

DAILY STOCK MARKET HIGHLIGHTS

Wednesday, 14 November 2018



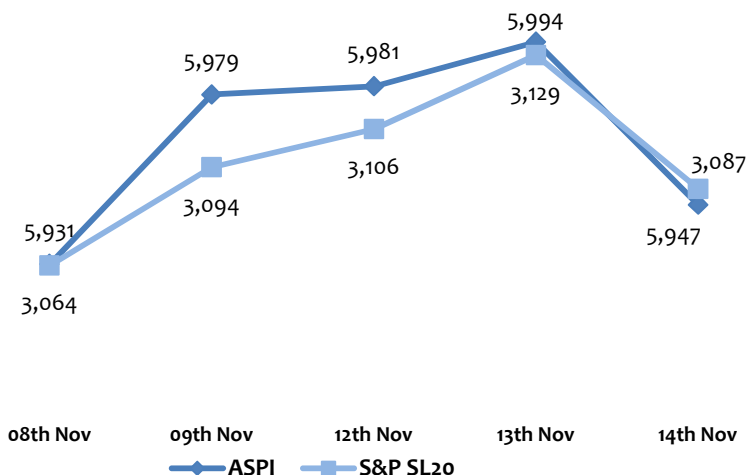
**ASHA PHILLIP
SECURITIES LTD**

Sri Lanka

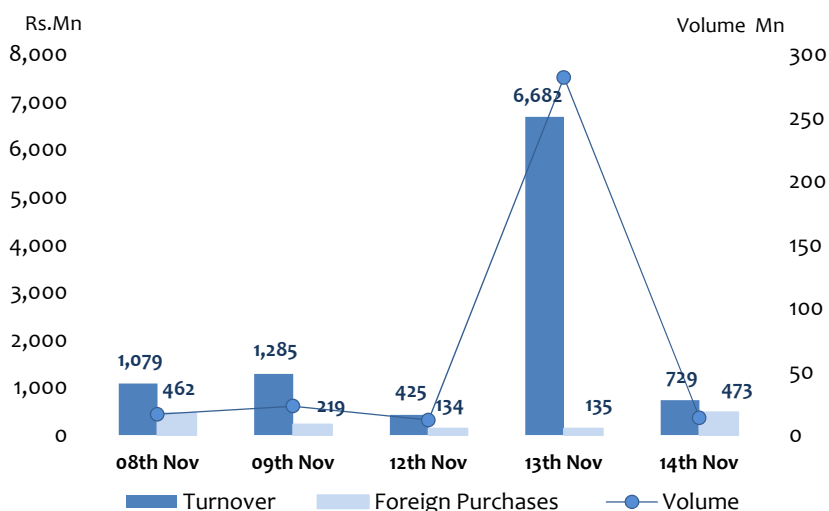
Daily Market Statistics

Index	14th Nov	13th Nov	Change	% Change
ASPI	5,947.36	5,993.54	↓ (46.18)	↓ -0.77%
S&P SL20	3,087.48	3,128.87	↓ (41.39)	↓ -1.32%
Market Stats (LKR, Mn)		14th Nov	13th Nov	% Change
Turnover	729.25	6,682.06	↓	-89.1%
Domestic Purchases	256.22	6,547.50	↓	-96.1%
Domestic Sales	283.08	6,601.32	↓	-95.7%
Foreign Purchases	473.03	134.56	↑	251.5%
Foreign Sales	446.17	80.75	↑	452.6%
Share Volume	13.46	281.63	↓	-95.2%
Market capitalization (Bn)	2,790.18	2,811.85	↓	-0.77%
PER	9.38	9.45	↓	-0.74%
PBV	1.16	1.17	↓	-0.85%

Market Indices



Turnover, Volume and Foreign Purchase



Performance of the Market

- Volatile political environment resulted Bourse to settle on Red Terrain. Increase in policy rates also influenced the investor sentiments; average T-Bill yield rates increased (weekly auction). The benchmark index ASPI moved between 5,930.39-5,965.66 points and settled the day at 5,947.36 with a loss of 46.18 points (-0.77%).
- Major contributors for the movement in ASPI were ODEL (+1.9), DIPD (+1), LOFC (+0.9), HAYL (+0.9), AHUN (+0.9), DIAL (-5.2), LOLC (-4.1), AEL (-3.4), COMB (-2.6) & SAMP (-2.4)
- S&P SL20 index also followed the same trend and settled the day at 3,087.48 with a loss of 41.39 points (-1.32%).
- The day's turnover was recorded as LKR 729.25Mn, down by 89% from its previously recorded LKR 6.68Bn. Foreign investors remained net buyers for the day.
- The total market capitalization stood at LKR 2.79Tn, indicating an YTD loss of 3.76%.
- The market PER & PBV were at 9.38x & 1.16x respectively.

Top Contributors – Turnover

- Ceylon Tobacco Company PLC (CTC) topped the turnover list with 53% (386.8Mn) contribution to the day's total turnover through 2 off board trades of 0.28Mn shares negotiated at the price of LKR 1,400.00
- National Development Bank PLC (NDB) stood second by adding LKR 80.01Mn to the day's total turnover. NDB traded between LKR 99.90 & 101.50 and settled the day at LKR 100.30 with a loss of LKR 2.50 (-2.43%); about 36% (29Mn) of its turnover was contributed through an off board trade of 0.29Mn shares negotiated at the price of LKR 100.00
- Teejay Lanka PLC (TJL) contributed LKR 55.27Mn to the total turnover and secured the third slot. TJL traded between LKR 32.20 & 32.70 and settled the day at LKR 32.50 with a loss of LKR 0.40 (-1.22%); majority (55.19Mn) of its turnover was contributed through an off board trade of 1.67Mn shares negotiated at the price of LKR 33.00

Traded Volume

- Access Engineering PLC traded a total of 2.34Mn shares dominating the traded volumes.
- Teejay Lanka PLC (1.68Mn shares) and Panasian Power PLC (0.87Mn shares) were next in line under the top contributors to the daily volumes.

Sectorial Overview

- Beverage Food & Tobacco (BFT) stood on top providing LKR 390.39Mn capturing 54% of the day's total turnover.
- Bank Finance & Insurance (BFI) and Manufacturing (MFG) provided LKR 161.8Mn and LKR 68.64Mn respectively to the daily aggregated turnover.

Daily Foreign Transactions

Net Foreign Purchases

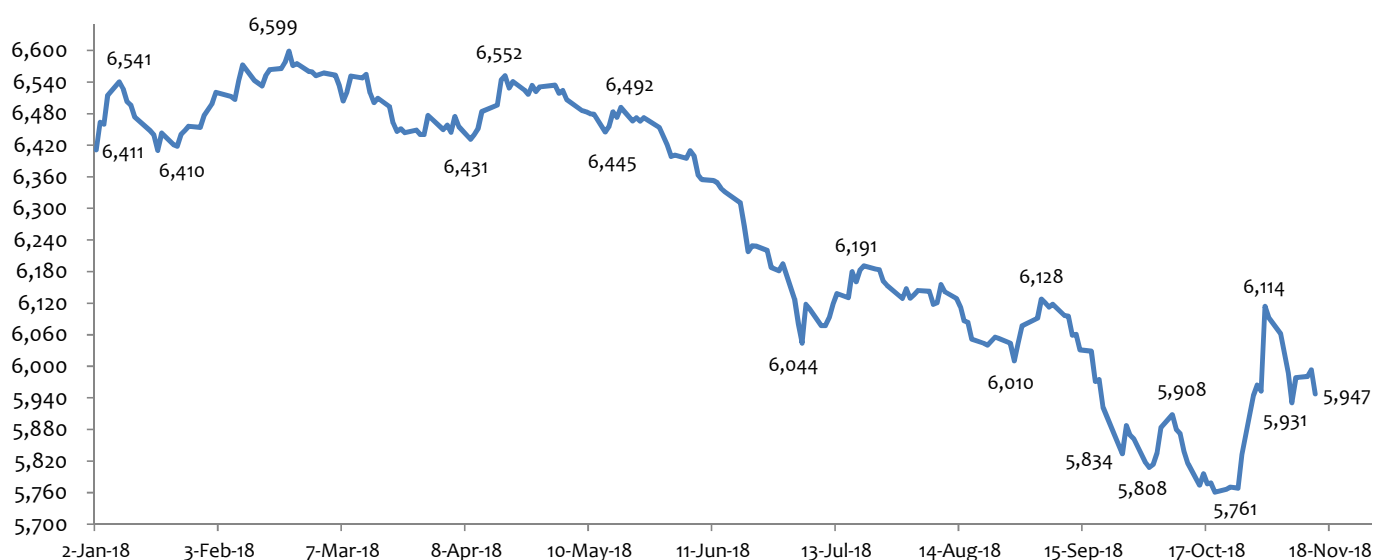
Company Name	Avg Price	Net change in Qty	Net Foreign Inflow
SEYLAN BANK (+)	70.00	267,471	18,722,970
HNB ASSURANCE (+)	106.80	32,873	3,510,836
NAT. DEV. BANK (+)	100.30	24,947	2,502,184
VALLIBEL FINANCE	70.00	32,453	2,271,710
ACCESS ENG SL	15.80	56,310	889,698
DIPPED PRODUCTS	88.00	10,068	885,984
Softlogic Life (+)	33.0	15,892	524,436
TOKYO CEMENT[X]	23.00	20,000	460,000
EXPOLANKA	4.00	50,000	200,000
R I L PROPERTY	6.60	3,000	19,800

Net Foreign Sales

Company Name	Avg Price	Net change in Qty	Net Foreign Outflow
COMMERCIAL BANK (+)	113.30	(20,290)	(2,298,857)
JKH	152.20	(10,000)	(1,522,000)
SEYLAN BANK[X]	41.50	(3,879)	(160,979)
NAMAL ACUITY VF[U]	82.00	(1,823)	(149,486)
DFCC BANK PLC	90.10	(348)	(31,355)
A.SPEN.HOT.HOLD.	27.40	(800)	(21,920)
CENTRAL IND.	28.00	(377)	(10,556)
PRIME FINANCE	20.00	(280)	(5,600)
AMAYA LEISURE	39.10	(111)	(4,340)
ACL	37.40	(9)	(337)

- **Aggregate foreign buying** for the day totaled up to **LKR 473.03Mn.**
- **Foreign sales** for the day amounted to **LKR 446.17Mn.**
- **Net foreign inflow** for the day was **LKR 26.86Mn**, **YTD net foreign outflow** presently stands at **LKR 17.07Bn.**
- **SEYB** notched the "Top Net Purchasers" slot with a net inflow of **LKR 18.72Mn** whilst **COMB** notched the "Top net Sellers" slot with a net outflow of **LKR 2.3Mn.**

Year-to-Date ASPI Movement



Key Announcements

- **John Keells Holdings PLC (JKH)** has announced the **key dates** pertaining to the **repurchase of shares**; accordingly - Entitlement date - As at the close of trading on 03 Dec 2018, Offer open date - 14 Dec 2018, Offer close date - 10 Jan 2019 and Final payment date - 25 Jan 2019.
- Trading of the securities of **Radiant Gems International PLC (RGEM)** & **Huejay International Investments PLC (HUEJ)**, which are on the Watch List, **will be suspended with effect from 26 Nov 2018** in terms of CSE Listing Rules, unless the companies submit the Interim Financial Statements for the quarter ended 30th June 2018 on or before 23rd Nov 2018.

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						
From	7-Sep 18.		25-Sep 18.						
Reason	Qualified Opinion on Auditor's Report								

Companies on WATCH LIST

Non Submission of Annual Reports, Financial Statements									Default Board
MIRA	LCEM	CIFL	PCH	PCP	SING	HDEV	LLMP	PCHH	SFS
ALHP	LLMP	CFT	SFL	SINH	EAST				
Qualified Opinion in the Independent Auditor's Report									
AINV	ESL	RGEM	MEL	JANA	AGST	PMB	MBSL	SHAW	TFC
EMER	IDL	CHOU	MSL	HVA	SIRA				
Non-compliance of CSE Listing Rules, minimum public holding & Corporate Governance									
HUEJ	BLUE	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	LOFC					

Annual general Meetings (AGMs)

Company	Date
COMB	28-Mar-19
PABC	29-Mar-19

Company	Date
DFCC	28-Mar-19
SAMP	29-Mar-19

Company	Date
HASU	28-Mar-19

Company	Date
HNB	29-Mar-19

EGMs

Company	Date
Nil	

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	2.00	3rd Interim	08.Nov.2018	19.Nov.2018	CARG	1.90	Interim	15.Nov.2018	28.Nov.2018
JKH	2.00	Interim	08.Nov.2018	19.Nov.2018	CTHR	1.80	Interim	16.Nov.2018	29.Nov.2018
COMB	1.50	1st Interim	09.Nov.2018	21.Nov.2018	CTLD	1.00	Interim	16.Nov.2018	29.Nov.2018
NAVF	1.00		12.Nov.2018	26.Nov.2018	CTC	19.00	Interim	21.Nov.2018	29.Nov.2018
LVEF	0.34	Interim	14.Nov.2018	26.Nov.2018	HHL	0.40	Interim	26.Nov.2018	05.Dec.2018
VLL	0.15	Interim	15.Nov.2018	27.Nov.2018	BFL	4.00	Interim	27.Nov.2018	06.Dec.2018

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] / De-Listing [D] / Mandatory Offer [M] / Voluntary Offer [V]

Transferee	Transferor	Proportion	Offer Closing Date
[A] Browns investments PLC (BIL)	Browns Capital PLC (FLCH)	2 BIL for every 1 FLCH	To be notified
Type	Offeror	Offeree	Offer Price per Share
[V] Janashakthi PLC		Dunamis Capital PLC (CSEC)	LKR 36.60

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 2018.	25 Jan 2019.

Rights Issues with pending dates

Company,	Issue Price	Proportion	Company,	Issue Price	Proportion
Agalawatte Plantations (AGAL) LKR 15.3	LKR 2.01Bn	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

Market Highlights & Statistics

Market Capitalisation

Company Name	Symbol	Price	Issued Quantity	Market Capitalisation	(as a % of MKT Cap.)
CEYLON TOBACCO COMPANY PLC	CTC.No000	1,424.00	187,323,751	266,749,021,424	10.29
JOHN KEELLS HOLDINGS PLC	JKH.No000	152.20	1,387,528,658	211,181,861,748	8.15
COMMERCIAL BANK OF CEYLON PLC	COMB.No000	113.70	945,709,403	107,527,159,121	4.15
DIALOG AXIATA PLC	DIAL.No000	11.50	8,143,778,405	93,653,451,658	3.61
NESTLE LANKA PLC	NEST.No000	1,642.20	53,725,463	88,227,955,339	3.40
HATTON NATIONAL BANK PLC	HNB.No000	215.00	395,451,248	85,022,018,320	3.28
DISTILLERIES COMPANY OF SRI LANKA PLC	DIST.No000	16.80	4,600,000,000	77,280,000,000	2.98
CEYLON COLD STORES PLC	CCS.No000	730.00	95,040,000	69,379,200,000	2.68
SAMPATH BANK PLC	SAMP.No000	227.90	280,902,248	64,017,622,319	2.47
MELSTACORP PLC	MELS.No000	51.10	1,165,397,072	59,551,790,379	2.30

Highest Volume

Company Name	Turnover (Rs)	Share Vol.
ACCESS ENGINEERING PLC	37,531,925	2,339,308
TEEJAY LANKA PLC	55,274,065	1,675,020
PANASIAN POWER PLC	2,609,493	869,831
NATIONAL DEVELOPMENT BANK PLC	80,005,470	799,802
MTD WALKERS PLC	9,230,165	741,600
BLUE DIAMONDS JEWELLERY [X]	138,895	693,976
BROWNS CAPITAL PLC	1,990,848	552,203
SEYLAN BANK PLC	34,633,159	494,766
EXPOLANKA HOLDINGS PLC	1,152,434	288,106
CEYLON TOBACCO COMPANY PLC	386,799,000	276,285

Highest Turnover

Company Name	Share Vol.	Turnover (LKR)
CEYLON TOBACCO COMPANY PLC	276,285	386,799,000
NATIONAL DEVELOPMENT BANK PLC	799,802	80,005,470
TEEJAY LANKA PLC	1,675,020	55,274,065
ACCESS ENGINEERING PLC	2,339,308	37,531,925
SEYLAN BANK PLC	494,766	34,633,159
JOHN KEELLS HOLDINGS PLC	192,896	29,218,469
SEYLAN BANK PLC [X]	247,842	10,251,515
MTD WALKERS PLC	741,600	9,230,165
SAMPATH BANK PLC	33,969	7,743,749
SANASA DEVELOPMENT BANK PLC	95,973	7,158,641

Top Gainers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
ODEL PLC	29.20	3.20	12.31	4,780,552
DIPPED PRODUCTS	88.00	8.00	10.00	886,160
YORK ARCADE	86.60	6.50	8.11	55,518
TALAWAKELLE	47.50	3.40	7.71	26,750
COLOMBO LAND	16.80	1.20	7.69	16,715
PANASIAN POWER	3.10	0.20	6.90	2,609,493
A.SPEN.HOT.HOLD.	27.40	1.20	4.58	128,749
ALUMEX PLC	14.60	0.60	4.29	263,363
LOLC FINANCE	3.60	0.10	2.86	200,841
HAYLEYS	195.00	5.40	2.85	72,877

Top Losers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
ADAM CAPITAL	0.30	(0.10)	(25.00)	480
MTD WALKERS	12.00	(2.90)	(19.46)	9,230,165
RADIANT GEMS	21.00	(4.00)	(16.00)	4,200
MULLERS	0.60	(0.10)	(14.29)	14,367
HUEJAY	22.10	(3.40)	(13.33)	6,844
PARAGON	53.00	(7.00)	(11.67)	14,153
CITY HOUSING	4.60	(0.60)	(11.54)	1,380
CEYLON GUARDIAN	68.90	(8.50)	(10.98)	100,697
ACME	4.20	(0.50)	(10.64)	8,450
ACCESS ENG SL	15.80	(1.60)	(9.20)	37,531,925

Crossings

Name	Symbol	Price	Trades	T.Volume	Turnover
Ceylon Tobacco Company PLC	CTC.No000	1,400.00	2	276,285	386,799,000.00
Textured Jersey Lanka PLC	TJL.No000	33.00	1	1,672,470	55,191,510.00
National Development Bank PLC	NDB.No000	100.00	1	290,000	29,000,000.00

Market Highlights & Statistics

Sector Wise Summary

Sector	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
BANK FINANCE AND INSURANCE	15,622.16	15,789.05	161,799,534	2,554,339	937	5.10	0.90
BEVERAGE FOOD AND TOBACCO	24,301.73	24,333.79	390,393,885	562,516	111	18.00	6.00
CONSTRUCTION AND ENGINEERING	1,505.06	1,648.11	47,334,780	3,201,984	1,371	20.00	0.60
CHEMICALS AND PHARMACEUTICALS	5,221.79	5,270.07	81,222	23,841	9	5.30	0.60
DIVERSIFIED HOLDINGS	1,552.33	1,561.10	35,822,170	1,346,524	484	10.00	0.90
FOOTWEAR AND TEXTILE	956.22	887.72	6,011,569	292,945	275	112.70	1.00
HOTELS AND TRAVELS	2,639.97	2,640.52	1,495,901	520,158	203	59.80	1.60
HEALTH CARE	811.63	819.14	70,325	14,260	16	15.10	1.80
INVESTMENT TRUSTS	9,412.33	9,937.79	1,031,385	65,394	75	20.10	0.40
INFORMATION TECHNOLOGY	27.75	28.31	5,170	1,100	2	0.00	0.00
LAND AND PROPERTY	548.23	557.13	2,045,223	232,457	125	5.30	0.60
MANUFACTURING	2,827.78	2,863.89	68,636,029	2,950,220	484	6.90	0.90
MOTORS	12,904.51	12,975.24	90,572	1,205	11	11.20	0.50
OIL PALMS	49,590.48	49,590.48	0	0	0	28.40	0.90
POWER & ENERGY	108.24	110.18	8,350,482	1,120,267	207	0.00	1.30
PLANTATIONS	724.16	729.85	679,091	64,912	102	5.80	0.70
STORES SUPPLIES	28,580.25	28,914.03	73,796	104	15	14.00	0.50
SERVICES	16,166.84	16,566.35	407,537	174,879	54	17.10	1.20
TELECOMMUNICATIONS	148.73	152.07	416,181	35,389	41	8.40	1.00
TRADING	11,813.63	11,948.41	4,488,812	298,642	73	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	500.00	522.79	203,432	5,425	13	5.10	0.60
Banks	816.21	826.66	149,740,000	1,891,698	551	5.90	0.80
Capital Goods	836.93	843.51	84,664,472	3,599,559	1,780	10.30	0.80
Commercial & Professional Services	784.42	786.02	14,153	267	7	0.00	1.00
Consumer Durables & Apparel	793.02	815.41	57,695,172	2,637,542	165	26.10	1.00
Consumer Services	246.88	247.03	1,495,901	520,158	208	61.90	1.60
Diversified Financials	765.25	776.56	6,651,240	712,727	383	5.30	0.80
Energy	629.42	648.96	5,574,175	224,814	142	0.00	1.00
Food & Staples Retailing	1,262.45	1,262.45	208,830	213,364	23	15.40	2.20
Food, Beverage & Tobacco	934.78	937.75	392,259,072	848,571	292	15.30	2.50
Health Care Equipment & Services	872.42	881.08	89,862	37,570	23	15.30	1.80
Household & Personal Products	1,038.99	1,038.99	13,369	1,115	4	14.80	2.00
Insurance	1,701.96	1,703.48	6,034,690	100,094	94	3.40	1.40
Materials	533.09	541.15	10,956,236	462,077	367	6.00	0.90
Pharmaceuticals, Biotechnology & Life Sciences	1,806.84	1,806.84	0	0	0	4.60	1.50
Real Estate	743.07	755.67	2,163,603	232,910	148	5.00	0.60
Retailing	798.02	791.30	5,055,537	187,063	275	14.90	0.70
Technology Hardware & Equipment	0.00	-	0	0	0	0.00	0.00
Telecommunication Services	777.08	794.52	416,181	35,389	44	8.50	1.00
Transportation	685.99	702.71	1,152,434	288,106	32	33.50	0.70
Utilities	742.78	741.90	2,776,307	895,453	65	11.50	0.70

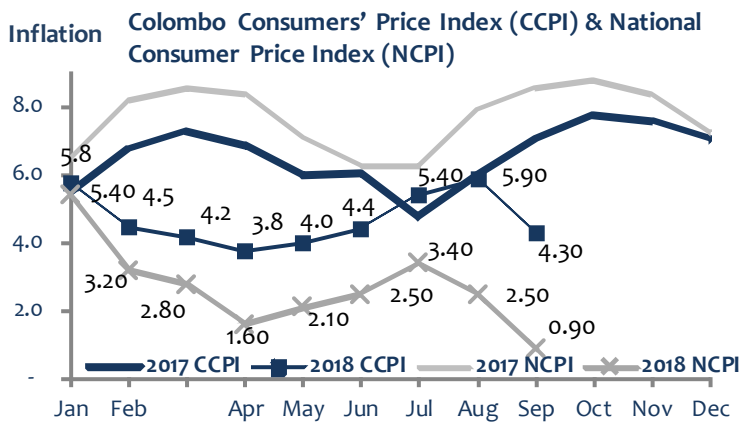
Economic Indicators & Other Statistics

Exchange Rates

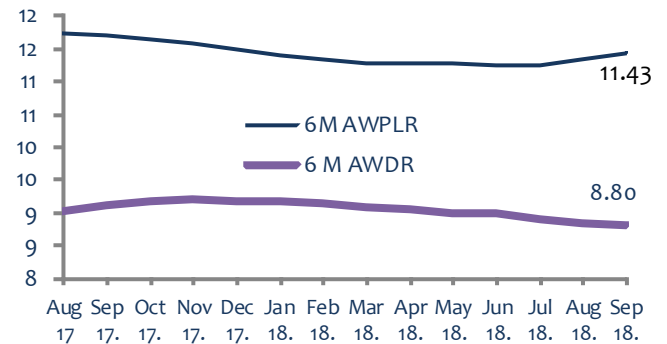
Currency	14th Nov		13th Nov	
	Buying	Selling	Buying	Selling
Dollar (USA)	173.73	177.63	173.41	177.31
Pound (UK)	224.88	232.31	222.02	229.39
Euro (EU)	195.08	202.11	193.57	200.55
Dollar (Australia)	124.24	129.58	123.36	128.67
Dollar (Canada)	130.42	135.36	130.17	135.11
Franc (Switzerland)	171.33	177.87	170.46	176.99
Renminbi (China)	24.69	25.89	24.61	25.81
Yen (Japan)	1.5155	1.5722	1.5149	1.5716
Dollar (Singapore)	125.31	129.65	124.79	129.12

Indicative Rates

Currency	14th Nov	13th Nov
	Ind: Value	Ind: Value
Yuan (Offshore)	25.3322	25.2327
Rupee (India)	2.4245	2.4100
Won (Korean)	0.1553	0.1545
Dinar (Kuwait)	578.3597	577.0146
Ringgit (Malay)	41.9923	41.8480
Rial (Oman)	457.2916	456.0888
Riyal (Qatar)	48.3495	48.2196
Riyal (KSA)	46.9349	46.8108
Dirham (UAE)	47.9296	47.8048



Average Weighted Prime Lending & Deposit Rate

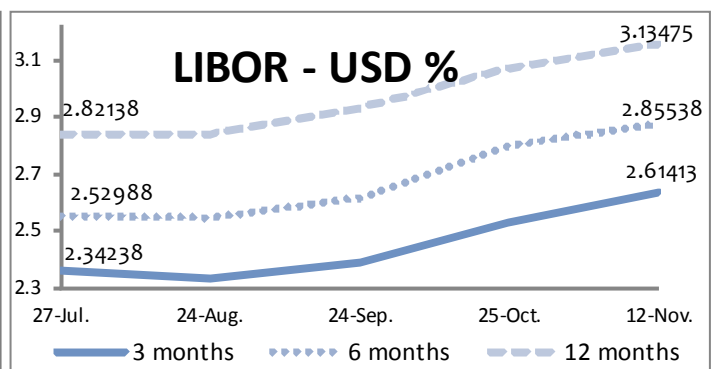
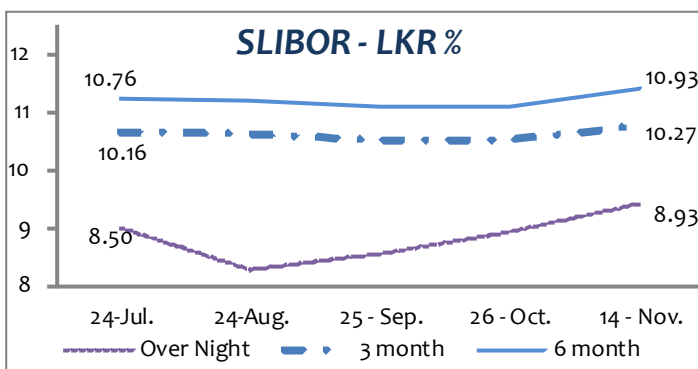


Central Bank's Policy Rates

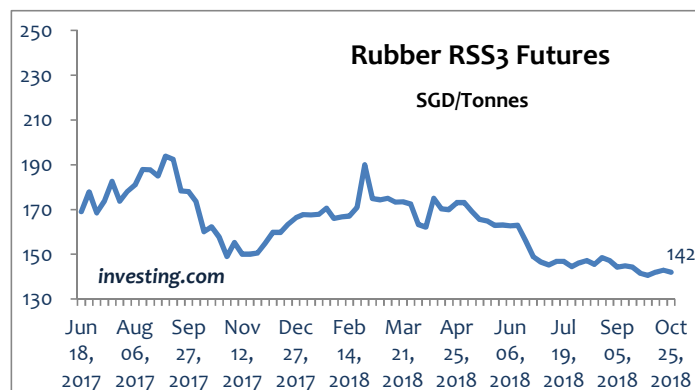
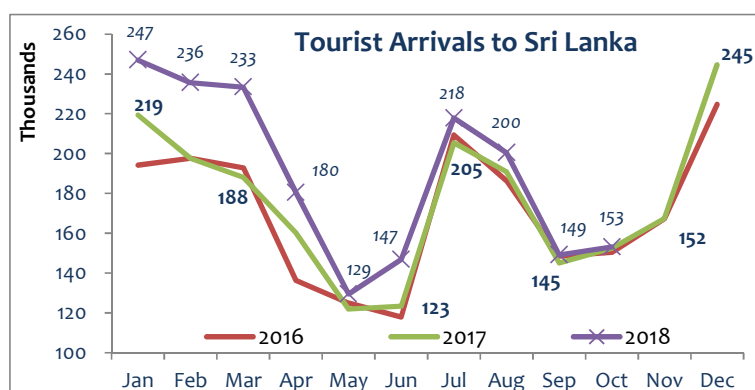
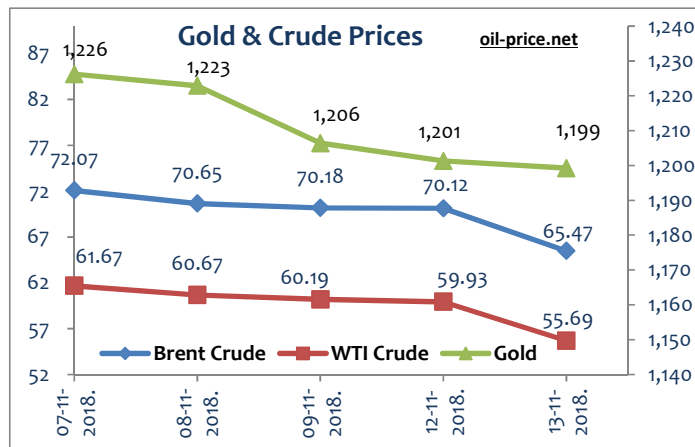
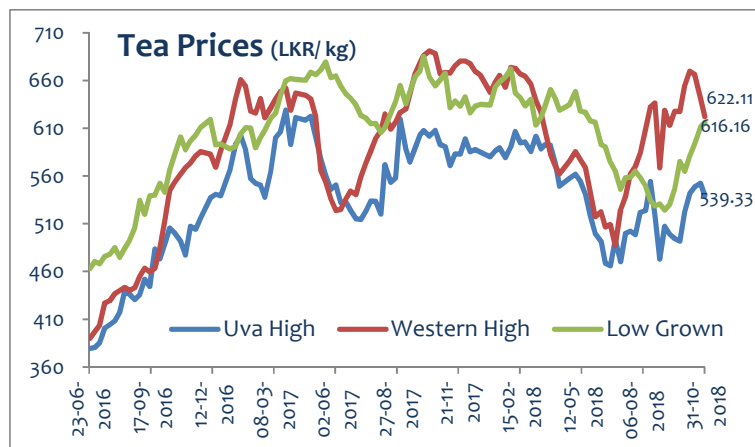
Description	Present	Previous	Treasury Bill				
			14.11.2018	07.11.2018	23.10.2018	17.10.2018	
Standing Deposit Facility (SDF)	7.25%	7.00%	91 Days %	10.07	9.65	na	9.48
Standing Lending Facility (SLF)	8.50%	8.75%	182 Days %	na	9.99	na	9.75
Bank Rate	15.00%	15.00%	364 Days %	11.25	10.89	10.39	10.44
Statutory Reserve Ratio (SRR)	7.50%	7.50%	Amount	9.86Bn	15.37Bn	7.5Bn	7.9Bn

Treasury Bond

Date	17.09.2018	17.07.2016	15.10.2018	17.07.2016	17.09.2018	02.01.2018	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	10.03	11.14	11.69	11.21	10.32	10.06	10.20	11.90
Previous Auction	02.03.2018	15.06.2017	15.08.2018	15.06.2017	16.07.2018	01.11.2017	01.06.2018	16.07.2018
Previous Yield	9.85	11.37	9.91	11.38	10.53	10.33	10.72	10.88



Economic Indicators & Other Statistics



Local News

Central Bank reduced Statutory Reserve Ratio & increased policy interest rates

(LBO) – Monetary Board of the Central Bank of Sri Lanka, at its meeting held on 13 November 2018, has decided to reduce the Statutory Reserve Ratio (SRR) applicable on all rupee deposit liabilities of commercial banks by 1.50 percentage points to 6.00%. In order to neutralize the impact of this reduction and maintain its neutral monetary policy stance, the Monetary Board has decided to increase the Standing Deposit Facility Rate (SDFR) by 75 basis points to 8.00% and the Standing Lending Facility Rate (SLFR) by 50 basis points to 9.00%.

The Board said it arrived at this decision following a careful analysis of current and expected developments in the domestic and global economy and the domestic financial market, with the broad aim of stabilizing inflation at mid-single-digit levels in the medium term to enable the economy to reach its potential.

“The Monetary Board observed that large and persistent liquidity deficit in the domestic money market requires policy intervention,” the Central Bank said. “The reduction in SRR is expected to release a substantial amount of rupee liquidity to the banking system, thus reducing the cost of funds of banks.”

Sri Lanka intensifies fight against money laundering terrorist financing

Sri Lanka has intensified its fight against money laundering and terrorist with the Financing Intelligence Unit of Sri Lanka entering into a **Memorandum of Understanding with the Department of Motor Traffic (DMT)**. The aim is to receive intelligence information related to investigations and prosecutions of money laundering, terrorist financing and other related crimes, according to a Central Bank media release. The MOU with the DMT would enable FIU to gather intelligence and information which is vital for prevention, detection and prosecution of such offences.

The FIU has already entered into MOUs with 37 foreign counterparts as well as seven local government agencies such as Sri Lanka Customs, Department of Immigration and Emigration, Inland Revenue Department, Department for Registration of Persons, Sri Lanka Police, Securities and Exchange Commission of Sri Lanka and Insurance Regulatory Commission of Sri Lanka in order to share information to strengthen the AML/CFT framework of the country. (sundaytimes.lk)

Foreign News

Crude oil extends steep dive, stocks fall on growth fears

Oil prices extended a steep slide on Wednesday on the back of worries about weakening world demand and oversupply, while global shares sagged as energy sector strains heightened anxiety about a slow down in the global economy.

U.S. West Texas Intermediate (WTI) crude futures dived 7 percent the previous day, suffering their biggest one-day loss in more than three years. The contracts last stood at \$55.30 per barrel CLC1 for a loss of 0.7 percent, following a descent to a one-year low of \$54.75 overnight. Brent crude LCOc1 was down 0.35 percent at \$65.24 per barrel after tanking 6.8 percent on Tuesday and set an eight-month trough of \$64.61.

Brent had soared to a four-year high of \$86.74 early in October as the market braced for U.S. sanctions on Iran, but prices have sunk roughly 25 percent since then.

Hong Kong's Hang Seng .HSI dropped 0.55 percent and the Shanghai Composite Index .SSEC retreated 0.9 percent. Australian stocks fell 1.75 percent, South Korea's KOSPI .KS11 lost 0.3 percent and Japan's Nikkei .N225 rose 0.16 percent.

The Dow .DJI and S&P 500 .SPX ended slightly lower on Tuesday as lower oil prices took a toll on energy shares, offsetting a small gain in technology stocks and renewed hopes for progress in U.S.-China trade talks.

The oil plunge underlined cracks in the global economy. In Japan, data confirmed the world's third-largest economy contracted in the third quarter, adding to growing signs of weakness globally, with China and Europe losing momentum. Germany is expected to report later in the day that its economy also shrank last quarter.

The United Kingdom and European Union agreed on the text for a Brexit divorce deal on Tuesday. Prime Minister Theresa May will present the draft withdrawal agreement to her senior ministers on Wednesday for discussion and then decide on the next steps.

The index had steadily climbed to a 16-month peak of 97.693 on Monday amid the ongoing U.S.-China trade dispute and the Federal Reserve's commitment to keep gradually raising interest rates.

The Organization of the Petroleum Exporting Countries (OPEC) warned on Tuesday that a supply glut could emerge in 2019 as the world economy slows and rivals increase production more quickly than expected. OPEC member states rely on high oil prices to finance government budgets and they have been watching the increase in supply and the corresponding price slump with concern. ([reuters.com](https://www.reuters.com))

Japan GDP: Natural disasters hit economic growth

Japan's economy shrank in the third quarter as natural disasters hit spending and disrupted exports. The economy contracted by an annualised 1.2% between July and September, preliminary figures showed. A devastating earthquake and typhoon were among the disasters to hit Japan this year, and prompted the bigger than expected contraction. The slowdown also comes as the US and China fight a trade war which risks hurting global trade and growth. ([bbc.com](https://www.bbc.com))

German economy contracts for first time since 2015

Germany's economy contracted in the third quarter of the year, dented by weaker exports, figures have shown. Europe's largest economy shrank by 0.2% between July and September, as global trade disputes had a knock-on effect for Europe's largest economy. It was the economy's first quarter-on-quarter fall since 2015. Compared with the same quarter of the previous year, the economy grew by 1.1% from July to September, said the Federal Statistics Office. ([bbc.com](https://www.bbc.com))

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