

DAILY STOCK MARKET HIGHLIGHTS

Thursday, 27 December 2018



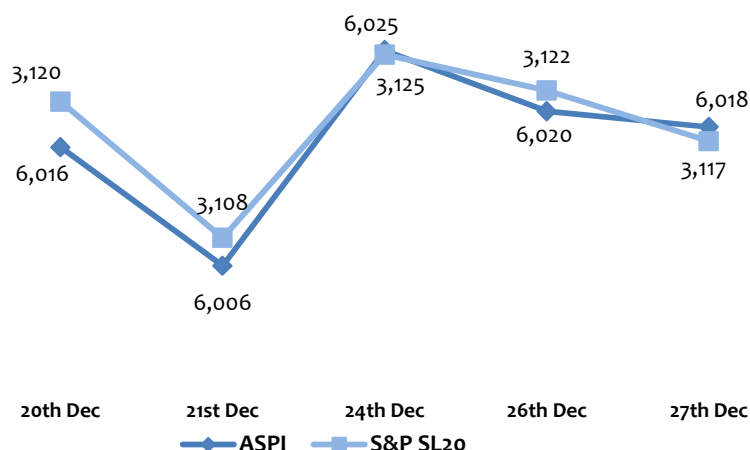
ASHA PHILLIP
SECURITIES LTD

SriLanka

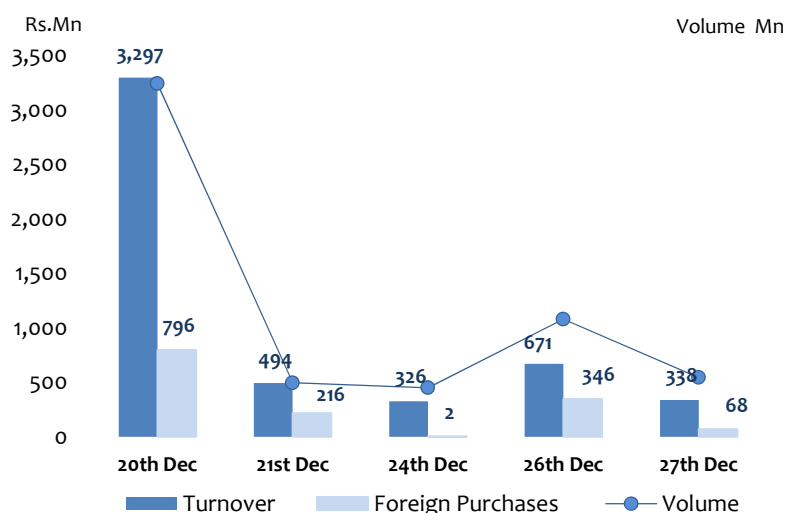
Daily Market Statistics

Index	27th Dec	26th Dec	Change	% Change
ASPI	6,018.19	6,019.62	↓ (1.43)	↓ -0.02%
S&P SL20	3,116.90	3,121.50	↓ (4.60)	↓ -0.15%
Market Stats (LKR, Mn)		27th Dec	26th Dec	% Change
Turnover		338.12	670.94	↓ -49.6%
Domestic Purchases		269.81	325.15	↓ -17.0%
Domestic Sales		263.45	669.81	↓ -60.7%
Foreign Purchases		68.31	345.79	↓ -80.2%
Foreign Sales		74.66	1.13	↑ 6522.5%
Share Volume		4.66	9.25	↓ -49.6%
Market capitalization (Bn)		2,823.41	2,824.08	↓ -0.02%
PER		9.59	9.59	↓ 0.00%
PBV		1.17	1.17	↓ 0.00%

Market Indices



Turnover, Volume and Foreign Purchase



Performance of the Market

- Colombo Bourse witnessed improved level of retail investor participation, following yesterday's net foreign inflows; session remained sluggish. An off board deal on Ceylinco Insurance, for the third consecutive day, had contributed 57% of the turnover; ASPI moved between 6,018.19-6,027.79 points and settled the day at 6,018.19 with a loss of 1.43 points (-0.02%).
- Major contributors for the movement in ASPI were **DIAL (+1.7)**, **SLTL (+1.2)**, **LOLC (+1.1)**, **DIST (+1)**, **BIL (+0.8)**, **JKH (-2.7)**, **ASIR (-1.7)**, **HNB (-1.5)**, **SELI (-1.4)** & **LOFC (-0.9)**
- S&P SL20 index also followed the same trend and settled the day at 3,116.90 with a loss of 4.6 points (-0.15%).
- The day's turnover was recorded as LKR 338.12Mn, down by 50% from its previously recorded LKR 670.94Mn. Foreign investors turned net sellers for the day.
- The total market capitalization stood at LKR 2.82Tn, indicating an YTD loss of 2.62%.
- The market PER & PBV were at 9.59x & 1.17x respectively.

Top Contributors – Turnover

- Ceylinco Insurance PLC (CINS) topped the turnover list with 57% (192Mn) contribution to the day's total turnover. Entirety of its turnover was contributed through an off board trade of 100,000 shares negotiated at the price of LKR 1,920.00
- Hemas Holdings PLC (HHL) stood second by adding LKR 55.51Mn to the day's total turnover. HHL traded between LKR 88.20 & 88.50 and settled the day at LKR 88.50 on par with its previous closing.
- John Keells Holdings PLC (JKH) contributed LKR 14.91Mn to the total turnover and secured the third slot. JKH traded between LKR 155.00 & 156.00 and settled the day at LKR 155.00 with a loss of LKR 0.90 (-0.58%).

Traded Volume

- SMB Leasing PLC traded a total of 0.75Mn shares dominating the traded volumes.
- Dialog Axiata PLC (0.72Mn shares) and Hemas Holdings PLC (0.63Mn shares) were next in line under the top contributors to the daily volumes.

Sectorial Overview

- Bank Finance & Insurance (BFI) stood on top providing LKR 233.66Mn capturing 69% of the day’s total turnover.
- Diversified Holdings (DIV) and Telecommunications (TLE) provided LKR 82.3Mn and LKR 7.61Mn respectively to the daily aggregated turnover.

Daily Foreign Transactions

Net Foreign Purchases

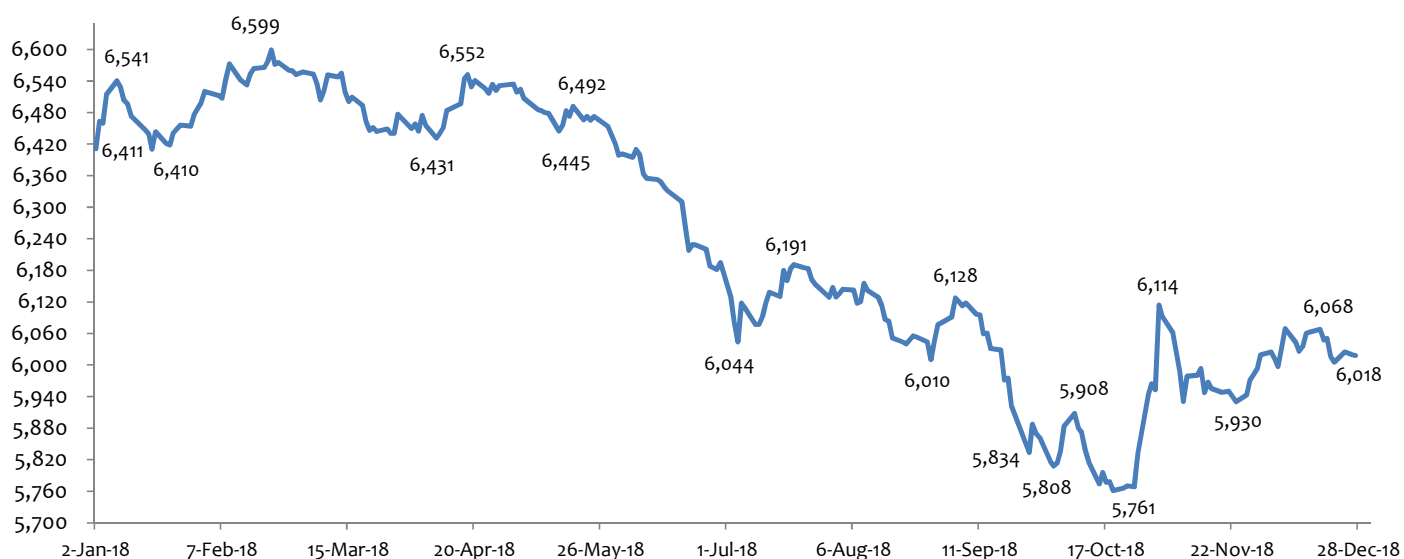
Company Name	Avg Price	Net change in Qty	Net Foreign Inflow
MELSTACORP	50.00	200,000	10,000,000
COMMERCIAL BANK (+)	115.10	48,000	5,524,800
CARGILLS	200.00	10,000	2,000,000
RICHARD PIERIS	10.30	39,673	408,632
VALLIBEL	6.40	5,000	32,000
UNION BANK (+)	11.20	2,000	22,400
E - CHANNELLING	4.3	800	3,440

Net Foreign Sales

Company Name	Avg Price	Net change in Qty	Net Foreign Outflow
JKH	156.00	(85,022)	(13,263,432)
HEMAS HOLDINGS	88.50	(124,181)	(10,990,019)
DIALOG (+)	10.10	(5,049)	(50,995)
BROWNS INVSTMNTS	1.90	(20,000)	(38,000)

- **Aggregate foreign buying** for the day totaled up to **LKR 68.31Mn**.
- **Foreign sales** for the day amounted to **LKR 74.66Mn**.
- **Net foreign outflow** for the day was **LKR 6.36Mn**, **YTD net foreign outflow** presently stands at **LKR 22.75Bn**.
- **MELS** notched the “Top Net Purchasers” slot with a net inflow of **LKR 10Mn** whilst **JKH** notched the “Top net Sellers” slot with a net outflow of **LKR 13.26Mn**.

Year-to-Date ASPI Movement



Key Announcements

- **Laugfs Gas PLC** has infused LKR 1.15Bn as equity capital in to its wholly owned subsidiary **Laugfs Terminals Ltd**; it is currently involved in constructing LPG transshipment terminal facility.

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

Effective from 24 December 2018 the **stocks in the S&P Sri Lanka 20** in alphabetical order are as follows..

No.	COMPANY	TICKER	No.	COMPANY	TICKER
1	Access Engineering PLC	AEL.N	11	National Development Bank PLC	NDB.N
2	Aitken Spence PLC	SPEN.N	12	Nations Trust Bank PLC	NTB.N
3	Ceylon Tobacco Co. PLC	CTC.N	13	People's Leasing & Finance PLC	PLC.N
4	Chevron Lubricants Lanka PLC	LLUB.N	14	Richard Pieris & Company PLC	RICH.N
5	Commercial Bank of Ceylon PLC	COMB.N,X	15	Sampath Bank PLC	SAMP.N
6	DFCC Bank PLC	DFCC.N	16	Softlogic Holdings PLC	SHL.N
7	Dialog Axiata PLC	DIAL.N	17	Softlogic Life Insurance PLC	AAIC.N
8	Hatton National Bank PLC	HNB.N,X	18	Teejay Lanka PLC	TJL.N
9	John Keells Holdings PLC	JKH.N	19	Tokyo Cement Company (Lanka) PLC	TKYO.N,X
10	Lanka IOC PLC	LIOC.N	20	Union Bank of Colombo PLC	UBC.N

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	10.16
JOHN KEELLS HOLDINGS PLC	JKH.No000	155.00	1,387,528,658	215,066,941,990	8.19
COMMERCIAL BANK OF CEYLON PLC	COMB.No000	115.10	945,709,403	108,851,152,285	4.15
NESTLE LANKA PLC	NEST.No000	1,690.40	53,725,463	90,817,522,655	3.46
HATTON NATIONAL BANK PLC	HNB.No000	214.10	395,451,248	84,666,112,197	3.23
DIALOG AXIATA PLC	DIAL.No000	10.10	8,143,778,405	82,252,161,891	3.13
DISTILLERIES COMPANY OF SRI LANKA PLC	DIST.No000	16.30	4,600,000,000	74,980,000,000	2.86
CEYLON COLD STORES PLC	CCS.No000	720.00	95,040,000	68,428,800,000	2.61
SAMPATH BANK PLC	SAMP.No000	234.50	280,902,248	65,871,577,156	2.51
MELSTACORP PLC	MELS.No000	50.00	1,165,397,072	58,269,853,600	2.22

Highest Volume

Company Name	Turnover (Rs)	Share Vol.
SMB LEASING PLC	376,501	753,001
DIALOG AXIATA PLC	7,246,547	723,767
HEMAS HOLDINGS PLC	55,514,607	627,284
PANASIAN POWER PLC	750,060	250,020
MELSTACORP PLC	10,175,000	203,500
BROWNS INVESTMENTS PLC	247,245	130,129
VALLIBEL POWER ERATHNA PLC	699,244	109,142
MERCHANT BANK OF SRI LANKA & FINANCE	921,128	102,917
CEYLINCO INSURANCE PLC	192,000,000	100,000
JOHN KEELLS HOLDINGS PLC	14,912,912	95,607

Highest Turnover

Company Name	Share Vol.	Turnover (LKR)
CEYLINCO INSURANCE PLC	100,000	192,000,000
HEMAS HOLDINGS PLC	627,284	55,514,607
JOHN KEELLS HOLDINGS PLC	95,607	14,912,912
COMMERCIAL BANK OF CEYLON PLC	92,026	10,588,461
MELSTACORP PLC	203,500	10,175,000
DIALOG AXIATA PLC	723,767	7,246,547
NATIONS TRUST BANK PLC	71,123	6,401,094
SAMPATH BANK PLC	26,817	6,300,321
SEYLAN BANK PLC	60,784	4,852,713
NATIONAL DEVELOPMENT BANK PLC	23,385	2,461,391

Top Gainers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
LANKEM CEYLON	28.10	2.20	8.49	2,948
SINGHE HOSPITALS	1.40	0.10	7.69	2,117
EASTERN MERCHANT	4.40	0.30	7.32	2,636
MAHAWELI REACH	13.60	0.90	7.09	1,374
EDEN HOTEL LANKA	13.80	0.90	6.98	109,129
UDAPUSSELLAWA	30.00	1.90	6.76	4,486
CITY HOUSING	4.80	0.30	6.67	12,589
SINHAPUTHRA FIN	8.50	0.50	6.25	39,643
BROWNS INVSTMNTS	1.90	0.10	5.56	247,245
BOGAWANTALAWA	9.90	0.50	5.32	49,258

Top Losers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
TESS AGRO	0.50	(0.10)	(16.67)	21,808
SELINSING	711.40	(118.90)	(14.32)	73,990
NATION LANKA	0.60	(0.10)	(14.29)	7,044
DURDANS	71.10	(3.90)	(5.20)	7,398
RENUKA CAPITAL	3.90	(0.20)	(4.88)	23,404
ASIA SIYAKA	2.00	(0.10)	(4.76)	7,882
RENUKA AGRI	2.00	(0.10)	(4.76)	2,446
LANKA REALTY	20.60	(1.00)	(4.63)	6,170
CEYLON TEA BRKRS	2.90	(0.10)	(3.33)	3,553
PANASIAN POWER	3.00	(0.10)	(3.23)	750,060

Crossings

Name	Symbol	Price	Trades	T.Volume	Turnover
Ceylinco Insurance PLC	CINS.No000	1,920.00	1	100,000	192,000,000.00

Market Highlights & Statistics

Sector Wise Summary

Sector	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
BANK FINANCE AND INSURANCE	16,450.55	16,459.23	233,657,480	1,605,059	626	5.40	0.90
BEVERAGE FOOD AND TOBACCO	24,368.41	24,356.81	3,223,854	33,206	81	17.80	6.00
CONSTRUCTION AND ENGINEERING	1,388.45	1,384.61	1,558,540	146,476	132	22.30	0.60
CHEMICALS AND PHARMACEUTICALS	5,251.70	5,247.76	119,637	6,796	62	5.80	0.70
DIVERSIFIED HOLDINGS	1,566.01	1,569.33	82,300,614	1,204,583	160	10.50	0.90
FOOTWEAR AND TEXTILE	845.11	843.09	238,182	26,138	15	67.60	0.90
HOTELS AND TRAVELS	2,645.27	2,644.39	2,386,508	162,354	151	64.00	1.60
HEALTH CARE	816.02	828.40	72,205	5,067	18	15.60	1.80
INVESTMENT TRUSTS	9,396.83	9,455.05	608,419	38,053	48	31.60	0.40
INFORMATION TECHNOLOGY	25.52	25.52	9,550	2,250	5	0.00	0.00
LAND AND PROPERTY	549.21	547.83	1,635,428	115,311	92	5.40	0.60
MANUFACTURING	2,827.49	2,814.99	2,155,411	85,597	155	7.60	0.90
MOTORS	13,162.94	13,162.94	2,410	12	2	12.30	0.60
OIL PALMS	49,251.97	50,123.01	186,010	541	27	28.00	0.90
POWER & ENERGY	106.46	106.94	2,013,892	419,333	100	78.90	1.30
PLANTATIONS	714.55	708.10	279,921	16,448	59	6.50	0.70
STORES SUPPLIES	28,408.28	28,408.28	2,980	2	2	13.10	0.50
SERVICES	16,550.45	16,780.45	34,839	11,027	17	11.50	1.20
TELECOMMUNICATIONS	136.79	135.27	7,607,045	740,061	113	7.80	0.90
TRADING	12,186.56	12,185.99	25,159	43,751	21	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	491.96	471.85	4,079	111	3	4.90	0.60
Banks	834.11	835.64	33,100,898	338,322	254	6.00	0.80
Capital Goods	846.53	848.17	73,630,144	924,324	238	10.90	0.80
Commercial & Professional Services	781.51	781.51	0	0	0	0.00	1.00
Consumer Durables & Apparel	780.80	783.79	781,383	72,859	77	25.00	1.00
Consumer Services	248.34	248.10	2,386,508	162,354	151	66.50	1.60
Diversified Financials	772.91	775.03	6,232,157	1,137,262	283	5.30	0.80
Energy	619.98	619.86	85,383	4,007	27	0.00	1.00
Food & Staples Retailing	1,241.50	1,241.99	2,022,054	53,131	15	15.10	2.20
Food, Beverage & Tobacco	935.75	935.07	12,278,644	413,810	229	15.60	2.50
Health Care Equipment & Services	876.71	889.82	84,431	11,426	64	15.80	1.80
Household & Personal Products	1,065.93	1,065.93	0	0	0	14.60	2.00
Insurance	2,105.01	2,102.09	194,430,944	141,127	123	4.30	1.70
Materials	538.00	535.89	1,638,158	61,863	100	7.00	0.90
Pharmaceuticals, Biotechnology & Life Sciences	1,807.58	1,807.58	2,850	5	1	4.70	1.40
Real Estate	747.91	746.67	1,615,842	111,499	81	5.10	0.60
Retailing	768.88	768.56	7,633	1,856	12	15.20	0.70
Technology Hardware & Equipment	0.00	-	0	0	0	0.00	0.00
Telecommunication Services	714.68	706.76	7,607,045	740,061	113	7.80	0.90
Transportation	702.71	702.71	185,376	45,213	31	20.30	0.70
Utilities	730.25	737.81	1,928,509	415,326	73	8.60	0.70

Economic Indicators & Other Statistics

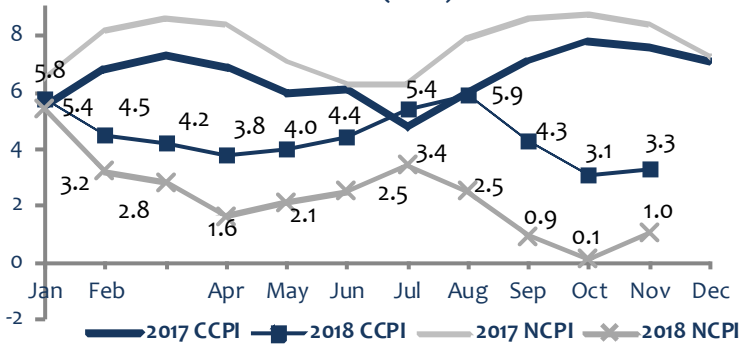
Exchange Rates

Currency	27th Dec		26th Dec	
	Buying	Selling	Buying	Selling
Dollar (USA)	179.58	183.55	179.20	183.17
Pound (UK)	226.20	233.61	226.64	234.07
Euro (EU)	203.03	210.22	203.22	210.43
Dollar (Australia)	125.52	130.90	124.97	130.34
Dollar (Canada)	131.28	136.17	130.90	135.79
Franc (Switzerland)	179.65	186.40	180.40	187.20
Renminbi (China)	25.74	26.97	25.70	26.93
Yen (Japan)	1.6083	1.6675	1.6125	1.6720
Dollar (Singapore)	130.21	134.66	130.02	134.48

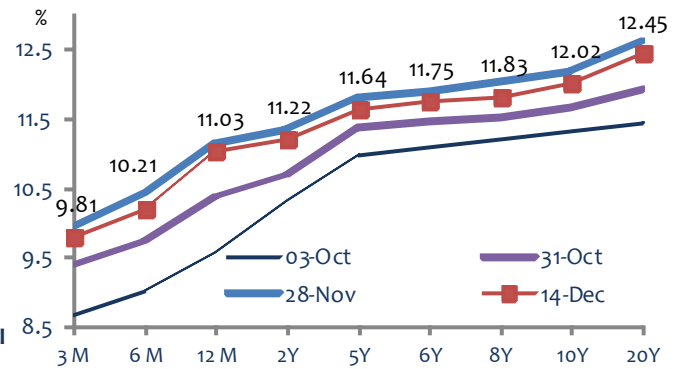
Indicative Rates

Currency	27th Dec	26th Dec
	Ind: Value	Ind: Value
Yuan (Offshore)	26.3402	26.3192
Rupee (India)	2.5932	2.5918
Won (Korean)	0.1620	0.1613
Dinar (Kuwait)	597.7658	597.2421
Ringgit (Malay)	43.4999	43.4195
Rial (Oman)	471.9837	471.3620
Riyal (Qatar)	49.9130	49.8447
Riyal (KSA)	48.4285	48.3622
Dirham (UAE)	49.4727	49.4050

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



Government Securities - Secondary Market Yield



Central Bank's Policy Rates

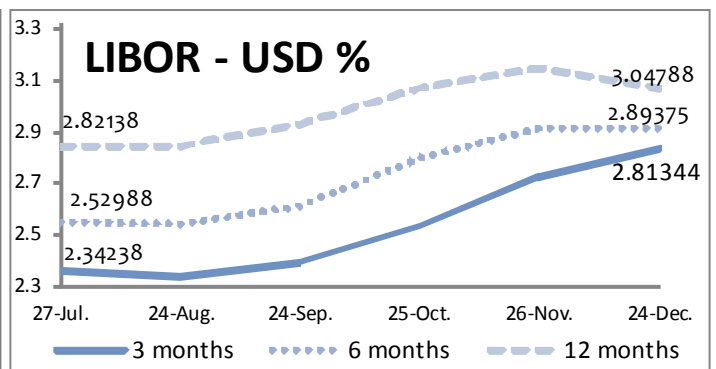
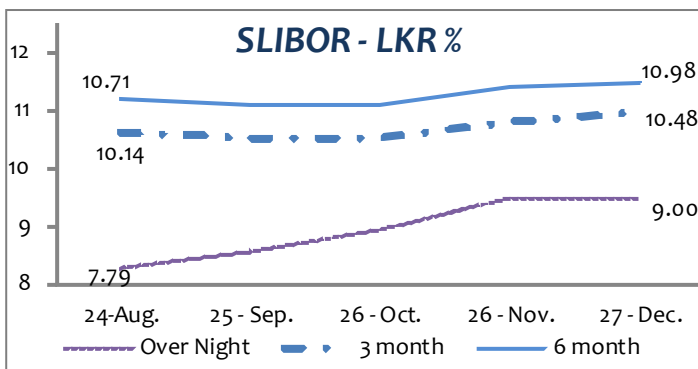
Description	Present	Previous		19.12.2018	12.12.2018	05.12.2018	19.11.2018
Standing Deposit Facility (SDF)	8.00%	7.25%	91 Days %	na	na	na	10.01
Standing Lending Facility (SLF)	9.00%	8.50%	182 Days %	9.99	10.03	10.01	na
Bank Rate	15.00%	15.00%	364 Days %	11.20	11.24	11.20	11.21
Statutory Reserve Ratio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

Treasury Bill Issuance

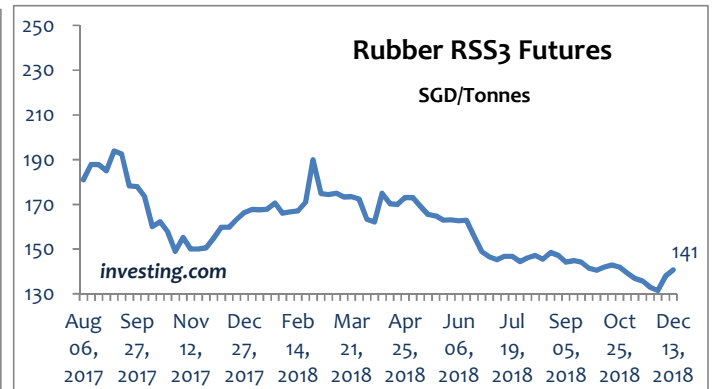
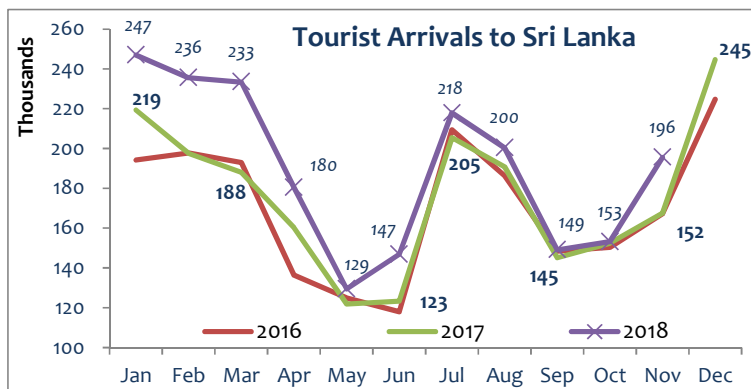
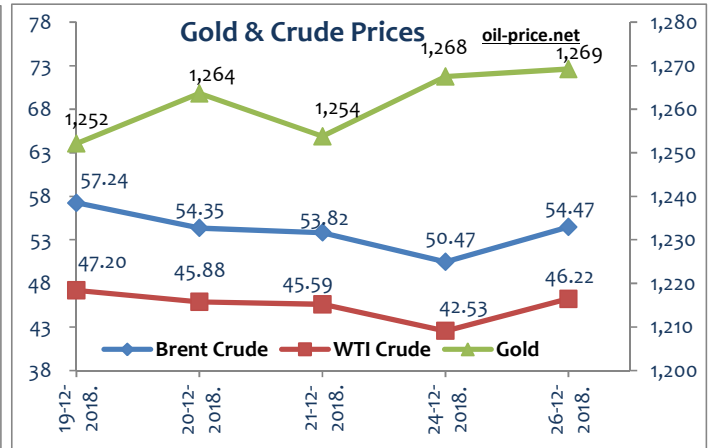
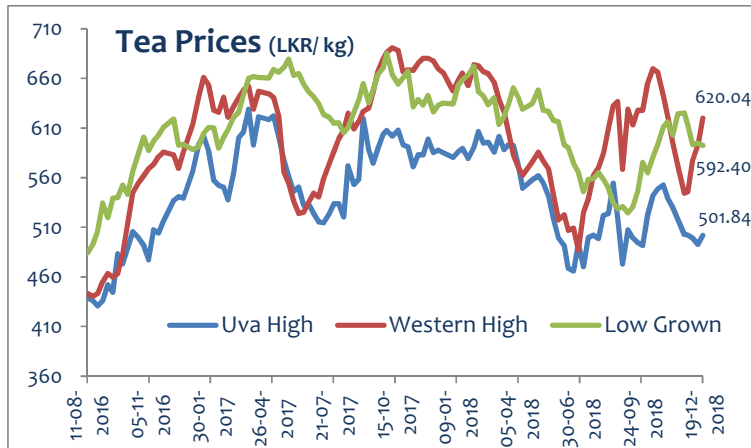
Date	13.12.2018	17.07.2016	15.10.2018	17.07.2016	17.09.2018	13.12.2018	15.08.2018	15.10.2018
Maturity	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	10 Years	15 Years
Current Yield	11.88	11.14	11.69	11.21	10.32	12.23	10.20	11.90
Previous Auction	17.09.2018	15.06.2017	15.08.2018	15.06.2017	16.07.2018	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

SL's merchandise exports to pick up in 2019: UNESCAP

Sri Lanka's merchandise export earnings are likely to accelerate to 6.3% YoY next year, while the growth of cost of merchandise imports is set to decelerate to 6.6% YoY, easing off the pressure on balance of payment, according to the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP). The UNESCAP, in its latest 'Asia-Pacific Trade and Investment Report 2018', estimated that Sri Lanka's merchandise exports would achieve a growth of 4.8% at end-2018, despite a 1% drop in export volumes. It is also estimated that the growth in merchandise exports would average at 10.1% YoY at the end of the year, driven mainly by an 8.5% increase in the prices of goods. However, the UNESCAP predicted that the merchandise export growth would pick up next year, growing at around 6.3% YoY, driven by a 4.9% YoY growth in the export volumes. Meanwhile, the growth in merchandise imports is forecasted to decelerate to 6.6% YoY, as the prices of imported goods are expected to ease off.

During the first 10 months of this year, the export earnings increased by 5.1% YoY to US \$ 9876.7Mn, while the import expenditure grew by 10.3% YoY to US \$ 18,733.5Mn. Consequently, the trade deficit for the period expanded to US \$ 8, 857Mn, from US \$ 7,591Mn reported last year.

The UNESCAP noted that despite the foreign direct investment inflows to South and Southwest Asia decreasing by 6 percent to US \$ 63Bn in 2017, the Islamic Republic of Iran, Nepal, Pakistan and Sri Lanka witnessed sharp rises of 49%, 87%, 13% and 53%, respectively. (dailymirror.lk)

Childcare subsidies will make Sri Lanka grow faster: IFC

ECONOMYNEXT- The Sri Lankan economy would grow faster with more female participation in the labour force if the government subsidized or incentivized childcare programmes as merit goods and more investors entered the industry, the International Finance Corporation, which is a part of the World Bank Group, said in a new study. "Childcare and early childhood programs are critical to economic development going forward," the study titled 'Tackling Childcare: The Business case for Employer-supported Childcare in Sri Lanka' said.

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Research of the International Monetary Fund done in 2015 showed Sri Lanka's economy could grow by another 20% if more women entered the labour force, the IFC pointed out. "At only 0.0001% of GDP, Sri Lanka lodges one of the world's lowest rates of public spending on early childhood development," IFC said the study, done under its 'Women in Work' programme, which the Australian government funds.

This puts the Sri Lankan government's annual spending in childcare at just 80,000 dollars. "Free pre-primary education can foster early cognitive development and help working parents generate increased incomes," the IFC said. It is estimating returns on early childhood programmes to be around 13.7% for the country, while individual adult incomes could increase up to 25%.

Foreign News

Wall Street surge brings relief to battered equity markets

Asian shares on Thursday rode a dramatic surge on Wall Street as markets, battered by a recent drum roll of deepening political and economic gloom, cheered upbeat U.S. data and the Trump administration's effort to shore up investor confidence. In a buying frenzy as spectacular as the recent rout, U.S. stocks soared with the Dow Jones Industrial Average rocketing more than 1,000 points for the first time on Wednesday.

Japan's Nikkei managed to pull out of bear market territory it had entered on Tuesday, closing 3.9 percent higher, while Australian shares jumped 1.9 percent. Chinese shares did not join Asia's rebound. The blue-chip index was down 0.4 percent, as was Hong Kong's Hang Seng index.

There was no single trigger for the overnight relief rally on Wall Street, though a Mastercard Inc report that sales during the U.S. holiday shopping season rose the most in six years in 2018 helped allay concerns about the health of the U.S. economy.

There were also some attempts by the White House to temper its broadside against the Federal Reserve. Kevin Hassett, chairman of the White House Council of Economic Advisers, said on Wednesday that Fed Chairman Jerome Powell's job was not in jeopardy.

His comments came days after President Donald Trump described the Fed as the "only problem" in the U.S. economy after the central bank last week raised rates for the fourth time this year, and retained plans for more hikes in 2019.

Oil also caught investors' attention after U.S. crude and Brent overnight both marked their largest single-day rises since late November 2016. U.S. crude on Wednesday rallied almost 8.7 percent, while Brent jumped more than 8.8 percent in a partial rebound from steep losses that pushed crude benchmarks to lows not seen since last year. U.S. crude was last trading 0.4 percent lower at \$46.06 a barrel, while Brent gave up 0.3 percent at \$54.30 a barrel.

As investors moved back into riskier assets overnight, 10-year U.S. Treasury yields rose and last stood at 2.786 percent, about 6.5 basis point off their lowest since April hit in Asian trading on Wednesday. The dollar gave up some of its overnight gains, but the losses were limited.

In commodity markets, gold remained below a six-month peak hit during the previous session. Spot gold was flat at \$1,268.00, as earlier gains were shed as investors ventured back into riskier assets. (reuters.com)

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