

DAILY STOCK MARKET HIGHLIGHTS

Thursday, 17 January 2019



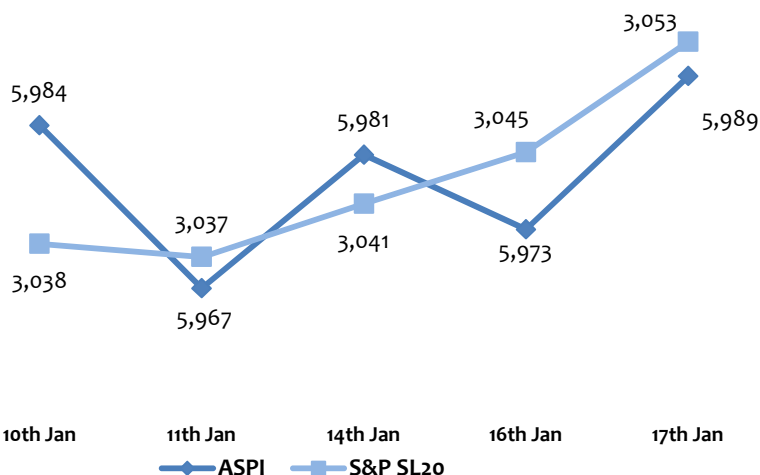
ASHA PHILLIP
SECURITIES LTD

Sri Lanka

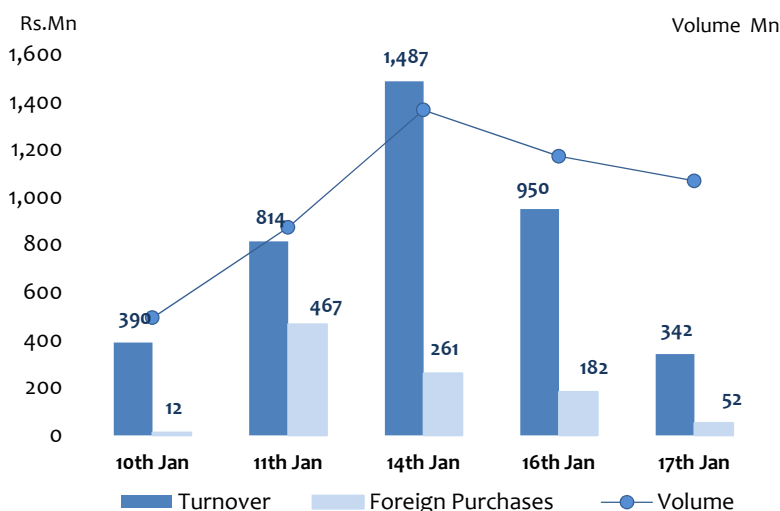
Daily Market Statistics

Index	17th Jan	16th Jan	Change	% Change
ASPI	5,989.12	5,973.34	↑ 15.78	↑ 0.26%
S&P SL20	3,053.25	3,044.72	↑ 8.53	↑ 0.28%
Market Stats (LKR, Mn)		17th Jan	16th Jan	% Change
Turnover		341.69	950.16	↓ -64.0%
Domestic Purchases		289.43	768.17	↓ -62.3%
Domestic Sales		282.24	147.55	↑ 91.3%
Foreign Purchases		52.26	181.99	↓ -71.3%
Foreign Sales		59.45	802.61	↓ -92.6%
Share Volume		12.01	13.18	↓ -8.8%
Market capitalization (Bn)		2,809.77	2,802.37	↑ 0.26%
PER		9.57	9.52	↑ 0.53%
PBV		1.16	1.16	↓ 0.00%

Market Indices



Turnover, Volume and Foreign Purchase



Performance of the Market

- Bourse witnessed overall positive signs, speculation on several counters triggered the retail investor activities. Two companies said, they are not aware of reasons for such increased level of activities. Foreign investor participation declined considerably, compared to the previous sessions.
- Benchmark index ASPI moved between 5,975.15 - 5,996.15 points and settled the day at 5,989.12 with a gain of 15.78 points (+0.26%).
- Major contributors for the movement in ASPI were **JKH (+7.1)**, **CTC (+4)**, **CCS (+2.8)**, **MELS (+2.5)**, **SAMP (+1.9)**, **DIAL (-3.5)**, **SLTL (-2.3)**, **SHL (-1.8)**, **DIST (-1)** & **PLC (-0.7)**
- S&P SL20 index also followed a same trend and settled the day at 3,053.25 with a gain of 8.53 points (+0.28%).
- The day's turnover was recorded as LKR 341.69Mn, down by 64% from its previously recorded LKR 950.16Mn. Foreign investors remained net sellers for the day.
- The total market capitalization stood at LKR 2.81Tn, indicating an YTD loss of 1.04%.
- The market PER & PBV were at 9.57x & 1.16x respectively.

Top Contributors – Turnover

1. Hunas Falls Hotels PLC (HUNA) contributed 46% (156.65Mn) of the turnover. HUNA traded between LKR 178.00 & 187.00 and settled the day at LKR 186.50 with a gain of LKR 7.60 (+4.25%); about 77% (119.9Mn) of its turnover was contributed through 3 off board trades of 0.64Mn shares negotiated at the price of LKR 187.00
2. John Keells Holdings PLC (JKH) had contributed LKR 43.23Mn. JKH traded between LKR 152.00 & 155.00 and settled the day at LKR 154.50 with a gain of LKR 2.40 (+1.58%).
3. MTD Walkers PLC (KAPI) contributed LKR 31.72Mn. KAPI traded between LKR 14.30 & 17.20 and settled the day at LKR 16.80 with a gain of LKR 3.00 (+21.74%).

Top contributors - Traded Volume

1. MTD Walkers PLC traded a total of 1.97Mn shares.
2. Anilana Hotels and Properties PLC (1.88Mn shares)
3. Marawila Resorts PLC (1.45Mn shares).

Sectorial Overview

1. Hotels & Travels (H&T) stood on top providing LKR 166.08Mn capturing 49% of the total turnover.
2. Diversified Holdings (DIV) provided LKR 57.67Mn to the daily aggregated turnover.
3. Bank Finance & Insurance (BFI) provided LKR 44.26Mn

Daily Foreign Transactions

Net Foreign Purchases

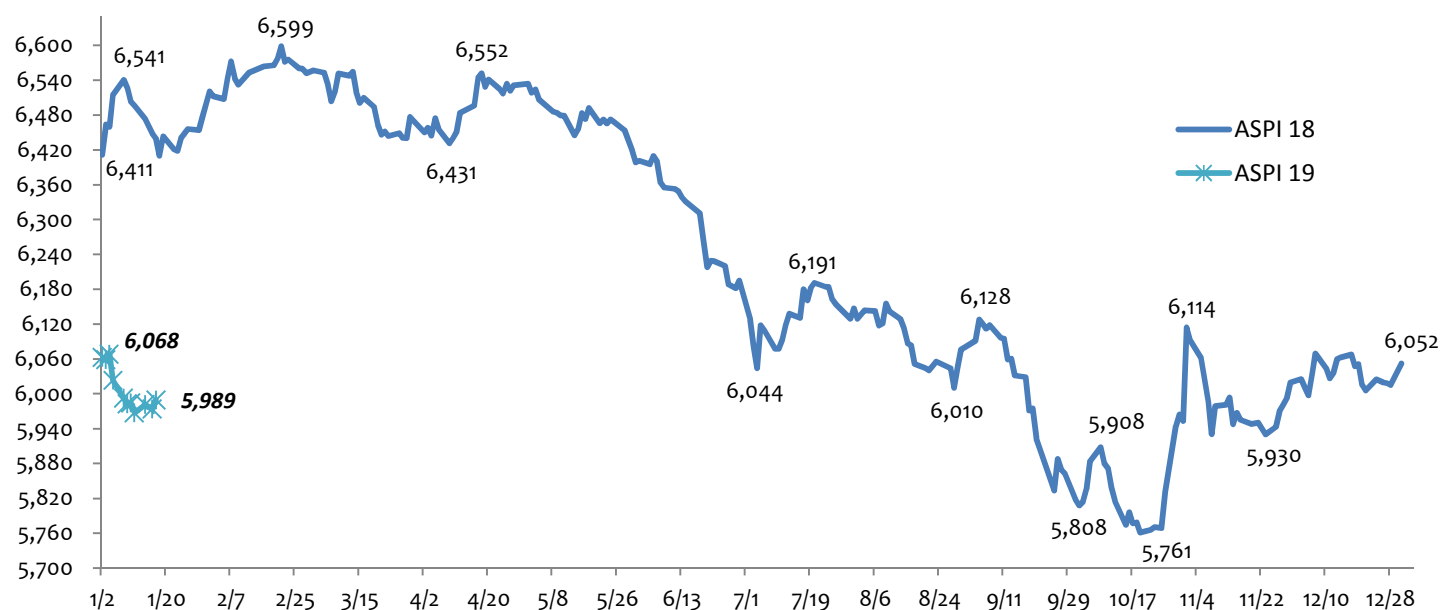
Company Name	Avg Price	Net change in Qty	Net Foreign Inflow
TEEJAY LANKA	34.00	528,314	17,962,676
LB FINANCE	122.10	10,148	1,239,071
MULTI FINANCE	16.50	56,438	931,227
L O L C HOLDINGS	88.50	9,400	831,900
ALLIANCE	57.00	10,000	570,000
BROWNS INVSTMNTS	1.70	198,900	338,130
LVL ENERGY	8.0	30,000	240,000
HOTEL SIGIRIYA	59.30	4,000	237,200
ACCESS ENG SL	13.80	10,700	147,660
RICHARD PIERIS	10.20	10,000	102,000

Net Foreign Sales

Company Name	Avg Price	Net change in Qty	Net Foreign Outflow
JKH	154.50	(78,292)	(12,096,114)
HEMAS HOLDINGS	87.60	(110,000)	(9,636,000)
MTD WALKERS	16.80	(108,838)	(1,828,478)
DIALOG (+)	10.00	(125,150)	(1,251,500)
COMMERCIAL BANK (+)	114.80	(10,000)	(1,148,000)
SEYLAN BANK[X.0000]	43.10	(24,200)	(1,043,020)
RENUKA FOODS	14.10	(72,150)	(1,017,315)
ANILANA HOTELS	1.10	(606,305)	(666,936)
MERCHANT BANK (+)	9.70	(60,900)	(590,730)
TOKYO CEMENT	23.50	(19,500)	(458,250)

- **Aggregate foreign buying** for the day totaled up to **LKR 52.26Mn**.
- **Foreign sales** for the day amounted to **LKR 59.45Mn**.
- **Net foreign outflow** for the day was **LKR 7.19Mn**, **YTD net foreign outflow** presently stands at **LKR 1.94Bn**.
- **TJL** notched the “Top Net Purchasers” slot with a net inflow of **LKR 17.96Mn** whilst **JKH** notched the “Top net Sellers” slot with a net outflow of **LKR 12.1Mn**.

Year-to-Date ASPI Movement - 2018 & 2019



Key Announcements

- **Serenity Lake Leisure (Private) Limited** has announced a **mandatory offer** to purchase all the remaining issued and paid up ordinary voting shares of **Hunas Falls Hotels PLC (HUNA)** at a price of LKR 187 per share. Said, a detailed Offer Document giving other relevant information including the period during which the Offer would be kept open, will be forwarded to the shareholders within 35 days (i.e. on or before 18th Feb 2019).
- **Asia Asset Finance PLC (AAF)** has published the dates for its proposed corporate actions and a circular explaining the matter to shareholders.
- **MTD Walkers PLC (KAPI.N)** clarifying to CSE on the unusual trading activities of its securities said, Company has not engaged in any undisclosed price sensitive business activities or transactions to escalate the share price and do not have any knowledge of the reason for such an increase of price of the share and the volume of shares traded, as intimated by the Colombo Stock Exchange.
- The Board of **Associated Motor Finance PLC (AMF)** also said, “Company is not aware of any undisclosed information or any other reason that may have influenced the price of the Company's shares during 1st Jan 2019 to 16th Jan 2019.

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
EAST	17-Jan-19
BLUE	28-Jan-19
RGEM	29-Jan-19

Company	Date
COMB	28-Mar-19
DFCC	28-Mar-19
SEYB	29-Mar-19

Company	Date
HASU	28-Mar-19
HNB	29-Mar-19

Company	Date
SAMP	29-Mar-19
PABC	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
CTC	19.00	4 th Interim	10.Jan.2019	22.Jan.2019	HEXP	3.00	Interim	14.Jan.2019	23.Jan.2019
HAYC	2.00	Interim	14.Jan.2019	23.Jan.2019	DIPD	1.00	Interim	14.Jan.2019	23.Jan.2019

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	31 Jan 2019.	01 FEB to 06 FEB 2019	7th Feb 2019

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

Company,	Issue P	Issue Price	Proportion	XR Date	Letter Dispatch	Trading of Rights	Acceptance
Asia Asset Finance PLC (AAF.N) - TR-1		LKR 10.00	03 for 10	14 Feb 2019.	20 Feb 2019.	26 Feb - 06 Mar.	07 Mar 19.
Asia Asset Finance PLC (AAF.N) - TR-2		LKR 10.00	02 for 10	3 Apr 2019.	8 Apr 2019.	12 Apr - 23 Apr.	24 Apr 19.

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

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)	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	1,420.00	187,323,751	265,999,726,420	10.19
JOHN KEELLS HOLDINGS PLC	JKH.No000	154.50	1,387,528,658	214,373,177,661	8.21
COMMERCIAL BANK OF CEYLON PLC	COMB.No000	114.80	945,709,403	108,567,439,464	4.16
NESTLE LANKA PLC	NEST.No000	1,700.10	53,725,463	91,338,659,646	3.50
DIALOG AXIATA PLC	DIAL.No000	10.00	8,143,778,405	81,437,784,050	3.12
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	16.10	4,600,000,000	74,060,000,000	2.84
CEYLON COLD STORES PLC	CCS.No000	699.20	95,040,000	66,451,968,000	2.55
SAMPATH BANK PLC	SAMP.No000	224.10	280,902,248	62,950,193,777	2.41
MELSTACORP PLC	MELS.No000	48.00	1,165,397,072	55,939,059,456	2.14

Highest Volume

Company Name	Turnover (Rs)	Share Vol.
MTD WALKERS PLC	31,723,056	1,966,034
ANILANA HOTELS AND PROPERTIES PLC	2,093,572	1,880,520
MARAWILA RESORTS PLC	2,605,343	1,450,500
HUNAS FALLS HOTELS PLC	156,654,796	838,285
TEEJAY LANKA PLC	18,026,521	530,209
ORIENT FINANCE PLC	5,227,888	343,454
PIRAMAL GLASS CEYLON PLC	1,159,633	314,817
PEOPLE'S LEASING & FINANCE PLC	4,152,583	280,341
JOHN KEELLS HOLDINGS PLC	43,232,304	280,056
SERENDIB ENGINEERING GROUP PLC	2,267,141	274,039

Highest Turnover

Company Name	Share Vol.	Turnover (LKR)
HUNAS FALLS HOTELS PLC	838,285	156,654,796
JOHN KEELLS HOLDINGS PLC	280,056	43,232,304
MTD WALKERS PLC	1,966,034	31,723,056
TEEJAY LANKA PLC	530,209	18,026,521
HEMAS HOLDINGS PLC	110,101	9,644,873
JANASHAKTHI INSURANCE COMPANY PLC	222,259	6,818,610
ORIENT FINANCE PLC	343,454	5,227,888
HAYLEYS FIBRE PLC	54,040	4,564,704
PEOPLE'S LEASING & FINANCE PLC	280,341	4,152,583
RICHARD PIERIS EXPORTS PLC	16,937	3,896,409

Top Gainers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
MTD WALKERS	16.80	3.00	21.74	31,723,056
AMF CO LTD	720.30	117.30	19.45	141,542
MULLERS	0.70	0.10	16.67	3,242
RENUKA HOTELS	63.50	8.50	15.45	10,090
SERENDIB ENG.GRP	8.40	1.00	13.51	2,267,141
ARPICO	195.00	22.70	13.17	2,545,807
THE FINANCE CO. [X]	0.90	0.10	12.50	64,906
EDEN HOTEL LANKA	16.20	1.60	10.96	452,970
LANKA ALUMINIUM	61.20	6.00	10.87	113,513
PEOPLE'S MERCH	10.60	0.80	8.16	302,297

Top Losers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
NATION LANKA	0.60	(0.10)	(14.29)	19,281
KEELLS FOOD	136.00	(11.00)	(7.48)	34,415
EASTERN MERCHANT	4.10	(0.30)	(6.82)	16,410
DIALOG FINANCE	43.00	(2.50)	(5.49)	58,739
RENUKA AGRI	2.00	(0.10)	(4.76)	209,560
RAIGAM SALTERNS	2.10	(0.10)	(4.55)	6,405
R I L PROPERTY	6.60	(0.30)	(4.35)	138,508
HOTELS CORP.	11.50	(0.50)	(4.17)	7,507
SOFTLOGIC	19.80	(0.70)	(3.41)	152,531
DANKOTUWA PORCEL	5.90	(0.20)	(3.28)	303,494

Crossings

Name	Symbol	Price	Trades	T.Volume	Turnover
Hunas Falls Hotels PLC	HUNA.No000	187.00	3	641,155	119,895,985.00

Market Highlights & Statistics

Sector Wise Summary

Sector	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
BANK FINANCE AND INSURANCE	16,292.40	16,258.90	44,255,915	2,049,252	1,473	5.30	0.90
BEVERAGE FOOD AND TOBACCO	24,238.39	24,156.48	1,998,244	193,907	99	16.90	6.10
CONSTRUCTION AND ENGINEERING	1,420.45	1,379.80	33,061,807	2,089,380	1,278	16.80	0.60
CHEMICALS AND PHARMACEUTICALS	5,246.90	5,220.34	145,128	7,860	16	7.30	0.70
DIVERSIFIED HOLDINGS	1,549.40	1,536.35	57,670,725	1,027,391	239	10.80	0.90
FOOTWEAR AND TEXTILE	864.40	862.38	976,605	103,847	59	53.30	0.90
HOTELS AND TRAVELS	2,683.52	2,671.76	166,084,738	4,631,459	679	81.00	1.70
HEALTH CARE	803.93	803.93	228,726	24,043	44	16.40	1.80
INVESTMENT TRUSTS	9,540.32	9,501.78	548,133	40,329	41	30.20	0.40
INFORMATION TECHNOLOGY	26.08	25.52	2,204	501	2	0.00	0.00
LAND AND PROPERTY	548.20	551.30	2,646,855	312,866	197	5.40	0.60
MANUFACTURING	2,836.42	2,829.76	30,664,807	1,120,393	536	7.90	0.90
MOTORS	12,442.80	12,491.34	111,552	260	22	12.20	0.50
OIL PALMS	49,335.27	49,335.27	5,240	4	2	28.10	0.90
POWER & ENERGY	103.20	103.39	1,306,851	216,054	86	77.60	1.20
PLANTATIONS	735.39	735.02	290,935	30,339	71	11.40	0.70
STORES SUPPLIES	28,408.28	28,408.28	729	1	1	13.10	0.50
SERVICES	15,813.16	15,863.76	20,312	7,004	10	10.90	1.20
TELECOMMUNICATIONS	137.69	140.72	1,557,985	150,782	87	7.30	0.90
TRADING	11,739.46	11,755.50	111,446	6,983	7	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	482.57	495.98	72,037	2,001	2	4.80	0.60
Banks	811.34	810.25	7,328,922	129,947	163	5.70	0.80
Capital Goods	838.42	830.74	92,012,224	2,908,068	1,596	10.90	0.80
Commercial & Professional Services	763.45	763.45	0	0	0	0.00	1.00
Consumer Durables & Apparel	812.94	802.38	24,161,052	773,461	274	36.40	1.10
Consumer Services	258.89	255.65	166,084,736	4,631,459	679	84.80	1.70
Diversified Financials	769.26	767.27	23,607,452	1,359,757	966	5.30	0.80
Energy	587.49	587.17	82,546	4,179	28	0.00	0.90
Food & Staples Retailing	1,244.20	1,244.20	634	1,267	2	15.10	2.20
Food, Beverage & Tobacco	929.54	925.71	3,393,959	501,299	266	15.60	2.50
Health Care Equipment & Services	864.12	863.41	234,172	29,175	52	16.50	1.80
Household & Personal Products	1,001.26	1,012.04	62,084	5,500	16	13.70	1.80
Insurance	2,173.31	2,167.29	13,347,471	553,374	377	4.40	1.70
Materials	536.30	534.56	7,049,539	428,006	254	7.60	1.00
Pharmaceuticals, Biotechnology & Life Sciences	1,807.58	1,807.58	10,540	18	4	4.70	1.40
Real Estate	745.54	749.99	377,932	38,735	48	5.10	0.60
Retailing	754.65	756.59	93,114	5,212	23	14.90	0.70
Technology Hardware & Equipment	0.00	-	0	0	0	0.00	0.00
Telecommunication Services	719.42	735.26	1,557,985	150,782	88	7.30	0.90
Transportation	685.99	685.99	208,836	52,177	15	19.80	0.70
Utilities	731.21	734.49	1,224,305	211,875	58	8.60	0.70

Economic Indicators & Other Statistics

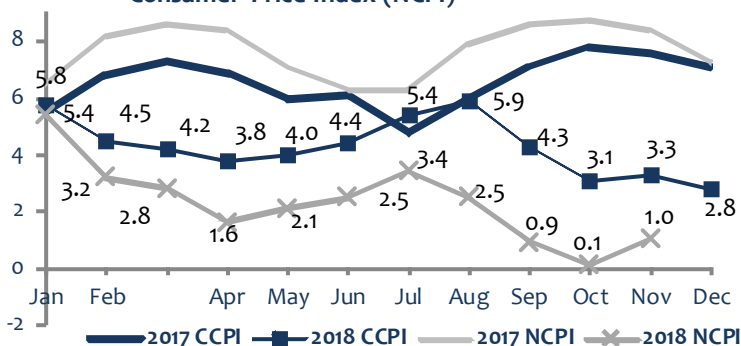
Exchange Rates

Currency	17th Jan		16th Jan	
	Buying	Selling	Buying	Selling
Dollar (USA)	180.22	184.10	180.06	184.04
Pound (UK)	231.01	238.39	230.09	237.57
Euro (EU)	204.00	211.11	204.00	211.22
Dollar (Australia)	127.89	133.27	128.34	133.80
Dollar (Canada)	134.97	139.91	134.82	139.84
Franc (Switzerland)	180.75	187.07	180.96	187.75
Renminbi (China)	26.34	27.58	26.27	27.52
Yen (Japan)	1.6439	1.7033	1.6496	1.7103
Dollar (Singapore)	132.30	136.74	132.21	136.72

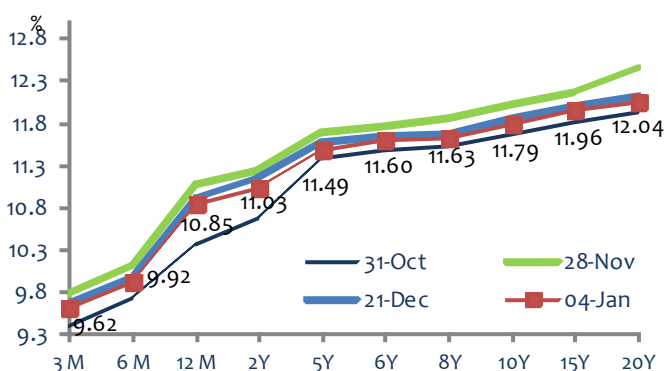
Indicative Rates

Currency	17th Jan	16th Jan
	Ind: Value	Ind: Value
Yuan (Offshore)	26.9587	26.8813
Rupee (India)	2.5695	2.5646
Won (Korean)	0.1627	0.1624
Dinar (Kuwait)	601.9704	601.4275
Ringgit (Malay)	44.3975	44.2659
Rial (Oman)	473.7396	473.3738
Riyal (Qatar)	50.0954	50.0503
Riyal (KSA)	48.6224	48.5792
Dirham (UAE)	49.6536	49.6088

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



Government Securities - Secondary Market Yield



Central Bank's Policy Rates

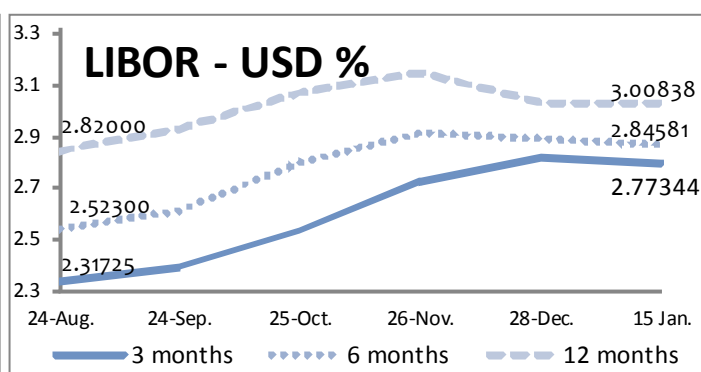
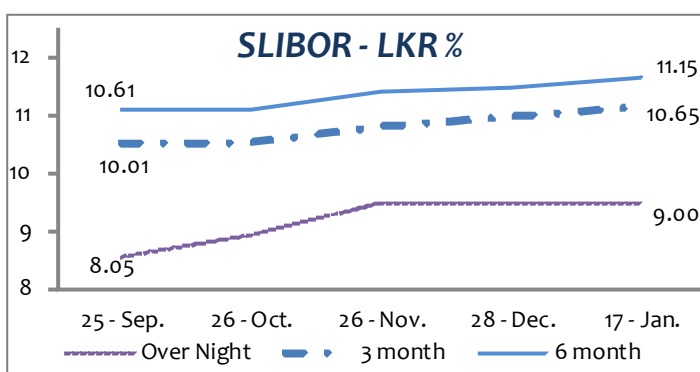
Description	Present	Previous		16.01.2019	09.01.2019	02.01.2019	19.12.2018
Standing Deposit Facility (SDF)	8.00%	7.25%	91 Days %	na	na	na	na
Standing Lending Facility (SLF)	9.00%	8.50%	182 Days %	9.87	9.94	9.95	9.99
Bank Rate	15.00%	15.00%	364 Days %	10.75	10.85	10.99	11.20
Statutory Reserve Ratio (SRR)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

Treasury Bill Issuance

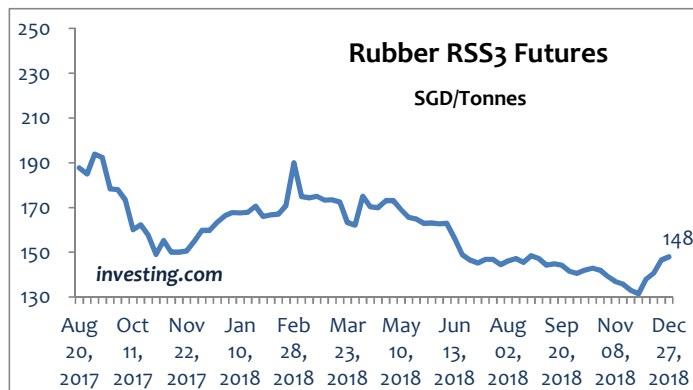
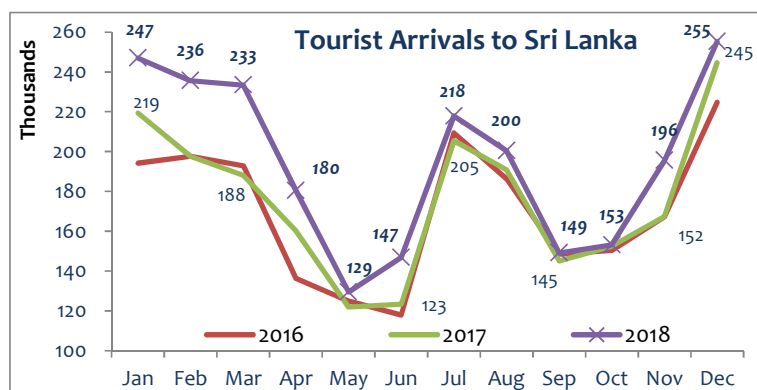
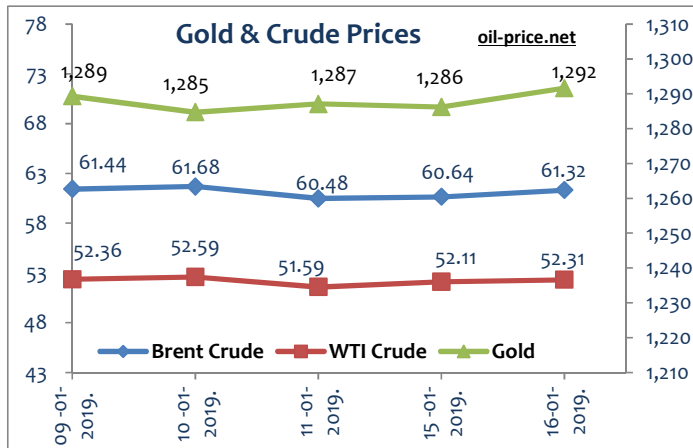
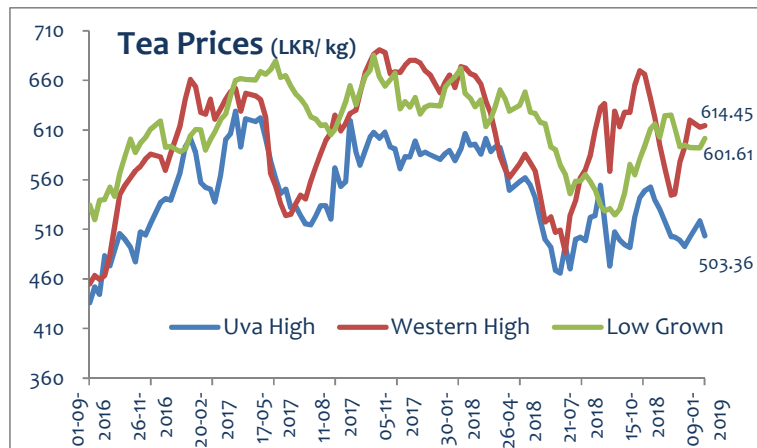
Date	13.12.2018	17.07.2016	11.01.2019	17.07.2016	17.09.2018	13.12.2018	11.01.2019	15.10.2018
Maturity	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	10 Years	15 Years
Current Yield	11.88	11.14	11.58	11.21	10.32	12.23	11.73	11.90
Previous Auction	17.09.2018	15.06.2017	15.10.2018	15.06.2017	16.07.2018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

Central Bank subscribes to Rs.90bn Treasury bills to assist govt financing

(LBO) – Central Bank says it subscribed to Treasury bills amounting to 90Bn rupees during this month at the request of the Treasury to assist financing needs of the government. The bank said there is a delay in receiving expected foreign currency financing arrangements as envisaged in the Treasury’s cash flow for the month of January 2019. “The Monetary Board has acceded to the Treasury’s request in the national interest and under exceptional circumstances,” the Central Bank said. “Having reviewed the macroeconomic consequences of subscribing to T-bills, the Govt has agreed to reverse part of the transaction in February and the balance during the first quarter of 2019 once the Government’s borrowing programme is brought back on track with realisation of expected financial arrangements.”

Sri Lanka re-tenders Mannar Basin offshore block for natural gas development

ECONOMYNEXT- Sri Lanka has reopened tenders for the M2 off-shore block in the Mannar Basin for fossil fuel development and discovery in January, the Petroleum Resources Development Secretariat said. The M2 block has two discovered natural gas wells 'Dorado' and 'Barracuda' and further drilling prospects. "Bidders are expected to consider both development of the discoveries and the exploration of the rest of the M2 block," PRDS said in its request for bids announcement. Bids will close on May 07, 2019. The two wells in the M2 block were discovered by Indian oil firm Cairn in 2011, when it made four drillings at a cost of 240Mn US dollars, after winning a bidding round in 2007. The company then abandoned international operations during the shale oil boom in 2015. The two wells are estimated to have 2Tn cubic feet of natural gas and 10Mn barrels of condensate, the PRDS has said. Following government inquiries in 2017 and 2018, 12 international petroleum companies had shown interest in the two wells. Developing the wells and infrastructure to make the natural gas available for domestic power generation, an investment of around a billion dollars will be needed, PRDS has said in the past. It has said that the 9 blocks in the Mannar Basin alone could have the potential of an additional 5Bn barrels of oil and 9Tn cubic feet of natural gas which would be sufficient for Sri Lanka’s energy needs for the next 60 years.

Colombo Port City land sales to begin from June onwards

The sale of land blocks at Colombo Port City (CPC) will commence after June this year following the conclusion of the legal framework that governs the reclaimed land and special incentive packages for investors. CHEC Port City Colombo (Pvt.) Ltd, the Sri Lankan company handling the project for China Communications Construction (CCC) and the Megapolis and Western Development Ministry yesterday celebrated the completion of land reclamation of CPC, which was achieved three months ahead of the schedule. According to Megapolis and Western Development Minister Patali Champika Ranawaka, over 70 million cubic meters of sand had been used to fill the 269 hectares. Megapolis and Western Development Ministry Secretary Eng. Nihal Rupasinghe told Mirror Business that once the setting up of the legal framework is completed and the investments incentives are announced, the land sales would commence formally, after June this year. The minister has already submitted a Cabinet paper seeking 269 hectares of CPC land to be deceded as part of the territory of the Western Province and Rupasinghe expects that special legislation for Colombo International Financial City (CIFC), which would be located at CPC, would be tabled in Parliament for approval, within two to three months.

Foreign News

Stock markets mixed in Asia, pound finds some peace

(Reuters) - Asian stocks nudged higher on Thursday after see-sawing through a subdued session on concerns over China's economic outlook, while an anti-climactic end to the latest chapter in the Brexit saga offered sterling a moment's peace.

Fresh news was thin on the ground leaving MSCI's broadest index of Asia-Pacific shares outside Japan .MIAPJ0000PUS up a slight 0.2 percent. Japan's Nikkei .N225 was almost flat after dithering in both directions.

China's blue chip index .CSI300 recouped early losses to gain 0.4 percent. It had been weighed by a fall in the country's second largest home appliances maker, Gree Electric 00065.SZ, after it warned of slower profit growth as the economy loses steam.

China's Premier Li Keqiang took to the radio to promise increased government investment this year. The country's central bank did its part by injecting more cash into the financial system, bringing the amount for the week to a massive 1.14 trillion yuan (\$168.74 billion).

Stoking some caution was news that a bipartisan group of U.S. lawmakers introduced bills on Wednesday that would ban the sale of U.S. chips or other components to Huawei Technologies Co Ltd HWT.UL or other Chinese telecommunications companies that violate U.S. sanctions or export control laws.

Also lurking in the background were worries the U.S. government shutdown was starting to take a toll on its economy. White House economic adviser Kevin Hassett said the shutdown would shave 0.13 percent off quarterly economic growth for each week it goes on.

As expected, British Prime Minister Theresa May narrowly won a confidence vote overnight and invited other party leaders for talks to try to break the impasse on a Brexit divorce deal.

In commodity markets, palladium XPD= hit record highs thanks to increasing demand and lower supply of the metal used in auto catalysts. Spot gold XAU= was little changed at \$1,294.91 per ounce.

Oil prices eased as traders worried about the strength of demand in the United States after gasoline stockpiles there grew last week by far more than analysts had expected. U.S. crude futures CLc1 fell 30 cents to \$52.01 per barrel, while Brent CLOc1 slipped 28 cents to \$61.04. (reuters.com)

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