

DAILY STOCK MARKET HIGHLIGHTS

Monday, 29 April 2019



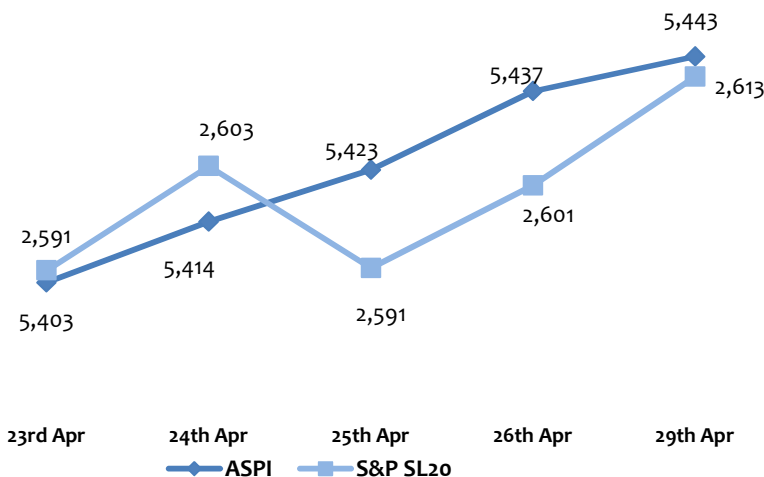
ASHA PHILLIP
SECURITIES LTD

Sri Lanka

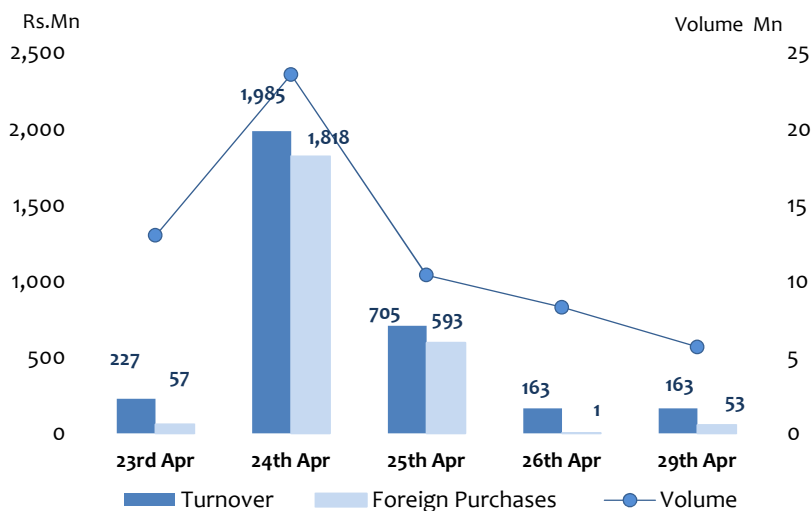
Daily Market Statistics

Index	29th Apr	26th Apr	Change	% Change
ASPI	5,443.31	5,437.06	↑ 6.25	↑ 0.11%
S&P SL20	2,613.37	2,600.76	↑ 12.61	↑ 0.48%
Market Stats (LKR, Mn)		29th Apr	26th Apr	% Change
Turnover		162.70	162.84	↓ -0.1%
Domestic Purchases		109.23	162.14	↓ -32.6%
Domestic Sales		133.56	157.66	↓ -15.3%
Foreign Purchases		53.47	0.70	↑ 7516.4%
Foreign Sales		29.14	5.18	↑ 462.6%
Share Volume		5.66	8.27	↓ -31.5%
Trades (No.)		2,925.00	2,275	↑ 28.6%
Market capitalization (Bn)		2,556.03	2,553.09	↑ 0.1%
PER		8.56	8.55	↑ 0.12%
PBV		1.07	1.07	↓ 0.00%

Market Indices



Turnover, Volume and Foreign Purchase



Performance of the Market

- Central Bank's intervention in Banks and NBFIs to reduce interest rates reflected positively in today's session. Turnover was sluggish as investors turned cautious following the terror attacks. Government's efforts on streamlining the economy with global support prevents downfall.
- Benchmark index ASPI moved between 5,438.79-5,451.69 points and settled the day at 5,443.31 with a gain of 6.25 points (+0.11%).
- Major contributors for the movement in ASPI were **JKH (+8.4)**, **LOLC (+3.4)**, **OSEA (+1.1)**, **PLC (+1)**, **AHPL (+0.8)**, **SLTL (-2.7)**, **CFIN (-1.7)**, **LHCL (-1.4)**, **SEYB (-1.2)** & **COCR (-1.2)**
- S&P SL20 index also followed the same trend and settled the day at 2,613.37 with a gain of 12.61 points (+0.48%).
- The day's turnover was recorded as LKR 162.7Mn, down by 0.1% from its previously recorded LKR 162.84Mn. Foreign investors turned net buyers for the day.
- The total market capitalization stood at LKR 2.56Tn, indicating an YTD loss of 9.98%.
- The market PER & PBV were at 8.56x & 1.07x respectively.

Top Contributors – Turnover

1. John Keells Holdings PLC (JKH) contributed 26% (41.9Mn) of the turnover. JKH traded between LKR 144.00 & LKR 146.50 and settled the day at LKR 146.50 with a gain of LKR 3.00 (+2.09%)
2. Sampath Bank PLC (SAMP) had contributed LKR 32.67Mn. SAMP traded between LKR 155.00 & LKR 159.00 and settled the day at LKR 156.00 with a gain of LKR 1.00 (+0.65%)
3. Commercial Bank of Ceylon PLC (COMB) contributed LKR 22.53Mn. COMB traded between LKR 90.60 & LKR 92.00 and settled the day at LKR 91.40 with a loss of LKR 0.50 (-0.54%)

Top contributors - Traded Volume

1. Browns Investments PLC traded a total of 0.81Mn shares.
2. Lucky Lanka Milk Processing [X] (0.41Mn shares).
3. Dialog Axiata PLC (0.38Mn shares).

Sectorial Overview

1. Bank Finance & Insurance (BFI) sector stood on top providing LKR 89.37Mn capturing 55% of the total turnover.
2. Diversified Holdings (DIV) sector provided LKR 46.96Mn to the daily aggregated turnover.
3. Manufacturing (MFG) sector provided LKR 7.63Mn.

Daily Foreign Transactions

Net Foreign Purchases

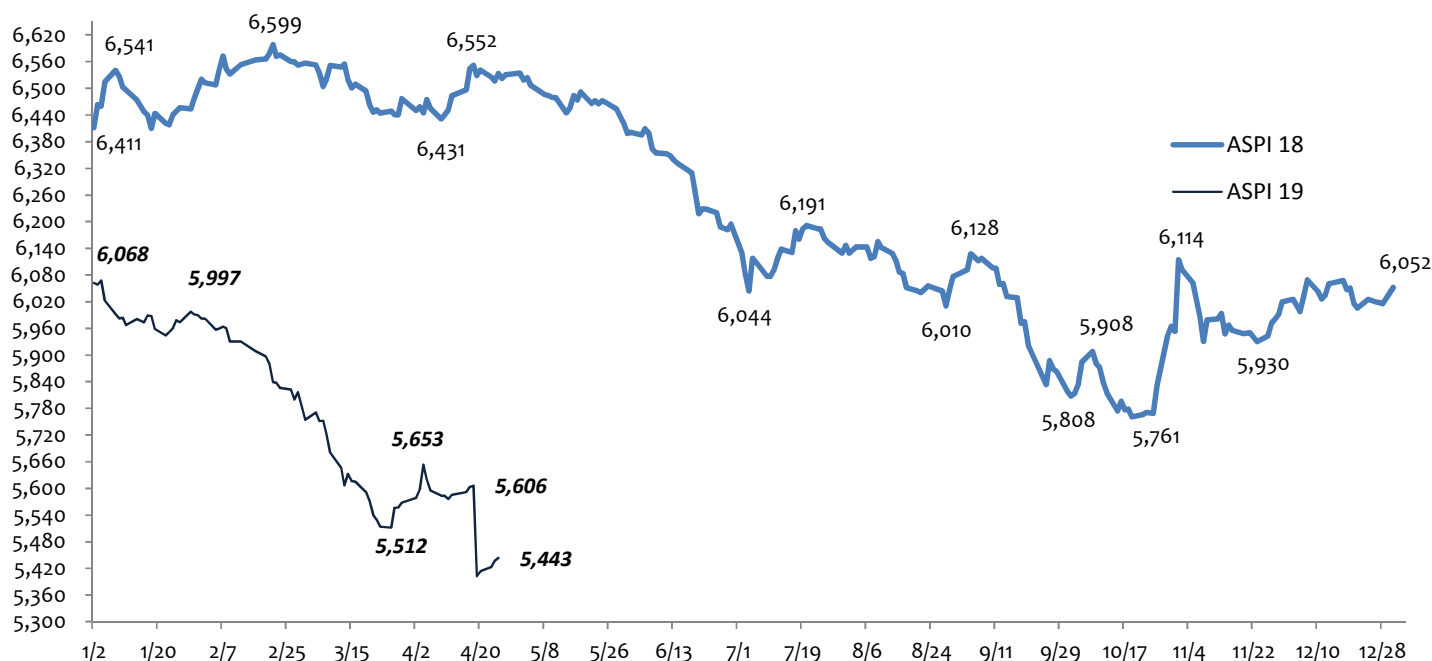
Company Name	Avg Price	Net change in Qty	Net Foreign Inflow
JKH	146.50	256,379	37,559,524
LB FINANCE	120.00	110,546	13,265,520
MELSTACORP	37.50	57,165	2,143,688
R I L PROPERTY	6.00	19,100	114,600
CENTRAL IND.	28.00	2,000	56,000
CENTRAL FINANCE	85.30	384	32,755
NAWALOKA	4.0	5,000	20,000
CARGILLS	196.00	100	19,600
L O L C HOLDINGS	89.50	204	18,258
BAIRAHA FARMS	115.00	100	11,500

Net Foreign Sales

Company Name	Avg Price	Net change in Qty	Net Foreign Outflow
COMMERCIAL BANK (+)	91.40	(230,106)	(21,031,688)
SAMPATH (+)	156.00	(28,800)	(4,492,800)
DIALOG (+)	8.70	(216,000)	(1,879,200)
UNION BANK (+)	11.40	(95,560)	(1,089,384)
CHEVRON (+)	60.30	(6,603)	(398,161)
SEYLAN DEVTS (+)	9.90	(1,000)	(9,900)
HNB (+)	174.90	(10)	(1,749)
UNISYST	13.60	(1)	(14)

- **Aggregate foreign buying** for the day totaled up to **LKR 53.47Mn**.
- **Foreign sales** for the day amounted to **LKR 29.14Mn**.
- **Net foreign inflow** for the day was **LKR 24.33Mn**, **YTD net foreign outflow** presently stands at **LKR 4.40Bn**.
- **JKH** notched the “Top Net Purchasers” slot with a net inflow of **LKR 37.56Mn** whilst **COMB** notched the “Top net Sellers” slot with a net outflow of **LKR 21.03Mn**.

Year-to-Date ASPI Movement - 2018 & 2019



Key Announcements

- CSE said; **Trading suspension** imposed on the securities of **Lucky Lanka Milk Processing Company PLC (LLMP)** has been **lifted** with effect from 29th April 2019 as the company rectified the non-Compliance with Corporate Governance Requirements.

Companies under Trading Suspension / Halt

Company	CIFL	CIFL	ESL	PCH	PCP	SING	SFS	CHOU	CTCE
From	23-Nov-17	23-Nov-17	5-Jan-16	2-Apr-18			2-July 18.	11 Mar 19.	1-Mar-19
Reason	CBSL	status	Weak position	as per CSE Listing Rules			CBSL	List rule	Voluntary Delist
Company	LCEM	MEL	HUEJ	AINV, CFT, PCHH		LLMP	FLCH	TFC	KAPI
From	7-Sep 18.	25-Sep 18.	26-Nov-18.	10-12-2018.			8-Mar-19	18-Feb-19.	14-Feb-19.
Reason	AQO	AQO	***	Non-submission of Annual Reports			Merger	AQO	For clarification

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

Auditor's Qualified Opinion (AQO)

Companies on WATCH LIST

Non Submission of Annual Reports, Financial Statements									Default Board
MIRA	LCEM	CIFL	PCH	PCP	SING	HDEV	LLMP	PCHH	SFS
SFL	CFT								
Qualified Opinion in the Independent Auditor's Report									
AINV	ESL	EAST	MEL	CHOU	MSL	PMB	MBSL	ALHP	TFC
SIRA	MSL								
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
ATL, ATLL	30-Apr-19	HAPU	9-May-19	KFP	11-Jun-19	JKL	27-Jun-19
T AFL	8-May-19	UDPL	9-May-19	CCS	14-Jun-19	TSML	27-Jun-19
GRAN	8-May-19	CTC	14-May-19	TRAN	21-Jun-19	KHL	28-Jun-19
NEST	8-May-19	COMD	15-May-19	AHPL	24-Jun-19	JKH	28-Jun-19

EGMs

Company	Date
NEST	8-May-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
RCL	2.50		24-Apr-2019	6-May-2019	GRAN	3.00	First & Final	09.May.2019	17.May.2019
SFCL	0.60	Interim	25-Apr-2019	7-May-2019	CTC	15.77	Final	15.May.2019	24.May.2019
CINS	35.00	First & Final	26.Apr.2019	07.May.2019	COMD	3.50	Final	16.May.2019	27.May.2019
LLUB	2.25	Interim	6-May-19	15-May-19	PDL	3.75	First & Final	30.May.2019	10.Jun.2019
LHCL	1.00	Final	7-May-19	16-May-19	UCAR	6.00	Final	31.May.2019	11.Jun.2019
NEST	25.00	Final	09.May.2019	17.May.2019	DIAL	0.37	Final	13.Jun.2019	21.Jun.2019
TAFL	4.50	First & Final	09.May.2019	17.May.2019	AGST	0.20	Final	01.Jul.2019	09.Jul.2019

Amalgamation

Transferee	Transferor	Proportion	Effective Date
Browns investments PLC (BIL)	Browns Capital PLC (FLCH)	2 BIL for every 1 FLCH	29 Mar 19.

Sub-Division of Shares

Company	Proportion	EGM & Entitlement Date	Dealings Suspension	Trading start
On'ally Holdings PLC (ONAL)	1 for 5	17 May 2019.	21 - 23 May 2019	24th May 2019

Rights Issues

T = Tranche

Company,	Issue Price	Issue Value	Proportion	XR Date	Letter Dispatch	Trading of Rights	Acceptance
People's Merchant Finance (PMB)	LKR 9.50	LKR 1.20Bn	03 for 02	05 Apr 2019.	10 Apr 2019.	17 Apr - 26 Apr.	29 Apr 19.
Hikkaduwa Beach Resort (CITH)	LKR 3.90	LKR 319Mn	02 for 05	09 Apr 2019.	16 Apr 2019.	23 Apr - 30 Apr.	02 May 19.
Waskaduwa Beach Resort (CITW)	LKR 2.40	LKR 871Mn	09 for 05	09 Apr 2019.	16 Apr 2019.	23 Apr - 30 Apr.	02 May 19.
Citrus Leisure PLC (REEF)	LKR 5.00	LKR 870Mn	09 for 05	09 Apr 2019.	16 Apr 2019.	23 Apr - 30 Apr.	02 May 19.
Anilana Hotels (ALHP) Tranch 1	LKR 2.00	LKR 183Mn	01 for 11	24 Apr 2019.	23 Apr 2019.	29 Apr - 07 May.	08 May 19.
Sampath Bank PLC (SAMP)	LKR 136.00	LKR 12.1Bn	07 for 23	16 May 2019.	23 May 2019.	29 May - 06 Jun.	07 Jun 19.
Anilana Hotels (ALHP) Tranch 2	LKR 2.00	LKR 183Mn	01 for 12	22 May 2019.	21 May 2019.	27 May - 03 Jun.	04 Jun 19.
On'ally Holdings PLC (ONAL)	LKR 19.00	LKR 183Mn	01 for 15	30 May 2019.	31 May 2019.	7 Jun - 14 Jun.	17 Jun 19.

Rights Issues with pending dates

Company,	Issue Price	Proportion	Company,	Issue Price	Proportion
Agalawatte Plantations (AGAL)	LKR 15.30	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
Citizens Development (CDB.X)	LKR 64.00	01 for 04	Citizens Development (CDB.N)	LKR 77.00	01 for 04

Upcoming Listings

Company	Issue Size	Coupon Rate	Price	Issue Opening	Tenure	Nature
Commercial Bank of Ceylon PLC (COMB)	LKR 15Bn	To be notified	100.00	To be Notified	5 - 10 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	1,260.20	187,323,751	236,065,391,010	10.30
JOHN KEELLS HOLDINGS PLC	JKH.No000	146.50	1,318,173,279	193,112,385,374	8.43
COMMERCIAL BANK OF CEYLON PLC	COMB.No000	91.40	961,252,317	87,858,461,774	3.83
NESTLE LANKA PLC	NEST.No000	1,600.00	53,725,463	85,960,740,800	3.75
DIALOG AXIATA PLC	DIAL.No000	8.70	8,143,778,405	70,850,872,124	3.09
HATTON NATIONAL BANK PLC	HNB.No000	174.90	401,343,863	70,195,041,639	3.06
DISTILLERIES COMPANY OF SRI LANKA PLC	DIST.No000	14.50	4,600,000,000	66,700,000,000	2.91
CEYLON COLD STORES PLC	CCS.No000	600.00	95,040,000	57,024,000,000	2.49
CARGILLS (CEYLON) PLC	CARG.No000	196.00	255,999,927	50,175,985,692	2.19
LION BREWERY CEYLON PLC	LION.No000	580.00	80,000,000	46,400,000,000	2.02

Highest Volume

Company Name	Turnover (Rs)	Share Vol.
BROWNS INVESTMENTS PLC	1,219,312	812,961
LUCKY LANKA MILK PROCESSING [X]	288,937	411,085
DIALOG AXIATA PLC	3,312,811	380,719
JANASHAKTHI INSURANCE COMPANY PLC	8,642,575	329,500
JOHN KEELLS HOLDINGS PLC	41,896,818	286,244
ACCESS ENGINEERING PLC	3,228,921	249,895
COMMERCIAL BANK OF CEYLON PLC	22,528,296	246,548
BLUE DIAMONDS JEWELLERY [X]	44,960	224,800
EAST WEST PROPERTIES PLC	3,777,908	209,977
SAMPATH BANK PLC	32,674,874	209,757

Highest Turnover

Company Name	Share Vol.	Turnover (LKR)
JOHN KEELLS HOLDINGS PLC	286,244	41,896,818
SAMPATH BANK PLC	209,757	32,674,874
COMMERCIAL BANK OF CEYLON PLC	246,548	22,528,296
L B FINANCE PLC	110,748	13,286,473
JANASHAKTHI INSURANCE COMPANY PLC	329,500	8,642,575
EAST WEST PROPERTIES PLC	209,977	3,777,908
DIALOG AXIATA PLC	380,719	3,312,811
ACCESS ENGINEERING PLC	249,895	3,228,921
MELSTACORP PLC	57,333	2,149,926
TOKYO CEMENT COMPANY (LANKA) PLC [X]	106,159	1,957,464

Top Gainers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
BERUWALA RESORTS	0.60	0.10	20.00	121
LUCKY LANKA	1.30	0.20	18.18	21,996
TEA SMALLHOLDER	26.00	3.00	13.04	2,600
GUARDIAN CAPITAL	19.30	1.50	8.43	2,683
SOFTLOGIC FIN	21.90	1.40	6.83	6,570
PEGASUS HOTELS	24.00	1.50	6.67	15,360
SERENDIB ENG.GRP	7.10	0.40	5.97	710
LMF	100.00	5.60	5.93	260,226
ORIENT FINANCE	13.00	0.70	5.69	1,789,436
KINGSBURY	12.50	0.50	4.17	143,334

Top Losers

Company Name	VWA Days Close	Change (LKR)	Change %	Turnover (LKR)
LUCKY LANKA [X]	0.60	(0.20)	(25.00)	288,937
RENUKA HOTELS	42.30	(6.20)	(12.78)	5,162
GESTETNER	92.60	(13.50)	(12.72)	9,725
KOTAGALA	6.00	(0.70)	(10.45)	364,705
AMANA TAKAFUL	5.30	(0.50)	(8.62)	645
MARAWILA RESORTS	1.30	(0.10)	(7.14)	168,149
LANKA HOSPITALS	42.00	(3.00)	(6.67)	203,130
MADULSIMA	5.70	(0.40)	(6.56)	17,201
BROWNS INVSTMNTS	1.50	(0.10)	(6.25)	1,219,312
COM.CREDIT	25.70	(1.70)	(6.20)	129,281

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	14,405.99	14,386.52	89,373,561	1,588,920	1,069	4.40	0.80
BEVERAGE FOOD AND TOBACCO	22,331.46	22,332.69	2,623,177	549,926	228	16.00	5.40
CONSTRUCTION AND ENGINEERING	1,316.46	1,308.91	3,885,203	452,641	153	11.50	0.50
CHEMICALS AND PHARMACEUTICALS	5,009.54	5,007.10	51,448	1,200	26	6.00	0.60
DIVERSIFIED HOLDINGS	1,394.62	1,382.11	46,957,953	1,221,304	271	9.80	0.80
FOOTWEAR AND TEXTILE	918.42	914.38	354,486	40,263	52	54.40	0.90
HOTELS AND TRAVELS	2,549.34	2,549.34	967,308	220,114	133	94.90	1.60
HEALTH CARE	750.88	764.28	430,305	51,584	47	15.20	1.60
INVESTMENT TRUSTS	8,494.26	8,593.66	52,305	2,976	17	0.00	0.40
INFORMATION TECHNOLOGY	23.85	23.85	0	0	0	0.00	0.00
LAND AND PROPERTY	524.54	520.27	4,084,420	250,163	152	5.30	0.60
MANUFACTURING	2,476.27	2,480.04	7,627,823	496,090	343	7.70	0.70
MOTORS	10,568.13	10,568.13	600	2	1	15.50	0.50
OIL PALMS	49,811.31	49,811.31	1,360	2	2	59.70	1.40
POWER & ENERGY	91.80	91.28	1,958,799	234,846	125	80.80	1.10
PLANTATIONS	700.15	710.19	805,817	105,502	194	23.40	0.70
STORES SUPPLIES	27,128.48	27,273.46	9,725	105	2	16.80	0.50
SERVICES	14,688.52	14,764.22	119,851	55,128	21	13.60	1.10
TELECOMMUNICATIONS	123.63	125.05	3,361,947	382,943	57	5.30	0.80
TRADING	10,204.29	10,204.29	31,551	9,595	17	46.80	0.60

GICS Industry Group Statistics

Industry Group	Price Index		Turnover			Sector	
	Today	Previous	Value (Rs)	Volume	Trades	P/E	PBV
Automobiles & Components	420.91	426.27	201,873	6,409	23	4.30	0.50
Banks	677.05	677.31	60,745,676	626,184	355	4.80	0.60
Capital Goods	756.08	746.96	48,623,400	653,570	349	9.70	0.70
Commercial & Professional Services	847.63	855.81	11,525	150	5	0.00	1.10
Consumer Durables & Apparel	720.82	720.30	839,069	275,018	109	37.40	1.00
Consumer Services	222.91	222.91	967,298	220,014	133	100.40	1.60
Diversified Financials	720.46	717.76	18,200,372	611,336	445	5.20	1.00
Energy	484.92	480.94	1,277,668	75,785	68	0.00	0.80
Food & Staples Retailing	1,210.23	1,215.76	124,219	9,174	20	22.00	2.10
Food, Beverage & Tobacco	848.20	848.65	7,531,898	1,731,589	559	15.00	2.50
Health Care Equipment & Services	806.67	820.86	430,309	51,589	50	15.30	1.60
Household & Personal Products	928.82	928.82	0	0	0	12.70	1.70
Insurance	1,981.97	1,981.33	10,387,292	370,378	303	3.40	1.50
Materials	470.68	470.79	4,899,951	187,381	192	7.10	0.80
Pharmaceuticals, Biotechnology & Life Sciences	1,677.38	1,677.38	0	0	0	4.90	1.30
Real Estate	719.38	714.07	4,083,875	250,066	153	5.00	0.50
Retailing	703.07	703.07	29,840	1,477	11	15.70	0.60
Technology Hardware & Equipment	0.00	-	0	0	0	0.00	0.00
Telecommunication Services	645.96	653.34	3,361,947	382,943	58	5.30	0.80
Transportation	680.00	680.00	47,443	11,850	11	7.50	0.70
Utilities	718.24	716.62	681,130	159,060	56	10.10	0.70

Economic Indicators & Other Statistics

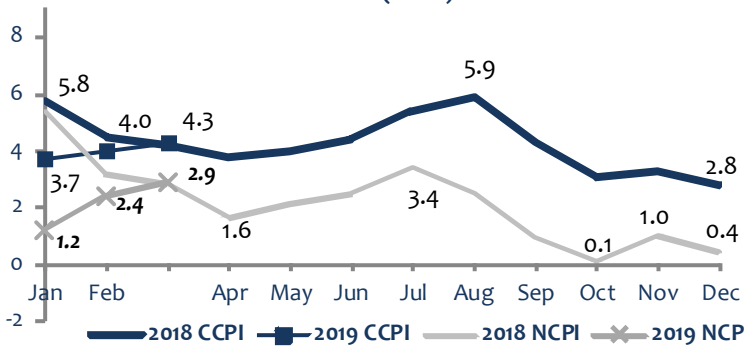
Exchange Rates

Currency	29th Apr		26th Apr	
	Buying	Selling	Buying	Selling
Dollar (USA)	173.51	177.46	173.14	177.09
Pound (UK)	223.21	230.67	222.27	229.70
Euro (EU)	192.28	199.29	191.55	198.54
Dollar (Australia)	121.17	126.46	120.41	125.68
Dollar (Canada)	128.12	132.99	127.66	132.53
Franc (Switzerland)	169.20	175.37	168.68	174.84
Renminbi (China)	25.45	26.70	25.41	26.65
Yen (Japan)	1.5447	1.6033	1.5406	1.5991
Dollar (Singapore)	126.84	131.30	126.57	131.03

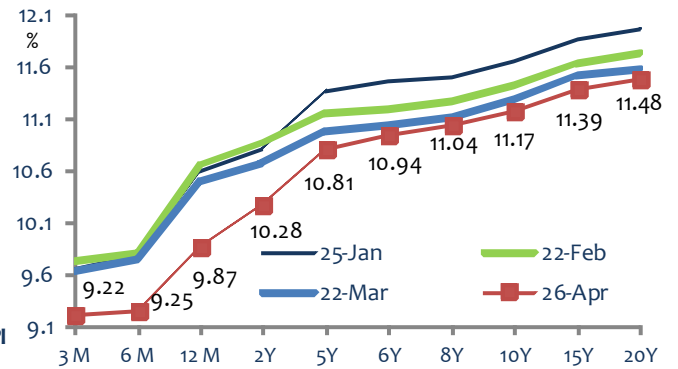
Indicative Rates

Currency	29th Apr	26th Apr
	Ind: Value	Ind: Value
Yuan (Offshore)	26.0124	25.9856
Rupee (India)	2.5088	2.4950
Won (Korean)	0.1514	0.1511
Dinar (Kuwait)	575.6332	574.9139
Ringgit (Malay)	42.4002	42.3715
Rial (Oman)	455.1688	454.5852
Riyal (Qatar)	48.1197	48.0646
Riyal (KSA)	46.7288	46.6689
Dirham (UAE)	47.7084	47.6472

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



Government Securities - Secondary Market Yield



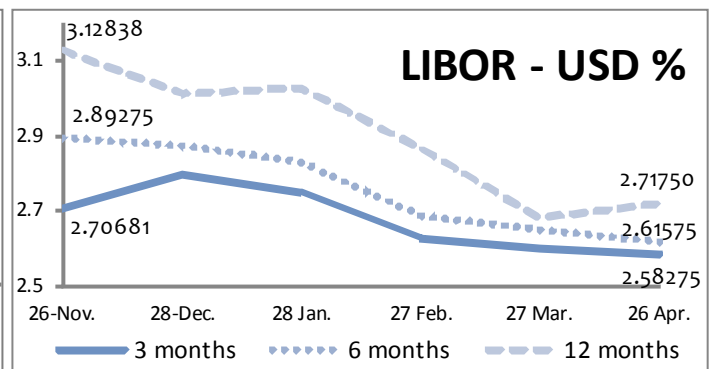
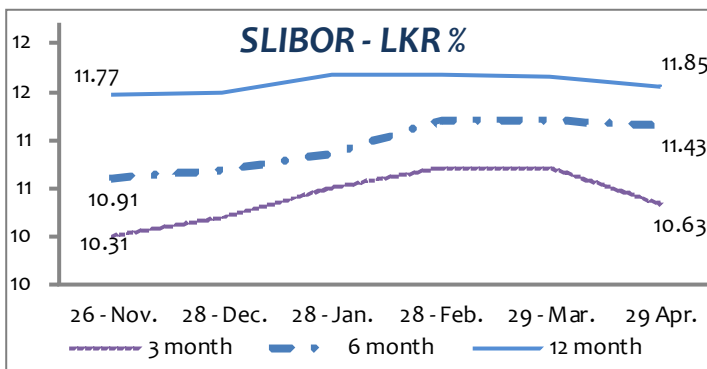
Central Bank's Policy Rates

Description	22-02-2019.	14-11-2018.		24.04.2019	16.04.2019	10.04.2019	02.04.2019
Standing Deposit Facility (SDF)	8.00%	8.00%	91 Days %	8.94	9.00	9.09	9.24
Standing Lending Facility (SLF)	9.00%	9.00%	182 Days %	9.14	9.19	9.29	9.50
Bank Rate	15.00%	15.00%	364 Days %	9.91	9.91	9.99	10.15
Statutory Reserve Ratio (SRR)	5.00%	6.00%	Amount	25Bn	24Bn	25Bn	28Bn

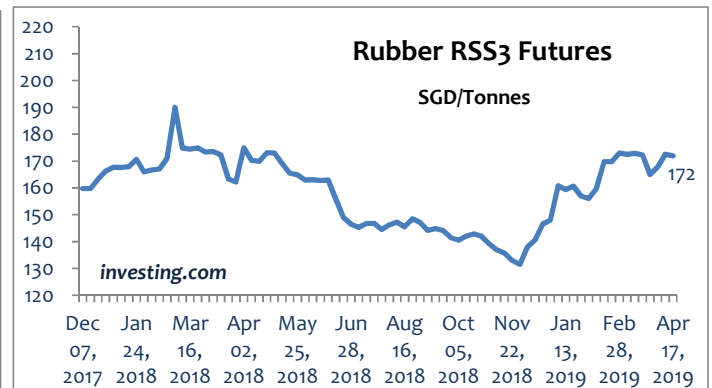
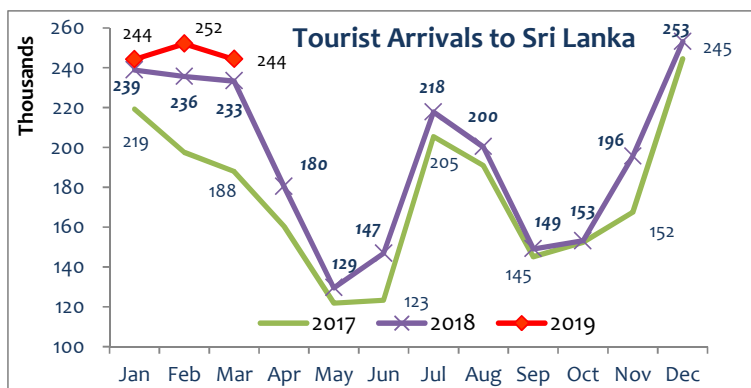
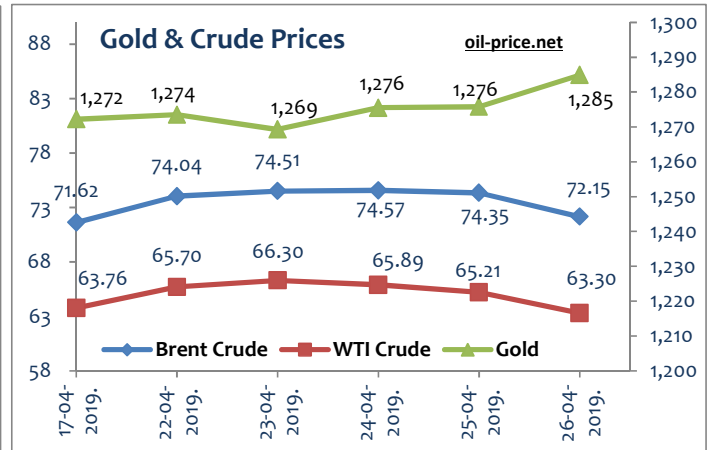
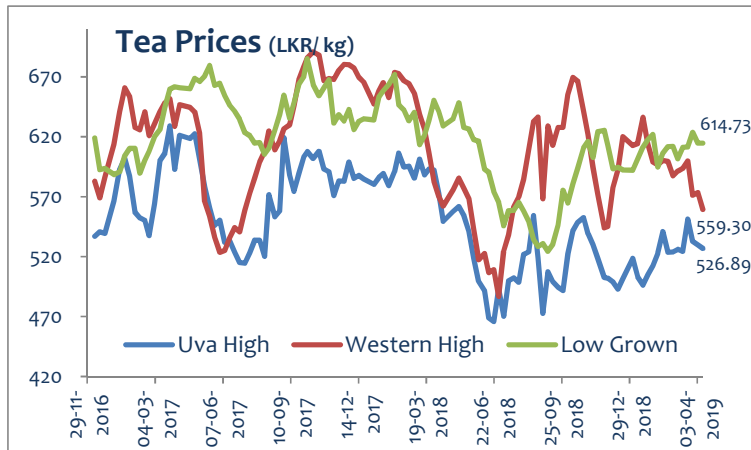
Treasury Bill Issuance

Treasury Bond Issuance

Date	02.04.2019	17.07.2016	12.03.2019	17.07.2016	17.09.2018	02.04.2019	12.03.2019	15.10.2018
Maturity	3 Years	4 Years	5 Years	6 Years	7 Years	8 Years	10 Years	15 Years
Current Yield	10.72	11.14	11.04	11.21	10.32	11.24	11.35	11.90
Previous Auction	05.02.2019	15.06.2017	11.01.2019	15.06.2017	16.07.2018	05.02.2019	11.01.2019	16.07.2018
Previous Yield	10.85	11.37	11.58	11.38	10.53	11.30	11.73	10.88



Economic Indicators & Other Statistics



Local News

CB requests banks, NBFIs to cut lending rates

The Central Bank has requested all licensed banks and non-bank financial institutions (NBFIs) to reduce lending rates to increase credit flows to the real economy in an attempt to prop up the sluggish growth, which is expected get further hindered following the Easter Sunday bombings. The Central Bank in a media communiqué on Saturday said it requested all banks and NBFIs to cut interest rates on deposits and reduce interest rates on lending products in general with a special emphasis on lending to small and medium enterprises (SMEs). The Central Bank said it has observed high interest rates charged on lending products and excessively high interest rates offered on deposit products by banks and NBFIs despite measures taken to bring down overnight interest rates and enhance market liquidity through the reduction of Statutory Reserve Ratio (SRR). “Especially in the context of well contained inflation and inflation expectations, Sri Lanka’s interest rates in real terms also have been found to be excessive in comparison to other regional economies,” the Central Bank said. However, banking sector sources said the non-payment of dues by the government on the senior citizen interest subsidy scheme for over 10 quarters has been major reason for the banks to maintain higher lending interest rates. (dailymirror.lk)

Millennium Challenge Corporation approves biggest grant ever received by Sri Lanka

(LBO) – The Millennium Challenge Corporation of the US Government has approved a grant of 480Mn US dollars to Sri Lanka at its board meeting held on the 25th of April 2019 in Washington D.C. subject to Congressional Notification. Under this grant, Sri Lanka is getting a 480Mn US dollars for 03 main projects to be completed within a period of 5 years. It includes a special Transport Development Program covering the Colombo Metropolitan area to reduce the traffic congestion by improving flow rate, reduce travel time, reduce traffic emission and reduce accidents combined with the Bus Transport Service Modernization program including private and public sector transport service.

Under transport development, improving 131 KM road network on the Central Ring Road connecting Sabaragamuwa, Uva, Eastern, North Central and Wayamba Provinces to the Colombo markets and export hubs. Further, improvement of Land Administration process also will be done in 08 districts, improving the land valuation system, upgrading 10 Land Registries and preparation of Parcel Fabric Map of all state and private land to facilitate the activities of the Survey Department.

Foreign News

U.S., China data send Asian shares higher, Europe to follow

Asian shares climbed on Monday, with markets in Europe poised to track their gains, after strong U.S. first-quarter economic growth and data showing profits at Chinese industrial firms grew for the first time in four months.

Still nagged by uncertainty over the outlook for the global economy, investors were awaiting a meeting of the U.S. Federal Reserve this week and Chinese factory data for further clues on policy direction in the world's biggest economies.

MSCI's broadest index of Asia-Pacific shares outside Japan gained 0.5 percent, rebounding from its biggest weekly drop in more than a month last week. Chinese blue-chips jumped over 1 percent after losing 5.6 percent last week, leading Shanghai shares to an intraday high in afternoon trade. Japan's financial markets are closed for a long national holiday this week, but Nikkei 225 futures in Singapore was 0.9 percent higher.

Monday's gains follow data showing U.S. gross domestic product grew at a faster 3.2 percent annualized rate in the first quarter.

In China, fresh data showed industrial profits grew in March after four months of contraction, but analysts said sentiment remained fragile. Economists polled by Reuters expect factory activity in the world's second largest economy to grow at a steady but modest pace in April.

In contrast with weakness in Asian markets last week, Wall Street ended Friday on a high note, propelled by the GDP figures. The Dow Jones Industrial Average rose 0.31 percent to 26,543.33 and the Nasdaq Composite added 0.34 percent to 8,146.40. The S&P 500 gained 0.47 percent to 2,939.88, its second record closing high for the week.

While the strong U.S. GDP data helped to ease fears of an imminent recession, investors noted that it was driven by a smaller trade deficit and a large accumulation of unsold merchandise, as consumer and business spending slowed sharply.

Markets will also be looking to global factory activity surveys this week, particularly official and private readings on Chinese manufacturing which will both be released Tuesday. Chinese firms return to profit growth in March fueled doubts over how much more stimulus Beijing can roll out without risking a rapid build-up in debt and potential asset bubbles.

With Japan on an extended break, currency markets were calm ahead of the FOMC meeting and U.S. jobs numbers. The dollar was pretty much flat against the yen at 111.61, and the euro was up 0.09 percent to \$1.1158. The dollar index, which tracks the greenback against a basket of six major currencies, turned 0.04 percent lower to 97.970.

U.S. crude dipped 0.65 percent at \$62.89 a barrel, continuing lower after U.S. President Donald Trump on Friday pressured the Organization of the Petroleum Exporting Countries to raise crude production to ease gasoline prices. Brent crude fell 0.61 percent to \$71.71 per barrel.

Spot gold was down 0.1 percent, trading at \$1,284.73 per ounce. ([reuters.com](https://www.reuters.com))

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