

DAILY STOCK MARKET HIGHLIGHTS

Friday, 23 November 2018



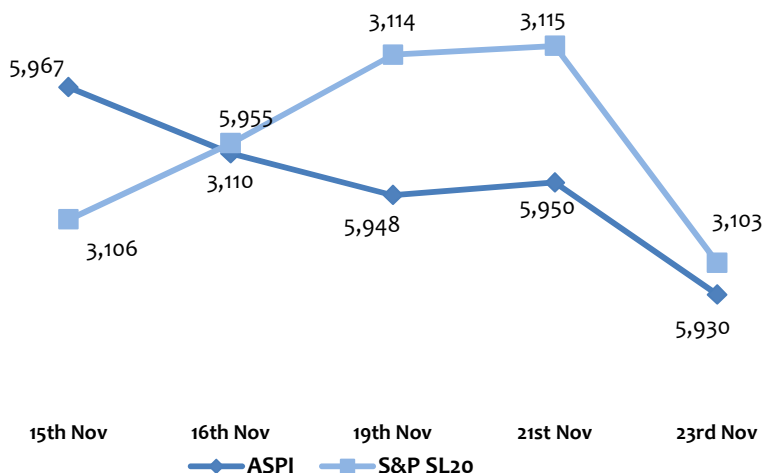
**ASHA PHILLIP
SECURITIES LTD**

Sri Lanka

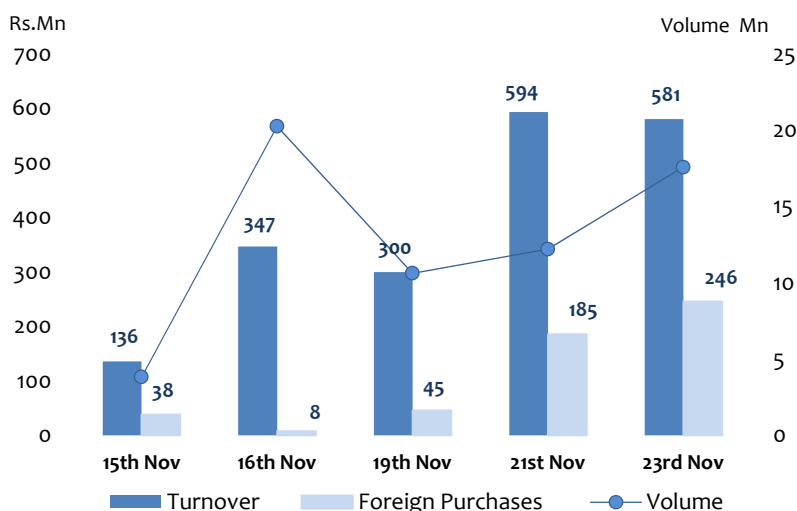
Daily Market Statistics

Index	23rd Nov	21st Nov	Change	% Change
ASPI	5,929.98	5,950.19	↓ (20.21)	↓ -0.34%
S&P SL20	3,103.34	3,114.51	↓ (11.17)	↓ -0.36%
Market Stats (LKR, Mn)		23rd Nov	21st Nov	% Change
Turnover		580.85	594.12	↓ -2.2%
Domestic Purchases		335.28	408.66	↓ -18.0%
Domestic Sales		283.85	418.89	↓ -32.2%
Foreign Purchases		245.57	185.46	↑ 32.4%
Foreign Sales		297.00	175.23	↑ 69.5%
Share Volume		17.59	12.22	↑ 44.0%
Market capitalization (Bn)		2,782.03	2,791.51	↓ -0.34%
PER		9.35	9.38	↓ -0.32%
PBV		1.16	1.16	↓ 0.00%

Market Indices



Turnover, Volume and Foreign Purchase



Performance of the Market

- Colombo bourse turned red with the increased political tension prevailing in the country. The benchmark index ASPI moved between 5,929.35 - 5,957.89 points and settled the day at 5,929.98 with a loss of 20.21 points (-0.34%).
- Major contributors for the movement in ASPI were LOFC (+1.8), ASIR (+1), WATA (+0.8), MELS (+0.5), AAIC (+0.5), DIAL (-3.5), SLTL (-3.5), DIST (-2), LOLC (-1.9) & PLC (-1.7)
- S&P SL20 index also followed a same trend and settled the day at 3,103.34 with a loss of 11.17 points (-0.36%).
- The day's turnover was recorded as LKR 580.85Mn, down by 2% from its previously recorded LKR 594.12Mn. Foreign investors turned net sellers for the day.
- The total market capitalization stood at LKR 2.78Tn, indicating an YTD loss of 4.04%.
- The market PER & PBV were at 9.35x & 1.16x respectively.

Top Contributors – Turnover

- John Keells Holdings PLC (JKH) topped the turnover list with 38% (219.59Mn) contribution to the day's total turnover. JKH traded between LKR 154.00 & 155.00 and settled the day at LKR 154.10 with a gain of LKR 0.10 (+0.06%); about 51% (111.65Mn) of its turnover was contributed through 2 off board trades of 0.73Mn shares negotiated at the price of LKR 154.00
- Hatton National Bank PLC (HNB) stood second by adding LKR 170.59Mn to the day's total turnover. HNB traded between LKR 213.00 & 215.00 and settled the day at LKR 213.00 with a loss of LKR 1.50 (-0.7%); about 92% (157.32Mn) of its turnover was contributed through 2 off board trades of 0.74Mn shares negotiated at the price of LKR 213.00
- Amana Takaful PLC (ATL) contributed LKR 60.26Mn to the total turnover and secured the third slot. ATL traded and settled on par with its previous closing at LKR 6.40; about 99.9% (60.25Mn) of its turnover was contributed through 3 off board trades of 8.25Mn shares negotiated at the price of LKR 7.30.

Traded Volume

- Amana Takaful PLC traded a total of 11.01Mn shares dominating the traded volumes.
- Expolanka Holdings PLC (2.02Mn shares) and Adam Capital PLC (1.98Mn shares) were next in line under the top contributors to the daily volumes.

Sectorial Overview

- Bank Finance & Insurance (BFI) stood on top providing LKR 307.46Mn capturing 53% of the day’s total turnover.
- Diversified Holdings (DIV) and Manufacturing (MFG) provided LKR 253.16Mn and LKR 7.09Mn respectively to the daily aggregated turnover.

Daily Foreign Transactions

Net Foreign Purchases

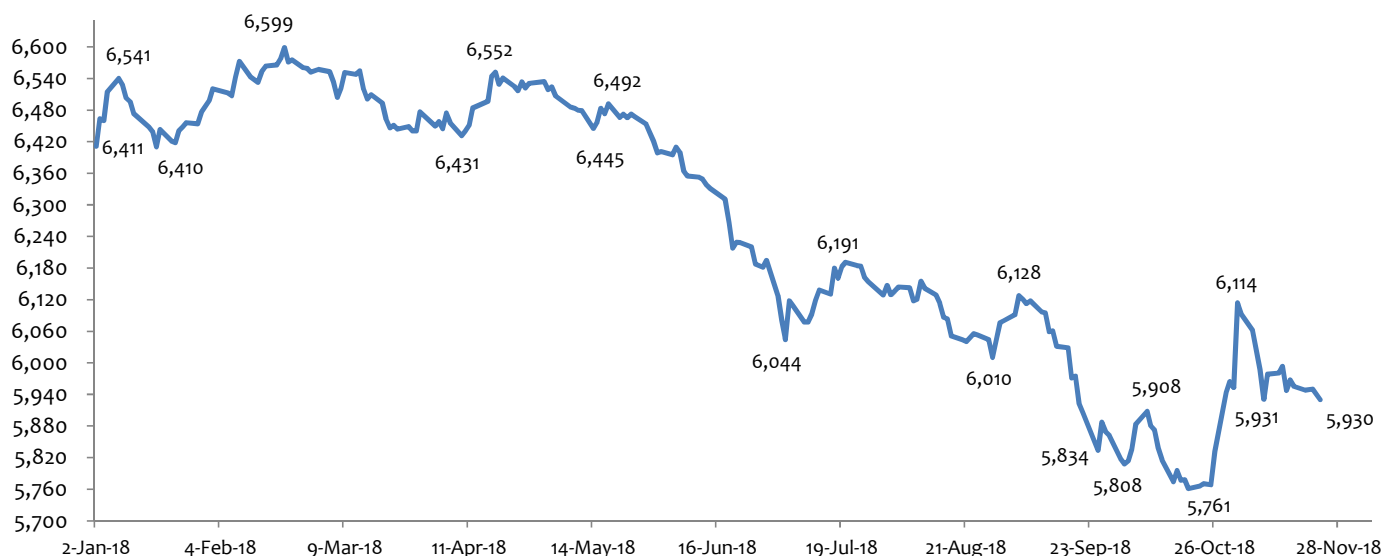
Company Name	Avg Price	Net change in Qty	Net Foreign Inflow
HNB (+)	213.00	300,000	63,900,000
SAMPATH (+)	230.00	200,800	46,184,000
VALLIBEL FINANCE	69.50	25,500	1,772,250
RAIGAM SALTERNS	2.00	27,702	55,404
RENUKA CAPITAL	3.90	8,900	34,710
NAT. DEV. BANK (+)	105.00	313	32,865

Net Foreign Sales

Company Name	Avg Price	Net change in Qty	Net Foreign Outflow
JKH	154.00	(906,067)	(139,534,318)
HEMAS HOLDINGS	88.00	(245,000)	(21,560,000)
COMMERCIAL BANK (+)	112.50	(16,000)	(1,800,000)
ACCESS ENG SL	15.80	(22,790)	(360,082)
OFFICE EQUIPMENT	80.10	(1,000)	(80,100)
HAYLEYS	190.60	(336)	(64,042)
GALADARI (+)	7.00	(100)	(700)
NATION LANKA	0.60	(100)	(60)

- **Aggregate foreign buying** for the day totaled up to **LKR 245.57Mn.**
- **Foreign sales** for the day amounted to **LKR 297Mn.**
- **Net foreign outflow** for the day was **LKR 51.43Mn**, **YTD net foreign outflow** presently stands at **LKR 17.29Bn.**
- **HNB** notched the “Top Net Purchasers” slot with a net inflow of **LKR 63.9Mn** whilst **JKH** notched the “Top net Sellers” slot with a net outflow of **LKR 139.53Mn.**

Year-to-Date ASPI Movement



Key Announcements

- **Laugfs Gas PLC (LGL)** had provided with a **Corporate Guarantee** to its wholly owned subsidiary **Laugfs Maritime Services (Pvt) Ltd** as security to obtain Banking facilities from People's Bank for the value of **USD 1.5Mn**.

Companies under Trading Suspension

Company	MIRA	CIFL	ESL	PCH	PCP	SING	CIFL	SFS	
From	26-Feb-15	23-Nov-17	5-Jan-16	2-Apr-18			23-Nov-17	2-July 18.	
Reason	SEC Directive	status	Weak position	as per CSE Listing Rules			CBSL	Listing Rules	
Company	LCEM		MEL						
From	7-Sep 18.		25-Sep 18.						
Reason	Qualified Opinion on Auditor's Report								

Companies on WATCH LIST

Non Submission of Annual Reports, Financial Statements									Default Board
MIRA	LCEM	CIFL	PCH	PCP	SING	HDEV	LLMP	PCHH	SFS
ALHP	LLMP	CFT	SFL	SINH	EAST				
Qualified Opinion in the Independent Auditor's Report									
AINV	ESL	RGEM	MEL	JANA	AGST	PMB	MBSL	SHAW	TFC
EMER	IDL	CHOU	MSL	HVA	SIRA				
Non-compliance of CSE Listing Rules, minimum public holding & Corporate Governance									
HUEJ	BLUE	ACAP	ARPI	ASPH	BBH	COMD	CPRT	DIST	CLC
ASPM	GOOD	HPFL	INDO	KAPI	LAMB	MADU	MORI	OFEQ	NIFL
PARA	PDL	SELI	MERC	SHAL	LHCL	SLND	AFSL	AMCL	ODEL
SFCL	TAP	MERC	TFIL	LOFC					

Annual general Meetings (AGMs)

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

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

Company	Date
HASU	28-Mar-19

Company	Date
HNB	29-Mar-19

EGMs

Company	Date
Nil	

Key Announcements

Cash Dividends

CODE	DIVIDEND PER SHARE (LKR)	TYPE	XD DATE	PAYMENT DATE	CODE	DIVIDEND PER SHARE (LKR)	TYPE	XD DATE	PAYMENT DATE
NAVF	1.00		12.Nov.2018	26.Nov.2018	CTC	19.00	Interim	21.Nov.2018	29.Nov.2018
LVEF	0.34	Interim	14.Nov.2018	26.Nov.2018	HHL	0.40	Interim	26.Nov.2018	05.Dec.2018
VLL	0.15	Interim	15.Nov.2018	27.Nov.2018	BFL	4.00	Interim	27.Nov.2018	06.Dec.2018
CARG	1.90	Interim	15.Nov.2018	28.Nov.2018	ONAL	1.20	Interim	28.Nov.2018	07.Dec.2018
CTHR	1.80	Interim	16.Nov.2018	29.Nov.2018	COMD	2.00	Interim	28.Nov.2018	07.Dec.2018
CTLD	1.00	Interim	16.Nov.2018	29.Nov.2018	RFL	0.50	Interim	30. Nov.2018	11.Dec.2018

Capitalization of Reserves

Company	Proportion	EGM / Allotment	XC Date	Consideration (RS.)
Ceylon & Foreign Trades PLC (CFT)	1 for 1	To be notified	To be notified	4.00

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

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

Repurchase of Shares

Company	Price	Proportion	Entitle	Offer Open	Offer closing	Payment
John Keells Holdings PLC (JKH)	LKR 160.00	1 for 20	03 Dec 2018.	14 Dec 2018.	10 Jan 2018.	25 Jan 2019.

Rights Issues with pending dates

Company,	Issue Price	Proportion	Company,	Issue Price	Proportion
Agalawatte Plantations (AGAL) LKR 15.3	LKR 2.01Bn	21 for 4	Adam Investments PLC (AINV)	LKR 1.00	01 for 01
Adam Capital PLC (PCHH)	LKR 1.50	02 for 01	Blue Diamonds Jewellery (BLUE)	LKR 1.00	01 for 04

Market Highlights & Statistics

Market Capitalisation

Company Name	Symbol	Price	Issued Quantity	Market Capitalisation	(as a % of MKT Cap.)
CEYLON TOBACCO COMPANY PLC	CTC.No000	1,400.20	187,323,751	262,290,716,150	10.15
JOHN KEELLS HOLDINGS PLC	JKH.No000	154.10	1,387,528,658	213,818,166,198	8.27
COMMERCIAL BANK OF CEYLON PLC	COMB.No000	112.50	945,709,403	106,392,307,838	4.12
DIALOG AXIATA PLC	DIAL.No000	11.50	8,143,778,405	93,653,451,658	3.62
NESTLE LANKA PLC	NEST.No000	1,625.00	53,725,463	87,303,877,375	3.38
HATTON NATIONAL BANK PLC	HNB.No000	213.00	395,451,248	84,231,115,824	3.26
DISTILLERIES COMPANY OF SRI LANKA PLC	DIST.No000	16.80	4,600,000,000	77,280,000,000	2.99
CEYLON COLD STORES PLC	CCS.No000	730.00	95,040,000	69,379,200,000	2.68
SAMPATH BANK PLC	SAMP.No000	230.00	280,902,248	64,607,517,040	2.50
MELSTACORP PLC	MELS.No000	52.50	1,165,397,072	61,183,346,280	2.37

Highest Volume

Company Name	Turnover (Rs)	Share Vol.
AMANA TAKAFUL PLC	60,264,501	11,006,708
EXPOLANKA HOLDINGS PLC	8,096,723	2,024,097
ADAM CAPITAL PLC	593,204	1,977,345
JOHN KEELLS HOLDINGS PLC	219,585,911	1,425,759
HATTON NATIONAL BANK PLC	170,585,315	800,867
PANASIAN POWER PLC	936,900	312,300
HEMAS HOLDINGS PLC	22,609,079	256,978
ACCESS ENGINEERING PLC	3,861,677	243,721
SAMPATH BANK PLC	48,028,566	208,805
BROWNS CAPITAL PLC	739,332	205,370

Highest Turnover

Company Name	Share Vol.	Turnover (LKR)
JOHN KEELLS HOLDINGS PLC	1,425,759	219,585,911
HATTON NATIONAL BANK PLC	800,867	170,585,315
AMANA TAKAFUL PLC	11,006,708	60,264,501
SAMPATH BANK PLC	208,805	48,028,566
HEMAS HOLDINGS PLC	256,978	22,609,079
COMMERCIAL BANK OF CEYLON PLC	97,758	11,019,485
EXPOLANKA HOLDINGS PLC	2,024,097	8,096,723
NATIONAL DEVELOPMENT BANK PLC	58,020	6,090,459
ACCESS ENGINEERING PLC	243,721	3,861,677
NATIONS TRUST BANK PLC	22,313	2,004,916

Top Gainers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
ASIA ASSET	1.00	0.10	11.11	160,291
WATAWALA	21.10	1.90	9.90	10,216
THE FINANCE CO. [X]	1.20	0.10	9.09	264
LOLC FINANCE	3.70	0.20	5.71	48,905
RAMBODA FALLS	17.90	0.90	5.29	30,003
RAIGAM SALTERNS	2.00	0.10	5.26	56,632
GUARDIAN CAPITAL	23.90	1.10	4.82	2,390
RENUKA FOODS [X]	9.00	0.40	4.65	13,500
RICH PIERIS EXP	198.00	8.10	4.27	1,822,676
MILLENNIUM HOUSE	8.30	0.30	3.75	3,585

Top Losers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
ADAM CAPITAL	0.30	(0.10)	(25.00)	593,204
NATION LANKA	0.60	(0.10)	(14.29)	16,001
BERUWALA RESORTS	0.60	(0.10)	(14.29)	4,706
ABANS	60.60	(8.90)	(12.81)	1,149,986
MULLERS	0.70	(0.10)	(12.50)	3,500
LAXAPANA	11.00	(0.90)	(7.56)	11,110
BROWNS BEACH	12.20	(0.90)	(6.87)	12,606
SERENDIB ENG.GRP	6.30	(0.40)	(5.97)	12,625
CITRUS LEISURE	5.10	(0.30)	(5.56)	61,090
ORIENT FINANCE	13.70	(0.80)	(5.52)	1,435,353

Crossings

Name	Symbol	Price	Trades	T.Volume	Turnover
Hatton National Bank PLC	HNB.No000	213.00	2	738,600	157,321,800.00
John Keells Holdings PLC	JKH.No000	154.00	2	725,000	111,650,000.00
Amana Takaful PLC	ATL.No000	7.30	3	8,252,781	60,245,301.00
Sampath Bank PLC	SAMP.No000	230.00	1	200,000	46,000,000.00

Market Highlights & Statistics

Sector Wise Summary

Sector	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
BANK FINANCE AND INSURANCE	15,626.79	15,716.41	307,461,763	10,042,129	644	5.10	0.90
BEVERAGE FOOD AND TOBACCO	24,102.60	24,138.95	1,391,656	87,339	66	17.70	6.00
CONSTRUCTION AND ENGINEERING	1,514.42	1,532.55	4,837,595	368,405	302	20.20	0.60
CHEMICALS AND PHARMACEUTICALS	5,158.27	5,163.21	87,623	8,112	14	5.30	0.60
DIVERSIFIED HOLDINGS	1,563.13	1,563.62	253,155,153	5,945,242	304	10.20	0.90
FOOTWEAR AND TEXTILE	886.81	892.10	200,596	21,011	14	71.00	0.90
HOTELS AND TRAVELS	2,628.60	2,631.10	2,128,213	131,288	156	61.00	1.60
HEALTH CARE	806.97	799.46	662,912	45,858	35	15.50	1.80
INVESTMENT TRUSTS	9,319.67	9,331.01	555,858	18,325	26	19.90	0.40
INFORMATION TECHNOLOGY	26.63	26.63	0	0	0	0.00	0.00
LAND AND PROPERTY	549.85	551.17	334,366	8,302	41	5.30	0.60
MANUFACTURING	2,830.22	2,841.71	7,086,183	355,404	294	7.00	0.90
MOTORS	12,934.46	12,985.90	155,000	1,627	8	11.30	0.50
OIL PALMS	49,328.66	49,328.66	0	0	0	28.20	0.90
POWER & ENERGY	105.50	106.36	1,549,220	387,031	85	0.00	1.30
PLANTATIONS	726.44	716.00	508,708	16,556	67	6.20	0.70
STORES SUPPLIES	28,752.54	28,752.54	0	0	0	14.10	0.50
SERVICES	16,358.41	16,409.01	73,986	20,178	19	11.40	1.30
TELECOMMUNICATIONS	145.30	148.94	510,111	37,254	86	8.30	0.90
TRADING	11,630.25	11,641.18	149,458	99,632	30	28.20	0.80

GICS Industry Group Statistics

Industry Group	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
Automobiles & Components	493.30	493.30	407,724	11,500	10	4.90	0.60
Banks	821.76	821.51	240,627,184	1,275,939	320	5.90	0.80
Capital Goods	843.68	841.19	249,170,976	4,173,579	605	10.40	0.80
Commercial & Professional Services	744.42	744.42	1,156	19	4	0.00	0.90
Consumer Durables & Apparel	785.30	798.27	1,685,733	55,552	90	25.10	1.00
Consumer Services	244.44	245.19	2,128,213	131,288	157	63.20	1.60
Diversified Financials	772.09	769.03	6,286,531	510,795	276	5.30	0.80
Energy	614.86	608.81	301,257	17,909	50	0.00	1.00
Food & Staples Retailing	1,259.17	1,259.17	51,102	96,505	21	15.30	2.20
Food, Beverage & Tobacco	931.17	933.30	2,486,401	191,973	196	15.30	2.50
Health Care Equipment & Services	860.10	868.39	666,412	50,858	38	15.60	1.80
Household & Personal Products	1,082.10	1,022.82	0	0	0	15.40	2.00
Insurance	1,694.83	1,696.80	61,362,652	8,283,323	69	3.40	1.40
Materials	533.66	531.10	4,522,083	133,835	142	6.00	0.90
Pharmaceuticals, Biotechnology & Life Sciences	1,745.59	1,745.59	0	0	0	4.60	1.40
Real Estate	749.93	754.73	321,467	6,283	32	5.10	0.60
Retailing	777.36	774.33	194,167	10,297	21	14.50	0.70
Technology Hardware & Equipment	0.00	-	0	0	0	0.00	0.00
Telecommunication Services	778.16	768.65	510,111	37,254	86	8.30	0.90
Transportation	685.99	702.71	8,096,723	2,024,097	26	19.80	0.70
Utilities	736.66	739.22	1,247,963	369,122	35	11.40	0.70

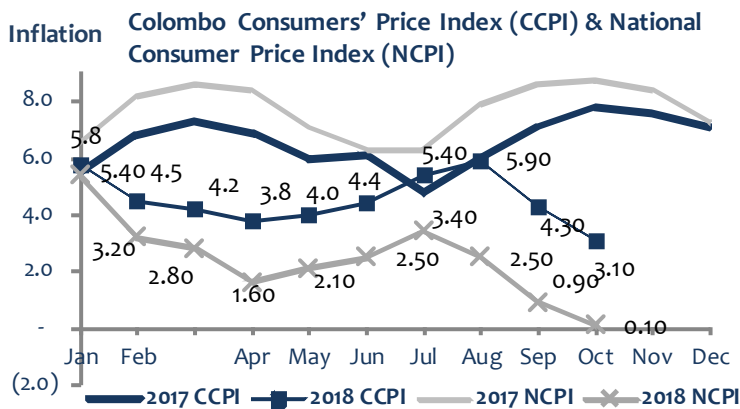
Economic Indicators & Other Statistics

Exchange Rates

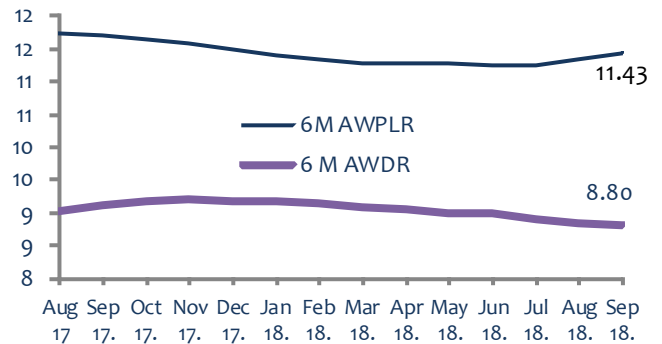
Currency	23rd Nov		21st Nov	
	Buying	Selling	Buying	Selling
Dollar (USA)	176.72	180.66	175.11	179.05
Pound (UK)	226.46	233.92	222.85	230.23
Euro (EU)	200.31	207.47	197.85	204.98
Dollar (Australia)	126.86	132.29	125.33	130.73
Dollar (Canada)	133.08	138.08	130.76	135.70
Franc (Switzerland)	176.51	183.21	174.75	181.41
Renminbi (China)	25.17	26.39	24.91	26.11
Yen (Japan)	1.5547	1.6126	1.5412	1.5989
Dollar (Singapore)	128.08	132.50	126.67	131.07

Indicative Rates

Currency	23rd Nov	21st Nov
	Ind: Value	Ind: Value
Yuan (Offshore)	25.7426	25.5216
Rupee (India)	2.5237	2.4803
Won (Korean)	0.1578	0.1566
Dinar (Kuwait)	586.6445	582.7901
Ringgit (Malay)	42.5088	42.1879
Rial (Oman)	463.3248	460.1831
Riyal (Qatar)	48.9871	48.6559
Riyal (KSA)	47.5495	47.2216
Dirham (UAE)	48.5683	48.2333



Average Weighted Prime Lending & Deposit Rate

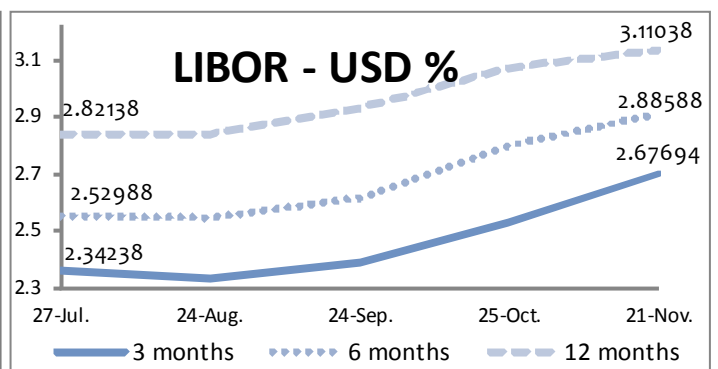
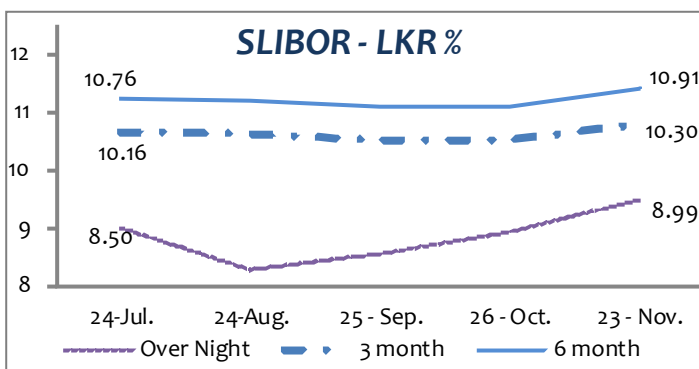


Central Bank's Policy Rates

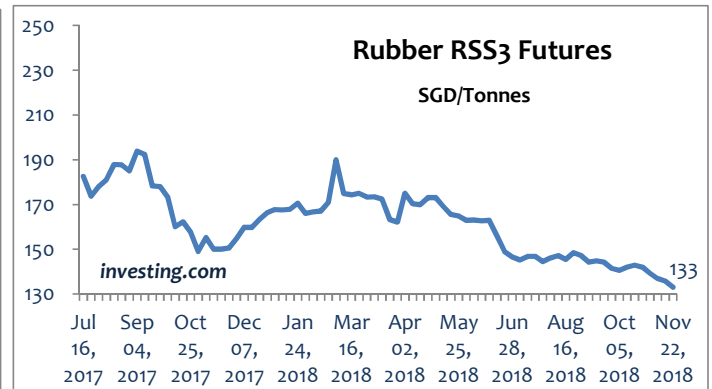
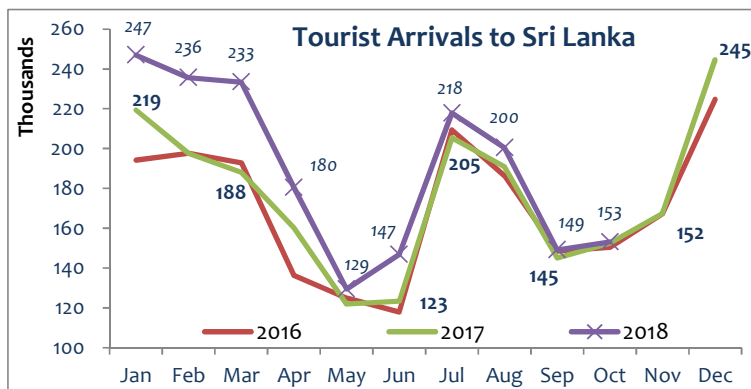
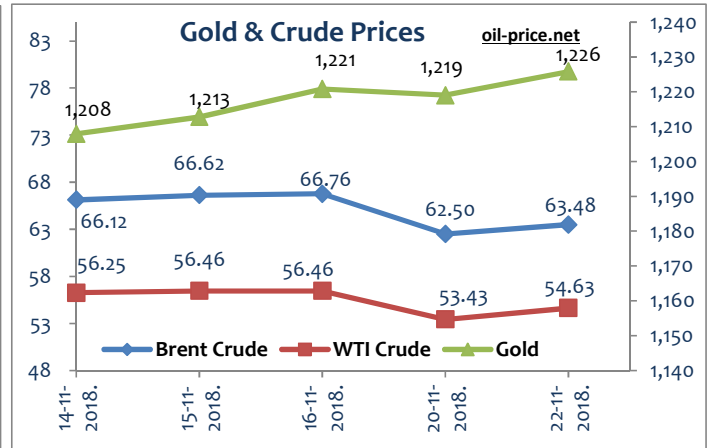
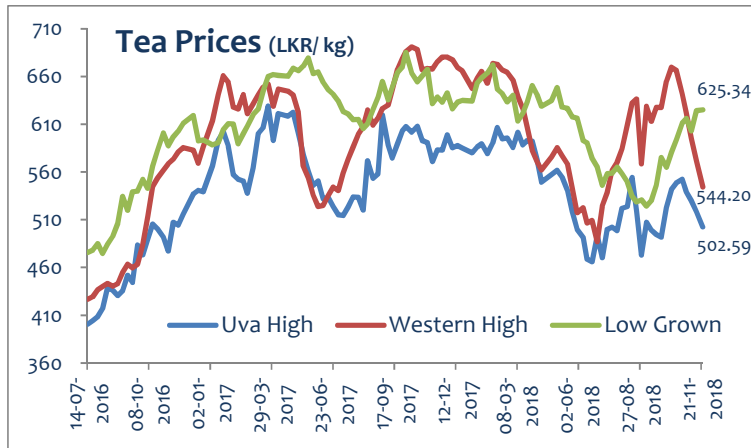
Description	Present	Previous	Treasury Bill				
			19.11.2018	14.11.2018	07.11.2018	23.10.2018	
Standing Deposit Facility (SDF)	8.00%	7.25%	91 Days %	10.01	10.07	9.65	na
Standing Lending Facility (SLF)	9.00%	8.50%	182 Days %	na	na	9.99	na
Bank Rate	15.00%	15.00%	364 Days %	11.21	11.25	10.89	10.39
Statutory Reserve Ratio (SRR)	6.00%	7.50%	Amount	15.5Bn	9.86Bn	15.37Bn	7.5Bn

Treasury Bond

Date	17.09.2018	17.07.2016	15.10.2018	17.07.2016	17.09.2018	02.01.2018	15.08.2018	15.10.2018
Maturity	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	10 Years	15 Years
Current Yield	10.03	11.14	11.69	11.21	10.32	10.06	10.20	11.90
Previous Auction	02.03.2018	15.06.2017	15.08.2018	15.06.2017	16.07.2018	01.11.2017	01.06.2018	16.07.2018
Previous Yield	9.85	11.37	9.91	11.38	10.53	10.33	10.72	10.88



Economic Indicators & Other Statistics



Local News

Sri Lanka looks at stop-gap financing to settle debt in 2019

Sri Lanka's will look to alternative sources to re-finance maturing debt of over four billion US dollars in 2019, as yields in capital markets have spiked amid political uncertainty and a credit downgrade, an official said. Lalith Samarakoon, who heads an economic council convened by President Maithripala Sirisena said the most important concern were sovereign bonds. There were about 5.4 billion in forex debt, including about a billion US dollars of domestic dollar debt, he said. Sri Lanka has to repay a billion US dollar sovereign bond in January and a 500 million bond in April. The central bank has said it plans to raise 750 million to a 1,000 million through state-run Bank of Ceylon, People's Bank and National Savings Bank and there was 680 million dollars in a Treasury account from money paid by China for Hambantota Port. "Then the others are project loans," he told reporters in Colombo. "As you know project loans are not only outflows, but we receive bilateral and multilateral sources, in a given year we receive about 600 million dollars." "In total, at the end of the day we might have to finance externally about two billion dollars externally during 2019, if we are going to markets." (*economynext*)

October national inflation decelerates on base effect; core inflation up

Inflation continued to decline for the third consecutive month, dropping to 3.3% in October, the lowest since January 2016, from 4% in September, the Central Bank said in a statement. The deceleration observed in year-on-year inflation in October is mainly driven by the higher base that prevailed during the corresponding month of the previous year due to higher food prices. Year-on-year food inflation dropped for the third consecutive month and recorded -6.6% in October. (*dailymirror.lk*)

BOI signs US\$ 60.86mn worth investment agreements

The Board of Investment (BOI) yesterday announced that it has signed US \$60.86 million worth investment agreements with local and foreign investors in apparel, logistics, plant tissue culture and packaging sectors. The largest investment project was signed with W U S Logistics (Pvt) Ltd., to set up a logistics city, which will include warehousing facilities, cold room facilities, in-house value addition and multi country consolidation services, auditorium, business communication centre, exhibitions centre, logistic education centre and research & development facility. Aiming to boost private sector investments in multi country consolidation services, the Finance Ministry in mid-October issued a gazette effective from October 1, 2018, allowing privately-held warehouses to clear goods imported in less than a container load of cargo. *(dailymirror.lk)*

Foreign News

China leads Asian shares lower on growth, trade worries

Asian shares slipped on Friday as trade tensions continued to hurt sentiment, while weak corporate earnings in Europe added to worries about global growth and outweighed hopes for progress in Brexit negotiations.

With U.S. markets closed overnight for Thanksgiving and Japan on holiday on Friday, trading activity was muted. Regional indicators turned lower after China's markets opened.

MSCI's broadest index of Asia-Pacific shares outside Japan .MIAPJ0000PUS fell 0.2 percent, giving up early, small gains as Chinese blue-chips .CSI300 dropped 1.4 percent and the Shanghai Composite index .SSEC lost 1.6 percent.

China's markets have been stuck in a slump as the country's trade war with the U.S. has exacerbated worries about slowing growth. Few analysts expect sustained improvement for Chinese shares even if U.S. and Chinese leaders make progress in mending ties at a G20 meeting in Argentina at the end of the month.

On Thursday, stock markets in Europe were hit by disappointing earnings on further signs that corporate profit growth is peaking globally. *(reuters.com)*

Oil hits 2018 lows on emerging supply glut, OPEC expected to cut

Oil prices slumped to 2018 lows on Friday in choppy trading, pulled down an emerging crude supply overhang amid a bleak economic outlook. The fall came even as markets expect the Organization of the Petroleum Exporting Countries (OPEC) to start withholding supply after a meeting planned for Dec. 6.

International benchmark Brent crude oil futures hit their lowest since December 2017 at \$61.52 per barrel, before recovering to \$61.88 by 0622 GMT. That was still 72 cents, or 1.2 percent below their last close. U.S. West Texas Intermediate (WTI) crude futures slumped by 2.5 percent, to \$53.29 a barrel, after coming within 5 cents of an October 2017 low reached earlier in the week.

The divergence between U.S. and international crude comes as surging North American supply is clogging the system and depressing prices there, while global markets are somewhat tighter, in part because of reduced exports from Iran due to newly imposed U.S. sanctions.

Overall, however, global oil supply has surged this year, with the top-three producers - the United States, Russia and Saudi Arabia - pumping more than a third of global consumption, which stands at around 100 million barrels per day (bpd).

High production comes as the demand outlook weakens on the back of a global economic slowdown. Saudi Arabia is pushing OPEC to cut oil supply by as much as 1.4 million bpd to prevent a supply glut. The group officially meets on Dec. 6 to discuss its supply policy. *(reuters.com)*

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