

DAILY STOCK MARKET HIGHLIGHTS

Wednesday, 16 January 2019



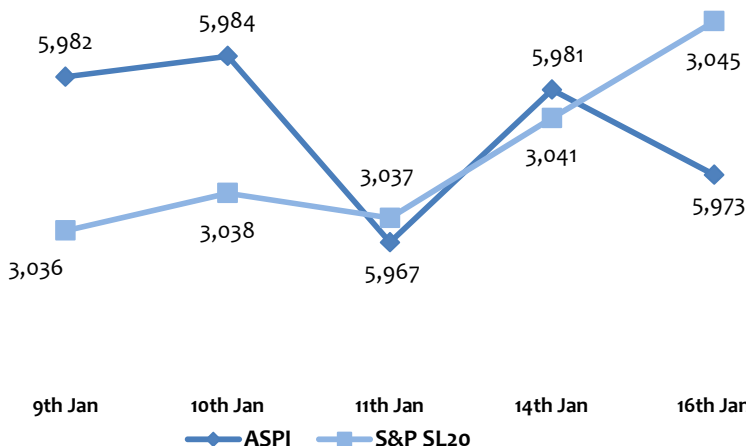
**ASHA PHILLIP
SECURITIES LTD**

Sri Lanka

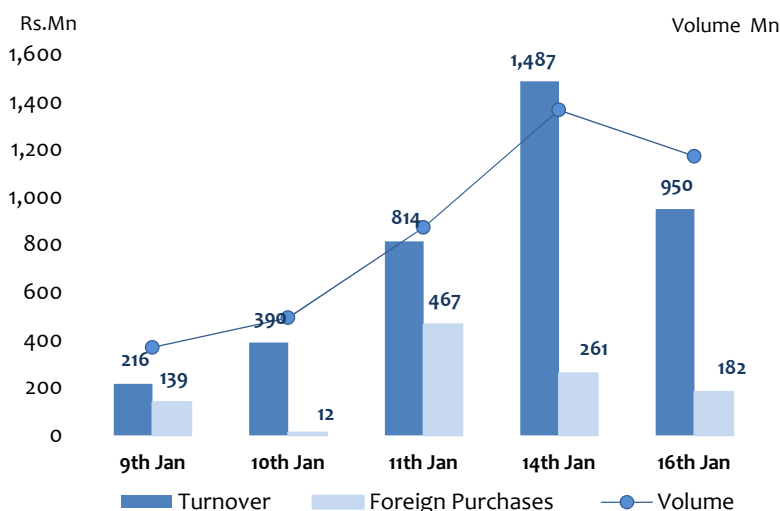
Daily Market Statistics

Index	16th Jan	14th Jan	Change	% Change
ASPI	5,973.34	5,981.02	↓ (7.68)	↓ -0.13%
S&P SL20	3,044.72	3,040.73	↑ 3.99	↑ 0.13%
Market Stats (LKR, Mn)		16th Jan	14th Jan	% Change
Turnover		950.16	1,486.75	↓ -36.1%
Domestic Purchases		768.17	1,225.77	↓ -37.3%
Domestic Sales		147.55	806.82	↓ -81.7%
Foreign Purchases		181.99	260.98	↓ -30.3%
Foreign Sales		802.61	679.93	↑ 18.0%
Share Volume		13.18	15.37	↓ -14.2%
Market capitalization (Bn)		2,802.37	2,805.97	↓ -0.13%
PER		9.52	9.53	↓ -0.10%
PBV		1.16	1.16	↓ 0.00%

Market Indices



Turnover, Volume and Foreign Purchase



Performance of the Market

- Continuing foreign outflow on JKH affects the investor sentiments; lower economic activities expected to hinder the performance of retail industry. Speculative trades attracted some retail investors to the market. Average yields were declined during the T-Bill auction for the fourth consecutive week.
- Benchmark index ASPI moved between 5,962.23 - 5,986.53 points and settled the day at 5,973.34 with a loss of 7.68 points (-0.13%).
- Major contributors for the movement in ASPI were AAIC (+3.7), SHL (+2.5), CTCE (+2.0), DIAL (+1.7), COMB (+1.6), CCS (-13.0), CLC (-2.7), JKH (-2.7), DIST (-2) & SMOT (-1.1)
- S&P SL20 index also followed a same trend and settled the day at 3,044.72 with a gain of 3.99 points (+0.13%).
- The day's turnover was recorded as LKR 950.16Mn, down by 36% from its previously recorded LKR 1,486.75Mn. Foreign investors remained net sellers for the day.
- The total market capitalization stood at LKR 2.80Tn, indicating an YTD loss of 1.31%.
- The market PER & PBV were at 9.52x & 1.16x respectively.

Top Contributors - Turnover

1. John Keells Holdings PLC (JKH) contributed 80% (763.07Mn) of the turnover. JKH traded between LKR 152.10 & 154.00 and settled the day at LKR 152.10 with a loss of LKR 0.90 (-0.59%); majority (761.96Mn) of its turnover was contributed through 8 off board trades of 5.03Mn shares negotiated at the price of LKR 151.50
2. Sampath Bank PLC (SAMP) had contributed LKR 54.62Mn. SAMP traded between LKR 220.00 & 224.00 and settled the day at LKR 221.00 with a gain of LKR 1.00 (+0.45%).
3. Ceylon Cold Stores PLC (CCS) contributed LKR 18.72Mn. CCS traded between LKR 685.00 & 706.00 and settled the day at LKR 685.60 with a loss of LKR 64.40 (-8.59%).

Top contributors - Traded Volume

1. John Keells Holdings PLC traded a total of 5.04Mn shares.
2. Anilana Hotels and Properties PLC (1.55Mn shares)
3. MTD Walkers PLC (1.16Mn shares).

Sectorial Overview

1. Diversified Holdings (DIV) stood on top providing LKR 771.43Mn capturing 81% of the total turnover.
2. Bank Finance & Insurance (BFI) provided LKR 103.11Mn to the daily aggregated turnover.
3. Beverage Food & Tobacco (BFT) provided LKR 21Mn

Daily Foreign Transactions

Net Foreign Purchases

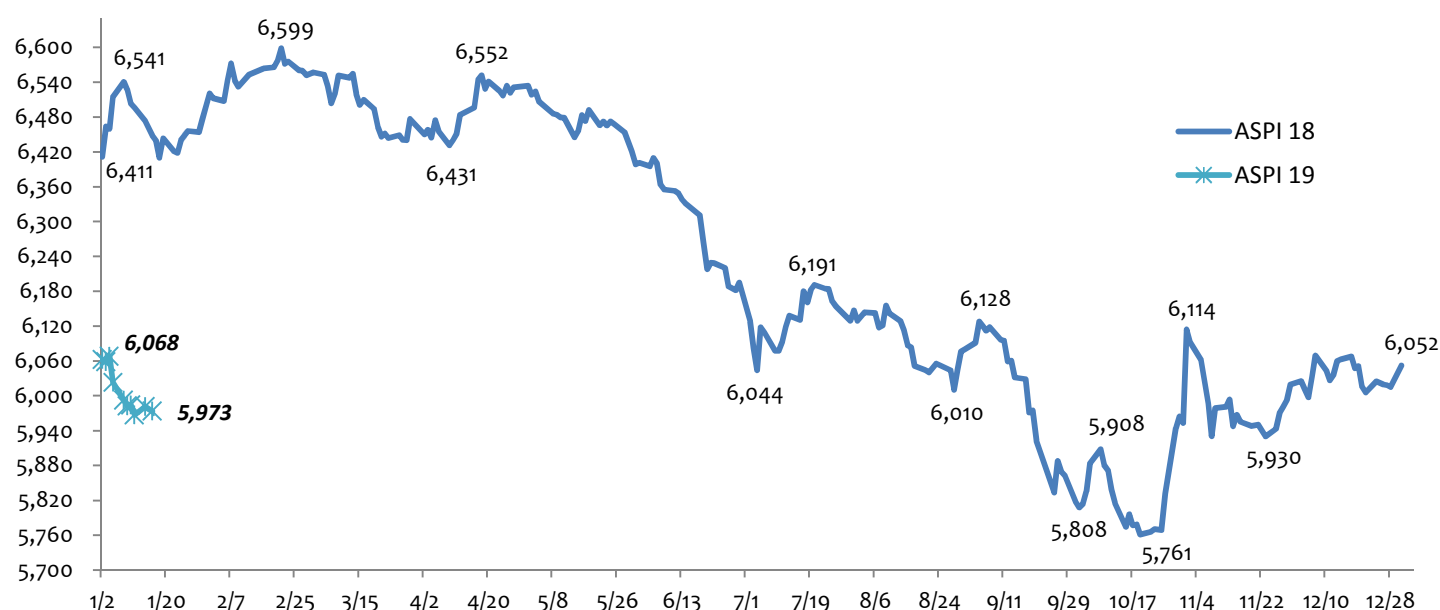
Company Name	Avg Price	Net change in Qty	Net Foreign Inflow
SAMPATH (+)	221.00	133,522	29,508,362
TEEJAY LANKA	33.80	137,000	4,630,600
VALLIBEL FINANCE	70.60	51,217	3,615,920
L O L C HOLDINGS	88.50	4,542	401,967
DISTILLERIES	16.20	17,493	283,387
ACCESS ENG SL	13.70	16,800	230,160
BROWNS INVSTMNTS	1.7	101,598	172,717
CHEVRON (+)	73.40	1,250	91,750
RICHARD PIERIS	10.30	4,700	48,410
KELANI CABLES	70.10	600	42,060

Net Foreign Sales

Company Name	Avg Price	Net change in Qty	Net Foreign Outflow
JKH	151.50	(4,330,408)	(656,056,812)
HAYCARB	130.00	(14,754)	(1,918,020)
SEYLAN BANK[X]	43.00	(13,165)	(566,095)
MULTI FINANCE	16.00	(24,500)	(392,000)
COMMERCIAL BANK (+)	115.00	(3,070)	(353,050)
EAST WEST	14.10	(10,000)	(141,000)
SOFTLOGIC	20.50	(6,000)	(123,000)
BAIRAHA FARMS	130.10	(750)	(97,575)
REGNIS (+)	71.90	(721)	(51,840)
RENUKA HOTELS	55.00	(500)	(27,500)

- **Aggregate foreign buying** for the day totaled up to **LKR 181.99Mn**.
- **Foreign sales** for the day amounted to **LKR 802.61Mn**.
- **Net foreign outflow** for the day was **LKR 620.62Mn**, **YTD net foreign outflow** presently stands at **LKR 1.93Bn**.
- **SAMP** notched the “Top Net Purchasers” slot with a net inflow of **LKR 29.51Mn** whilst **JKH** notched the “Top net Sellers” slot with a net outflow of **LKR 656.06Mn**.

Year-to-Date ASPI Movement - 2018 & 2019



Key Announcements

- **John Keells Holdings PLC (JKH)** announces that in response to its **offer to repurchase** 69.38Mn shares (being 5% of its issued shares), JKH has **received acceptances** of 32.2Mn shares (46.39% of the offer) and applications for additional repurchase of 68.53Mn shares.

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	1,410.10	187,323,751	264,145,221,285	10.15
JOHN KEELLS HOLDINGS PLC	JKH.No000	152.10	1,387,528,658	211,043,108,882	8.11
COMMERCIAL BANK OF CEYLON PLC	COMB.No000	115.00	945,709,403	108,756,581,345	4.18
NESTLE LANKA PLC	NEST.No000	1,700.10	53,725,463	91,338,659,646	3.51
DIALOG AXIATA PLC	DIAL.No000	10.20	8,143,778,405	83,066,539,731	3.19
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	16.20	4,600,000,000	74,520,000,000	2.86
CEYLON COLD STORES PLC	CCS.No000	685.60	95,040,000	65,159,424,000	2.50
SAMPATH BANK PLC	SAMP.No000	221.00	280,902,248	62,079,396,808	2.38
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	763,071,159	5,036,736
ANILANA HOTELS AND PROPERTIES PLC	1,708,550	1,553,217
MTD WALKERS PLC	15,291,038	1,160,153
EXPOLANKA HOLDINGS PLC	3,199,203	799,717
RENUKA AGRI FOODS PLC	844,400	402,200
SIERRA CABLES PLC	630,260	300,066
SAMPATH BANK PLC	54,622,260	247,181
EAST WEST PROPERTIES PLC	3,441,088	241,540
ORIENT FINANCE PLC	3,292,909	222,901
BROWNS INVESTMENTS PLC	356,448	209,692

Highest Turnover

Company Name	Share Vol.	Turnover (LKR)
JOHN KEELLS HOLDINGS PLC	5,036,736	763,071,159
SAMPATH BANK PLC	247,181	54,622,260
CEYLON COLD STORES PLC	26,745	18,719,085
COMMERCIAL BANK OF CEYLON PLC	153,326	17,632,146
MTD WALKERS PLC	1,160,153	15,291,038
SOFTLOGIC LIFE INSURANCE PLC	206,917	9,862,305
TEEJAY LANKA PLC	141,855	4,792,566
VALLIBEL FINANCE PLC	55,868	3,943,770
EAST WEST PROPERTIES PLC	241,540	3,441,088
CEYLON GRAIN ELEVATORS PLC	54,869	3,301,191

Top Gainers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
S M B LEASING [X]	0.30	0.10	50.00	1,524
TESS AGRO	0.50	0.10	25.00	10,851
MTD WALKERS	13.80	2.70	24.32	15,291,038
AMF CO LTD	603.00	103.00	20.60	177,875
BLUE DIAMONDS	0.60	0.10	20.00	1,201
DOLPHIN HOTELS	28.50	4.50	18.75	4,303
RENUKA FOODS	14.40	1.60	12.50	1,440
ASIA ASSET	0.90	0.10	12.50	969
Softlogic Life	49.00	4.60	10.36	9,862,305
ARPICO	172.30	13.20	8.30	919,886

Top Losers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
SATHOSA MOTORS	450.00	(84.50)	(15.81)	1,830,189
AMAYA LEISURE	41.60	(4.60)	(9.96)	707,139
CIC	40.30	(3.90)	(8.82)	24,180
COLD STORES	685.60	(64.40)	(8.59)	18,719,085
COMM LEASE & FIN	2.80	(0.20)	(6.67)	2,275
AGSTAR PLC	4.20	(0.20)	(4.55)	404,109
MERCHANT BANK	9.10	(0.40)	(4.21)	42,452
SOFTLOGIC FIN	24.00	(1.00)	(4.00)	96,071
KANDY HOTELS	4.90	(0.20)	(3.92)	7,151
KOTMALE HOLDINGS	159.10	(6.20)	(3.75)	58,619

Crossings

Name	Symbol	Price	Trades	T.Volume	Turnover
John Keells Holdings PLC	JKH.No000	151.50	8	5,029,420	761,957,130.00

Market Highlights & Statistics

Sector Wise Summary

Sector	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
BANK FINANCE AND INSURANCE	16,258.90	16,199.72	103,113,206	1,391,679	1,379	5.20	0.90
BEVERAGE FOOD AND TOBACCO	24,156.48	24,419.68	21,000,311	455,134	129	17.00	6.10
CONSTRUCTION AND ENGINEERING	1,379.80	1,363.58	17,607,843	1,345,818	881	16.40	0.50
CHEMICALS AND PHARMACEUTICALS	5,220.34	5,316.54	2,573,632	24,169	33	5.70	0.70
DIVERSIFIED HOLDINGS	1,536.35	1,535.22	771,428,734	6,536,305	240	10.70	0.90
FOOTWEAR AND TEXTILE	862.38	860.36	527,566	56,603	26	83.20	0.90
HOTELS AND TRAVELS	2,671.76	2,671.39	7,568,109	1,737,198	359	80.50	1.70
HEALTH CARE	803.93	801.60	251,763	13,084	19	16.40	1.80
INVESTMENT TRUSTS	9,501.78	9,505.36	396,663	34,023	17	30.80	0.40
INFORMATION TECHNOLOGY	25.52	25.52	44,260	10,300	6	0.00	0.00
LAND AND PROPERTY	551.30	549.59	4,999,493	318,038	205	5.50	0.60
MANUFACTURING	2,829.76	2,840.90	15,751,063	816,984	379	7.70	0.90
MOTORS	12,491.34	12,809.78	2,076,363	7,099	42	11.70	0.50
OIL PALMS	49,335.27	49,335.27	0	0	0	28.10	0.90
POWER & ENERGY	103.39	103.16	2,081,171	234,273	96	77.70	1.20
PLANTATIONS	735.02	733.50	66,465	4,465	59	10.00	0.70
STORES SUPPLIES	28,408.28	28,408.28	32,310	68	4	13.10	0.50
SERVICES	15,863.76	15,788.07	295,011	102,020	10	11.00	1.20
TELECOMMUNICATIONS	140.72	140.02	300,737	24,857	31	7.50	0.90
TRADING	11,755.50	11,723.99	42,317	66,007	31	29.00	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	0	0	0	4.90	0.60
Banks	810.25	809.63	76,508,160	493,262	270	5.70	0.80
Capital Goods	830.74	829.30	786,012,290	6,968,283	1,088	10.70	0.80
Commercial & Professional Services	763.45	763.45	800	16	1	0.00	1.00
Consumer Durables & Apparel	802.38	801.01	7,224,005	261,379	97	38.30	1.00
Consumer Services	255.65	255.55	7,568,109	1,737,198	359	84.30	1.70
Diversified Financials	767.27	768.77	13,718,190	619,439	494	5.20	0.80
Energy	587.17	588.68	277,499	13,633	60	0.00	0.90
Food & Staples Retailing	1,244.20	1,243.71	26,949	62,016	24	15.10	2.20
Food, Beverage & Tobacco	925.71	934.29	24,871,724	749,953	311	15.50	2.50
Health Care Equipment & Services	863.41	860.95	298,418	27,376	30	16.50	1.80
Household & Personal Products	1,012.04	1,012.04	0	0	0	13.80	1.90
Insurance	2,167.29	2,125.01	12,913,262	281,548	636	4.40	1.70
Materials	534.56	541.01	7,356,963	281,078	200	7.00	1.00
Pharmaceuticals, Biotechnology & Life Sciences	1,807.58	1,807.58	0	0	0	4.70	1.40
Real Estate	749.99	747.78	5,008,777	317,754	206	5.10	0.60
Retailing	756.59	764.37	2,378,731	111,119	48	14.90	0.70
Technology Hardware & Equipment	0.00	-	0	0	0	0.00	0.00
Telecommunication Services	735.26	731.56	300,737	24,857	33	7.50	0.90
Transportation	685.99	702.71	3,199,203	799,717	39	19.80	0.70
Utilities	734.49	728.65	1,803,672	220,640	37	8.70	0.70

Economic Indicators & Other Statistics

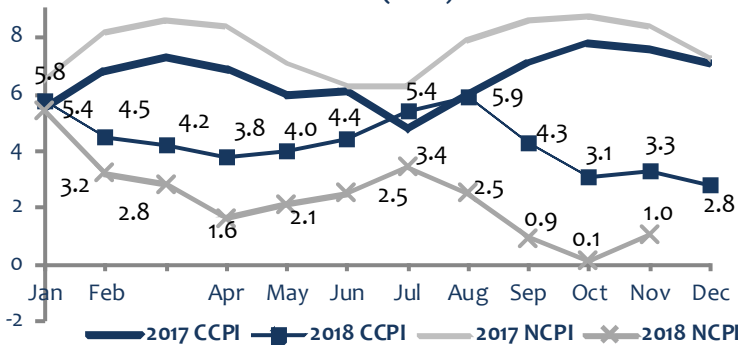
Exchange Rates

Currency	16th Jan		14th Jan	
	Buying	Selling	Buying	Selling
Dollar (USA)	180.06	184.04	179.81	183.76
Pound (UK)	230.09	237.57	230.00	237.49
Euro (EU)	204.00	211.22	204.98	212.22
Dollar (Australia)	128.34	133.80	128.10	133.57
Dollar (Canada)	134.82	139.84	134.62	139.62
Franc (Switzerland)	180.96	187.75	181.62	188.43
Renminbi (China)	26.27	27.52	26.33	27.58
Yen (Japan)	1.6496	1.7103	1.6526	1.7134
Dollar (Singapore)	132.21	136.72	132.27	136.78

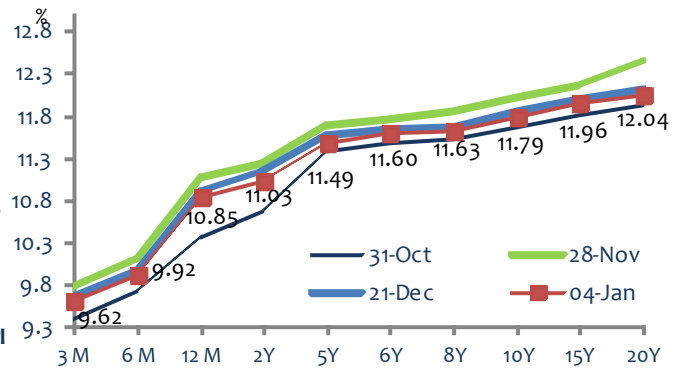
Indicative Rates

Currency	16th Jan	14th Jan
	Ind: Value	Ind: Value
Yuan (Offshore)	26.8813	26.9384
Rupee (India)	2.5646	2.5844
Won (Korean)	0.1624	0.1623
Dinar (Kuwait)	601.4275	600.6462
Ringgit (Malay)	44.2659	44.3832
Rial (Oman)	473.3738	472.1993
Riyal (Qatar)	50.0503	49.9391
Riyal (KSA)	48.5792	48.4654
Dirham (UAE)	49.6088	49.4986

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



Government Securities - Secondary Market Yield



Central Bank's Policy Rates

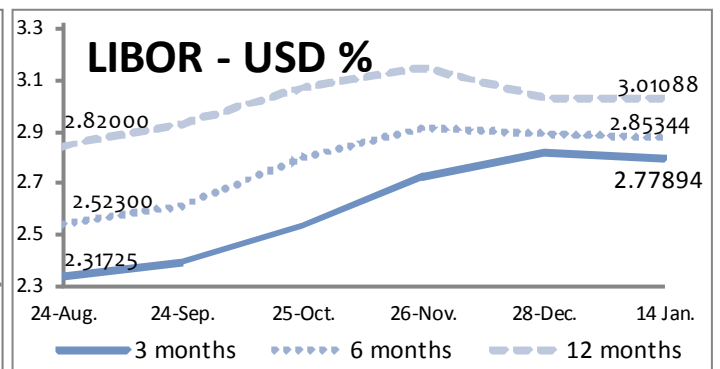
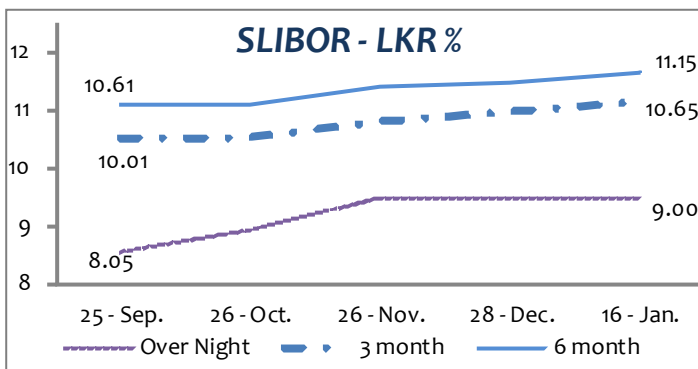
Description	Present	Previous		16.01.2019	09.01.2019	02.01.2019	19.12.2018
Standing Deposit Facility (SDF)	8.00%	7.25%	91 Days %	na	na	na	na
Standing Lending Facility (SLF)	9.00%	8.50%	182 Days %	9.87	9.94	9.95	9.99
Bank Rate	15.00%	15.00%	364 Days %	10.75	10.85	10.99	11.20
Statutory Reserve Ratio (SRR)	6.00%	7.50%	Amount	26Bn	20Bn	18Bn	18Bn

Treasury Bill Issuance

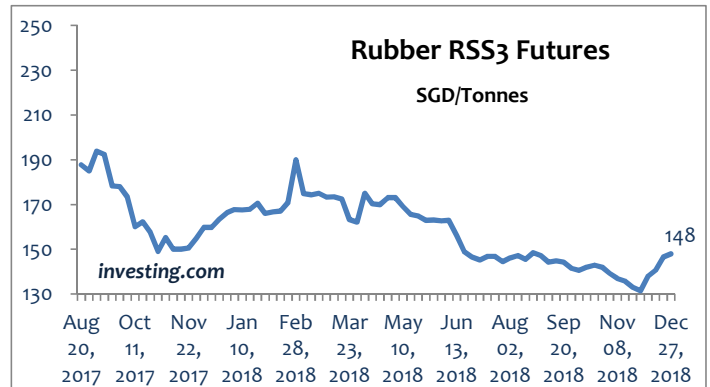
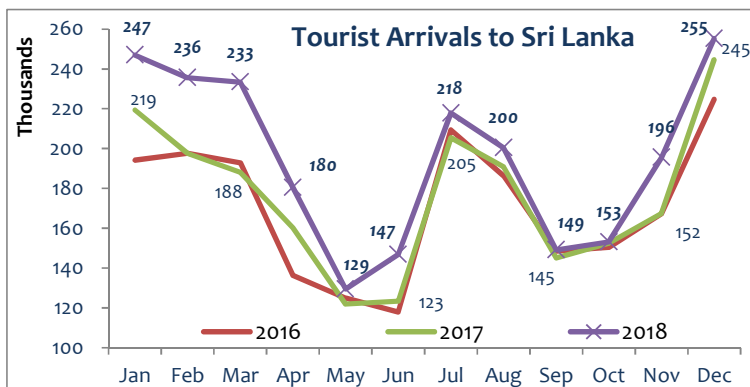
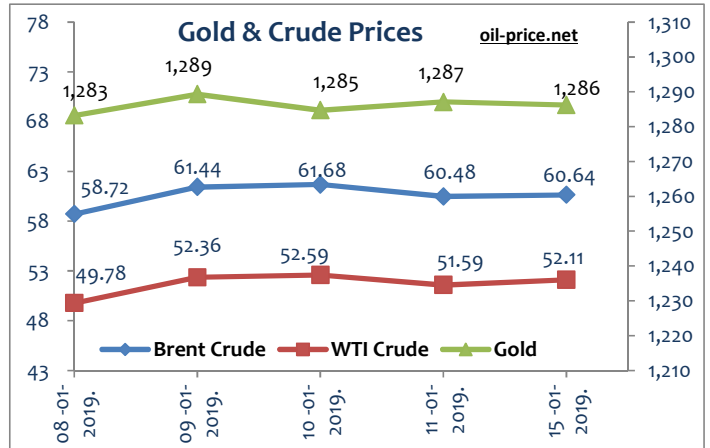
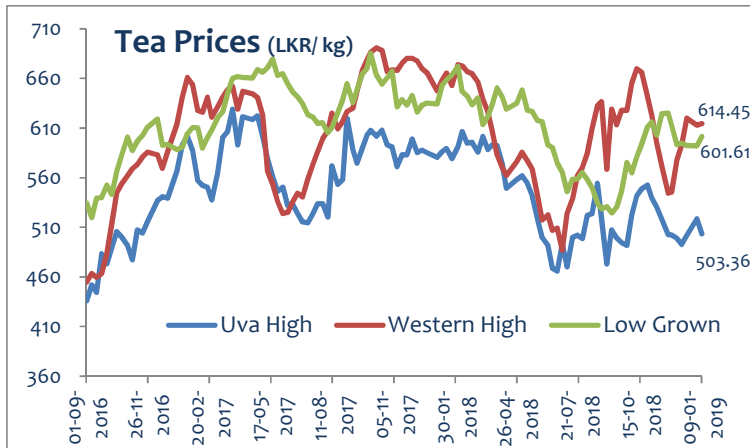
Date	13.12.2018	17.07.2016	11.01.2019	17.07.2016	17.09.2018	13.12.2018	11.01.2019	15.10.2018
Maturity	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	10 Years	15 Years
Current Yield	11.88	11.14	11.58	11.21	10.32	12.23	11.73	11.90
Previous Auction	17.09.2018	15.06.2017	15.10.2018	15.06.2017	16.07.2018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

Sri Lanka says has \$300 m loan offer from Bank of China, may increase to \$1 b

REUTERS: Sri Lanka is considering an offer from Bank of China for a loan of \$300 million, which could be raised to \$1 billion, to help it meet repayments in coming months, junior finance minister Eran Wickramaratne told Reuters on Tuesday. He also confirmed that Sri Lanka had started negotiations to increase the amount of a swap deal with India's Central Bank to \$1 billion, up from a previously negotiated \$400 million. A series of credit rating downgrades amid a political crisis have made it harder for Sri Lanka to borrow as it faces record high repayments of \$5.9 billion this year, \$2.6 billion of which fall due in the first three months.

REITS finally coming!

The Colombo Stock Exchange (CSE) is planning to introduce Real Estate Investment Trusts (REITs) as a new product to the market this year, a top official confirmed. "We are hoping that we will be able to facilitate REITs as a new product before the end of this year," CSE Chief Executive Officer Rajeeva Bandaranaike told Daily FT. REITs allow individual investors to buy shares in commercial real estate portfolios that receive income from a variety of properties, including apartment complexes, data centres, healthcare facilities, hotels, infrastructure (fibre cables, cell towers and energy pipelines), office buildings, retail centres, self-storage, timberland and warehouses. In addition he said they hoped that the SEC Act and the Demutualisation Act would introduce new regulations. "We believe the market liquidity has to improve before we bring in derivatives. This is very much on the agenda, but we will likely give priority to first introducing delivery versus payment (DVP) within the next one to two years." (ft.lk)

Sri Lanka looks to re-activate US\$500m Millennium Challenge grant

ECONOMYNEXT - Sri Lanka has had talks with the Millennium Challenge Corporation to resume a grant that was halted during a political crisis, Minister for Economic Reform Harsha de Silva said. He said Finance Minister Mangala Samaraweera and Treasury Secretary R H S Samarasinghe had held talks with MCC Chief Executive Jonathan Nash. De Silva said the grant agreement was due to be signed on December 17 but was suspended amid a political crisis.

Sri Lanka to re-start talks with IMF in mid February

ECONOMYNEXT - An International Monetary Fund team will arrive in Sri Lanka to start talks on resuming a program, Managing Director Christine Lagarde had said after meeting Finance Minister Mangala Samaraweera and Central Bank Governor Indrajit Coomaraswamy. "We agreed that a strong policy mix, with effective implementation of that agenda, is key to strengthening confidence, while putting Sri Lanka on a sustainable, high-quality growth path that would benefit its people," Lagarde said in a statement.

Foreign News

Global shares weather May's Brexit debacle, pound steadies

Global share markets and the sterling weathered a UK political storm as investors wagered that London will have no choice but to delay its Brexit deadline to avoid a disorderly exit from the European Union. Trading in Asian equities on Wednesday broadly mirrored overnight resilience in the face of the latest setback for British Prime Minister Theresa May. British opposition Labour Party leader Jeremy Corbyn called a vote of no confidence in May's government, to be held at 1900 GMT, after her Brexit plan was soundly defeated in parliament on Tuesday.

But many investors expect May to survive, and to subsequently pursue delaying the planned March 29 departure date, even as few investors have any clarity on what that would mean in the longer run.

MSCI's broadest index of Asia-Pacific shares outside Japan .MIAPJ0000PUS ticked up 0.14 percent in late trade, with Australian shares hitting two-month highs and South Korea's Kospi .KS11 and Hong Kong's Hang Seng .HSI reaching six-week tops.

Equity markets had rallied on Tuesday after Chinese officials came out in force to signal more measures to stabilize a slowing economy. Underscoring that commitment, China's central bank earlier on Wednesday injected a record amount of money into the country's financial system.

Japan's Nikkei .N225 lost 0.55 percent while China's blue-chip CSI300 index of Shanghai and Shenzhen shares .CSI300 was flat, holding on to most of the previous session's gains, when it rose nearly 2 percent.

In Tuesday's session on Wall Street, the S&P 500 .SPX rallied 1.1 percent as technology and internet stocks gained on Netflix Inc's (NFLX.O) plans to raise fees for U.S. subscribers. The S&P 500 communication services index .SPLRCL, which includes Netflix and Alphabet Inc (GOOGL.O), jumped 1.7 percent, while the technology sector .SPLRCT tacked on 1.5 percent.

The China stimulus hints and dovish remarks by one of the U.S. central bank's most hawkish policymakers also helped lift the U.S. market.

In commodities, oil prices held firm after 3-percent gains on Tuesday on China's promise of more stimulus. Worries over slowing China demand have been one of the key factors in the recent slide in oil. International Brent crude oil futures LCOc1 were last up 6 cents, or 0.1 percent, at \$60.70 a barrel. U.S. crude futures CLc1 were almost flat at \$52.13 a barrel. Spot gold XAU= was 0.2 percent up at \$1,291.5, holding not far off a seven-month peak of \$1,298.60 scaled on Jan. 4. (reuters.com)

German economic growth slowest for five years

Germany's economy grew by 1.5% last year, its slowest rate since 2013, the latest official figures show. Figures from the Federal Statistics Office showed Europe's largest economy slowed sharply as the year wore on. A weaker global economy and problems in the car industry, caused by new pollution standards, have been cited as contributing to the slowdown. At the start of 2018, the German economy had been expected to grow by 1.8%. Growth was 2.2% in 2017. Germany's economy had shrunk in the third quarter of the year, by 0.2%, with global trade disputes blamed for the contraction. There were fears that Germany was at risk of following that with another quarter of negative growth, something that would have put the country into recession. (bbc.com)

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