

# DAILY STOCK MARKET HIGHLIGHTS

Friday, 21 December 2018



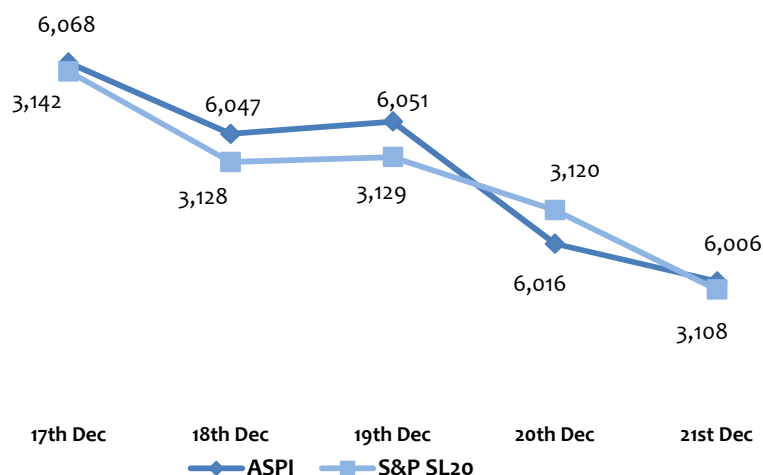
ASHA PHILLIP  
SECURITIES LTD

SriLanka

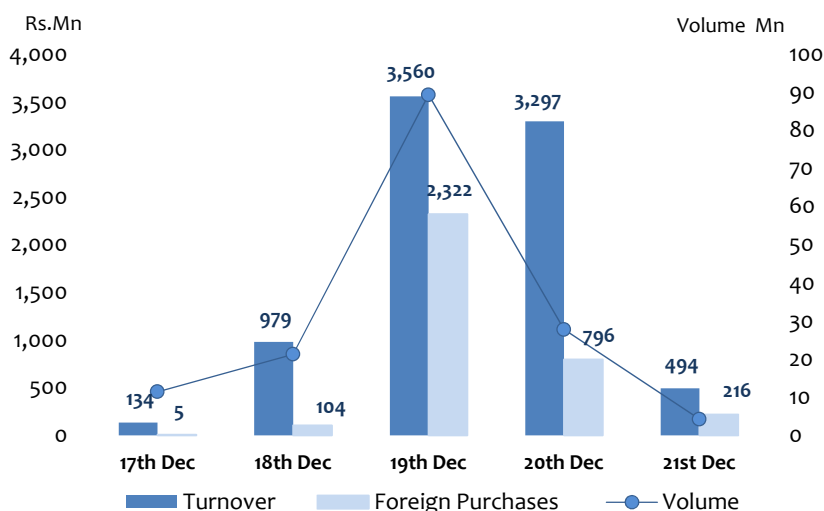
## Daily Market Statistics

Index	21st Dec	20th Dec	Change	% Change
ASPI	6,005.65	6,016.36	↓ (10.71)	↓ -0.18%
S&P SL20	3,108.18	3,120.49	↓ (12.31)	↓ -0.39%
Market Stats (LKR, Mn)		21st Dec	20th Dec	% Change
Turnover		494.05	3,296.91	↓ -85.0%
Domestic Purchases		277.67	2,500.75	↓ -88.9%
Domestic Sales		134.63	674.84	↓ -80.0%
Foreign Purchases		216.38	796.16	↓ -72.8%
Foreign Sales		359.42	2,622.07	↓ -86.3%
Share Volume		4.25	27.78	↓ -84.7%
Market capitalization (Bn)		2,817.53	2,822.55	↓ -0.18%
PER		9.57	9.59	↓ -0.21%
PBV		1.17	1.17	↓ 0.00%

## Market Indices



## Turnover, Volume and Foreign Purchase



## Performance of the Market

- Bourse witnessed another sluggish session due to the volatility in the global markets and X-mas season. Local investors were seen clueless about the latest developments in the global economy. ASPI moved between 6,005.65 - 6,036.24 points and settled the day at 6,005.65 with a loss of 10.71 points (-0.18%).
- Major contributors for the movement in ASPI were LOFC (+1.8), SHL (+1), PLC (+1), DIST (+1), HNB (+0.8), JKH (-8.9), CTCE (-3), MELS (-1.2), NEST (-1.1) & COMB (-1)
- S&P SL20 index also followed the same trend and settled the day at 3,108.18 with a loss of 12.31 points (-0.39%).
- The day's turnover was recorded as LKR 494.05Mn, down by 85% from its previously recorded LKR 3,296.91Mn. Foreign investors remained net sellers for the day.
- The total market capitalization stood at LKR 2.82Tn, indicating an YTD loss of 2.82%.
- The market PER & PBV were at 9.57x & 1.17x respectively.

## Top Contributors - Turnover

- Ceylon Tobacco Company PLC (CTC) topped the turnover list with 41% (202.81Mn) contribution to the day's total turnover. CTC traded and settled the day at LKR 1,450 on par with its previous closing; majority of its turnover was contributed through 3 off board trades of 142,567 shares negotiated at the price of LKR 1,422.50
- John Keells Holdings PLC (JKH) stood second by adding LKR 146.1Mn to the day's total turnover. JKH traded between LKR 157.00 & 160.00 and settled the day at LKR 157.00 with a loss of LKR 3.00 (-1.88%).
- Sampath Bank PLC (SAMP) contributed LKR 100.96Mn to the total turnover and secured the third slot. SAMP traded between LKR 235.00 & 237.00 and settled the day at LKR 235.30 with a loss of LKR 1.50 (-0.63%).

### Traded Volume

- John Keells Holdings PLC traded a total of 0.93Mn shares dominating the traded volumes.
- Sampath Bank PLC (0.43Mn shares) and Tess Agro PLC (0.27Mn shares) were next in line under the top contributors to the daily volumes.

### Sectorial Overview

- Beverage Food & Tobacco (BFT) stood on top providing LKR 203.8Mn capturing 41% of the day’s total turnover.
- Diversified Holdings (DIV) and Bank Finance & Insurance (BFI) provided LKR 153.6Mn and LKR 113.73Mn respectively to the daily aggregated turnover.

## Daily Foreign Transactions

### Net Foreign Purchases

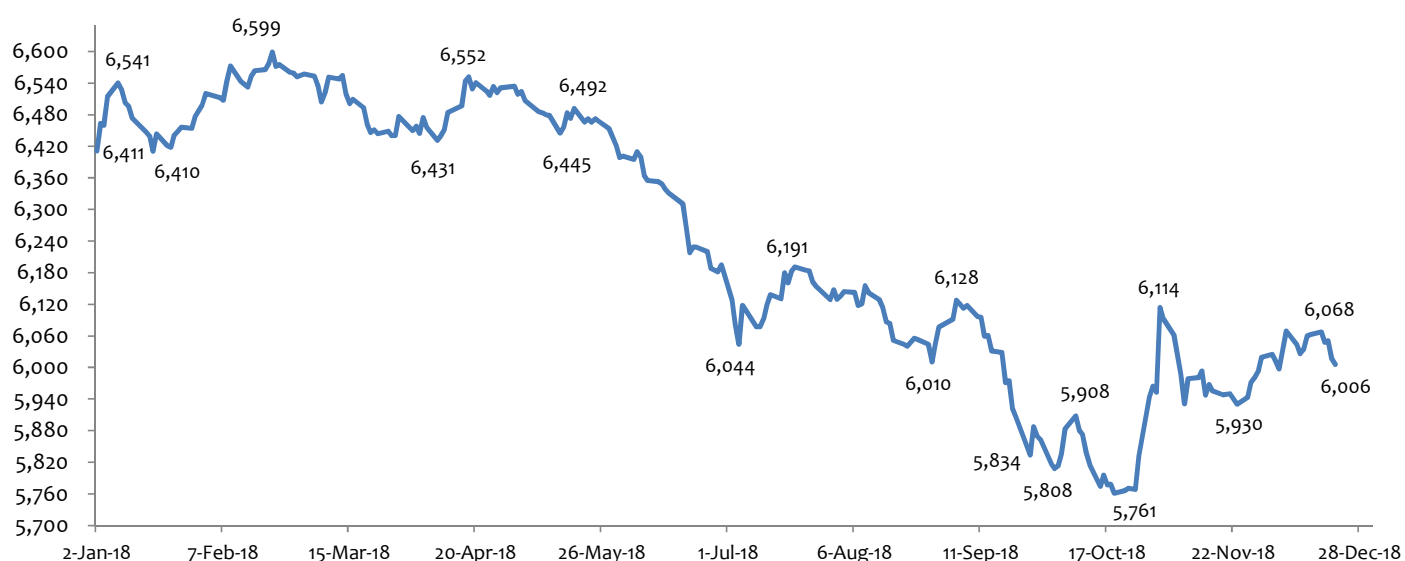
Company Name	Avg Price	Net change in Qty	Net Foreign Inflow
SAMPATH (+)	237.00	50,000	11,850,000
JANASHAKTHI INS. (+)	29.20	32,302	943,218
VALLIBEL FINANCE	68.70	7,830	537,921
ORIENT FINANCE	15.00	7,525	112,875
BUKIT DARAH	200.00	467	93,400
OVERSEAS REALTY (+)	16.00	1,000	16,000
BPPL HOLDINGS	11.3	770	8,701
SANASA DEV. BANK (+)	74.90	100	7,490

### Net Foreign Sales

Company Name	Avg Price	Net change in Qty	Net Foreign Outflow
JKH	157.08	(907,131)	(142,492,137)
CHEVRON (+)	70.82	(163,483)	(11,578,062)
DIALOG (+)	10.00	(229,775)	(2,297,750)
PEOPLE'S INS (+)	19.00	(6,783)	(128,877)
VALLIBEL ONE	16.50	(6,500)	(107,250)
RENUKA CITY HOT.	265.00	(100)	(26,500)
SEYLAN DEVTS (+)	11.00	(2,000)	(22,000)

- **Aggregate foreign buying** for the day totaled up to **LKR 216.38Mn.**
- **Foreign sales** for the day amounted to **LKR 359.42Mn.**
- **Net foreign outflow** for the day was **LKR 143.04Mn**, **YTD net foreign outflow** presently stands at **LKR 23.08Bn.**
- **SAMP** notched the “Top Net Purchasers” slot with a net inflow of **LKR 11.85Mn** whilst **JKH** notched the “Top net Sellers” slot with a net outflow of **LKR 142.49Mn.**

## Year-to-Date ASPI Movement



## Key Announcements

- Board of **National Development Bank PLC (NDB)**, has **decided to issue: 50Mn 5 year Basel III Compliant Tier 2, Listed, Rated, Unsecured, Subordinated, Redeemable Debentures** (with a Non Viability Conversion), with an option to issue Up to a further 15Mn Debentures in the event of an over subscription, at an issue price of LKR 100/- each, subject to necessary approvals.
- **National Development Bank PLC (NDB)** said, since no finality has been reached with strategic investor to investing in the unsubscribed shares arising from the Rights Issue, the Board has decided that it will cease to further pursue exploring avenues.

## 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	RGEM
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

## EGMs

Company	Date
BOPL	31-Dec-18

## Key Announcements

### Cash Dividends

CODE	DIVIDEND PER SHARE (LKR)	TYPE	XD DATE	PAYMENT DATE	CODE	DIVIDEND PER SHARE (LKR)	TYPE	XD DATE	PAYMENT DATE
AEL	0.25	Interim	11. Dec.2018	20. Dec.2018	KHL	0.15	Interim	21. Dec.2018	03. Jan.2019
OFEQ	1.50	Final	13. Dec.2018	21. Dec.2018	CFIN	2.00	Interim	27. Dec.2018	01. Jan.2019
PAP	0.06	Interim	21. Dec.2018	02. Jan.2019	PLC	0.75	Interim	02. Jan.2019	11. 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

### 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	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	10.19
JOHN KEELLS HOLDINGS PLC	JKH.No000	157.00	1,387,528,658	217,841,999,306	8.32
COMMERCIAL BANK OF CEYLON PLC	COMB.No000	115.50	945,709,403	109,229,436,047	4.17
NESTLE LANKA PLC	NEST.No000	1,690.40	53,725,463	90,817,522,655	3.47
HATTON NATIONAL BANK PLC	HNB.No000	211.00	395,451,248	83,440,213,328	3.19
DIALOG AXIATA PLC	DIAL.No000	10.00	8,143,778,405	81,437,784,050	3.11
DISTILLERIES COMPANY OF SRI LANKA PLC	DIST.No000	16.20	4,600,000,000	74,520,000,000	2.85
CEYLON COLD STORES PLC	CCS.No000	720.00	95,040,000	68,428,800,000	2.61
SAMPATH BANK PLC	SAMP.No000	235.30	280,902,248	66,096,298,954	2.52
MELSTACORP PLC	MELS.No000	50.20	1,165,397,072	58,502,933,014	2.23

### Highest Volume

Company Name	Turnover (Rs)	Share Vol.
JOHN KEELLS HOLDINGS PLC	146,100,804	930,125
SAMPATH BANK PLC	100,963,296	428,091
TESS AGRO PLC	133,750	266,500
VALLIBEL ONE PLC	4,105,454	248,343
DIALOG AXIATA PLC	2,321,380	231,976
CHEVRON LUBRICANTS LANKA PLC	11,742,651	165,807
TESS AGRO PLC [X]	67,600	158,000
CEYLON TOBACCO COMPANY PLC	202,805,908	142,570
LANKEM DEVELOPMENTS PLC	542,081	133,420
ASIA SIYAKA COMMODITIES PLC	234,353	117,041

### Highest Turnover

Company Name	Share Vol.	Turnover (LKR)
CEYLON TOBACCO COMPANY PLC	142,570	202,805,908
JOHN KEELLS HOLDINGS PLC	930,125	146,100,804
SAMPATH BANK PLC	428,091	100,963,296
CHEVRON LUBRICANTS LANKA PLC	165,807	11,742,651
VALLIBEL ONE PLC	248,343	4,105,454
COMMERCIAL BANK OF CEYLON PLC	26,481	3,057,518
JANASHAKTHI INSURANCE COMPANY PLC	90,097	2,613,928
DIALOG AXIATA PLC	231,976	2,321,380
C T HOLDINGS PLC	13,460	2,288,250
ACCESS ENGINEERING PLC	75,713	1,085,417

### Top Gainers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
RENUKA CITY HOT.	265.00	28.80	12.19	28,355
PEGASUS HOTELS	23.00	1.80	8.49	4,600
AGSTAR PLC	3.90	0.30	8.33	585
MALWATTE [X]	4.30	0.30	7.50	21,440
HORANA	15.00	1.00	7.14	17,475
BALANGODA	12.20	0.70	6.09	43,354
LOLC FINANCE	3.70	0.20	5.71	211,295
BROWNS INVSTMNTS	1.90	0.10	5.56	25,031
ALUFAB	17.40	0.90	5.45	1,739
EDEN HOTEL LANKA	13.00	0.60	4.84	1,431

### Top Losers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
TESS AGRO [X]	0.40	(0.10)	(20.00)	67,600
TESS AGRO	0.50	(0.10)	(16.67)	133,750
NATION LANKA	0.60	(0.10)	(14.29)	613
EQUITY TWO PLC	50.10	(4.60)	(8.41)	5,010
HOTELS CORP.	11.00	(1.00)	(8.33)	7,820
ANILANA HOTELS	1.20	(0.10)	(7.69)	7,872
CITY HOUSING	4.50	(0.30)	(6.25)	9,132
AMAYA LEISURE	37.70	(2.20)	(5.51)	4,484
HAPUGASTENNE	16.00	(0.80)	(4.76)	8,055
RENUKA AGRI	2.00	(0.10)	(4.76)	213,983

### Crossings

Name	Symbol	Price	Trades	T.Volume	Turnover
Ceylon Tobacco Company PLC	CTC.No000	1,422.50	3	142,567	202,801,558.00

## Market Highlights & Statistics

### Sector Wise Summary

Sector	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
BANK FINANCE AND INSURANCE	16,384.28	16,411.92	113,726,101	1,046,371	652	5.30	0.90
BEVERAGE FOOD AND TOBACCO	24,312.76	24,311.72	203,795,993	265,857	82	17.70	6.00
CONSTRUCTION AND ENGINEERING	1,390.54	1,392.32	2,320,785	270,355	133	22.30	0.60
CHEMICALS AND PHARMACEUTICALS	5,255.08	5,249.69	87,784	1,359	13	5.80	0.70
DIVERSIFIED HOLDINGS	1,572.39	1,584.53	153,596,216	1,244,276	184	10.50	0.90
FOOTWEAR AND TEXTILE	910.00	929.14	126,815	12,744	12	72.80	0.90
HOTELS AND TRAVELS	2,640.37	2,642.30	548,891	74,197	123	63.90	1.60
HEALTH CARE	796.24	798.12	24,691	1,161	9	15.20	1.80
INVESTMENT TRUSTS	9,414.42	9,383.10	166,001	10,225	29	31.70	0.40
INFORMATION TECHNOLOGY	25.52	26.08	40,127	9,331	7	0.00	0.00
LAND AND PROPERTY	540.83	546.02	1,464,600	84,569	85	5.30	0.60
MANUFACTURING	2,825.82	2,806.96	14,106,643	386,989	188	7.60	0.90
MOTORS	12,951.80	12,923.20	12,927	123	7	12.10	0.50
OIL PALMS	50,123.01	50,146.81	633,518	3,167	16	28.50	1.00
POWER & ENERGY	107.55	106.79	280,554	23,226	36	79.70	1.30
PLANTATIONS	702.82	702.70	131,938	11,527	42	6.40	0.70
STORES SUPPLIES	28,408.28	28,408.28	4,897	35	4	13.10	0.50
SERVICES	16,676.75	16,623.65	294,177	138,072	23	11.60	1.30
TELECOMMUNICATIONS	134.46	134.06	2,409,784	236,081	99	7.60	0.90
TRADING	12,212.92	12,268.78	277,813	431,241	37	31.50	0.90

### GICS Industry Group Statistics

Industry Group	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
Automobiles & Components	471.85	471.85	377	10	1	4.70	0.60
Banks	829.99	830.96	106,377,824	509,811	281	6.00	0.80
Capital Goods	850.30	858.61	153,544,272	1,464,546	297	11.00	0.80
Commercial & Professional Services	781.51	781.51	2,892	30	3	0.00	1.00
Consumer Durables & Apparel	793.39	788.50	408,915	36,336	64	25.40	1.00
Consumer Services	246.99	247.52	548,891	74,197	125	66.30	1.60
Diversified Financials	773.59	771.83	3,329,748	541,558	261	5.30	0.80
Energy	624.88	617.13	231,919	10,515	31	0.00	1.00
Food & Staples Retailing	1,241.43	1,240.54	2,491,600	437,970	34	15.10	2.20
Food, Beverage & Tobacco	933.84	933.87	205,951,072	441,610	206	15.60	2.50
Health Care Equipment & Services	855.77	857.97	64,825	10,502	17	15.40	1.80
Household & Personal Products	1,001.26	1,012.04	565,092	50,000	6	13.70	1.80
Insurance	2,091.96	2,111.31	4,253,025	112,070	131	4.20	1.70
Materials	539.93	532.65	12,201,019	196,359	96	7.00	0.90
Pharmaceuticals, Biotechnology & Life Sciences	1,807.58	1,807.58	0	0	0	4.70	1.40
Real Estate	737.71	744.44	1,412,720	76,053	83	5.00	0.60
Retailing	776.07	780.57	164,760	28,374	30	15.40	0.70
Technology Hardware & Equipment	0.00	-	0	0	0	0.00	0.00
Telecommunication Services	702.54	700.44	2,409,784	236,081	101	7.60	0.90
Transportation	702.71	702.71	2,502	610	4	20.30	0.70
Utilities	739.33	739.70	48,636	12,711	6	8.70	0.70



## Economic Indicators & Other Statistics

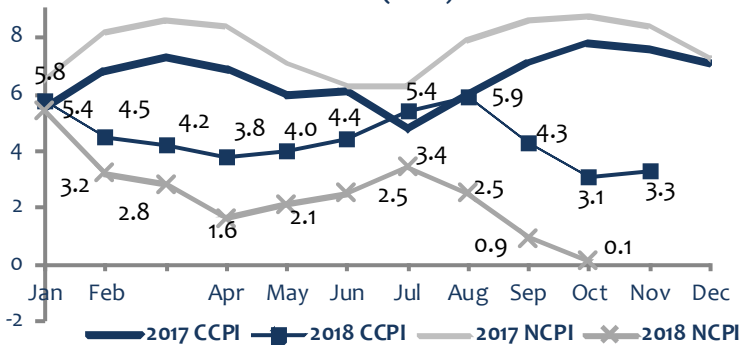
### Exchange Rates

Currency	21st Dec		20th Dec	
	Buying	Selling	Buying	Selling
Dollar (USA)	178.75	182.71	178.26	182.22
Pound (UK)	225.25	232.65	223.87	231.24
Euro (EU)	203.38	210.60	201.58	208.75
Dollar (Australia)	125.95	131.35	125.46	130.86
Dollar (Canada)	131.54	136.46	131.21	136.13
Franc (Switzerland)	179.84	186.65	177.91	184.63
Renminbi (China)	25.63	26.86	25.49	26.71
Yen (Japan)	1.5972	1.6563	1.5751	1.6334
Dollar (Singapore)	129.95	134.42	129.25	133.70

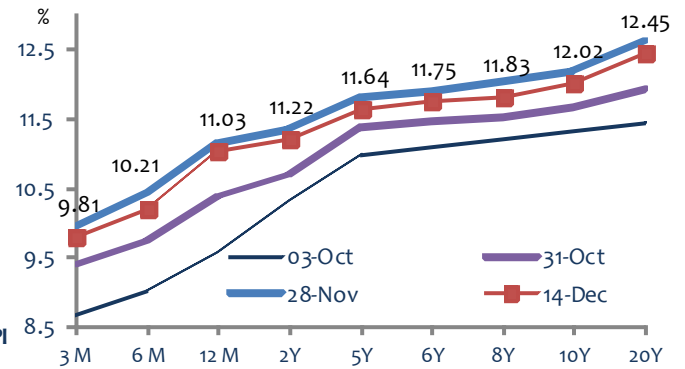
### Indicative Rates

Currency	21st Dec	20th Dec
	Ind: Value	Ind: Value
Yuan (Offshore)	26.2189	26.1080
Rupee (India)	2.5837	2.5523
Won (Korean)	0.1607	0.1597
Dinar (Kuwait)	594.7299	593.3235
Ringgit (Malay)	43.2583	43.1218
Rial (Oman)	469.4952	468.5836
Riyal (Qatar)	49.6527	49.5434
Riyal (KSA)	48.1826	48.0842
Dirham (UAE)	49.2215	49.1132

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



### Government Securities - Secondary Market Yield



### Central Bank's Policy Rates

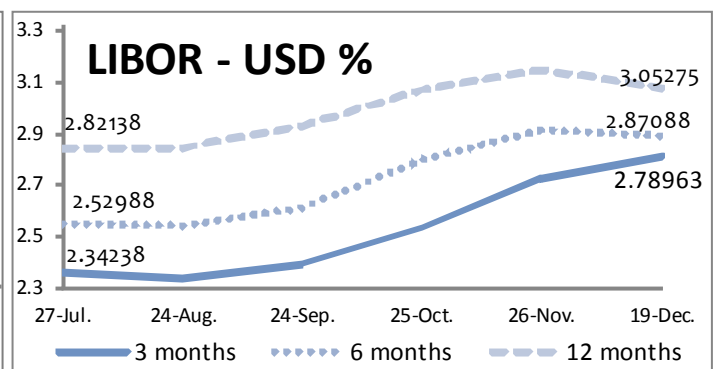
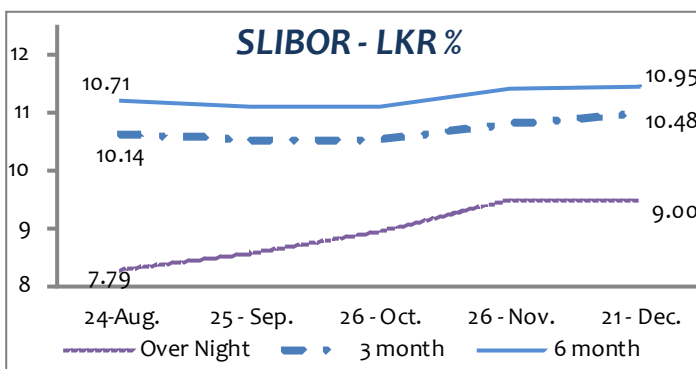
Description	Present	Previous		19.12.2018	12.12.2018	05.12.2018	19.11.2018
Standing Deposit Facility (SDF)	8.00%	7.25%	91 Days %	na	na	na	10.01
Standing Lending Facility (SLF)	9.00%	8.50%	182 Days %	9.99	10.03	10.01	na
Bank Rate	15.00%	15.00%	364 Days %	11.20	11.24	11.20	11.21
Statutory Reserve Ratio (SRR)	6.00%	7.50%	Amount	18Bn	23Bn	19Bn	15.5Bn

### Treasury Bill Issuance

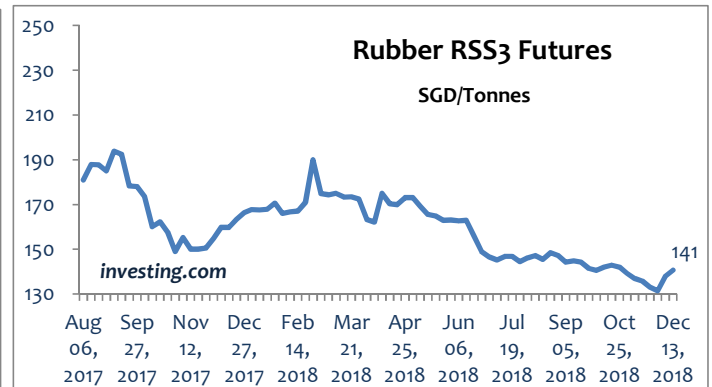
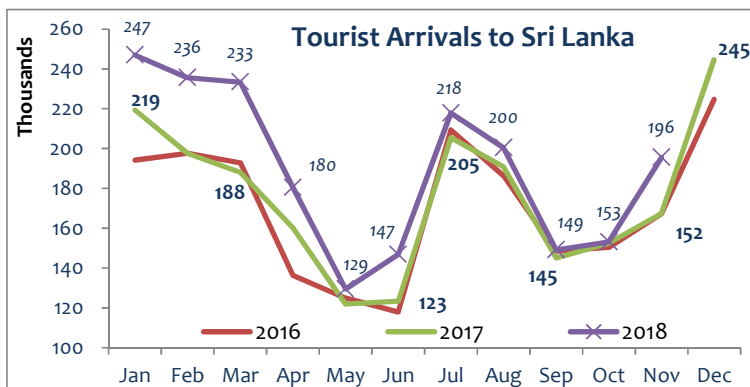
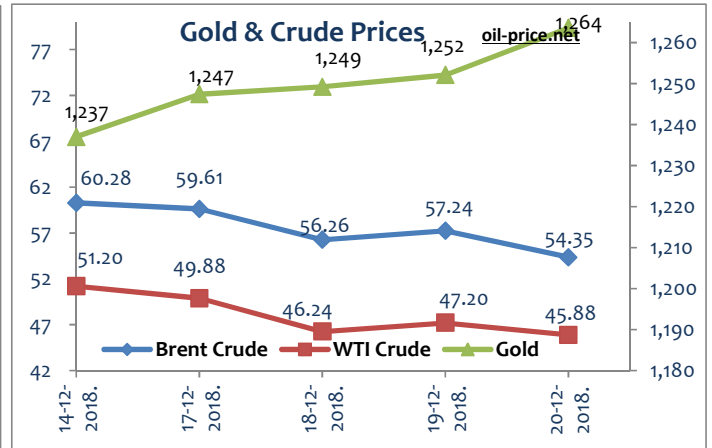
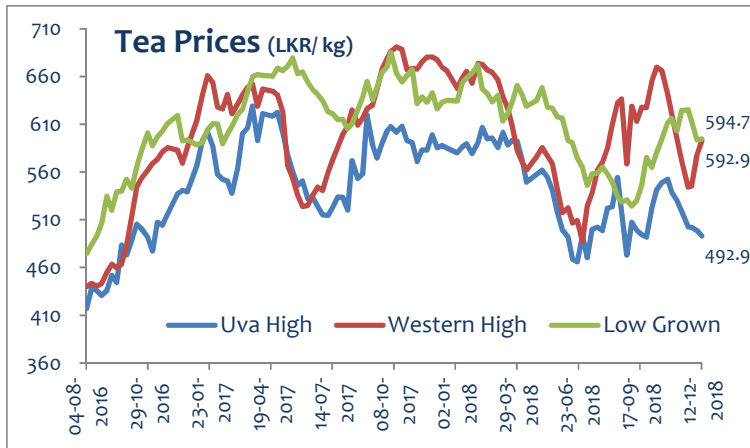
Date	13.12.2018	17.07.2016	15.10.2018	17.07.2016	17.09.2018	13.12.2018	15.08.2018	15.10.2018
Maturity	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	10 Years	15 Years
Current Yield	11.88	11.14	11.69	11.21	10.32	12.23	10.20	11.90
Previous Auction	17.09.2018	15.06.2017	15.08.2018	15.06.2017	16.07.2018	02.01.2018	01.06.2018	16.07.2018
Previous Yield	10.03	11.37	9.91	11.38	10.53	10.06	10.72	10.88

### Treasury Bond Issuance

Date	13.12.2018	17.07.2016	15.10.2018	17.07.2016	17.09.2018	13.12.2018	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	11.88	11.14	11.69	11.21	10.32	12.23	10.20	11.90
Previous Auction	17.09.2018	15.06.2017	15.08.2018	15.06.2017	16.07.2018	02.01.2018	01.06.2018	16.07.2018
Previous Yield	10.03	11.37	9.91	11.38	10.53	10.06	10.72	10.88



## Economic Indicators & Other Statistics



## Local News

### BOI inks deals in tourism and pharmaceutical sectors

(LBO) – The Board of Investment signed Agreements for projects in the field of hotels and the manufacture of pharmaceuticals. The Wild Beach Resorts project is to set up, construct and operate a 42 roomed hotel that will be located at the Yala Wildlife Tourism Zone at Palatupana, Yala. The value of this investment is US\$ 12Mn. Muruganathan Pillai, Director of Melwa Hotels and Resorts, stated “we have two projects with the BOI, one in Negombo and construction has already begun, will be opened in 2021 and the Yala project which was signed today will also be opened in 2021 and both will be operated by Hilton Chain”.

**The other project** was with Kelun Life Sciences (Private) Limited to manufacture IV fluids for the local and export markets. The plant will be in the Kandy Industrial Park. The project will employ 110 workers. The investment value of the project is US\$ 12-75Mn of which US\$ 9.5Mn will be FDI. Nadarajah, Managing Director of the Kelun Life Sciences (Pvt) Limited, stated “We plan to manufacture injectables and supply these to the Health Ministry. This will help reduce the shortages in the country, and also contribute towards import substitution”.

### Sri Lanka busts half a billion dollars on soft-peg during 'coup'

ECONOMYNEXT - Sri Lanka has spent half a billion US dollars to defend a soft-peg on the rupee in November 2018. Unlike a hard peg, a soft-pegged central bank prints money after defending the currency by injecting more new rupees in the banking system to maintain artificial interest rates, provide non-existent deposits for banks to give new loans, in contradictory policy. In November the central bank sold 519.23Mn dollars to defend a soft peg at 180 to the US dollar and printed money through an overnight window, term reverse repo deals, at rates below the previous months and dumped tens of billions of rupees through reserve ratio cut. Yields have eased again over the past few days. Sri Lanka's official forex reserves, - which include those held by the Treasury - dropped 884Mn US dollars or 11.2% during November to 7,018Mn US dollars.

### Sri Lanka cuts petrol to Rs125 a litre, diesel Rs101

ECONOMYNEXT - Sri Lanka is cutting the price of a litre of petrol to 125 rupees a litre from 135 rupees, with a pricing formula, Prime Minister Ranil Wickremesinghe said. Petrol 95-Octane has been cut to Rs149 from Rs159 a litre. Auto Diesel has been cut to Rs 101 from Rs106 a litre. Super Diesel has been cut to Rs121 from Rs 131 a litre.



### Sri Lanka's markets regulator upgrades qualification framework

ECONOMYNEXT – Sri Lanka's capital markets regulator said it was updating its training programs and certification to improve professional standards among stock brokers and investment advisors with a new qualification framework from January 2019. The revised qualification framework provides for the certification of aptitude in each asset class, be it equity, debt, derivatives or unit trusts, the Securities and Exchange Commission (SEC) said in a statement.

## Foreign News

### Stocks reel as funds seek safe harbors

(Reuters) - Global stocks extended a steep sell-off on Friday as the threat of a U.S. government shutdown and of further hikes in U.S. borrowing costs sent dismayed investors scurrying for safer assets. The S&P 500 was heading for its worst quarter since the dark days of late 2008, with a loss of 15% so far. The Nasdaq has shed 19.5% from its August peak, just shy of confirming a bear market. Oil prices slid just over 4% overnight, bringing Brent's losses since its October top to 37%. The dollar had suffered its biggest one-day drop on the yen since November 2017 as investors stampeded to safe havens.

Japan's Nikkei lost 1.1% to close at its lowest since mid-September last year, after giving up 5.6% this week. Australian stocks slipped 0.7%, hovering just above a two-year trough hit earlier in the session. Chinese blue chips lost 1.4%, in part after the United States accused Beijing of orchestrating the hacking of government agencies and companies around the world.

Sentiment had turned sour on Thursday when the U.S. Federal Reserve largely retained plans to increase interest rates despite mounting risks to growth. Markets were further spooked when U.S. President Donald Trump refused to sign legislation to fund the U.S. government unless he got money for a border wall, thus risking a partial federal shutdown on Saturday. Adding to the air of crisis was news U.S. Defense Secretary Jim Mattis had resigned after Trump proposed withdrawing troops from Syria and sources said a military pullback from Afghanistan was on the cards.

The brittle mood showed on Wall Street where the Dow ended Thursday with a loss of 1.99%. The S&P 500 dived 1.58% and the Nasdaq 1.63%.

**Lipper data** on Thursday showed **investors pulled nearly \$34.6 billion out of stock funds** in the latest week and were heading for the biggest month of net withdrawals on record.

There was also a sense of capitulation in currency markets as the dollar dived 1.1% on the yen on Thursday to hit a three-month trough at 110.80. It was last changing hands at 111.41 having shattered several layers of chart support.

Both Brent and U.S. **crude futures reached their lowest in more than a year** overnight, but edged higher on Friday on talk production cuts by OPEC might be larger than first thought. U.S. crude eked out a 34 cent bounce to \$46.22 a barrel, while Brent rose 32 cents to \$54.67. Gold was underpinned by the reversal in the dollar to hold at \$1,259.00 an ounce.

### Malaysia seeks \$7.5 billion in reparations from Goldman Sachs: FT

(Reuters) - Malaysia is seeking \$7.5 billion in reparations from Goldman Sachs Group Inc (GS.N) over its dealings with scandal-linked state fund 1MDB, the Financial Times reported on Friday, citing the country's finance minister. Separately, Bloomberg reported that Singapore has expanded its criminal investigation of 1MDB to include Goldman Sachs, in a sign of increasing scrutiny on the bank's role in the suspected multi-billion-dollar money laundering scheme.

Malaysian prosecutors this week filed charges against Goldman Sachs in connection with its role as underwriter and arranger of three bond sales that raised \$6.5 billion for 1Malaysia Development Berhad (1MDB), the first criminal action against the U.S. bank over the scandal. Goldman Sachs has consistently denied wrongdoing and said certain members of the former Malaysian government and 1MDB lied to the bank about the proceeds of the bond sales.

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