

DAILY STOCK MARKET HIGHLIGHTS

Wednesday, 28 November 2018



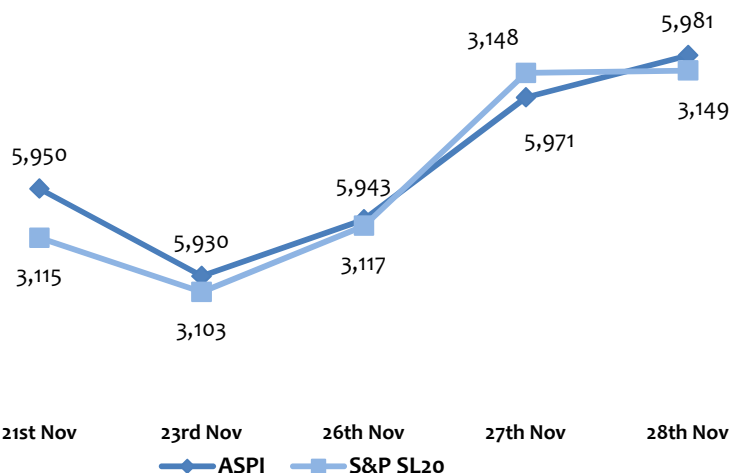
**ASHA PHILLIP
SECURITIES LTD**

Sri Lanka

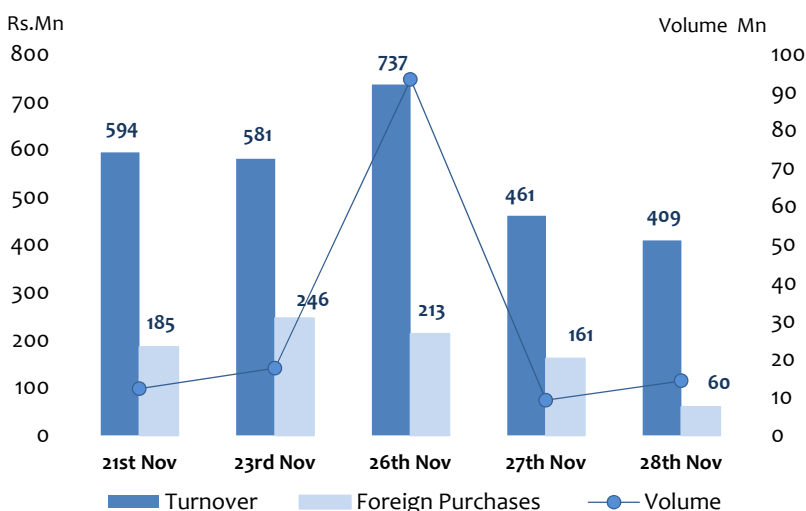
Daily Market Statistics

Index	28th Nov	27th Nov	Change	% Change
ASPI	5,981.16	5,971.41	↑ 9.75	↑ 0.16%
S&P SL20	3,148.96	3,148.49	↑ 0.47	↑ 0.01%
Market Stats (LKR, Mn)		28th Nov	27th Nov	% Change
Turnover		409.31	460.75	↓ -11.2%
Domestic Purchases		349.63	299.71	↑ 16.7%
Domestic Sales		147.74	246.78	↓ -40.1%
Foreign Purchases		59.68	161.04	↓ -62.9%
Foreign Sales		261.58	213.98	↑ 22.2%
Share Volume		14.29	9.18	↑ 55.6%
Market capitalization (Bn)		2,806.04	2,801.46	↑ 0.16%
PER		9.43	9.41	↑ 0.21%
PBV		1.17	1.17	↓ 0.00%

Market Indices



Turnover, Volume and Foreign Purchase



Performance of the Market

- Colombo Bourse remained positive for the third consecutive day; activities were lower than the previous session. Increasing worries over the political situation keeps the investors on cautious stance. The benchmark index ASPI moved between 5,971.24 - 5,999.51 points and settled the day at 5,981.16 with a gain of 9.75 points (+0.16%).
- Major contributors for the movement in ASPI were **SLTL (+4.2)**, **NEST (+3.3)**, **DIST (+2)**, **LIOC (+1.5)**, **COMB (+1.4)**, **HHL (-2.2)**, **DIAL (-1.7)**, **SUN (-1.6)**, **DFCC (-1)** & **LOFC (-0.9)**
- S&P SL20 index also followed a same trend and settled the day at 3,148.96 with a gain of 0.47 points (+0.01%).
- The day's turnover was recorded as LKR 409.31Mn, down by 11% from its previously recorded LKR 460.75Mn. Foreign investors remained net sellers for the day.
- The total market capitalization stood at LKR 2.81Tn, indicating an YTD loss of 3.22%.
- The market PER & PBV were at 9.43x & 1.17x respectively.

Top Contributors – Turnover

- Lion Brewery Ceylon PLC (LION) topped the turnover list with 34% (138.75Mn) contribution to the day's total turnover. LION traded between LKR 560 & 579 and settled the day at LKR 579 on par with its previous closing; majority (138.75Mn) of its turnover was contributed through an off board trade of 0.25Mn shares negotiated at the price of LKR 555.
- John Keells Holdings PLC (JKH) stood second by adding LKR 67.57Mn to the day's total turnover. JKH traded between LKR 158 & 159 and settled the day at LKR 158 with a loss of LKR 0.20 (-0.13%).
- Hemas Holdings PLC (HHL) contributed LKR 38.27Mn to the total turnover and secured the third slot. HHL traded between LKR 84.50 & 87.5 and settled the day at LKR 84.50 with a loss of LKR 1.80 (-2.09%).

Traded Volume

- Softlogic Capital PLC traded a total of 4.05Mn shares dominating the traded volumes.
- Richard Pieris and Company PLC (1.79Mn shares) and Dialog Axiata PLC (1.03Mn shares) were next in line under the top contributors to the daily volumes.

Sectorial Overview

- Diversified Holdings (DIV) stood on top providing LKR 151.71Mn capturing 38% of the day's total turnover.
- Beverage Food & Tobacco (BFT) and Bank Finance & Insurance (BFI) provided LKR 141.79Mn and LKR 55.89Mn respectively to the daily aggregated turnover.

Daily Foreign Transactions

Net Foreign Purchases

Company Name	Avg Price	Net change in Qty	Net Foreign Inflow
SOFTLOGIC CAP	5.80	3,300,000	19,140,000
LB FINANCE	120.00	45,225	5,427,000
DIPPED PRODUCTS	83.50	20,000	1,670,000
ACCESS ENG SL	16.10	50,000	805,000
RENUKA AGRI	2.10	365,000	766,500
LANKEM DEV.	4.10	138,520	567,932
SEYLAN BANK[X.0000] (+)	42.0	9,726	408,492
FIRST CAPITAL	25.60	10,000	256,000
LANKA IOC	26.40	8,000	211,200
DOCKYARD (+)	58.50	2,000	117,000

Net Foreign Sales

Company Name	Avg Price	Net change in Qty	Net Foreign Outflow
LION BREWERY	555.00	(200,000)	(111,000,000)
HEMAS HOLDINGS	84.50	(446,500)	(37,729,250)
JKH	159.00	(210,100)	(33,405,900)
AITKEN SPENCE	46.50	(419,501)	(19,506,797)
RICHARD PIERIS	10.10	(1,776,111)	(17,938,721)
DIALOG (+)	11.40	(800,000)	(9,120,000)
AMANA BANK (+)	3.10	(497,126)	(1,541,091)
RICH PIERIS EXP	205.20	(2,000)	(410,400)
CENTRAL IND.	29.20	(9,607)	(280,524)
HAYLEYS	188.00	(1,000)	(188,000)

- **Aggregate foreign buying** for the day totaled up to **LKR 59.68Mn**.
- **Foreign sales** for the day amounted to **LKR 261.58Mn**.
- **Net foreign outflow** for the day was **LKR 201.89Mn**, **YTD net foreign outflow** presently stands at **LKR 17.52Bn**.
- **SCAP** notched the "Top Net Purchasers" slot with a net inflow of **LKR 19.14Mn** whilst **LION** notched the "Top net Sellers" slot with a net outflow of **LKR 111Mn**.

Year-to-Date ASPI Movement



Key Announcements

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				
From	7-Sep 18.		25-Sep 18.	26-Nov-18.				
Reason	Qualified Opinion on Auditor's Report			Non-submission of Quartely FS				

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	Company	Date	Company	Date	Company	Date	EGMs	
COMB	28-Mar-19	DFCC	28-Mar-19	HASU	28-Mar-19	HNB	29-Mar-19	NIFL	10-Dec-18
PABC	29-Mar-19	SAMP	29-Mar-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
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
CTC	19.00	Interim	21.Nov.2018	29.Nov.2018	HPWR	1.50	Interim	05. Dec.2018	13. Dec.2018
HHL	0.40	Interim	26.Nov.2018	05.Dec.2018	LHCL	1.00	Interim	05. Dec.2018	14.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	1,400.00	187,323,751	262,253,251,400	10.06
JOHN KEELLS HOLDINGS PLC	JKH.No000	158.00	1,387,528,658	219,229,527,964	8.41
COMMERCIAL BANK OF CEYLON PLC	COMB.No000	115.90	945,709,403	109,607,719,808	4.20
DIALOG AXIATA PLC	DIAL.No000	11.40	8,143,778,405	92,839,073,817	3.56
NESTLE LANKA PLC	NEST.No000	1,653.80	53,725,463	88,851,170,709	3.41
HATTON NATIONAL BANK PLC	HNB.No000	214.40	395,451,248	84,784,747,571	3.25
DISTILLERIES COMPANY OF SRI LANKA PLC	DIST.No000	16.90	4,600,000,000	77,740,000,000	2.98
CEYLON COLD STORES PLC	CCS.No000	730.00	95,040,000	69,379,200,000	2.66
SAMPATH BANK PLC	SAMP.No000	234.20	280,902,248	65,787,306,482	2.52
MELSTACORP PLC	MELS.No000	54.00	1,165,397,072	62,931,441,888	2.41

Highest Volume

Company Name	Turnover (Rs)	Share Vol.
SOFTLOGIC CAPITAL PLC	23,478,483	4,053,569
RICHARD PIERIS AND COMPANY PLC	18,069,157	1,788,799
DIALOG AXIATA PLC	11,745,094	1,030,164
EXPOLANKA HOLDINGS PLC	3,726,077	931,482
TESS AGRO PLC	432,465	854,929
AMANA BANK PLC	1,541,094	497,127
HEMAS HOLDINGS PLC	38,269,015	456,843
RENUKA AGRI FOODS PLC	898,760	431,130
JOHN KEELLS HOLDINGS PLC	67,567,565	425,139
AITKEN SPENCE PLC	19,522,075	419,774

Highest Turnover

Company Name	Share Vol.	Turnover (LKR)
LION BREWERY CEYLON PLC	250,005	138,752,819
JOHN KEELLS HOLDINGS PLC	425,139	67,567,565
HEMAS HOLDINGS PLC	456,843	38,269,015
SOFTLOGIC CAPITAL PLC	4,053,569	23,478,483
AITKEN SPENCE PLC	419,774	19,522,075
RICHARD PIERIS AND COMPANY PLC	1,788,799	18,069,157
CHEVRON LUBRICANTS LANKA PLC	210,394	15,966,294
DIALOG AXIATA PLC	1,030,164	11,745,094
L B FINANCE PLC	50,136	6,016,318
NATIONAL DEVELOPMENT BANK PLC	44,482	4,761,337

Top Gainers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
AMAYA LEISURE	44.40	6.60	17.46	5,239
BANSEI RESORTS	6.30	0.90	16.67	2,606
BERUWALA RESORTS	0.70	0.10	16.67	87,508
ARPICO	168.30	23.30	16.07	25,240
RENUKA HOLDINGS	17.00	2.30	15.65	51,029
BROWNS BEACH	13.90	1.70	13.93	14,765
SELINSING	694.60	81.20	13.24	69,455
RAMBODA FALLS	20.60	2.40	13.19	4,117
ASIA ASSET	1.00	0.10	11.11	201
ANILANA HOTELS	1.20	0.10	9.09	121

Top Losers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
ADAM CAPITAL	0.30	(0.10)	(25.00)	600
NATION LANKA	0.60	(0.10)	(14.29)	14,585
MULLERS	0.70	(0.10)	(12.50)	4,888
SUNSHINE HOLDING	50.00	(5.00)	(9.09)	25,000
CIC [X]	30.00	(3.00)	(9.09)	261,132
LANKEM DEV.	4.10	(0.40)	(8.89)	1,244,786
BIMPUATH FINANCE	33.00	(2.90)	(8.08)	990,552
BROWNS INVSTMNTS	1.90	(0.10)	(5.00)	37,700
KELANI TYRES	36.20	(1.80)	(4.74)	33,387
A.SPEN.HOT.HOLD.	25.90	(1.20)	(4.43)	283,198

Crossings

Name	Symbol	Price	Trades	T.Volume	Turnover
Lion Brewery Ceylon PLC	LION.No000	555.00	4	250,000	138,750,000.00

Market Highlights & Statistics

Sector Wise Summary

Sector	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
BANK FINANCE AND INSURANCE	15,784.31	15,780.49	55,886,584	5,191,196	836	5.20	0.90
BEVERAGE FOOD AND TOBACCO	24,196.46	24,098.22	141,794,664	702,593	105	17.80	6.00
CONSTRUCTION AND ENGINEERING	1,544.17	1,543.89	4,850,001	506,642	295	20.50	0.60
CHEMICALS AND PHARMACEUTICALS	5,222.52	5,184.48	358,550	18,252	43	5.40	0.60
DIVERSIFIED HOLDINGS	1,578.33	1,586.44	151,705,129	4,344,225	405	10.30	0.90
FOOTWEAR AND TEXTILE	877.63	885.56	540,188	57,313	33	70.20	0.90
HOTELS AND TRAVELS	2,641.80	2,631.23	2,870,638	335,450	323	61.30	1.60
HEALTH CARE	807.62	803.15	399,180	18,769	20	15.50	1.80
INVESTMENT TRUSTS	9,347.78	9,276.25	1,120,627	32,006	41	19.90	0.40
INFORMATION TECHNOLOGY	26.63	27.19	13,872	3,088	14	0.00	0.00
LAND AND PROPERTY	555.41	552.08	573,937	49,311	59	5.40	0.60
MANUFACTURING	2,874.17	2,872.49	29,628,407	543,295	685	7.10	0.90
MOTORS	13,013.90	12,985.14	297,682	556	7	11.30	0.50
OIL PALMS	49,866.63	49,328.66	70,109	103	3	28.50	1.00
POWER & ENERGY	109.44	107.27	5,593,270	309,863	244	0.00	1.30
PLANTATIONS	737.10	733.12	813,201	162,106	69	6.30	0.70
STORES SUPPLIES	29,847.21	29,847.21	21,306	31	4	14.60	0.50
SERVICES	15,881.99	15,988.20	170,845	21,384	26	11.10	1.20
TELECOMMUNICATIONS	147.01	145.70	11,924,166	1,038,820	74	8.30	0.90
TRADING	11,859.00	11,864.00	679,584	956,057	86	28.70	0.80

GICS Industry Group Statistics

Industry Group	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
Automobiles & Components	485.25	509.38	33,387	922	10	5.00	0.60
Banks	828.99	828.32	16,088,640	717,468	315	6.00	0.80
Capital Goods	850.88	853.97	151,564,656	3,485,879	620	10.50	0.90
Commercial & Professional Services	799.59	799.59	0	0	0	0.00	1.00
Consumer Durables & Apparel	788.42	794.27	3,384,006	167,419	138	25.20	1.00
Consumer Services	247.39	244.47	2,870,638	335,450	324	63.50	1.60
Diversified Financials	766.72	765.50	37,424,544	4,411,602	451	5.30	0.80
Energy	637.37	616.69	4,855,788	186,038	185	0.00	1.00
Food & Staples Retailing	1,258.97	1,258.97	497,231	943,079	70	15.30	2.20
Food, Beverage & Tobacco	936.11	933.41	145,940,656	1,218,847	296	15.40	2.50
Health Care Equipment & Services	868.24	864.23	417,940	28,840	38	15.60	1.80
Household & Personal Products	1,060.54	1,060.54	1,020	85	1	15.10	2.00
Insurance	1,719.92	1,720.80	3,858,320	99,821	115	3.50	1.40
Materials	549.56	546.50	24,319,404	381,908	470	6.20	0.90
Pharmaceuticals, Biotechnology & Life Sciences	1,745.59	1,745.59	0	0	0	4.60	1.40
Real Estate	756.32	751.74	602,139	49,522	65	5.10	0.60
Retailing	774.20	775.85	519,280	23,538	42	14.50	0.70
Technology Hardware & Equipment	0.00	-	0	0	0	0.00	0.00
Telecommunication Services	768.11	761.26	11,924,166	1,038,820	74	8.40	1.00
Transportation	685.99	702.71	3,726,077	931,482	87	19.80	0.70
Utilities	748.56	747.70	737,483	123,825	59	11.60	0.70

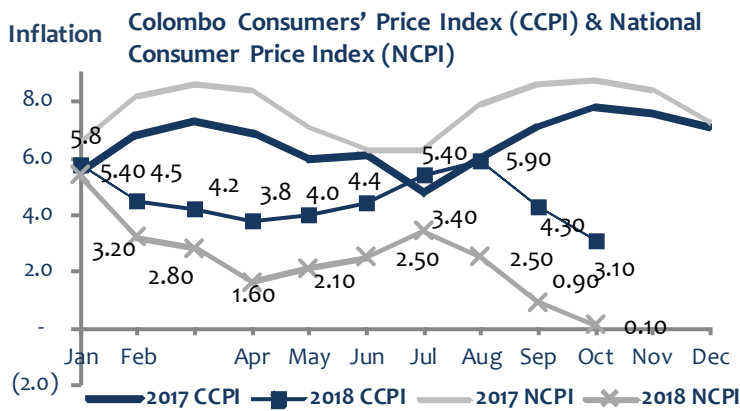
Economic Indicators & Other Statistics

Exchange Rates

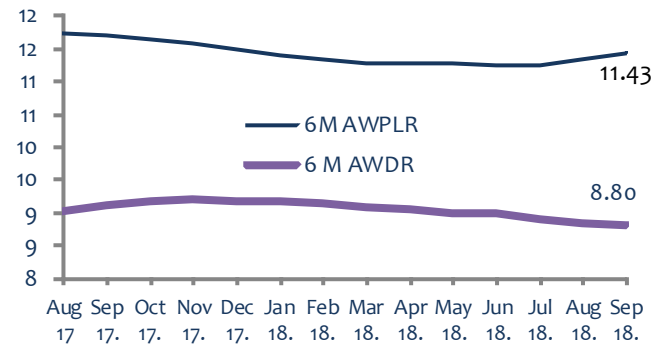
Currency	28th Nov		27th Nov	
	Buying	Selling	Buying	Selling
Dollar (USA)	178.33	182.27	178.00	181.94
Pound (UK)	226.11	233.53	226.94	234.39
Euro (EU)	200.07	207.21	200.42	207.57
Dollar (Australia)	127.73	133.17	127.28	132.73
Dollar (Canada)	133.19	138.18	133.35	138.35
Franc (Switzerland)	177.18	183.90	177.01	183.70
Renminbi (China)	25.34	26.56	25.32	26.54
Yen (Japan)	1.5572	1.6149	1.5591	1.6168
Dollar (Singapore)	128.80	133.24	128.82	133.26

Indicative Rates

Currency	28th Nov	27th Nov
	Ind: Value	Ind: Value
Yuan (Offshore)	25.9497	25.9347
Rupee (India)	2.5484	2.5432
Won (Korean)	0.1599	0.1595
Dinar (Kuwait)	592.8669	592.1795
Ringgit (Malay)	43.0016	42.9399
Rial (Oman)	468.5618	467.7125
Riyal (Qatar)	49.5370	49.4574
Riyal (KSA)	48.0769	48.0022
Dirham (UAE)	49.1109	49.0346



Average Weighted Prime Lending & Deposit Rate



Central Bank's Policy Rates

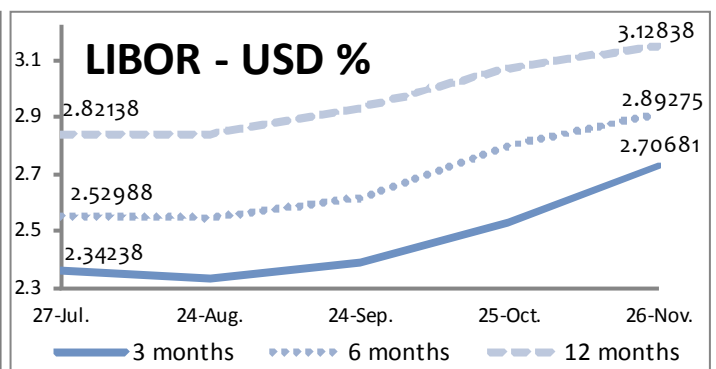
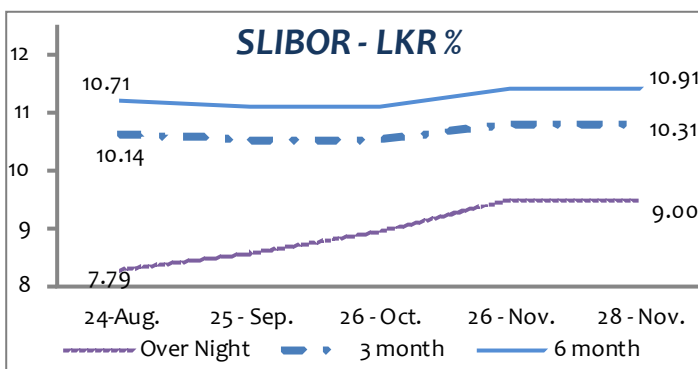
Description	Present	Previous		28.11.2018	19.11.2018	14.11.2018	07.11.2018
Standing Deposit Facility (SDF)	8.00%	7.25%	91 Days %	na	10.01	10.07	9.65
Standing Lending Facility (SLF)	9.00%	8.50%	182 Days %	na	na	na	9.99
Bank Rate	15.00%	15.00%	364 Days %	11.20	11.21	11.25	10.89
Statutory Reserve Ratio (SRR)	6.00%	7.50%	Amount	18Bn	15.5Bn	9.86Bn	15.37Bn

Treasury Bill

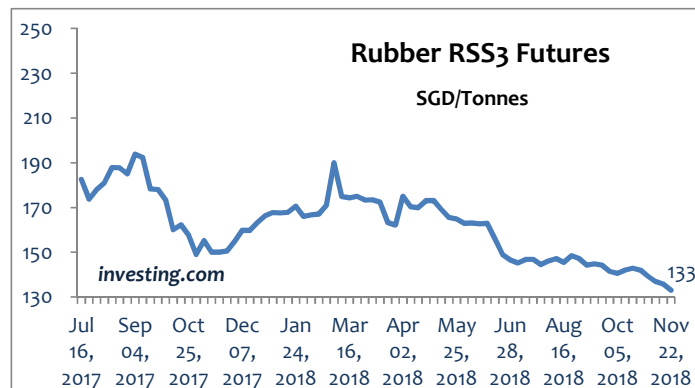
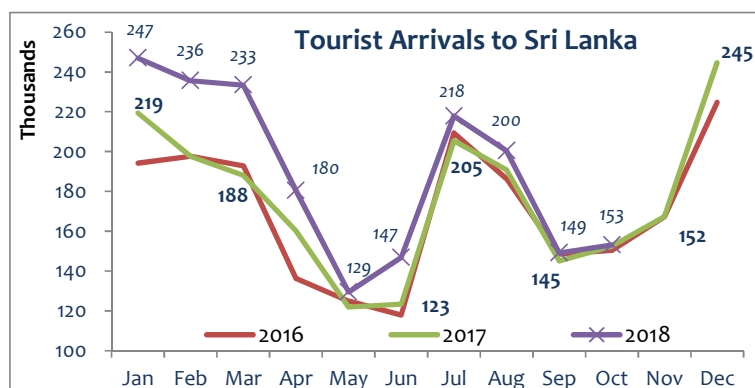
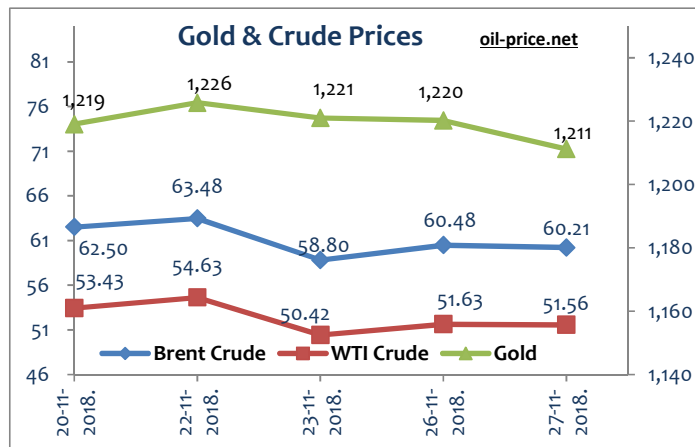
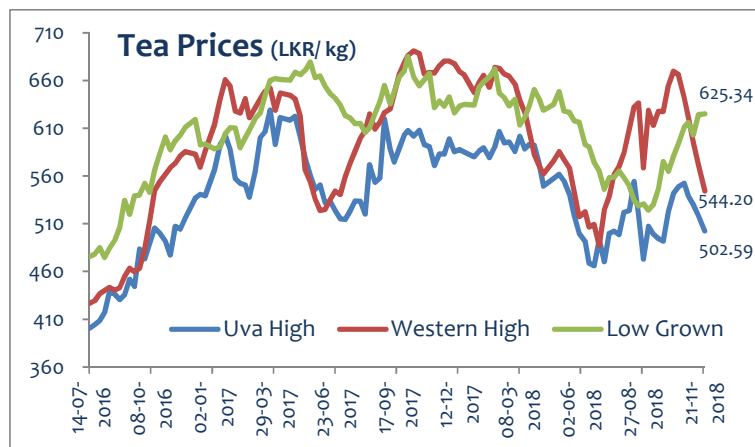
Date	17.09.2018	17.07.2016	15.10.2018	17.07.2016	17.09.2018	02.01.2018	15.08.2018	15.10.2018
Maturity	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	10 Years	15 Years
Current Yield	10.03	11.14	11.69	11.21	10.32	10.06	10.20	11.90
Previous Auction	02.03.2018	15.06.2017	15.08.2018	15.06.2017	16.07.2018	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

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's retail industry to be a prominent and important pillar of the economy

(LBO) – Increasingly the significance of retail as an industry, as a value creator for the economy, as an employer and as a catalyst of growth brings to the forefront the need to recognize it as an Industry, a senior official said. Addressing the Sri Lanka Retailers' Association (SLRA) second annual general meeting outgoing head of the organization, Hussain Sadiq said the objective of association is to harness the resources of the organized retail industry to a common platform to promote and facilitate the futuristic innovation, growth and global outreach.

The SLRA therefore, Sadiq says foresees an active role for itself in the architecture of development and fiscal policy as well as consumer protection mechanisms in the near term. The organization currently represents nine retail sectors which are: FMCG; clothing, fashion and jewelry; shelter and housing; household and consumer durables; footwear and accessories; E-commerce; mobility; entertainment, restaurants and QSR; and healthcare and wellness, and comprising of 30+ leading retailers. At present the retail trade contributes to one third of the National GDP while accounting for 14 percent of the labour market. Retail attracts over 250 million footfalls in Sri Lanka while the number of clicks for online-retail is estimated to be slightly under 2% and growing at the rate of 200% annually.

Sri Lankan rupee hits fresh low against dollar for 6th day running

(Reuters) - The Sri Lankan rupee hit yet another record low against the dollar on Wednesday on continuing concerns about political uncertainty dragging down the island-nation's economy, after a credit rating downgrade by Moody's and the IMF halting a loan discussion last week. The rupee fell to 180.70 against the dollar, compared with Tuesday's close of 180.50, hitting a fresh low for the sixth straight session. The rupee has fallen over 17% so far this year, Refinitiv Eikon data showed. Moody's downgraded Sri Lanka last week for the first time since it started rating the country in 2010, blaming the political crisis for aggravating already problematic finances. The downgrade coincided with a decision by the International Monetary Fund (IMF) to delay discussions about its loan tranche to Sri Lanka. The currency has fallen over 4% since the crisis unfolded in late October.

Foreign News

Asian shares gain on policy hopes before Trump-Xi meeting, Fed speech

(Reuters) - Asian shares posted modest gains on Wednesday on hopes Beijing will take steps to support the economy and as investors tried to decipher conflicting signals on prospects for de-escalating the Sino-U.S. trade dispute. MSCI's broadest index of Asia-Pacific shares outside Japan gained 0.7 percent, led by advance in Taiwan and China.

Japan's Nikkei gained 1.0 percent. Hong Kong's Hang Seng index rose as much as 1.4 percent to hit a more than seven-week high while mainland blue-chip shares climbed 1.3 percent.

After President Donald Trump rattled investors by talking tough ahead of a highly-anticipated meeting with Chinese President Xi Jinping in Argentina on Saturday, White House economic adviser Larry Kudlow sought to brighten the mood by holding open the possibility that the two countries would reach a trade deal.

Beijing's ambassador to Washington, Cui Tiankai, told Reuters that China is going to the G-20 summit hoping for a deal to ease a damaging trade war with the United States, though he warned of dire consequences if U.S. hardliners try to separate the world's two largest economies.

Markets were shaken on Tuesday after **Trump told the Wall Street Journal it was "highly unlikely"** he would accept China's request to hold off on a **planned increase in tariffs to 25% from 10%**. All in all, it was still unclear whether the two sides had agreed on a formal agenda for the Trump-Xi meeting after the G20 summit and Kudlow said there were no scheduled talks on the ground for their advisers.

The dollar index, which measures the greenback against a basket of major currencies, jumped overnight to 97.497 to edge toward a 1-1/2 year top of 97.661 earlier this month. It was last at 97.349.

Investors will now turn attention to a **speech on Wednesday by Federal Reserve Chair Jerome Powell** for further clues on how many more times the U.S. central bank is likely to raise interest rates. The event has become more critical as signs of a global slowdown and nearly two months of market volatility have clouded an otherwise rosy U.S. picture, prompting speculation the Fed will go slow on rate hikes next year.

Traders will watch the speech in light of Trump's criticism of Powell in a newspaper interview in which the president said interest rates and other Fed policies were damaging the U.S. economy.

British Prime Minister Theresa May will take her **Brexit** sales pitch to Scotland on Wednesday where she will likely face an uphill struggle to convince skeptical voters of the benefits of her deal for businesses. May needs to win a Dec. 11 parliamentary vote on her Brexit deal but that looks difficult with an apparent large majority of lawmakers - including the Scottish National Party with 35 of Scotland's 59 seats in parliament - opposed to it.

Elsewhere **bitcoin jumped 6%** to above \$4,000, extending its rebound from a low of \$3,475 touched on Sunday.

In **commodity markets**, oil was cautiously higher ahead of an OPEC meeting next week at which the producer club is expected to decide on some form of supply cut to counter an emerging glut. The shutdown of Britain's largest North Sea oilfield for repairs also supported prices. U.S. crude futures added 78 cents to \$52.34 a barrel. Brent climbed 87 cents to \$61.08. Despite a rise early Wednesday, oil prices have still fallen by almost one-third since early October, weighed down by the supply overhang and widespread weakness in financial markets.

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