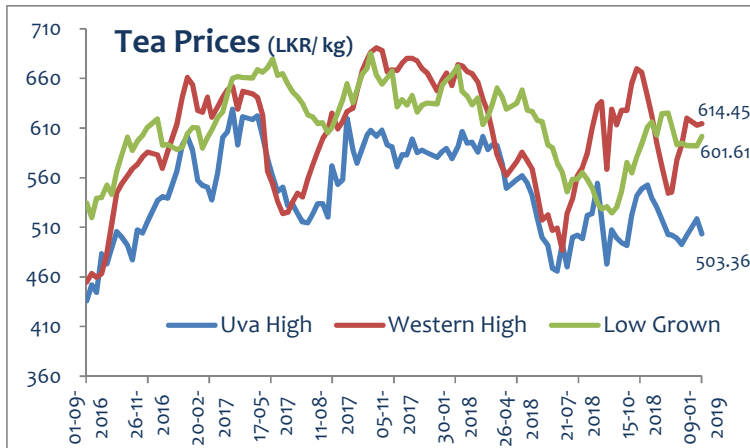
Date	13.12.2018	17.07.2016	11.01.2019	17.07.2016	17.09.2018	13.12.2018	11.01.2019	15.10.2018
Maturity	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	10 Years	15 Years
Current Yield	11.88	11.14	11.58	11.21	10.32	12.23	11.73	11.90
Previous Auction	17.09.2018	15.06.2017	15.10.2018	15.06.2017	16.07.2018	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

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

Foreign exodus out of Sri Lanka’s capital markets continues in 2019

(LBO) – Foreign institutional selling out of Sri Lanka’s bond and stock markets continued at a brisk pace in the first two weeks to start 2019. After the crippling US\$1bn of net outflows from Sri Lanka’s bond and stock markets in 2018, 2019 has seen Rs11bn net outflows from stocks and bonds already. Foreign outflows from stocks and bonds accelerated from Sri Lanka as a result of a constitutional crisis. The crisis has now been resolved, but political uncertainty remains with a lingering presidential election expected in the next 12 months or sooner. Outflows have been cited by the Governor of the Central Bank Indrajit Coomaraswamy as being one of the main factors that has caused Sri Lanka’s currency to significantly depreciate in 2018. The Governor in recent comments indicated that the Sri Lanka Rupee was undervalued, highlighting that it is trading below the “real effective exchange rate (REER).”

Sri Lanka’s Colombo Port- city dredging completed ; Ready for investors

(LBO) – Sri Lanka’s proposed Financial City better known as the Port City has now fully completed land reclamation, Ministry of Megapolis and Western Province Development said. The new city will function as a special jurisdiction area with its own economic and commercial laws to facilitate operations of global multinational corporations. The completed city will have reclaimed 269 hectares with 116 hectares being handed over to China Communications Construction Company (CCCC), which is the parent company of China Harbour Engineering Company (CHEC). The remaining land, which will be owned by the Sri Lankan Government and will be divided with 62 hectares to be used to set up a financial city and 91 hectares to be used as public spaces.

Govt. to use reserves to repay \$ 1 b loan

REUTERS: The Government has arranged \$ 1Bn to repay a five-year sovereign bond maturing next week partly from its declining reserves, sources from both the Central Bank and Finance Ministry said on Friday. Originally the island nation’s three State banks were to borrow up to \$ 1Bn from foreign sources before the end of 2018 to pay off the loan. The country has to repay the \$ 1Bn Eurobond borrowed in 2014, which matures on Monday. The Government is struggling to repay its foreign loans, with a record \$ 5.9Bn due this year and \$ 2.6Bn in the first three months alone, amid concerns over declining reserves.

Foreign News

Asia shares, US stock futures hit as China's export slump jolts investors

Asian shares and U.S. stock futures skidded on Monday after a shock contraction in Chinese exports pointed to deepening cracks in the world's second-biggest economy and raised fears of a sharper slowdown in global growth and corporate profits.

Latest data from China showed imports fell 7.6 percent year-on-year in December when analysts had predicted a 5 percent rise while exports unexpectedly dropped 4.4 percent, confounding expectations for a 3 percent gain. The disappointing numbers reinforced fears U.S. tariffs on Chinese goods were starting to take a heavy toll on China's cooling economy.

Softening demand in China is already being felt around the world, with slowing sales of goods ranging from iPhones to automobiles, prompting profit warnings from the likes of Apple and Jaguar Land Rover.

The Australian dollar AUD=D3, a key gauge of global risk sentiment and a liquid proxy for the Chinese yuan, toppled from Friday's one-month peak of \$0.7235 to \$0.7186 after the dismal data.

Liquidity was generally light during Asian hours as Japan was on public holiday. Chinese shares were in the red, with the blue-chip index .CSI300 down 0.7 percent. Hong Kong's Hang Seng index .HSI stumbled 1.5 percent while Australian shares reversed early gains to end mostly flat.

The world's two largest economies have been in talks for months now to try and resolve their bitter trade war, with no signs so far of any substantial progress in negotiations. Citi analysts said even with the rising probability for both sides to reach an agreement, the tariff and trade disruption appears to have already rippled through the global economy.

In the wake of the trade dispute, China's policymakers have already pledged to step up support this year, following a raft of measures in 2018 including fast tracking infrastructure projects and cuts in banks' reserve requirements and taxes.

Investor attention was also on the U.S. government shutdown, now in its 24th day, and with no resolution in sight. Further clouding the outlook, Britain faces a hugely uncertain path with a vote for a deal for its exit from the European Union due in the U.K. parliament on Tuesday.

All these factors were at play last week when the main U.S. indices ended Friday little changed as investors reset positions ahead of key risk events.

In currencies, the euro was subdued EUR= as it hit key technical levels following data from Italy on Friday that showed the euro zone's third-largest economy was at risk of recession.

In commodities, oil prices extended losses from Friday as investors worried about a global slowdown. U.S. crude CLc1 fell 58 cents to \$51.01 while Brent LCOc1 eased 68 cents to \$59.80. Gold XAU= gained to inch towards a recent seven-month high of \$1,298.42 an ounce. (reuters.com)

China car sales hit reverse for first time since 1990s

(Reuters) - Car makers in China will face more fierce competition this year, after a tough 2018 when the world's biggest auto market contracted for the first time in more than two decades, the country's top auto industry association said on Monday. China car sales fell 13 percent in December, the sixth straight month of declines, bringing annual sales to 28.1 million, down 2.8 percent from a year earlier, China's Association of Automobile Manufacturers (CAAM) said.

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