

DAILY STOCK MARKET HIGHLIGHTS

Friday, 28 December 2018



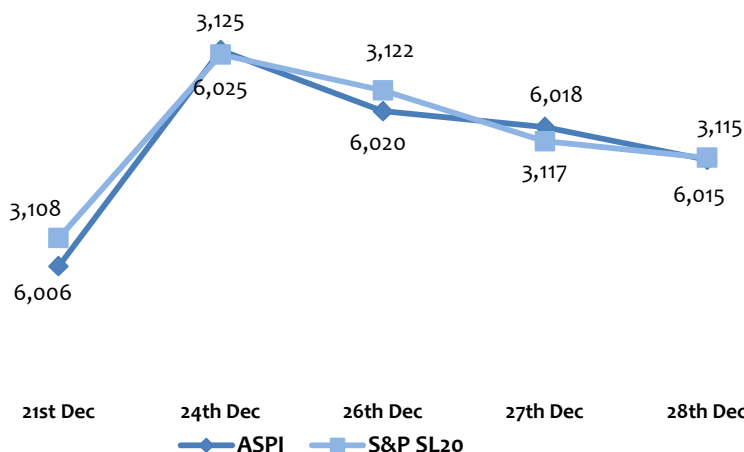
**ASHA PHILLIP
SECURITIES LTD**

Sri Lanka

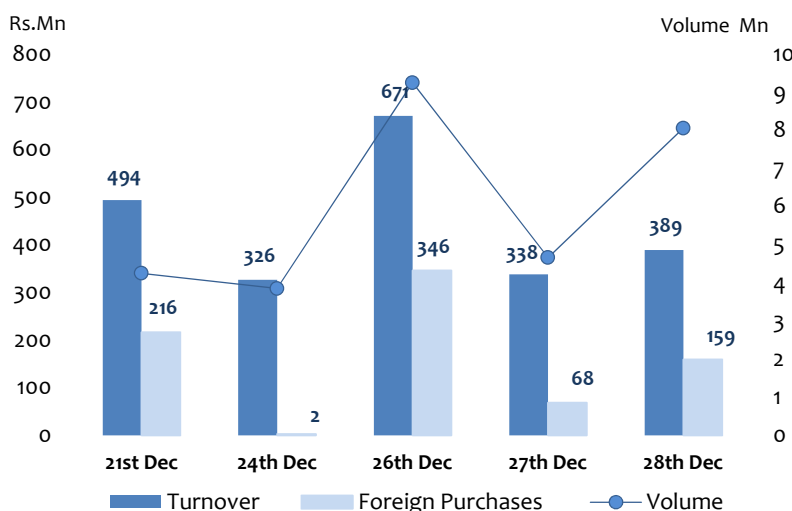
Daily Market Statistics

Index	28th Dec	27th Dec	Change	% Change
ASPI	6,015.23	6,018.19	↓ (2.96)	↓ -0.05%
S&P SL20	3,115.42	3,116.90	↓ (1.48)	↓ -0.05%
Market Stats (LKR, Mn)		28th Dec	27th Dec	% Change
Turnover		389.23	338.12	↑ 15.1%
Domestic Purchases		230.33	269.81	↓ -14.6%
Domestic Sales		161.29	263.45	↓ -38.8%
Foreign Purchases		158.90	68.31	↑ 132.6%
Foreign Sales		227.94	74.66	↑ 205.3%
Share Volume		8.06	4.66	↑ 72.9%
Market capitalization (Bn)		2,822.02	2,823.41	↓ -0.05%
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

- Investor participation remained at lower levels; buying interest noted on discounted blue-chips. Adverse global economic developments, natural disasters and volatile political environment signal a gloomy outlook and keep the investors on cautious stance. The benchmark index ASPI moved between 6,006.46-6,019.53 points and settled the day at 6,015.23 with a loss of 2.96 points (-0.05%).
- Major contributors for the movement in ASPI were **SLTL (+3.1)**, **JKH (+3)**, **SHL (+2.3)**, **AAIC (+2)**, **LOLC (+1.4)**, **CTC (-8.9)**, **MELS (-2.5)**, **SPEN (-1.6)**, **LOFC (-0.9)** & **LION (-0.9)**
- S&P SL20 index also followed a same trend and settled the day at 3,115.42 with a loss of 1.48 points (-0.05%).
- The day's turnover was recorded as LKR 389.23Mn, up by 15% from its previously recorded LKR 338.12Mn. Foreign investors remained net sellers for the day.
- The total market capitalization stood at LKR 2.82Tn, indicating an YTD loss of 2.67%.
- The market PER & PBV were at 9.59x & 1.17x respectively.

Top Contributors – Turnover

- John Keells Holdings PLC (JKH) topped the turnover list with 35% (136.04Mn) contribution to the day's total turnover. JKH traded between LKR 155.00 & 156.60 and settled the day at LKR 156.00 with a gain of LKR 1.00 (+0.65%); about 46% (62.53Mn) of its turnover was contributed through an off board trade of 0.4Mn shares negotiated at the price of LKR 155.00
- Softlogic Holdings PLC (SHL) stood second by adding LKR 51.22Mn to the day's total turnover. SHL traded between LKR 20.50 & 22.00 and settled the day at LKR 21.40 with a gain of LKR 0.90 (+4.39%);
- Hemas Holdings PLC (HHL) contributed LKR 44.26Mn to the total turnover and secured the third slot. HHL traded between LKR 88.10 & 88.90 and settled the day at LKR 88.50 on par with its previous closing.

Traded Volume

- Softlogic Holdings PLC traded a total of 2.4Mn shares dominating the traded volumes.
- John Keells Holdings PLC (0.87Mn shares) and Melstacorp PLC (0.73Mn shares) were next in line under the top contributors to the daily volumes.

Sectorial Overview

- Diversified Holdings (DIV) stood on top providing LKR 271.47Mn capturing 70% of the day’s total turnover.
- Bank Finance & Insurance (BFI) and Manufacturing (MFG) provided LKR 90.14Mn and LKR 12.51Mn respectively to the daily aggregated turnover.

Daily Foreign Transactions

Net Foreign Purchases

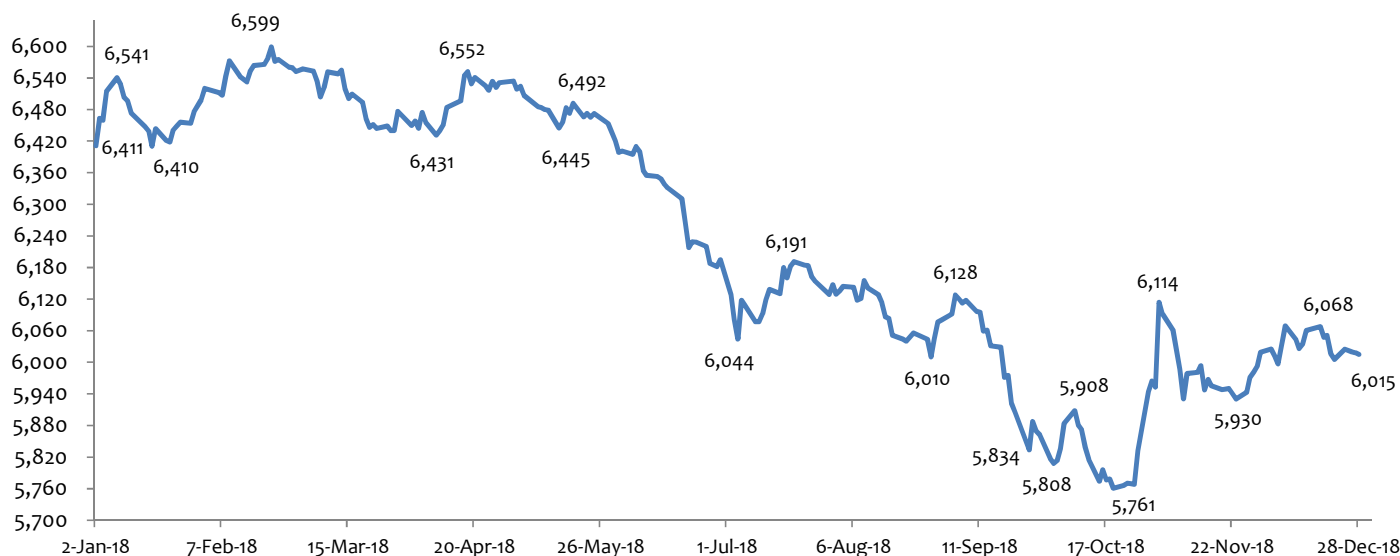
Company Name	Avg Price	Net change in Qty	Net Foreign Inflow
SOFTLOGIC	21.34	2,250,000	48,015,000
MELSTACORP	54.35	434,003	23,590,064
TEEJAY LANKA	32.50	160,700	5,222,750
RICHARD PIERIS	10.30	109,572	1,128,592
KOTAGALA	6.70	25,000	167,500
HAYLEYS	185.00	771	142,635
AMANA BANK (+)	3.1	41,295	128,015
UNION BANK (+)	11.10	4,920	54,612
E - CHANNELLING	4.30	10,337	44,449
TAL LANKA	12.90	2,000	25,800

Net Foreign Sales

Company Name	Avg Price	Net change in Qty	Net Foreign Outflow
JKH	155.53	(868,468)	(135,072,828)
COMMERCIAL BANK (+)	115.00	(98,750)	(11,356,250)
DIALOG (+)	10.10	(83,697)	(845,340)
DISTILLERIES	16.30	(20,000)	(326,000)
HNB ASSURANCE (+)	133.30	(69)	(9,198)

- **Aggregate foreign buying** for the day totaled up to **LKR 158.90Mn**.
- **Foreign sales** for the day amounted to **LKR 227.94Mn**.
- **Net foreign outflow** for the day was **LKR 69.04Mn**, **YTD net foreign outflow** presently stands at **LKR 22.82Bn**.
- **SHL** notched the “Top Net Purchasers” slot with a net inflow of **LKR 48.02Mn** whilst **JKH** notched the “Top net Sellers” slot with a net outflow of **LKR 135.07Mn**.

Year-to-Date ASPI Movement



Key Announcements

- CSE has approved in principle an Application for listing the debt securities of **Citizens Development Business Finance PLC** ("CDB"). An initial issue of 5Mn Subordinated, Unsecured, Listed, Redeemable, Rated 5 Year **Debentures**, with an option to increase by a further 5Mn, 2.5Mn debentures in the event of oversubscription of each tranche at the par value of LKR 100/- each. **Date of opening of the subscription list** will be **17 Jan 2019** and **Prospectus** would be delivered on **07 Jan 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	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
COMB	28-Mar-19	DFCC	28-Mar-19	HASU	28-Mar-19	SAMP	29-Mar-19
				HNB	29-Mar-19	PABC	29-Mar-19

EGMs

Company	Date
BOPL	31-Dec-18

Key Announcements

Cash Dividends

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

Capitalization of Reserves

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

Amalgamation [A]

Transferee	Transferor	Proportion	Offer Closing Date
[A] Browns investments PLC (BIL)	Browns Capital PLC (FLCH)	2 BIL for every 1 FLCH	To be notified

Repurchase of Shares

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

Rights Issues with pending dates

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

Market Highlights & Statistics

Market Capitalisation

Company Name	Symbol	Price	Issued Quantity	Market Capitalisation	(as a % of MKT Cap.)
CEYLON TOBACCO COMPANY PLC	CTC.No000	1,401.60	187,323,751	262,552,969,402	10.01
JOHN KEELLS HOLDINGS PLC	JKH.No000	156.00	1,387,528,658	216,454,470,648	8.25
COMMERCIAL BANK OF CEYLON PLC	COMB.No000	115.00	945,709,403	108,756,581,345	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	3.14
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	235.00	280,902,248	66,012,028,280	2.52
MELSTACORP PLC	MELS.No000	49.00	1,165,397,072	57,104,456,528	2.18

Highest Volume

Company Name	Turnover (Rs)	Share Vol.
SOFTLOGIC HOLDINGS PLC	51,221,215	2,400,015
JOHN KEELLS HOLDINGS PLC	136,036,235	874,678
MELSTACORP PLC	37,978,126	727,657
HEMAS HOLDINGS PLC	44,263,149	500,149
ACCESS ENGINEERING PLC	5,905,861	416,680
COMMERCIAL BANK OF CEYLON PLC	42,870,742	372,789
DIALOG AXIATA PLC	2,388,959	237,222
NATIONAL DEVELOPMENT BANK PLC	20,036,608	190,709
TEEJAY LANKA PLC	5,694,659	175,224
TESS AGRO PLC	77,800	155,600

Highest Turnover

Company Name	Share Vol.	Turnover (LKR)
JOHN KEELLS HOLDINGS PLC	874,678	136,036,235
SOFTLOGIC HOLDINGS PLC	2,400,015	51,221,215
HEMAS HOLDINGS PLC	500,149	44,263,149
COMMERCIAL BANK OF CEYLON PLC	372,789	42,870,742
MELSTACORP PLC	727,657	37,978,126
NATIONAL DEVELOPMENT BANK PLC	190,709	20,036,608
SAMPATH BANK PLC	34,484	8,086,927
ACCESS ENGINEERING PLC	416,680	5,905,861
SOFTLOGIC LIFE INSURANCE PLC	138,233	5,696,323
TEEJAY LANKA PLC	175,224	5,694,659

Top Gainers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
BLUE DIAMONDS	0.60	0.10	20.00	6,007
C.W.MACKIE	44.00	3.40	8.37	9,812
EQUITY TWO PLC	53.90	3.80	7.58	38,376
CARGO BOAT	75.10	5.10	7.29	68,260
Softlogic Life	42.40	2.50	6.27	5,696,323
HUNAS FALLS	80.50	4.50	5.92	40,011
MARAWILA RESORTS	1.80	0.10	5.88	212,680
RENUKA AGRI	2.10	0.10	5.00	22,209
SOFTLOGIC	21.40	0.90	4.39	51,221,215
TOKYO CEMENT [X]	22.90	0.90	4.09	134,379

Top Losers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
LIGHTHOUSE HOTEL	29.20	(2.70)	(8.46)	10,580
BROWNS INVSTMNTS	1.80	(0.10)	(5.26)	110,909
PEOPLE'S MERCH	11.00	(0.60)	(5.17)	1,771
MAHAWELI REACH	12.90	(0.70)	(5.15)	1,290
BOGAWANTALAWA	9.40	(0.50)	(5.05)	19,593
SIERRA CABL	2.00	(0.10)	(4.76)	10,996
ASIA CAPITAL	6.30	(0.30)	(4.55)	642
R I L PROPERTY	6.60	(0.30)	(4.35)	295,941
KOTAGALA	6.70	(0.30)	(4.29)	229,593
KANDY HOTELS	4.80	(0.20)	(4.00)	960

Crossings

Name	Symbol	Price	Trades	T.Volume	Turnover
John Keells Holdings PLC	JKH.No000	155.00	1	403,391	62,525,605.00
Melstacorp Limited PLC	MELS.No000	53.00	1	580,733	30,778,849.00

Market Highlights & Statistics

Sector Wise Summary

Sector	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
BANK FINANCE AND INSURANCE	16,469.35	16,450.55	90,141,962	1,288,190	760	5.40	0.90
BEVERAGE FOOD AND TOBACCO	24,200.32	24,368.41	1,516,597	72,546	72	17.70	6.00
CONSTRUCTION AND ENGINEERING	1,377.55	1,388.45	6,755,982	591,526	216	22.10	0.60
CHEMICALS AND PHARMACEUTICALS	5,251.70	5,251.70	44,062	1,588	24	5.80	0.70
DIVERSIFIED HOLDINGS	1,566.67	1,566.01	271,470,445	4,802,883	236	10.50	0.90
FOOTWEAR AND TEXTILE	843.09	845.11	1,222,228	135,770	52	67.50	0.90
HOTELS AND TRAVELS	2,646.44	2,645.27	716,452	163,402	108	64.10	1.60
HEALTH CARE	814.27	816.02	2,150	481	5	15.60	1.80
INVESTMENT TRUSTS	9,374.71	9,396.83	76,634	2,709	7	31.60	0.40
INFORMATION TECHNOLOGY	25.52	25.52	47,309	10,987	3	0.00	0.00
LAND AND PROPERTY	551.33	549.21	730,261	62,153	76	5.40	0.60
MANUFACTURING	2,819.25	2,827.49	12,508,148	303,937	212	7.60	0.90
MOTORS	13,162.94	13,162.94	3,260	12	4	12.30	0.60
OIL PALMS	49,942.23	49,251.97	20,510	100	1	28.40	1.00
POWER & ENERGY	106.50	106.46	797,036	124,466	90	78.90	1.30
PLANTATIONS	713.11	714.55	364,039	40,489	69	6.50	0.70
STORES SUPPLIES	28,408.28	28,408.28	700	1	1	13.10	0.50
SERVICES	16,550.45	16,550.45	183,455	60,251	23	11.50	1.20
TELECOMMUNICATIONS	138.40	136.79	2,520,669	242,953	66	7.90	0.90
TRADING	12,344.88	12,186.56	102,616	156,330	19	31.90	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	491.96	0	0	0	4.90	0.60
Banks	832.96	834.11	75,722,872	723,692	266	6.00	0.80
Capital Goods	849.67	846.53	239,705,776	4,344,320	392	11.00	0.80
Commercial & Professional Services	781.51	781.51	0	0	0	0.00	1.00
Consumer Durables & Apparel	780.39	780.80	7,062,564	324,738	96	25.00	1.00
Consumer Services	248.67	248.34	716,452	163,402	108	66.50	1.60
Diversified Financials	774.90	772.91	6,737,233	361,987	219	5.30	0.80
Energy	619.10	619.98	227,916	10,605	45	0.00	1.00
Food & Staples Retailing	1,241.50	1,241.50	313,205	156,784	18	15.10	2.20
Food, Beverage & Tobacco	929.05	935.75	40,369,388	1,054,883	200	15.50	2.50
Health Care Equipment & Services	874.86	876.71	50,374	12,918	10	15.70	1.80
Household & Personal Products	1,065.93	1,065.93	0	0	0	14.60	2.00
Insurance	2,115.61	2,105.01	7,766,967	207,727	298	4.30	1.70
Materials	534.80	538.00	6,074,194	100,764	158	7.00	0.90
Pharmaceuticals, Biotechnology & Life Sciences	1,807.58	1,807.58	18,854	33	13	4.70	1.40
Real Estate	750.63	747.91	727,455	61,609	73	5.10	0.60
Retailing	775.33	768.88	191,310	57,379	16	15.40	0.70
Technology Hardware & Equipment	0.00	-	0	0	0	0.00	0.00
Telecommunication Services	723.12	714.68	2,520,669	242,953	66	7.90	0.90
Transportation	702.71	702.71	97,321	22,242	9	20.30	0.70
Utilities	732.30	730.25	569,119	113,861	47	8.60	0.70

Economic Indicators & Other Statistics

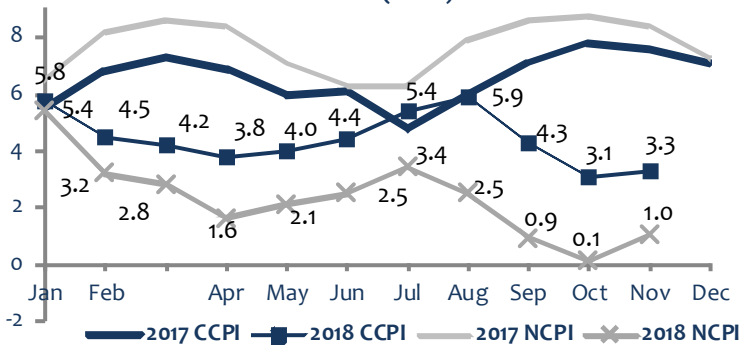
Exchange Rates

Currency	28th Dec		27th Dec	
	Buying	Selling	Buying	Selling
Dollar (USA)	180.10	184.08	179.58	183.55
Pound (UK)	226.99	234.40	226.20	233.61
Euro (EU)	205.00	212.24	203.03	210.22
Dollar (Australia)	125.69	131.09	125.52	130.90
Dollar (Canada)	131.39	136.28	131.28	136.17
Franc (Switzerland)	181.56	188.37	179.65	186.40
Renminbi (China)	25.94	27.18	25.74	26.97
Yen (Japan)	1.6174	1.6768	1.6083	1.6675
Dollar (Singapore)	130.91	135.38	130.21	134.66

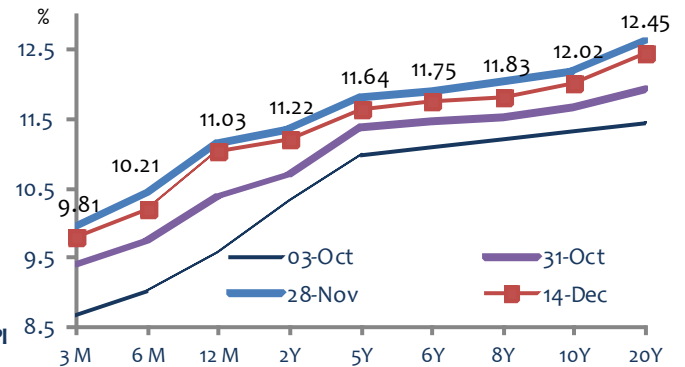
Indicative Rates

Currency	28th Dec	27th Dec
	Ind: Value	Ind: Value
Yuan (Offshore)	26.5256	26.3402
Rupee (India)	2.5984	2.5932
Won (Korean)	0.1630	0.1620
Dinar (Kuwait)	599.5997	597.7658
Ringgit (Malay)	43.8327	43.4999
Rial (Oman)	473.4317	471.9837
Riyal (Qatar)	50.0593	49.9130
Riyal (KSA)	48.5771	48.4285
Dirham (UAE)	49.6245	49.4727

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



Government Securities - Secondary Market Yield



Central Bank's Policy Rates

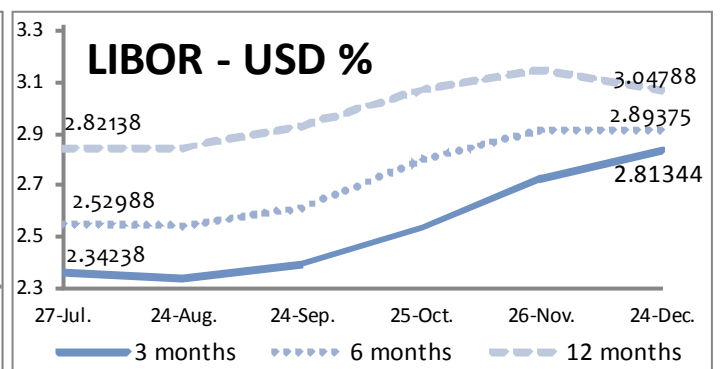
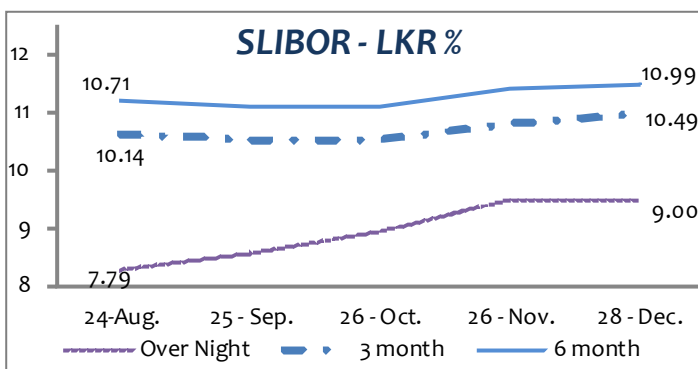
Description	Present	Previous		19.12.2018	12.12.2018	05.12.2018	19.11.2018
Standing Deposit Facility (SDF)	8.00%	7.25%	91 Days %	na	na	na	10.01
Standing Lending Facility (SLF)	9.00%	8.50%	182 Days %	9.99	10.03	10.01	na
Bank Rate	15.00%	15.00%	364 Days %	11.20	11.24	11.20	11.21
Statutory Reserve Ratio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

Treasury Bill Issuance

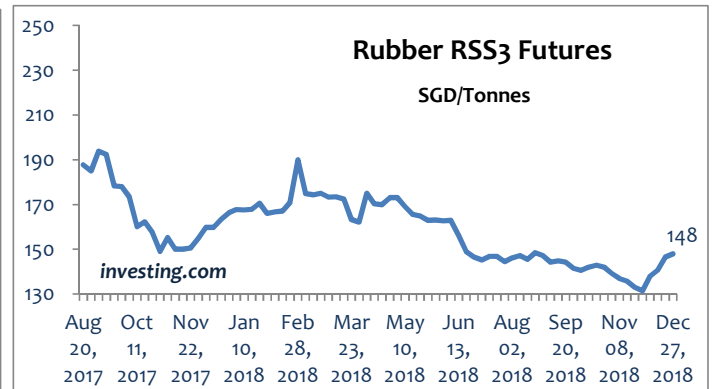
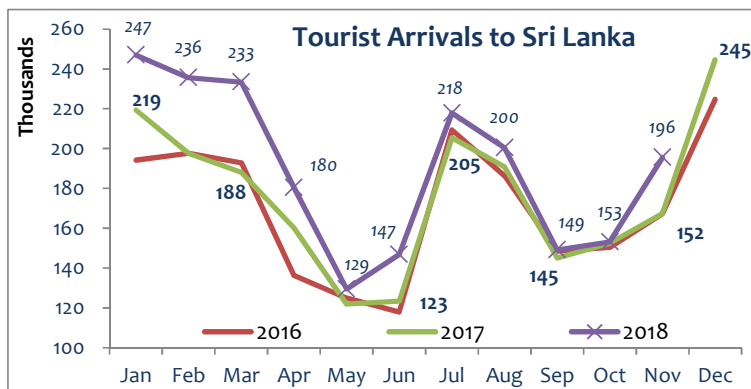
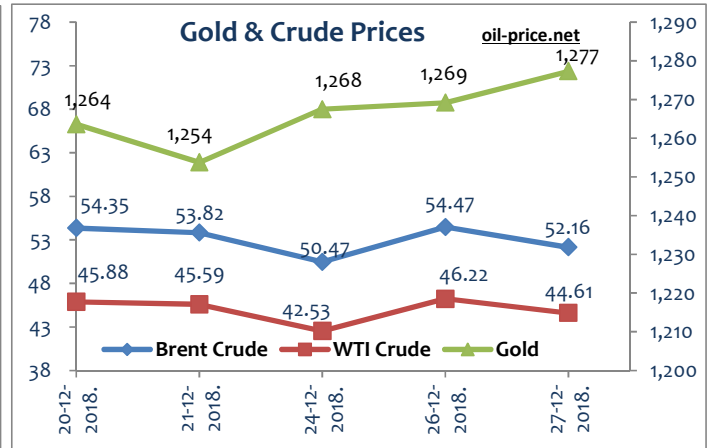
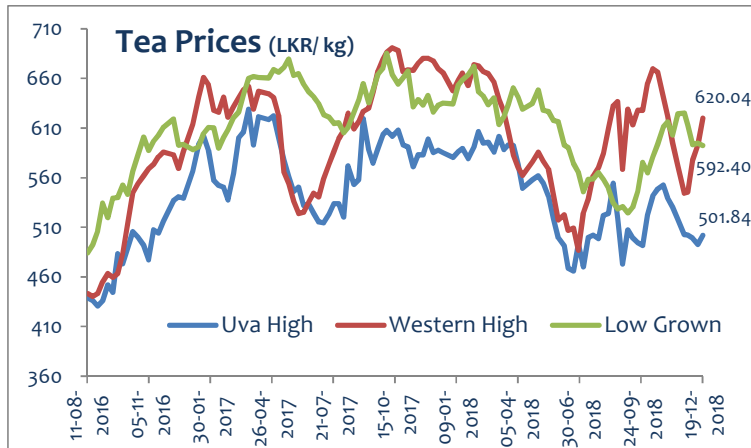
Date	13.12.2018	17.07.2016	15.10.2018	17.07.2016	17.09.2018	13.12.2018	15.08.2018	15.10.2018
Maturity	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	10 Years	15 Years
Current Yield	11.88	11.14	11.69	11.21	10.32	12.23	10.20	11.90
Previous Auction	17.09.2018	15.06.2017	15.08.2018	15.06.2017	16.07.2018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

Sri Lanka Central Bank maintains policy interest rates at current levels

(LBO) – Monetary Board of the Central Bank has decided to maintain policy interest rates at their current levels with the broad aim of stabilizing inflation at mid-single-digit levels in the medium term to enable the economy to achieve its potential growth. Accordingly, the Standing Deposit Facility Rate (SDFR) and Standing Lending Facility Rate (SLFR) of the Central Bank will remain at 8.00% and 9.00%, respectively. Central Bank said the Board considered current and expected developments in the domestic economy and the domestic financial markets as well as the global economic environment. “As per the available economic indicators and other economic developments, real GDP growth is likely to be low in the 4Q2018 as well, before picking up gradually in 2019,” the Board said. “The continued low economic growth reemphasizes the need for implementing broad-based structural reforms without further delay.” In spite of the increased cost of funds and tight liquidity conditions, the YoY growth of credit to the private sector has accelerated since September 2018. Central Bank’s current projections show that inflation, on average, will remain below 5% in 2019 and stabilize in the range of 4-6% thereafter with appropriate policy adjustments. Gross official reserves amounting to 7Bn dollars at end November 2018, providing an import cover of 3.7 months.

Tea production, exports dip in November

Tea exports fell by 8.6% in November while tea production recorded a marginal decline overshadowed by unfavourable weather conditions and production disruptions due to trade union actions in the estates managed by RPCs. According to the Sri Lanka Tea Board (SLTB), tea export volumes dropped by 2Mn kilogrammes (M/kg) to 21 M/kg in November, while tea production fell by a marginal 0.2 M/Kg or 0.8% YoY to 24.7 M/Kg in November. The tea export income in rupee terms also dropped by Rs.1Bn to Rs.18Bn, despite this year’s sharp devaluation of the rupee against the US dollar. On a cumulative basis, tea production contracted by 1.8% YoY to 277.7 M/Kg during the January-November period. Accordingly, during the period, tea export volumes fell by 3.01% YoY to 257.M/Kg and the export income fell by 1.04% to Rs.210Bn. The SLTB noted that the marginal tea production decline in November was mainly due to a notable decrease in the production of high-grown tea. (dailymirror.lk)

Sri Lanka voted by travel influencers as top destination in Asia for 2019

A panel consisting of five of the world's top travel influencers and bloggers has voted Sri Lanka as the top emerging Asian travel destination for 2019. The awards were published last week on the site TravelLemming.com, which focuses on emerging and off-the-beaten path travel spots around the globe. Winners for the Asian awards were selected by an expert panel consisting of five of the best renowned travel bloggers and influencers in the world, with a combined following on social media of over 750,000. In describing why Sri Lanka won, the article reads: "Sri Lanka has been poised on the edge of tourism popularity for a few years now, and 2019 might finally be the year it pops. In fact, it was just named the #1 country in the world to travel to in 2019 by Lonely Planet. (ft.lk)

Foreign News**Asia stocks advance after Wall Street's recovery continues**

Asia stocks advanced on Friday after Wall Street ended volatile trade in positive territory, adding to the previous session's big gains, although lingering investor jitters helped support safe-haven currencies such as the yen.

The Shanghai Composite Index moved up 0.35 percent. Australian stocks added 1 percent and South Korea's KOSPI climbed 0.5 percent. Japan's Nikkei bucked the trend and slipped 0.3 percent, losing some steam after surging nearly 4 percent on Thursday.

U.S. stocks roared back to end in positive territory on Thursday, with the Dow adding 1.14 percent, after suffering steep losses for much of the session. The gains come a day after Wall Street indexes posted their biggest daily percentage increases in nearly a decade following a sharp plunge at the week's start. However, all three U.S. major indexes remain down more than 9 percent for December following losses earlier in the month.

Focus turned to the Fed's stance and whether the equity markets can sustain their recovery at the start of the New Year. Fed Chairman Powell is due to give a speech on Jan. 4.

The dollar extended overnight losses and was down 0.3 percent at 110.64 yen. It was on track to lose more than 2 percent this month.

Oil prices remained choppy, with U.S. crude futures up 2.2 percent at \$45.60 per barrel after sliding 3.5 percent the previous day. U.S. crude had rallied 8 percent midweek after dropping to a 1-1/2-year low of \$42.36 at the week's start. Crude has lost more than one-third of its value since the beginning of October and is heading for declines of more than 20 percent in 2018.

In addition to oversupply concerns, worries about slowing global economic growth have dampened investor demand for riskier asset classes and pressured crude. Brent crude climbed 1.8 percent to \$53.11 per barrel after losing more than 4 percent the previous day.

Spot gold, which has benefited this week from the global market turmoil was slightly higher at \$1,278.71 an ounce following an ascent to a six-month high of \$1,279.06 on Wednesday. (reuters.com)

The EU's palm oil policy is triggering condemnation from the other side of the globe

The European Union is phasing out the use of in transport fuel, triggering criticism of trade protectionism and threats of retaliation from major producers Indonesia and Malaysia. According to Eyes on the Forest, a coalition of environmental non-governmental organizations co-founded by the World Wildlife Fund, the large Indonesian island of Sumatra lost 56% of its 25Mn hectares (bigger than the size of the U.K.) of natural forests over 31 years. The palm oil industry, with its national epicenter on that island, is thought to be one of the biggest drivers of that loss, the coalition said.

France and Norway have become the first few countries to start curbing use of palm oil in the last month, driving fears in major Southeast Asian producing countries, where the cash crop has powered economic growth. Indonesia and Malaysia together produce over 80% of the world's palm oil. More broadly, the EU agreed in June to phase out the use of palm oil in transport fuel from 2030 as part of a broader plan to increase the share of renewables in the bloc's energy production. The EU is one of the world's top consumers of palm oil, which is used in a wide range of products from baked goods to detergents. (cnbc.com)

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