

DAILY STOCK MARKET HIGHLIGHTS

Wednesday, 23 January 2019



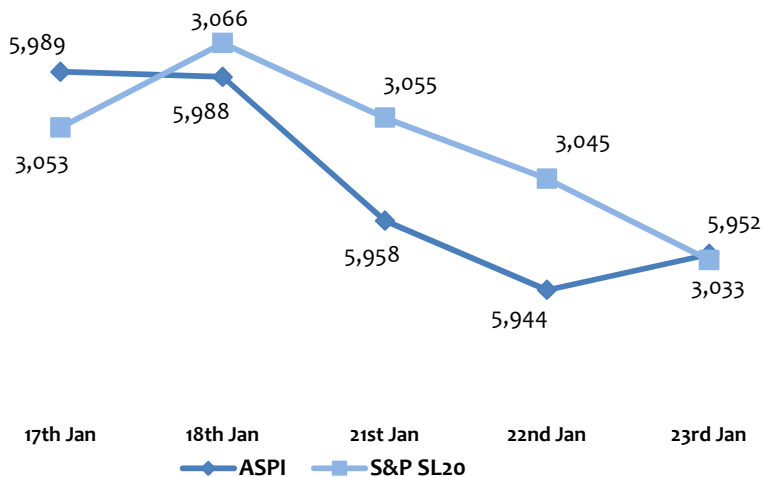
ASHA PHILLIP
SECURITIES LTD

Sri Lanka

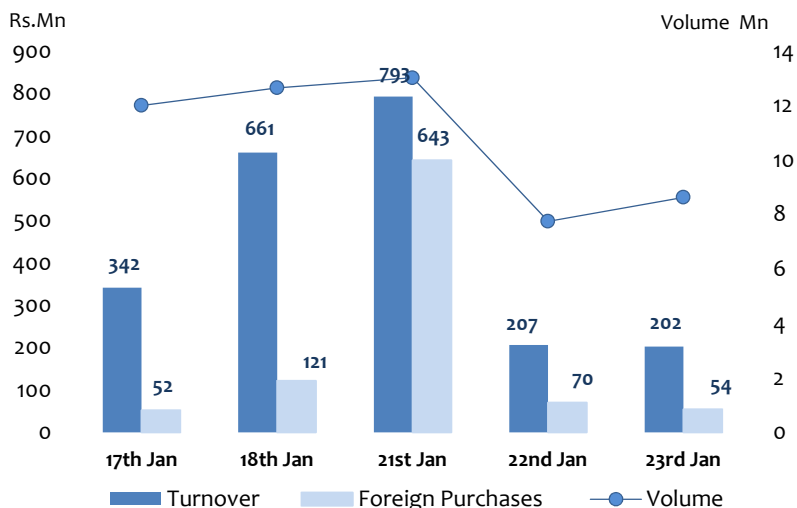
Daily Market Statistics

Index	23rd Jan	22nd Jan	Change	% Change
ASPI	5,951.56	5,944.17	↑ 7.39	↑ 0.12%
S&P SL20	3,032.73	3,045.32	↓ (12.59)	↓ -0.41%
Market Stats (LKR, Mn)		23rd Jan	22nd Jan	% Change
Turnover		202.46	206.59	↓ -2.0%
Domestic Purchases		147.97	136.56	↑ 8.4%
Domestic Sales		168.91	155.23	↑ 8.8%
Foreign Purchases		54.49	70.03	↓ -22.2%
Foreign Sales		33.55	51.36	↓ -34.7%
Share Volume		8.63	7.75	↑ 11.4%
Market capitalization (Bn)		2,792.15	2,788.68	↑ 0.12%
PER		9.45	9.44	↑ 0.11%
PBV		1.18	1.18	↓ 0.00%

Market Indices



Turnover, Volume and Foreign Purchase



Performance of the Market

- Earnings season, proposed rights & debenture issues by large banks and government's plan of raising funds through sovereign issue within next few months kept equity investors on cautious stance. Institutional investor participation remained lower.
- Benchmark index ASPI moved between 5,945.18-5,961.61 points and settled the day at 5,951.56 with a gain of 7.39 points (+0.12%).
- Major contributors for the movement in ASPI were **SLTL (+9.2)**, **CARG (+4.1)**, **JKH (+3)**, **LOLC (+1.8)**, **SEYB (+1.4)**, **DFCC (-4)**, **NIFL (-2.8)**, **COMB (-1.4)**, **CLC (-1.4)** & **BRWN (-1.1)**
- S&P SL20 index also followed a same trend and settled the day at 3,032.73 with a loss of 12.59 points (-0.41%).
- The day's turnover was recorded as LKR 202.46Mn, down by 2% from its previously recorded LKR 206.59Mn. Foreign investors remained net buyers for the day.
- The total market capitalization stood at LKR 2.79Tn, indicating an YTD loss of 1.67%.
- The market PER & PBV were at 9.45x & 1.18x respectively.

Top Contributors - Turnover

1. C T Holdings PLC (CTHR) contributed 22% (44.20Mn) of the turnover. CTHR traded and settled the day at LKR 174.00 on par with the previous closing; about 96% (42.46Mn) of its turnover was contributed through an off board trade of 244,000 shares negotiated at the price of LKR 174.00
2. Commercial Bank of Ceylon PLC (COMB) had contributed LKR 26Mn. COMB was traded between LKR 113.00 & 113.90 and settled the day at LKR 113.10 with a loss of LKR 0.70 (-0.62%).
3. Sampath Bank PLC (SAMP) contributed LKR 24.58Mn. SAMP traded between LKR 224.50 & 229.90 and settled the day at LKR 225.80 with a gain of LKR 0.90 (+0.40%).

Top contributors - Traded Volume

1. Piramal Glass Ceylon PLC traded a total of 1.58Mn shares.
2. Asia Siyaka Commodities PLC (0.78Mn shares)
3. East West Properties PLC (0.77Mn shares).

Sectorial Overview

1. Bank Finance & Insurance (BFI) stood on top providing LKR 67.8Mn capturing 33% of the total turnover.
2. Diversified Holdings (DIV) provided LKR 50.45Mn to the daily aggregated turnover.
3. Manufacturing (MFG) provided LKR 30.79Mn

Daily Foreign Transactions

Net Foreign Purchases

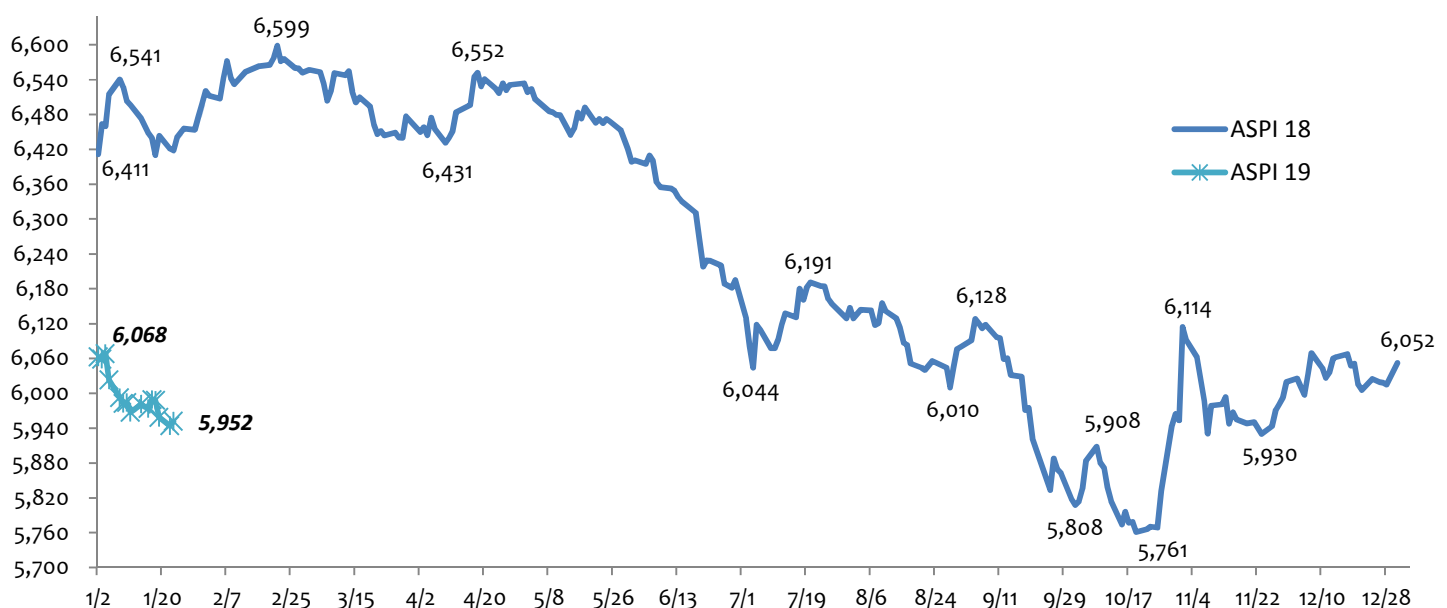
Company Name	Avg Price	Net change in Qty	Net Foreign Inflow
SAMPATH (+)	225.80	31,351	7,079,056
CARGILLS	200.00	28,871	5,774,200
CHEVRON (+)	73.40	74,584	5,474,466
HUNTERS	400.00	4,948	1,979,200
MASKELIYA	11.20	72,068	807,162
MULTI FINANCE	17.30	39,479	682,987
JKH	153.0	2,529	386,937
Softlogic Life (+)	47.30	7,500	354,750
EAST WEST	14.40	24,500	352,800
ACCESS ENG SL	13.80	11,831	163,268

Net Foreign Sales

Company Name	Avg Price	Net change in Qty	Net Foreign Outflow
RICH PIERIS EXP	228.50	(7,744)	(1,769,504)
HAYLEYS FABRIC	9.50	(75,000)	(712,500)
COMMERCIAL BANK[X.0	96.60	(2,092)	(202,087)
JANASHAKTHI INS. (+)	28.80	(4,700)	(135,360)
SLT (+)	24.50	(3,588)	(87,906)
VALLIBEL FINANCE	70.60	(546)	(38,548)

- **Aggregate foreign buying** for the day totaled up to **LKR 54.49Mn**.
- **Foreign sales** for the day amounted to **LKR 33.55Mn**.
- **Net foreign inflow** for the day was **LKR 20.94Mn**, **YTD net foreign outflow** presently stands at **LKR 2.36Bn**.
- **SAMP** notched the “Top Net Purchasers” slot with a net inflow of **LKR 7.08Mn** whilst **REXP** notched the “Top net Sellers” slot with a net outflow of **LKR 1.77Mn**.

Year-to-Date ASPI Movement - 2018 & 2019



Key Announcements

- Board of **DFCC Bank PLC** (DFCC) at their meeting held on 22 January 2019, resolved to recommend to shareholders of the Bank a **Rights Issue**. Accordingly 106Mn new shares will be issued at a proportion of **2 shares for every 5 shares held**, for a consideration of LKR 72.00; It is expected to raise LKR 7.63Bn through the above Rights Issue. The objective of the issue is to increase the Tier 1 capital of the Bank in order to accommodate and support the Bank's future business expansion plans. Subject to approvals.
- CSE said, **Nations Trust Bank PLC's** (NTB) 88,687 Ordinary Non-Voting shares (NTB.X) have been **converted / reclassified** into 88,687 Ordinary Voting Shares (NTB.N) in the proportion of 1 NTB.N for every 1 NTB.X held and the said NTB.N were listed on from 23rd January 2019.
- **Citizens Development Business Finance PLC** (CDB) has received applications for the subscription of 7.86Mn debentures for the issue of 12.5Mn debentures, as at 4:30 p.m. on the 22nd January 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
BLUE	28-Jan-19
RGEM	29-Jan-19

Company	Date
COMB	28-Mar-19
DFCC	28-Mar-19
HASU	28-Mar-19

Company	Date
HNB	29-Mar-19
SEYB	29-Mar-19

Company	Date
SAMP	29-Mar-19
PABC	29-Mar-19

EGMs

Company	Date
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
HAYC	2.00	Interim	14.Jan.2019	23.Jan.2019	DIPD	1.00	Interim	14.Jan.2019	23.Jan.2019
HEXP	3.00	Interim	14.Jan.2019	23.Jan.2019	SFCL	0.80	Interim	30.Jan.2019	11.Feb.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	1,403.40	187,323,751	262,890,152,153	10.14
JOHN KEELLS HOLDINGS PLC	JKH.No000	153.00	1,387,528,658	212,291,884,674	8.19
COMMERCIAL BANK OF CEYLON PLC	COMB.No000	113.10	945,709,403	106,959,733,479	4.12
NESTLE LANKA PLC	NEST.No000	1,710.00	53,725,463	91,870,541,730	3.54
HATTON NATIONAL BANK PLC	HNB.No000	206.00	395,451,248	81,462,957,088	3.14
DIALOG AXIATA PLC	DIAL.No000	9.90	8,143,778,405	80,623,406,210	3.11
DISTILLERIES COMPANY OF SRI LANKA PLC	DIST.No000	16.10	4,600,000,000	74,060,000,000	2.86
CEYLON COLD STORES PLC	CCS.No000	688.90	95,040,000	65,473,056,000	2.52
SAMPATH BANK PLC	SAMP.No000	225.80	280,902,248	63,427,727,598	2.45
MELSTACORP PLC	MELS.No000	46.50	1,165,397,072	54,190,963,848	2.09

Highest Volume

Company Name	Turnover (Rs)	Share Vol.
PIRAMAL GLASS CEYLON PLC	5,837,536	1,579,086
ASIA SIYAKA COMMODITIES PLC	1,553,185	776,588
EAST WEST PROPERTIES PLC	10,958,096	774,121
SERENDIB ENGINEERING GROUP PLC	3,051,134	343,310
MULLER AND PHIPPS (CEYLON) PLC	234,050	334,357
C T HOLDINGS PLC	44,197,740	254,010
MASKELIYA PLANTATIONS PLC	2,842,599	253,559
HAYLEYS FABRIC PLC	2,310,414	243,552
COMMERCIAL BANK OF CEYLON PLC	25,997,097	228,603
MTD WALKERS PLC	3,664,960	227,662

Highest Turnover

Company Name	Share Vol.	Turnover (LKR)
C T HOLDINGS PLC	254,010	44,197,740
COMMERCIAL BANK OF CEYLON PLC	228,603	25,997,097
SAMPATH BANK PLC	108,778	24,580,963
EAST WEST PROPERTIES PLC	774,121	10,958,096
HAYLEYS FIBRE PLC	85,592	8,349,218
CARGILLS (CEYLON) PLC	33,625	6,725,000
PIRAMAL GLASS CEYLON PLC	1,579,086	5,837,536
CHEVRON LUBRICANTS LANKA PLC	77,179	5,596,535
MTD WALKERS PLC	227,662	3,664,960
RICHARD PIERIS EXPORTS PLC	14,860	3,398,396

Top Gainers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
LANKEM CEYLON	27.00	3.70	15.88	49,708
HORANA	15.50	1.80	13.14	20,926
AGSTAR PLC	4.70	0.50	11.90	170,921
SLT	24.50	2.40	10.86	396,104
ELPITIYA	20.50	1.60	8.47	137,350
GALADARI	7.90	0.60	8.22	1,411,053
MULTI FINANCE	17.30	1.30	8.13	1,456,482
HAYLEYS FIBRE	99.10	6.70	7.25	8,349,218
HOTELS CORP.	12.80	0.80	6.67	1,958
TALAWAKELLE	55.20	3.20	6.15	75,383

Top Losers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
NATION LANKA	0.60	(0.10)	(14.29)	3,723
LOLC DEV FINANCE	34.40	(5.50)	(13.78)	3,436
CONVENIENCE FOOD	400.10	(49.90)	(11.09)	54,052
DFCC BANK PLC	82.10	(7.00)	(7.86)	2,725,200
LANKA ASHOK	758.40	(61.60)	(7.51)	219,998
UDAPUSSELLAWA	29.40	(2.10)	(6.67)	557,900
KEGALLE	55.90	(3.90)	(6.52)	121,217
CIC [X]	28.10	(1.90)	(6.33)	505,320
THE FINANCE CO.	1.90	(0.10)	(5.00)	23,942
ASIA SIYAKA	2.00	(0.10)	(4.76)	1,553,185

Crossings

Name	Symbol	Price	Trades	T.Volume	Turnover
C T Holdings PLC	CTHR.No000	174.00	1	244,000	42,456,000.00

Market Highlights & Statistics

Sector Wise Summary

Sector	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
BANK FINANCE AND INSURANCE	16,109.82	16,189.86	67,804,780	1,101,512	971	4.90	0.90
BEVERAGE FOOD AND TOBACCO	24,121.34	24,041.54	8,930,250	97,620	93	17.40	5.90
CONSTRUCTION AND ENGINEERING	1,415.29	1,427.68	6,066,704	499,573	324	15.70	0.50
CHEMICALS AND PHARMACEUTICALS	5,273.55	5,186.94	1,261,840	357,879	84	7.80	0.80
DIVERSIFIED HOLDINGS	1,535.43	1,528.96	50,448,252	477,119	161	11.00	0.90
FOOTWEAR AND TEXTILE	879.64	904.08	2,315,770	243,759	61	52.10	0.90
HOTELS AND TRAVELS	2,653.05	2,653.96	2,949,100	402,104	243	98.60	1.70
HEALTH CARE	802.82	809.11	901,772	40,460	22	16.30	1.70
INVESTMENT TRUSTS	9,515.64	9,545.11	1,844,741	35,016	28	0.00	0.50
INFORMATION TECHNOLOGY	26.63	26.63	4	1	1	0.00	0.00
LAND AND PROPERTY	550.30	549.93	14,801,094	1,215,855	577	5.70	0.60
MANUFACTURING	2,852.81	2,849.19	30,789,189	2,293,696	546	8.80	0.90
MOTORS	12,377.88	12,463.51	449,555	3,305	46	17.10	0.50
OIL PALMS	49,335.27	49,335.27	0	0	0	59.10	1.30
POWER & ENERGY	102.38	102.54	1,549,746	129,247	92	90.20	1.20
PLANTATIONS	772.41	774.27	6,000,735	563,906	457	32.30	0.80
STORES SUPPLIES	28,408.28	28,616.17	2,000,005	5,000	8	17.60	0.50
SERVICES	15,712.25	15,838.55	1,694,813	814,394	53	14.60	1.20
TELECOMMUNICATIONS	139.61	134.76	1,720,950	149,676	91	6.10	0.90
TRADING	11,192.57	11,424.90	929,617	203,744	21	51.40	0.70

GICS Industry Group Statistics

Industry Group	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
Automobiles & Components	482.57	482.57	0	0	0	5.00	0.60
Banks	805.05	810.18	58,246,960	558,873	481	5.50	0.70
Capital Goods	832.39	830.14	17,844,700	878,032	702	11.00	0.80
Commercial & Professional Services	763.45	763.45	1,220	9	2	0.00	1.00
Consumer Durables & Apparel	812.88	814.01	13,373,738	703,364	347	42.40	1.10
Consumer Services	250.49	250.74	2,949,100	402,104	243	104.50	1.70
Diversified Financials	760.00	762.66	8,026,959	1,200,495	335	5.20	1.00
Energy	577.00	582.66	969,100	44,498	62	0.00	0.90
Food & Staples Retailing	1,251.58	1,223.55	50,923,960	290,076	15	22.70	2.20
Food, Beverage & Tobacco	923.83	923.84	8,863,681	773,750	592	16.50	2.80
Health Care Equipment & Services	863.16	869.82	1,135,827	374,818	65	16.40	1.80
Household & Personal Products	1,017.43	1,017.43	0	0	0	13.90	1.90
Insurance	2,138.28	2,145.24	4,943,510	170,786	239	3.90	1.70
Materials	540.20	533.87	17,654,900	1,825,785	250	8.70	1.00
Pharmaceuticals, Biotechnology & Life Sciences	1,807.58	1,807.58	7,299	11	4	5.20	1.40
Real Estate	748.78	748.45	11,749,961	872,545	398	5.30	0.60
Retailing	745.65	749.79	3,132,257	220,691	34	17.00	0.70
Technology Hardware & Equipment	0.00	-	0	0	0	0.00	0.00
Telecommunication Services	729.42	704.11	1,720,950	149,676	91	6.10	0.90
Transportation	685.99	685.99	332,511	83,127	14	7.50	0.70
Utilities	734.93	728.57	580,646	84,749	30	10.30	0.70

Economic Indicators & Other Statistics

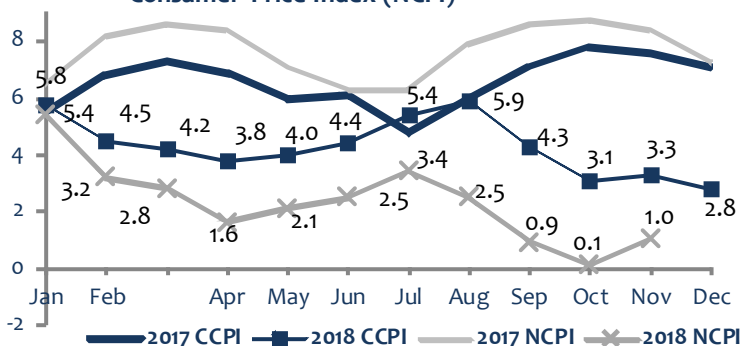
Exchange Rates

Currency	23rd Jan		22nd Jan	
	Buying	Selling	Buying	Selling
Dollar (USA)	180.01	183.89	179.68	183.55
Pound (UK)	232.16	239.56	230.53	237.90
Euro (EU)	203.30	210.38	202.99	210.08
Dollar (Australia)	127.17	132.52	127.22	132.58
Dollar (Canada)	134.16	139.08	134.22	139.14
Franc (Switzerland)	179.37	185.66	179.03	185.29
Renminbi (China)	26.16	27.39	26.11	27.35
Yen (Japan)	1.6313	1.6904	1.6299	1.6890
Dollar (Singapore)	131.80	136.23	131.58	136.01

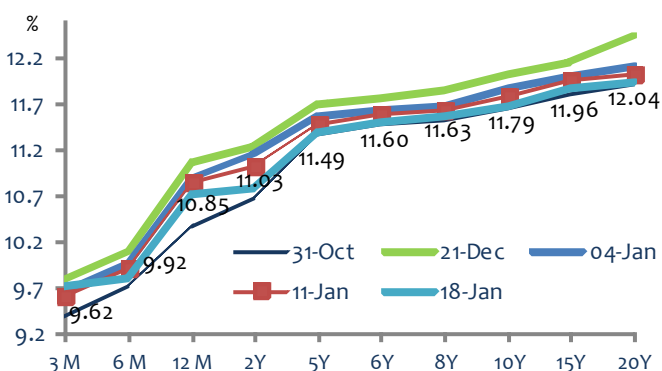
Indicative Rates

Currency	23rd Jan	22nd Jan
	Ind: Value	Ind: Value
Yuan (Offshore)	26.7157	26.7029
Rupee (India)	2.5544	2.5529
Won (Korean)	0.1613	0.1609
Dinar (Kuwait)	600.2641	599.4215
Ringgit (Malay)	44.0048	44.0527
Rial (Oman)	472.3377	472.0795
Riyal (Qatar)	49.9485	49.9143
Riyal (KSA)	48.4869	48.4571
Dirham (UAE)	49.5079	49.4809

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



Government Securities - Secondary Market Yield



Central Bank's Policy Rates

Description	Present	Previous		23.01.2019	16.01.2019	09.01.2019	02.01.2019
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	9.87	9.94	9.95
Bank Rate	15.00%	15.00%	364 Days %	10.70	10.75	10.85	10.99
Statutory Reserve Ratio (SRR)	6.00%	7.50%	Amount	23.5Bn	26Bn	20Bn	18Bn

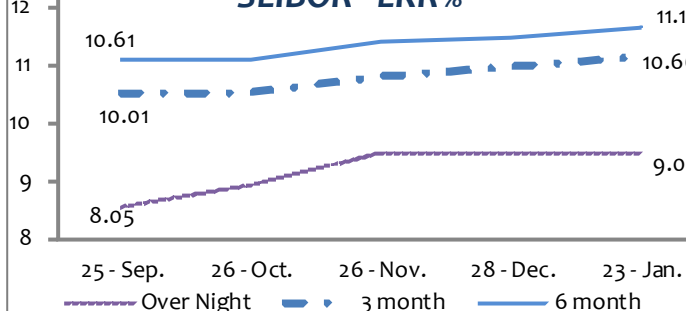
Treasury Bill Issuance

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

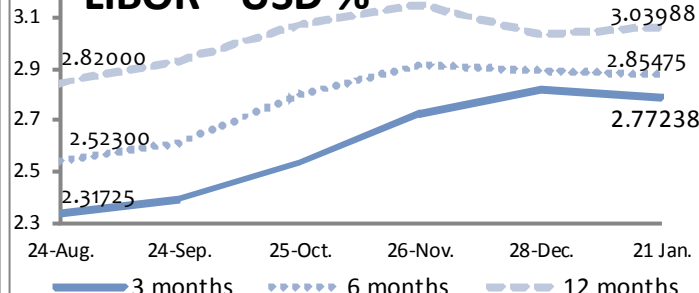
Treasury Bond Issuance

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

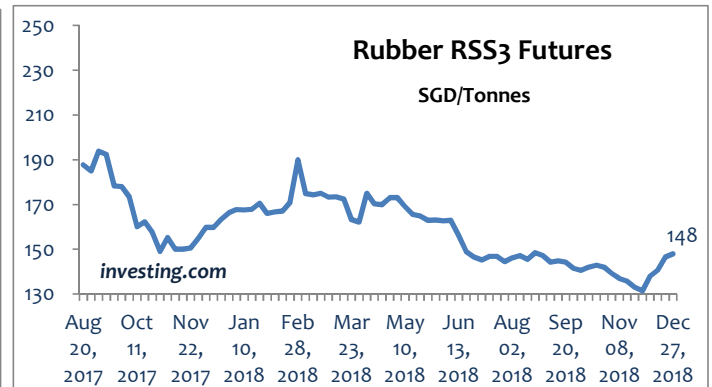
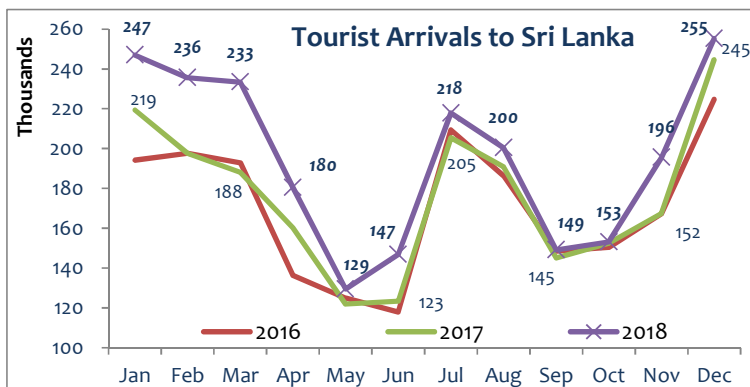
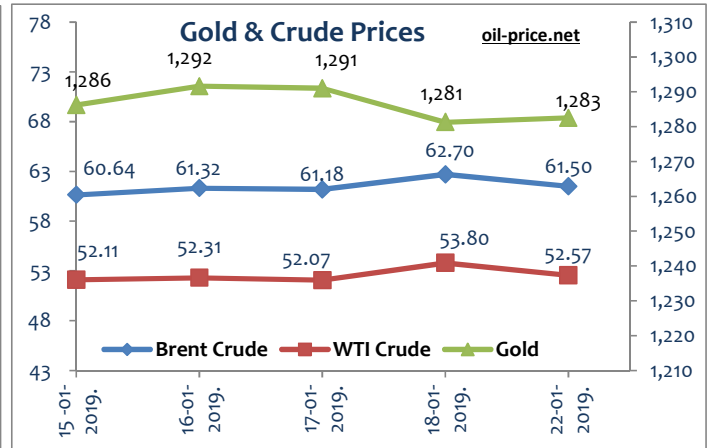
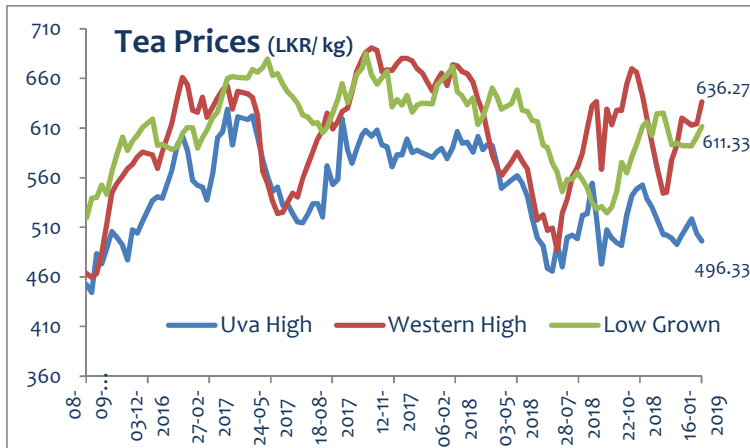
SLIBOR - LKR %



LIBOR - USD %



Economic Indicators & Other Statistics



Local News

Sri Lanka's growth seen staying below potential in near term: UN

ECONOMYNEXT – Sri Lanka's economic growth is projected to remain below potential in the near term owing to insufficient international competitiveness and vulnerability to external shocks, a new United Nations study said. The island has a high debt burden and heavy government interest payments, which at almost 40% as a share of general government revenue was the third highest among South Asian economies, the U.N.'s report, the World Economic Situation and Prospects 2019, said. "In several countries, high debt-service obligations already constitute a heavy burden on government finances. In 2017, interest payments alone exceeded 20% of government revenue in several countries in Africa, Latin America and South Asia." Sri Lanka's economy is recovering from the slowdown in 2017, but much more slowly than anticipated, amid weak business sentiment, feeble investment demand and political turbulences, the U.N. said.

Sri Lanka's HNJ Towers to build U\$14mn apartment

ECONOMYNEXT - HNJ Towers (Pvt) Ltd, has been given the go ahead to build a 14.82Mn US dollar apartment tower in Sri Lanka's capital Colombo, the state investment promotion agency said. Chief Operation Officer Imzaan Haque was quoted as saying that the apartments are offered on a 'sale and lease back' which has made it easier to sell. "It could be compared to a limited service hotel," he was quoted as saying after signing an agreement with Board of Investment Chairman Hemasiri Fernando. "The project is a mixed development service apartment complex." The tower branded 'Raintree Residencies' will be built on Duplication Road with a food court and convenience store.

Sri Lanka maize output to fall as armyworm spreads

ECONOMYNEXT - Sri Lanka's maize crop in the ongoing main (Maha) cultivation season has been hit by an outbreak of armyworm with over 2,200 hectares already infested by the pest, the state agricultural agency has said. Sri Lanka is forecasted to produce about 240,675 metric tonnes of maize in the Maha season, which is down 12.2% from a year earlier. Sri Lanka produces most of the domestic maize in the Maha season. The minor (Yala) season brought about 32,000 metric tonnes last year, with 8,474 hectares being sown. Sri Lanka imports the balance requirement of maize, used mainly in animal feed. Imports are taxed and also controlled by licensing, leading to allegations of corruption.

SriLankan Airlines posts Rs40bn net loss for 9 months amid rising fuel prices

(LBO) – SriLankan Airlines said the net loss for the nine months ended 31 December 2018 was 40Bn rupees (USD 135mn) against the loss for the corresponding period of previous year stood at 11Bn rupees (USD66mn). During this period, SriLankan's net traffic revenue from core airline operations has increased to 120Bn rupees (USD746mn) with a year on year growth of 8%. However, improvement in topline has been overshadowed drastically by the increase in operating cost base owing to high fuel prices. "At 147Bn rupees (USD902mn), the total operating cost recorded an increase of 15% against the previous year," the airline said. Interest cost for the nine months amounted to 47Mn US dollars and the negative impact of the Withholding Taxes on aircraft related payments amounting to 23Mn dollars.

Chinese cement manufacturer to enter Sri Lankan market

(LBO) – A Chinese cement manufacturer is seeking to set up a new cement plant in the Hambantota Export Processing Zone in Sri Lanka. According to the Deputy Minister of Development Strategies and International Trade, Nalin Bandara, this is the first time a Chinese cement company is entering the local market directly. "This Chinese company would mainly concentrate on the Sri Lankan market," Bandara said. "Even though, we have many manufacturers, **almost 55%** of the local consumption **is imported**. Therefore, there is an opportunity for a new manufacturer to market cement locally." He said that the land allocation and environmental assessments for the project have already been completed, with the plant expected to start production in May 2020. The Chinese company is expected to source 40% of raw material locally and intends to increase it gradually.

Foreign News

Asian shares pause amid concerns over growth and trade

Asian stocks trod water on Wednesday as concerns over the outlook for global economic growth and the ongoing Sino-U.S. trade war kept investors away from riskier assets. The Shanghai Composite Index was last down 0.15 percent, having flitted in and out of the red. Australian stocks lost 0.25 percent and Japan's Nikkei shed 0.1 percent. On Wall Street, the S&P 500, the Nasdaq and the Dow all posted their biggest one-day percentage drops since Jan. 3 on Tuesday.

Following a sharp drop in December, U.S. shares gained through much of January, supported in part by expectations for a thaw in U.S.-China trade tensions and a more dovish-sounding Federal Reserve. That also prompted global investors to plow into riskier assets.

But putting a dent on sentiment again was a report by the Financial Times that the Trump administration had rejected an offer from China for preparatory trade talks this week ahead of high-level negotiations scheduled for next week.

Recently published data all pointed to a rough year ahead for the world economy. U.S. home sales tumbled 6.4 percent in December, falling short of the weakest forecast, to their lowest in three years. Compared with a year earlier, they were down more than 10 percent for the first time since 2011.

Japan's exports and imports also fell short of market expectations, with exports posting their biggest fall in more than two years. As expected the Bank of Japan kept monetary policy easy and trimmed its inflation forecast on Wednesday with the domestic economy facing headwinds.

U.S. bond prices have found support, with the benchmark 10-year yield slipping to 2.744 percent from Friday's peak of 2.799 percent, the highest since Dec. 27, with money market futures pricing out any chance of a Fed rate hike this year.

In commodities, U.S. West Texas Intermediate (WTI) crude futures managed to crawl up 0.17 percent to \$53.1 per barrel after shedding 1.9 percent the previous day. (reuters.com)

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