

DAILY STOCK MARKET HIGHLIGHTS

Friday, 25 January 2019



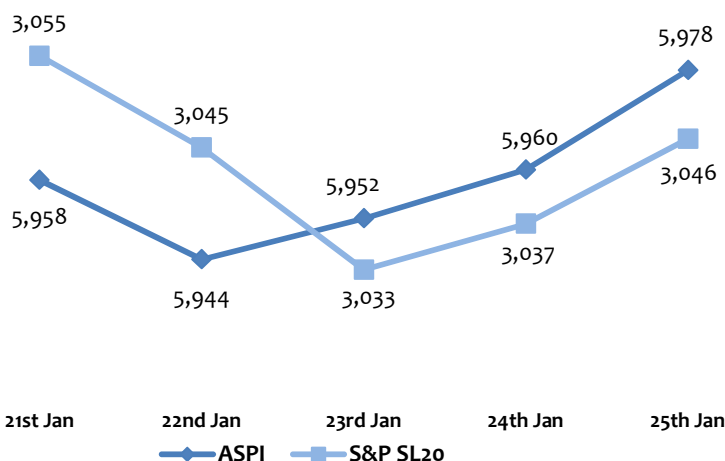
**ASHA PHILLIP
SECURITIES LTD**

Sri Lanka

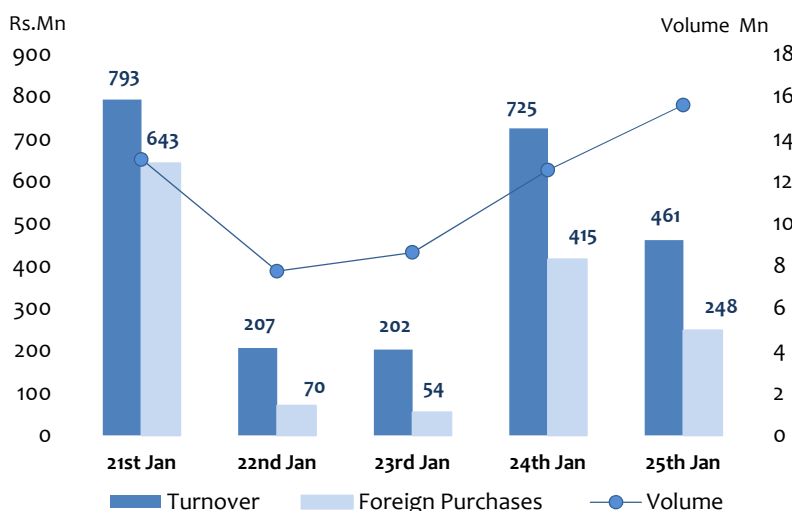
Daily Market Statistics

Index	25th Jan	24th Jan	Change	% Change
ASPI	5,978.30	5,960.34	↑ 17.96	↑ 0.30%
S&P SL20	3,046.23	3,037.46	↑ 8.77	↑ 0.29%
Market Stats (LKR, Mn)		25th Jan	24th Jan	% Change
Turnover		460.96	725.16	↓ -36.4%
Domestic Purchases		213.29	309.69	↓ -31.1%
Domestic Sales		190.36	620.36	↓ -69.3%
Foreign Purchases		247.67	415.47	↓ -40.4%
Foreign Sales		270.60	104.80	↑ 158.2%
Share Volume		15.60	12.52	↑ 24.6%
Market capitalization (Bn)		2,804.70	2,796.27	↑ 0.30%
PER		9.39	9.47	↓ -0.84%
PBV		1.18	1.18	↓ 0.00%

Market Indices



Turnover, Volume and Foreign Purchase



Performance of the Market

- Positive sentiments continued; improved activities noted in plantation sector counters, supported by the positive earnings reported during the week and improvements in both volumes and price at weekly auction.
- Benchmark index ASPI moved between 5,963.36 - 5,981.71 points and settled the day at 5,978.30 with a gain of 17.96 points (+0.30%).
- Major contributors for the movement in ASPI were **LOLC (+6.1)**, **JKH (+4.1)**, **CTC (+4)**, **ALHP (+1.9)**, **NIFL (+1.8)**, **SLTL (-3.5)**, **DIST (-2.0)**, **LION (-1.7)**, **ASIR (-1.5)** & **CCS (-1.1)**
- S&P SL20 index also followed a same trend and settled the day at 3,046.23 with a gain of 8.77 points (+0.29%).
- The day's turnover was recorded as LKR 460.96Mn, down by 36% from its previously recorded LKR 725.16Mn. Foreign investors turned net sellers for the day.
- The total market capitalization stood at LKR 2.8Tn, indicating an YTD loss of 1.22%.
- The market PER & PBV were at 9.39x & 1.18x respectively.

Top Contributors – Turnover

1. John Keells Holdings PLC (JKH) contributed 59% (270.81Mn) of the turnover. JKH traded between LKR 153.90 & 157.00 and settled the day at LKR 154.50 with a gain of LKR 1.40 (+0.91%).
2. Vallibel Finance PLC (VFIN) had contributed LKR 30.1Mn. VFIN traded between LKR 70.90 & 72.00 and settled the day at LKR 72.00 with a gain of LKR 1.40 (+1.98%).
3. Lanka IOC PLC (LIOC) contributed LKR 22.75Mn. LIOC traded between LKR 22.30 & 23.80 and settled the day at LKR 23.00 with a gain of LKR 0.90 (+4.07%).

Top contributors - Traded Volume

1. John Keells Holdings PLC traded a total of 1.76Mn shares.
2. Asia Asset Finance PLC (1.38Mn shares)
3. Maskeliya Plantations PLC (1.27Mn shares).

Sectorial Overview

1. Diversified Holdings (DIV) stood on top providing LKR 277.08Mn capturing 60% of the total turnover.
2. Bank Finance & Insurance (BFI) provided LKR 57.16Mn to the daily aggregated turnover.
3. Plantations (PLT) provided LKR 54.86Mn

Daily Foreign Transactions

Net Foreign Purchases

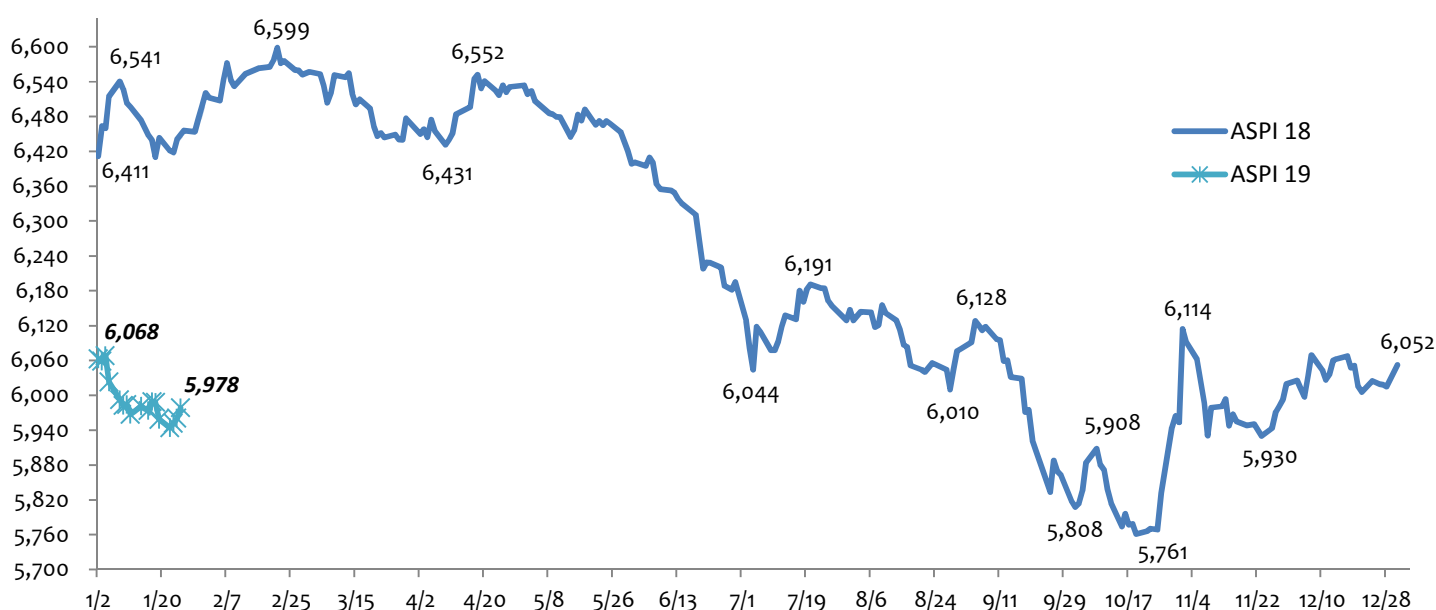
Company Name	Avg Price	Net change in Qty	Net Foreign Inflow
VALLIBEL FINANCE	72.00	268,000	19,296,000
BUKIT DARAH	200.70	10,000	2,007,000
TEEJAY LANKA	34.10	50,000	1,705,000
MULTI FINANCE	18.10	60,725	1,099,123
HUNTERS	400.00	1,000	400,000
COMMERCIAL BANK[X]	97.40	3,500	340,900
CARSONS	170.0	941	159,970
LB FINANCE	121.60	880	107,008
EXPOLANKA	4.10	25,000	102,500
UNION BANK (+)	10.90	8,731	95,168

Net Foreign Sales

Company Name	Avg Price	Net change in Qty	Net Foreign Outflow
JKH	154.50	(258,756)	(39,977,802)
COMMERCIAL BANK (+)	113.50	(35,359)	(4,013,247)
BALANGODA (+)	15.60	(140,000)	(2,184,000)
MASKELIYA	12.50	(118,891)	(1,486,138)
RICH PIERIS EXP	229.00	(1,001)	(229,229)
TOKYO CEMENT	23.90	(7,000)	(167,300)
TOKYO CEMENT[X]	21.50	(6,270)	(134,805)
SLT (+)	23.00	(3,367)	(77,441)
PRIME FINANCE	17.70	(1,711)	(30,285)
HVA FOODS	4.50	(5,000)	(22,500)

- **Aggregate foreign buying** for the day totaled up to **LKR 247.67Mn.**
- **Foreign sales** for the day amounted to **LKR 270.60Mn.**
- **Net foreign outflow** for the day was **LKR 22.93Mn**, **YTD net foreign outflow** presently stands at **LKR 2.07Bn.**
- **VFIN** notched the “Top Net Purchasers” slot with a net inflow of **LKR 19.3Mn** whilst **JKH** notched the “Top net Sellers” slot with a net outflow of **LKR 40Mn.**

Year-to-Date ASPI Movement - 2018 & 2019



Key Announcements

- **Citizens Development Business Finance PLC (CDB)** has received applications for the subscription of over 5Bn (initial issue oversubscribed) of debentures for the issue of 12.5Mn debentures, there for the issue would be closed at 4:30 p.m. on the 28th January 2019.
- **Serenity Lake Leisure (Private) Limited** has purchased further 837,393 shares in **Hunas Falls Hotels PLC (HUNA)** on 17th January 2019 at prices not exceed Rs. 187.00 (Mandatory offer price); present aggregate holding in HUNA is 4.56Mn shares (81.09%).
- **John Keells Holdings PLC (JKH)** has completed its **Repurchase of shares**; effective 28th Jan 2019. Accordingly 69.38Mn shares were re-purchased at LKR 160 per share; no changes to its Stated Capital; No of shares in issue reduced from 1.388Bn to 1.318Mn.

Companies under Trading Suspension

Company	MIRA	CIFL	ESL	PCH	PCP	SING	CIFL	SFS
From	26-Feb-15	23-Nov-17	5-Jan-16	2-Apr-18			23-Nov-17	2-July 18.
Reason	SEC Directive	status	Weak position	as per CSE Listing Rules			CBSL	Listing Rules
Company	LCEM	MEL	HUEJ	AINV	CFT	LLMP	PCHH	
From	7-Sep 18.	25-Sep 18.	26-Nov-18.	10-Dec-2018 for Non-submission of				
Reason	Auditor's Qualified Opinion		***	Non-submission of Annual Reports				

***Non-submission of Interim Financial Statements 30th Jun 2018

Companies on WATCH LIST

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

Annual general Meetings (AGMs)

Company	Date	Company	Date	Company	Date
BLUE	28-Jan-19	DFCC	28-Mar-19	HNB	29-Mar-19
RGEM	29-Jan-19	HASU	28-Mar-19	SAMP	29-Mar-19
COMB	28-Mar-19	SEYB	29-Mar-19	PABC	29-Mar-19

EGMs

Company	Date	Company	Date
AAF	31-Jan-19	ALUF	15-Feb-19
SINH	31-Jan-19	NDB	18-Feb-19
ASCO	8-Feb-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
SFCL	0.80	Interim	30.Jan.2019	11.Feb.2019	COMB	3.00	2nd Interim	06.Feb.2019	15.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

Rights Issues

T = Tranche

Company,	Issue Price	Issue Value	Proportion	XR Date	Letter Dispatch	Trading of Rights	Acceptance
Asia Asset Finance (AAF) T-1 @ LKR 10.0	LKR 252Mn	03 for 10	14 Feb 2019.	20 Feb 2019.	26 Feb - 06 Mar.	07 Mar 19.	
Asia Asset Finance (AAF) T-2 @ LKR 10.0	LKR 218Mn	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
DFCC Bank PLC (DFCC)	LKR 72.00	02 for 05			

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
Hatton National Bank PLC (HNB)	LKR 10Bn	To be notified	100.00	To be notified	5, 7 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	1,430.00	187,323,751	267,872,963,930	10.28
JOHN KEELLS HOLDINGS PLC	JKH.No000	154.50	1,387,528,658	214,373,177,661	8.23
COMMERCIAL BANK OF CEYLON PLC	COMB.No000	113.50	945,709,403	107,338,017,241	4.12
NESTLE LANKA PLC	NEST.No000	1,710.00	53,725,463	91,870,541,730	3.53
DIALOG AXIATA PLC	DIAL.No000	10.00	8,143,778,405	81,437,784,050	3.13
HATTON NATIONAL BANK PLC	HNB.No000	205.20	395,451,248	81,146,596,090	3.11
DISTILLERIES COMPANY OF SRI LANKA PLC	DIST.No000	16.20	4,600,000,000	74,520,000,000	2.86
CEYLON COLD STORES PLC	CCS.No000	683.30	95,040,000	64,940,832,000	2.49
SAMPATH BANK PLC	SAMP.No000	230.00	280,902,248	64,607,517,040	2.48
AIA INSURANCE LANKA PLC	CTCE.No000	1,760.00	30,749,370	54,118,891,200	2.08

Highest Volume

Company Name	Turnover (Rs)	Share Vol.
JOHN KEELLS HOLDINGS PLC	270,808,119	1,757,122
ASIA ASSET FINANCE PLC	1,102,381	1,377,657
MASKELIYA PLANTATIONS PLC	16,464,024	1,271,824
LANKA IOC PLC	22,753,119	988,691
ASIA SIYAKA COMMODITIES PLC	1,658,501	780,751
AMANA BANK PLC	2,216,559	763,978
HATTON PLANTATIONS PLC	5,726,348	748,380
MALWATTE VALLEY PLANTATIONS PLC [X]	3,896,250	717,448
BALANGODA PLANTATIONS PLC	11,453,704	698,144
LANKEM DEVELOPMENTS PLC	2,155,287	479,477

Highest Turnover

Company Name	Share Vol.	Turnover (LKR)
JOHN KEELLS HOLDINGS PLC	1,757,122	270,808,119
VALLIBEL FINANCE PLC	418,050	30,097,205
LANKA IOC PLC	988,691	22,753,119
MASKELIYA PLANTATIONS PLC	1,271,824	16,464,024
BALANGODA PLANTATIONS PLC	698,144	11,453,704
ELPITIYA PLANTATIONS PLC	307,267	6,439,013
HATTON PLANTATIONS PLC	748,380	5,726,348
HAYLEYS FIBRE PLC	52,284	5,129,603
SAMPATH BANK PLC	21,837	5,017,376
ACCESS ENGINEERING PLC	348,314	4,760,238

Top Gainers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
TESS AGRO	0.50	0.10	25.00	26,591
BLUE DIAMONDS	0.60	0.10	20.00	110
MULLERS	0.70	0.10	16.67	138,177
BALANGODA	17.20	2.20	14.67	11,453,704
MASKELIYA	13.40	1.60	13.56	16,464,024
BOGAWANTALAWA	13.60	1.60	13.33	2,380,352
ASIA ASSET	0.90	0.10	12.50	1,102,381
AGALAWATTE	16.50	1.80	12.24	10,893
THE FINANCE CO.	2.00	0.20	11.11	299
GUARDIAN CAPITAL	24.40	2.40	10.91	43,190

Top Losers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
PEOPLE'S MERCH	10.10	(0.90)	(8.18)	4,580
SERENDIB ENG.GRP	8.70	(0.70)	(7.45)	891,312
SINGER IND.	60.00	(4.60)	(7.12)	12,785
AGSTAR PLC	4.40	(0.30)	(6.38)	22,005
PEGASUS HOTELS	22.20	(1.40)	(5.93)	11,100
DOLPHIN HOTELS	26.00	(1.50)	(5.45)	38,948
CITRUS HIKKADUWA	3.60	(0.20)	(5.26)	16,455
CIC	40.60	(2.20)	(5.14)	5,073
MTD WALKERS	15.40	(0.80)	(4.94)	1,508,428
MILLENNIUM HOUSE	8.00	(0.40)	(4.76)	84,147

Crossings

Name	Symbol	Price	Trades	T.Volume	Turnover
Nil					

Market Highlights & Statistics

Sector Wise Summary

Sector	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
BANK FINANCE AND INSURANCE	16,190.54	16,125.78	57,158,205	3,201,502	814	4.90	0.90
BEVERAGE FOOD AND TOBACCO	24,314.24	24,320.91	3,166,378	477,177	264	17.50	5.90
CONSTRUCTION AND ENGINEERING	1,388.73	1,417.18	8,423,952	924,929	433	15.40	0.50
CHEMICALS AND PHARMACEUTICALS	5,239.54	5,272.38	504,565	224,597	63	7.70	0.80
DIVERSIFIED HOLDINGS	1,541.23	1,528.28	277,084,452	2,264,350	301	11.10	0.90
FOOTWEAR AND TEXTILE	907.35	909.37	3,029,707	321,167	70	53.80	0.90
HOTELS AND TRAVELS	2,667.73	2,654.53	1,158,605	117,036	165	99.20	1.70
HEALTH CARE	810.21	817.30	3,436,001	157,362	21	16.50	1.80
INVESTMENT TRUSTS	9,528.12	9,476.68	2,449,811	154,652	69	0.00	0.50
INFORMATION TECHNOLOGY	27.75	28.31	10,909	2,300	7	0.00	0.00
LAND AND PROPERTY	541.82	542.14	2,747,629	248,905	156	5.40	0.60
MANUFACTURING	2,843.16	2,847.18	17,237,703	438,373	498	8.80	0.80
MOTORS	12,378.95	12,377.88	4,472	102	4	17.10	0.50
OIL PALMS	49,418.58	49,335.27	2,006,670	10,000	3	59.20	1.30
POWER & ENERGY	103.78	102.14	23,901,505	1,138,859	225	91.40	1.20
PLANTATIONS	820.43	784.37	54,861,640	4,707,849	2,696	32.70	0.80
STORES SUPPLIES	28,408.28	28,408.28	400,000	1,000	1	17.60	0.50
SERVICES	15,995.36	15,762.85	2,767,870	1,115,604	221	14.90	1.20
TELECOMMUNICATIONS	137.49	139.31	295,025	25,134	16	5.90	0.90
TRADING	11,376.67	11,190.07	150,362	69,881	38	52.20	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	36,000	1,000	1	5.00	0.60
Banks	806.49	805.73	17,878,516	927,187	318	5.50	0.70
Capital Goods	835.68	829.46	285,983,680	2,534,113	705	11.00	0.80
Commercial & Professional Services	763.45	763.45	49,232	352	6	0.00	1.00
Consumer Durables & Apparel	810.69	814.72	11,367,262	562,705	361	42.00	1.10
Consumer Services	254.54	250.90	1,158,605	117,036	165	105.10	1.70
Diversified Financials	767.29	757.20	38,529,308	3,036,840	493	5.40	1.00
Energy	591.17	575.66	22,836,236	993,407	190	0.00	0.90
Food & Staples Retailing	1,264.14	1,264.81	69,129	53,453	12	22.90	2.20
Food, Beverage & Tobacco	931.16	928.62	63,104,648	5,971,567	3,148	16.50	2.80
Health Care Equipment & Services	871.41	878.64	3,585,086	372,634	65	16.60	1.80
Household & Personal Products	1,001.26	1,001.26	214,689	18,999	5	13.70	1.90
Insurance	2,145.00	2,153.63	2,552,831	45,287	129	3.60	1.60
Materials	537.85	539.61	8,247,491	200,628	177	8.70	1.00
Pharmaceuticals, Biotechnology & Life Sciences	1,807.58	1,807.58	0	0	0	5.20	1.40
Real Estate	738.02	738.01	1,866,817	148,766	93	5.10	0.60
Retailing	759.83	752.15	1,425,431	316,659	124	17.40	0.70
Technology Hardware & Equipment	0.00	-	0	0	0	0.00	0.00
Telecommunication Services	718.36	727.85	295,025	25,134	16	5.90	0.90
Transportation	702.71	685.99	485,455	120,111	14	7.70	0.70
Utilities	734.32	733.36	1,065,268	145,452	35	10.30	0.70

Economic Indicators & Other Statistics

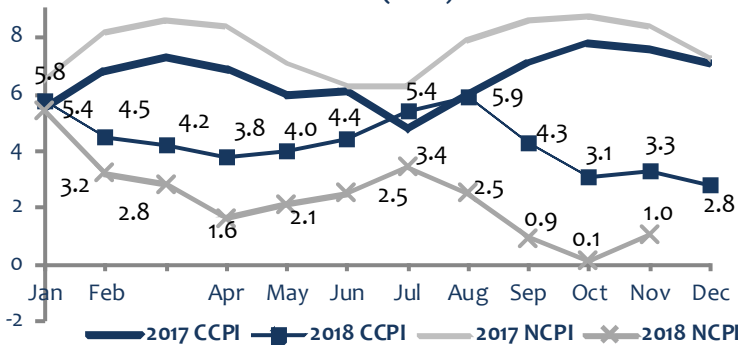
Exchange Rates

Currency	25th Jan		24th Jan	
	Buying	Selling	Buying	Selling
Dollar (USA)	179.70	183.57	180.08	183.96
Pound (UK)	234.59	242.05	234.41	241.86
Euro (EU)	202.05	209.11	203.75	210.85
Dollar (Australia)	126.30	131.63	127.32	132.68
Dollar (Canada)	134.04	138.95	134.12	139.04
Franc (Switzerland)	179.39	185.68	180.04	186.32
Renminbi (China)	26.17	27.41	26.23	27.46
Yen (Japan)	1.6275	1.6864	1.6343	1.6934
Dollar (Singapore)	131.55	135.99	131.96	136.38

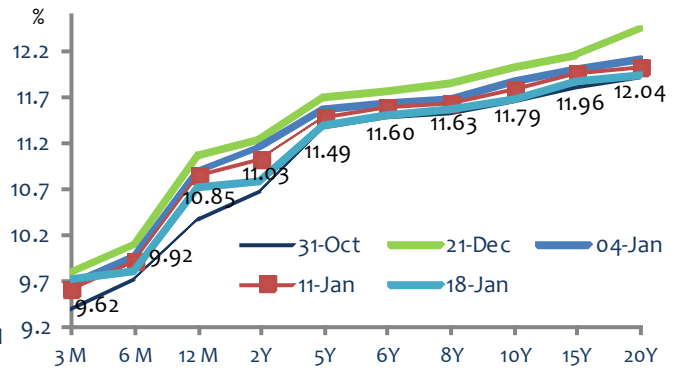
Indicative Rates

Currency	25th Jan	24th Jan
	Ind: Value	Ind: Value
Yuan (Offshore)	26.7687	26.8271
Rupee (India)	2.5605	2.5612
Won (Korean)	0.1615	0.1616
Dinar (Kuwait)	599.4750	600.6360
Ringgit (Malay)	43.8998	44.0515
Rial (Oman)	472.4887	473.4104
Riyal (Qatar)	49.9550	50.0551
Riyal (KSA)	48.5005	48.5963
Dirham (UAE)	49.5212	49.6204

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



Government Securities - Secondary Market Yield



Central Bank's Policy Rates

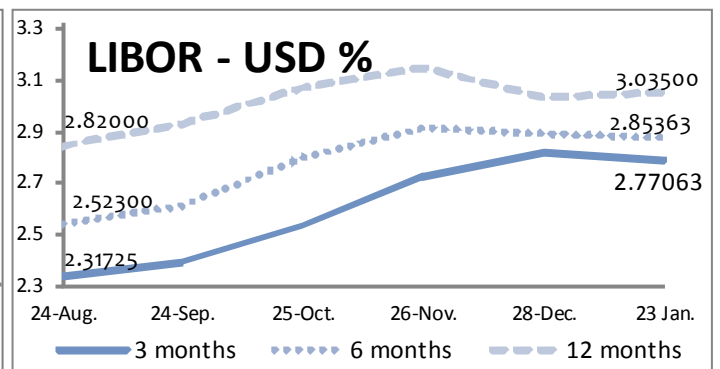
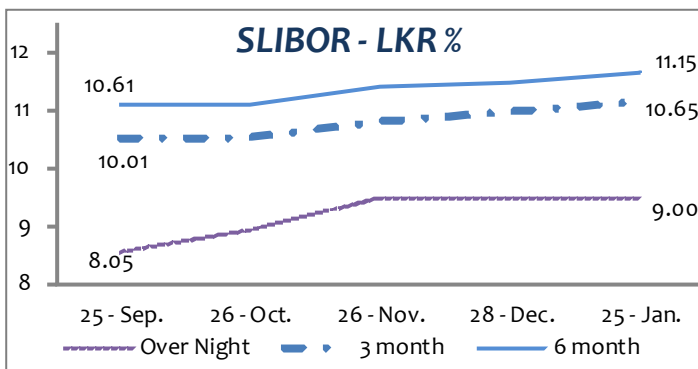
Description	Present	Previous		23.01.2019	16.01.2019	09.01.2019	02.01.2019
Standing Deposit Facility (SDF)	8.00%	7.25%	91 Days %	na	na	na	na
Standing Lending Facility (SLF)	9.00%	8.50%	182 Days %	9.87	9.87	9.94	9.95
Bank Rate	15.00%	15.00%	364 Days %	10.70	10.75	10.85	10.99
Statutory Reserve Ratio (SRR)	6.00%	7.50%	Amount	23.5Bn	26Bn	20Bn	18Bn

Treasury Bill Issuance

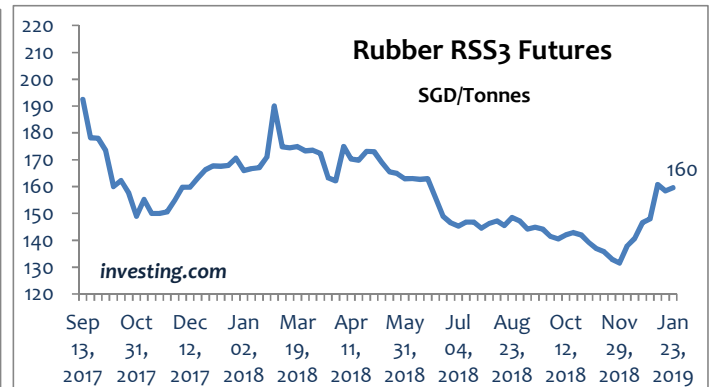
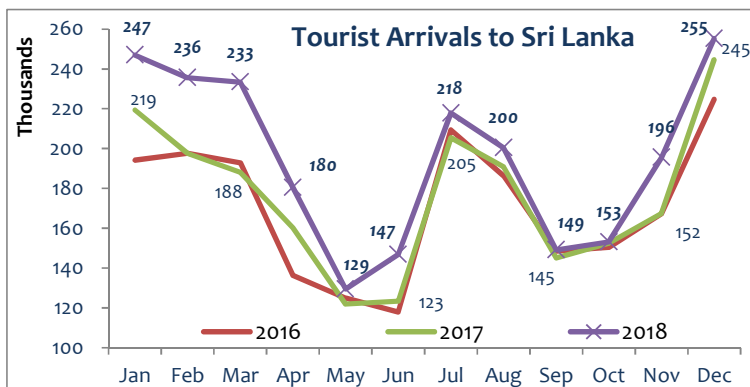
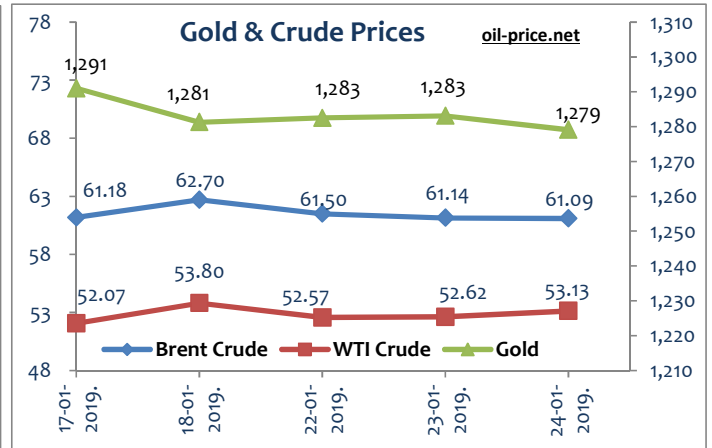
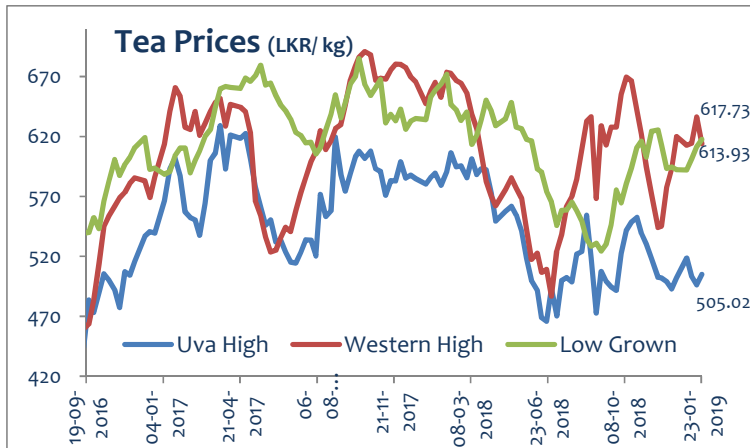
Date	13.12.2018	17.07.2016	11.01.2019	17.07.2016	17.09.2018	13.12.2018	11.01.2019	15.10.2018
Maturity	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	10 Years	15 Years
Current Yield	11.88	11.14	11.58	11.21	10.32	12.23	11.73	11.90
Previous Auction	17.09.2018	15.06.2017	15.10.2018	15.06.2017	16.07.2018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



Economic Indicators & Other Statistics



Local News

Sri Lanka Maha paddy output projected at 2.5mn tonnes

ECONOMYNEXT - Sri Lanka is expected to produce about 2.55Mn tonnes of rough rice in the main Maha cultivation season that is now under way, a provisional official projection said. In 2018 about 2.4Mn tonnes of paddy was produced. In the 2018/2019 main cultivation season that about 828,455 hectares of rice is targeted, the Department of Agriculture said. By November 653,441 hectares had been sown. After setting aside seed paddy 2.36Mn tonnes of paddy will be available for milling. About 1.6Mn tonnes of milled rice is expected to be available. Based on a projected requirement of 2.34Mn tonnes for 2019, the Maha harvest will be enough for 8.21 months. The balance rice is usually produced in the Yala minor cropping season. In 2018, 1.26Mn tonnes of rice produced in the second half of 2018.

Sri Lanka BOI, coast regulator to speed up investment approvals

ECONOMYNEXT – Sri Lanka’s investment promotion agency and the coastal regulator are to work closely together to speed up approvals for investments, especially in tourism and mineral sands mining. The Board of Investment said it has signed an agreement with Coast Conservation and Coastal Resources Management Department to enhance investor facilitation. The agreement "is very significant as approvals by this body are vital for projects in the tourism sector and also those related to the mining of mineral sands," the BOI said in a statement. The Coast Conservation and Coastal Resources Management Department is the 13th state body to sign agreements under the Single Window Investment Facilitation Task force (SWIFT).

Tea industry eyes ambitious production target this year

Sri Lanka’s tea industry is eyeing an ambitious production target of 320Mn kgs this year, despite ending the previous year on a grim note as tea output in 2018 fell to 303Mn kgs from 307Mn kgs in 2017. According to an industry outlook report by tea broker Asia Siyaka, the projection is made based on the assumption that weather conditions will be more stable during this year. Siyaka noted that temporary resolution of the agro chemical issue and lower fertilizer prices will ensure critical inputs and maintenance of tea lands at a much better level than the year before. **Asia Siyaka forecasts low-grown tea output to rise this year** to around 196Mn kgs compared 192Mn kgs in 2018. High-grown production is projected to exceed 74Mn kgs against 64Mn kgs in 2018, if there was no disruption to work in the estates. Medium-grown teas are expected to reach 50Mn kgs compared to 47Mn kgs in 2018. (dailymirror.lk)

Fitch downgrades HDFC Bank to 'BB+(lka)' as government support weakening

(LBO) – Fitch Ratings has downgraded the National Long-Term Rating and senior unsecured debentures of Housing Development Finance Corporation Bank (HDFC Bank) to 'BB+(lka)' from 'BBB-(lka)' reflecting the weakening of the sovereign's ability to provide support. "The downgrade reflects Fitch's assessment of HDFC Bank's standalone strength, as we believe timely support from the sovereign cannot be relied upon," Fitch Ratings said. "Our assessment takes into consideration that the state, as a major shareholder, has not injected new capital into HDFC that the bank would need to meet the minimum regulatory capital requirement of LKR5 billion that came into force in 1 January 2016." All ratings have been removed from Rating Watch Negative, and the Outlook is Stable.

Foreign News

Asia stocks at seven-week top after U.S. techs rise

Asian stocks rallied to a seven-week high on Friday, buoyed by gains in U.S. technology firms as pockets of strength in corporate earnings eased some of the anxiety over a slowing global economy. The euro hovered near a six-week low versus the dollar following dovish-sounding comments from European Central Bank President Mario Draghi, who expressed concerns about the euro zone economy.

The Shanghai Composite Index was up 0.9 percent after regulators announced new measures to strengthen Chinese banks' capital. Tech-heavy South Korean shares added 1.4 percent. Australian stocks climbed 0.7 percent, lifted by higher prices of commodities such as iron ore and crude oil. Japan's Nikkei advanced 1 percent with technology companies boosted by a surge in their U.S. peers.

Chinese Vice Premier Liu He will visit the United States on Jan. 30 and 31 for the next round of trade negotiations with Washington.

The British parliament will debate and vote on Prime Minister Theresa May's Brexit "plan B" on Jan. 29, and the U.S. Federal Reserve concludes a two-day policy setting meeting on Jan. 30.

The Nasdaq had risen roughly 0.7 percent on Thursday thanks to a rally by chipmakers, while the S&P 500 edged higher and the Dow closed nominally lower as anxiety about slowing global growth and the Sino-U.S. trade dispute undercut a spate of strong earnings.

Germany has cut its economic growth forecast for 2019 to 1.0 percent from 1.8 percent due to slower global economic growth and uncertainty about Britain's exit from the European Union, the Handelsblatt newspaper reported on Thursday.

The ECB had left its policy stance unchanged as expected on Thursday and Draghi's downbeat comments added to speculation that the central bank will hold back on interest rate hikes that some market watchers had expected in October.

The pound was up 0.5 percent at \$1.3127 after brushing a two-month high of \$1.3140, lifted after The Sun reported on Thursday that Northern Ireland's Democratic Unionist Party has privately decided to back May's Brexit deal next week if it includes a clear time limit to the Irish backstop. The dollar nudged up 0.15 percent to 109.78 yen and on track to end the week little changed.

The benchmark 10-year U.S. Treasury note yield was slightly higher at 2.729 percent after dropping to a one-week low as pessimism over global growth supported safe-haven government debt.

Crude oil extended gains after rallying the previous day as the United States threatened sanctions on Venezuela's crude exports as the country descended further into political and economic turmoil. U.S. crude oil futures were up 1.3 percent at \$53.83 per barrel after gaining 1 percent on Thursday. (reuters.com)

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